



Bharat Bhushan Finance & Commodity Brokers Limited

For change in name and address of the registered office, see details on “General Information” beginning from page no.28

Registered & Corporate Office: 503, Rohit House, 3, Tolstoy Marg, Central Delhi, New Delhi, India, 110001

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Website: www.bbinvestments.in || **CIN:** L67120DL1992PLC049038

Company Secretary & Compliance Officer: Mr. Baldev Garg

PROMOTERS OF THE COMPANY: MR. VIJAY BHUSHAN AND MS. NISHA AHUJA

“FOR PRIVATE CIRCULATION TO THE ELIGIBLE EQUITY SHAREHOLDERS OF BHARAT BHUSHAN FINANCE & COMMODITY BROKERS LIMITED ONLY”

ISSUE OF 33,80,400 EQUITY SHARES OF FACE VALUE OF ₹10 EACH (“EQUITY SHARES”) OF BHARAT BHUSHAN FINANCE & COMMODITY BROKERS LIMITED (“BHARAT BHUSHAN”) OR THE “COMPANY” OR THE “ISSUER”) FOR CASH AT A PRICE OF ₹10 EACH PER EQUITY SHARE (“ISSUE PRICE”) FOR AN AGGREGATE AMOUNT NOT EXCEEDING 338.04 LAKHS TO THE ELIGIBLE EQUITY SHAREHOLDERS ON RIGHTS BASIS IN THE RATIO OF 1 EQUITY SHARE FOR EVERY 1 EQUITY SHARES HELD BY THE ELIGIBLE EQUITY SHAREHOLDERS ON THE RECORD DATE, I.E. [●] (“THE ISSUE”). THE ISSUE PRICE IS 1 TIME OF THE FACE VALUE OF THE EQUITY SHARES. FOR FURTHER DETAILS, SEE “TERMS OF ISSUE” BEGINNING ON PAGE 128.

WILLFUL DEFAULTER OR FRAUDULENT BORROWER

Neither our Company, our promoters nor our directors are identified as willful defaulters or fraudulent borrower.

GENERAL RISKS

Investments in equity and equity related securities involve a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk with such investment. Investors are advised to read the risk factors carefully before taking an investment decision in relation to this Issue. For taking an investment decision, investors must rely on their own examination of our Company and the Issue including the risks involved. The securities being offered in the issue have not been recommended or approved by the Securities and Exchange Board of India, (“SEBI”) or BSE, nor does SEBI or BSE guarantee the accuracy or adequacy of this document. Specific attention of investors is invited to the statement of ‘Risk factors’ given on page number 15.

ISSUER’S ABSOLUTE RESPONSIBILITY

The Issuer, having made all reasonable inquiries, accepts responsibility for and confirms that this Letter of Offer contains all information with regard to the Issuer and the issue, which is material in the context of this Issue, that the information contained in this Letter of Offer is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this document as a whole or any 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 on BSE Limited (BSE). We have received “in-principle” approval from BSE for listing the Equity Shares to be allotted in the Issue vide its letter dated [●]. For the purpose of this Issue, the Designated Stock Exchange is BSE.

LEAD MANAGER TO THE ISSUE



SPA Capital Advisors Limited
SEBI Reg. No.: INM 000010825
25, C – Block Community Centre,
Janak Puri, New Delhi – 110 058
Tel.: +91 11 4567 5500, 4558 6600
Fax: +91 11 2557 2342
E-mail: rightissue@spacapital.com
Investor Grievance e-mail id:
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Website: www.spacapital.com
Contact Person: Gurpreet Kaur

REGISTRAR TO THE ISSUE



Alankit Assignments Ltd.
SEBI Regn. No.: INR000002532
Alankit Assignments Limited 205-2/
Anarkali Complex, Jhandewalan Ext
New Delhi- 110055
Tel.: 011 -42541 234, 011-42541966
Fax: +91 11 2355 2001
Investor Grievance:
bharatbhushanrights@alankit.com
e-mail id:
bharatbhushanrights@alankit.com
Website: www.rights.alankit.com
Contact Person: Ms. Ritika Manghnani

ISSUE PROGRAMME		
ISSUE OPENS ON	LAST DATE FOR RECEIVING REQUEST FOR SPLIT APPLICATION FORMS	ISSUE CLOSES ON
[•]	[•]	[•]

**Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat accounts 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 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.*

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SECTION I- GENERAL

DEFINITIONS AND ABBREVIATIONS

In this Draft Letter of Offer, unless the context otherwise requires, the terms defined and abbreviations set forth below shall have the same meaning as stated in this section. The following list of certain terms used in this Draft Letter of Offer is intended for the convenience of prospective investors only and is not exhaustive. References to statutes, rules, regulations, guidelines and policies will be deemed to include all amendments and modifications notified thereto.

The work and expressions used in this Draft Letter of Offer but not defined herein, shall have, to the extent applicable, the meaning ascribed to such terms under the Companies Act, the SEBI Regulations, the SCRA, the Depositories Act or the rules and regulations made thereunder. Notwithstanding the foregoing, terms used in “Statement of Tax Benefits” and “Financial Statements” beginning on Pages 37 and 55, shall have the meaning given to such terms in such sections.

Conventional / General Terms and Abbreviations

Term	Description
Rs./Rupees or INR	Indian Rupee
AIFs	Alternative investment funds, as defined and registered with SEBI under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012
BSE	BSE Limited
CAGR	Compounded Annual Growth Rate
CDSL	Central Depository Services (India) Limited
CIN	Corporate Identification Number
Companies Act, 1956	Erstwhile Companies Act, 1956 along with the rules made there under.
Companies Act, 2013 / Companies Act	Companies Act, 2013 along with the rules made thereunder.
Depositories Act	The Depositories Act, 1996
Depository	A Depository registered with SEBI under the Securities Exchange Board of India (Depositories and Participant) Regulations 2018, or under erstwhile Regulations
Depository Participant / DP	Depository participant as defined under the Depositories Act
DIN	Director Identification Number.
DP ID	Depository participant's identification
EPS	Earnings per Equity Share
FDI	Foreign direct Investment
FCNR Account	Foreign currency non-resident account
FEMA	Foreign Exchange Management Act, 1999
“Financial year” “FI”	Financial Institutions
FPIs	Foreign portfolio investors as defined under the SEBI FPI Regulations
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 investor, registered with SEBI under the SEBI (Foreign Venture Capital Investor) Regulations, 2000
IND AS	Indian Accounting Standards as notified by the MCA vide Companies (Indian Accounting Standards) Rule 2015
GAAP	Generally Accepted Accounting Principles
GOI	Government of India
GST	Goods and Service Tax

Term	Description
HUF	Hindu Undivided Family
IBC	Insolvency and Bankruptcy Code, 2016
ICAI	Institute of Chartered Accountants of India
IFRS	International Financial Reporting Standards
Income Tax Act	Income-Tax Act, 1961
Ind AS	Indian accounting standards as specified under section 133 of the Companies Act 2013 read with Companies (Indian Accounting Standards) Rules 2015, as amended
“Insider Trading Regulations” or “PIT Regulations”	Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015
MCA	Ministry of Corporate Affairs
Net Worth	The aggregate value of the paid-up share capital and all reserves created out of the profits, securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the audited balance sheet, but does not include reserves created out
NPA(s)	Non-performing assets
NRE Account	Non-resident external account
NRI	A person resident outside India, who is citizen of India and shall have the same meaning as ascribed to such term in the foreign exchange management (Deposit) Regulations, 2016
NRO	Nonresident ordinary account
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
PAN	Permanent account number
PAT	Profit after tax
SCRA	Securities Contracts (Regulation) Act, 1956
SCRR	Securities Contracts (Regulation) Rules, 1957
SEBI	Securities and Exchange Board of India constituted under the SEBI Act, 1992, as amended
SEBI Act	The Securities and Exchange Board of India Act, 1992
SEBI ICDR Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended
SEBI Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015, as amended
SEBI Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended
STT	Securities transaction tax
UPI	Unified Payments Interface

Issue Related Terms

Term	Description
Abridged Letter of Offer	The Abridged Letter of Offer to be sent to Eligible Equity Shareholders of our Company with respect to this Issue in accordance with the provisions of the SEBI ICDR Regulations and the Companies Act.
Allotment / Allotted	Allotment of Rights Equity Shares pursuant to this Issue.
Allottee(s)	Persons to whom our Equity Shares will be issued pursuant to the Issue
Allotment Accounts	The account opened with the Bankers to this Issue, into which the amounts blocked by Application Supported by Blocked Amount in the ASBA Account, with respect to successful Applicants will be transferred on the Transfer Date in accordance with Section 40(3) of the Companies Act, 2013
Allotment Advice	The note or advice or intimation of Allotment sent to each successful investors who has been or is to be Allotted the Equity Shares after approval of the basis of Allotment by the Designated stock exchange.
Allotment Date	Date on which the Allotment shall be made pursuant to this Issue.
Applicant(s) / Investor(s)	Eligible Equity Shareholders and / or Renouncees who are entitled to apply or have applied for Equity Shares under the Issue, as the case may be
Application	Application made through submission of the Application Form or plain paper Application to the Designated Branch of the SCSBs or online/ electronic application 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 Money	Aggregate amount payable in respect of the Rights Equity Shares applied for in the Issue at the Issue Price.
ASBA / Application Supported by Blocked Amount	The application (whether physical or electronic) used by an ASBA Investor to make an application authorizing the SCSB to block the amount payable on application in the ASBA Account.
ASBA Account	Account maintained with an SCSB and specified in the CAF or plain paper application, as the case may be, for blocking the amount mentioned in the CAF, or the plain paper application, as the case may be.
ASBA Circular	Collectively, SEBI circular bearing reference number SEBI/CFD/DIL/ASBA/1/2009/30/12 dated December 30, 2009, SEBI circular bearing reference number CIR/CFD/DIL/1/2011 dated April 29, 2011 and the SEBI circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020
ASBA Bid	A Bid made by an ASBA Bidder including all revisions and modifications thereto as permitted under the SEBI ICDR Regulations
Banker(s) to the Issue	Banker to the issue will be appointed before filing Letter of offer with exchange/SEBI
Banker(s) to the Issue Agreement	Agreement dated [●] amongst our Company, the Lead Manager, the Registrar to the Issue and the Banker(s) to the Issue for transfer of funds to the Allotment Account from the Escrow Account and SCSBs, release of funds from Allotment Account to our Company and other persons and where applicable, refunds of the amounts collected from Applicants/Investors and providing such other facilities and services as specified in the agreement
Basis of Allotment	The basis on which the Rights Equity Shares will be Allotted to successful Applicants in consultation with the Designated Stock Exchange under this

Term	Description
	Issue, as described in “ <i>Terms of the Issue</i> ” on page 128 of this Draft Letter of Offer.
Composite Application Form / CAF	The form used by an Investor to make an application for the Allotment of Equity Shares in the Issue
Controlling Branches of the SCSBs	Such branches of the SCSBs which coordinate with the Lead Manager, the Registrar to the Issue and the Stock Exchanges, a list of which is available on SEBI’s website, updated from time to time, or at such other website(s) as may be prescribed by the SEBI from time to time
Designated Branches	Such branches of the SCSBs which shall collect the Applications, used by the ASBA Investors and a list of which is available on the website of SEBI and/or such other website(s) as may be prescribed by the SEBI from time to time
Designated Stock Exchange	The Designated Stock Exchange for this Issue shall be BSE Limited
Draft Letter of Offer	This Draft Letter of Offer dated January 22, 2025 filed with BSE for obtaining in-principal approval, which does not contain complete particulars of the Issue.
Eligible Equity Shareholder(s)	Equity Shareholders of our Company as on the Record Date
Equity Shares	Fully paid up equity shares of our Company having a face value of Rs.10 each
Foreign Portfolio Investor / FPI	Foreign portfolio investor as defined under SEBI (Foreign Portfolio Investors) Regulations, 2014
Issue / Rights Issue	Issue of 33,80,400 Equity Shares of face value of Rs. 10 each for cash at a price Rs. 10 each per Equity Share for an aggregate amount not exceeding Rs. 3,38,04,000 to the Eligible Equity Shareholders on rights basis in the ratio of [●] Equity Share for every [●] Equity Shares held by the Eligible Equity Shareholders on the record date, i.e. [●]
Issue Closing Date	[●]
Issue Opening Date	[●]
Issue Price	Rs. 10/- (Rupees Ten Only) per Equity Share
Issue Proceeds / Gross Proceeds	The monies received by our Company pursuant to the issue of Equity Shares on Rights basis which are allotted pursuant to the Issue
Net Proceeds	Issue Proceeds less the Issue related expenses. For further details, see "Objects of the Issue" beginning on page 34 of this Letter of Offer
Issue Size	The issue of 33,80,400 Equity Shares for an aggregate amount not exceeding Rs. 3,38,04,000
Issuer Material	Collectively Abridged Letter of Offer, the Composite Application Form and Rights Entitlement Letter.
Issue Agreement	Issue agreement dated January 16, 2025, entered into between our Company and the Lead Manager, pursuant to which certain arrangements are agreed to in relation to the Issue.
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
Letter of Offer	The Letter of Offer Dated [●], to be filed with the BSE and SEBI
Listing Agreement	The listing agreement entered into between us and the BSE
Lead Manager	SPA Capital Advisors Limited
Non Institutional Investor(s)	Non institutional investor as defined under Regulation 2(1)(jj) of the SEBI ICDR Regulations.
NBFC	Non-Banking financial Company
On Market Renunciation	The renunciation of Rights Entitlements undertaken by the Investor by trading them over the secondary market platform of the Stock Exchanges

Term	Description
	through a registered stock broker in accordance with the SEBI Rights Issue Circulars and the circulars issued by the Stock Exchanges, from time to time, and other applicable laws, on or before _____.
Qualified Institutional Buyer(s) / QIB(s)	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 Shareholders eligible to apply for Equity Shares in the Issue [•]
Registrar / Registrar to the Issue	M/s Alankit Assignments Limited
Renounees	Any person(s) who has / have acquired Rights Entitlements from the Eligible Equity Shareholders
Renunciation Period	The period during which the investors can renounce or transfer their RightsEntitlements which shall commence from the Issue Opening Date. Such period shall close on [•], in case of On Market Renunciation. Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renounee on or prior to the Issue Closing Date
Rights Entitlement	The number of Equity Shares that an Eligible Equity Shareholder is entitled, that is determined as a proportion to the number of Equity Shares held by such Eligible Equity Shareholder on the Record Date, i.e., 1 Equity Share for every 1 Equity Shares held on [•]
Rights Entitlement Letter	Letter including details of Rights Entitlements of the Eligible EquityShareholders. The Rights Entitlements are also accessible on the website of our Company.
Rights EquityShareholders	A holder of the Rights Equity Shares, from time to time.
Rights Equity Shares	Equity shares of our Company to be allotted pursuant to this Issue
Stock Exchange	BSE Limited (BSE), where our Equity Shares are presently listed
Working Day	Working Day means all days on which commercial banks in the city of Mumbai are open for business;provided that in respect of Issue period, working day shall mean all days, excluding Saturdays, Sundays and public holidays, on which commercial banks in the city of Mumbai are open for business and in case of time period between the Issue closing date and listing of Equity shares on the Stock Exchanges, working day shall mean all trading days of the BSE, excluding Sundays and Bank Holidays.

Company & Industry Related Terms

Term	Description
“Our Company” / “Issuer” / we / us / “Bharat Bhushan”	Unless the context otherwise requires, refers to, Bharat Bhushan Finance & Commodity Brokers Limited
Articles of Association	The Articles of Association of our Company, as amended from time to time
Associates	Associates of our company
Audited Financial Statements	Audited financial statements for the Fiscal 2023-24, including the notes thereto and reports thereon
Auditors/Statutory Auditors	The Statutory Auditors of our Company, G C AGARWAL & ASSOCIATES, Chartered Accountants (Firm Registration No. 017851N)
Board of Directors / Board	The Board of Directors of our Company, unless specified otherwise
Directors / our Directors	The Director(s) on the Board of our Company, unless otherwise specified
Equity Shares	Equity share of our Company of face value Rs.10 each
Group Companies	Group Companies as determined in terms of Regulation 2(1)(t) of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018
KMP	The key management personnel of our company in accordance with provisions of SEBI ICDR Regulations and the Companies Act, 2013. For details, please refer to chapter on “Our Management” beginning at [●]
MOA	The Memorandum of Association of our Company, as amended from time to time
Promoters	Mr. Vijay Bhushan and Ms. Nisha Ahuja
Promoter Group	Unless the context requires otherwise, the individuals and entities forming part of our promoter group in accordance with Regulation 2(1) (pp) of the SEBI ICDR Regulations and which are disclosed by our Company to the Stock Exchanges from time to time
Registrar of Companies/ROC	Registrar of Companies, National Capital & Territory of Delhi and Haryana
Registrar and Share Transfer Agent / RTA / Registrar / Registrar to the Issue	Alankit Assignments Ltd. having office at 205-208, Anarkali Complex, Jhandewalan Extn., New Delhi- 110055
Unaudited Financial Results	The Limited review Financial statements of our Company as at and for the quarter and six months ended September 30, 2024

NOTICE TO INVESTORS

The distribution of this Letter of Offer, the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter, any other offering material and the issue of Rights Entitlements and the Rights Securities on a rights basis to persons in certain jurisdictions outside India is restricted by legal requirements prevailing in those jurisdictions. Persons into whose possession this Letter of Offer, the Abridged Letter of Offer, the Application Form, or the Rights Entitlement Letter may come, are required to inform themselves about the restrictions and observe such restrictions.

No action has been or will be taken to permit the Issue in any jurisdiction where action would be required for that purpose, except that the Draft Letter of Offer was filed with BSE for its in-principal approval and Letter of offer will be filed with SEBI for its information. Accordingly, the issue of the Rights Entitlement and the Equity Shares may not be offered or sold, directly or indirectly, and the Letter of Offer, the Abridged Letter of Offer or any offering materials or advertisements in connection with the Issue may not be distributed, in any jurisdiction, except in accordance with legal requirements applicable in such jurisdiction. Receipt of the Letter of Offer or the Abridged Letter of Offer 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 or the Abridged Letter of Offer must be treated as sent for information only and should not be acted upon for subscription to Equity Shares. Accordingly, persons receiving a copy of the Letter of Offer or the Abridged Letter of Offer should not, in connection with the issue of the Equity Shares or the Rights Entitlements, distribute or send the Letter of Offer or the Abridged Letter of Offer in or into any jurisdiction where to do so, would or might contravene local securities laws or regulations. If the Letter of Offer or the Abridged Letter of Offer is received by any person in any such jurisdiction, or by their agent or nominee, they must not seek to subscribe to the Equity Shares or the Rights Entitlements referred to in the Letter of Offer or the Abridged Letter of Offer. Investors can also access the Draft Letter of Offer, the Letter of Offer, the Abridged Letter of Offer and the Application Form from the websites of the Registrar, our Company, the Lead manager and the Stock Exchange.

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

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 this Draft Letter of Offer. Investors are advised to make their independent investigations and ensure that the number of Equity Shares applied for does not exceed the applicable limits under laws or regulations.

NO OFFER IN THE UNITED STATES

THE RIGHTS ENTITLEMENTS AND THE RIGHTS EQUITY SHARES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT”), OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES AND MAY NOT BE OFFERED OR SOLD IN THE UNITED STATES, EXCEPT IN A TRANSACTION NOT SUBJECT TO, OR EXEMPT FROM, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND APPLICABLE STATE SECURITIES LAWS. THE RIGHTS ENTITLEMENTS AND RIGHTS EQUITY SHARES ARE BEING OFFERED AND SOLD ONLY TO PERSONS OUTSIDE THE UNITED STATES IN OFFSHORE TRANSACTIONS AS DEFINED IN AND IN RELIANCE ON REGULATIONS UNDER THE SECURITIES ACT (“REGULATION S”). ACCORDINGLY, THE RIGHTS ENTITLEMENT AND THE RIGHTS EQUITY SHARES MAY NOT BE OFFERED OR SOLD, DIRECTLY OR INDIRECTLY, AND THE LETTER OF OFFER AND ANY OTHER ISSUE MATERIALS MAY NOT BE DISTRIBUTED, IN WHOLE OR IN PART, IN OR INTO IN (I) THE UNITED STATES OR (II) OR ANY JURISDICTION OTHER THAN INDIA EXCEPT IN ACCORDANCE WITH LEGAL REQUIREMENTS APPLICABLE IN SUCH JURISDICTION. RECEIPT OF THE LETTER OF OFFER OR ANY OTHER ISSUE MATERIALS (INCLUDING BY WAY OF ELECTRONIC MEANS) WILL NOT CONSTITUTE AN OFFER, INVITATION TO OR SOLICITATION BY ANYONE (I) IN THE UNITED STATES OR (II) IN ANY JURISDICTION OR IN ANY CIRCUMSTANCES IN WHICH SUCH AN OFFER, INVITATION OR SOLICITATION IS UNLAWFUL OR NOT AUTHORIZED OR TO ANY PERSON TO WHOM IT IS UNLAWFUL TO MAKE SUCH AN OFFER, INVITATION OR SOLICITATION.

CURRENCY OF FINANCIAL PRESENTATION

In the Letter of Offer, unless the context otherwise requires, the currency is “Indian Rupees/ Rs./ INR/ ₹”. All references to one gender also refers to another gender and the word “Lac / Lakh” means “one hundred thousand”, the word “million (mn)” means “ten lac / lakh”, the word “Crore” means “ten million” and the word “billion (bn)” means “one hundred crore”. In this Letter of Offer, any discrepancies in any table between total and the sum of the amounts listed are due to rounding-off.

Throughout this Letter of Offer, unless otherwise stated, all figures have been expressed in Lakhs and / or crores and /or millions. Unless indicated otherwise, the financial data in this Letter of Offer is derived from our Company’s audited financial statements for Financial year ending March 31, 2024 and/or Unaudited Financial Statements for Quarter and half year ended September 30, 2024 prepared in accordance with IND AS, applicable accounting standards and guidance notes issued by the ICAI, the applicable provisions of the Companies Act and other statutory and / or regulatory requirements and are included in this Letter of Offer as required under the SEBI ICDR Regulations. Unless indicated otherwise, the operational data in this Letter of Offer is presented on a basis and refers to the operations of our Company. In this Letter of Offer, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding off.

For additional definitions used in this Letter of Offer, see the section ‘Definitions and Abbreviations’ on page 4 of this Letter of Offer.

USE OF MARKET DATA

Unless stated otherwise, market data used throughout this Draft Letter of Offer has been obtained from internal Company reports, data, websites and industry publications. Industry publication data and website data generally state that the information contained therein has been obtained from sources believed to be reliable, but that their accuracy and completeness and underlying assumptions are not guaranteed and their reliability cannot be assured.

FORWARD LOOKING STATEMENTS

Certain statements in the Draft Letter of Offer are not historical facts but are “forward-looking” in nature. Forward looking statements appear throughout the Draft Letter of Offer, including, without limitation, under the chapter “Risk Factors”. Forward-looking statements include statements concerning our plans, objectives, goals, strategies, future events, future revenues or financial performance, capital expenditures, financing needs, plans or intentions relating to acquisitions, our competitive strengths and weaknesses, our business strategy and the trends we anticipate in the industry and the political and legal environment, and geographical locations, in which we operate, and other information that is not historical information.

Words such as “aims”, “anticipate”, “believe”, “could”, “continue”, “estimate”, “expect”, “future”, “goal”, “intend”, “is likely to”, “may”, “plan”, “predict”, “project”, “seek”, “should”, “targets”, “would” and similar expressions, or variations of such expressions, are intended to identify forward-looking statements but are not the exclusive means of identifying such statements.

By their nature, forward-looking statements involve inherent risks and uncertainties, both general and specific, and risks exist that the predictions, forecasts, projections and other forward-looking statements will not be achieved.

These risks, uncertainties and other factors include, among other things, those listed under “Risk Factors”, as well as those included elsewhere in the Draft Letter of Offer. Prospective investors should be aware that a number of important factors could cause actual results to differ materially from the plans, objectives, expectations, estimates and intentions expressed in such forward-looking statements. These factors include, but are not limited, to:

- General economic and business conditions in the markets in which we operate and in the local, regional and national economies;
- Increasing competition in or other factors affecting the industry segments in which our Company operates;
- Changes in laws and regulations relating to the industries in which we operate;
- Our ability to meet our capital expenditure requirements and/or increase in capital expenditure;
- Fluctuations in operating costs and impact on the financial results;
- Our ability to attract and retain qualified personnel;
- Changes in technology in future;
- Changes in political and social conditions in India or in countries that we may enter, the monetary policies of India and other countries, inflation, deflation, unanticipated turbulence in interest rates, equity prices or other rates or prices;
- The performance of the financial markets in India and globally; and
- Any adverse outcome in the legal proceedings in which we are involved.

For a further discussion of factors that could cause our actual results to differ, please refer to “Risk Factors” on [●]of the Draft Letter of Offer. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated. Neither we nor the Lead Manager make any representation, warranty or prediction that the results anticipated by such forward-looking statements will be achieved, and such forward-looking statements represent, in each case, only one of many possible scenarios and should not be viewed as the most likely or standard scenario. Neither we nor the Lead Manager 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 SEBI / Stock Exchanges requirements, we and Lead Manager will ensure that the Eligible Equity Shareholders are informed of material developments until the time of the grant of listing and trading permissions by the Stock Exchanges.

DRAFT LETTER OF OFFER SUMMARY

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 the prospective investors. This summary should be read in conjunction with, and is qualified in its entirety by, the more detailed information appearing elsewhere in this Draft Letter of Offer, including the sections entitled “Risk Factors”, “Capital Structure”, “Objects of the Issue”, “Our Business”, “Outstanding Litigation and Defaults, and Financial Statement” beginning on pages 15,31,34,48,117 and 55 respectively.

A. Primary Business

Our Company is a non-deposit taking and non-systematically important Non-Banking Finance Company (“NBFC”) and is engaged in the business of equity and debt investment, trading in securities and financing to individuals and small businesses.

B. Objects of the Issue:

The Net proceeds are proposed to be utilize as follows:

Sr. No.	Particulars	Amount (in ` Lakhs)
1	Augmenting the Capital Base	275
2	General Corporate Purposes *	[●]
3	Expenses of the issue	[●]
Total Net Proceeds**		[●]

(*) Subject to the finalization of the Basis of Allotment and the Allotment. The amount is subject to adjustment upon the finalization of Issue-related expenses, however, in no event shall general corporate purposes exceed 25% of the Gross Proceeds.

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

For further details, please see the chapter titled “Objects of the Issue” on page 34.

C. Intention and extent of participation by our Promoter(s) and Promoter Group in the Issue

Our Promoter Mr. Vijay Bhushan and Ms. Nisha Ahuja, on behalf of themselves and Promoter group vide their letters dated January 21, 2025 (the “Subscription Letters”) have informed the Company that they will (i) subscribe and apply in the proposed rights issue to the full extent of their Rights Entitlement or renounce their rights entitlement only to the extent of renunciation within the Promoter & Promoter Group; (ii) Subscribe to Rights Entitlements, if any, which are renounced in their favor by any other member(s) of the Promoter & Promoter Group; and (iii) Subscribe to additional Rights Equity Shares in the Issue, subject to compliance with the minimum public shareholding as prescribed under the Securities Contracts (Regulation) Rules, 1957. The acquisition of Rights Equity Shares by our Promoter and members of our Promoter Group, over and above their Rights Entitlements, as applicable, or subscription to the unsubscribed portion in this Issue, shall not result in a change of control of the management of our Company. Our Company is in compliance with Regulation 38 of the SEBI Listing Regulations and will continue to comply with the minimum public shareholding requirements under applicable law, pursuant to this Issue.

D. Summary of Outstanding Litigations:

A summary of material outstanding legal proceedings, as on the date of this Draft Letter of Offer, including the aggregate approximate amount involved to the extent ascertainable, is set out below:

Name	By/Against	Civil Proceedings	Criminal Proceedings	Tax Proceedings	Actions by regulatory authority	Amount Involved (Rs. Lakhs)
Company	By	Nil	Nil	Nil	Nil	Nil
	Against	Nil	Nil	1	1	Not certain
Promoter	By	Nil	Nil	Nil	Nil	Nil
	Against	Nil	Nil	Nil	Nil	Nil
Group Companies/ Entities	By	Nil	Nil	Nil	Nil	Nil
	Against	Nil	Nil	Nil	Nil	Nil
Directors other than promoters	By	Nil	Nil	Nil	Nil	Nil
	Against	Nil	Nil	Nil	Nil	Nil

For further details, please see the chapter titled “Outstanding Litigations and Other Defaults” beginning on page 117 of this Draft Letter of Offer

E. Summary of Risk Factors

For Risk factors please refer to the Chapter “Risk Factors” beginning from page 15 of this Draft Letter of Offer.

F. Contingent liabilities

No contingent liabilities are outstanding as per “Audited Financial Statements” for the Financial Year 2023-24.

G. Summary of Related Party Transactions

For details on Related Party Transactions, please refer to the Chapter of “Financial Statements” on Page 55.

H. Our Promoters, Promoter Group, Directors and their relatives have not financed the purchase, by any other person, of the Equity Shares of our Company during the period of six months immediately preceding the date of filing of this Draft Letter of Offer with BSE.

I. Issue of Equity Shares for consideration other than cash in last one year

There were no issuance of Equity Shares for consideration other than cash in the last one year from the date of filing of Draft Letter of Offer with BSE.

SECTION-II: RISK FACTORS

RISK FACTORS

An investment in equity shares involves a high degree of risk. You should carefully consider all the information in the Draft Letter of Offer, including the risks and uncertainties described below, before making an investment in our Equity Shares. The risks and uncertainties described in this section are not the only risk we may face. If any of the following risks actually occur, our business, financial condition and results of operations could suffer, the trading price of our Equity Shares could decline, and you may lose all or part of your investment.

Unless otherwise stated in the relevant risk factors set below, we are not in a position to specify or quantify the financial or other implications of any risk mentioned herein. In making an investment in this Issue, prospective investors must rely on their own examination of our Company and terms of the Issue. Unless otherwise stated or the context otherwise requires, the financial information used in this section is derived from our Audited Financial Information.

Materiality:

The Risk Factors have been determined on the basis of their materiality. The following factors have been considered for determining the materiality of Risk Factors:

- Some events may not be material individually but may be found material collectively;
- Some events may have material impact qualitatively instead of quantitatively; and
- Some events may not be material at present but may have a material impact in future

INTERNAL RISK FACTORS

- 1. There are certain legal proceedings involving our Company/Promoters/Directors. Any adverse outcome in these or other proceedings may adversely affect our business, reputation, financial condition and results of operations.*

We are involved, from time to time, in legal proceedings that are incidental to our operations and involvesuits filed by and against our Company by various parties. There are someoutstanding litigations involvingour Company/Directors/Promoters including Criminal, Civil, Tax related and certain cases filed by us underNegotiable Instruments Act. These legal proceedings are pending at different levels of adjudication beforevarious courts and tribunals in different jurisdictions. A degree of judgment is required to assess ourexposures in these proceedings and determine the appropriate value of provisions if any.

A summary of outstanding legal proceedings involving our Company, Promoters and Directors is as under:

Name	By/Against	Civil Proceedings	Criminal Proceedings	Tax Proceedings	Actions by regulatory authority	Amount Involved (Rs. Lakhs)
Company	By	Nil	Nil	Nil	Nil	Nil
	Against	Nil	Nil	1	1	Not certain
Promoter	By	Nil	Nil	Nil	Nil	Nil
	Against	Nil	Nil	Nil	Nil	Nil
Group Companies/Entities	By	Nil	Nil	Nil	Nil	Nil
	Against	Nil	Nil	Nil	Nil	Nil
Directors other than promoters	By	Nil	Nil	Nil	Nil	Nil
	Against	Nil	Nil	Nil	Nil	Nil

Should the proceedings be decided adversely against us, or any new developments arise, such as a change in Indian law or rulings against us by appellate courts or tribunals, we may incur significant expenses and management time in such legal proceedings and may need to make provisions in our Financial statements for such litigations, which could have adverse effect on our business, reputation, results of operations, financial condition and prospects. For further details, please see the section entitled “Outstanding Litigation and Material Developments” on page 117 and 121.

2. ***We have entered into a number of related party transactions. There can be no assurance that entering into such transaction with related parties will be the most beneficial option for our Company.***

We have entered into a number of related party transactions with our Directors / Key managerial Personnel and entities with which our Directors/KMP's are associated. For details on related party transactions, see the chapter titled “Financial Statements” on page 55 of the Draft Letter of Offer.

Our Company's policy on transactions with related parties is that such transactions are conducted on normal commercial terms in the ordinary and normal course of business. Our Company may enter into additional transactions with its related parties in the future. However, there is no independent verification that the terms of such transactions with the related parties are most beneficial to our Company or whether more favorable terms could have been achieved had such transactions been entered with unrelated parties.

3. ***We have not undertaken an independent appraisal for proposed fund requirement and the deployment of the proceeds of the issue.***

The funds being raised through the Issue are proposed to strengthen the company's equity base, Augment the financial resources of the company to make fresh investments in equity, debt, mutual funds, PMS, and future & options and to make expenses of the issue. The fund requirement is based on our management estimates' and has not been appraised by any bank/financial institution. These are based on current conditions. In view of the highly competitive nature of our industry we may have to revise our management estimates' from time to time and consequently our funding requirements may also change.

Pending utilization of the net proceeds, we intend to deposit such Net Proceeds in scheduled commercial banks. The utilization of the net proceeds will be monitored by our Board.

4. *Our Promoters may have the ability to determine the outcome of any shareholder resolution.*

Our Promoter Group is the largest shareholder of our Company holding 54.36% of the pre issue capital. As a result, our promoter group may continue to be the largest shareholders of post-issue equity capital of our company. As significant shareholders, our Promoters may have interests which may affect the interests of shareholders and /or our interests and may have the ability to determine the outcome of any shareholder resolution.

5. *We depend heavily on our Key Management Personnel, and loss of the services of one or more of our key executives or Key Management Personnel could weaken our management team. Our success also depends on the Promoters as they play a key role in our functioning.*

Our success largely depends on the skills, experience and efforts of our Key Management Personnel and on the efforts, ability and experience of key members of our management staff. The loss of services of one or more members of our Key Management Personnel or any of our other management staff could weaken our management expertise significantly and our ability to undertake our business operations efficiently. This could have a material adverse effect on our business, financial condition and results of operations.

We benefit from our relationship with our Promoters and our success depends upon the continuing services of our Promoters who have been responsible for the growth of our business and is closely involved in the overall strategy, direction, and management of our business.

6. *Our Company is subject to periodic inspections by the RBI. Non-compliance with observations made during any such inspections could result in penalties and fines on our Company and/or our Subsidiary and could adversely affect the reputation of the business of our Company.*

Our Company is subject to periodic inspections by the RBI of our Company's books of accounts and other records for the purpose of verifying the correctness or completeness of any statement, information or particulars furnished to the RBI or for obtaining any information, which our Company have failed to furnish when called upon to do so. The RBI conducts an annual inspection of our Company's books of accounts and other records relating to our financial position every year under Section 45N of the RBI Act.

Any major failure to meet the RBI's directions could materially and adversely affect our Company's pending applications or requests with the RBI and our Company's ability to obtain the regulatory permits and approvals required to expand our business or result in the interruption of all or some of our Company's operations, which could have a material adverse effect on our Company's business, financial condition and results of operations.

As NBFC we are required to comply all the requirement of the directions, guidelines, instructions etc issued by the RBI applicable to NBFCs (Non accepting Public Deposit taking). Any non compliance or violation of such requirements may lead to disciplinary action including monetary penalty in our Company by RBI.

7. *Any regulatory actions and penalties for any past or future non-compliance may adversely affect our business or reputation, or both.*

We have to comply with numerous regulatory filings, maintenance of record etc under the Companies Act, 2013, Securities Exchange Board of India (Listing Obligations and Disclosure Requirements), 2015

("Listing Regulation"), Securities Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulation, 2011 and any other laws and regulation as applicable. While we have been generally compliant and there have been no penalties in the form of fines or other punitive action in the past, any non-compliance of the applicable laws they may impose the penalty on the Company. Such penalty may impact the profitability of the Company.

8. ***Our Company requires a number of approvals, licenses, registrations and permits in the ordinary course of our business(es) and the failure to obtain or renew them in a timely manner may adversely affect its operations.***

We require a number of approvals, licenses, registrations and permits for our business(s). Additionally, we may need to apply for renewal of approvals which expire, from time to time, as and when required in the ordinary course. For details, please refer to section titled "Government and Other Approvals" on page 119 of the Draft Letter of Offer. Furthermore, the government approvals and licenses are subject to various conditions. If we fail to comply, or a regulator claims that our Company has not complied with these conditions, our business, financial position and operations would be materially adversely affected.

9. ***Inability to obtain adequate financing to meet our Company's liquidity and capital resource requirements may have an adverse effect on the proposed expansion activities of our Company and business operations.***

Our Company may require additional funds for the financing of our business operations. The actual amount and timing of our future capital requirements may differ from estimates as a result of, among other things, unforeseen delays or changes in business plan due to prevailing economic conditions, unanticipated expenses and regulatory changes. To the extent our planned expenditure requirements exceed our available resources; we will be required to seek additional funds either as equity or debt.

Our inability to obtain such financing could impair our business, results of operations, financial condition or prospects. Such inability could result from, among other things, our Company's current or prospective financial condition or results of operations or from its inability for any reason (including reasons applicable to Indian companies generally) to issue securities in the capital markets. There can be no assurance that finance from external sources such as bank finance will be available at the times required or in the amounts necessary, to meet our requirements.

10. ***Some of the shareholders, domestic or overseas, whose addresses are not updated in our Company records may not receive the Letter of Offer and CAF. Further, our Company will not distribute the Letter of Offer, Abridged Letter of Offer and CAF to overseas shareholders who have not provided an address in India for service of documents.***

Our Company will dispatch the Letter of Offer and CAF (the "Offering Materials") to the Shareholders who have provided an address in India for service of documents. The Offering Materials will not be distributed to addresses outside India on account of restrictions that apply to circulation of such materials in various overseas jurisdictions. In terms of the provisions of the Companies Act, 2013 our Company will serve documents at the addresses, including email addresses which have been provided by the members. Though our Company has requested all the Shareholders to provide their updated addresses for the purpose of distribution of Offering Materials, still despite all efforts, some Eligible Equity Shareholders may neither receive the original CAF nor may be in a position to obtain the duplicate CAF. Such Shareholders are being advised that they may make an Application to subscribe to the Issue on plain paper.

However, our Company cannot assure that the regulator would not adopt a different view with respect to compliance with the provisions of the Companies Act, 2013 and may subject our Company to some action.

11. Any future equity offerings or issue of options under employee stock option scheme may lead to dilution of investor's shareholding in our company.

Purchasers of Equity Shares in this Issue may experience dilution of their shareholding to the extent we make future equity offerings and to the extent we decide to grant options to be issued under any employee stock option scheme.

12. Certain of our shareholders, Directors and/or their respective affiliates may have invested or may invest in other companies engaged in similar businesses thereby giving rise to a conflict of interest.

Certain of our shareholders, including our Promoters, are investment entities. These investment entities or their affiliates may invest in other companies engaged in similar businesses.

Additionally, as at the date of this Draft Letter of Offer, certain of our Directors have interests in entities that are engaged in businesses similar to ours. We cannot assure you that our Directors will not provide competitive services or otherwise compete in business lines in which we are already present or will enter into in future. In the event that any conflicts of interest arise, our Directors may make decisions regarding our operations, financial structure or commercial transactions that may not be in our shareholders' best interest. It may also enable a competitor to take advantage of a corporate opportunity at our expense. Such decisions could have a material adverse effect on our business, financial condition, results of operations and prospects. Should we face any such conflicts in the future, there is no guarantee that they will get resolved in our favour.

13. We do not own Registered and Corporate office from where we operate and the same is on rent from our Promoters Mr. Vijay Bhushan and Ms. Nisha Ahuja. If we fail to renew the rent deed on favorable terms, it may adversely affect our operation and profits.

Our Registered and Corporate office is on rent from the promoter and the rent deed is valid upto 31.05.2029. We cannot ascertain that we'll be able to renew the rent deed further on suitable terms and consequently our operations and financial condition may be adversely affected.

14. Our ability to pay dividends in the future will depend upon future earnings, financial condition, cash flows, working capital requirements and capital expenditures.

Our company has been paying dividend in the past. However, the amount of our future dividend payments, if any, will depend upon our future earnings, financial condition, cash flows, working capital requirements and capital expenditures. There can be no assurance that we will be able to pay dividends.

15. Our operations could be adversely affected by disputes with employees.

As of the date of this Draft Letter of Offer, the Company employed a workforce of 5 full-time employees. While we believe we maintain good relationships with employees, there can be no assurance that the Company will not experience future disruptions to its operations due to disputes or other problems with its workforce or contract labor employed by independent contractors.

16. There can be no assurance that the equity shares will be allocated and credited to investor's demat account within specified time, or that the trading in equity shares will commence in a timely manner which may subject the investors to market risk.

We shall ensure that Equity Shares are allotted and/or application moneys are refunded within fifteen days from the date of closure of the issue. If the Equity shares are not allotted and/or application money

are not refunded within fifteen days, we undertake to pay interest at a rate and within such time as per applicable laws.

Investors can start trading only after receipt of listing and trading approvals in respect of equity shares which may require additional time which may subject them to market risk.

17. In the event there is any delay in the completion of the Issue, there would be a corresponding delay in the completion of the Objects of this Issue which would in turn affect our revenues and results of operations.

The funds that we receive would be utilized for the objects of the Issue as has been stated in the section “Objects of the Issue” on page no. 34 of this Draft Letter of Offer. The proposed schedule of implementation of the objects of the Issue is based on our management’s estimates. If the schedule of implementation is delayed for any other reason whatsoever, including any delay in the completion of the Issue this may affect our revenues and results of operations. We have not identified any alternate source of raising the funds required for our “Objects of the Issue”. Any shortfall in raising/meeting the same could adversely affect our growth plans, operations, and financial performance. The delay/shortfall in receiving these proceeds may require us to borrow the funds on unfavorable terms, both of which scenarios may affect the business operation and financial performance of the Company.

18. Any future issue of Equity Shares may dilute your shareholding and the sale of our Equity Shares by our Promoters or other major shareholders may adversely affect the trading price of the Equity Shares.

Any future equity issues by us, including in a primary offering, may lead to the dilution of investors' shareholdings in us. Any future equity issuances by us or sales of its Equity Shares by the Promoters may adversely affect the trading price of the Equity Shares. In addition, any perception by investors that such issuances or sales might occur could also affect the trading price of our Equity Shares.

19. Our insurance coverage may not be adequate to protect us against all potential losses, which may have an adverse effect on our business, financial condition and results of operations.

Our operations are subject to various risks inherent to the finance industry, as well as fraud, theft, robbery, acts of terrorism and other force majeure events. We maintain insurance coverage of the type and in the amounts that we believe are commensurate with our operations. While there have been no past instances where claims have exceeded our insurance coverage and have impacted our financial statements materially, we cannot assure you that our insurance policies will, in the future, provide adequate coverage in certain circumstances.

20. Any failure or material weakness of our internal control systems could cause significant operational errors, which would adversely affect our reputation and profitability.

We are responsible for establishing and maintaining adequate internal measures and controls commensurate with the size and the complexity of our operations. Our internal or concurrent audit functions are equipped to make an independent evaluation of the adequacy and effectiveness of internal controls on an ongoing basis to ensure that business personnel adhere to our policies, compliance requirements and internal guidelines. While we periodically test and update our internal control systems as necessary, we are exposed to operational risks arising from the potential inadequacy or failure of internal processes or systems, and our actions may not be sufficient to guarantee effective internal controls in all circumstances.

EXTERNAL RISK FACTORS

21. Any changes in the regulatory framework could adversely affect our operations and growth prospects.

We are / will be subject to various regulations and policies including, GST, Income Tax, NBFC Regulations, etc. Our business and prospects could be materially adversely affected by changes in any of these regulations and policies, including the introduction of new laws, policies or regulations or changes in the interpretation or application of existing laws, policies and regulations. There can be no assurance that we will succeed in obtaining all requisite regulatory approvals in the future for our operations or that compliance issues will not be raised in respect of our operations, either of which could have a material adverse effect on our business, financial condition and results of operations.

22. A slowdown in economic growth in the markets in which we operate could cause our business to suffer.

Our performance and growth are dependent on the health of the economy of the markets in which we operate. The economy could be adversely affected by various factors such as political or regulatory action, social/civil disturbances, terrorist attacks and other acts of violence or war, natural calamities, interest rates, commodity and energy prices and various other factors. Any slowdown in the economy of the markets in which we operate may adversely affect our business and financial performance and the price of our Equity Shares.

23. Extremities of weather, regional conflicts and other political instability may have adverse effects on our operations and financial performance.

Certain events that are beyond our control such as earthquake, fire, floods and similar natural calamities may cause interruption in the business undertaken by us. Our operations and financial results and the market price and liquidity of our equity shares may be affected by changes in Indian Government policy or taxation or social, ethnic, political, economic or other adverse developments in or affecting India.

24. Any downgrading of India's debt rating by a domestic or international rating agency could adversely affect our business.

Any adverse revisions to India's credit ratings for domestic and international debt by domestic or international rating agencies may adversely affect our ability to raise additional financing, at the interest rates and other commercial terms forwarded to us. This could impact our profitability and ability to obtain financing for capital expenditures and the price of our Equity Shares.

25. Regional or International hostilities, terrorist attack or other acts of violence of war may have a significant adverse impact on international and Indian financial markets. Such incidents could also create a greater perception that investment in Indian Companies involves a higher degree of risk and could have an adverse impact on our business and on the market price of our company's equity shares.

Regional or International hostilities and other acts of violence or war may negatively affect the Indian markets on which our Equity Shares trade and also adversely affect the financial markets. These acts may also result in a loss of business confidence, impede travel and other services and ultimately adversely affect our business. In addition, any war with our neighbors might result in investor concern about stability in the region, which could adversely affect the price of our Equity Shares. Such incidents may also create a greater perception that investment in Indian companies involves a higher degree of risk and could have an adverse impact on our business and the price of our Equity Shares.

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

Under current Indian tax laws, capital gains arising from the sale of listed equity shares within 12 months in an Indian company are generally taxable in India. As provided in the budget for 2024, any gain realised on the sale of listed equity shares on a stock exchange held for more than 12 months will be subject to capital gains tax @12.5% in India if Securities Transaction Tax (“STT”) has been paid on the transaction. STT will be levied on and collected by a domestic stock exchange on which our equity shares are sold. Any gain realised on the sale of equity shares held for more than 12 months to an Indian resident, which are sold other than on a recognised stock exchange and on which no STT has been paid, will be subject to long term capital gains tax in India. Further, any gain realised on the sale of listed equity shares held for a period of 12 months or less will be subject to short-term capital gains tax in India. Capital gains arising from the sale of equity shares will be exempt from taxation in India in cases where the exemption from taxation in India is provided under a treaty between India and the country of which the seller is 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 a gain upon the sale of equity shares. The above statements are based on the current tax laws.

OTHER RISK

27. *Our Company will not distribute the Draft Letter of Offer and Application Form to certain overseas Shareholders who have not provided an address in India for service of documents.*

Our Company will dispatch the Letter of Offer, the Abridged Draft Letter of Offer, Rights Entitlement Letter and Application Form (the "Offering Materials") to such Shareholders who have provided an address in India for the service of documents. The Offering Materials 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.

28. *Investors will not have the option of getting the Allotment of Rights Equity Shares in physical form and 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 Regulation 77A of the SEBI ICDR Regulations read with the SEBI Circular SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020, the credit of Rights Entitlement and Allotment of Rights Equity Shares shall be made in dematerialized form only. Accordingly, the Rights Entitlements of the Physical Shareholders shall be credited in a suspense escrow demat account opened by our Company during the Issue Period. The Physical Shareholders are requested to furnish the details of their demat 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 demat 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). For details, refer chapter titled "*Terms of the Issue- Procedure for Application by Eligible Equity Shareholders holding equity shares in physical form*" on page 128 of this Draft Letter of Offer.

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

Rights Entitlements that are not exercised prior to the end of the Issue Closing Date will expire and become null and void, and the Eligible Equity Shareholders will not receive any consideration for them. The proportionate ownership and voting interest in our Company of Eligible Equity 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 the dilution of your percentage ownership of the equity share capital of our Company that may be caused as a result of the Issue.

Renounees 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 Renounees 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 Renounee will not be able to apply in this Issue with respect to such Rights Entitlements. For details, see "*Terms of the Issue*" on page 128 of this Draft Letter of Offer.

30. *You may be subject to Indian taxes arising out of capital gains on the sale of the Equity Shares.*

Under the current Indian tax laws and regulations, capital gains arising from the sale of equity shares in an Indian company are generally taxable in India. Additionally, a securities transaction tax (“STT”) is levied both at the time of transfer and acquisition of the equity shares (unless exempted under a prescribed notification), and the STT is collected by an Indian stock exchange on which equity shares are sold. Any gains realized on the sale of equity shares held for more than 12 months are subject to long-term capital gains tax in India. Such long-term capital gains exceeding ₹125,000 arising from the sale of listed equity shares on the stock exchange are subject to tax at the rate of 12.5% (plus applicable surcharge and cess). This beneficial provision is, inter alia, subject to payment of STT. Further, any capital gains realized on the sale of listed equity shares of an Indian company, held for more than 12 months, which are sold using any platform other than a recognized stock exchange and on which no STT has been paid, will be subject to long-term capital gains tax in India at the rate of 12.5% (plus applicable surcharge and cess), without indexation benefits.

Further, any capital gains realized on the sale of listed equity shares held for a period of 12 months or less immediately preceding the date of transfer will be subject to short-term capital gains tax in India at the rate of 20% (plus applicable surcharge and cess), subject to STT being paid at the time of sale of such shares. Otherwise, such gains will be taxed at the applicable rates.

Investors are advised to consult their own tax advisors and to carefully consider the potential tax consequences of owning, investing or trading in the Rights Equity Shares.

31. *Investors will be subject to market risks until the Equity Shares credited to the investor’s demat account are listed and permitted to trade.*

The Equity Shares that you purchase in the Issue may not be credited to your demat account with the depository participants until approximately 15 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.

32. *There is no guarantee that the Rights Equity Shares issued pursuant to the issue will be listed on the Stock Exchange in a timely manner or at all, and any trading closure at the Stock Exchange may adversely affect the trading price of our Equity Shares.*

In accordance with Indian law and practice, final approval for listing and trading of the Rights Equity Shares will not be granted by the Stock Exchange until those Rights Equity Shares have been issued and allotted. Approval will require all relevant documents authorizing the issuing of Rights Equity Shares to be submitted. There could be a failure or delay in listing the Rights Equity Shares on the Stock Exchange. Any failure or delay in obtaining approval would restrict investors’ ability to dispose of their Equity Shares. Further, historical trading prices, therefore, may not be indicative of the prices at which the Equity Shares will trade in the future which may adversely impact the ability of our shareholders to sell the Equity Shares or the price at which shareholders may be able to sell their Equity Shares at that point of time.

33. *The success of our business depends on our ability to attract and retain senior management and employees in critical roles, and the loss of their services could have a material adverse effect on our business, financial condition, cash flows, results of operations, and prospects*

The success of our business depends on the continued service of our senior management and various professionals including information technology resources, relationship and finance professionals, etc.

As a result of ever-increasing market competition, the market demand and competition for experienced management personnel and qualified professionals has intensified. We encounter intense competition for qualified professionals from other companies in the financial services sector. Our Company invests significant time and money in training the professionals that are hired to perform the services provided to our customers. Our Company believes that there is also significant competition in our industry among employers to attract these professionals with the skills necessary to perform the services we offer. The departure or other loss of our key professionals who manage substantial client relationships or who possess substantial experience and expertise could impair our ability to successfully carry out our operations. Our business and financial condition could suffer if we are unable to retain our senior management, or other high-quality personnel, including finance, internal controls, and information technology, or cannot adequately and timely replace them upon their departure. Moreover, we may be required to substantially increase the number of our professionals and specialists in connection with any future growth plans, and we may face difficulties in doing so due to the competition in the financial services industry for such personnel. Our failure to attract, hire, retain, or replace competent personnel could materially impair our ability to implement any plan for growth and expansion. Competition for quality employees among business institutions may also require us to increase compensation, which would increase operating costs and reduce our profitability.

34. *Applicants to this Issue are not allowed to withdraw their Applications after the Issue Closing Date.*

In terms of the SEBI ICDR Regulations, the Applicants in this Issue are not allowed to withdraw their Applications after the Issue Closing Date. The Allotment in this Issue and the credit of such Equity Shares to the Applicant's demat account with its depository participant shall be completed within such period as prescribed under the applicable laws. There is no assurance, however, that material adverse changes in the international or national monetary, financial, political, or economic conditions or other events like force majeure, material adverse changes in our business, results of operation or financial condition, or other events affecting the Applicants decision to invest in the Issue Shares, would not arise between the Issue Closing Date and the date of Allotment in this Issue. The occurrence of any such events after the Issue Closing Date could also impact the market price of our Equity Shares. The Applicants shall not have the right to withdraw their Applications in the event of any such occurrence. We cannot assure you that the market price of the Equity Shares will not decline below the Issue Price. To the extent the market price for the Equity Shares declines below the Issue Price after the Issue Closing Date, the shareholder will be required to purchase Issue Shares at a price that will be higher than the actual market price of the Equity Shares at that time. Should that occur, the shareholders will suffer an immediate unrealized loss as a result. We may complete the Allotment even if such events may limit the Applicants' ability to sell our Equity Shares after this Issue or cause the trading price of our Equity Shares to decline.

SECTION III INTRODUCTION

THE ISSUE

The details of this Issue are set out below:

Equity Shares proposed to be issued by our Company	33,80,400 Equity Shares
Rights Entitlement	[1]Right Equity Share for every [1]Equity Shares held on the Record Date
Record Date	[•]
Issue Price per Equity Share	Rs. 10 Issue Price has been arrived at in consultation between the Issuer and the Lead Manager
Issue Size	Not exceeding 3,38,04,000
Equity Shares outstanding prior to the Issue (Paid up Equity Share Capital)	Equity Shares of ` 10/- each
Equity Shares outstanding after the Issue, assuming full subscription (Paid up Equity Share Capital)	[•] Equity Shares of 10/- each
Terms of payment	100 percent of the issue price
Objects of the Issue	Please refer to section “Objects of the Issue” on page 34 of the Draft Letter of Offer

For more information on the payment terms, refer to the Chapter titled “Terms of Issue ” on page 128 of the Draft Letter of Offer.

GENERAL INFORMATION

Our Company was incorporated as Bharat Bhushan Share & Stock Broker Limited on June 03, 1992 under the Companies Act, 1956 with the Registrar of Companies, NCT of Delhi & Haryana. The name of our Company was changed to Bharat Bhushan Share & Commodity Brokers Limited and fresh Certificate of Incorporation dated November 23, 2004 was issued. The name of our Company was further changed to Bharat Bhushan Finance & Commodity Brokers Limited and fresh Certificate of Incorporation dated October 19, 2010 was issued. The Corporate Identification Number of our Company is L67120DL1992PLC049038.

Changes in registered Office

The registered office of the Company was changed from 107, Rohit House Tolstoy Marg, New Delhi-110001 to 5E Jhandewalan Extn, Rani Jhansi Road, New delhi- 110055 w.e.f. 27.12.1994. It was further shifted to the current address w.e.f. 25/06/2014.

Registered & Corporate Office

503, Rohit House, 3, Tolstoy Marg, Central Delhi,
New Delhi, Delhi, India, 110001
Tel. No.: 011 49800900
Email: commodities@bharatbhushan.com
Website:www.bbinvestments.in

Corporate Identity Number: L67120DL1992PLC049038

Scrip Codes:BSE: 511501

ISIN:INE900A01013

Address of the Registrar of Companies, NCT Delhi and Haryana

4th Floor, IFCI Tower,
61, Nehru Place, New Delhi – 110019
Tel. No.: +011-26235703, 26235708
Fax No.: +011-26235702

Board of Directors of our Company

Sr. No.	Name	Designation	DIN
1.	Mr. Vijay Bhushan	Non-Executive - Non Independent Director	00002421
2.	Mr. Nisha Ahuja	Non-Executive - Non Independent Director	00001875
3.	Mr. Madhav Bharat Bhushan	Non-Executive - Non Independent Director	08213574
4.	Mr. Arun Kumar Garg	Non-Executive - Non Independent Director	00178582
5.	Mr. Madhvi Ahuja	Non-Executive - Non Independent Director	00001869
6.	Mr. Atul Bhargava	Independent Director	01663017
7.	Mr. Anil Kumar Gami	Independent Director	10602810
8.	Mr. Vibhor Agarwal	Independent Director	08200334

For details of our Directors, refer to section titled “Our Management” on page 50 of the Draft Letter of Offer.

Company Secretary & Compliance Officer

Mr. BALDEV GARG
BHARAT BHUSHAN FINANCE & COMMODITY BROKERS LIMITED
503, Rohit House, 3, Tolstoy Marg, Central Delhi,
New Delhi, Delhi, India, 110001
Tel. No.: 011 49800900
Email: satishbharatbhushan@gmail.com

Lead Manager to the Issue

SPA Capital Advisors Limited
SEBI Regn. No.: INM 000010825
25, C – Block, Community Centre
Janak Puri, New Delhi - 110 058
Tel. No.: +91 11 4558 6600, 4567 5500
Fax No.: +91 11 2557 2342
E-mail: rightissue@spacapital.com
Investor Grievance: grievances.mb@spagroupindia.com
Website: www.spacapital.com
Contact Person: Ms. Gurpreet Kaur

Legal Advisor to the Issue

Name: MVKini
Address: Kini House | 6/39 Jangpura- B | New Delhi- 110014
Tel: 91 7727811320 | 91 1124371038
Contact Person: Divyanshi
Email: divyanshi@mvkini.com
Website: www.mvkini.com

Statutory Auditors of our Company

M/s G C Agarwal and Associates
240, Ghalib Apartments, Parwana Road,
Pitampura, Delhi- 110034
Tel.: + 91 9873342220
Email Id: ca_gca@yahoo.co.in
Contact Person: G C Agarwal
Firm Registration No.: 017851N
Peer Review Certificate No.: 018136

Change in Statutory Auditors

There has not been any change in the Statutory Auditor of our Company in last three years.

Registrar to the Issue

Alankit Assignments Ltd.
SEBI Regn. No.: INR000002532
Alankit Assignments Limited 205-208,
Anarkali Complex, Jhandewalan Extn.,

New Delhi- 110055
Tel.: 011 – 42541234/011-42541966
Fax: 011-23552001
E-mail: bharatbhushanrights@alankit.com
Investor Grievance e-mail id:
Website: www.rights.alankit.com
Contact Person: Ms. Ritika Manghnani

Investor Grievances

Investors may contact the Registrar to the Issue or our Company Secretary and Compliance Officer for any pre-Issue or post- Issue related matters. All grievances relating to the ASBA process may be addressed to the Registrar to the Issue, with a copy to the SCSB, giving full details such as name, address of the Applicant, number of Equity Shares applied for, amount blocked, ASBA Account number and the Designated Branch of the SCSB where the CAF, or the plain paper application, as the case may be, was submitted by the ASBA Investors. For details on the ASBA process, see “*Terms of issue*” on page 128.

Banker to the Issue [●] will be appointed before filing the letter of offer with BSE

Banker to the Company

ICICI BANK LIMITED
9A, Phelps Building, Connaught Place,
New Delhi- 110001

Self-Certified Syndicate Banks

The list of banks that have been notified by SEBI to act as SCSB for the ASBA process is provided on SEBI website at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34> and updated from time to time. For a list of branches of the SCSBs named by the respective SCSBs to receive the ASBA Forms from the Designated Intermediaries, please refer to the above mentioned link.

Credit Rating

This being a right issue of equity shares, no credit rating is required.

Trustees

This being a Rights Issue of Equity Shares, appointment of Trustees is not required.

Appraising Agency

The issue has not been appraised.

Monitoring Agency

Since the issue size is less than Rs. 100 Crore, appointment of Monitoring Agency is not required.

Underwriting / Standby agreement

This issue is not underwritten.

Expert Opinion

Except for the reports of the Auditor of our Company on the audited Financial Statements and Statement of Tax Benefits, included in this Draft Letter of Offer, our Company has not obtained any expert opinions.

Filing

As per requirements of SEBI ICDR Regulations as the issue size of this rights issue is below Rs. 1,000/- Lakh, therefore this Draft Letter of Offer has been filed with the BSE. On receipt of the in-principle approval from BSE, the final Letter of Offer will be filed with Stock Exchange and will be submitted to SEBI for information and dissemination purposes as per the provisions of the SEBI ICDR Regulations

Issue Schedule

Issue Opens on	[●]
Last date for requests for Split Application Forms	[●]
Issue Closes on	[●]
Date of Allotment (on or about)	[●]
Date of Credit of Shares in Demat Account (on or about)	[●]
Date of listing (on or about)	[●]

Minimum Subscription

If our company does not receive the minimum subscription of ninety percent of the Issue, our Company shall refund the entire subscription amount within fifteen days from the date of closure of the issue. In the event that there is a delay of making refunds by more than the prescribed time after our Company become liable to pay the subscription amount, our Company shall pay interest for the delayed period at rates prescribed under the Companies Act, 2013.

Prohibition by SEBI

Our Company, its directors, its promoter and promoter group, other companies promoted by the promoter and companies with which the Company's directors are associated as director have not been prohibited from accessing the capital market under any order or direction passed by SEBI.

Further except Mr. Vijay Bhushan, Ms. Nisha Ahuja, Mr. Madhav Bharat Bhushan and Ms. Madhvi Ahuja who are directors of Bharat Bhushan Equity Traders Limited, a stock broker company, none of the other Directors of our Company are associated with the Securities market in any manner and SEBI has not initiated any action any entity with whom the director of the Company are associated.

CAPITAL STRUCTURE

Our Board of Directors in its meeting held on 24/10/2024 considered and approved fund raising by way of right issue of Equity shares of our Company to the existing shareholders as on the record date for an amount not exceeding 338.04 lakhs.

Our capital structure and related information as on date of the Draft Letter of Offer is set forth below.

(Rs. In Lakhs unless otherwise stated)			
	Share Capital	Aggregate value at face value	Aggregate Value at Issue Price
A.	Authorised Share Capital		
	70,00,000 Equity Shares of Rs. 10/- each	700.00	
B.	Issued, Subscribed and Paid Up Share Capital		
	33,80,400 Equity Shares of Rs. 10/- each	338.04	
C.	Present Issue in terms of the Draft Letter of Offer		
	[●] Equity Shares at an Issue Price of ` [●] per Equity Share	[●]	338.04
D.	Subscribed and Paid-up capital after the Issue, assuming full subscription		
	[●] Equity Shares of `10 each fully paid-up	[●]	
E.	Share Premium Account:		(in Rs. Lakhs)
	Before the Issue		Nil
	After the Issue		Nil

- *The Issue has been authorized by our Board pursuant to a resolution dated 24.10.2024. The offer price of Rs. 10 per share and Rights Entitlement Ratio of 1:1, have been approved by our Board of Director at its meeting held on 24.10.2024.*
- *Assuming full subscription for and Allotment of the Rights Equity Shares.*
- *Subject to finalization of Basis of Allotment, Allotment, and deduction of Issue expenses.*
- *The above figures are rounded off to two decimal places.*

Notes to the Capital Structure

- 1. Details of options and convertible securities outstanding as on the date of this Draft Letter of Offer**
There are no outstanding options or convertible securities, including any outstanding warrants or rights to convert debentures, loans or other instruments convertible into our Equity Shares as on the date of this Draft Letter of Offer.
- 2. Shareholding pattern of our Company as per the last quarterly filing with the Stock Exchange (i.e. for the Quarter ended December 31, 2024) in compliance with the provisions of the SEBI Listing Regulations:**
The same can be accessed at <https://www.bseindia.com/stock-share-price/bharat-bhushan-finance--commodity-brokers-ltd/bharat/511501/qtrid/124.00/shareholding-pattern/Dec-2024/>
- 3. Details of the Shareholders holding more than 1% of the issued and paid-up Equity Share capital**

The details of shareholders of our Company holding more than 1% of the issued and paid-up Equity Share capital of our Company, as on December 31, 2024 are available on the website of the BSE at: <https://www.bseindia.com/stock-share-price/bharat-bhushan-finance--commodity-brokers-ltd/bharat/511501/qtrid/124.00/shareholding-pattern/Dec-2024/>

4. Details of Equity Shares held by our Promoter or Promoter Group have been locked-in, pledged or encumbered as of the date of this Letter of Offer.

No Equity Shares held by our Promoter or Promoter Group have been locked-in, pledged or encumbered as of the date of this Draft Letter of Offer.

5. Details of specified securities acquired by the promoter and promoter group in the last one year immediately preceding the date of filing of this draft Letter of Offer:

Our Promoters and members of the Promoter Group have not acquired any Equity Shares in the last one year immediately preceding the date of filing of this Draft Letter of Offer except the following:

Name	Date of purchase	Number of shares purchased	Purchase price (per share)
Ms. Nisha Ahuja	29.05.2024	1401	34.55
	30.05.2024	3	34.55
	31.05.2024	92	34.55
	04.06.2024	2871	35.05
	05.06.2024	737	34.84
Total		5104	
Mr. Madhav Bhushan	29.05.2024	2018	34.55
	30.05.2024	1245	35.05
	04.06.2024	3700	35.05
Total		6963	

6. Subscription to this Issue by our Promoter and Promoter Group

Our Promoter Mr. Vijay Bhushan and Ms. Nisha Ahuja, on behalf of themselves and Promoter group vide their letters dated January 21, 2025 (the “Subscription Letters”) have informed the Company that they will (i) subscribe and apply in the proposed rights issue to the full extent of their Rights Entitlement or renounce their rights entitlement only to the extent of renunciation within the Promoter & Promoter Group; (ii) Subscribe to Rights Entitlements, if any, which are renounced in their favor by any other member(s) of the Promoter & Promoter Group; and (iii)Subscribe to additional Rights Equity Shares in the Issue, subject to compliance with the minimum public shareholding as prescribed under the Securities Contracts (Regulation) Rules, 1957. The acquisition of Rights Equity Shares by our Promoter and members of our Promoter Group, over and above their Rights Entitlements, as applicable, or subscription to the unsubscribed portion in this Issue, shall not result in a change of control of the management of our Company. Our Company is in compliance with Regulation 38 of the SEBI Listing Regulations and will continue to comply with the minimum public shareholding requirements under applicable law, pursuant to this Issue.

7. Our Promoter and Promoter group holds 18,37,598 equity shares of our company representing 54.36 % of the issued share capital.

8. All Equity Shares are fully paid-up and there are no partly paid-up Equity Shares outstanding as on the date of this Draft Letter of Offer. For details on the terms of this Issue, see “Terms of the Issue” on page 128 of this Draft Letter of Offer.

- 9. At any given time, there shall be only one denomination of Equity Shares.**
- 10. There are 5583 shareholders of our Company as on December 31, 2024.**
- 11. The ex-rights price of the Right Equity Shares as per Regulation 10(4)(b) of the Takeover Regulations is ____per equity shares.**

OBJECTS OF THE ISSUE

The proceeds of the Issue are proposed to be utilized by us for financing the following objects:

- Augmenting the Capital Base
- General Corporate Purposes
- Expenses of the issue

The main objects clause as set out in the Memorandum of Association enables our Company to undertake its existing activities and the activities for which funds are being raised by our Company through the Rights Issue.

We intend to utilize the gross proceeds raised through the Issue (the “Issue Proceeds”) after deducting the Issue related expenses (“Net Proceeds”) for the abovementioned Objects.

Net Proceed

Particulars	Amount (in ` Lakhs)
Gross Proceeds from the issue*	338.04
Less: Estimated Issue related Expenses	
Net proceeds from the issue	[•]

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

Requirement of Funds and utilization of Net Proceeds

The total estimated funds requirement is given below:

Sr. No.	Particulars	Amount (in ` Lakhs)
1	Augmenting the Capital Base	275
2	General Corporate Purposes(Proposed at Rs. 50 lakhs)	[•]
3	Expenses of the issue	[•]
Total		[•]

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

The fund requirement and deployment is 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 Consequently, our Company’s funding requirements and deployment schedules are subject to revision in the future at the discretion of our management, subject to necessary approvals, and such rescheduling, if any, shall be within the objects of the issue.

Our Company proposes to meet the entire requirement of funds for the proposed 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% of the stated means of finance, excluding the amount to be raised from the Issue.

Details of the Objects of the Issue

1. Augmenting the Capital base

We are a non-deposit taking and non-systematically important Non-Banking Finance Company (“NBFC”), we are presently engaged in the business of equity and debt investment, trading in securities and financing to individuals and small businesses.

We intend to utilise up to Rs. 275 Lakhs from the Net Proceeds to augment our capital base to meet our future capital requirements, primarily to expand the investment portfolio. We have plans to allocate the issue proceeds to expand the Investments in shares and securities. This expansion will enable us to invest in equity markets, mutual funds and other securities.

2. General Corporate Purposes

We propose to utilize the remaining issue proceeds other than augmenting the capital base and issue related expenses towards general corporate purposes but same will not exceed 25% of the gross proceeds of the issue. Our Board will have flexibility in applying the balance amount towards general corporate purposes including but not limited to funding growth, marketing, sales promotion and meeting expenditure in the ordinary course of business or contingencies in ordinary course of business which may not be foreseen or any other purposes as approved by our Board of Directors.

3. Expenses of the issue

The break-down of the estimated Issue expenses is disclosed below:

S. No	Particulars	Amount	As a percentage of total expense	As a percentage of Issue size
1	Stock Exchange Fees			
2	Lead Manager Fees			
3	Advertising and marketing expenses.			
4	Registrar, Printing and dispatch charges			
5	Other expenses (including but not limited to legal counsel fees, depository fees, auditor fees, advisory fees, ASBA Bankers, travelling and out of pocket reimbursements, etc.			
	Total (Including GST)			

*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.

Bridge Financing Facilities

Our Company has not availed any bridge loans from any banks or financial institutions as on the date of this Draft Letter of Offer which are proposed to be repaid from the Net Proceeds.

Interim Use of Net Proceeds

Our Company shall deposit the Net Proceeds, pending utilisation of the Net Proceeds for the purposes described above, by depositing the same with scheduled commercial banks included in second schedule of Reserve Bank of India Act, 1934.

Estimated Schedule of Deployment of Funds

As estimated by our management, the entire proceeds received from the issue would be utilized asunder:

Particulars	(in lakhs)			
	Funds already deployed (upto 15 January 2025)	FY 2024-25 (From January 2025 onwards)	FY 2025-26	Total
Augment the financial resources of the company to make fresh investments in equity, debt, mutual funds, PMS, and future & option	[•]	[•]		[•]
General Corporate Purposes	[•]	[•]		[•]
Expenses for the Issue		[•]		[•]
Total		[•]		[•]

Deployment of Funds towards the objects of the Issue

We have incurred Rs. 3.45 Lakhs upto January 15, 2025 towards the Objects of the issue which has been certified by M/s G C AGARWAL & ASSOCIATES, Chartered Accountants (Firm Registration No. 017851N) dated [•]. The same has been incurred towards issue related expenses and have been through internal sources.

Interest of Promoters / Promoter's Group

No proceeds from the Issue are proposed to be paid to the Promoters/Promoter's Group of our Company.

STATEMENT OF TAX BENEFITS

STATEMENT OF TAX BENEFITS AVAILABLE TO THE COMPANY AND ITS SHAREHOLDERS UNDER THE APPLICABLE LAWS IN INDIA

**The Board of Directors,
Bharat Bhushan Finance & Commodity Brokers Limited**
503, Rohit House, 3, Tolstoy Marg, Connaught Place,
New Delhi- 110001, India

(Hereinafter referred to as the “Company” or the “Issuer”)

Subject: Right Issue of equity shares of face value ₹ 10/- each (“Equity Shares”) by Bharat Bhushan Finance & Commodity Brokers Limited (the “Company” or “Issuer”) under Chapter VI of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (“SEBI ICDR Regulations”), as amended, and Sections 42 and 62 of the Companies Act, 2013, as amended, read with Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014, as amended (the “Issue”)

We, G C Agarwal & Associates, Chartered Accountants, statutory auditors of the Company, hereby report the possible special tax benefits available to the Company and the shareholders of the Company, under the Income Tax Act, 1961, as amended (the “IT Act”), applicable Indirect Tax Laws (as defined in the Annexure A), along with the rules, regulations, circulars and notifications issued thereon, as applicable to the assessment year 2025-26 relevant to the financial year 2024-25, presently in force in India, in the enclosed statement at Annexure A(the “Statement”).

Several of these stated tax benefits/consequences are dependent on the Company and/or its shareholders fulfilling the conditions prescribed under the relevant tax laws. Therefore, the ability of the Company and/or its shareholders to derive the tax benefits is dependent on fulfilling such conditions.

The benefits discussed in the enclosed Annexure A cover the possible special tax benefits available to the Company and its shareholders and do not cover any general tax benefits available to the Company and its shareholders. Further, the preparation of the enclosed Annexure A and its contents is the responsibility of the management of the Company (“Management”). We were informed that the 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 proposed Issue particularly in view of the fact that certain recently enacted legislation may not have a direct legal precedent or may have a different interpretation on the possible special tax benefits, which an investor can avail. Neither are we suggesting nor advising the investors to invest money based on the Statement.

The Management is responsible for ensuring that the Company complies with the requirements of the applicable laws and shall be responsible for providing us the required information/documents as may be required by us for certifying the requirement as per paragraph above.

The benefits discussed in the enclosed annexure are not exhaustive. We do not express any opinion or provide any assurance as to whether:

- i. the Company or its shareholders will continue to obtain these benefits in future; or
- ii. the conditions prescribed for availing the benefits have been/would be met with; or

iii. the revenue authorities / courts will concur with the views expressed herein.

We confirm that the information in this certificate is true, fair and accurate, and is in accordance with the requirements of the Companies Act, 2013 as amended, the SEBI ICDR Regulations and other applicable law, and there is no untrue statement or omission which would render the contents of this certificate misleading in its form or context.

This statement is prepared for inclusion in the Draft Letter of Offer/Letter of Offer in connection with the Right Issue and may accordingly be furnished to the Stock Exchanges or any other judicial, statutory, and regulatory authorities as required. The aforesaid information contained herein and in Annexure A can also be shared with and relied on by the Placement Agent, legal counsel and any other advisors and intermediaries appointed in relation to the Issue.

We undertake to immediately inform in writing to the Placement Agent and legal counsel in case of any changes to the above until the date when the Equity Shares issued pursuant to the Issue commence trading on the Stock Exchanges. In the absence of any such communication, you may assume that there is no change in respect of the matters covered in this certificate.

Capitalized terms used herein, unless otherwise specifically defined, shall have the same meaning as ascribed to them in the Draft Letter of Offer/Letter of Offer.

Yours sincerely,
For G C Agarwal & Associates
Chartered Accountants
Firm Registration Number: 017851N

Sd/-
(G C Agarwal)
Partner
Membership No.: 083820
UDIN: 24083820BKFWQL1993

Place: Delhi
Date: 30.11.2024

Annexure A

STATEMENT OF POSSIBLE TAX BENEFITS IN RELATION TO EQUITY SHARES AVAILABLE TO COMPANY AND ITS SHAREHOLDERS UNDER THE APPLICABLE DIRECT TAX LAWS.

Outlined below are the Possible Tax Benefits in relation to Equity Shares available to the Company and its shareholders under the Tax Laws. These possible tax benefits are dependent on the Company and its shareholders fulfilling the conditions prescribed under the Tax Laws. Hence, the ability of the Company and its shareholders to derive the possible tax benefits is dependent upon fulfilling such conditions, which are based on business imperatives it faces in the future, it may or may not choose to fulfil.

UNDER THE DIRECT TAX LAWS

POSSIBLE TAX BENEFITS AVAILABLE TO THE COMPANY

The following benefits are available to the Company after fulfilling conditions as per the applicable provisions of the Act:

➤ Section 115BAA of the IT Act, as inserted vide The Taxation Laws (Amendment) Act, 2019, provides that a domestic company can opt for a corporate tax rate of 22% (plus applicable surcharge and education cess) from the financial year 2019-20 onwards, provided the total income of the company is computed without claiming certain specified incentives/deductions or specified brought forward losses and depreciation/unabsorbed depreciation and by claiming depreciation determined in the prescribed manner. In case a company opts for section 115BAA of the IT Act, provisions of Minimum Alternate Tax ('MAT') would not be applicable and unutilized MAT credit will not be available for set-off. The option needs to be exercised on or before the due date of filing the tax return. Option once exercised, cannot be subsequently withdrawn for the same or any other tax year.

The Company has represented that it has opted for concessional tax regime under section 115BAA of the IT Act for AY 2020-21 and onwards.

POSSIBLE TAX BENEFITS AVAILABLE TO SHAREHOLDERS OF THE COMPANY

➤ Section 112A of the IT Act provides for concessional rate of tax on certain long term capital gains with effect from July 23, 2024 (i.e., Assessment Year 2025-26). Any income, exceeding Rs.1,25,000 arising from the transfer of a long-term capital asset (i.e., capital asset held for more than 12 months) being an equity share in a company or a unit of an equity-oriented fund wherein Securities Transaction Tax (STT) is paid on both acquisition and transfer, income tax is charged at a rate of 12.50 % without giving effect to indexation.

➤ In respect of non-residents, the tax rates and the consequent taxation mentioned above shall be further subject to any benefits available under the applicable double taxation avoidance agreement, if any, between India and the country in which the non-resident has fiscal domicile and also subject to non-resident having necessary documentation as required under the IT Act.

STATEMENT OF TAX BENEFITS AVAILABLE TO THE COMPANY AND SHAREHOLDERS OF THE COMPANY UNDER THE APPLICABLE LAWS IN INDIA – INDIRECT TAX LAWS:

Outlined below are the possible tax benefits available to the Company and its Shareholders under the Central Goods and Services Tax Act, 2017 / the Integrated Goods and Services Tax Act, 2017 and applicable

State Goods and Services Tax Act, 2017 ("GST Act"), The Customs Act, 1962 ("Customs Act") and the Customs Tariff Act, 1975 ("Tariff Act"), as amended by the Finance Act, 2024 applicable for the Financial Year 2024-25, Foreign Trade Policy 2023, read with relevant Rules, Notifications and Circulars, each as amended and presently in force in India (collectively referred as "Indirect Tax Laws").

Indirect tax benefits available to the Company:

1. Benefit of Export Promotion Capital Goods scheme (EPCG) under The Foreign Trade (Development and Regulation) Act, 1992 (read with Foreign Trade Policy 2023):

The Company is availing benefit under the export promotion capital goods scheme covered under chapter 5 of the FTP wherein it is eligible to undertake duty free import of capital goods which are used in manufacturing of goods. Under the scheme, the Company is required to fulfil an export obligation i.e., undertake export of goods within a prescribed time period.

2. Benefits of Advance Authorization under The Foreign Trade (Development and Regulation) Act, 1992 (read with Foreign Trade Policy 2023):

The Company is availing benefit under the Advance Authorization scheme covered under chapter 4 of the FTP wherein it is eligible to undertake duty free import of inputs, which is physically incorporated in manufacturing goods for export purposes (making normal allowance for wastage). Under this scheme, the Company is under obligation to undertake export of goods within a prescribed time period.

3. Benefits of Duty Drawback scheme under Section 75 of the Customs Act, 1962:

As per Section 75 of the Customs Act, the Central Government is empowered to allow duty drawback on goods manufactured in India and exported. The Company avails duty drawback benefit as per the All-Industry Rate (AIR) in the duty drawback schedule.

4. Benefits of Remission of Duties and Taxes on Export Products ("RoDTEP") Scheme under The Foreign Trade (Development and Regulation) Act, 1992 (read with Foreign Trade Policy 2023):

This scheme provides rebate of duties/ taxes / levies (which are not refunded under any other existing schemes), at the Central, State and local level, borne on the exported product, including prior stage cumulative indirect taxes on goods and services used in the production of the exported product and such indirect duties/ taxes / levies in respect of distribution of exported product. The Company avails RoDTEP benefit as notified, on exported products. Under the Scheme, a rebate would be granted to eligible exporters at a notified rate as a percentage of FOB value with a value cap per unit of the exported product, wherever required, on export of items which are categorized under the notified 8-digit HS Code. However, for certain export items, a fixed quantum of rebate amount per unit may also be notified.

5. Benefits under the Central Goods and Services Act, 2017, respective State / Union Territory Goods and Services Tax Act, 2017, Integrated Goods and Services Tax Act, 2017 (read with relevant rules prescribed thereunder):

Under GST regime, the exporter has the option to either undertake exports under cover of a Bond/ Letter of Undertaking ("LUT") without payment of IGST and claim refund of accumulated input tax credit subject to fulfilment of conditions prescribed for export or the exporter may export with payment of IGST and claim refund of IGST paid on such exports as per the provisions of Section 54 of Central Goods and Services Tax Act, 2017. Thus, the Integrated Goods and Service Tax Act, 2017 permits a supplier undertaking zero rated supplies (which will include the supplier making supplies to SEZ) to claim refund of tax paid on exports as IGST (by undertaking exports on payment of tax using ITC) or

export without payment of tax by executing a Bond/ LUT and claim refund of related ITC of taxes paid on inputs and input services used in making zero-rated supplies.

Indirect tax benefits available to the shareholders of the Company:

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

SECTION-IV ABOUT OUR COMPANY

INDUSTRY OVERVIEW

Unless otherwise indicated, information contained in this section has been obtained or derived from publicly available information as well as various industry publications and sources, as referred to herein (collectively, the “Sources”). The information in the Sources is as of specified dates and opinions in the Sources may be based on estimates, projections, forecasts and assumptions that may be as of such dates, which may no longer be current or reflect current trends. Further, forecasts, estimates, predictions, and other forward-looking statements contained in the Sources are inherently uncertain because of changes in factors underlying their assumptions, or events or combinations of events that cannot be reasonably foreseen. Actual results and future events could differ materially from such forecasts, estimates, predictions, or such statements. Accordingly, investment decisions should not be based on such information. Each Source is not a recommendation to invest or disinvest in any company covered in such Source. The views expressed in the Sources are that of its authors. Prospective investors are advised not to unduly rely on the Sources, and should conduct their own investigation and analysis of all facts and information contained in this Draft Letter of Offer. Unless otherwise indicated, all financial, operational, industry and other related information derived from the applicable Source and included herein with respect to any particular Financial Year or as the case may be, calendar year, refers to such information for the relevant Financial Year or as the case may be, calendar year.

Indian Economy

Strong economic growth in the first quarter of FY23 helped India overcome the UK to become the fifth-largest economy after it recovered from the COVID-19 pandemic shock. Nominal GDP or GDP at Current Prices for Q1 2024-25 is estimated at Rs. 77.31 lakh crores (US\$ 928.9 billion) with growth rate of 9.7%, compared to the growth of 8.5% for Q1 2023-24. The growth in nominal GDP during 2023-24 is estimated at 9.6% as compared to 14.2% in 2022-23. Strong domestic demand for consumption and investment, along with Government’s continued emphasis on capital expenditure are seen as among the key driver of the GDP in the second half of FY24. During the period April-September 2025, India’s exports stood at US\$ 211.46 billion, with Engineering Goods (26.57%), Petroleum Products (16.51%) and electronic goods (7.39%) being the top three exported commodity. Rising employment and increasing private consumption, supported by rising consumer sentiment, will support GDP growth in the coming months.

Future capital spending of the government in the economy is expected to be supported by factors such as tax buoyancy, the streamlined tax system with low rates, a thorough assessment and rationalisation of the tariff structure, and the digitization of tax filing. In the medium run, increased capital spending on infrastructure and asset-building projects is set to increase growth multipliers. The contact-based services sector has demonstrated promise to boost growth by unleashing the pent-up demand. The sector's success is being captured by a number of HFIs (High-Frequency Indicators) that are performing well, indicating the beginnings of a comeback.

India has emerged as the fastest-growing major economy in the world and is expected to be one of the top three economic powers in the world over the next 10-15 years, backed by its robust democracy and strong partnerships.

India's appeal as a destination for investments has grown stronger and more sustainable because of the current period of global unpredictability and volatility, and the record amounts of money raised by India-focused funds in 2022 are evidence of investor faith in the "Invest in India" narrative.

Source: IBEF

Indian Financial Sector

The RBI, the central banking and monetary authority of India, is the central regulatory and supervisory authority for the Indian financial system. A variety of financial intermediaries in the public and private sectors participate in India's financial sector, including (i) commercial banks, comprising: private sector banks, regional rural banks (“RRBs”), public sector banks (“PSBs”), foreign banks, co-operative banks, small finance banks and payment banks; (ii) long term lending institutions; (iii) non-banking financial companies (“NBFCs”), including housing finance companies (“HFCs”); (iv) other specialized financial institutions and state-level financial institutions; (v) insurance companies; (vi) micro-finance institutions; and (vii) mutual funds

NON-BANKING FINANCIAL COMPANY (NBFC)

A Non-Banking Financial Company (NBFC) is a company registered under the Companies Act, 2013/1956 engaged in the business of loans and advances, acquisition of shares/stocks/bonds/debentures/securities issued by Government or local authority or other marketable securities of a like nature, leasing, hire-purchase, insurance business, chit business but does not include any institution whose principal business is that of agriculture activity, industrial activity, purchase or sale of any goods (other than securities) or providing any services and sale/purchase/construction of immovable property. A non-banking institution which is a company and has the principal business of receiving deposits under any scheme or arrangement in one lump sum or in installments by way of contributions or in any other manner, is also a non-banking financial company (Residuary non-banking company).

A company incorporated under the Companies Act, 2013/1956 and desirous of commencing business of a non-banking financial institution as defined under Section 45 I(a) of the RBI Act, 1934 should comply with the following:

- i. It should be a company registered under the Companies Act, 2013/1956.
- ii. It should have a minimum net owned fund of ₹ 200 lakh.

In terms of Section 45-IA of the RBI Act, 1934, no Non-banking Financial company can commence or carry on business of a non-banking financial institution without a) obtaining a certificate of registration from the Bank and without having a Net Owned Funds of ₹ 25 lakhs (₹ Two crore since April 1999). However, in terms of the powers given to the Bank, to obviate dual regulation, certain categories of NBFCs which are regulated by other regulators are exempted from the requirement of registration with RBI viz. Venture Capital Fund/Merchant Banking companies/Stock broking companies registered with SEBI, Insurance Company holding a valid Certificate of Registration issued by IRDA, Nidhi companies as notified under Section 406 of the Companies Act, 2013, Chit companies as defined in clause (b) of Section 2 of the Chit Funds Act, 1982, Housing Finance Companies regulated by National Housing Bank, Stock Exchange or a Mutual Benefit company.

NON-BANKING FINANCIAL COMPANY – SCALE BASED REGULATION

As per Master Direction- Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023, Regulatory structure for Non-Banking Financial Companies (NBFCs) shall comprise of four layers based on their size, activity and perceived riskiness. NBFCs in the lowest layer shall be known as NBFCs-Base Layer (NBFCs-BL). NBFCs in middle layer and upper layer shall be known as NBFCs-Middle Layer (NBFCs-ML) and NBFCs Upper Layer (NBFCs-UL), respectively. The Top Layer is ideally expected to be empty and will be known as NBFCs-Top Layer (NBFCs-TL)

Base Layer

The Base Layer shall comprise of (a) non-deposit taking NBFCs below the asset size of ₹1,000 crore and (b) NBFCs undertaking the following activities - (i) NBFC-Peer to Peer Lending Platform (NBFC-P2P), (ii) NBFC-Account Aggregator (NBFC-AA), (iii) NonOperative Financial Holding Company (NOFHC) and (iv) NBFC not availing public funds and not having any customer interface.

Middle Layer

The Middle Layer shall consist of (a) all deposit taking NBFCs (NBFCs-D), irrespective of asset size, (b) nondeposit taking NBFCs with asset size of ₹1,000 crore and above and (c) NBFCs undertaking the following activities (i) Standalone Primary Dealer (SPD), (ii) Infrastructure Debt Fund-Non-Banking Financial Company (IDF-NBFC), (iii) Core Investment Company (CIC), (iv) Housing Finance Company (HFC) and (v) Non-Banking Financial Company-Infrastructure Finance Company (NBFC-IFC).

Upper Layer

The Upper Layer shall comprise of those NBFCs which are specifically identified by the Reserve Bank as warranting enhanced regulatory requirement based on a set of parameters and scoring methodology as provided in the Annex I to these Directions. The top ten eligible NBFCs in terms of their asset size shall always reside in the upper layer, irrespective of any other factor.

Top Layer

The Top Layer will ideally remain empty. This layer can get populated if the Reserve Bank is of the opinion that there is a substantial increase in the potential systemic risk from specific NBFCs in the Upper Layer. Such NBFCs shall move to the Top Layer from the Upper Layer

NET OWNED FUND REQUIREMENT

The following glide path is provided for the existing NBFCs, viz., NBFC-ICC, NBFC-MFI and NBFC-Factor to achieve the Net Owned Fund (“NOF”) of ₹10 crore:

NBFCs	Current NOF	By March 31, 2025	By March 31, 2027
NBFC-ICC	2 crore	₹5 crore	₹10 crore
NBFC-MFI	₹5 crore	₹7 crore (₹5 crore in NE Region)	₹10 crore
NBFC-Factor	₹5 crore	₹7 crore	₹10 crore

NBFCs failing to achieve the prescribed level within the stipulated period shall not be eligible to hold the Certificate of Registration (CoR) as NBFCs.

(Source: RBI Master Direction- 2023)

CATEGORIES OF NBFCs REGISTERED WITH RBI

NBFCs are categorized a) in terms of the type of liabilities into Deposit and Non-Deposit accepting NBFCs, b) non-deposit taking NBFCs by their size into systemically important and other non-deposit holding companies (NBFC-NDSI and NBFC-ND) and c) by the kind of activity they conduct. Within this broad categorization the different types of NBFCs are as follows:

- i. **Asset Finance Company (AFC):** An AFC is a company which is a financial institution carrying on as its principal business the financing of physical assets supporting productive/economic activity, such as automobiles, tractors, lathe machines, generator sets, earth moving and material handling equipments, moving on own power and general purpose industrial machines. Principal business for this purpose is defined as aggregate of financing real/physical assets supporting economic activity and income arising therefrom is not less than 60% of its total assets and total income respectively.
- ii. **Investment Company (IC):** IC means any company which is a financial institution carrying on as its principal business the acquisition of securities.
- iii. **Loan Company (LC):** LC means any company that is a financial institution carrying on as its principal business the providing of finance whether by making loans or advances or otherwise for any activity other than its own but does not include an Asset Finance Company.

As per RBI Notification No. DNBR (PD) CC.No.097/03.10.001/2018-19 dated February 22, 2019, On a review, it has been decided that in order to provide NBFCs with greater operational flexibility, harmonisation of different categories of NBFCs into fewer ones shall be carried out based on the principle of regulation by activity rather than regulation by entity. Accordingly, it has been decided to merge the three categories of NBFCs viz. Asset Finance Companies (AFC), Loan Companies (LCs) and Investment Companies (ICs) into a new category called NBFC - Investment and Credit Company (NBFC-ICC). IV.

- iv. **Infrastructure Finance Company (IFC):** IFC is a non-banking finance company a) which deploys at least 75 percent of its total assets in infrastructure loans, b) has a minimum Net Owned Funds of ₹ 300 crore, c) has a minimum credit rating of 'A 'or equivalent d) and a CRAR of 15%.
- v. **Systemically Important Core Investment Company (CIC-ND-SI):** CIC-ND-SI is an NBFC carrying on the business of acquisition of shares and securities which satisfies the following conditions:

- (a) it holds not less than 90% of its Total Assets in the form of investment in equity shares, preference shares, debt or loans in group companies;
- (b) its investments in the equity shares (including instruments compulsorily convertible into equity shares within a period not exceeding 10 years from the date of issue) in group companies constitutes not less than 60% of its Total Assets;
- (c) it does not trade in its investments in shares, debt or loans in group companies except through block sale for the purpose of dilution or disinvestment;
- (d) it does not carry on any other financial activity referred to in Section 45I(c) and 45I(f) of the RBI act, 1934 except investment in bank deposits, money market instruments, government securities, loans to and investments in debt issuances of group companies or guarantees issued on behalf of group companies.
- (e) Its asset size is ₹ 100 crore or above and (f) It accepts public funds.

vi. Infrastructure Debt Fund:

Non-Banking Financial Company (IDF-NBFC): IDF-NBFC is a company registered as NBFC to facilitate the flow of long term debt into infrastructure projects. IDF-NBFC raise resources through issue of Rupee or Dollar denominated bonds of minimum 5- year maturity. Only Infrastructure Finance Companies (IFC) can sponsor IDF-NBFCs.

vii. Non-Banking Financial Company - Micro Finance Institution (NBFC-MFI): NBFC-MFI is a non-deposit taking NBFC having not less than 85% of its assets in the nature of qualifying assets which satisfy the following criteria:

- a. loan disbursed by an NBFC-MFI to a borrower with a rural household annual income not exceeding ₹ 1,00,000 or urban and semi-urban household income not exceeding ₹ 1,60,000;
- b. loan amount does not exceed ₹ 50,000 in the first cycle and ₹ 1,00,000 in subsequent cycles;

- c. total indebtedness of the borrower does not exceed ₹ 1,00,000;
 - d. tenure of the loan not to be less than 24 months for loan amount in excess of ₹ 15,000 with prepayment without penalty;
 - e. loan to be extended without collateral;
 - f. aggregate amount of loans, given for income generation, is not less than 50 per cent of the total loans given by the MFIs;
 - g. loan is repayable on weekly, fortnightly or monthly instalments at the choice of the borrower.
- viii. Non-Banking Financial Company – Factors (NBFC-Factors):** NBFC-Factor is a non-deposit taking NBFC engaged in the principal business of factoring. The financial assets in the factoring business should constitute at least 50 percent of its total assets and its income derived from factoring business should not be less than 50 percent of its gross income.
- ix. Mortgage Guarantee Companies (MGC) - MGC** are financial institutions for which at least 90% of the business turnover is mortgage guarantee business or at least 90% of the gross income is from mortgage guarantee business and net owned fund is ₹ 100 crore.
- x. NBFC- Non-Operative Financial Holding Company (NOFHC)** is financial institution through which promoter / promoter groups will be permitted to set up a new bank .It's a wholly-owned Non-Operative Financial Holding Company (NOFHC) which will hold the bank as well as all other financial services companies regulated by RBI or other financial sector regulators, to the extent permissible under the applicable regulatory prescriptions.

(Source:<https://www.rbi.org.in/commonperson/English/Scripts/FAQs.aspx?Id=1167>)

Industry Structure And Developments- Capital Market

The Indian stock market has witnessed an exceptional rally in the financial year 2023-24, surging nearly 28.61% and marking multiple record highs. The stock market rally was largely driven by improving of macroeconomic indicators, declining inflation rates, strong inflows from domestic Institutional investors - amounting to Rs 2,09,881crore in FY24, and anticipation of interest rate cuts in FY25. Additionally, the market sentiment had been buoyed by expectations of a third consecutive term for the incumbent government.

In a year marked by robust economic expansion and stellar corporate earnings, the Nifty Mid-Cap and Small-Cap indices have significantly outperformed the benchmark Sensex. The mid-cap index soared by 56.50%, while the small-cap index rose by 63.07%, compared to the Nifty 50 increase of 28.61%. The rally in mid and small-cap stocks was fueled by impressive quarterly earnings and strong macroeconomic conditions. With the Indian economy on an upswing, these market segments offered lucrative opportunities for investors seeking substantial returns till January 2024. The fiscal year saw the Nifty mid-cap, small-cap and large cap indices reaching record highs, demonstrating the vibrant dynamics of the Indian equity market.

With 79 new issues, the market saw a convergence of eager investors and ambitious companies, setting a new benchmark for the primary market. The increase in IPO activity is largely attributed to the growing domestic investor base, which has shown a voracious appetite for equity investments. This year's standout IPOs, including Tata Technologies, IREDA, JSW Infra, and Cello World, not only met but often exceeded expectations, drawing in substantial subscriptions and achieving notable success on their listing days.

The financial year 2024 (FY24) marked a significant turnaround for Foreign Portfolio Investors (FPIs) in the Indian market. After a net outflow of ₹37,632 crore in FY23, FPIs demonstrated renewed confidence in India, injecting a substantial ₹2.08 lakh crore into equities. This influx is the largest since the ₹2.74 lakh

crore investment witnessed in FY21, underscoring a rejuvenated interest and optimism in the growth trajectory and investment potential of the Indian economy.

Investors were drawn by the impressive performance of largecap, small-cap and mid-cap mutual funds. The launch of new fund offers (NFOs) and the growing interest of young investors contributed to this surge. Technological advancements in the sector have also made investing more accessible.

OUR BUSINESS OVERVIEW

Overview

Our Company was incorporated in June 1992 and commenced its operations by investment and trading in securities. The Company came out with public issue of Equity shares in May 1994. The company also obtained merchant banking license from Securities and Exchange Board of India (SEBI) on 1st July 1994. During this period, the company acted as lead managers, co-managers, & advisors to various public issues. However in 1997 the company did not renew its merchant banking license in view of enhanced net worth requirements.

The company took a membership in National Commodity & Derivatives Exchange Limited (NCDEX) in December 2003, Multi Commodity Exchange of India Limited (MCX) in March 2008, and National Spot Exchange Limited (NSEL) in June 2011. The company surrendered its NCDEX Membership as they were largely in agricultural commodities for which the company clients lacked interest. We continued the NSEL operation till July 2013 & MCX operation till November 2015. We later on decided to completely shut down the commodity broking operations in November 2015.

The Company also obtained RBI registration as NBFC in December 2010 under section 45-IA of The Reserve Bank of India Act, 1934 ("RBI") as Non- Systematically important Non-Deposit taking Company categorized as Investment and Credit Company i.e. ICC.

Present Business

We are primarily engaged in the business of equity and debt investment, trading in securities and financing to individuals and small businesses. With the experience of our team, we have been able to continuously identify prospective investor opportunity. Our Company's product offering include Loans against securities, inter corporate deposits and distribution in marketing of third party financial report.

Financial Summary of the Company

Particulars	For the half year ended on September 30, 2024	Financial Year 2023-24	Financial Year 2022-23
Revenue	41.79	71.34	58.09
PBT	22.48	27.98	17.23
PAT	17.55	21.77	11.61

Our Competitive Strengths

We believe that the following are our key strengths.

Experienced and Qualified Management

Our success largely depends on the skills, experience and efforts of our Key Management Personnel and on the efforts, ability and experience of key members of our management staff. The loss of services of one or more members of our Key Management Personnel or any of our other management staff could weaken our management expertise significantly and our ability to undertake our business operations efficiently. This could have a material adverse effect on our business, financial condition and results of operations.

We benefit from our relationship with our Promoters and our success depends upon the continuing services of our Promoters who have been responsible for the growth of our business and is closely involved in the overall strategy, direction, and management of our business.

Our Subsidiaries

We do not have any subsidiary as on the date of this Draft Letter of Offer.

Group Company

The Company has two group companies naming M/s Bharat Bhushan Equity Traders Limited and M/s Bharat Bhushan Insurance Brokers Private Limited as on the date of this offer letter.

Infrastructure Facilities

Our registered office is well equipped with computer systems, internet connectivity, other communication equipment, security, and other facilities, which are required for our business operations to function smoothly.

Plant and Machinery

The Company has Furniture and Fixtures, Office Equipment, Data Processing Machinery and Vehicle.

Employees

As of December 31, 2024, we have 5 fulltime employees including CFO, Company secretary and Manager.

Insurance

We maintain insurance policies that we believe are customary for companies operating in our industry. Our principal types of coverage include policies covering our fixed assets and equipment, which protects us in the event of certain natural disasters or fire, group credit term life insurance, group medical insurance, directors and officers liability insurance, and group personal accident insurance.

Intellectual Property

As on the date of draft offer letter, we do not have any registered trademark. Our logo is also not registered.

Properties

Our Registered and Corporate office is located at 503, Rohit House, 3, Tolstoy marg, Central Delhi, New Delhi 110001 on leased premises owned by our promoter Mr. Vijay Bhushan and Ms. Nisha Ahuja. The monthly rent is Rs. 6000 and the rent deed is valid upto 31.05.2029.

OUR MANAGEMENT

Our Company functions under the Control of Board of Directors. The day-to-day affairs of our Company are looked after by qualified key personnel. Presently, we have 8 Directors on our Board. The constitution of the Board is as under:

Sr. No	Name, Designation, Date of Birth, Address, Occupation, DIN, Date of Appointment and Tenure	Age (in years)	Nationality	Directorship / Partnership in other entities (including foreign companies)
1.	Mr. Vijay Bhushan Promoter Director (Non- Executive) Date of Birth: 22-10-1958 Address: B-5, Swasthya Vihar Shakarpur New Delhi 110092 Occupation: Service DIN: 00002421 Date of Appointment: 03/06/1992	66	Indian	<ul style="list-style-type: none"> ● DSEEstates Limited ● Bharat Bhushan Insurance Brokers Private Limited ● Bharat Bhushan Equity Traders Limited ● Bharat bhushan technologies private limited. ● Bharat Bhushan Finance & Commodity Brokers Limited ● Bharat Bhushan & co. (Partner)
2.	Mrs. Nisha Ahuja Promoter Director (Non- Executive) Date of Birth: 28-07-1954 Address: House No-23, Ring Road, Lajpat Nagar Iv, Delhi 110024 Occupation: Service DIN: 00001875 Date of Appointment: 03/06/1992	67	Indian	<ul style="list-style-type: none"> ● Bharat Bhushan Insurance Brokers Private Limited ● Bharat Bhushan Equity traders limited ● Bharat Bhushan technologies private limited. ● Bharat Bhushan Finance & Commodity Brokers Limited
3.	Mr. Madhav Bharat Bhushan Non- Executive, Non -Independent Director Date of Birth: 08-08-1995 Address: B-5, Swasthy-a Vihar ShakarpurNew Delhi 110092 Occupation: Service DIN: 08213574 Date of Appointment: 12/06/202	29	Indian	<ul style="list-style-type: none"> ● Madhav Bharat Bhushan Associates Private Limited ● Pushpdeep Builders Private Limited ● Bharat Bhushan Equity Traders Limited ● Bharat Bhushan Finance & Commodity Brokers Limited ● Machian Technologies LLP

Sr. No	Name, Designation, Date of Birth, Address, Occupation, DIN, Date of Appointment and Tenure	Age (in years)	Nationality	Directorship / Partnership in other entities (including foreign companies)
4.	<p>Mrs. Madhvi Ahuja Non- Executive, Non -Independent Director Date of Birth: 24-07-1979 Address: House No-23, Ring Road, Lajpat Nagar Iv, Delhi 110024 Occupation: Service DIN: 00001869 Date of Appointment: 27/09/2019</p>	45	Indian	<ul style="list-style-type: none"> • Bharat Bhushan Equity Traders Limited • Bharat Bhushan Finance & Commodity Brokers Limited
5.	<p>Mr. Arun Kumar Garg Non- Executive, Non -Independent Director Date of Birth: 27-11-1957 Address: 216-72-B Lane-12, East lease Nagar Krishna Nagar, Delhi 110051 Occupation: Service DIN: 00178582 Date of Appointment: 26/07/2012</p>	67	Indian	<ul style="list-style-type: none"> • Indian Toners and Developers Limited • Marius Risk Management Private Limited (<i>Under Liquidation</i>) • Elevate It Services Private Limited(<i>Under Liquidation</i>) • Bharat Bhushan Finance & Commodity Brokers Limited • Arun K Garg & Associates (Partner)
6.	<p>Mr. Anil Kumar Gami Independent Director Date of Birth: 08/01/1959 Address: 12, Gujarat Vihar, Vikas Marg, DELHI 110092 Occupation: Service DIN: 10602810 Date of Appointment: 31/07/2024</p>	65	Indian	<ul style="list-style-type: none"> • Bharat Bhushan Finance & Commodity Brokers Limited
7.	<p>Mr. Vibhor Agarwal Independent Director Date of Birth: 23/05/1995 Address:D-133 Anand Vihar, Delhi 110092 Occupation: DIN: 08200334 Date of Appointment: 31/07/2024</p>	29	Indian	<ul style="list-style-type: none"> • Kaycee Polymers Private Limited • Prolene Ind LLP • Bharat Bhushan Finance & Commodity Brokers Limited
8.	<p>Mr. Atul Bhargava Independent Director Date of Birth: 20/04/1953 Address: 135, Sundar Nagar, VTC: Lodi Road H.O, District: South Delhi- State: Delhi- 1100003 Occupation: Service DIN: 01663017 Date of Appointment: 31/07/2024</p>	71	Indian	<ul style="list-style-type: none"> • Bharat Bhushan Finance & Commodity Brokers Limited • Novex Engineering Company Private Limited

Brief Biography of our Directors:

Mr. Vijay Bhushan

Mr. Vijay Bhushan is an Alumnus from Shri Ram College of Commerce & MBA from FMS, Delhi University in 1981. Mr. Bhushan has been the Past President of the Association of National Exchanges Members of India (ANMI), which is an association of NSE & BSE Brokers. He has been actively associated with the capital market since 1981. He was elected as the President of the Delhi Stock Exchange in the year 2001-02 and was also the Chairman of the Federation of Indian Stock Exchanges, representing 20 Stock Exchanges from 2002-04.

Mrs. Nisha Ahuja

Mrs. Nisha Ahuja has done Bachelor of Arts (B.A) from Delhi University in 1974. She has over 40 years of experience in Capital market and finance industry. She's one of the Promoter Director and under her guidance our Company has been successfully executing the business of NBFC. Her extensive knowledge of financial services, combined with her leadership skills, make her a widely respected person in the sector.

Mr. Madhav Bharat Bhushan

Mr. Madhav Bharat Bhushan has done Master's Degree in Management Studies (MMS), Fuqua School of Business, Duke University, USA. Bachelor's Degree in Management Studies (BMS)(Specialization in Finance), Deen Dayal Upadhyaya College, FMS, University of Delhi. He advises us on various investments strategies.

Ms. Madhvi Ahuja

Ms. Madhvi Ahuja is a Bachelor of Science from University of Bradford. Mrs. Madhvi Ahuja has been integral part of the Company's Board of Directors since 2019. With a wealth of experience and expertise, she plays a pivotal role in providing Strategic guidance and valuable insights to the Board. Her contributions include advising on key business decisions, ensuring alignment with our Company's vision, and driving long term growth.

Mr. Arun Kumar Garg

Mr. Arun Kumar Garg has obtained professional degree of Chartered Accountant in addition to BCOM. Mr. Arun Kumar Garg is a seasoned professional with over 40 years of extensive experience across diverse industries. A highly accomplished Chartered Accountant, Mr, Garg has demonstrated expertise in financial management, corporate governance, strategic planning and business development.

Currently, Mr. Garg serves as a Directors on the boards of multiple companies, where he leverages his vast experience to drive value creation, ensure compliance, and oversee effective decision-making processes.

Mr. Anil Kumar Gami

Mr. Gami has done BCOM (Hons) from Delhi University in 1981. He has rich experience of more than 40 years in the field of marketing and general management. His strategic vision, complemented by his extensive knowledge in marketing and general management, has allowed him to overcome complex challenges and seize emerging opportunities with remarkable foresight.

Mr. Vibhor Agarwal

Master's in Management Studies from Kellogg School of Management, Northwestern University in Chicago, IL, USA. Bachelor's in Economics from St. Stephens College, University, Delhi.

Mr. Vibhor Agarwal brings extensive expertise in both managerial and directorial roles. His professional journey showcases a consistent track record of success and leadership. His leadership, coupled with a hands-on approach, enabled the company to realize significant milestones and enhance operational efficiency.

Mr. Atul Bhargava

Mr. Atul Bhargava has done BCOM (Hons) from Delhi University. He is having more than 40 years of experience in different fields. Mr. Atul Bhargava has been elected as the President of the New Delhi Traders Association (NDTA) for the seventh consecutive term, serving from 2022 to 2025, without contest. He advises our Company on various business matters.

Relationship between Directors

Except that Mr. Madhav Bharat Bhushan is son of Mr. Vijay Bhushan and Ms. Madhvi Ahuja is D/o Ms. Nisha Ahuja, no other directors are related to each other.

Key Managerial Personnel (KMPs)

In addition to Mr. Vijay Bhushan and Ms. Nisha Ahuja, our wholetime Directors following persons are the other KMP:

Name of Directors & Key Managerial Personnel	Designation
Satish Aggarwal	Chief Financial Officer
Baldev Garg (Appointed w.e.f. 14.03.2024)	Company Secretary

None of our KMPs are related to each other.

Interest of Directors

All of our directors may be deemed to be interested to the extent of their shareholding, remuneration / fees, if any, payable to them, for attending meetings of the Board or a committee thereof as well as to the extent of other remuneration paid in their professional capacity and / or reimbursement of expenses, if any, payable to them and the shares held by them in our Company and their dividend and bonus entitlement. Further, except as disclosed under the heading "Interest of Promoters" in the Chapter titled 'Draft offer Letter of Summary' on page 13, our Directors do not have any other interest in our business.

Corporate Governance

The provisions of Corporate Governance as per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015- regulation 17 to 27 are not applicable to our Company as our equity share capital is less than Rs. 10 crores and net worth less than Rs. 25 crores as on 31/03/2024.

Shareholding of Director/ Key Managerial Personnel as on December 31, 2024

Sr. No.	Name of the Directors	Number of Equity Shares	% of holding
1.	MADHVI AHUJA	33905	1
2.	VIJAY BHUSHAN	804323	23.82
3.	MADHAV BHARAT BHUSHAN	7861	0
4.	SANDHYA JHALANI	30413	0.90
5	NISHA AHUJA	684517	20.24

Changes in Key Managerial Personnel in the last 3 years

Sr. No.	Name of the Directors	Designation	Date of Appointment	Date of Cessation
1.	Vaibhav Agrawal	Company Secretary		30.12.2023
2.	Baldev Garg	Company Secretary	14.03.2024	

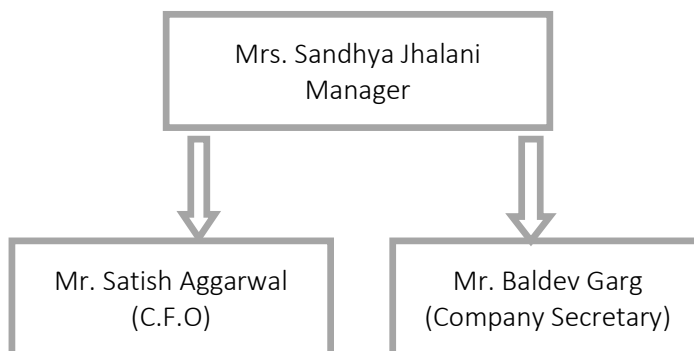
Interest of Key Managerial Personnel

Except as disclosed under the heading “Interest of Promoters’ in the Chapter titled ‘Draft offer letter of Summary’ on page 13, none of the key Managerial Personnel have any interest in our Company other than to the extent of the remuneration or benefits to which they are entitled to as per their terms of appointment and reimbursement of expenses incurred by them during the ordinary course of business.

Payment or benefit to officers of our Company

Except for the payment of salaries and perquisites, our Company does not make any payments to its officers.

Organizational Chart



SECTION V: FINANCIAL INFORMATION INDEPENDENT AUDITORS' REPORT

**To
The Members of
BHARAT BHUSHAN FINANCE & COMMODITY BROKERS LIMITED**

Report on the Audit of the financial statements

Opinion

We have audited the accompanying Financial Statements of **Bharat Bhushan Finance & Commodity Brokers Limited** (“the Company”), which comprise the balance sheet as at 31 March 2024, the statement of profit and loss (including other comprehensive income), statement of cash flows and the statement of changes in equity for the year then ended, and notes to the Financial Statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as “the Financial Statements”).

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Financial Statements give the information required by the Companies Act, 2013, as amended (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 31 March 2024, its profit including other comprehensive income, its cash flows and changes in equity for the year ended on that date.

Basis of Opinion

We conducted our audit of the Financial Statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor’s Responsibilities for the Audit of the 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 Act 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 Financial Statements.

Key Audit Matters

We have determined that there are no key audit matter to communicate in our report.

Information Other than the financial statements and Auditor’s Report Thereon

The Company’s Board of Directors is responsible for the other information. The other information comprises the Directors report to be included in the Company’s Annual report, but does not include the financial statements and our auditor’s report thereon. Our opinion on the 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that 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 Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. 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 accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, the 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 the Board of Directors 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.

Auditors' Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 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 financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.

- Conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements 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 financial statements.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements for the financial year ended March 31, 2024 and are therefore the key audit matters. We describe these matters in our auditor’s report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor’s Report) Order, 2020 (“the Order”) issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the **Annexure ‘A’** a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143 (3) of the Act, 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 purposes of our 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), the Cash Flow Statement and the statement of changes in equity dealt with by this Report are in agreement with the books of account;
- (d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, as amended.
- (e) On the basis of the written representations received from the directors as on March 31, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024 from being appointed 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 **Annexure 'B'**. 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 Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company did not have any pending litigations which would impact its financial position.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses during the year ended 31st March, 2024.
 - iii. There has been no delay in transferring amounts, required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - (b) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the company to or in any other person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - (c) Based on the audit procedures 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 Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of dividend proposed is in accordance with section 123 of the Act, as applicable.

(h) With respect to the matter to be included in the Auditor's Report under section 197(16):

The Company has not paid any managerial remuneration for the year ended 31st March, 2024 to its directors.

- (i) Based on our examination, which included test checks, the company has used accounting software for maintaining its books of account for the financial year ended March 31, 2024 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of the audit trail feature being tampered with.

As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 1, 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended March 31, 2024.

FOR G C AGARWAL & ASSOCIATES

Chartered Accountants

Firm Registration No.: 017851N

PLACE: New Delhi
DATED: 22.05.2024
UDIN: 24083820BKFWOU6500

Sd/-
(G C AGARWAL)
Partner
(Membership No. 083820)

Annexure – A to the Auditors' Report

The annexure referred to in Independent Auditor's Report to the members of **Bharat Bhushan Finance & Commodity Brokers Limited** on the financial statements for the year ended on 31st March, 2024, We Report that:

1. a.(A) The Company is maintaining proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment. The Company does not have any right of use assets.

(B) The company does not have intangible assets.

b. As explained to us, the management during the year has physically verified the Property, Plant and Equipment in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the company and nature of its assets. No material discrepancies were noticed on such physical verification.

c. The Company does not have any immovable property.

d. The Company has not revalued any of its Property, Plant and Equipment during the year.

e. There are no proceedings initiated or are pending against the Company for holding any Benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
2. a. As explained to us, inventories (Investments) have been physically verified by the management at reasonable intervals during the year. As explained to us the discrepancies noticed on physical verification of inventory as compared to the book records were not material.

b. No working capital limit has been sanctioned and availed by the Company. Hence, the reporting requirement of para 3(ii)(b) of the order is not applicable to the Company.
3. a. Since the principal business of the Company is to give loans, the reporting requirement of para 3(iii)(a) is not applicable.

b. During the year the investments made are not prejudicial to the Company's interest. During the year, the Company has not given any loan or not provided any guarantee.

c. The company has not provided any loans or advances in the nature of loans or advances during the year. Accordingly, the requirement to report on clause 3(iii)(c) & 3(iii)(d) of the Order are not applicable to the Company.

d. Since the principal business of the Company is to give loans, the reporting requirement of para 3(iii)(e) is not applicable.

e. The Company has not granted any loans or advances in the nature of loans, either repayable on demand or without specifying any terms or period of repayment to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(f) of the Order is not applicable to the Company.
4. In our opinion and according to the information and explanations given to us, the company has complied with the provision of section 185 and 186 of the Act, with respect to the investment made, to the extent applicable to the Company. As per the information and explanation given to us, the

Company has not given any loan nor given any guarantee or provided any security in connection with a loan to any other body corporate or person.

5. The Company has neither accepted any deposits from the public nor accepted any amount which are deemed to be deposits within the meaning of Sections 73 to 76 of the Act and the rules made thereunder, to the extent applicable. Accordingly, the requirement to report on clause 3(v) of the Order is not applicable to the Company.
6. The nature of the company's business/activities is such that maintenance of Cost Records under section 148(1) of the Companies Act, 2013 is not applicable to the company.
7.
 - a. According to the records of the Company, undisputed statutory dues including Goods and Service Tax, Provident Fund, Employee's State Insurance, Income Tax, Customs Duty, Excise Duty, Value added tax, Cess and other statutory dues to the extent and as applicable to the company have been generally regularly deposited by the company during the year with the appropriate authorities. However, there are some delays in few cases and also non deposit of advance tax installments. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at 31st March, 2024 for a period of more than six months from the date of becoming payable.
 - b. According to the records of the Company, there are no disputed statutory dues that have not been deposited on account of matters pending before appropriate authorities.
8. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income-tax Act, 1961 as income during the year. Hence, the para 3(viii) of the order is not applicable to the Company.
9.
 - a) The company has not taken any loan or other borrowings from any lender. Hence, the para 3(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 outstanding term loans at the beginning of the year. Hence, reporting under clause 3(ix)(c) of the Order is not applicable to the Company.
 - d) The Company has not raised any loans on short-term basis have been used for long-term purposes by the Company.
 - e) The Company does not have any subsidiary, associate or joint ventures. Hence, reporting under clause 3(ix)(e) of the Order is not applicable to the Company.
 - f) On the basis of books and records examined by us and as explained to us, the Company has not raised any loan during the year. Hence, reporting under clause 3(ix)(f) of the Order is not applicable to the Company.
10.
 - a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments). Hence, the para 3(x)(a) of the order is not applicable to the Company.

- b) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or convertible debentures (fully, partly or optionally convertible) during the year. Accordingly, provisions of clause 3 (x)(b) of the Order is not applicable to the Company.
11. a) In our opinion and according to the information and explanation given to us, no fraud by the company or on the Company has been noticed or reported during the course of our audit.
- b) During the year no report under sub-section 12 of section 143 of the Act has been filed in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- c) According to the information and explanations given to us, there were no whistle blower complaints received during the year by the Company.
12. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the order is not applicable.
13. According to the information and explanations given to us and based on or examinations of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transaction have been disclosed in the financial statements as required by the applicable accounting standards.
14. a) In our opinion the company has an adequate internal audit system commensurate with the size and the nature of its business.
- b) We have considered the internal audit reports for the year under audit, issued to the company during the year and till date, in determining the nature, timing and extent of our audit procedures.
15. According to the information and explanations given to us and based on our examination of the record of the Company, the Company has not entered into non-cash transactions with directors or persons connected with its director. Accordingly, paragraph 3(xv) of the order is not applicable.
16. a) The Company is required to be registered under section 45-IA of the Reserve bank of India Act, 1934 and such registration has been obtained by the Company.
- b) The Company has not conducted any Non-Banking Financial activities without obtaining a valid Certificate of registration from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.]
- c) The Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report on clause 3(xvi)(c) of the Order is not applicable to the Company.
- d) There is no Core Investment Company as a part of the Group. Accordingly, the requirement to report on clause 3(xvi)(d) of the Order is not applicable to the Company.
17. The Company has not incurred cash losses in the current year and the immediately preceding financial year.
18. There has been no resignation of the statutory auditor during the year. Hence, the reporting para 3(xviii) of the order is not applicable to the Company.

19. According to the information and explanations given to us and 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, the our knowledge of the Board of Directors and Management plans and based on our examination of 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 to 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 and when they fall due.
20. The Company is not required to spend any amount under sub section 5 of Section 135 of the Act. Accordingly, the reporting para 3(xx) of the order is not applicable to the Company.

FOR G C AGARWAL & ASSOCIATES

Chartered Accountants

Firm Registration No.: 017851N

Sd/-

(G C AGARWAL)

Partner

(Membership No. 083820)

PLACE: New Delhi

DATED: 22.05.2024

Annexure – B to the Auditors' Report

Report on the Internal Financial Control 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 **Bharat Bhushan Finance & Commodity Brokers Limited** (“the Company”) as of 31 March 2024 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (‘ICAI’). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to 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 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 accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised 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.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2024, 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.

FOR G C AGARWAL & ASSOCIATES

Chartered Accountants

Firm Registration No.: 017851N

Sd/-

(G C AGARWAL)

Partner

(Membership No. 083820)

PLACE: New Delhi

DATED: 22.05.2024

Bharat Bhushan Finance & Commodity Brokers Limited
CIN: L67120DL1992PLC049038

BALANCE SHEET

Particulars	Note	AMOUNT (Rs. In lakhs)	
		As at 31 March 2024	As at 31 March 2023
I. ASSETS			
Financial Assets			
a. Cash and cash equivalents	4	2.14	5.45
b. Bank Balance other than (a) above	5	12.82	14.20
c. Investments	6	2,500.72	1,985.22
d. Other Financial Assets	7	22.55	22.32
Non-Financial Assets			
a. Current tax assets (Net)	8	0.36	2.02
b. Property, Plant and Equipment	9	0.58	0.97
c. Other non -financial assets	10	5.54	4.84
TOTAL ASSETS		2,544.71	2,035.02
II. LIABILITIES AND EQUITY			
LIABILITIES			
Financial Liabilities			
a. Payables			
(i) Trade payables			
(i) total outstanding dues of micro enterprise and small enterprise		-	-
(ii) total outstanding dues other than micro enterprise and small enterprise	11	4.96	-
(ii) Other payables			
(i) total outstanding dues of micro enterprise and small enterprise		-	-
(ii) total outstanding dues other than micro enterprise and small enterprise		-	-
b. Other financial liabilities	12	13.89	15.88
Non-Financial Liabilities			
a. Deferred tax liabilities (Net)	13	126.39	71.69
b. Provisions	14	0.74	0.89
c. Other non-financial liabilities	15	0.12	0.10
EQUITY			
a. Equity Share Capital	16	338.04	338.04
b. Other Equity	17	2,060.57	1608.42
TOTAL LIABILITIES AND EQUITY		2,544.71	2,035.02

Significant accounting policies and notes to the financial statements 1-44

The accompanying notes form an integral part of the financial statements
As per our report of even date attached

For **G C AGARWAL & ASSOCIATES**
Chartered Accountants
FRN:017851N

Sd/-
G C Agarwal
Partner
Membership No. 083820

Place: New Delhi
Date: 22nd May 2024

For and on behalf of the Board of Directors of
Bharat Bhushan Finance & Commodity
Brokers Ltd.

Sd/-
Vijay Bhushan
Director
(DIN: 00002421)

Sd/-
Satish Aggarwal
Chief Financial Officer

Sd/-
Nisha Ahuja
Director
(DIN: 00001875)

Sd/-
Baldev Garg
Company Secretary
(M No: A73249)

Statement of Profit and Loss

AMOUNT (Rs. In lakhs)

Particulars	Note	Year ended 31 March 2024	Year ended 31 March 2023
INCOME			
Revenue from operations			
(i) Interest Income	18	10.32	8.41
(ii) Dividend Income	19	20.12	24.56
(iii) Net gain on fair value changes	20	44.59	10.82
(iv) Net Profit/(loss) in Equity derivative trading/ Share Dealing	21	-4.37	14.30
I Total Revenue from operations		70.67	58.09
II Other Income		0.67	-
III Total income (I+II)		71.34	58.09
(i) Employee Benefits Expenses	22	22.57	21.53
(ii) Depreciation	9	0.39	0.44
(iii) Others expenses	23	20.40	18.89
IV Total expenses (IV)		43.36	40.86
V Profit/ (loss) before tax (III-IV)		27.98	17.23
VI Tax expense			
(i) Current tax		5.90	4.15
(ii) Deferred tax (credit) / charge		0.31	1.47
Total tax expense (VI)		6.21	5.62
VII Profit for the year (V-VI)		21.77	11.61
VIII Other comprehensive income			
(a) Items that will not be reclassified to profit or loss			
- Fair Value changes of Investments at FVTOCI	24	504.72	27.67
- Remeasurements of defined benefit plans	26	0.33	0.42
(b) Income tax relating to above mentioned item		-54.40	20.18
Other comprehensive income for the year, net of tax		450.65	48.27
Total comprehensive income for the year (VII +VIII)		472.42	59.88
IX Earnings per equity share of face value of Rs. 10 each (previous year Rs. 10 each)	25		
Basic (Rs.)		0.64	0.34
Diluted (Rs.)		0.64	0.34

Significant accounting policies and notes to the financial statements 1-44

The accompanying notes form an integral part of the financial statements

As per our report of even date attached

For **G C AGARWAL & ASSOCIATES**

Chartered Accountants

FRN:017851N

Sd/-

G C Agarwal

Partner

Membership No. 083820

**For and on behalf of the Board of Directors of
Bharat Bhushan Finance & Commodity
Brokers Ltd**

Sd/-

Vijay Bhushan

Director

(DIN: 00002421)

Sd/-

Nisha Ahuja

Director

(DIN: 00001875)

Sd/-

Satish Aggarwal

Chief Financial Officer

Sd/-

Baldev Garg

Company Secretar

(M No: A73249)

Place: New Delhi

Date: 22nd May 2024

Cash Flow Statement for the year ended March 31, 2024

Particulars	AMOUNT (Rs. In lakhs)	
	For the year ended 31 March 2024	For the year ended 31 March 2023
A. Cash Flow from Operating Activities		
Profit before tax	27.98	17.23
Adjustments for:		
Depreciation	0.39	0.44
Interest income	-10.32	-8.41
Net gain on fair value changes	-44.59	-10.82
Profit from PMS		
Dividend income	-20.12	-24.56
Cash generated from operation before working capital changes	-46.66	-26.12
Increase/ (decrease) in investments at FVTPL	74.25	53.71
Increase/ (decrease) in other financial assets	-	1.39
Increase/ (decrease) in other non-financial assets	-0.70	-1.49
(Increase) /decrease in Trade payables	4.96	-
(Increase) /decrease in other financial liabilities	-0.61	0.13
(Increase) /decrease in provisions	0.18	0.82
(Increase) /decrease in other non financial liabilities	0.02	-0.09
Cash Flows before OCI and Tax	31.42	28.35
Income tax paid	-4.23	-3.47
Net cash flow from/ (used) in operating activities	27.20	24.88
B. Investing Activities		
Purchase of Investments	-281.17	-126.51
Sale of Investments	240.73	89.59
Purchase of Fixed Assets	-	-0.16
Interest received	10.12	8.41
Dividend received	20.09	24.56
Net cash flow from/ (used in) investing activities	-10.22	-4.11
C. Financing Activities		
Dividend Paid*	-20.28	-20.28
Dividend distribution tax paid	-	-
Net cash flow from/ (used in) financing activities	-20.28	-20.28
Net change in cash and cash equivalents	-3.31	0.49
Cash and cash equivalents at the beginning of the year	5.45	4.96
Cash and cash equivalents at the end of the year	2.14	5.45

* Dividend amounting to Rs 0.60/- per equity share of Rs. 10/- each for financial year 2022-23 paid in current year (For previous year dividend amounting to Rs 0.60/- per equity share of Rs10/-)

Note:

1. Cash Flow Statement has been prepared under indirect method as set out in IND AS-7 (Cash Flow Statement)
2. Cash and Cash Equivalents consist of cash in hand balances with banks.

The accompanying notes form an integral part of the financial statements.

As per our report of even date attached

For G C AGARWAL & ASSOCIATES
Chartered Accountants
Firm Registration No.:017851N

Sd/-
G C Agarwal
Partner
Membership No. 083820

Place: New Delhi
Date: 22nd May 2024

For and on behalf of the Board of Directors of
Bharat Bhushan Finance & Commodity Brokers
Ltd.

Sd/-
Vijay Bhushan
Director
(DIN: 00002421)

Sd/-
Nisha Ahuja
Director
(DIN: 00001875)

Sd/-
Satish Aggarwal
Chief Financial Officer

Sd/-
Baldev Garg
Company Secretary
(M No: A73249)

STATEMENT OF CHANGES IN EQUITY

a. Equity share capital Amount (Rs. in Lakhs)

	Number of Shares	AMOUNT
As at April 01, 2022	33,80,400	338.04
Changes in Equity share capital during the year	-	-
As at March 31, 2023	33,80,400	338.04
Changes in Equity share capital during the year	-	-
As at March 31, 2024	33,80,400	338.04

b. Other equity

	Reserves and surplus				Other comprehensive income	Total
	Statutory Reserve	Capital Reserve	General Reserve	Retained earnings		
Balance as at April 01, 2022	164.23	0.00	37.49	414.23	952.88	1,568.83
Profit for the year	-	-	-	11.61	-	11.61
Other comprehensive income for the year (net of tax)	-	-	-	-	48.26	48.26
Transferred to statutory reserve	2.32	-	-	-2.32	-	-
Transfer of realised gain on sale of equity instruments at FVTOCI	-	-	-	29.56	-29.56	-
Total comprehensive income for the year	-	-	-	-20.28	-	-20.28
Dividend including tax thereon	-	-	-	-	-	-
Balance as at March 31, 2023	166.55	0.00	37.49	432.79	971.58	1,608.42
Statement of Changes in Equity (Contd.)						
b. Other equity (Contd.)						

	Reserves and surplus				Other comprehensive income	Total
	Statutory Reserve	Capital Reserve	General Reserve	Retained earnings		
Balance as at March 31, 2023	166.55	0.00	37.49	432.79	971.58	1,608.42
Profit for the year	-	-	-	21.77	-	21.77
Other comprehensive income for the year (net of tax)	-	-	-	-	450.65	450.65
Transferred to statutory reserve	4.35	-	-	-4.35	-	-
Transfer of realised gain on sale of equity instruments at FVTOCI	-	-	-	31.31	-31.31	-
Total comprehensive income for the year	-	-	-	-20.28	-	-20.28
Dividend including tax thereon	-	-	-	-	-	-
Balance as at March 31, 2024	170.90	0.00	37.49	461.23	1,390.93	2,060.55

Significant accounting policies and notes to the financial statements 1-44

The accompanying notes form an integral part of the financial statements

AS PER OUR REPORT OF EVEN DATE ATTACHED
FOR G C AGARWAL & ASSOCIATES
CHARTERED ACCOUNTANTS
FRN : 017851N

FOR & ON BEHALF OF THE BOARD
Bharat Bhushan Finance & Commodity Brokers Ltd.

Sd/-
G C AGARWAL
Partner
(M.No. : 083820)

Sd/-
VIJAY BHUSHAN
DIRECTOR
(DIN : 00002421)

Sd/-
NISHA AHUJA
DIRECTOR
(DIN : 00001875)

Sd/-
SATISH AGGARWAL
CHIEF FINANCIAL OFFICER

Sd/-
Baldev Garg
Company Secretary
(M No: A73249)

PLACE : NEW DELHI
DATE : 22nd May, 2024

Notes forming part of the financial statements for the year ended 31 March 2024

1. Company Information / Overview

Bharat Bhushan Finance & Commodity Brokers Ltd. ("the Company"), incorporated and domiciled in India, having its registered office at 503, Rohit House, 3 Tolstoy Marg, New Delhi-110001. The company is a Non-systematically important Non Deposit Taking, Non Banking Financial Company ("NBFC") as defined under Section 45- IA of the Reserve Bank of India ("RBI") Act, 1934. Equity share of the company are listed on Bombay stock exchange.

2. Basis of preparation of financial statements.

(A) Compliance with Ind As

The financial statements of the Company comply in all material aspects with Indian Accounting Standards ('Ind AS') notified under Section 133 of the Companies Act, 2013 ('the Act') read with the Companies(Indian Accounting Standards) Rules, 2015 as amended from time to time and other relevant provisions of the Act. Any directions issued by the RBI or other regulators are implemented as and when they become applicable.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to the existing accounting standard requires a change in the accounting policy hitherto in use.

(B) Presentation of financial statements

The Balance Sheet, the statement of Changes in Equity and the Statement of Profit and Loss are presented in the format prescribed under Division III of Schedule III of the Act, as amended from time to time, for Non-Banking Financial Companies ('NBFCs') that are required to comply with Ind AS. The statement of Cash Flows has been presented as per the requirements of Ind AS 7 Statement of Cash Flows.

(C) Basis of preparation

The financial statements have been prepared under the historical cost convention on the accrual basis except for certain financial instruments and plan assets of defined benefit plans, which are measured at fair values at the end of each reporting as explained in the accounting policies below.

(D) Use of estimates and judgements

The preparation of financial statements in conformity with Ind AS requires managements to make estimates, judgements and assumptions that effect the application of accounting policies and the reported amounts of assets and liabilities (including contingent liabilities) and disclosures as of the date of the financial statements and the reported amounts of revenues and expenses for the reporting period. Actual results could differ from these estimates. Accounting estimates and underlying assumptions are reviewed on an ongoing basis and could change from period to period. Appropriate changes in estimates are recognised in the periods in which the company becomes aware of the changes in circumstances surrounding the estimates.

3. Significant Accounting Policies

3.1 Financial Instruments

A) Initial Recognition and measurement

All financial assets and financial liabilities are recognised when the company become a party to the contractual provisions of the instruments. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of the financial assets and financial liabilities (other than financial assets and financial liabilities at FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in Statement of profit and loss.

B) Classification and Subsequent measurement of financial assets-

The company classifies its financial assets into various measurements categories. The classification depends on the contractual terms of the financial assets' cash flows and the company's business model for managing financial assets.

a. Amortised Cost

A financial asset is measured at Amortised Cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the Financial Asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

b. FVOCI- debt instruments

A debt instruments in nature of financial asset is measured at FVOCI when the instrument is held within a business model, the objective of which is achieved by both collecting contractual cash flows and selling financial assets; and the contractual terms of the Financial Asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

c. FVOCI- equity instruments

Equity instruments in nature of financial assets are measured at fair value through profit or loss, unless the Company's management has elected to classify irrevocably some of its equity instruments at FVOCI, when such instruments meet the definition of Equity under Ind AS 32 Financial Instruments and are not held for trading.

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

d. FVTPL

A financial asset which is not classified in any of the above categories are measured at FVTPL.

Subsequent Measurement of financial assets

Financial assets at amortised cost are subsequently measured at amortised cost using effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in Statement of profit and loss. Any gain and loss on derecognition is recognised in Statement of profit and loss.

Debt investment at FVOCI are subsequently measured at fair value. Interest income under effective interest method, foreign exchange gains and losses and impairment are recognised in Statement of profit and loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to Statement of profit and loss.

For equity investments, the Company makes an election on an instrument-by-instrument basis to designate equity investments as measured at FVOCI. These elected investments are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the reserves. The cumulative gain or loss is not reclassified to Statement of profit and loss on disposal of the investments. These investments in equity are not held for trading. Instead, they are held for strategic purpose. Dividend income received on such equity investments are recognised in Statement of profit and loss.

Equity investments that are not designated as measured at FVOCI are designated as measured at FVTPL and subsequent changes in fair value are recognised in Statement of profit and loss.

Financial assets at FVTPL are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in Statement of profit and loss.

C.) Financial Liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity Instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by Company are recognised at the proceeds received. Transaction costs of an equity transaction are recognised as a deduction from equity.

Financial Liabilities

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-fortrading or it is a derivative or it is designated as such on initial recognition. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in Statement of profit and loss. Any gain or loss on derecognition is also recognised in Statement of profit and loss.

D.) Derecognition**Financial Assets**

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

Financial liabilities

A financial liability is derecognised when the obligation in respect of the liability is discharged, cancelled or expires. The difference between the carrying value of the financial liability and the consideration paid is recognised in Statement of profit and loss.

E. Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

F. Impairment

The Company recognises lifetime expected credit losses (ECL) when there has been a significant increase in credit risk since initial recognition and when the financial instrument is credit impaired. If the credit risk on the financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12 month ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition. 12 month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

3.2 Cash and cash equivalents

Cash and cash equivalents comprise of cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts if any, as they are considered an

integral part of the Company's cash management.

3.3 Property, plant and equipments (PPE)

Property, plant and equipment (PPE) are measured at cost less accumulated depreciation and accumulated impairment, if any. Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

Advances paid towards the acquisition of fixed assets, outstanding at each reporting date are shown under other non-financial assets. The cost of property, plant and equipment not ready for its intended use at each reporting date are disclosed as capital work-in-progress.

Subsequent expenditure related to the asset are added to its carrying amount or recognised as a separate asset only if it increases the future benefits of the existing asset, beyond its previously assessed standards of performance and cost can be measured reliably. Other repairs and maintenance costs are expensed off as and when incurred.

Depreciation on PPE is provided on straight-line basis in accordance with the useful lives specified in Schedule II to the Companies Act, 2013 on a pro-rata basis.

The estimated useful lives used for computation of depreciation are as follows:

Particulars	Useful life
Furniture & fixture	10 years
Office equipment	5 years
Server and networking	6 years
Computer	3 years
Building	30 years
Vehicles	8 years

Assets costing less than Rs.5000/- are fully depreciated in the period of purchase.

PPE is derecognized on disposal or when no future economic benefits are expected from its use. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the net carrying amount of the asset) is recognised in other income / netted off from any loss on disposal in the Statement of profit and loss in the year the asset is derecognised.

3.4 Intangible assets :

Intangible assets comprises of computer software which is amortized over the estimated useful life. The amortization period is lower of license period or 36 months which is based on management's estimates of useful life. Amortisation is calculated using the straight line method to write down the cost of intangible assets over their estimated useful lives.

3.5 Impairment of assets other than financial assets :

The Company reviews the carrying amounts of its tangible and intangible assets at the end of each reporting period, to determine whether there is any indication that those assets have impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Recoverable amount is determined for an individual asset, unless the asset does not generate cash flows that are largely independent of those from other assets or group of assets.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pretax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset

for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount such that the increased carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had been recognised for the asset (or cash-generating unit) in prior years. The reversal of an impairment loss is recognised in Statement of profit and loss.

3.6 Provisions :

Provisions are recognised when there is a present obligation as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

3.7 Employee Benefits :

A) Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

B) Contribution to provident fund and ESIC

Company's contribution paid/payable during the year to provident fund and ESIC is recognised in the Statement of profit and loss.

C) Gratuity

The Company's liability towards gratuity scheme is determined by independent actuaries, using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation. Past services are recognised at the earlier of the plan amendment / curtailment and recognition of related restructuring costs/ termination benefits.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the Statement of profit and loss.

Remeasurement gains/ losses-

Remeasurement of defined benefit plans, comprising of actuarial gains / losses, return on plan assets excluding interest income are recognised immediately in the balance sheet with corresponding debit or credit to Other Comprehensive Income (OCI). Remeasurements are not reclassified to Statement of profit and loss in the subsequent period.

Remeasurement gains or losses on long-term compensated absences that are classified as other long-term benefits are recognised in Statement of profit and loss.

D) Leave encashment / compensated absences / sick leave

The Company provides for the encashment / availing of leave with pay subject to certain rules. The

employees are entitled to accumulate leave subject to certain limits for future encashment / availment. The liability is provided based on the number of days of unutilized leave at each balance sheet date on the basis of an independent actuarial valuation.

3.8 Revenue recognition

A) Recognition of interest income on loans

Interest income is recognised in Statement of profit and loss using the effective interest method for all financial instruments measured at amortised cost, debt instruments measured at FVOCI and debt instruments designated at FVTPL. The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument.

The calculation of the effective interest rate includes transaction costs and fees that are an integral part of the contract. Transaction costs include incremental costs that are directly attributable to the acquisition of financial asset.

If expectations regarding the cash flows on the financial asset are revised for reasons other than credit risk, the adjustment is recorded as a positive or negative adjustment to the carrying amount of the asset in the balance sheet with an increase or reduction in interest income. The adjustment is subsequently amortised through Interest income in the Statement of profit and loss.

The Company calculates interest income by applying the EIR to the gross carrying amount of financial assets other than credit-impaired assets.

When a financial asset becomes credit-impaired, the Company calculates interest income by applying the effective interest rate to the net amortised cost of the financial asset. If the financial asset cures and is no longer credit impaired, the Company reverts to calculating promo income on a gross basis.

Additional interest and interest on trade advances, are recognised when they become measurable and when it is not unreasonable to expect their ultimate collection.

Income from bill discounting is recognised over the tenure of the instrument so as to provide a constant periodic rate of return.

B) Rental income :

Income from operating leases is recognised in the Statement of profit and loss as per contractual rentals unless another systematic basis is more representative of the time pattern in which benefit derived from the leased asset is diminished.

C) Fees and commission income :

Fee based income are recognised when they become measurable and when it is probable to expect their ultimate collection.

Commission and brokerage income earned for the services rendered are recognised as and when they are due.

D) Dividend and interest income on investments :

- Dividends are recognised in Statement of profit and loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Company and the amount of the dividend can be measured reliably.

-Interest income from investments is recognised when it is certain that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

3.9 Finance costs

Finance costs include interest expense computed by applying the effective interest rate on respective financial instruments measured at Amortised cost. Financial instruments include bank term loans, non-convertible debentures, fixed deposits mobilised, commercial papers, subordinated debts and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Finance costs are charged to the Statement of profit and loss.

3.10 Taxation - Current and deferred tax:

Income tax expense comprises of current tax and deferred tax. It is recognised in Statement of profit and loss except to the extent that it relates to an item recognised directly in equity or in other comprehensive income.

A) Current tax :

Current tax comprises amount of tax payable in respect of the taxable income or loss for the year determined in accordance with Income Tax Act, 1961 and any adjustment to the tax payable or receivable in respect of previous years. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

B) Deferred tax :

Deferred tax assets and liabilities are recognized for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases. Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequence that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary difference could be utilized. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

3.11 Leases

As a lessee

The Company has applied Ind AS 116. For these short term and low value leases, the company recognizes the lease payments as an expense in the Statement of Profit and Loss on a Straight line basis over the term of lease.

3.12 Exceptional items

When items of income and expenses within profit or loss from ordinary activities are of such size, nature or incidence that their disclosure is relevant to explain the performance of the enterprise for the period, the nature and amount of such items is disclosed separately as Exceptional items.

3.13 Earning per share

The Company reports basic and diluted earnings per equity share. Basic earnings per equity share have computed by dividing net profit/loss attributable to the equity share holders for the year by the weighted average number of equity shares outstanding during the year. Diluted earnings per equity share have been computed by dividing the net profit attributable to the equity share holders after giving impact of dilutive potential equity shares for the year by the weighted average number of equity shares and dilutive potential equity shares outstanding during the year, except where the results are anti-dilutive.

4 Cash and cash equivalent		AMOUNT (Rs.in lakhs)			
Particulars	As at 31 March 2024		As at 31 March 2023		
Cash on Hand		0.08			0.11
Balance with banks (of nature of cash and cash equivalents)		2.06			5.34
Total		2.14			5.45
5 Bank balance other than above		AMOUNT (Rs.in lakhs)			
Particulars	As at 31 March 2024		As at 31 March 2023		
Earmarked balances with banks- -Unclaimed dividend accounts		12.82			14.20
Total		12.82			14.20
6 Investments					
Particulars	Face Value	As at 31 March 2024		As at 31 March 2023	
	Amount	Qty (NOS)	Amount(Rs. In Lakhs)	Qty (NOS)	Amount (Rs. In Lakhs)
A. Investment in Equity Instruments					
A.1 -Quoted Fully Paid Up Equity Share (Trade)-FVTOCI					
3M India Ltd	10	500	155.97	500	114.81
Adinath Textiles Ltd	10	200	0.06	200	0.05
Aditya Birla Money Ltd	1	50	0.05	50	0.02
Ador Welding Ltd	10	-	-	85	0.78
Agio Paper And Industries Ltd	10	100	0.01	100	0.00
Alok Industries Ltd	1	10,000	2.59	10,000	1.16
Ambuja Cement Ltd	2	375	2.30	375	1.37
Andhra Cement Ltd	10	296	0.23	1,162	0.06
Angel One Ltd	10	64	1.95	-	-
Ansai Properties & Infrastructure Ltd	5	4,000	0.36	4,000	0.45
Ashiana Agro Industries Ltd	10	100	0.01	100	0.01
Ashok Leyland Ltd	1	1,000	1.71	1,000	1.39
Aurum Propotech Limited	5	1,400	1.82	1,400	1.45
AVG Logistics Ltd	10	580	3.36	-	-
Bharat Bijlee Ld	5	39	2.50	-	-
Bharat Electronics Ltd	1	5,700	11.49	-	-
Bharat Nidhi Ltd	10	100	0.01	100	0.01
Bharat Wire Ropes Ltd	10	690	1.90	1,483	2.30
Bits Ltd	2	8,000	0.27	8,000	0.02
Bkv Industries Ltd	1	8,300	1.02	8,300	0.71
Blb Ltd	1	1	0.00	1	0.00
Canara Bank Ltd	10	1,000	5.81	1,000	2.84
Ceat Ltd	10	6	0.16	6	0.09
Cg Power And Industrial Solutions Ltd	2	2,500	13.52	2,500	7.50
Cigniti Technologies Ltd	10	-	-	106	0.79

Cipla Ltd	2	1,875	28.07	1,875	16.88
City Union Bank Ltd	1	15,577	21.05	15,577	19.60
Coal India Ltd	10	-	-	500	1.07
Container Corporation	5	-	-	3,000	17.42
Dabur India Ltd	1	2,000	10.46	2,000	10.90
DB Realty Ltd	10	1,110	2.18	-	-
Diamines And Chemicals Limited	10	-	-	134	0.54
Dr Reddy Laboratories Ltd	5	-	-	51	2.36
DSQ Software Ltd	10	1,100	0.11	1,100	0.11
Electrosteel Steels Ltd	10	200	0.02	200	0.02
Emkay Global Financial Services Ltd	10	-	-	51	0.03
Eveready Limited	5	3,450	11.53	3,450	10.08
Fedders Electric And Engineering Ltd	10	1,000	0.05	1,000	0.05
Fiber Web India Ltd	10	-	-	240	0.08
Fluidomat Ltd	10	429	2.01	-	-
Fortis Healthcare Ltd	10	3,000	12.61	5,000	13.00
Fusion Micro Finance Ltd	10	-	-	187	0.75
Gail India Ltd	10	1,383	2.50	-	-
Geojit Financial Services Ltd	1	1	0.00	1	0.00
Gkw Ltd	10	-	-	10	0.05
GMDC Ltd	2	493	1.70	-	-
Golden Tabacco Ltd	10	200	0.08	200	0.08
Gravita India Ltd	2	-	-	156	0.76
Gujrat Fluoro Chemicals	1	-	-	200	6.04
Hcl Infosystems Ltd	2	5,000	0.85	5,000	0.60
Hdfc Bank Ltd	1	10,000	144.79	10,000	160.97
Hero Motocorp Limited	2	100	4.72	100	2.35
Hindustan Aeronautics Ltd	5	1,500	49.91	-	-
Hindustan Petroleum Corporation Ltd	10	2,438	11.60	1,575	3.73
Hindustan Unilever Ltd	1	1,010	22.87	1,010	25.86
Hindustan Zink Ltd	2	3,000	8.77	-	-
ICICI Bank Ltd	2	2,075	22.69	1,375	12.06
IDFC Ltd	10	20,800	23.03	30,800	24.19
IFCI Ltd	10	5,000	1.98	5,000	0.49
Imec Services Ltd	10	3	0.00	100	0.00
India Grid Trust	100	21,030	27.92	12,500	16.85
India Lease Development Ltd	10	4,000	0.36	4,000	0.25
Inditrade Capital Ltd	10	-	-	50	0.01
Indo Rama Synthetics India Ltd	10	4,000	1.55	4,000	1.57
Intense Technologies Ltd	2	3,000	3.43	4,000	2.31
IRB Invt Fund	1	33,280	22.26	22,500	15.19
IREDA Ltd	10	2,002	2.72	-	-
ITC Ltd	1	21,150	90.60	21,150	81.11
Jaiprakash Associates Ltd	2	49,857	8.95	67,000	4.66
Jay Pee Infratech Ltd	10	9,000	0.11	9,000	0.11
Jio Financial Services Ltd	10	12,588	44.53	-	-
Jubilant Foodworks Ltd	5	2,000	8.98	2,000	8.80

KDDL Ltd	10	-	-	62	0.64
Kirloskar Fertilizers Limited	2	-	-	192	0.76
KP Energy Ltd	5	776	2.81	-	-
KPI Green Energy Ltd	10	165	2.51	-	-
L&T Technologies Services Ltd	2	-	-	21	0.71
Larsen And Toubro Ltd	2	1,761	66.28	1,800	38.96
Lupin Ltd	2	-	-	700	4.54
Mahindra & Mahindra Ltd	5	2,000	38.43	2,000	23.17
Maruti Suzuki India Ltd	5	150	18.90	150	12.44
Mirza International Ltd	2	-	-	175	0.06
Monarch Network Capital Ltd	10	50	0.26	50	0.10
Motherson Sumi Wiring India Ltd	1	5,296	3.50	7,296	3.52
MPS Ltd	10	-	-	67	0.71
Mukesh Steels Ltd	10	100	0.03	100	0.03
Nahar Spinnings Mills Ltd	5	22	0.06	22	0.05
NBCC Ltd	1	-	-	60,000	21.27
NDR Auto Component Limited	10	-	-	129	0.72
Nelco Ltd	10	500	3.47	500	2.59
Nestle India Ltd	1	4,000	104.89	400	78.83
Nitta Gelatin India Ltd	10	-	-	90	0.80
Nibe Ltd	10	700	9.02	-	-
NTPC Ltd	10	7,072	23.75	7,072	12.38
Nuvama Wealth Management Ltd	10	73	3.41	-	-
One 97 Communications Ltd	1	-	-	120	0.76
ONGC Ltd	5	5,346	14.33	3,750	5.66
Opto Circuits (India) Ltd	10	4,000	0.07	4,000	0.07
Oracle Fin Services Software Ltd	5	28	2.45	-	-
Orissa Sponge Iron & Steel Ltd	10	200	0.44	200	0.44
Oswal Yarn Ltd	10	12,800	1.69	12,800	0.90
Pennar Aluminium Ltd	10	1,000	0.00	1,000	0.00
Pentamedia Graphics Ltd	1	1,000	0.01	1,000	0.01
Permanent Magnets Limited	10	-	-	98	0.89
Petronet LNG Ltd	10	940	2.47	-	-
PG Invit Trust Ltd	100	4,000	3.79	-	-
Pioneer Embroideries Ltd	10	3,500	1.31	3,500	0.97
Piramal Enterprises Ltd	2	120	1.02	120	0.81
Piramal Pharma Ltd	10	4,080	5.26	480	0.33
Power Finance Corporation Ltd	10	675	2.63	-	-
Prakash Industries Ltd	10	4,200	6.98	4,200	2.14
Premier Explosives Ltd	10	186	2.83	-	-
Procter & Gamble Hygiene And Health Care Limited	10	486	82.27	486	64.83
Psl Holding Ltd	10	1,000	0.10	1,000	0.00
PTC India Finance Services Ltd	10	4,147	1.66	-	-

Punj Lloyd Ltd	2	1,200	0.03	1,200	0.03
Rashtriya Chemical Fertilizer Ltd	10	1,259	1.61	-	-
Rattan India Power Ltd	10	5,000	0.41	5,000	0.15
REC Ltd	10	3,535	15.94	-	-
Reliance Broadcast Network Ltd	10	2,000	0.10	2,000	0.10
Reliance Capital Ltd	10	1,647	0.20	1,647	0.13
Reliance Communications Ltd	5	2,954	0.05	2,954	0.04
Reliance Home Finance Ltd	10	1,647	0.05	1,647	0.04
Reliance Industries Ltd	10	12,588	374.08	12,588	293.43
Reliance Infrastructure Ltd	10	1,406	3.81	221	0.32
Reliance Media Works Ltd	10	1,000	0.05	1,000	0.05
Reliance Power Ltd	10	738	0.21	738	0.07
Religare Enterprises Ltd	10	2,700	5.65	-	-
Rishab Instruments Ltd	10	390	1.72	-	-
Saksoft Ltd	1	2,000	5.12	-	-
Satia Industries Ltd	1	2,500	2.71	-	-
Samvardhana Motherson International Limited	1	7,818	9.15	7,818	5.25
Shalimar Wires Industries Ltd	2	250	0.05	250	0.03
Shivalik Bimetal Controls Limited	2	-	-	175	0.90
Sjvn Ltd	10	2,040	2.48	-	-
Sobha Ltd	10	136	1.97	-	-
Solara Active Pharma Ltd	10	800	2.97	-	-
Sterling And Wilson Renewable Ltd	1	480	2.51	-	-
Subros Ltd	2	-	-	500	1.50
Sula Vineyards Ltd	2	-	-	342	1.25
Sun Pharmaceutical Industries Ltd	1	1,500	24.31	1,500	14.75
Surya Roshini Ltd	10	-	-	269	1.77
Suryoday Small Finance Bank Ltd	10	-	-	1,086	1.03
TARC Ltd	2	2,993	4.18	-	-
Tata Consultancy Services Ltd	1	4,112	159.39	4,152	133.11
Tata Power Co Ltd	1	5,000	19.71	5,000	9.51
Tata Steel Long Products	10	-	-	650	4.10
Tata Steel Ltd	1	4,355	6.79	-	-
The Indian Hotels Co Ltd	1	2,318	13.70	2,318	7.52
Tiger Logistics Ltd	10	7,500	3.45	750	2.72
Titan Company Ltd	1	1,000	38.02	1,000	25.15
Unitech Ltd	2	1,000	0.11	1,000	0.01
United Drilling Tools Ltd	10	200	0.45	200	0.39
Utique Enterprises Ltd	10	100	0.01	-	-
Usha Martin Ltd	1	-	-	587	1.26
Vaibhav Global Ltd	2	505	1.84	-	-
Vajresh Consultant Ltd	10	60	0.00	-	-
Vedanta Ltd	1	3,000	8.15	3,000	8.23

	Vodafone Idea Limited	10	6,000	0.80	7,000	0.41
	Waaree Renewable Ltd	2	225	3.16	-	-
	Welspun Corp Ltd	5	-	-	1,000	2.01
	Wock Hardt Ltd	5	755	4.42	-	-
	Zen Technologies Ltd	1	-	-	242	0.79
	Total (A.1)		4,54,736	1,928.09	4,57,974	1,393
A.2	-Partly Paid (Non Trade) -FVTOCI					
	Aurum Propotech Limited- Partly Paid	10	3,000	2.12	3,000	1.44
	Total (A.2)		3,000	2.12	3,000	1.44
A.3	-Fully Paid Up Unquoted (Non Trade) -FVTOCI					
	Bharat Bhushan Equity Traders Ltd (2,50,000 Equity shares of Rs. 10 each fully paid up)	10	2,50,000	191.25	2,50,000	182.67
	Total (A.3)		2,50,000	191.25	2,50,000	182.67
B.	Investment in Preference Shares					
	-Quoted Fully Paid Up Preference Shares (Non Trade) – FVTOCI					
	Reliance Commercial Finance Ltd.	1	0	-	5	0.00
	Total (B)		-	-	5	0.00
C.	Investment in Debentures					
	- Quoted Fully paid up Debentures (Trade)- FVTOCI					
	8.49% Secured NCD of NTPC Ltd.	10	6000	0.30	6,000	0.62
	Total (C)		6,000	0.30	6,000	0.62
D.	Investment in Mutual Funds					
	- Fully Paid up Unquoted Units in Mutual Fund (Trade)- FVTPL					
	HDFC Short Term Debt Fund	10	2,84,741.43	82.25	3,55,537.62	95.36
	HDFC Top 100 Fund	10	283.37	2.91	283.37	2.09
	ICICI Prudential All Sessions Bond Fund	10	18,187.62	6.06	18,187.62	5.61
	ICICI Prudential Short Term Fund	10	1,72,394.78	93.80	1,72,394.78	87.11
	ICICI Prudential Small Cap Fund	10	5,236.41	3.90	5,236.41	2.76
	Kotak Bond Short Term Growth	10	-	-	93,934.13	41.44
	Kotak Emerging Equity Fund	10	3,196.19	3.28	3,196.19	2.37
	SBI Magnum Ultra Short Duration Fund	10	16,934.86	7.83	16,934.86	7.28
	Total (D)		5,00,974.66	200.02	6,65,704.99	244.02
E.	Investment in ETF					
	Nippon India Mutual Fund ETF Liquid Bees 1000	1	0.01	1.87		0.02
	Nippon India ETFGold Bees	1	-	-	2,600.00	1.32
	Nippon India Silver ETF	10	-	-	1,865.00	1.29
	Total (E)		1.00	0.01	4,466.87	2.63
F.	Investment in Bonds					
	-Fully Paid up bonds (Trade)- FVTPL					
	Tata Motor Finance (Bond)	10,00,000	1	10.00	1	10.00

The Laxmivilas Bank Ltd (Bond)	5,00,000	4	-	4	-
Bank Of Baroda Series Ncd Perpatual	10,00,000	2	20.49	2	20.32
State Bank Of India Series I 8.75 Bd Perpetual	10,00,000	2	20.95	2	20.85
Total (F)		9	51.45	9	51.17

G. Investment in PMS Scheme

-Globe Capital Market Limited			127.49		109.82
Total (G)			127.49	-	109.82
Total Investments (A+B+C+D+E+F+G)	- 12,14,720.66		2,500.72	13,87,159.85	1,985.22
Total Investment at FVTOCI	7,13,736.00		2,121.75	7,16,979.00	1,577.58
Total Investment at FVTPL	5,00,984.66		378.97	6,70,180.85	407.64

Note:

1. All above investments are in India itself

2. **Nature of Investment:-**

Quoted Investment					
-Aggregate Cost Price			647.66		576.90
-Aggregate Market Value			1,981.96		1,446.08
Unquoted Investment					
Units of Mutual Funds & ETF					
-Aggregate Cost Price			152.09		204.74
-Aggregate Market Value			200.03		246.65
Others					
-Aggregate Cost Price			125.00		125.00
-Aggregate Market Value			318.73		292.49

Notes forming part of the financial statements for the year ended 31 March 2024

7 Other Financial Assets		AMOUNT (Rs. in lakhs)	
Particulars	As at 31 March 2024	As at 31 March 2023	
Security Deposits	20.00	20.00	
Interest accrued on Deposits	0.44	0.24	
Interest accrued on Bonds	2.08	2.08	
Dividend Recoverable	0.03	-	
Total	22.55	22.32	
8 Current Tax Assets/ (Liabilities)		AMOUNT (Rs. in lakhs)	
Particulars	As at 31 March 2024	As at 31 March 2023	
Provision for Income Tax	-5.90	-4.28	
Less: Advance Income Tax (Including Self Assessment Tax)	3.12	3.12	
Less: Tax deducted on source	3.13	3.18	
Total	0.35	2.02	

Notes forming part of the standalone financial statements for the year ended 31 March 2024

9 Property, Plant & Equipment					
Particulars	Furniture & Fixtures	Office Equipment	Data Processing Machinery	Vehicle	Total
GROSS BLOCK					
As at 1st April, 2022	0.07	1.86	3.26	2.69	7.89
Additions during the year	-	0.15	-	-	0.15
Deletions during the year	-	-	-	-	-
As at 31st March, 2023	0.07	2.01	3.26	2.69	8.04
Additions during the year	-	-	-	-	-
Deletions during the year	-	-	-	-	-
As at 31st March, 2024	0.07	2.01	3.26	2.69	8.04
ACCUMULATED DEPRECIATION					
As at 1st April, 2022	0.07	0.90	3.10	2.56	6.63
Depreciation Expense for the year	-	0.44	-	-	0.44
Adjustment during the year	-	-	-	-	-
As at 31st March, 2023	0.07	1.34	3.10	2.56	7.07
Additions during the year	-	0.39	-	-	0.39
Adjustment during the year	-	-	-	-	-
As at 31st March, 2024	0.07	1.73	3.10	2.56	7.45
Net Block as at 31st March, 2024	0.00	0.29	0.16	0.13	0.58
Net Block as at 31st March, 2023	0.00	0.67	0.16	0.13	0.97

Notes forming part of the standalone financial statements for the year ended 31 March 2024

10 Other Non Financial Assets		Amount (Rs. in lakhs)	
Particulars	As at 31 March 2024	As at 31 March 2023	

Prepaid Expenses	0.02	0.27
Balances with government authorities	5.52	4.57
Total	5.54	4.84

11 Payables		Amount (Rs.in lakhs)
Particulars	As at 31 March 2024	As at 31 March 2023
(i) total outstanding dues of micro enterprise and small enterprise		
(ii) total outstanding dues other than micro enterprise and small enterprise	4.96	-
Total	4.96	-

**Trade Payable ageing schedule
For the year ended 31 March 2024**

Particulars	Outstanding for following periods from due date of payment			
	Less than 1 year	1-2 year	2-3 year	More than 3 years
(i) MSME	-	-	-	-
(ii) Others	4.96	-	-	-
(iii) Disputed dues-MSME	-	-	-	-
(iv) Disputed dues-Others	-	-	-	-

For the year ended 31 March 2023

Particulars	Outstanding for following periods from due date of payment			
	Less than 1 year	1-2 year	2-3 year	More than 3 years
(i) MSME	-	-	-	-
(ii) Others	-	-	-	-
(iii) Disputed dues-MSME	-	-	-	-
(iv) Disputed dues-Others	-	-	-	-

12 Other Financial Liabilities		Amount (Rs.in lakhs)
Particulars	As at 31 March 2024	As at 31 March 2023
Unpaid Dividend*	12.82	14.20
Expenses Payable	1.07	1.68
Advance from customer	-	-
Total	13.89	15.88

* No amount was due for transfer to investor education and protection fund as on 31.03.2024

13 Deferred tax liabilities (Net)		Amount (Rs.in lakhs)
Particulars	As at 31 March 2024	As at 31 March 2023
Deferred tax Liability in relation to :		
Financial Assets carried at fair valued through Other Comprehensive Income.	122.25	67.86
Financial Assets carried at fair valued through Profit and	4.18	3.83

Loss		
(A)	126.43	71.69
Deferred tax Assets		
Difference between Depreciation as per Books of Account and the Income Tax Act, 1961.	0.04	-
Provision for employe benefits		-
(B)	0.04	-
Net Deferred Tax liabilities (A) - (B)	126.39	71.69

The components of income tax expense for the years ended 31 March 2024 and 2023 are:

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
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Current tax:

In respect of current year	5.90	4.28
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In respect of prior years	-	-0.13
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Deferred Tax:

Deferred tax relating to origination and reversal of temporary differences	0.31	1.47
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In respect of prior years		
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Total Income Tax recognised in profit or loss	6.21	5.62
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Current Tax	5.90	4.15
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Deferred Tax	0.31	1.47
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Income Tax recognised in Other comprehensive income

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
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Deferred tax related to items recognised in Other comprehensive income during the year:

Income tax relating to items that will not be reclassified to profit or loss	-54.40	20.18
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Total Income tax recognized in Other Comprehensive income	-54.40	20.18
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The reconciliation of estimated income tax expenses at tax rate to income tax expense reported in profit or loss is as follows

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
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Profit before tax	27.98	17.23
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Applicable income tax rate (%)	25.17	25.17
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Income tax expense calculated at applicable income tax rate	7.04	4.34
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rate

Tax effect of adjustments to reconcile expected income tax expense to reported income tax expense:

Effect of income exempt from tax		
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Effect of expenses/ provisions not deductible in determining taxable profit		
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Effects of income considered in other comprehensive income		
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Incom tax at different rates	-1.69	-0.04
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Others		
Income tax for earlier year	-	-0.13
Income tax expense recognized in profit and loss	5.35	4.16
Provisions		Amount (Rs. In lakhs)
Particulars	As at 31 March 2024	As at 31 March 2023
Provision for Employee Benefits		
Gratuity	0.74	0.89
Total	0.74	0.89

15 Other Non-Financial Liabilities

		Amount (Rs. In lakhs)
Particulars	As at 31 March 2024	As at 31 March 2023
Statutory dues payable	0.12	0.10
Total	0.12	0.10

16 Share Capital

		Amount (Rs. In lakhs)
Particulars	As at 31 March 2024	As at 31 March 2023
a. Authorised:		
70,00,000 Equity shares of Rs. 10/- each	700.00	700.00
Total	700.00	700.00
b. Issued, Subscribed and Paid Up:		
33,80,400 Equity Shares Of Rs. 10/- Each Fully Paid-Up	338.04	338.04
Total	338.04	338.04
c. Reconciliation of number of equity shares outstanding at the beginning and end of the year :		
Particulars	Number of Shares	Amount in Rs. In lakhs
As At April 01, 2022	33,80,400	338.04
Issued during the year	-	-
As At March 31, 2023	33,80,400	338.04
Issued during the year	-	-
As At March 31, 2024	33,80,400	338.04

d. Terms / rights attached to the equity shares

-Issued Share capital of the Company has only one class of shares referred to as equity shares having Par value of Rs.10/.Each holder of Equity Shares is entitled to One vote per share.

-In the event of liquidation of the company, the holders 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.

-The dividend amount declared by Board of Directors is subject to approval of shareholders in the ensuing Annual General Meeting except interim dividend.

e. Shareholders holding more than 5% equity shares in the Company:

Particulars	As at March 31, 2024		As at March 31, 2023	
	Number of Shares	% holding in the class	Number of Shares	% holding in the class

Vijay Bhushan	8,04,323	23.79	8,04,323	23.79
Nisha Ahuja	6,79,413	20.10	6,79,413	20.10

f. Details of shares held by promoters/ promoter group as at 31 March, 2024

Promoter Name	Number of Shares	% of total shares	% Change during the year
Savi Bhushan	100	0.00	-
Madhav Bharat Bhushan	898	0.03	-
Kanta Ahuja	5,000	0.15	-
Jogesh Chander Ahuja HUF	1,18,607	3.51	-
Sant Kumari Agrawal	1,500	0.04	-
Vijay Bhushan (Jointly with Nisha Ahuja)	900	0.03	-
Sandhya Jhalani	30,413	0.90	-
Sangeeta Bhushan	1,04,565	3.09	-
Vijay Bhushan	8,04,323	23.79	-
Madhvi Ahuja	33,905	1.00	-
Nisha Ahuja	6,79,413	20.10	-
Uday Ahuja	45,907	1.36	-
Total	18,25,531	54.00	-

Details of shares held by promoters/ promoter group as at 31 March, 2023

Promoter Name	Number of Shares	% of total shares	% Change during the year
Savi Bhushan	100	0.00	-
Madhav Bharat Bhushan	898	0.03	-
Kanta Ahuja	5,000	0.15	-
Jogesh Chander Ahuja HUF	1,18,607	3.51	-
Sant Kumari Agrawal	1,500	0.04	-
Vijay Bhushan (Jointly with Nisha Ahuja)	900	0.03	-
Sandhya Jhalani	30,413	0.90	-
Sangeeta Bhushan	1,04,565	3.09	-
Vijay Bhushan	8,04,323	23.79	-
Madhvi Ahuja	33,905	1.00	-
Nisha Ahuja	6,79,413	20.10	-
Uday Ahuja	45,907	1.36	-
Total	18,25,531	54.00	-

17 Other Equity

Particulars	As at 31 March 2024	As at 31 March 2023
a. Statutory Reserve (Pursuant to Section 45-IC of The RBI Act, 1934)		
Opening Balance	166.55	164.23
Add: Transferred from Retained Earnings*	4.35	2.32
Closing Balance	170.91	166.55
b. General Reserve		
Opening Balance	37.49	37.49
Add: Transferred from Retained Earnings		
Closing Balance	37.49	37.49
c. Retained Earning		
Opening Balance	432.79	414.23
Add: Profit for the current year	21.77	11.61
Add/ Less: Appropriations		

Transfer to statutory reserve as per Section 45-IC of The RBI Act, 1934	-4.35	-2.32
Transfer of realised gain on sale of equity instruments at FVTOCI	31.31	29.56
Dividend Paid	-20.28	-20.28
Tax on Dividend	-	-
Closing Balance	461.23	432.79
d. Other comprehensive income		
Opening Balance	971.59	952.88
Add: Fair Value changes of Investments at FVTOCI	504.72	27.67
Add: Remeasurement of defined benefit plans	0.33	0.42
Deferred Tax	-54.40	20.18
Transfer of realised gain on sale of equity instruments at FVTOCI	-31.31	-29.56
Closing Balance	1,390.94	971.59
TOTAL OTHER EQUITY	2,060.57	1,608.42

*Created by way of transfer of specified percentage of profits as per section 45IC of Reserve Bank of India (Amendment) Act, 1997. Appropriation from Reserve shall be for the purpose as may be specified by Reserve Bank of India.

Note: After reporting date , final dividend of 6% i.e Rs 0.6/- per equity share of face value of Rs. 10 each. (for Previous year Rs. 0.6/- per equity share.) was recommended by the Board of directors in their meeting held on 24th May 2023. The dividend has not been recognized as liability.

Description of the nature and purpose of Other Equity:

Securities Premium

Securities premium reserve is used to record the premium on issue of shares. The reserve can be utilised only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013.

Statutory Reserve

Statutory reserve represents reserve fund created pursuant to Section 45-IC of the RBI Act, 1934 through transfer of specified percentage of net profit every year before any dividend is declared. The reserve fund can be utilised only for limited purposes as specified by RBI from time to time and every such utilisation shall be reported to the RBI within specified period of time from the date of such utilisation.

Other Comprehensive Income

Equity Instruments through Other Comprehensive income.

The Company has elected to recognise changes in the fair value of certain investments in equity securities in other comprehensive income. These changes are accumulated within the FVTOCI equity investments reserve within equity. The Company transfers amounts from this reserve to retained earnings when the relevant equity securities are derecognised.

Remeasurement gain/ (losses) on defined benefit plan

The Company recognises change on account of fair value of instruments recognised at FVTOCI and tax thereon and remeasurement of the net defined benefit liability/(asset) as part of other comprehensive income.

Retained Earnings

Retained earnings or accumulated surplus represents total of all profits retained since Company's

inception. Retained earnings are credited with current year profits, reduced by losses, if any, dividend payouts, transfers to General reserve or any such other appropriations to specific reserves.

Notes forming part of the standalone financial statements for the year ended 31 March 2024

18	Interest Income		Amount (Rs.in lakhs)
	Particulars	Year ended 31 March	Year ended 31 March
		2024	2023
	Interest received on Bonds	4.64	4.64
	Interest received on Fixed Deposit	0.60	0.45
	Interest received on PMS	0.71	0.98
	Interest Others	4.37	2.34
	Total	10.32	8.41
19	Dividend		Amount (Rs.in lakhs)
	Particulars	Year ended 31 March	Year ended
		2024	31 March 2023
	Dividend income from investment	18.34	23.64
	Dividend PMS	1.78	0.92
	Total	20.12	24.56
20	Net gain on fair value changes		Amount (Rs.in lakhs)
	Particulars	Year ended 31 March	Year ended 31 March
		2024	2023
	Net gain/ (loss) on financial instruments measured at fair value through profit or loss		
	Realised gain/ (loss)	35.01	11.96
	Unrealised gain/ (loss)	9.58	-1.14
	Total	44.59	10.82
	Net Profit/(loss) in Equity derivative trading/ Share Dealing		Amount (Rs.in lakhs)
	Particulars	Year ended 31 March	Year ended 31 March
		2024	2023
	Profit/ (Loss) on Sale of F& O	3.48	0.72
	Profit/ (Loss) on Sale of F& O-PMS	-7.85	14.04
	Share dealing difference	0.00	-0.46
	Total	-4.37	14.30
22	Employee Benefit Expenses		Amount (Rs.in lakhs)
	Particulars	Year ended 31 March	Year ended 31 March
		2024	2023
	Salary & Benefits	22.34	21.39
	Staff Welfare	0.23	0.14
	Total	22.57	21.53
23	Other Expenses		Amount (Rs.in lakhs)
	Particulars	Year ended 31 March	Year ended 31 March
		2024	2023
	Repairs & Maintanance	0.26	0.22
	Postage, Telegram & Telephone	0.72	0.97
	Membership & Subscription	0.37	0.34
	Printing & Stationery	0.41	0.50
	Listing Fees	3.84	3.54

Directors' Sitting Fee	2.97	2.59
Travelling & Conveyance	0.32	0.25
Legal And Professional Charges	5.87	4.23
Advertisement	0.40	0.39
PMS Expenses	2.58	2.72
Securities Transactions Tax	-	0.01
Rent	0.85	0.85
Miscellaneous	1.03	1.44

Auditor'S Remuneration

Audit Fees	0.50	0.59
Others	0.20	0.20
Office Expenses	0.08	0.05
Total	20.40	18.89

24 Net gain/ (loss) on fair value changes-FVTOCI **Amount (Rs.in lakhs)**

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
--------------------	---------------------------------	---------------------------------

Net gain/ (loss) on financial instruments measured at fair value through OCI

Realised gain/ (loss) on instruments at FVTCOI	31.31	29.56
Unrealised gain/ (loss) on instruments at FVTOCI	473.41	-1.89
Total	504.72	27.67

25 Earning Per Share (EPS) **Amount (Rs.in lakhs)**

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
--------------------	---	---

Profit for the year (Rs. in Lakhs)	21.77	11.61
Weighted average number of Equity Shares used in computing basic EPS	33,80,400	33,80,400
Weighted average number of Equity Shares used in computing diluted EPS	33,80,400	33,80,400
Basic Earnings per share (Rs.)	0.64	0.34
Diluted Earnings per share (Rs.)	0.64	0.34
Face value per share (Rs.)	10.00	10.00

26 Employee benefits plan

Defined benefit plans

(A) Gratuity

The Company provides for the gratuity, a defined benefit retirement plan covering qualifying employees. The plan provides for lump sum payments to employees upon death while in employment or on separation from employment after serving for the stipulated period mentioned under The Payment of Gratuity Act, 1972. The Company makes annual contribution to the Gratuity scheme administered by the Life Insurance Corporation of India through its Gratuity fund. The following tables summarise the components of net benefit expense recognised in the statement of profit or loss and the funded status and amounts recognised in the balance sheet for the respective plans :

Change in Defined Obligation and Fair value Plan Assets

Particulars	As at 31 March 2024	As at 31 March 2023
Defined Benefit Obligation at the beginning of the year	8.83	8.30
Current Service Cost	0.37	0.35
Interest Cost	0.63	0.47
Re-measurement Losses/(Gains)		
a) Effect of changes in financial assumptions	0.01	-0.19
b) Effect of experience adjustments	-0.27	-0.11
c) Effect for change in Demographic Assumption	-	-
Benefits Paid		
Defined Benefit Obligation at the end of the year	9.57	8.83
Change in Fair value of Plan Assets		
Fair Value of Plan Assets at the Beginning of the Year	7.94	7.39
Interest Income	0.57	0.42
Employer's Contribution	0.25	0.00
Benefits Paid		
Return on plan assets (excluding interest income)	0.08	0.12
Fair Value of Plan Assets at the end of the year	8.83	7.94
Amount Recognised in the Balance Sheet		
Fair Value of Plan Assets as at the End of the Year	8.83	7.94
Defined benefit obligation at the End of the Year	9.57	8.83
Amount Recognised in the Balance Sheet under	-0.74	-0.89
Other payables		
Cost of the Defined Benefit Plan for the Year		
Current Service Cost	0.37	0.35
Net interest Expense	0.06	0.05
Net Cost recognized in the statement of Profit and Loss	0.43	0.40
Re-measurement Losses/(Gains)		
a) Effect of changes in financial assumptions	0.01	-0.19
b) Effect of experience adjustments	-0.27	-0.11
c) Effect for change in Demographic Assumption	-	-
d) Return on plan assets (excluding interest income)	-0.08	-0.12
Net cost recognized in Other Comprehensive Income	-0.33	-0.42
Assumptions		
Particulars	As at 31 March 2024	As at 31 March 2023
Discount Rate	7.03%	5.67%
Future Salary increase	8.00%	8.00%
Attrition at Ages		
- Upto 30 years	3.00%	3.00%
- From 31 to 44 years	2.00%	2.00%
- Above 44 years	1.00%	1.00%
Mortality rates inclusive of provision for disability	100% of IALM (2012 - 14)	100% of IALM (2012 - 14)

Maturity Profile of Defined Benefit Obligation

Particulars	As at 31 March 2024	As at 31 March 2023
0 to 1 Year	7.85	0.17
1 to 2 Year	0.03	0.03
2 to 3 Year	0.03	0.03
3 to 4 Year	0.03	0.03
4 to 5 Year	0.03	0.03
5 to 6 Year	0.03	0.03
6 Year Onwards	1.57	8.53

Sensitivity Analysis of the defined benefit obligation.

Particulars	As at 31 March 2024	As at 31 March 2023
Impact due to increase of 0.50% in discount rate	-	-
Impact due to decrease of 0.50% in discount rate	0.06	0.06
Impact due to increase of 0.50% in salary	0.06	0.06
Impact due to decrease of 0.50% in salary	0.06	0.06
	0.06	0.06

Notes

- The estimate of future salary increase takes into account inflation, seniority, promotion and other relevant factors.
- Discount rate is based on the prevailing market yields of Indian Government Bonds as at the Balance Sheet date for the estimated term of the obligation.
- The Company's best estimate of contribution during the next year is Rs. 26,275

27 Related party disclosures

- (i) As per Ind AS 24 on 'Related party disclosures', the related parties of the Company are as follows:

Key management personnel (KMP)

Mr. Satish Aggarwal (CFO)
Mrs. Sandhya Jhalani (Manager)
Mr. Baldev Garg (Company Secretary)

Non -Executive Directors

Mr. Vijay Bhushan
Mrs. Nisha Ahuja
Ms. Madhvi Ahuja
Mr. Arun Kumar Garg
Mr. Varun Saihgal
Mr. Ravindra Singh
Mr. Kuldeep Gupta
Mr. Madhav Bharat Bhushan

Enterprises under common control/enterprises where person described above is able to exercise significant influence :

Bharat Bhushan Equity Traders Ltd.
Bharat Bhushan & Co.

- (ii) The nature and volume of transactions of the Company during the year with above related parties were as follows:

Sr. No.	Particulars	Relationship	Year ended 31 March 2024	Year ended 31 March 2023
1	Sales of securities etc. and other similar transactions through them			

	Bharat Bhushan Equity Traders Ltd.	Enterprises under common control /enterprises where person described above is able to exercise significant influence.	243.34	81.75
2	Purchase of securities etc. and other similar transaction through them			
	Bharat Bhushan Equity Traders Ltd.	Enterprises under common control /enterprises where person described above is able to exercise significant influence.	280.36	128.83
3	Brokerage paid			
	Bharat Bhushan Equity Traders Ltd.	Enterprises under common control /enterprises where person described above is able to exercise significant influence.	0.16	0.10
4	Net derivative / difference in share dealing			
	Bharat Bhushan Equity Traders Ltd.	Enterprises under common control /enterprises where person described above is able to exercise significant influence.	3.49	0.25
5	Sitting fees & Benefits			
	Mr. Vijay Bhushan	Non-Executive directors	0.43	0.35
	Mrs. Nisha Ahuja		0.45	0.38
	Ms. Madhvi Ahuja		0.31	0.31
	Mr. Madhav Bharat Bhushan		0.31	0.31
	Mr. Arun Kumar Garg		0.25	0.26
	Mr. Ravindra Singh		0.37	0.38
	Mr. Varun Saihgal		0.50	0.42
	Mr. Kuldeep Kumar Gupta		0.35	0.18
6	Professional Charges			
	Mr. Arun Kumar Garg	Non-Executive Directors	-	0.57
7	Depository Charges Paid			
	Bharat Bhushan Equity Traders Ltd.	Enterprises under common control /enterprises where person described above is able to exercise significant influence.	0.02	0.01
8	Salary and other benefits			
	Mr. Satish Aggarwal	Key Management	6.51	6.07
	Ms. Sandhya Jhalani	Personnels	6.34	5.98
	Mr. Kishan Singh (ceased w.e.f. 24.12.2022)		-	3.06
	Mr. Vaibhav Agrawal (ceased w.e.f. 30.12.2023)		3.50	1.27
	Mr. Baldev Garg		1.12	-
9	Rent			
		Non-Executive Directors	0.85	0.85

28 Uncalled liability of Partly paid up shares of Rs. 0.11 Lacs (Previous year 0.11 Lacs)

29 Quantitative information in respect of Investments in shares/ debentures/ units etc. is as follows:-

Particulars	For the Year ended 31st March 2024		For the Year ended 31st March 2023	
	Qty. (Nos.)	Amount in Lacs (Rs.)	Qty.(Nos.)	Amount in Lacs (Rs.)
A) <u>Shares:</u>				
Opening	7,10,978.97	1,576.97	6,65,378.00	1,512.64
Purchases	1,72,957.00	281.17	1,09,953.97	126.92
Sales/ Redemption	1,76,199.00	192.19	64,353.00	82.56
Fair valuation profit/(loss)		455.51	-	19.97
Closing Balance	7,07,736.97	2,121.45	7,10,978.97	1,576.97
B) <u>Units of mutual funds:</u>				
Opening	6,65,704.95	244.02	10,95,039.27	397.61
Purchases	-	-	1,00,487.23	19.88
Sales/ Redemption	1,64,730.33	60.43	5,29,821.55	186.82
Fair valuation profit/(loss)		16.43		13.36
Closing Balance	5,00,974.62	200.02	6,65,704.95	244.02
C) <u>Debentures:</u>				
Opening	6,000.00	0.62	6,000.00	0.79
Purchases			-	
Sales/ Redemption			-	
Fair valuation profit/(loss)		-0.32	-	-0.17
Closing Balance	6,000.00	0.30	6,000.00	0.62
D) <u>Bank Bonds:</u>				
Opening	9.00	51.17	9.00	52.90
Purchases	-	-	-	-
Sales/ Redemption	-	-	-	-
Fair valuation profit/(loss)		0.28	-	-1.73
Closing Balance	9.00	51.45	9.00	51.17
E) <u>ETF:</u>				
Opening	4,466.81	2.63	1.79	0.02
Purchases	0.13	-	4,465.03	2.50
Sales/ Redemption	4,466.00	2.62		-
Fair valuation profit/(loss)		0.00	-	0.11
Closing Balance	0.95	0.01	4,466.81	2.63

30 **Due to Micro,Small and Medium Enterprises**

To the extent information available with the company, it has no dues to the Micro, Small and medium enterprises as at 31st March, 2024 and 31st March, 2023.

31 **Segment Reporting:**

In the opinion of Management there are no separate reportable segments as per Indian Accounting Standard (Ind AS-108).

32 **Financial Risk Management**
Financial risk factors

I. Market Risk

The company is exposed to market risk primarily related to the market value of its investments.

Currency risk

Currently company does not have transaction in foreign currencies and hence the company is not exposed to currency risk.

Equity Price Risk

(a) Exposure

(b) Sensitivity analysis- Equity price risk

	(Amount in Rs.)	
	Impact on OCI for the year ended 31st March 2024	
	31-Mar-24	31-Mar-23
NSE/ BSE Index - Increase by 2 %	38.60	27.89
NSE/ BSE Index - Decrease by 2 %	-38.60	-27.89

II. Credit risk

Credit risk is the risk that a counter party will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The company is exposed to credit risk from its financing activities towards inter corporate loans where no significant impact on credit risk has been identified.

III. Liquidity risk

Liquidity risk is the risk that the Company may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses. The Company manages its liquidity requirement by analysing the maturity pattern of Company's cash flows of financial assets and financial liabilities.

	(Amount in Rs.)		
As at 31st March, 2024	Within 12 Months	After 12 Months	Total
Financial Assets			
Cash and cash equivalents	2.14	-	2.14
Bank Balance other than above	12.82		12.82
Investments	378.97	2,121.76	2,500.72
Other Financial Assets	22.55		22.55
Total	416.48	2,121.76	2,538.24
Financial Liabilities			
Payables	4.96		
Other financial liabilities	13.89		13.89
Total	18.85	-	13.89

	(Amount in Rs.)		
As at 31st March, 2023	Within 12 Months	After 12 Months	Total
Financial Assets			
Cash and cash equivalents	5.45		5.45
Bank Balance other than above	14.20		14.20
Investments	407.64	1,577.58	1,985.22
Other Financial Assets	22.32		22.32
Total	449.60	1,577.58	2,027.19

Financial Liabilities

Payables	-	-	
Other financial liabilities	15.88		15.88
Total	15.88	-	15.88

Maturity analysis of Assets and Liabilities:

The table shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled

33	Particulars	31st March, 2024				
		Within 12 Months	After 12 Months	Total	Within 12Months	After 12 Months
	ASSETS					
	Financial Assets					
	Cash and cash equivalents	2.14		2.14	5.45	
	Bank Balance other than above	12.82		12.82	14.20	
	Investments	378.97	2,121.76	2,500.72	407.64	1,577.58
	Other Financial Assets	22.55		22.55	22.32	
	Non-Financial Assets					
	Current Tax Assets (Net)	0.36			2.02	
	TOTAL ASSETS	422.96	2,121.76	2,544.36	457.44	1,577.58
	LIABILITIES					
	Financial Liabilities					
	Payables	4.96		4.96	-	
	Other financial liabilities	13.89		13.89	15.88	
	Non Financial Liabilities					
	Deferred tax liabilities (Net)	126.39			71.69	
	Provisions	0.74		0.74	0.89	
	Other non-financial liabilities	0.12		0.12	0.10	
	TOTAL LIABILITIES	141.14	-	14.75	88.56	-

34 Fair values

The management assessed that Fair Values of Financial Assets and Liabilities are approximately their carrying values.

35 Fair value hierarchy

The company determines fair values of its financial instruments according to the following hierarchy:

Particulars	Amortised cost	Fair value through P&L	Fair value through OCI	Total carrying value
Financial Assets				
Cash and cash equivalents	2.14	-	-	2.14
Bank Balance other than above	12.82	-	-	12.82
Investments				-

-At FVTPL	-	378.97	-	378.97
-At FVTOCI	-	-	2,121.75	2,121.75
Other Financial Assets	22.55	-	-	22.55
	37.52	378.97		2,538.23
Financial Liabilities				
Payables	4.96	-	-	4.96
Other financial liabilities	13.89	-	-	13.89
	18.85	-	-	18.85
Particulars	Ammortised cost	Fair value through P&L	Fair value through OCI	Total carrying value
Financial Assets				
Cash and cash equivalents	5.45	-	-	5.45
Bank Balance other than above	14.20	-	-	14.20
Investments				-
-At FVTPL	-	407.64	-	407.64
-At FVTOCI	-	-	1,577.58	1,577.58
Other Financial Assets	22.32	-	-	22.32
	41.96	407.64	1,577.58	2,027.19
Financial Liabilities				
Payables	-	-	-	-
Other financial liabilities	15.88	-	-	15.88
	15.88	-	-	15.88

36 Schedule as required in terms of Paragraph 18 of " Non-Banking Financial Company - Non-Systemically Important Non-Deposit taking Company (Reserve Bank) Directions,2016.

Particulars

LIABILITIES SIDE :

(1) Loans and advances availed by the NBFCs inclusive of interest accrued thereon but not <u>paid</u> :	Amount outstanding	Amount overdue
(a) Debentures : Secured	Nil	Nil
	(Nil)	(Nil)
: Unsecured	Nil	Nil
	(Nil)	(Nil)
(other than falling within the meaning of public deposits)		
(b) Deferred Credits	Nil	Nil
	(Nil)	(Nil)
(c) Term Loans	Nil	Nil
	(Nil)	(Nil)
(d) Inter-corporate loans and borrowing	Nil	Nil
	(Nil)	(Nil)
(e) Commercial Paper	Nil	Nil
	(Nil)	(Nil)
(f) Public Deposits	Nil	Nil
	(Nil)	(Nil)
(f) Other Loans	Nil	Nil
	(Nil)	(Nil)
(2) Break-up of(1) (f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid		
(a) In the form of Unsecured debentures	Nil	Nil
	(Nil)	(Nil)

(b) In the form of partly secured debentures i.e. debentures where there is a shortfall in the value of security	Nil (Nil)	Nil (Nil)
(c) Other public deposits	Nil (Nil)	Nil (Nil)

ASSETS SIDE :

(3) Break-up of Loans and Advances including bills receivables [other than those included in (4) below] : Amount outstanding *

(a) Secured	Nil (Nil)
(b) Unsecured	Nil (Nil)

* Net of Provisions and includes security deposits etc

(4) Break up of Leased Assets and stock on hire and hypothecation loans counting towards AFC activities

(i) Lease assets including lease rentals under sundry debtors :

(a) Financial lease	Nil (Nil)
(b) Operating lease	Nil (Nil)

(ii) Stock on hire including hire charges under sundry debtors:

(a) Assets on hire	Nil (Nil)
(b) Repossessed Assets	Nil (Nil)

(iii) Other loans counting towards AFC activities

(a) Loans where assets have been repossessed	Nil (Nil)
(b) Loans other than (a) above	Nil (Nil)

(5) Break-up of Investments :

Current Investments

1. Quoted :

(i) Shares : (a) Equity	Nil (Nil)
(b) Preference	Nil (Nil)
(ii) Debentures and Bonds	Nil (Nil)
(iii) Units of mutual funds	Nil (Nil)
(iv) Government Securities	Nil (Nil)
(v) Others (please specify)	Nil (Nil)

2. Unquoted :

(i) Shares : (a) Equity	Nil (Nil)
(b) Preference	Nil (Nil)
(ii) Debentures and Bonds	51.45 (51.17)

(iii) Units of mutual funds	200.03
	(246.65)
(iv) Government Securities	Nil
	(Nil)
(v) Others (please specify)	127.49
	(109.82)

Long Term investments

1. Quoted :

(i) Shares : (a) Equity	1930.31
	(1394.31)
(b) Preference	0.00
	(0.00)
(ii) Debentures and Bonds	0.30
	(0.62)
(iii) Units of mutual funds	Nil
	(Nil)
(iv) Government Securities	Nil
	(Nil)
(v) Others (please specify)	Nil
	(Nil)

2. Unquoted :

(i) Shares : (a) Equity	191.25
	(182.67)
(b) Preference	Nil
	(Nil)
(ii) Debentures and Bonds	Nil
	(Nil)
(iii) Units of mutual funds	Nil
	(Nil)
(iv) Government Securities	Nil
	(Nil)
(v) Others (please specify)	Nil
	(Nil)

(6) Borrower group-wise classification of assets financed as in (3) and (4) above:

Category	Amount net of provisions		Total
	Secured	Unsecured	
1. Related Parties			
(a) Subsidiaries	Nil	Nil	Nil
	(Nil)	(Nil)	(Nil)
(b) Companies in the same group	Nil	Nil	Nil
	(Nil)	(Nil)	(Nil)
(c) Other related parties	Nil	Nil	Nil
	(Nil)	(Nil)	(Nil)
2. Other than related parties			
	Nil	Nil	Nil
	(Nil)	(Nil)	(Nil)
Total	Nil	Nil	Nil
	(Nil)	(Nil)	(Nil)

(7) Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted):*

Category	Market Value / Break up or fair value or NAV	Book Value
1. Related Parties		
(a) Subsidiaries	Nil	Nil

	(Nil)	(Nil)
(b) Companies in the same group*	Nil	Nil
	(Nil)	(Nil)
(c) Other related parties	191.25	191.25
	(182.67)	(182.67)
2. Other than related parties	2308.97	2308.97
	(1802.55)	(1802.55)
Total	2500.22	2500.22
	(1985.22)	(1985.22)

(8) Other information

Particulars	Amount
(i) Gross Non-Performing Assets	Nil
	(Nil)
(a) Related parties	Nil
	(Nil)
(b) Other than related parties	Nil
	(Nil)
(ii) Net Non-Performing Assets	Nil
	(Nil)
(a) Related parties	Nil
	(Nil)
(b) Other than related parties	Nil
	(Nil)
(iii) Assets acquired in satisfaction of debt	Nil
	(Nil)

37 Lease:

Expenses recognised in the statement of profit & loss in respect of lease for Rs. 0.85 Lakh (PY Rs. 0.85 Lakh)

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

39. Other Statutory Information

(i) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.

(ii) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

(iii) During the year, the Company does not have any transactions with the companies struck off under Section 248 of Companies Act, 2013 or Section 560 of Companies Act, 1956.

(iv) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

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

(vi) "The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities:"

a) 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

b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

vii) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the

Group shall:

a) 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

b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,

viii) The Company has not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961

40 The company was not required to spend any amount on Corporate social responsibility activities during the current and previous year.

41 The Hon'ble Executive Director ('ED') of Securities and Exchange Board of India ('SEBI') passed an order on May 12, 2023 in the matter of National Spot Exchange Limited (NSEL) cancelling Certificate of SEBI Registration (bearing No. INZ000087136) of the Company. As per the order, Company has attracted disqualification under Schedule II of Intermediary's Regulations for the reason of executing paired contracts on NSEL.

The company filed an appeal against the aforesaid order before Securities Appellant tribunal (SAT) on June 12, 2023. Along with application for grant of stay against SEBI order dated May 12, 2023. Securities Appellant Tribunal (SAT) has pronounced an order on Tuesday July 04, 2023 and stayed the effect and operation of the impugned SEBI order during the pendency of the appeal.

The Securities Appellant Tribunal (SAT) has passed an order on December 12, 2023 directing SEBI to consider and come out with a scheme under clause 26 of the settlement regulations for our company, which was to be finalized within 3 months. SEBI filed an application for an additional time of 4 months to frame a scheme under the Settlement Regulation. The Securities Appellant Tribunal (SAT) by this order date, March 14, 2024, has granted further 4 months to come out with that settlement scheme.

The company will consider the terms of the settlement scheme after they have been announced by SEBI and settle the matter if the terms are found favourable. Alternatively, the company has been given a time by SAT of four weeks from the date of the settlement scheme announced by SEBI to file an appeal with SAT.

42 Analytical Ratios:-

Ratio	Numerator	Denominator	31st March 2024	31st March 2023	% Variance
Capital to risk-weighted assets ratio (CRAR)	Tier I Capital + Tier II Capital	Total risk weighted assets	102.58%	106.32%	
Tier I CRAR	Tier I Capital	Total risk weighted assets	102.58%	106.32%	
Tier II CRAR	Tier II Capital	Total risk weighted assets	0.00%	0.00%	
Liquidity Coverage Ratio*	NA	NA	NA	NA	NA

* The Company is a Non Deposit taking/ accepting Non Banking Finance Company and asset size of the Company is less than Rs. 100 crore, so Liquidity Coverage ratio is not applicable to the Company.

43 The following additional information, to the extent applicable, in terms of Scale Based Regulation framework (Circular No. RBI/2022-23/26 DOR.CRE.REC.No.60/03.10.001/2021-22 October 22, 2021) are disclosed below: -

a) Exposure to Real Estate Sector: -

The Company does not have any exposures in Real Estate Sector as at March 31, 2024 and March 31, 2023.

b) Exposure to Capital Market:

Particulars	Current Year	Previous Year
(i) Direct investment in equity shares, convertible bonds, convertible debentures and units of equity oriented mutual funds the corpus of which is not exclusively invested in corporate debt	2,500.72	1,985.22
(ii) Advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity oriented mutual funds	-	-
(iii) Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security	-	-
(iv) Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds does not fully cover the advances	-	-
(v) Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers	-	-
(vi) Loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources	-	-
(vii) Bridge loans to companies against expected equity flows / issues	-	-
(viii) Underwriting commitments taken up by the NBFCs in respect of primary issue of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds	-	-
(ix) Financing to stockbrokers for margin trading	-	-
(x) All exposures to Alternative Investment Funds:	-	-
(a) Category I	-	-
(b) Category II	-	-
(c) Category III	-	-
Total Exposure to Capital Market	2,500.72	1,985.22

c) Sectoral Exposure

The Company does not have any exposures, in the nature of loans as at March 31, 2024 and March 31, 2023.

d) Intra Group Exposures: -

The Company has invested in group companies totalling to Rs. 191.25 Lakhs as at the year end (Previous Rs. 182.67 Lakhs).

e) Unhedged foreign currency exposure

The Company does not have any unhedged foreign currency exposures as at March 31,2024 and March 31,2023

f) Disclosure of complaints

The Company does not have any customer interface and thus there are no complaints received by the NBFCs from customers and from the Offices of Ombudsman during the year ended March 31, 2024 and March 31, 2023.

g) Related Party Disclosure

For related party disclosures refer to Note 27 of the notes to financial statements.

- 44 The Previous year figures have been regrouped/ reclassified, wherever necessary to confirm to the Current Year's presentation.

As per our report of even date attached
For **G C AGARWAL & ASSOCIATES**
Chartered Accountants
FRN:017851N

Sd/-
G C Agarwal
Prop
Membership No. 083820

Place: New Delhi
Date: 22nd May 2024

For and on behalf of the Board of Directors of
Bharat Bhushan Finance & Commodity
Brokers Ltd.

Sd/-
Vijay Bhushan
Director
(DIN: 00002421)

Sd/-
Satish Aggarwal
Chief Financial
Officer

Sd/-
Nisha Ahuja
Director
(DIN: 00001875)

Sd/-
Baldev Garg
Company Secretary
(M No: A73249)

Independent Auditor's Review Report on the Quarterly and year to date Unaudited Financial Results of the company pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended:

To

The Board of Directors of

BHARAT BHUSHAN FINANCE & COMMODITY BROKERS LIMITED

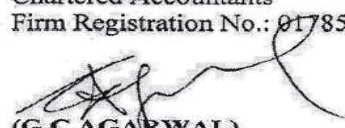
- 1. We have reviewed the accompanying statement of unaudited financial results of Bharat Bhushan Finance & Commodity Brokers Limited ('the Company') for the quarter ended September 30, 2024 and year to date from April 1, 2024 to September 30, 2024 ('the statement') attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, as amended ("the Listing Regulations").*
- 2. This statement, which is the responsibility of the Company's Management and approved by the Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to issue a report on the statement based on our review.*
- 3. We conducted our review of the statement 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 statements free of material misstatement. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.*
- 4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standards ("Ind AS") specified under Section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of the listing regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.*

Place: New Delhi
Dated: 24.10.2024

UDIN: 24083820RKFWQC9532



FOR G C AGARWAL & ASSOCIATES
Chartered Accountants
Firm Registration No.: 017851N


(G C AGARWAL)
Partner
(Membership No. 083820)

BHARAT BHUSHAN FINANCE & COMMODITY BROKERS LTD.

CIN-L67120DL1992PLC049038, Tel No: 011-49800900

Email: commodities@bharatbhushan.com, Website:www.bbinvestments.in

Regd. Office : 503, Rohit House, 3 Tolstoy Marg, Connaught Place, New Delhi-110001

UN-AUDITED FINANCIAL RESULTS FOR THE QUARTER/ SIX MONTHS ENDED 30TH SEPTEMBER, 2024

		(Rs. in Lakhs)					
Particulars	Quarter ended			Six month Ended		Year Ended	
	30.09.2024	30.06.2024	30.09.2023	30.09.2024	30.09.2023	31.03.2024	
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)	
1.	Revenue from operations						
	a) Interest Income	2.45	2.79	2.70	5.24	4.95	10.32
	b) Dividend Income	13.87	5.48	8.29	19.35	11.78	20.13
	c) Net gain on fair value changes	8.13	18.48	10.15	26.61	19.33	44.59
	d) Net gain on Derivative	-6.27	-3.14	-2.34	-9.41	-1.00	-4.37
	Total	18.18	23.61	18.80	41.79	35.06	70.67
2.	Other Income	0.00	0.00	0.00	0.00	0.00	0.67
3.	Total Income (1+2)	18.18	23.61	18.80	41.79	35.06	71.34
4.	Expenses						
	a) Employee benefit expense	5.67	5.04	5.10	10.71	10.23	22.57
	b) Depreciation and amortisation expense	0.09	0.10	0.11	0.19	0.22	0.39
	c) Other expenses	4.01	4.40	3.53	8.41	9.42	20.40
	d) Contingent provision against Standard Assets	0.00	0.00	0.00			0.00
	Total Expense (4)	9.77	9.54	8.74	19.31	19.87	43.36
5.	Profit before tax (3-4)	8.41	14.07	10.06	22.48	15.19	27.98
6.	Tax Expense						
	a) Current tax	1.78	2.96	2.39	4.74	3.62	5.90
	b) Deferred tax	0.19	0.00	0.73	0.19	0.73	0.31
	Total tax expense	1.97	2.96	3.12	4.93	4.35	6.21
7.	Profit/ (loss) for the period/ year (5-6)	6.44	11.11	6.94	17.55	10.84	21.77
8.	Other comprehensive income						
	a) Items that will not be reclassified to						
	- Remeasurement gain/(loss) on defined benefit plans	0.00	0.00	0.00	0.00	0.00	0.33
	- Net gain/(loss) on equity instruments through OCI	63.68	193.88	101.46	257.56	257.67	504.72
	(b) Income tax relating to items that	-10.46	-19.00	-29.47	-29.46	-29.47	-54.40
	Total other comprehensive income (8)	53.22	174.88	71.99	228.10	228.20	450.65
9.	Total Comprehensive income for the period (7+8)	59.66	185.99	78.93	245.65	239.04	472.42
10.	Paid-up equity share capital (Rs. 10/- per share)	338.04	338.04	338.04	338.04	338.04	338.04
11.	Earnings per Share (EPS)- not annualised (Rs.)						
	a) Basic	0.19	0.33	0.21	0.52	0.32	0.64
	b) Diluted	0.19	0.33	0.21	0.52	0.32	0.64

Notes:

1. Statement of Unaudited Standalone Assets and Liabilities as at 30th Sep 2024		(Rs. In Lakhs)	
		As at 30-Sep-2024	As at 31-Mar-2024
		Unaudited	Audited
I.	ASSETS		
	Financial Assets		
a.	Cash and cash equivalents	8.44	2.14
b.	Bank Balance other than (a) above	12.82	12.82
c.	Investments	2,736.42	2,500.72
d.	Other Financial Assets	25.32	22.55
	Non-Financial Assets		
a.	Current tax assets (Net)	4.97	0.36
b.	Property, Plant and Equipment	0.40	0.58
c.	Other non -financial assets	7.26	5.54
	TOTAL ASSETS	2,795.62	2,544.71
II.	LIABILITIES AND EQUITY		
	LIABILITIES		
	Financial Liabilities		
a.	Payables		
	(i) Trade payables		
	(i) total outstanding dues of micro enterprise and small enterprise	-	-
	(ii) total outstanding dues other than micro enterprise and small enterprise	-	4.96
	(ii) Other payables		
	(i) total outstanding dues of micro enterprise and small enterprise	-	-
	(ii) total outstanding dues other than micro enterprise and small enterprise	-	-
b..	Other financial liabilities	13.37	13.89
	Non-Financial Liabilities		
b.	Deferred tax liabilities (Net)	155.99	126.39
c.	Provisions	0.52	0.74
d.	Other non-financial liabilities	1.76	0.12
	Equity		
a.	Equity Share Capital	338.04	338.04
b.	Other Equity	2,285.94	2,060.56
	TOTAL LIABILITIES AND EQUITY	2,795.62	2,544.71

2. Cash Flow Statement for the period ended Sep 30, 2024		(Rs. In Lakhs)	
	Particulars	Six Months Ended	Year Ended
		30.09.2024 (Unaudited)	31.03.2024 (Audited)
A.	Cash Flow from Operating Activities		
	Profit before tax	22.48	27.98
	Adjustments for:		
	Depreciation	0.19	0.39
	Interest income	-5.24	-10.32
	Net gain on fair value changes	-15.41	-44.59
	Profit from PMS		
	Dividend income	-19.35	-20.12
	Cash generated form operation before working capital changes	-17.33	-46.66
	Working capital changes		
	Increase/ (decrease) in investments at FVTPL	-67.54	74.25
	Increase/ (decrease) in other financial assets	-2.76	-
	Increase/ (decrease) in other non-financial assets	-1.73	-0.70
	(Increase)/decrease in Trade Payables	-4.96	4.96
	(Increase) /decrease in other financial liabilities	-0.53	-0.61
	(Increase) /decrease in provisions	-0.22	0.18
	(Increase) /decrease in other non financial liabilities	1.64	0.02
	Cash Flows before OCI and Tax	-93.43	31.42
	Income tax paid	-9.35	-4.23
	Net cash flow from/ (used) in operating activities	-102.78	27.20
B.	Investing Activities		
	Purchase of Investments	-139.70	-281.17
	Sale of Investments	244.54	240.73
	Purchase of Fixed Assets	-	-
	Interest received	5.14	10.12
	Dividend received	19.38	20.09
	Net cash flow from/ (used in) investing activities	129.37	-10.22
C.	Financing Activities		
	Dividend Paid*	-20.28	-20.28
	Dividend distribution tax paid	-	-
	Net cash flow from/ (used in) financing activities	-20.28	-20.28
	Net change in cash and cash equivalents	6.30	-3.31
	Cash and cash equivalents at the beginning of the year	2.14	5.45
	Cash and cash equivalents at the end of the year	8.44	2.14

* Dividend amounting to Rs 0.60/- per equity share of Rs. 10/- each for financial year 2023-24 paid in current year (For previous year dividend amounting to Rs 0.60/- per equity share of Rs10/-)

- The above un-audited Financial Results for the six months ended September 30, 2024 have been reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on October 24, 2024.
- The Board of Director resolved to issue fresh equity share in the ratio of 1:1 to the shareholders of the company at the company at par value of Rs.10/- per share.
- The above financial results of the Company have been prepared in accordance with Indian Accounting Standards ('Ind AS') prescribed under Section 133 of the Companies Act, 2013 ("the Act"), directions/ guidelines issued by the Reserve Bank of India ('RBI') and generally accepted accounting practices in India, in compliance with Regulation 33 and Regulation 52 read with Regulation 63(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations"). Any application guidance/ clarifications/ directions issued by the Reserve Bank of India or other regulators are implemented as and when they are issued/ applicable.
- The Company is registered as NBFC with RBI & at presents there are no reportable segment as per Indian Accounting Standard - 108 on "Operating Segments" in respect of the Company.
- Previous Period/year figures have been regrouped and/or rearranged, wherever necessary to make their classification comparable with the current period/year.

ON BEHALF OF BOARD OF DIRECT



Vijay Bhushan
Director

Place: New Delhi
Date: October 24, 2024

DIN: 00002421

ACCOUNTING RATIOS

The following tables present certain accounting and other ratios computed on the basis of amounts derived from the Audited Standalone Financial Statements for the year ended March 31, 2024, March 31, 2023, and March 31, 2022, and Limited Reviewed Unaudited Financial Results for the second quarter ended September 30, 2024, and corresponding second quarter ended September 30, 2024 included in "Financial Statements" on page 55 of this Draft Letter of Offer:

a. Calculation of Basic and Diluted Earnings Per Share

S. No.	Particulars	For the period ended		For the year ended March, 31		
		30 th September 2024	30 th September, 2023	2024	2023	2022
1	Return on Net worth (%)	0.67%	0.50%	0.91%	0.60%	0.51%
2	Earnings per Share (in Rs.)					
	Basic	0.19	0.21	0.64	0.34	0.29
	Diluted	0.19	0.21	0.64	0.34	0.29
3	Net asset Value per share (in Rs.)	77.62	64.05	70.96	57.58	56.41
4	EBITDA (in Rs. Lakhs)	22.67	15.41	28.37	17.67	13.33

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

Return on Net worth (%) (Net Profit or (loss) after Tax/Net worth at the end of the year) x 100 (Net profit includes OCI but excludes surplus on revaluation of assets net of deferred tax)
Basic Earnings per share Profit and loss attributable to Equity shareholders of Company / Weighted average number of Equity shares outstanding at the end of the period
Diluted Earnings per share Profit and loss attributable to Equity shareholders of Company after exceptional item, as applicable / Weighted average number of Equity shares outstanding at the end of the period (including convertible Securities)
Net asset Value per share: Net Worth/No. of ordinary Shares
Net worth: Equity Share Capital+Other Equity (Excluding. surplus on revaluation of assets net of deferred tax)
EBITDA: Profit/(loss) after tax for the period adjusted for income tax expense, finance costs, depreciation and amortisation expense, exceptional items, as presented in the standalone Financial Statements

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

ECONOMIC OVERVIEW

Strong economic growth in the first quarter of FY23 helped India overcome the UK to become the fifth-largest economy after it recovered from the COVID-19 pandemic shock. Nominal GDP or GDP at Current Prices for Q1 2024-25 is estimated at Rs. 77.31 lakh crores (US\$ 928.9 billion) with growth rate of 9.7%, compared to the growth of 8.5% for Q1 2023-24. The growth in nominal GDP during 2023-24 is estimated at 9.6% as compared to 14.2% in 2022-23. Strong domestic demand for consumption and investment, along with Government's continued emphasis on capital expenditure are seen as among the key driver of the GDP in the second half of FY24. During the period April-September 2025, India's exports stood at US\$ 211.46 billion, with Engineering Goods (26.57%), Petroleum Products (16.51%) and electronic goods (7.39%) being the top three exported commodity. Rising employment and increasing private consumption, supported by rising consumer sentiment, will support GDP growth in the coming months.

Future capital spending of the government in the economy is expected to be supported by factors such as tax buoyancy, the streamlined tax system with low rates, a thorough assessment and rationalisation of the tariff structure, and the digitization of tax filing. In the medium run, increased capital spending on infrastructure and asset-building projects is set to increase growth multipliers. The contact-based services sector has demonstrated promise to boost growth by unleashing the pent-up demand. The sector's success is being captured by a number of HFIs (High-Frequency Indicators) that are performing well, indicating the beginnings of a comeback.

India has emerged as the fastest-growing major economy in the world and is expected to be one of the top three economic powers in the world over the next 10-15 years, backed by its robust democracy and strong partnerships.

India's appeal as a destination for investments has grown stronger and more sustainable because of the current period of global unpredictability and volatility, and the record amounts of money raised by India-focused funds in 2022 are evidence of investor faith in the "Invest in India" narrative.

Source: IEBF

INDIAN FINANCIAL 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 payment banks to be created recently, thereby adding to the type of entities operating in the sector. However, the financial sector in India is predominantly a banking sector with commercial banks accounting for more than 64% of the total assets held by the financial system.

The Government of India has introduced several reforms to liberalise, 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 MSMEs, issuing guidelines to banks regarding collateral requirements and setting up a Micro Units Development and Refinance Agency (MUDRA). With a combined push by Government and private sector, India is undoubtedly one of the world's most vibrant capital markets.

A. FINANCIAL PERFORMANCE

The figures stated in financial statements reflects as total income includes only interest income, dividend income, Net gain on fair value changes of mutual funds, profit/loss on trade of mutual funds and Net Profit/loss in Equity derivative trading/Share Dealing. The Profit/loss on trading and Investment of shares is included in total Comprehensive income. The total Comprehensive Income has Jumped from Rs.59.88 lakhs in 2022-23 to Rs. 472.42 lakhs in 2023-24. This represents a huge surge of 788%.

B. SEGMENT WISE OR PRODUCT WISE PERFORMANCE

The Company is engaged primarily in the business of investment and accordingly there are no separate reportable segments.

C. FUTURE PROSPECTS AND OUTLOOK

The Company is making all efforts to accelerate the growth of its business. In spite of the market risks faced by Company, Management of the Company is optimistic about the future prospects of the Company. Our investing strategies prioritize securities selection, diversification, and a balanced approach to capitalizing on new trends while mitigating risks.

The Company's growth and profitability are dependent on the functioning of Capital Markets. The Company expects a favourable market in the years to come. The Company on its part is also well poised to seize new opportunities as they come.

D. OPPORTUNITIES & THREATS

Opportunities:

- India's Growth Rate
- Financial Inclusion
- Increased retail participation in capital markets
- Announcement of Buy-back, Bonus issue and mergers of listed entities.

Threats

- Continuing war between Russia &Ukrain and Israil& Hamas
- Inflationary pressures
- Fiscal deficit and current account deficit
- Protectionist policies by developed economies.

E. RISK MANAGEMENT

Risk Management is an on-going process. Effective risk management is therefore critical to any organizational success. Globalization with increasing integration of markets, newer and more complex products and transactions and an increasingly stringent regulatory framework has exposed organizations to and integrated approach to risk management. Timely and effective risk management is of prime importance to our continued success. The sustainability of the business is derived from the following:

- a) Identification of the diverse risks faced by the Company.
- b) The evolution of appropriate systems and processes to measure and monitor them.
- c) Risk Management through appropriate mitigation strategies within the policy framework.
- d) Reporting these risk mitigation results to the appropriate managerial levels.

There is the risk of loss from credit defaults or failed systems, processes or procedures. These may be attributed to human failure or technical problems given the increase use of technology and staff turnover. Our Company has placed suitable mechanisms to effectively reduce such risks. All these risks are continuously analysed and reviewed at various levels of management.

F. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has robust internal controls systems (including Internal Financial Controls) that ensure that transactions are properly authorised, recorded and reported, apart from safeguarding its assets and timely preparation of reliable financial and management information. The internal control system ensures compliance with all applicable laws and regulations facilitates optimum utilization of resources and protect the Company's assets and investors' interests.

The Company's documented policy guidelines, defined authority matrix and internal controls ensure efficiency of operations, compliance with internal policies and applicable laws and regulations as well as protection of resources.

The Company has a vigil mechanism/ whistle blower policy to address fraud risk. The Audit Committee of the Board regularly reviews significant audit findings of the Internal Audit system covering operational, financial and other areas.

G. HUMAN RESOURCES

The Company continues to give priority to its human assets. The Company is also continuously working to create and nurture an atmosphere which is highly motivated and result oriented.

CAUTIONARY STATEMENT

The statement in the Management Discussion & Analysis describing the Company's objectives, projections, estimate, expectations are 'forward-looking statements' within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operation include economic conditions affecting demand/supply and price movements in the domestic and overseas share markets in which the Company invests, changes in the government regulations, tax, corporate and other laws.

RESULTS OF OPERATIONS

The table below sets forth a summary of our financial Statement containing significant items of our income and expenses for year ended March 31, 2024, and March 31, 2023, included in the section titled "Financial Information" on page 55 of this Draft Letter of Offer.

(Rs. In Lakhs)
As at/ for the financial year ended

	Particulars	31-March-24	% age of Total Income	31-March-23	% age of Total Income
I.	Revenue from Operations	70.67	99.06%	58.09	100%
II.	Other Income	0.67	0.94%	-	-
III.	Total Income (I + II)	71.34	100%	58.09	100%
IV.	Expenses :				
	Cost of materials consumed	--		-	
	Purchases of Stock-in-trade	-			
	Changes in inventories of finished goods and work-in-progress				
	Employee benefits expense	22.57	31.64%	21.53	37.06%
	Finance Costs	-		-	
	Depreciation and amortization expense	0.39	0.55%	0.44	0.76%
	Other expenses	20.40	28.60%	18.89	32.52%
	Total Expenses (IV)	43.36	60.78%	40.86	70.34%
V.	Profit before exceptional items and tax (III-IV)	27.98	39.22%	17.23	29.66%
VI.	Exceptional Items	-		-	
VII.	Profit before tax (V- VI)	27.98	39.22%	17.23	29.66%
VIII.	Tax expense:				
	Current Tax	5.90	8.27%	4.15	7.14%
	Deferred Tax (Net of MAT Credit Entitlement)	0.31	0.43%	1.47	2.53%
IX	Profit for the year (VII-VIII)	21.77	30.52%	11.61	19.99%

The table below sets forth a summary of our Limited Reviewed Unaudited Financial Results for the second quarter ended September 30, 2024, and corresponding second quarter ended September 30, 2023, included in the section titled "Financial Information" on page 55 of this draft Letter of Offer.

(Rs. In Lakhs)
As at/ for the financial year ended

	Particulars	30-Sep-2024	% age of Total Income	30-Sep-2023	% age of Total Income
I.	Revenue from Operations	18.18	100%	18.8%	100%
II.	Other Income	-	-	-	-
III.	Total Income (I + II)	18.18	100%	18.8%	100%
IV.	Expenses :				
	Cost of materials consumed				
	Purchases of Stock-in-trade				
	Changes in inventories of finished goods and work-in-progress				
	Employee benefits expense	5.67	31.19%	5.1%	27.13%
	Finance Costs				
	Depreciation and amortization expense	0.09	0.50%	0.11%	0.59%
	Other expenses	4.01	22.06%	3.53%	18.78%
	Total Expenses (IV)	9.77	53.74%	8.74%	46.49%
V.	Profitbefore exceptional items and tax (III-IV)	8.41	46.26%	10.06%	53.51%
VI.	Exceptional Items				
VII.	Profit before tax (V- VI)	8.41	46.26%	10.06%	53.51%
VIII.	Tax expense:				
	Current Tax	1.78	9.79%	2.39%	12.71%
	Deferred Tax (Net of MAT Credit Entitlement)	0.19	1.05%	0.73%	3.88%
IX	Profit for the year (VII-VIII)	6.44	35.42%	6.94%	36.91%

COMPARISON OF RESULTS OF OPERATIONS

COMPARISION OF FISCAL 2024 WITH FISCAL 2023

Revenue from Operations

Our revenue from operations consist of Interest Income, Dividend Income, net gain on fair value changes and net gain on derivative. Total revenue of the Company has been increased from Rs. 58.09 Lakhs in 2023 to Rs. 70.67 Lakhs in 2024 representing increase of 21.66%.

Total Income

The total revenue of the Company for the year 2024 was Rs. 71.34 lakhs as compared to Rs. 58.09 lakhs in the year 2023. There is an increase of 22.81% in the revenue.

Other Income

There were no other income in 2023, however in 2024 there was other income of Rs. 0.67 lakhs.

Total Expenses

The total expenses of the Company for the year 2024 was Rs. 43.36lakhs as compared to Rs. 40.86 lakhs in the year 2023. There is an increase of 6.12 % in the expenses.

Employee Benefit Expenses

The Employee Benefit Expenses of the Company for the year 2024 was Rs. 5.67 lakhs as compared to Rs. 5.10 lakhs in the year 2023. There is an increase of 4.85 % in the employee benefit expenses.

Depreciation

The depreciation for the year 2024 was Rs. 0.39 lakhs as compared to Rs. 0.11 lakhs in the year 2023 depicting decrease of 11.36%.

Other Expenses

The other expenses of the Company for the year 2024 were Rs. 20.04 lakhs as compared to Rs. 18.89 lakhs in the year 2023. There is an increase of 7.99% in the expenses.

SECTION- VI LEGAL INFORMATION

OUTSTANDING LITIGATIONS AND MATERIAL DEVELOPMENTS

Our Company is subject to various legal proceedings from time to time, mostly arising in the ordinary course of our business. Except as disclosed below there are no outstanding litigation involving our Company with respect to (i) issues of moral turpitude or criminal liability on the part of our Company, (ii) material violations of statutory regulations by our Company, (iii) economic offences where proceedings have been initiated against our Company, (iv) any matters which if they result in an adverse outcome would materially and adversely affect operations or financial position of our Company.

*Our Board of Directors, in its meeting held on October 24, 2024, determined that outstanding litigation involving our Company, shall be considered material (“**Material Litigation**”) if:*

(i) the aggregate involved in such individual litigation exceeds 15% of Gross Profit of the Company, as per the last audit financial statements or

(ii) where the decision in one matter is likely to affect the decision in similar matters, even though the amount involved in an individual matter may not exceed the materiality threshold as specified in (i) above.

(iii) litigation whose outcome could have material impact on the business, operations, prospects or reputations of the company and the board or any of its committees shall have power and authority to determine the suitable materiality threshold for the subsequent financial years on the aforesaid basis or any other basis as may be determined by the board or any of its committees

LITIGATIONS INVOLVING OUR COMPANY

I. Litigations filed against our Company:

a) 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

b) Matters involving issues of moral turpitude or criminal liability on the part of our Company:

Nil

c) Matters involving material violations of Statutory Regulations by our Company:

1. Taxation:

• E- Proceedings

As per website of Income Tax, the following e-proceedings are shown as pending with “open” or “pending” status. However, the amount cannot be crystallized in all the below mentioned E- Proceedings:

Assessment Year	Proceeding Name	Amount	Proceeding Status
2013-14	A Case has been re-opened by the Income Tax officer under section 148 for A.Y. 2013-14, further notices were issued by the department in this regard and which were duly replied by the Company. The final order is awaited from the Income tax Department.	Nil	Open

- **Outstanding Demand:**

Nil

- **Tax Deducted at Source (TDS):**

Sr. No	Financial Year	Total Default (in Rupees)
1.	Prior Years	302
Total		302

2. Securities Exchange Board of India

- An Appeal was filed by our Company against the order passed by the Hon'ble Executive Director ('ED') of Securities and Exchange Board of India ('SEBI') dated May 12, 2023 in the matter of National Spot Exchange Limited ('NSEL') for cancelling Certificate of SEBI Registration (bearing No.INZ000087136) of our Company. As per the order, our Company attracted disqualification under Schedule II of Intermediary's Regulations for the reason of executing paired contracts on NSEL. The concerned appeal was filed before Securities Appellant tribunal (SAT) on June 12, 2023, along with an application for grant of stay against the order by SEBI dated May 12, 2023, SAT pronounced an order on July 04, 2023 and stayed the effect and operation of the impugned SEBI order during the pendency of the appeal.

Thereafter, the SAT passed an order on December 12, 2023 directing SEBI to consider and assert a scheme under clause 26 of the settlement regulations for our Company. Upon the initial time frame of 3 month, SEBI filed an application for an additional time of 4 months to frame a scheme under the Settlement Regulation. The SAT vide order dated March 14, 2024, granted further 4 months to come out with concerned settlement scheme. As per the last order, the SAT has granted 6 months extension to come out with the Settlement scheme. Hence the said matter is currently pending.

The nextdate of hearing is fixed at March 7, 2025.

3. Economic Offences where proceedings have been initiated against our Company:

Nil

II. Litigations against our Company:

Nil

III. Litigations filed by our Company:

Nil

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. Our Company undertakes to obtain all material approvals and licenses and permissions required to operate our present business activities. It must, however, be distinctly understood that in granting the 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.

Following statements set out the details of licenses, permissions and approvals obtained by the Company under various central and state legislations for carrying out its business activities.

The Company has its business located at the following location:

Registered Office: 503, Rohit House, 3, Tolstoy Marg, Central Delhi, New Delhi, Delhi, India, 110001

The objects clause of the Memorandum of Association enables our Company to undertake its present business activities. The approvals required to be obtained by our Company include the following:

I. APPROVALS FOR THE ISSUE

Corporate Approvals

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

- a. The Further Issue of Equity Shares has been authorized by a resolution adopted pursuant to the provisions of Regulation 30 read with Schedule III and 33 of Listing Regulations in the Board Meeting of the Company held on October 24, 2024.

ISIN Number

The Company's International Securities Identification Number ("ISIN") is INE900A01013

II. APPROVALS OBTAINED BY OUR COMPANY

S. No.	NATURE OF LICENSE/APPROVAL	REGISTRATION/ LICENSE NO.	ISSUING AUTHORITY	DATE OF GRANT	VALIDITY
INCORPORATION RELATED APPROVALS					
1.	Certificate of Incorporation in the name of "Bharat Bhushan Share & Stock Brokers Limited"	55-49038	Registrar of Companies, Delhi and Haryana	June 03, 1992	One Time Registration
2.	Certificate of Incorporation upon consequent change of name from "Bharat Bhushan Share & Stock Brokers Limited" to "Bharat Bhushan Share & Commodity Brokers"	L67120DL1992PLC04 9038	Registrar of Companies, NCT Delhi and Haryana	November 23, 2004	One Time Registration

S. No.	NATURE OF LICENSE/APPROVAL	REGISTRATION/ LICENSE NO.	ISSUING AUTHORITY	DATE OF GRANT	VALIDITY
	Limited”				
3.	Certificate of Incorporation upon consequent change of name from “Bharat Bhushan Share & Commodity Brokers Limited” to “Bharat Bhushan Finance & Commodity Brokers Limited”	L67120DL1992PLC04 9038	Registrar of Companies, NCT Delhi and Haryana	October 19, 2010	One Time Registration
TAX RELATED APPROVALS					
4.	Permanent Account Number (“PAN”)	AAACB0554H	Income Tax Department, Government of India	June 03, 1992	One Time Registration
5.	Tax Deduction Account Number (“TAN”)	DELB06537G	Income Tax Department, Government of India	May 08, 2004	One Time Registration
GOODS AND SERVICES TAX REGISTRATION					
6.	Registration Certificate under Goods and Services Tax Act, 2017 for 503, Rohit House, 3 Tolstoy Marg, New Delhi, Delhi - 110001	07AAACB0554H1Z2	Goods and Services Tax Authority and Government of India	Valid from – July 01, 2017 Issued on – July 17, 2017	One Time Registration
BUSINESS RELATED APPROVALS					
7.	Certificate of Registration to commence / carry on business of non-banking financial institution without accepting public deposits subject to conditions given on the reverse.	B-14.00387	Department of Non-Banking Supervision, Reserve Bank of India	December 03, 2010	N/A
8.	Registration Certificate of Establishment under Delhi Shops & Establishment Act, 1954	2024223516	Department of Labour, Government of N.C.T of Delhi	December 09, 2024	One Time registration

III. THE DETAILS OF DOMAIN NAME REGISTERED ON THE NAME OF THE COMPANY:

Sr. No.	Domain Name and ID	IANA ID	Creation Date	Expiry Date
1.	Domain Name: bharatbhushan.com Registry Domain Id: 104770923_Domain_Com-Vrsn	303	October 09, 2003	October 09, 2027

MATERIAL DEVELOPMENT

No material developments have occurred since the date of the last Limited Review Report of i.e., September 30, 2024, which materially or adversely affect or are likely to affect: (a) the operations or the profitability of the Company; or (b) the value of its assets; or (c) its ability to pay its liabilities in the next 12 months; or (d) its performance and prospects, except as disclosed in the section “Management’s Discussion and Analysis of Financial Condition and Results of Operations - Significant Developments Occurring After September 30, 2024”.

OTHER REGULATORY AND STATUTORY INFORMATION

Authority for the Issue

The Issue has been authorized by our Board by a resolution passed at its meeting held on October 24, 2024 pursuant to Section 62 of the Companies Act, 2013.

The Issue Price of `Rs. 10 per Rights Equity Share and the Rights Entitlement of [1] Rights Equity Share for every [1] fully paid-up Equity Shares held on the Record Date, i.e. [•] has been determined by the Board in its meeting held on [•]. The Issue Price has been arrived at in consultation with the Lead Manager, prior to determination of the Record Date.

Our Company has received in-principle approval from the BSE in accordance with Regulation 28 of the SEBI LODR Regulations, 2015 for listing of the Rights Equity Shares to be allotted in the Issue pursuant to its letter [•] dated [•].

Prohibition by RBI, SEBI or other governmental authorities

Our Company, our Promoters, our Directors, and members of our Promoter Group have not been or are not prohibited 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.

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

Neither our Promoter nor our Directors are declared as Fugitive Economic Offenders.

None of our Company, our Promoters or our Directors, are or have been classified as a wilful defaulter.

None of our Directors are associated with the securities market in any manner except Mr. Vijay Bhushan and Ms. Nisha Ahuja, who are also directors on the Board of M/s Bharat Bhushan Equity Traders Limited

PROHIBITION BY RBI

Neither our Company, nor our Promoters, and Directors have been categorized or identified as wilful defaulters by any bank or financial institutions.

There are no violations of securities laws committed by them in the past or are currently pending against any of them.

Confirmation with Companies (Significant Beneficial Ownership) Rules, 2018

Our Company, Promoters and members of our Promoter Group are in compliance and undertake to comply with the requirements of the Companies (Significant Beneficial Ownership) Rules, 2018, as amended (“SBO Rules”), to the extent applicable, as on the date of the Draft Letter of Offer.

Eligibility for the Issue

The Equity Shares of our Company are presently listed on the BSE. This issue is being undertaken in terms of Chapter III of the SEBI ICDR Regulations

Our Company is in compliance with Regulation 62(1)(a) of the SEBI ICDR Regulations, our Company undertakes to make an application to the BSE for listing of the Rights Equity Shares to be issued pursuant to this Issue. BSE is the Designated Stock Exchange for the Issue.

Compliance with Part B of Schedule VI of SEBI Regulations

Our Company is in compliance with the provisions specified in Clause (1) of Part B of Schedule VI to the SEBI ICDR Regulations as explained below:

- (a) Our Company has been filing periodic reports, statements and information in compliance with the Listing Agreements and the SEBI Listing Regulations, to the extent applicable for the last one years immediately preceding the date of filing of this Draft Letter of Offer with SEBI;
- (b) The reports, statements and information referred to in sub-clause (a) above are available on the website of BSE, which is the recognized stock exchanges with nationwide trading terminals.
- (c) Our Company has an investor grievance-handling mechanism which includes meeting of the Share Transfer Committee and Stakeholders Relationship Committee at frequent intervals, appropriate delegation of power by the Board as regards share transfer and clearly laid down systems and procedures for timely and satisfactory redressal of investor grievances.

Our Company satisfies the conditions specified in Clause (1) of Part B of Schedule VI of SEBI ICDR Regulations, and is not covered under the conditions specified in Clause (3) of Part B of Schedule VI of SEBI ICDR Regulations,

Disclaimer clauses from our Company and the Lead Manager

Our company and the lead manager accept no responsibility for statements made otherwise than in this Draft Letter of Offer/Letter of Offer or in any advertisement or any other material issued by or at the instance of our company and that anyone placing reliance on any other source of information would be doing so at his own risk.

Investors who invest in the issue will be deemed to have been represented to our Company and the Lead Manager and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire the Rights Equity Shares of our Company, and are relying on independent advice / evaluation as to their ability and quantum of investment in this issue.

Caution

Our Company and the Lead Manager shall make all information available to the Eligible Equity Shareholders and no selective or additional information would be available for a section of the Eligible Equity Shareholders in any manner whatsoever including at presentations, in research or sales reports etc. after filing of this Draft Letter of Offer with BSE.

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 Rights Equity Shares and rights to

purchase the Rights Equity Shares offered hereby, but only under circumstances and in jurisdictions where it is lawful to do so. The information contained in this Draft Letter of Offer is current only as of its date.

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 the Issue will be subject to the jurisdiction of the appropriate court(s) in New Delhi only.

Designated Stock Exchange

The Designated Stock Exchange for the purposes of the Issue will be BSE.

Disclaimer Clause of the BSE

As required, a copy of this draft letter of offer has been submitted to BSE (the designated stock exchange). The disclaimer clause as intimated by the BSE to us, post scrutiny of this Draft Letter of Offer, shall be included in the Letter of Offer prior to filing with the stock exchange.

Filing

As the Issue Size is less than Rs. 10 Crores, the Draft Letter of Offer has not been filed with SEBI. However, the Draft Letter of Offer has been filed with BSE Limited for their observations and in principle approval. The Letter of Offer will simultaneously be filed with SEBI for its information as per the provisions of the SEBI ICDR Regulations.

Listing

The existing Equity Shares are listed on the BSE. The Equity Shares to be issued through the Letter of Offer are proposed to be listed on the BSE. We have received in-principle approval from the BSE vide its letter [●] dated [●] in respect of the Equity Shares being offered in terms of the Issue. The application for obtaining permission for listing and trading of the Equity Shares will be made to the BSE, the Designated Stock Exchange.

If the permission to deal in and for an official quotation of the securities is not granted by the Stock Exchanges mentioned above, we shall forthwith repay, without interest, all monies received from applicants in pursuance of the Draft Letter of Offer.

We will issue and dispatch Allotment advice / share certificates / demat credit and / or letters of regret along with refund order or credit the allotted Equity Shares to the respective beneficiary accounts, if any, within a period of 15 days from the Issue Closing Date.

In the event that there is a delay of making refunds beyond such period as prescribed by applicable laws, our Company shall pay interest for the delayed period at rates prescribed under applicable laws.

Consents

Consents in writing of the Promoter, Directors, Compliance Officer, Lead Manager to the Issue, Legal Counsel, Registrar to the Issue, Bankers to the Company, and Statutory Auditors to act in their respective capacities have been obtained, and consent of Banker to the Issue / Refund Bank to act in their respective capacity will be obtained before filing the Letter of offer with BSE and such consents have not been withdrawn up to the date of the Draft Letter of Offer.

Expert opinion

Except for (i) the reports of the Statutory Auditors on the audited Financial Information and Limited Review Report, and (ii) the Statement of Tax Benefits available to our Company and its Shareholders included in this Draft Letter of Offer, we have not obtained any expert opinions.

Issue related expenses

The expenses of the Issue payable by our Company include fee and reimbursement to the Lead Manager, Legal Advisors to the issue, Registrar to the Issue, Printing and distribution expenses, publicity, listing fee, stamp duty and other expenses and will be met out of the Issue proceeds. For further details, see “Objects of the Issue” beginning on page 34.

Public or rights issues by our Company during the last five years

Our Company has not made any public or Rights issue in last 5 years.

Previous issues of securities otherwise than for cash

Except as disclosed in “*Capital Structure*” on page 31 our Company has not made any issue of securities for consideration otherwise than cash.

Commission or brokerage in previous issue of Equity Shares

No sum is payable as commission or brokerage for any of our previous issue(s) of Equity Shares.

Previous capital issue during the previous three years by Group Companies and Subsidiaries of our Company

None of our Group Companies have made any public or rights issue during the last three years. Further, we do not have any Subsidiary Company.

Outstanding debentures, bonds, redeemable preference shares or other instruments

Our Company does not have any outstanding debentures, bonds, redeemable preference shares or other instruments as of the date of this Draft Letter of Offer.

Investor Grievances and Redressal System

We have adequate arrangements for the redressal of investor complaints in compliance with the corporate governance requirements under the Listing Regulations.

Our Company’s investor grievances arising out of the Issue will be handled by Alankit Assignments Ltd, the Registrar to the Issue. The Registrar to the Issue will have a separate team of Personnel handling only post – Issue correspondence. All grievances relating to the Issue may be addressed to the Registrar or the SCSB in case of ASBA Applicants giving full details such as folio no., name and address, contact telephone/cell numbers, e-mail id of the first Applicant, number and type of Equity Shares applied for, CAF 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 for attending to routine grievances will be seven to 10 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 attend to them as

expeditiously as possible. Our Company undertakes to resolve the investor grievances in a time bound manner.

Alankit Assignments Ltd.

SEBI Regn. No.: INR000002532

Alankit Assignments Limited 205-208, Anarkali Complex,
Jhandewalan Extn., New Delhi- 110055

Tel.:011 -42541 234,011 4254 1966

Fax: +91 11 2355 2001

E-mail: bharatbhushanrights@alankit.com

Investor Grievance e-mail id: bharatbhuharights@alankit.com

Website: www.rights.alankit.com

Contact Person:Ms. Ritika Manghnani

Investors may contact the Compliance Officer at the below mentioned address and/ or Registrar to the Issue at the above mentioned address in case of any pre-Issue/ post -Issue related problems such as non receipt of allotment advice / share certificates / demat credit / refund orders etc.

Mr. Baldev Garg

Compliance Officer & Company Secretary

Bharat Bhushan Finance & Commodity Brokers Limited

Shivratan Bazar Baldeo Mathura Uttar Pradesh 281301, India

Tel. No.: + 91 9058578515

E-mail: commodities@bharatbhushan.com

Our Board has constituted the Stakeholders Relationship Committee. This committee currently comprises of 3 members, namely Mrs. Nisha Ahuja, Mr. Arun Kumar Garg and Atul Bhargava. Our Stakeholders Relationship Committee oversees the reports received from the registrar and transfer agent and facilitates the prompt and effective resolution of complaints from our shareholders and investors. Its broad terms of reference include:

- Redressal of Equity Shareholder and Investor complaints including, but not limited to non-receipt of share certificates, transfer of Equity Shares and issue of duplicate share certificates, non-receipt of balance sheet, non-receipt of declared dividends, etc. and
- Monitoring transfers, transmissions, dematerialization, rematerialization, splitting and consolidation of shares issued by our Company.

Status of Shareholders Complaints

(a) No. of shareholders complaints outstanding as on December 31, 2024: Nil

(b) Status of the pending complaints: Not applicable

Change in auditors during last three years

In the AGM held on 28.09.2022 shareholders have reappointed M/S G C Agarwal, Chartered Accountants as the Statutory Auditor for five years.

Capitalisation of reserves or profits

Our Company has not capitalised reserves or profits during last five years.

Revaluation of assets

Our Company has not revalued its assets during last five years. However, our company has adopted IND AS from April 1, 2017. Accordingly assets have been recognized at fair value with effect from April 1, 2016 (transition date) in accordance with option given under IND AS 101 and impact of the same has been considered as a part of retained earnings.

Minimum Subscription

If our company does not receive the minimum subscription of ninety percent of the Issue, our Company shall refund the entire subscription amount within fifteen days from the date of closure of the issue. In the event that there is a delay of making refunds by more than the prescribed time after our Company become liable to pay the subscription amount, our Company shall pay interest for the delayed period at rates prescribed under the Companies Act, 2013.

SECTION-VII OFFERING INFORMATION

TERMS OF THE ISSUE

This section is for the information of the ASBA Investors and Non-ASBA Investors proposing to subscribe to the Issue through the ASBA process and non-ASBA process, respectively. Our Company and the Lead Manager is not liable for any amendments or modifications or changes in applicable laws or regulations, which may occur after the date of the Letter of Offer. Investors who are eligible to apply under the ASBA process or non-ASBA process, as the case may be, are advised to make their independent investigations and to ensure that the CAF is correctly filled up.

Investors are requested to note that application in this Issue can only be made through ASBA facility. For guidance on the application process through ASBA and resolution of difficulties faced by investors, you are advised to read the frequently asked question on the website of the Registrar at www.rights.alankit.com.

The Rights Entitlement on the Equity Shares, the ownership of which is currently under dispute and including any court proceedings or are currently under transmission or are held in a demat suspense account and for which our Company has withheld the dividend, shall be held in abeyance and the Application Form along with the Rights Entitlement Letter in relation to these Rights Entitlements shall not be dispatched pending resolution of the dispute or court proceedings or completion of the transmission or pending their release from the demat suspense account. On submission of such documents /records confirming the legal and beneficial ownership of the Equity Shares with regard to these cases on or prior to the Issue Closing Date, to the satisfaction of our Company, our Company shall make available the Rights Entitlement on such Equity Shares to the identified Eligible Equity Shareholder. The identified Eligible Equity Shareholder shall be entitled to subscribe to Equity Shares pursuant to the Issue during the Issue Period with respect to these Rights Entitlement and subject to the same terms and conditions as the Eligible Equity Shareholder.

The Rights Equity Shares proposed to be issued on a right basis, are subject to the terms and conditions contained in the Draft Letter of Offer, the MOA and AOA of our Company, the provisions of the Companies Act, the terms and conditions as stipulated in the allotment advice or security certificate and rules as may be applicable and introduced from time to time.

ASBA Facility

Please note that, in accordance with Regulation 76 of the SEBI ICDR Regulations and subject to the conditions prescribed under SEBI circular SEBI/CFD/DIL/ASBA/1/2009/30/12 dated December 30, 2009 and SEBI circular CIR/CFD/DIL/1/ 2011 dated April 29, 2011, all Eligible Equity Shareholders who (a) hold Equity Shares in dematerialized form, (b) have not renounced their Rights Entitlement in part or in full, and (c) are not Renouncees, shall participate in the Issue only through the ASBA process. Eligible Equity Shareholders who have renounced their Rights Entitlement in part, Renouncees and Eligible Equity Shareholders holding shares Equity Shares in physical form are not eligible ASBA investors and must only apply for the Rights Equity Shares through the non ASBA process irrespective of the application value or category of applicant. ASBA Investors should note that the ASBA process involves application procedures that may be different from the procedure applicable to non ASBA process. ASBA Investors should carefully read the provisions applicable to such applications before making their application through the ASBA process. For details, see "Procedure for Application through the Applications Supported by Blocked Amount ("ASBA") Process" on 131 of the Letter of Offer.

Overview

This Issue is proposed to be undertaken on a rights basis and is subject to the terms and conditions contained in this Draft Letter of Offer, 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, the FEMA, the FEMA Rules, the SEBI ICDR Regulations, the SEBI Listing Regulations, the SEBI ICDR Master Circular and the guidelines, notifications, circulars and regulations issued by SEBI, the Government of India and other statutory and regulatory authorities from time to time, approvals, if any, from RBI or other regulatory authorities, the terms of the Listing Agreements entered into by our Company with Stock Exchanges and the terms and conditions as stipulated in the Allotment Advice.

I. DISPATCH AND AVAILABILITY OF ISSUE MATERIALS

Pursuant to the requirements of the SEBI ICDR Regulations and other applicable laws, the Rights Entitlements will be credited to the demat account of the Eligible Equity Shareholders who are Equity Shareholders as on the Record Date, however, the Issue Materials will be sent/ dispatched only to such Eligible Equity Shareholders, who have provided an Indian address to our Company and only such Eligible Equity Shareholders are permitted to participate in the Issue. The credit of Rights Entitlement does not constitute an offer, invitation to offer or solicitation for participation in the Issue, whether directly or indirectly, and only dispatch of the Issue Material shall constitute an offer, invitation or solicitation for participation in the Issue in accordance with the terms of the Issue Material. Further, receipt of the Issue Materials (including by way of electronic means) will not constitute an offer, invitation to or solicitation by anyone in (i) the United States or (ii) any jurisdiction or in any circumstances in which such an offer, invitation or solicitation is unlawful or not authorized or to any person to whom it is unlawful to make such an offer, invitation or solicitation. In those circumstances, the Letter of Offer and any other Issue Materials must be treated as sent for information only and should not be acted upon for subscription to Rights Equity Shares and should not be copied or re-distributed, in part or full. Accordingly, persons receiving a copy of the Issue Materials should not distribute or send the Issue Materials in or into any jurisdiction where to do so, would or might contravene local securities laws or regulations, or would subject our Company or its affiliates or the Lead Manager or their affiliates to any filing or registration requirement (other than in India). If Issue Material is received by any person in any such jurisdiction or the United States, they must not seek to subscribe to the Rights Equity Shares.

The Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be sent/ dispatched only to the Eligible Equity Shareholders who have provided an Indian address to our Company. In case such Eligible Equity Shareholders have provided their valid e-mail address, the Letter of Offer, Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be sent only to their valid e-mail address and in case such Eligible Equity Shareholders have not provided their valid e-mail address, then the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be physically dispatched, on a reasonable effort basis, to the Indian addresses provided by them.

Further, the Letter of Offer will be sent/ dispatched to the Eligible Equity Shareholders who have provided their Indian address and who have made a request in this regard.

Please note that neither our Company nor the Registrar nor the Lead Manager shall be responsible for not sending the physical copies of Issue materials, including the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form or 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 email addresses of Eligible Equity Shareholders or electronic transmission delays or failures, or if the Application Forms or the Rights Entitlement Letters are delayed or misplaced in the transit.

The distribution of the Letter of Offer, Abridged Letter of Offer, the Rights Entitlement Letter and the issue of Rights Equity 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 this Draft Letter of Offer is being filed with SEBI for observations and the Letter of Offer will be filed with SEBI and the Stock Exchanges. Accordingly, Rights Equity Shares may not be offered or sold, directly or indirectly, and the Issue Materials may not be distributed, in any jurisdiction, except in accordance with and as permitted under the legal requirements applicable in such jurisdiction. Receipt of the Issue Materials will not constitute an offer, invitation to or solicitation by anyone in any jurisdiction or in any circumstances in which such an offer, invitation or solicitation is unlawful or not authorised or to any person to whom it is unlawful to make such an offer, invitation or solicitation. In those circumstances, such Issue Materials 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 Rights Equity 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 or would subject our Company or its affiliates or the Lead Manager or their respective affiliates to any filing or registration requirement (other than in India). If the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form is 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 purchases or renounces the Rights Entitlements or makes an application to acquire the Rights Equity Shares offered in the Issue will be deemed to have declared, represented and warranted that such person is eligible to subscribe and authorized to purchase or sell the Rights Entitlements or acquire the Rights Equity Shares in compliance with all applicable laws and regulations prevailing in such person's jurisdiction and India, without requirement for our Company or our affiliates or the Lead Manager or their respective affiliates to make any filing or registration (other than in India).

The Letter of Offer will be provided, primarily through e-mail, by the Registrar on behalf of our Company or the Lead Manager to the Eligible Equity Shareholders who have provided their Indian addresses to our Company and who make a request in this regard.

II. PROCEDURE FOR APPLICATION

In accordance with Regulation 76 of the SEBI ICDR Regulations, the SEBI ICDR Master Circular and the 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, refer "Procedure for application through the ASBA process" on page 131 of this Draft Letter of Offer.

The Application Form can be used by the Eligible Equity Shareholders as well as the Renounees to make Applications in this Issue basis the Rights Entitlement credited in their respective demat accounts.

Please note that one single Application Form shall be used by Investors to make Applications for all Rights Entitlements available in a particular demat account. In case of Investors who have provided details of demat account in accordance with the SEBI ICDR Regulations, such Investors will have to apply for the Rights Equity Shares from the same demat account in which they are holding the Rights Entitlements and in case of multiple demat accounts, the Investors are required to submit a separate Application Form for each demat account.

Investors may apply for the Rights Equity Shares by submitting the Application Form to the Designated Branch of the SCSB or online/electronic Application through the website of the SCSBs (if made available by such SCSB) for authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts.

Investors are also advised to ensure that the Application Form is correctly filled up stating therein that the ASBA Account in which an amount equivalent to the amount payable on Application as stated in the Application Form will be blocked by the SCSB.

Applicants should 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 shall be treated as incomplete and shall be rejected. For details, see “- Grounds for Technical Rejection” on page 138 . Our Company, the Lead Manager, 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 SCSBs shall accept such applications only if all details required for making the application as per the SEBI ICDR Regulations are specified in the plain paper application and that Eligible Equity Shareholders making an application in this Issue by way of plain paper applications shall not be permitted to renounce any portion of their Rights Entitlements. For details, see “- Making of an Application by Eligible Equity Shareholders on Plain Paper under ASBA process” on page 133.

Option available to the Eligible Equity Shareholders

The Rights Entitlement Letter will clearly indicate the number of Rights Equity Shares that the Eligible Equity Shareholder is entitled to in the Issue.

If the Eligible Equity Shareholder applies in this Issue, then such Eligible Equity Shareholder can:

- Apply for his Rights Entitlement of Rights Equity Shares in full;
- Apply for his Rights Entitlement of Rights Equity Shares in part (without renouncing the remaining part);
- Apply for his Rights Entitlement of Rights Equity Shares in part and renounce the remaining part of the Rights Equity Shares;
- Apply for his Rights Entitlement in full and apply for additional Rights Equity Shares;
- Renounce his Rights Entitlement in full.

Making of an 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 SCSBs, prior to making the Application. Investors desiring to make an Application in this Issue through ASBA process, may submit the Application Form in physical mode to the Designated Branches 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 and have provided an authorisation 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.

The list of banks which have been notified by SEBI to act as SCSBs for the ASBA Process is provided on <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34> and/or such other website(s) as may be prescribed by the SEBI or Stock Exchange(s) from time to time.

Please note that subject to SCSBs complying with the requirements of the 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 2, 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.

The Lead Manager, our Company, their directors, their 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.

Investors applying through the ASBA facility should carefully read the provisions applicable to such Applications before making their Application through the ASBA process.

Do's for Investors applying through ASBA:

- (a) Ensure that the necessary details are filled in the Application Form including the details of the ASBA Account.
- (b) Ensure that the details about your Depository Participant, PAN and beneficiary account are correct and the beneficiary account is activated as the Rights Equity Shares will be Allotted in the dematerialized form only.
- (c) 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.
- (d) (Ensure that there are sufficient funds (equal to {number of Rights Equity Shares (including Additional Rights Equity Shares) applied for} X {Application Money of Equity Shares}) available in ASBA Account mentioned in the Application Form before submitting the Application to the respective Designated Branch of the SCSB.
- (e) Ensure that you have authorised 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 Form and have signed the same.
- (f) Ensure that you have a bank account with SCSBs providing ASBA facility in your location and the Application is made through that SCSB providing ASBA facility in such location.
- (g) Ensure that you receive an acknowledgement from the Designated Branch of the SCSB for your submission of the Application Form in physical form or plain paper Application.

- (h) 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.
- (i) Ensure that your PAN is linked with Aadhaar and you are in compliance with CBDT notification dated Feb 13, 2020 read with press release dated June 25, 2021 and September 17, 2021.

Don'ts for Investors applying through ASBA:

- (a) Do not apply if you are not eligible to participate in the Issue under the securities laws applicable to your jurisdiction.
- (b) Do not apply if you have not provided an Indian address.
- (c) Do not submit the Application Form after you have submitted a plain paper Application to a Designated Branch of the SCSB or *vice versa*.
- (d) Do not send your physical Application to the Lead Manager, the Registrar, the Bankers to the Issue (assuming that such Bankers to the Issue are not SCSB's), 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.
- (e) Do not instruct the SCSBs to unblock the funds blocked under the ASBA process upon making the Application.
- (f) Do not submit Application Form using third party ASBA account.
- (g) Avoiding applying on the Issue Closing Date due to risk of delay/restriction in making any physical Application.
- (h) Do not submit Multiple Application Forms.

Making of an Application by Eligible Equity Shareholders on Plain Paper under ASBA process

An Eligible Equity Shareholder in India who is eligible to apply under the ASBA process may make an Application to subscribe to this Issue on plain paper in terms of Regulation 78 of SEBI ICDR Regulations in case of non-receipt of Application Form as detailed above. In such cases of non-receipt of the Application Form through physical delivery (where applicable) and the Eligible Equity Shareholder not being in a position to obtain it from any other source may make an Application to subscribe to this Issue on plain paper with the same details as per the Application Form that is available on the website of the Registrar, Stock Exchanges or the Lead Manager. An Eligible Equity Shareholder shall submit the plain paper Application to the Designated Branch of the SCSB for authorising 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 Eligible Equity Shareholder who has not provided an Indian address.

Please note that in terms of Regulation 78 of SEBI ICDR Regulations, the Eligible Equity Shareholders who are making the Application on plain paper shall not be entitled to renounce their Rights Entitlements and should not utilize the Application Form for any purpose including renunciation even if it is received subsequently.

The Application on plain paper, duly signed by the Eligible Equity Shareholder including joint holders, in the same order and as per specimen recorded with his/her bank, must reach the office of the Designated Branch of the SCSB before the Issue Closing Date and should contain the following particulars:

- Name of Issuer, being ***Bharat BHushan Finance and Commodity Limited***;
- Name and address of the Equity Shareholder including joint holders;
- Registered Folio Number/ DP and Client ID no.;
- Number of Rights Equity Shares held as on Record Date;
- Number of Rights Equity Shares entitled to;
- Number of Rights Equity Shares applied for;
- Number of additional Rights Equity Shares applied for, if any;
- Total number of Rights Equity Shares applied for;
- Total amount paid at the rate of Rs. [●] per Rights Equity Share;
- Particulars of cheque/ demand draft;
- Savings/ current account number and name and address of the bank where the Eligible Equity Shareholder will be depositing the refund order. In case of Rights Equity Shares allotted in demat form, the bank account details will be obtained from the information available with the Depositories;
- Except for applications on behalf of the Central or State Government 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 Rights Equity Shares applied for pursuant to the Issue; Documentary evidence for exemption to be provided by the applicants;
- Share certificate numbers and distinctive numbers of Rights Equity Shares, if held in physical form;
- If the payment is made by a draft purchased from NRE/ FCNR/ NRO account, as the case may be, an account debit certificate from the bank issuing the draft confirming that the draft has been issued by debiting the NRE/ FCNR/ NRO account;
- Signature of the Applicant to appear in the same sequence and order as they appear in our records / Depositories; and
- Additionally, all such applicants are deemed to have accepted the following:

"I am/we are entitled to subscribe for and acquire the Rights Equity Shares under the laws of all relevant jurisdictions that apply to me/us and I/we have fully observed such laws and complied with all necessary formalities to enable me/us to subscribe for the Rights Equity Shares.

I was/we were outside the United States (within the meaning of Regulation S) under the Securities Act, at the time the offer of the Rights Equity Shares was made to me/us and I was/we were outside the United States when my/our buy order for the Rights Equity Shares was originated.

I/we did not purchase the Rights Equity Shares as a result of any "directed selling efforts" (as defined in Regulation S).

The Rights Equity Shares have not been and will not be registered under the Securities Act or the securities law of any state of the United States and I/we will not offer or sell the Rights Equity Shares except in an offshore transaction complying with Rule 903 or Rule 904 of Regulation S or pursuant to any other available exemption from registration under the Securities Act and in accordance with all applicable securities laws of the states of the United States and any other jurisdiction, including India.

If I/we acquired any of the Rights Equity Shares as fiduciary or agent for one or more investor accounts, I/we have sole investment discretion with respect to each such account and I/we have full power to make the foregoing representations, warranties, acknowledgements and agreements on behalf of each such account.

I/we shall indemnify and hold Bharat Bhushan Finance & Commodity Brokers Limited harmless from any and all costs, claims, liabilities and expenses (including legal fees and expenses) arising out of or in connection with any breach of these representations, warranties or agreements. I/we agree that the indemnity set forth in this paragraph shall survive the resale of the Rights Equity Shares.

I/we acknowledge that Bharat Bhushan Finance & Commodity Brokers Limited and others will rely upon the truth and accuracy of the foregoing representations, warranties and acknowledgements.”

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

Investors are requested to strictly adhere to these instructions. Failure to do so could result in an Application being rejected, with our Company, the Lead Manager and the Registrar not having any liability to the Investor.

The plain paper Application format will be available on the website of the Registrar at www.rights.alankit.com. Our Company, the Lead Manager and the Registrar shall not be responsible if the Applications are not uploaded by the SCSB or funds are not blocked in the Investors' ASBA Accounts on or before the Issue Closing Date.

Our Company, the Lead Manager and the Registrar shall not be responsible if the Applications are not uploaded by the SCSB or funds are not blocked in the Investors' ASBA Accounts on or before the Issue Closing Date.

Making of an Application by Eligible Equity Shareholders holding Equity Shares in physical form

In accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI ICDR Master Circular, the credit of Rights Entitlements and Allotment of Rights 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 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 clear 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.

Prior to the Issue Opening Date, the Rights Entitlements of those Eligible Equity Shareholders, among others, who hold Equity Shares in physical form, and/or 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. 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 visit www.rights.alankit.com to upload their self attested client master sheet of their demat account and also provide the other details as required, no later than two Clear Working Days prior to the Issue Closing Date;
- b) The Registrar shall, after verifying the details of such demat account, transfer the Rights Entitlements of such Eligible Equity Shareholders to their demat accounts at least one day before the Issue Closing Date; and
- c) The remaining procedure for Application shall be same as set out in the section entitled “-*Making of an Application by Eligible Equity Shareholders on Plain Paper under ASBA process*” on page 133.

Additional Rights Equity Shares

Investors are eligible to apply for additional Rights Equity Shares over and above their Rights Entitlement, provided that they are eligible to apply under applicable law and have applied for all the Rights Equity Shares offered without renouncing them in whole or in part in favour of any other person(s). Applications for additional Rights Equity Shares shall be considered and allotment shall be made in accordance with the SEBI ICDR Regulations, subject to sectoral caps and prescribed limits as per applicable laws and in consultation if necessary with the Designated Stock Exchange.

Eligible Equity Shareholders who renounce their Rights Entitlements cannot apply for Additional Rights Equity Shares. Non-resident Renouncees who are not Eligible Equity Shareholders cannot apply for Additional Rights Equity Shares unless regulatory approvals are submitted.

Additional general instructions for Investors in relation to making of an Application

- (a) Please read the Letter of Offer carefully to understand the Application process and applicable settlement process.
- (b) Please read the instructions on the Application Form sent to you. 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 this Draft Letter of Offer, 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.
- (c) In case of non-receipt of Application Form, Application can be made on plain paper mentioning all necessary details as mentioned under the section entitled “*Making of an Application by Eligible Equity Shareholders on Plain Paper under ASBA process*” on page 133.
- (d) Applications should be submitted to the Designated Branch of the SCSB or made online/electronic through the website of the SCSBs (if made available by such SCSB) for authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts. Please note that on the Issue Closing Date Applications through ASBA process will be uploaded until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the Stock Exchanges.
- (e) Applications should not be submitted to the Bankers to the Issue, our Company or the Registrar or the Lead Manager.
- (f) 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 Rights Equity Shares pursuant to this Issue shall be made into the accounts of such Investors.
- (g) 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. Investors applying under this Issue should note that on the basis of name of the Investors, DP ID and Client ID 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. Therefore, 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. **The Allotment Advice and the intimation on unblocking of ASBA Account or refund (if any) would be mailed to the address of the Investor as per the Indian 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 Rights Equity Shares are not Allotted to such Investor. Please note that any such delay shall be at the sole risk of the Investors and none of our Company, the SCSBs, Registrar or the Lead Manager shall be liable to compensate the Investor for any losses caused due to any such delay or be liable to pay any interest for such delay. In case no corresponding record is available with the Depositories that match three parameters, (a) names of the Investors (including the order of names of joint holders), (b) DPID, and (c) Client ID, then such Application Forms are liable to be rejected.**

- (h) By signing the Application Forms, Investors would be deemed to have authorised the Depositories to provide, upon request, to the Registrar, the required Demographic Details as available on its records.
- (i) 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.
- (j) Investors should provide correct DP ID and Client ID/ folio number (for Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date) while submitting the Application. Such DP ID and Client ID/ folio number should match the demat account details in the records available with Company and/or Registrar, failing which such Application is liable to be rejected. Investor will be solely responsible for any error or inaccurate detail provided in the Application. Our Company, the Lead Manager, SCSBs or the Registrar will not be liable for any such rejections.
- (k) 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.
- (l) All communication in connection with Application for the Rights Equity Shares, including any change in contact details of the Eligible Equity 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 number (for Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date)/DPID and Client ID and Application Form number, as applicable. In case of any change in contact details of the Eligible Equity Shareholders, the Eligible Equity 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 Equity Shares in physical form.
- (m) Investors are required to ensure that the number of Rights Equity Shares applied for by them does not exceed the prescribed limits under the applicable law.

- (n) Do not apply if you are ineligible to participate in this Issue under the securities laws applicable to your jurisdiction.
- (o) Do not submit the GIR number instead of the PAN as the application is liable to be rejected on this ground.
- (p) Avoid applying on the Issue Closing Date due to risk of delay/ restrictions in making any physical Application.
- (q) Do not pay the Application Money in cash, by money order, pay order or postal order.
- (r) Do not submit Multiple Applications.
- (s) An Applicant being an OCB is required not to be under the adverse notice of RBI and in order to apply in this Issue as an incorporated non-resident must do so in accordance with the FDI Policy and the FEMA Rules, as amended.
- (t) Ensure that your PAN is linked with Aadhaar and you are in compliance with CBDT notification dated February 13, 2020 and press release dated June 25, 2021 and September 17, 2021.

Grounds for Technical Rejections under the ASBA Process

Applications under the ASBA Process are liable to be rejected on the following grounds:

- (a) DP ID and Client ID mentioned in Application does not match with the DP ID and Client ID records available with the Registrar.
- (b) Details of PAN mentioned in the Application does not match with the PAN records available with the Registrar.
- (c) Sending an Application to our Company, the Lead Manager, Registrar, Bankers to the Issue, to a branch of a SCSB which is not a Designated Branch of the SCSB. Insufficient funds are available in the ASBA Account with the SCSB for blocking the Application Money.
- (d) Funds in the ASBA Account whose details are mentioned in the Application Form having been frozen pursuant to regulatory orders.
- (e) Account holder not signing the Application or declaration mentioned therein.
- (f) Submission of more than one Application Form for Rights Entitlements available in a particular demat account.
- (g) Multiple Application Forms, including cases where an Investor submits Application Forms along with a plain paper Application.
- (h) 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).
- (i) 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.
- (j) Applications by SCSB on own account, other than through an ASBA Account in its own name with any other SCSB.
- (k) Application Forms which are not submitted by the Investors within the time periods prescribed in the Application Form and the Letter of Offer.
- (l) Physical Application Forms not duly signed by the sole or joint Investors, as applicable.
- (m) Application Forms accompanied by stock invest, outstation cheques, post-dated cheques, money order, postal order or outstation demand drafts.

- (n) 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.
- (o) Applications which: (i) appears to our Company or its agents to have been executed in, electronically transmitted from or dispatched from jurisdictions where the offer and sale of the Rights Equity 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 outside the United States, and is eligible to subscribe for the Rights Equity Shares under applicable securities laws and is complying with laws of jurisdictions applicable to such person in connection with this Issue; and our Company shall not be bound to issue or allot any Rights Equity Shares in respect of any such Application Form.
- (p) Applications which have evidence of being executed or made in contravention of applicable securities laws.
- (q) Application from Investors that are residing in U.S. address as per the depository records (unless the Application Form is submitted by a person who is both an U.S. QIB and U.S. Qualified Purchaser in the United States).
- (r) Applicants not having the requisite approvals to make Application in the Issue.

Multiple Applications

In case where multiple Applications are made using same demat account in respect of the same set of Rights Entitlement, such Applications shall be liable to be rejected. A separate Application can be made in respect of Rights Entitlements in each demat account of the Investors and such Applications shall not be treated as multiple applications. 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. Further supplementary Applications in relation to further Rights Equity Shares with/without using additional Rights Entitlement will not be treated as multiple application. 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*” on 140.

In cases where Multiple Application Forms are submitted, including cases where (a) an Investor submits Application Forms along with a plain paper Application or (b) multiple plain paper Applications (c) or multiple applications through ASBA, such Applications may be treated as multiple applications and are liable to be rejected or all the balance shares other than Rights Entitlement will be considered as additional shares applied for, other than multiple applications submitted by any of our Promoter or members of our Promoter Group to meet the minimum subscription requirements applicable to this Issue as described in the section entitled “- *Minimum Subscription*” on page 30.

Procedure for Application by certain categories of Investors

Investment by FPIs, FIIs and QFIs

SEBI, On January 07, 2014, notified the SEBI FPI Regulations pursuant to which FIIs, its sub-accounts and QFIs categories of investors were merged to form a new category called ‘Foreign Portfolio Investors’. Prior to the notification of the SEBI FPI Regulations, portfolio investments by FIIs and sub-accounts were governed by SEBI under the FII Regulations and portfolio investments by QFIs were governed by various circulars issued by SEBI from time to time (QFI Circulars). Pursuant to the notification of the SEBI FPI Regulations, the FII Regulations were repealed and the QFI Circulars were rescinded.

In terms of the SEBI FPI Regulations, the issue of Equity Shares to a single FPI or an Investor group (which means the same set of ultimate beneficial owner(s) investing through multiple entities) is not permitted to exceed 10% of our Company’s post-Issue Equity Share Capital. Further, in terms of the FEMA

Regulations, the total holding by each FPI shall be below 10% of the total paid-up Equity Share Capital of our Company and the total holdings of all FPIs put together shall not exceed 24% of the paid up Equity Share Capital of our Company. The aggregate limit of 24% may be increased up to the sectoral cap by way of a resolution passed by the Board followed by a special resolution passed by the Eligible Equity Shareholders of our Company.

FPIs are permitted to participate in the Issue subject to compliance with conditions and restrictions which may be specified by the Government from time to time.

The existing individual and aggregate investment limits for Eligible QFIs in an Indian company are 5% and 10% of the paid-up capital of an Indian company, respectively. In terms of the FEMA Regulations, a QFI shall not be eligible to invest as a QFI upon obtaining registration as an FPI. However, all investments made by a QFI in accordance with the regulations, prior to registration as an FPI shall continue to be valid and taken into account for computation of the aggregate limit.

Investment by NRIs

Investments by NRIs are governed by the Portfolio Investment Scheme under Regulation 5(3)(i) of the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000, as amended. Applications will not be accepted from NRIs in restricted jurisdictions.

NRI Applicants may please note that only such Applications as are accompanied by payment in free foreign exchange shall be considered for Allotment under the reserved category. The NRI Applicants who intend to make payment through NRO accounts shall use the Application Form meant for resident Indians and shall not use the Application Forms meant for reserved category.

In terms of Regulation 6 of Notification No. FEMA 20(R)/ 2017-RB dated November 07, 2017, as amended from time to time, only the existing non resident shareholders may subscribe for additional equity shares over and above the equity shares offered on Rights Basis by our Company.

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.

No Mutual Fund scheme shall invest more than 10% of its net asset value in equity shares or equity related instruments of any single company provided that the limit of 10% shall not be applicable for investments in case of index funds or exchange traded funded or sector or industry specific schemes. No Mutual Fund under all its schemes should own more than 10% of any company's paid-up share capital carrying voting rights.

Procedure for Applications by AIFs, FVCIs and VCFs

The SEBI (Venture Capital Funds) Regulations, 1996, as amended ("SEBI VCF Regulations") and the SEBI (Foreign Venture Capital Investor) Regulations, 2000, as amended ("SEBI FVCI Regulations") prescribe, amongst other things, the investment restrictions on VCFs and FVCIs registered with SEBI. Further, the SEBI (Alternative Investments Funds) Regulations, 2012 ("SEBI AIF Regulations") prescribe, amongst 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.

Procedure for Applications by Systemically Important Non-Banking Financial Companies (“NBFC-SI”)

In case of an application made by NBFC-SI registered with RBI, (a) the certificate of registration issued by RBI under Section 45IA of 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.

Last date for Application

The last date for submission of the duly filled in Application form or plain paper Application is [●] i.e., Issue Closing Date. Our Board or any committee thereof 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 our Board or any committee thereof, the invitation to offer contained in the Letter of Offer shall be deemed to have been declined and our Board or any committee thereof shall be at liberty to dispose of the Equity Shares hereby offered, as set out in the section entitled “- Basis of Allotment” on page 151.

Please note that on the Issue Closing Date, Applications through ASBA process will be uploaded until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the Stock Exchanges. Please ensure that the Application Form and necessary details are filled in. In place of Application number, Investors can mention the reference number of the e-mail received from Registrar informing about their Rights Entitlement or last eight digits of the demat account. Alternatively, SCSBs may mention their internal reference number in place of application number.

Withdrawal of Application

An Investor who has applied in this Issue may withdraw their Application at any time during Issue Period by approaching the SCSB where application is submitted. However, no Investor applying through ASBA facility may withdraw their Application post 5.00 p.m. (Indian Standard Time) on the Issue Closing Date.

Disposal of Application and Application Money

No acknowledgment will be issued for the Application Money received by our Company. However, the Designated Branches of the SCSBs receiving the Application Form will acknowledge its receipt by stamping and returning the acknowledgment slip at the bottom of each Application Form.

Our Board or a committee thereof 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 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 Rights Equity 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 4 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.

III. CREDIT OF RIGHTS ENTITLEMENTS IN DEMAT ACCOUNTS OF ELIGIBLE EQUITYSHAREHOLDERS

Rights Entitlements

As your name appears as a beneficial owner in respect of the issued and paid-up Equity Shares held indematerialised 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.

Eligible Equity Shareholders can also obtain the details of their respective Rights Entitlements from the website of the Registrar (*i.e.*, www.rights.alankit.com) by entering their DP ID and Client ID or folio number (for Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date) and PAN. The link for the same shall also be available on the website of our Company (*i.e* www.bbinvestments.in.)

In this regard, our Company has made necessary arrangements with NSDL and CDSL for crediting of the Rights Entitlements to the demat accounts of the Eligible Equity Shareholders in a dematerialized form. A separate ISIN for the Rights Entitlements has also been generated which is ISIN: [●]. The said ISIN shall remain frozen (for debit) until the Issue Opening Date. The said ISIN shall be suspended for transfer by the Depositories post the Issue Closing Date.

Additionally, our Company will submit the details of the total Rights Entitlements credited to the demat accounts of the Eligible Equity Shareholders and the Demat Suspense Account to the Stock Exchanges after completing the corporate action. The details of the Rights Entitlements with respect to each Eligible Equity Shareholders can be accessed by such respective Eligible Equity Shareholders on the website of the Registrar after keying in their respective details along with other security control measures implemented thereat.

Rights Entitlements shall be credited to the respective demat accounts of Eligible Equity Shareholders before the Issue Opening Date only in dematerialised form. Further, if no Application is made by the Eligible Equity Shareholders of Rights Entitlements on or before Issue Closing Date, such Rights Entitlements shall lapse and shall be extinguished after the Issue Closing Date. No Rights 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 Rights Equity Shares offered under the Issue for subscribing to the Rights Equity Shares offered under the Issue.

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 no later than two clear Working Days prior to the Issue Closing Date, to enable the credit of the Rights Entitlements by way of transfer from the Demat Suspense Account to their respective demat accounts, at least one day before the Issue Closing Date. Such Eligible Equity Shareholders holding shares in physical form can update the details of their respective demat accounts on the website of the Registrar (www.rights.alankit.com). Such Eligible Equity Shareholders can make an Application only after the Rights Entitlements is credited to their respective demat accounts.

In accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI ICDR Master 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 the (i) 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 the account of the IEPF authority; or (b) the demat accounts of the Eligible Equity Shareholder which are frozen or the Equity Shares which are lying in the unclaimed suspense account (including those pursuant to Regulation 39 of the SEBI Listing Regulations) or details of which are unavailable with our Company or with the Registrar on the Record Date; or (c) 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 (d) credit of the Rights Entitlements returned/reversed/failed; or (e) the ownership of the Equity Shares currently under dispute, including any court proceedings, if any; or (f) non-institutional equity shareholders in the United States.

Eligible Equity Shareholders 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 our Company or the Registrar not later than two clear 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 one day before the Issue Closing Date, to enable such Eligible Equity Shareholders to make an application in the Issue, and this communication shall serve as an intimation to such Eligible Equity Shareholders in this regard. Such Eligible Equity Shareholders are also requested to ensure that their demat account, details of which have been provided to our Company or the Registrar account is active to facilitate the aforementioned transfer.

IV. RENUNCIATION AND TRADING OF RIGHTS ENTITLEMENT

Renounees

All rights/obligations of the Eligible Equity Shareholders in relation to application and refunds pertaining to the Issue shall apply to the Renounee(s) as well.

Renunciation of Rights Entitlements

This Issue includes a right exercisable by Eligible Equity Shareholders to renounce the Rights Entitlements credited to their respective demat account either in full or in part. The renunciation 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 Equity 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.

Procedure for Renunciation of Rights Entitlements

The Eligible Equity Shareholders 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 (the “**OnMarket Renunciation**”); or (b) through an off-market transfer (the “**Off Market Renunciation**”), during the Renunciation Period. 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 stock-broker regarding any cost, applicable taxes, charges and expenses (including brokerage) that may be levied for trading in Rights Entitlements.

Please note that the Rights Entitlements which are neither renounced nor subscribed by the Investor on or before the Issue Closing Date shall lapse and shall be extinguished after the Issue Closing Date.

Payment Schedule of Rights Equity Shares

₹10 per Rights Equity Share shall be payable as follows:

Due Date	Face Value (Rs)	Premium (Rs)	Total (Rs)
On Application	10	NIL	10
Total	10	NIL	10

(a) On Market Renunciation

The Eligible Equity Shareholders 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 ICDR Master Circular, the Rights Entitlements credited to the respective demat accounts of the Eligible Equity Shareholders shall be admitted for trading on the Stock Exchanges under ISIN: [●] subject to requisite approvals. Prior to the Issue Opening Date, our Company will obtain the approval from the Stock Exchanges for trading of Rights Entitlements. No assurance can be given regarding the active or sustained On Market Renunciation or the price at which the Rights Entitlements will trade. 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 1 (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: [●] and indicating the details of the Rights Entitlements they intend to trade. 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 and NSE under automatic order matching mechanism and on 'T+2 rolling settlement basis', 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.

(b) *Off Market Renunciation*

The Eligible Equity Shareholders may renounce the Rights Entitlements, credited to their respective demat accounts by way of an off-market transfer through a depository participant. The Rights Entitlements can be transferred in dematerialised form only.

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

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: [●], 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.

V. MODE OF PAYMENT

All payments against the Application Forms shall be made only through ASBA facility. The Registrar will not accept any payments against the Application Forms, if such payments are not made through ASBA facility.

Under the 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. The SCSB may reject the application at the time of acceptance of Application Form if the ASBA Account, details of which have been provided by the Investor in the Application Form does not have sufficient funds equivalent to the amount payable on Application mentioned in the Application Form. Subsequent to the acceptance of the Application by the SCSB, our Company would have a right to reject the Application on technical grounds as set forth in this Draft Letter of Offer and the Letter of Offer. 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, of the receipt of minimum subscription and 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(s) 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.

In terms of RBI Circular DBOD No. FSC BC 42/24.47.00/2003- 04 dated November 5, 2003, the stock invest scheme has been withdrawn. Hence, payment through stock invest would not be accepted in this Issue.

Mode of payment for Non-Resident Eligible Equity Shareholders/ Investors

As regards the application by non-resident Eligible Equity Shareholders/ Investors, the following conditions shall apply:

1. In case where repatriation benefit is available, interest, dividend, sales proceeds derived from the investment in Rights Equity Shares can be remitted outside India, subject to tax, as applicable according to the Income- Tax Act. However, please note that conditions applicable at the time of original investment in our Company by the Eligible Equity Shareholder including repatriation shall not change and remain the same for subscription in the Issue or subscription pursuant to renunciation in the Issue.
2. Subject to the above, in case Rights Equity Shares are Allotted on a non-repatriation basis, the dividend and sale proceeds of the Rights Equity Shares cannot be remitted outside India.
3. 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 RBI as applicable at the time of making such Allotment, remittance and subject to necessary approvals.
4. Application Forms received from non-residents/ NRIs, or persons of Indian origin residing abroad for Allotment of Rights Equity 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.
5. 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.
6. Non-resident Renounees who are not Eligible Equity Shareholders must submit regulatory approval for applying for Additional Rights Equity Shares.

VI. PRINCIPAL TERMS OF THE EQUITY SHARES ISSUED UNDER THE ISSUE

The Rights Equity Shares are being offered for subscription to the Eligible Equity 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.

For principal terms of Issue such as face value, Issue Price, Rights Entitlement, see “The Issue” beginning on page 26.

Fractional Entitlements

The Rights Equity Shares are being offered on a rights basis to Eligible Equity Shareholders in the ratio of 1 Equity Share for every 1 Equity Shares of face value of ₹10 each held on the Record Date. For Equity Shares being offered on a rights basis under this Issue, if the shareholding of any of the Eligible Equity Shareholders is less than [●] ([●]) Equity Shares of face value of ₹10 each or not in the multiple of [●], the fractional entitlement of such Eligible Equity Shareholders shall be ignored in the computation of the Rights Entitlement. However, the Eligible Equity Shareholders whose fractional entitlements are being

ignored, will be given preferential consideration for the allotment of one additional Equity Share each if they apply for additional Equity Shares over and above their Rights Entitlement, if any, subject to availability of Rights Equity Shares in the Issue post allocation towards Rights Entitlement applied for.

Further, the Eligible Equity Shareholders holding less than [●] ([●]) Equity Shares of face value of ₹10 each as on Record Date shall have 'zero' entitlement in the Issue. Such Eligible Equity Shareholders are entitled to apply for additional Equity Shares and will be given preference in the allotment of one additional Equity Share if, such Eligible Equity Shareholders apply for the additional Equity Shares. However, they cannot renounce the same in favour of third parties and the application forms shall be non-negotiable.

Ranking

The Rights Equity Shares to be issued and Allotted pursuant to this Issue shall be subject to the provisions of 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, the provisions of the Companies Act, 2013, FEMA, the SEBI ICDR Regulations, the SEBI Listing 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 Exchanges and the terms and conditions as stipulated in the Allotment advice. The Rights Equity Shares to be issued and Allotted under this Issue, shall rank *pari passu* with the existing Equity Shares, in all respects including dividends.

Listing and trading of Rights Equity Shares proposed to be issued

Our existing Equity Shares are currently listed and traded on BSE (Scrip Code: 511501) under the ISIN – INE900A01013. The fully paid-up Rights Equity Shares proposed to be issued pursuant to the Issue shall, in terms of SEBI Circular No. CIR/MRD/DP/21/2012 dated August 2, 2012, be Allotted under a temporary ISIN shall be frozen till the time final listing and trading approval is granted by the Stock Exchange. Upon receipt of such listing and trading approval, the Rights Equity Shares proposed to be issued pursuant to the Issue shall be debited from such temporary ISIN and credited in the existing ISIN and thereafter be available for trading.

The listing and trading of the Equity Shares shall be based on the current regulatory framework applicable thereto. Accordingly, any change in the regulatory regime would affect the listing and trading schedule. Upon Allotment, the Equity Shares shall be traded on Stock Exchanges (BSE) in the demat segment only.

The Rights Equity Shares allotted pursuant to this Issue will be listed as soon as possible and all steps for completion of the necessary formalities for listing and commencement of trading of the Rights Equity Shares shall be taken within seven Working Days of finalization of Basis of Allotment. We have made an application for "in-principle" approval for listing of the Equity Shares to the BSE and have received such approval from the BSE pursuant to the letter number[●] dated [●].

Our Company will apply to the BSE for final approval for the listing and trading of the Rights Equity Shares. No assurance can be given regarding the active or sustained trading in the Rights Equity Shares or that the price at which the Rights Equity Shares offered under the Issue will trade after listing on the Stock Exchanges.

Subscription by the Promoter/Promoter Group

For details of the intent and extent of subscription by our Promoter and members of our Promoter Group, see "Capital Structure – Intention and extent of participation by our Promoters and Promoter Group" on page 13.

Rights of the Equity Shareholder

Subject to applicable laws, Equity Shareholders shall have the following rights:

- Right to receive dividend, if declared;
- Right to attend general meetings and exercise voting powers, unless prohibited by law;
- Right to vote on a poll either in person or by proxy;
- Right to receive offers for rights shares and be allotted bonus shares, if announced;
- Right to receive surplus on liquidation;
- Right of free transferability of shares; and
- Such other rights, as may be available to a shareholder of a listed public company under the Companies Act and the Memorandum and Articles of Association.

VII. GENERAL TERMS OF THE ISSUE

Market lot

The Equity Shares of our Company is tradable only in dematerialized form. The market lot for Equity Shares in dematerialised mode is one Equity Share.

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 joint-holders with benefits of survivorship subject to provisions contained in the Articles of Association. In case of joint holders, the CAF would be required to be signed by all the joint holders to be considered as valid for allotment of Equity Shares offered in the Issue. In case such Eligible Shareholders who are joint holders wish to renounce their Rights Entitlement, all such Eligible Shareholders who are joint holders would be required to sign Part B of the CAF. In absence of signatures of all joint holders, the CAF would be liable for rejection.

Arrangement for Odd Lot Equity Shares

Our Equity Shares are traded in dematerialised form only and therefore the marketable lot is one Equity Share. Accordingly, our Company is not required to make any arrangements for the disposal of odd lot Equity Shares arising out of the Issue. Our Company will issue certificates of denomination equal to the number of Equity Shares being allotted to the Equity Shareholder.

Nomination facility

In terms of Section 72 of the Companies Act, 2013, nomination facility is available in case of Equity Shares. An applicant can nominate any person, by filling the relevant details in the CAF in the space provided for this purpose.

A sole Eligible Equity Shareholder or first Eligible Equity Shareholder, along with other joint Eligible Equity Shareholders being individual(s) may nominate any person(s) who, in the event of the death of the sole holder or all the joint-holders, as the case may be, shall become entitled to the Equity Shares. A Person, being a nominee, becoming entitled to the Equity Shares by reason of the death of the original Eligible Equity Shareholder(s), shall be entitled to the same advantages to which he would be entitled if he were the registered holder of the Equity Shares. Where the nominee is a minor, the Eligible Equity Shareholder(s) may also make a nomination to appoint, in the prescribed manner, any person to become entitled to the Equity Share(s), in the event of death of the said holder, during the minority of the nominee.

A nomination shall stand rescinded upon the sale of the Equity Share by the person nominating. A transferee will be entitled to make a fresh nomination in the manner prescribed. When the Equity Share is held by two or more persons, the nominee shall become entitled to receive the amount only on the demise of all the holders. Fresh nominations can be made only in the prescribed form available on request at our Registered and Corporate Office or such other person at such addresses as may be notified by our Company. The applicant can make the nomination by filling in the relevant portion of the CAF.

Only one nomination would be applicable for one folio. Hence, in case the Eligible Equity Shareholder(s) has already registered the nomination with our Company, no further nomination needs to be made for Equity Shares to be allotted in the Issue under the same folio. However, new nominations, if any, by the Eligible Equity Shareholder(s) shall operate in supersession of the previous nomination, if any.

In case the Allotment of Equity Shares is in dematerialised form, there is no need to make a separate nomination for the Equity Shares to be allotted in the Issue. Nominations registered with respective Depository Participant of the applicant would prevail. If the applicant wants to change the nomination, they are requested to inform their respective Depository Participant.

Notices

All notices to the Eligible Equity Shareholders required to be given by our Company shall be published in one English National Daily and one Hindi National Daily with wide circulation, one Hindi language daily newspaper with wide circulation (Hindi being the regional language of New Delhi, where our registered office is situated).

Our Company will also send notice through email and ordinary post or registered post or speed post to the registered address of the Equity Shareholders in India as updated with the Depositories/ registered with the Registrar and Transfer Agent from time to time. However, the distribution of the Letter of Offer, Abridged Letter of Offer and the issue of Rights Equity Shares on a rights basis, including pursuant to the Issue, to persons in certain jurisdictions outside India may be restricted by legal requirements prevailing in those jurisdictions.

Further, the Letter of Offer will be sent/ dispatched to the Eligible Equity Shareholders who have provided their Indian address and who have made a request in this regard.

All notices to the Eligible Equity 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 (Hindi also being the regional language of New Delhi, where our Registered Office is situated).

This Draft Letter of Offer, the Letter of Offer, the Abridged Letter of Offer and the Application Form shall also be submitted with the Stock Exchanges for making the same available on their websites.

Offer to Non-Resident Eligible Equity Shareholders/Investors

As per Rule 7 of the FEMA Rules, RBI has given general permission to Indian companies to issue rights equity shares to non-resident equity shareholders including additional rights equity shares. Further, as per the Master Direction on Foreign Investment in India dated January 4, 2018 issued by RBI, non-residents may, amongst other things, (i) subscribe for additional shares over and above their rights entitlements; (ii) renounce the shares offered to them either in full or part thereof in favour of a person named by them; or (iii) apply for the shares renounced in their favour. Applications received from NRIs and non-residents for allotment of Rights Equity Shares shall be, amongst other things, subject to the conditions imposed from time to time by RBI under FEMA in the matter of Application, refund of Application Money, Allotment of Rights Equity Shares and issue of Rights Entitlement Letters/ letters of Allotment/Allotment advice. If a

non-resident or NRI Investor has specific approval from RBI or any other governmental authority, 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 at C-101, 1st Floor, 247 Park, Lal Bahadur Shastri Marg, Vikhroli (West), Mumbai 400 083, Maharashtra, India. It will be the sole responsibility of the Investors to ensure that the necessary approval from the RBI or the governmental authority is valid in order to make any investment in the Issue and the Lead Manager and our Company will not be responsible for any such allotments made by relying on such approvals.

The Letter of Offer, Abridged Letter of Offer, the Rights Entitlement Letter and Application Form shall be sent only to the Indian addresses of the non-resident Eligible Equity Shareholders on a reasonable efforts basis, who have provided an Indian address to our Company and located in jurisdictions where the offer and sale of the Rights Equity Shares may be permitted under laws of such jurisdictions. Eligible Equity Shareholders can access this Draft Letter of Offer, 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 Rights Equity Shares under applicable securities laws) from the websites of the Registrar, our Company, the Lead Manager and the Stock Exchanges. Further, Application Forms will be made available at Registered and Corporate Office of our Company for the non-resident Indian Applicants. Our Board may at its absolute discretion, agree to such terms and conditions as may be stipulated by RBI while approving the Allotment. The Rights Equity 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 Rights Equity Shares are issued on rights basis.

In case of change of status of holders, i.e., from resident to non-resident, a new demat account must be opened. Any Application from a demat account which does not reflect the accurate status of the Applicant is liable to be rejected at the sole discretion of our Company and the Lead Manager.

The non-resident Eligible Equity Shareholders can update their Indian address in the records maintained by the Registrar to the Issue and our Company by submitting their respective copies of self-attested proof of address, passport, etc. at the website of the Company www.bbinvestments.in and Registrar at www.rights.alankit.com.

ALLOTMENT OF THE RIGHTS EQUITY SHARES IN DEMATERIALIZED FORM PLEASE NOTE THAT THE RIGHTS EQUITY 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 152

VIII. ISSUE SCHEDULE

LAST DATE FOR CREDIT OF RIGHTS ENTITLEMENTS	[•]
ISSUE OPENING DATE	[•]
LAST DATE FOR ON MARKET RENUNCIATION OF RIGHTS ENTITLEMENTS #	[•]
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 Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renounees on or prior to the Issue Closing Date.

* Our Board or the Rights Issue Committee will have the right to extend the Issue Period as it may determine from time to time but not exceeding 30 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

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 no later than two clear 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, i.e., [●]. If demat account details are not provided by the Eligible Equity Shareholders holding Equity Shares in physical form to the Registrar or our Company by the date mentioned above, such Shareholders will not be allotted any Rights Equity Shares, nor such Rights Equity Shares be kept in suspense account on behalf of such shareholder in this regard. Such Eligible Equity Shareholders are also requested to ensure that their demat account, details of which have been provided to our Company or the Registrar, is active to facilitate the aforementioned transfer. Eligible Equity Shareholders holding Equity Shares in physical form can update the details of their demat accounts on the website of the Registrar (i.e., www.rights.alankit.com). Such Eligible Equity Shareholders can make an Application only after the Rights Entitlements are credited to their respective demat accounts. Eligible Equity Shareholders can obtain the details of their Rights Entitlements from the website of the Registrar (i.e., www.rights.alankit.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.

IX. 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 Rights Equity Shares in the following order of priority:

- (a) Full Allotment to those Eligible Equity Shareholders who have applied for their Rights Entitlements of Rights Equity Shares either in full or in part and also to the Renounee(s) who has or have applied for Rights Equity Shares renounced in their favour, in full or in part.
- (b) Eligible Equity Shareholders whose fractional entitlements are being ignored and Eligible Equity Shareholders with zero entitlement, would be given preference in allotment of one Additional Rights Equity Share each if they apply for Additional Rights Equity Shares. Allotment under this head shall be considered if there are any unsubscribed Rights Equity Shares after allotment under (a) above. If number of Rights Equity Shares required for Allotment under this head are more than the number of Rights Equity 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.
- (c) Allotment to the Eligible Equity Shareholders who having applied for all the Rights Equity Shares offered to them as part of this Issue, have also applied for Additional Rights Equity Shares. The Allotment of such Additional Rights Equity 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 Rights Equity Shares after making full Allotment in (a) and (b) above. The Allotment of such Rights Equity 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.

- (d) Allotment to Renouncees who having applied for all the Rights Equity Shares renounced in their favour, have applied for Additional Rights Equity Shares provided there is surplus available after making full Allotment under (a), (b) and (c) above. The Allotment of such Rights Equity Shares will be made on a proportionate basis having due regard to the number of Rights Entitlement held by them as on Issue Closing Date and in consultation with the Designated Stock Exchange, as a part of this Issue and will not be a preferential allotment.
- (e) Allotment to any other person, subject to applicable laws, that our Board may deem fit, provided there is surplus available after making Allotment under (a), (b), (c) and (d) above, and the decision of our Board in this regard shall be final and binding.

After taking into account Allotment to be made under (a) to (d) 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 Rights Equity 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.
4. Further, the list of Applicants eligible for refund with corresponding amount will also be shared with Banker to the Issue to refund such Applicants.

X. ALLOTMENT ADVICE OR REFUND/ UNBLOCKING OF ASBA ACCOUNTS

Our Company will send/ dispatch Allotment advice, refund intimations, if applicable, or demat credit of securities and/or letters of regret, only to the Eligible Equity Shareholders who have provided Indian address; along with crediting the Allotted Rights Equity Shares to the respective beneficiary accounts (only in dematerialised mode) or in Demat Suspense Account (in respect of Eligible Equity Shareholders holding Equity Shares in physical form on the Allotment Date) or issue instructions for unblocking the funds in the respective ASBA Accounts, if any, within a period of 15 days from the Issue Closing Date. In case of failure to do so, our Company and our Directors who are "officers in default" shall pay interest at such other rate as specified under applicable law from the expiry of such 15 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 a mail, to the Indian mail 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, unblocking 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 Rights Equity Shares in the Issue and is Allotted a lesser number of Rights 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 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.

Payment Terms

₹ 10 per Rights Equity Share shall be payable as follows:

Due Date	Face Value (Rs)	Premium (Rs)	Total (Rs)
On Application	10	NIL	10
Total	10	NIL	10

Rights Equity Shares in respect of which the Calls payable remains unpaid may be forfeited, after the due date for payment of the balance amount due in accordance with the Companies Act, 2013 and our Articles of Association.

Record date for Calls and suspension of trading

Our Company would fix a Call Record Date giving notice, in advance of such period as may be prescribed under applicable law, to the Stock Exchanges for the purpose of determining the list of Rights Equity Shareholders to whom the notice for the Calls would be sent. Once the Call Record Date has been fixed, trading in the Rights Equity Shares for which the Call has been made may be suspended prior to the Call Record Date.

Procedure for Calls for Rights Equity Shares

Our Board or the Rights Issue Committee will pass the required resolutions for making the Calls and suitable intimation would be given by our Company to the Stock Exchanges. Further, advertisements for the same will be published in (i) one English national daily newspaper; and (ii) one Hindi language national daily newspaper (Hindi being the regional language of Delhi, where our Registered Office is situated), all with wide circulation would be given by our Company to the Stock Exchanges. Further, advertisements for the same will be published in (I one English national daily newspaper; and (ii) one Hindi language national daily newspaper (Hindi being the regional language of Delhi, where our Registered Office is situated), all with wide circulation.

Our Board or Rights Issue Committee may determine the date on which the Calls shall be made and if no such date is determined then the Calls shall be deemed to have been made at the time when the resolution authorising such Calls are passed at the meeting of our Board or Rights Issue Committee, as the case may be. The Calls may be revoked or postponed at the discretion of our Board or Rights Issue Committee. Our Board or Rights Issue Committee may make one or more subsequent Call(s), with terms and conditions such as the number of Calls and the timing and quantum of each Call as may be decided by our Board/ Rights Issue Committee from time to time to be completed on or prior to [●]. While our Company intends to complete the Calls on or prior to [●], our Board or Rights Issue Committee, may at its sole discretion extend such timeline post [●], pursuant to market and other applicable considerations. Pursuant to the provisions of the Articles of Association, the Investors would be given at least 14 days' notice for the payment of the Calls. Our Board or Rights Issue Committee may, from time to time at its discretion, extend the time fixed for the payments of the Calls. Our Company, at its sole discretion and as it may deem fit, may send one or more reminders for the Calls, and if it does not receive the Call Money as per the timelines stipulated unless extended by our Board or Rights Issue Committee, the defaulting Rights Equity Shareholders will be liable to pay interest as may be fixed by our Board unless waived or our Company may forfeit such Rights Equity Shares in respect of which the Calls payable remains unpaid in accordance with the Companies Act, 2013 and our Articles of Association. Pursuant to the provisions of the Articles of Association, our Company will give at least 14 days'

notice to the Rights Equity Shareholders to make the payment of the unpaid Call Monies (including interest accrued and expenses incurred due to such non-payment) before forfeiting such Rights Equity Shares.

Payment of Call Money

In accordance with the SEBI ICDR Master Circular, with respect to additional payment mechanism (i.e. ASBA, etc.) for payment of balance money in calls for partly paid specified securities issued by the listed entity, the Investor may make payment of the Call Money using ASBA Mechanism through the Designated Branch of the SCSB or through online/electronic through the website of the SCSBs (if made available by such SCSB) by authorizing the SCSB to block an amount, equivalent to the amount payable on Call Money, in the Investor's ASBA Account. The Investor may also use the facility of linked online trading, demat and bank account (3-in-1 type account), if provided by their broker, for making payment of the Call Money.

XI. PAYMENT OF REFUND

Mode of making refunds

The payment of refund, if any, including in the event of oversubscription or failure to list or otherwise would be done through any of the following modes.

- (a) Unblocking amounts blocked using ASBA facility.
- (b) NACH – National Automated Clearing House is a consolidated system of electronic clearing service. Payment of refund would be done through NACH for Applicants having an account at one of the centres specified by RBI, where such facility has been made available. This would be subject to availability of complete bank account details including a Magnetic Ink Character Recognition (“MICR”) code wherever applicable from the depository. The payment of refund through NACH is mandatory for Applicants having a bank account at any of the centres where NACH facility has been made available by RB (subject to availability of all information for crediting the refund through NACH including the MICR code as appearing on a cheque leaf, from the depositories), except where Applicant is otherwise disclosed as eligible to get refunds through NEFT or Direct Credit or RTGS.
- (c) **National Electronic Fund Transfer (“NEFT”)** – Payment of refund shall be undertaken through NEFT wherever the Investors' bank has been assigned the Indian Financial System Code (“**IFSC Code**”), which can be linked to a MICR, allotted to that particular bank branch. IFSC Code will be obtained from the website of RBI as on a date immediately prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the Investors have registered their nine digit MICR number and their bank account number with the Registrar to our Company or with the Depository Participant while opening and operating the demat account, the same will be duly mapped with the IFSC Code of that particular bank branch and the payment of refund will be made to the Investors through this method.
- (d) **Direct Credit** – Investors having bank accounts with the Bankers to the Issue shall be eligible to receive refunds through direct credit. Charges, if any, levied by the relevant bank(s) for the same would be borne by our Company.
- (e) **RTGS** – If the refund amount exceeds ₹2,00,000, the Investors have the option to receive refund through RTGS. Such eligible Investors who indicate their preference to receive refund through RTGS are required to provide the IFSC Code in the Application Form. In the event the same is not provided, refund shall be made through NACH or any other eligible mode. Charges, if any, levied by the Investor's bank receiving the credit would be borne by the Investor.

- (f) For all other Investors, the refund orders will be dispatched through speed post or registered post subject to applicable laws. Such refunds will be made by cheques, pay orders or demand drafts drawn in favour of the sole/first Investor and payable at par.
- (g) Credit of refunds to Investors in any other electronic manner, permissible by SEBI from time to time.

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.

XII. ALLOTMENT ADVICE OR DEMAT CREDIT OF SECURITIES

The demat credit of securities to the respective beneficiary accounts will be credited within 15 days from the Issue Closing Date or such other timeline in accordance with applicable laws.

Receipt of the Rights Equity Shares in Dematerialized Form

PLEASE NOTE THAT THE RIGHTS EQUITY SHARES APPLIED FOR UNDER THIS ISSUE CAN BE ALLOTTED ONLY IN DEMATERIALIZED 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 CLEAR WORKING DAYS PRIOR TO THE ISSUE CLOSING DATE BY THE ELIGIBLE EQUITY SHAREHOLDER HOLDING EQUITY SHARES IN PHYSICAL FORM AS ON THE RECORD DATE.

Investors shall be Allotted the Rights Equity Shares in dematerialized (electronic) form. Our Company has signed two agreements with the respective Depositories and the Registrar to the Issue, which enables the Investors to hold and trade in the securities issued by our Company in a dematerialized form, instead of holding the Equity Shares in the form of physical certificates:

- a) Tripartite agreement dated 17.12.2004, amongst our Company, NSDL and the Registrar to the Issue; and
- b) Tripartite agreement dated 02.11.2004, amongst our Company, CDSL and the Registrar to the Issue.

INVESTORS MAY PLEASE NOTE THAT THE RIGHTS EQUITY SHARES CAN BE TRADED ON THE STOCK EXCHANGES ONLY IN DEMATERIALIZED FORM.

The procedure for availing the facility for Allotment of Rights Equity 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 Rights Equity Shares and the Application Form will be rejected.
5. The Rights Equity 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. Allotment advice, refund order (if any) would be sent through physical dispatch, by the Registrar but the Applicant's depository participant will provide to him the confirmation of the credit of such Rights Equity Shares to the Applicant's depository account.
6. Non-transferable Allotment advice/ refund intimation will be directly sent to the Investors by the Registrar, on their registered email address or through physical dispatch.
7. Renounees will also have to provide the necessary details about their beneficiary account for Allotment of Rights Equity Shares in this Issue. In case these details are incomplete or incorrect, the Application is liable to be rejected.
8. Dividend or other benefits with respect to the Equity Shares held in dematerialized form would be paid to those Equity Shareholders whose names appear in the list of beneficial owners given by the Depository Participant to our Company as on the date of the book closure.
9. Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date, and who have not provided the details of their demat accounts to our Company or to the Registrar at least two clear Working Days prior to the Issue Closing Date, shall not be able to apply in this Issue.

XIII. IMPERSONATION

Attention of the Investors is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:

“Any person who –

- a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or*
- b) 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 securities; or*
- c) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities 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, 2013 for fraud involving an amount of at least ₹0.10 crore or 1% of the turnover of the company, whichever is lower, includes imprisonment for a term which shall not be less than six months extending up to 10 years and fine of an amount not less than the amount involved in the fraud, extending up to three times such amount (provided that where the fraud involves public interest, such term shall not be less than three years.) Further, where the fraud involves an amount less than ₹0.10 crore or one per cent of the turnover of the company, whichever is lower, and does

not involve public interest, any person guilty of such fraud shall be punishable with imprisonment for a term which may extend to five years or with fine which may extend to ₹0.50 crore or with both.

XIV. Utilisation of Issue Proceeds

The Board of Directors declares that:

- (a) All monies received out of the Issue shall be transferred to a separate bank account referred to in the Companies Act, 2013;
- (b) Details of all monies utilized out of the Issue shall be disclosed under an appropriate separate head in our balance sheet indicating the purpose for which such monies have been utilised till the time any of the Issue Proceeds remained unutilised;
- (c) Details of all unutilized monies out of the Issue, if any, shall be disclosed under an appropriate separate head in our balance sheet indicating the form in which such unutilized monies have been invested; and
- (d) We may utilize the funds collected in the Issue only after finalisation of the Basis of Allotment.

XV. Our undertakings

We undertake the following:

1. The complaints received in respect of the Issue shall be attended to by us expeditiously and satisfactorily.
2. All steps for completion of the necessary formalities for listing and commencement of trading at all Stock Exchanges where the Equity Shares are to be listed will be taken within seven working days of finalization of basis of allotment.
3. The funds required for making refunds to unsuccessful applicants as per the mode(s) disclosed shall be made available to the Registrar to the Issue by us.
4. Where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the Investor within 15 days of the Issue Closing Date, giving details of the banks where refunds shall be credited along with amount and expected date of electronic credit of refund.
5. The allotment of Equity Shares and dispatch of refund orders / share certificate and demat credit is completed within 15 days from the Issue Closing Date.
6. The demat credit / refund orders to the non-resident Indians shall be dispatched within the specified time.
7. No further issue of securities affecting equity capital of our Company shall be made till the securities issued/offered through the Draft Letter of Offer Issue are listed or till the application money are refunded on account of non-listing, under-subscription etc.
8. Adequate arrangements shall be made to collect all ASBA applications and to consider them similar to non-ASBA applications while finalising the Basis of Allotment.
9. At any given time there shall be only one denomination of Equity Shares.
10. We accept full responsibility for the accuracy of information given in the Draft Letter of Offer and confirm that to the best of its knowledge and belief, there are no other facts the omission of which makes any statement made in the Draft Letter of Offer misleading and further confirms that it has made all reasonable enquiries to ascertain such facts.
11. All information shall be made available by the Lead Manager and the Issuer to the Investors at large and no selective or additional information would be available for a section of the Investors in any manner whatsoever including at road shows, presentations, in research or sales reports etc.
12. We shall comply with such disclosure and accounting norms specified by SEBI from time to time.

XVI. INVESTOR GRIEVANCES, COMMUNICATION AND IMPORTANT LINKS

1. Please read the 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 must be addressed (quoting the registered folio number in case of Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date 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 superscribed “Bharat Bhushan Finance & Commodity Brokers Limited – Rights Issue” on the envelope and postmarked in India) to the Registrar at the following address:

Alankit Assignments Ltd.

SEBI Regn. No.: INR000002532

Alankit Assignments Limited 205-208, Anarkali Complex,
Jhandewalan Extn., New Delhi- 110055

Tel.: 011- 42541 234, 42541966

Fax: +91 11 2355 2001

E-mail: Bharatbhushanrights@alankit.com

Investor Grievance: Bharatbhushanrights@alankit.com

Website: www.rights.alankit.com

Contact Person: Ritika Manglani

3. In accordance with SEBI ICDR Master Circular, frequently asked questions and online/electronic dedicated investor helpdesk for guidance on the Application process and resolution of difficulties faced by the Investors will be available on the website of the Registrar (www.rights.alankit.com). Further, helpline number provided by the Registrar for guidance on the Application process and resolution of difficulties is 011- 42541 234, 42541966

The Issue will be kept open for a minimum of 7 days unless extended, in which case it will be kept open for a maximum of 30 days.

RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

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 manner in which such investment may be made. 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. The RBI and the concerned ministries/departments are responsible for granting approval for foreign investment.

The Government has, from time to time, made policy pronouncements on FDI through press notes and press releases. The FDI Policy 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 Policy will be valid until the DPIIT issues an updated circular. Further, the sectoral cap applicable to the sector in which our Company operates is 100% which is permitted under the automatic route.

The Government 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 transfer of shares between an Indian resident and a non-resident does not require the prior approval of RBI, provided that

- (a) the activities of the investee company falls under the automatic route as provided in the FDI Policy and FEMA and transfer does not attract the provisions of the SEBI Takeover Regulations;
- (b) the non-resident shareholding is within the sectoral limits under the FDI Policy; and
- (c) the pricing is in accordance with the guidelines prescribed by SEBI and RBI. Further, in accordance with Press Note No. 3 (2020 Series), dated April 17, 2020 issued by the DPIIT and the Foreign Exchange Management (Non-debt Instruments) Amendment Rules, 2020 which came into effect from April 22, 2020, any investment, subscription, purchase or sale of equity instruments by entities of 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, as prescribed in the FDI Policy and the FEMA Rules. Further, in the event of transfer of ownership of any existing or future foreign direct investment in an entity in India, directly or indirectly, resulting in the beneficial ownership falling within the aforesaid restriction/ purview, such subsequent change in the beneficial ownership will also require approval of the Government. Furthermore, on April 22, 2020, the Ministry of Finance, Government of India has also made a similar amendment to the FEMA Rules. Pursuant to the Foreign Exchange Management (Non-debt Instruments) (Fourth Amendment) Rules, 2020, a multilateral bank or fund, of which India is a member, shall not be treated as an entity of a particular country nor shall any country be treated as the beneficial owner of the investments of such bank or fund in India.

Please also note that pursuant to Circular no. 14 dated September 16, 2003 issued by RBI, Overseas Corporate Bodies (“**OCBs**”) 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 the issue as an incorporated non-resident must do so in

accordance with the FDI Policy and Foreign Exchange Management (Non-Debt Instrument) Rules, 2019. Further, while investing in the Issue, the Investors are deemed to have obtained the necessary approvals, as required, under applicable laws and the obligation to obtain such approvals shall be upon the Investors. Our Company shall not be under an obligation to obtain any approval under any of the applicable laws on behalf of the Investors and shall not be liable in case of failure on part of the Investors to obtain such approvals.

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

RESTRICTIONS ON PURCHASES AND REALES

Eligibility and Restrictions

General

No action has been taken or will be taken to permit an offering of the Rights Entitlements or the Rights Equity Shares to occur in any jurisdiction, or the possession, circulation, or distribution of this Draft Letter of Offer or any other Issue Material in any jurisdiction where action for such purpose is required, except that this Draft Letter of Offer will be filed with SEBI and the Stock Exchanges.

Pursuant to the requirements of the SEBI ICDR Regulations and other applicable laws, the Rights Entitlements will be credited to the demat account of the Eligible Equity Shareholders who are Equity Shareholders as on the Record Date, however, the Issue Materials will be sent/ dispatched only to such Eligible Equity Shareholders who have provided an Indian address to our Company and only such Eligible Equity Shareholders are permitted to participate in the Issue. The credit of Rights Entitlement does not constitute an offer, invitation to offer or solicitation for participation in the Issue, whether directly or indirectly, and only dispatch of the Issue Material shall constitute an offer, invitation or solicitation for participation in the Issue in accordance with the terms of the Issue Material. Further, receipt of the Issue Materials (including by way of electronic means) will not constitute an offer, invitation to or solicitation by anyone in any jurisdiction or in any circumstances in which such an offer, invitation or solicitation is unlawful or not authorized or to any person to whom it is unlawful to make such an offer, invitation or solicitation. In those circumstances, this Draft Letter of Offer and any other Issue Materials must be treated as sent for information only and should not be acted upon for subscription to Rights Equity Shares and should not be copied or redistributed, in part or full. Accordingly, persons receiving a copy of the Issue Materials should not distribute or send the Issue Materials in or into any jurisdiction where to do so, would or might contravene local securities laws or regulations, or would subject our Company or its affiliates or the Lead Manager or their affiliates to any filing or registration requirement (other than in India). If this Draft Letter of Offer or any other Issue Material is received by any person in any such jurisdiction, they must not seek to subscribe to the Rights Equity Shares.

Investors are advised to consult their legal counsel prior to accepting any provisional allotment of Rights Equity Shares, applying for excess Rights Equity Shares or making any offer, renunciation, sale, resale, pledge or other transfer of the Rights Entitlements or the Rights Equity Shares.

This Draft Letter of Offer and its accompanying documents are supplied to you solely for your information and may not be reproduced, redistributed or passed on, directly or indirectly, to any other person or published, in whole or in part, for any purpose.

Each person who exercises the Rights Entitlements and subscribes for the Rights Equity Shares, or who purchases the Rights Entitlements or the Rights Equity Shares shall do so in accordance with the restrictions set out above and below.

United States

The Rights Entitlements and the Rights Equity Shares have not been, and will not be, registered under the US Securities Act or under any securities laws of any state or other jurisdiction of the United States and may not be offered, sold, resold, allotted, taken up, exercised, renounced, pledged, transferred or delivered, directly or indirectly within the United States except pursuant to an applicable exemption from, or a transaction not subject to, the registration requirements of the US Securities Act and in compliance with any

applicable securities laws of any state or other jurisdiction of the United States. Our Company is an “investment company” (as defined in the U.S. Investment Company Act) and has not been and will not be registered under the U.S. Investment Company Act. Accordingly, the Rights Equity Shares are being offered and sold only (a) to persons in the United States and to U.S. Persons under the U.S. Securities Act) who are reasonably believed to be (i) U.S. QIBs and (ii) U.S. Qualified Purchasers pursuant to Section 4(a)(2) of the U.S. Securities Act and Section 3(c)(7) of the U.S. Investment Company Act and (b) to persons outside the United States who are non-U.S. Persons in reliance on Regulation S. The Rights Entitlements and the Rights Equity Shares may not be re-offered, re-sold, pledged or otherwise transferred except in an offshore transaction in accordance with Regulation S to a person outside the United States and not known by the transferor to be a U.S. Person by pre-arrangement or otherwise (including, for the avoidance of doubt, a bona fide sale on the BSE or the NSE).

The Rights Entitlements and the Rights Equity Shares have not been recommended by any U.S. federal or state securities commission or regulatory authority. Furthermore, the foregoing authorities have not confirmed the accuracy or determined the adequacy of this Draft Letter of Offer or approved or disapproved the Rights Entitlements and the Rights Equity Share. Any representation to the contrary is a criminal offence in the United States. In making an investment decision investors must rely on their own examination of our Company and the terms of the Offer, including the merits and risks involved.

Our Company is not and will not be registered under the U.S. Investment Company Act, and investors will not be entitled to the benefits afforded to investors under the U.S. Investment Company Act. Investors may be required to bear the financial risk of an investment in the Rights Entitlements and the Rights Equity Shares for an indefinite period.

Eligible Investors

The Rights Entitlements and the Rights Equity Shares are being offered and sold:

- i. in the United States or to, or for the account or benefit of, U.S. Persons, in each case that are both U.S. QIBs and U.S. Qualified Purchasers, in transactions exempt from or not subject to the registration requirements of the U.S. Securities Act and in reliance on section 3(c)(7) of the U.S. Investment Company Act; and
- ii. outside the United States to investors that are not U.S. Persons, nor persons acquiring for the account or benefit of U.S. Persons, in offshore transactions in reliance on Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those offers and sales occur,

and in each case who are deemed to have made the representations set forth immediately below.

Rights Entitlements and the Rights Equity Shares Offered and Sold within the United States or to U.S. Persons

Each purchaser that is a U.S. Person or acquiring the Rights Entitlements and the Rights Equity Shares issued pursuant to this Offer within the United States or for the account or benefit of U.S. Persons, by a declaration included in the Bid cum Application Form and its acceptance of this Prospectus and of the Rights Entitlements and the Rights Equity Shares, will be deemed to have acknowledged, represented to and agreed, on behalf of itself and each person for which it is acting, with our Company and the Lead Manager that it has received a copy of this Draft Letter of Prospectus and such other information as it deems necessary to make an informed investment decision and that:

- i. The purchaser has the full power and authority to make the acknowledgements, representations, warranties and agreements contained herein and to exercise the Rights Entitlements and subscribe for the Rights Equity Shares, and, if the purchaser is exercising the Rights Entitlements and acquiring the Rights Equity Shares as a fiduciary or agent for one or more investor accounts, the purchaser has the full power

and authority to make the acknowledgements, representations, warranties and agreements contained herein and to exercise the Rights Entitlements and subscribe for the Rights Equity Shares on behalf of each owner of such account.

- ii. The purchaser is authorized to consummate the purchase of the Rights Entitlements and the Rights Equity Shares issued pursuant to this Issue in compliance with all applicable laws and regulations.
- iii. The purchaser acknowledges that the Rights Entitlements and the Rights Equity Shares issued pursuant to this Issue have not been and will not be registered under the U.S. Securities Act or with any securities regulatory authority of any state of the United States and accordingly may not be offered or sold within the United States or to, or for the account or benefit of, U.S. Persons except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act.
- iv. The purchaser (i) is a U.S. QIB and a U.S. Qualified Purchaser, (ii) is aware that the sale to it is being made in a transaction exempt from or not subject to the registration requirements of the U.S. Securities Act, (iii) was not formed, reformed, capitalized, recapitalized or operated for the purpose of investing in the Rights Entitlements, the Rights Equity Shares and any other securities issued by the Company and (iv) is acquiring such Rights Entitlements and the Rights Equity Shares for its own account or for the account of one or more persons, each of which is a U.S. QIB and a U.S. Qualified Purchaser, with respect to which it exercises sole investment discretion.
- v. The purchaser acknowledges that our Company has not registered, and does not intend to register, as an “investment company” (as such term is defined under the U.S. Investment Company Act) and that the Company has imposed the transfer and offering restrictions with respect to persons in the United States and U.S. Persons described herein so that the Company will qualify for the exception provided under Section 3(c)(7) of the U.S. Investment Company Act and will have no obligation to register as an investment company. The purchaser, and each person for which it is acting, also understands and agrees that our Company and the Lead Manager shall have the right to request and receive such additional documents, certifications, representations and undertakings, from time to time, as they may deem necessary in order to comply with applicable legal requirements.
- vi. The purchaser is not a broker-dealer which owns and invests on a discretionary basis less than US\$25 million in securities of issuers unaffiliated with such broker-dealer.
- vii. The purchaser understands that, subject to certain exceptions, to be a U.S. Qualified Purchaser, entities must have U.S. \$25 million in “investments” (as defined in Rule 2a51- 1 of the U.S. Investment Company Act).
- viii. The purchaser is not an affiliate of the Company or a person acting on behalf of an affiliate.
- ix. The purchaser is not a participant-directed employee plan, such as a 401(k) plan, or a trust holding the assets of such plan, unless the investment decisions with respect to such plan are made solely by the fiduciary, trustee or sponsor of such plan.
- x. The purchaser is not managed as a device for facilitating individual investment decisions of beneficial owners, but rather is managed as a collective investment vehicle.
- xi. The purchaser, and each account for which it is purchasing or otherwise acquiring the Rights Entitlements and the Rights Equity Shares, will purchase, hold or transfer such Rights Entitlements and the Rights Equity Shares amounting to at least US\$250,000 or its equivalent in another currency.

- xii. It, and each person for which it is acting, was not formed, reformed, capitalized, recapitalized or operated for the purpose of investing in the Rights Entitlements, the Rights Equity Shares and/or other securities of the Company.
- xiii. If the purchaser, or any person for which it is acting, is an investment company exempted from the U.S. Investment Company Act pursuant to section 3(c)(1) or section 3(c)(7) thereof (or a foreign investment company under Section 7(d) thereof relying on section 3(c)(1) or 3(c)(7) with respect to its holders that are U.S. persons) and was formed on or before April 30, 1996, it has received the consent of its beneficial owners who acquired their interests on or before April 30, 1996, with respect to its treatment as a U.S. Qualified Purchaser in the manner required by Section 2(a)(51)(C) of the U.S. Investment Company Act and the rules promulgated there under.
- xiv. The purchaser, and each person for which it is acting, is not a partnership, common trust fund, or corporation, special trust, pension fund or retirement plan, or other entity, in which the partners, beneficiaries, beneficial owners, participants, shareholders or other equity owners, as the case may be, may designate the particular investments to be made, or the allocation thereof unless all such partners, beneficiaries, beneficial owners, participants, shareholders or other equity owners are both U.S. QIBs and U.S. Qualified Purchasers.
- xv. The purchaser, and each person for which it is acting, has not invested more than 40.0% of its assets in the Rights Entitlements and the Rights Equity Shares (or beneficial interests therein) and/or other securities of the Company after giving effect to the purchase of the Rights Entitlements and the Rights Equity Shares (or beneficial interests therein) (unless all of the beneficial owners of such entity's securities are both U.S. QIBs and U.S. Qualified Purchasers).
- xvi. If, in the future, the purchaser decides to offer, resell, pledge or otherwise transfer such Rights Entitlements and Rights Equity Shares, or any economic interest therein, such Rights Entitlements and Rights Equity Shares or any economic interest therein may be offered, sold, pledged or otherwise transferred only outside the United States in an offshore transaction complying with Rule 903 or Rule 904 of Regulation S under the U.S. Securities Act to a person outside the United States and not known by the transferor to be a U.S. Person by pre-arrangement or otherwise (including, for the avoidance of doubt, a bona fide sale on the BSE or the NSE). The purchaser agrees not to effect any sale, pledge or other transfer unless the purchaser first executes a US Resale Letter in the form of Annexure B to this Prospectus and delivers such letter to our Company prior to the settlement if any sale, pledge or other transfer of the Rights Entitlements and the Rights Equity Shares. The purchaser understands that the transfer restrictions will remain in effect until our Company determines, in its sole discretion, to remove them.
- xvii. It is not subscribing to, or purchasing, the Rights Entitlements and the Rights Equity Shares with a view to, or for the offer or sale in connection with, any distribution thereof (within the meaning of the U.S. Securities Act) that would be in violation of the securities laws of the United States or any state thereof;
- xviii. The Rights Entitlements and the Rights Equity Shares are "restricted securities" within the meaning of Rule 144(a)(3) under the U.S. Securities Act and no representation is made as to the availability of the exemption provided by Rule 144 for resales of any such Rights Entitlements or Rights Equity Shares.
- xix. The purchaser will not deposit or cause to be deposited such Rights Entitlements and Rights Equity Shares into any depositary receipt facility established or maintained by a depositary bank other than a Rule 144A restricted depositary receipt facility, so long as such Rights Entitlements and Rights Equity Shares are "restricted securities" within the meaning of Rule 144(a)(3) under the U.S. Securities Act.
- xx. The purchaser agrees that neither the purchaser, nor any of its affiliates, nor any person acting on behalf of the purchaser or any of its affiliates, will make any "directed selling efforts" as defined in Regulation

S under the U.S. Securities Act in the United States with respect to the Rights Entitlements and Rights Equity Shares or any “general solicitation” or “general advertising” (as defined in Regulation D under the U.S. Securities Act) in the United States in connection with any offer or sale of the Rights Entitlements and Rights Equity Shares.

- xxi. The purchaser understands that such Rights Entitlements and Rights Equity Shares (to the extent they are in certificated form), unless the Company determines otherwise in accordance with applicable law, will bear a legend substantially to the following effect:

THIS SECURITY HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE “U.S. SECURITIES ACT”) OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND THE ISSUER HAS NOT BEEN REGISTERED UNDER THE U.S. INVESTMENT COMPANY ACT OF 1940, AS AMENDED (THE “U.S. INVESTMENT COMPANY ACT”). THIS SECURITY MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT TO A PERSON OUTSIDE THE UNITED STATES AND NOT KNOWN BY THE TRANSFEROR TO BE A US PERSON BY PRE-ARRANGEMENT OR OTHERWISE IN AN OFFSHORE TRANSACTION COMPLYING WITH RULE 903 OR RULE 904 OF REGULATION S UNDER THE U.S. SECURITIES ACT, AND OTHERWISE IN A TRANSACTION EXEMPT FROM, OR NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE U.S. SECURITIES ACT AND THE U.S. INVESTMENT COMPANY ACT. THIS SECURITY IS NOT TRANSFERABLE EXCEPT IN ACCORDANCE WITH THE RESTRICTIONS DESCRIBED HEREIN. EACH TRANSFEROR OF THIS SECURITY AGREES TO PROVIDE NOTICE OF THE TRANSFER RESTRICTIONS SET FORTH HEREIN AND IN THE COMPANY’S OFFER DOCUMENTS TO THE TRANSFEREE AND TO ANY EXECUTING BROKER.

- xxii. The purchaser agrees, upon a proposed transfer of the Rights Entitlements and Rights Equity Shares, to notify any purchaser of such Rights Entitlements and Rights Equity Shares or the executing broker, as applicable, of any transfer restrictions that are applicable to the Rights Entitlements and Rights Equity Shares being sold and agrees not to act as a swap counterparty or other type of intermediary whereby any other party will acquire an economic interest or beneficial interest in the Rights Entitlements and Rights Equity Shares acquired or reoffer, resell, pledge or otherwise transfer the Rights Entitlements, the Rights Equity Shares or any beneficial interest therein, to any person except to a person that meets all of the requirements above and who agrees not to subsequently transfer the Rights Entitlements, the Rights Equity Shares or any beneficial interest therein except in accordance with these transfer restrictions.
- xxiii. The purchaser understands and acknowledges that (i) the Company will not recognize any offer, sale, pledge or other transfer of such Rights Entitlements and Rights Equity Shares made other than in compliance with the above-stated restrictions; (ii) any acquisition of a beneficial interest in the Rights Entitlements and the Rights Equity Shares by any U.S. Person or any person within the United States who is required under these restrictions to be a U.S. Qualified Purchaser but is not a U.S. Qualified Purchaser at the time it acquires a beneficial interest in the Rights Entitlements and Rights Equity Shares, shall be null and void ab initio and will not be honored by the Company and in no event will the Company, its directors, officers, employees or agents, including any broker or dealer, have any liability whatsoever to the purchaser by reason of any act or failure to act by any person authorized by the Company in connection with the foregoing.
- xxiv. The purchaser understands and acknowledges that our Company may be considered a "covered fund" for purposes of the Volcker Rule. The definition of “covered fund” in the Volcker Rule includes (generally) any entity that would be an investment company under the U.S. Investment Company Act, but for the exceptions provided under Section 3(c)(1) or 3(c)(7) thereunder. Because our Company relies on Section 3(c)(7) of the U.S. Investment Company Act for its exclusion from registration thereunder, it may be

considered to be a covered fund. Accordingly, banking entities that are subject to the Volcker Rule may be prohibited under the Volcker Rule from, among other things, acquiring or retaining the Rights Entitlements and Rights Equity Shares, absent any applicable exception, exclusion or exemption. Each purchaser must make its own determination as to whether it is a banking entity subject to the Volcker Rule and, if applicable, the potential impact of the Volcker Rule on its ability to purchase or retain the Rights Entitlements and Rights Equity Shares.

- xxv. The purchaser is, and the persons, if any, for whose account it is acquiring the Rights Entitlements and the Rights Equity Shares are, entitled to subscribe for the Rights Equity Shares, and the sale of the Rights Equity Shares to it will not require any filing or registration by, or qualification of, our Company with any court or administrative, governmental or regulatory agency or body, under the laws of any jurisdiction which apply to the purchaser or such persons.
- xxvi. The purchaser, and each account for which it is acting, satisfies (a) all suitability standards for investors in investments in the Rights Entitlements and the Rights Equity Shares imposed by the jurisdiction of its residence, and (b) is eligible to subscribe and is subscribing for the Rights Equity Shares and Rights Entitlements in compliance with applicable securities and other laws of our jurisdiction of residence.
- xxvii. The purchaser is aware and understands (and each account for which it is acting has been advised and understands) that an investment in the Rights Entitlements and the Rights Equity Shares involves a considerable degree of risk and that the Rights Entitlements and the Rights Equity Shares are a speculative investment.
- xxviii. Prior to making any investment decision to exercise the Rights Entitlements and renounce and/or subscribe for the Rights Equity Shares, the Investor (a) will have consulted with its own legal, regulatory, tax, business, investment, financial and accounting advisers in each jurisdiction in connection herewith to the extent it has deemed necessary; (b) will have carefully read and reviewed a copy of the Letter of Offer and its accompanying documents; (c) will have possessed and carefully read and reviewed all information relating to our Company and our Group and the Rights Entitlements and the Rights Equity Shares which it believes is necessary or appropriate for the purpose of making its investment decision, including, without limitation, the Exchange Information (as defined below); (d) will have conducted its own due diligence on our Company and this Issue, and will have made its own investment decisions based upon its own judgement, due diligence and advice from such advisers as it has deemed necessary and will not have relied upon any recommendation, promise, representation or warranty of or view expressed by or on behalf of our Company, the Lead Manager or their affiliates (including any research reports) (other than, with respect to our Company and any information contained in the Letter of Offer); and (e) will have made its own determination that any investment decision to exercise the Rights Entitlements and subscribe for the Rights Equity Shares is suitable and appropriate, both in the nature and number of Rights Equity Shares being subscribed.
- xxix. Without limiting the generality of the foregoing, (i) the purchaser acknowledges that the Equity Shares are listed on BSE Limited and National Stock Exchange of India Limited and our Company is therefore required to publish certain business, financial and other information in accordance with the rules and practices of BSE Limited and National Stock Exchange of India Limited (which includes, but is not limited to, a description of the nature of our Company's business and our Company's most recent balance sheet and profit and loss account, and similar statements for preceding years together with the information on its website and its press releases, announcements, investor education presentations, annual reports, collectively constitutes "**Exchange Information**"), and that it has had access to such information without undue difficulty and has reviewed such Exchange Information as it has deemed necessary; and (ii) none of our Company, any of its affiliates, the Lead Manager or any of their affiliates has made any representations or recommendations to it, express or implied, with respect to our Company, the Rights Entitlements, the Rights Equity Shares or the accuracy, completeness or adequacy of the Exchange Information.

- xxx. The purchaser acknowledges that (i) any information that it has received or will receive relating to or in connection with this Issue, and the Rights Entitlements or the Rights Equity Shares, including this Draft Letter of Offer and the Exchange Information (collectively, the “**Information**”), has been prepared solely by our Company; and (ii) neither the Lead Manager nor any of their affiliates has verified such Information, and no recommendation, promise, representation or warranty (express or implied) is or has been made or given by the Lead Manager or their affiliates as to the accuracy, completeness or sufficiency of the Information, and nothing contained in the Information is, or shall be relied upon as, a promise, representation or warranty by the Lead Manager or any of their affiliates.
- xxxii. The purchaser will not hold our Company, the Lead Manager or their affiliates responsible for any misstatements in or omissions to the Information or in any other written or oral information provided by our Company to it. It acknowledges that no written or oral information relating to this Issue, and the Rights Entitlements or the Rights Equity Shares has been or will be provided by the Lead Manager or their affiliates to it.
- xxxiii. The purchaser understands and acknowledges that the Lead Manager are assisting our Company in respect of this Issue and that the Lead Manager are acting solely for our Company and no one else in connection with this Issue and, in particular, are not providing any service to it, making any recommendations to it, advising it regarding the suitability of any transactions it may enter into to subscribe or purchase any Rights Entitlements or Rights Equity Shares nor providing advice to it in relation to our Company, this Issue or the Rights Entitlements or the Rights Equity Shares. Further, to the extent permitted by law, it waives any and all claims, actions, liabilities, damages or demands it may have against the Lead Manager arising from their engagement with our Company and in connection with this Issue.
- xxxiiii. The purchaser understands that its receipt of the Rights Entitlements and any subscription it may make for the Rights Equity Shares will be subject to and based upon all the terms, conditions, representations, warranties, acknowledgements, agreements and undertakings and other information contained in this Draft Letter of Offer and the Application Form. The purchaser understands that none of our Company, the Registrar, the Lead Manager or any other person acting on behalf of us will accept subscriptions from any person, or the agent of any person, who appears to be, or who we, the Registrar, the Lead Manager or any other person acting on behalf of us have reason to believe is ineligible to participate in this Issue under applicable securities laws.
- xxxv. The purchaser is knowledgeable, sophisticated and experienced in business and financial matters, fully understands the limitations on ownership and transfer and the restrictions on sales of the Rights Entitlements and Rights Equity Shares and is aware that there are substantial risks incidental to the purchase of the Rights Entitlements and Rights Equity Shares and is able to bear the economic risk of such purchase.
- xxxvi. the purchaser is aware and understands (and each account for which it is acting has been advised and understands) that an investment in the Rights Entitlements and the Rights Equity Shares involves a considerable degree of risk and that the Rights Entitlements and the Rights Equity Shares are a speculative investment.
- xxxvii. The purchaser is, and the persons, if any, for whose account it is acquiring the Rights Entitlements and the Rights Equity Shares are, entitled to subscribe for the Rights Equity Shares.
- xxxviii. If the purchaser is outside India, the sale of the Rights Equity Shares to it will not require any filing or registration by, or qualification of, our Company or the Lead Manager with any court or administrative, governmental or regulatory agency or body, under the laws of any jurisdiction which apply to the purchaser or such persons.

- xxxviii. If the purchaser is outside India, the purchaser, and each account for which it is acting, satisfies (a) all suitability standards for investors in investments in the Rights Entitlements and the Rights Equity Shares imposed by all jurisdictions applicable to it, and (b) is eligible to subscribe and is subscribing for the Rights Equity Shares and Rights Entitlements in compliance with applicable securities and other laws of all jurisdictions of residence.
- xxxix. The purchaser is authorized to consummate the purchase of the Rights Equity Shares sold pursuant to this Issue in compliance with all applicable laws and regulations.
 - xl. Except for the sale of Rights Equity Shares on one or more of the Stock Exchanges, the purchaser agrees, upon a proposed transfer of the Rights Equity Shares, to notify any purchaser of such Equity Shares or the executing broker, as applicable, of any transfer restrictions that are applicable to the Rights Equity Shares being sold.
 - xli. The purchaser shall hold our Company and the Lead Manager harmless from any and all costs, claims, liabilities and expenses (including legal fees and expenses) arising out of or in connection with any breach of its representations, warranties or agreements set forth above and elsewhere in this Draft Letter of Offer. The indemnity set forth in this paragraph shall survive the resale of the Rights Equity Shares.
 - xlii. The purchaser acknowledges that the Company and its affiliates and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agrees that, if any of such acknowledgements, representations and agreements deemed to have been made by virtue of its purchase of such the Rights Entitlements and Rights Equity Shares are no longer accurate, it will promptly notify our Company, and if it is acquiring any of such the Rights Entitlements and Rights Equity Shares as a fiduciary or agent for one or more accounts, it represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of such account.
 - xliii. The purchaser acknowledges that all offers and sales in the United States of the Rights Entitlements and the Rights Equity Shares have been, or will be, made solely by our Company. The Lead Manager is not making, and will not make, and will not participate or otherwise be involved in any offers or sales of the Rights Entitlements, the Rights Equity Shares or any other security with respect to this Issue in the United States.

Rights Entitlements and the Rights Equity Shares Offered and Sold outside the United States to non-U.S. Persons

In addition to the applicable representations, warranties and agreements set forth above, each purchaser outside the United States and who is not a U.S. Person by accepting the delivery of the Letter of Offer and its accompanying documents, submitting an Application Form for the exercise of any Rights Entitlements and subscription for any Rights Equity Shares and accepting delivery of any Rights Entitlements or any Rights Equity Shares, will be deemed to have represented, warranted and agreed as follows on behalf of itself and, if it is acquiring the Rights Entitlements or the Rights Equity Shares as a fiduciary or agent for one or more investor accounts, on behalf of each owner of such account (such person being the “purchaser”, which term shall include the owners of the investor accounts on whose behalf the person acts as fiduciary or agent):

1. The purchaser has the full power and authority to make the acknowledgements, representations, warranties and agreements contained herein and to exercise the Rights Entitlements and subscribe for the Rights Equity Shares, and, if the purchaser is exercising the Rights Entitlements and acquiring the Rights Equity Shares as a fiduciary or agent for one or more investor accounts, the purchaser has the full power and authority to make the acknowledgements, representations, warranties and agreements contained

herein and to exercise the Rights Entitlements and subscribe for the Rights Equity Shares on behalf of each owner of such account.

2. The purchaser is, and the persons, if any, for whose account it is acquiring the Rights Entitlements and the Rights Equity Shares are, entitled to subscribe for the Rights Equity Shares, and the sale of the Rights Equity Shares to it will not require any filing or registration by, or qualification of, our Company with any court or administrative, governmental or regulatory agency or body, under the laws of any jurisdiction which apply to the purchaser or such persons.
3. The purchaser, and each account for which it is acting, satisfies (i) all suitability standards for investors in investments in the Rights Entitlements and the Rights Equity Shares imposed by the jurisdiction of its residence, and (ii) is eligible to subscribe and is subscribing for the Rights Equity Shares and Rights Entitlements in compliance with applicable securities and other laws of our jurisdiction of residence.
4. If any Rights Entitlements were bought by the purchaser or otherwise transferred to the purchaser by a third party (other than our Company), the purchaser was in India at the time of such purchase or transfer.
5. The purchaser is aware and understands (and each account for which it is acting has been advised and understands) that an investment in the Rights Entitlements and the Rights Equity Shares involves a considerable degree of risk and that the Rights Entitlements and the Rights Equity Shares are a speculative investment.
6. The purchaser understands (and each account for which it is acting has been advised and understands) that no action has been or will be taken to permit an offering of the Rights Entitlements or the Rights Equity Shares in any jurisdiction (other than this Draft Letter of Offer was filed with SEBI for observations and the filing of the Letter of Offer with SEBI and the Stock Exchanges); and it will not offer, resell, pledge or otherwise transfer any of the Rights Entitlements except in India or the Rights Equity Shares which it may acquire, or any beneficial interests therein, in any jurisdiction or in any circumstances in which such offer or sale is not authorised or to any person to whom it is unlawful to make such offer, sale, solicitation or invitation except under circumstances that will result in compliance with any applicable laws and/or regulations.
7. The purchaser (or any account for which it is acting) is an Eligible Equity Shareholder and has received an invitation from our Company, addressed to it and inviting it to participate in this Issue.
8. None of the purchaser, any of its affiliates or any person acting on its or their behalf has taken or will take, directly or indirectly, any action designed to, or which might be expected to, cause or result in the stabilization or manipulation of the price of any security of our Company to facilitate the sale or resale of the Rights Entitlements or the Rights Equity Shares pursuant to the Issue.
9. Prior to making any investment decision to exercise the Rights Entitlements and renounce and/or subscribe for the Rights Equity Shares, the Investor (i) will have consulted with its own legal, regulatory, tax, business, investment, financial and accounting advisers in each jurisdiction in connection herewith to the extent it has deemed necessary; (ii) will have carefully read and reviewed a copy of the Letter of Offer and its accompanying documents; (iii) will have possessed and carefully read and reviewed all information relating to our Company and our Group and the Rights Entitlements and the Rights Equity Shares which it believes is necessary or appropriate for the purpose of making its investment decision, including, without limitation, the Exchange Information (as defined below); (iv) will have conducted its own due diligence on our Company and this Issue, and will have made its own investment decisions based upon its own judgement, due diligence and advice from such advisers as it has deemed necessary and will not have relied upon any recommendation, promise, representation or warranty of or view expressed by or on behalf of our Company, the Lead Manager or their affiliates (including any research reports) (other than, with respect to our Company and any information contained in the Letter of Offer);

and (vi) will have made its own determination that any investment decision to exercise the Rights Entitlements and subscribe for the Rights Equity Shares is suitable an appropriate, both in the nature and number of Rights Equity Shares being subscribed.

10. Without limiting the generality of the foregoing, (i) the purchaser acknowledges that the Equity Shares are listed on BSE Limited and National Stock Exchange of India Limited and our Company is therefore required to publish certain business, financial and other information in accordance with the rules and practices of BSE Limited and National Stock Exchange of India Limited (which includes, but is not limited to, a description of the nature of our Company's business and our Company's most recent balance sheet and profit and loss account, and similar statements for preceding years together with the information on its website and its press releases, announcements, investor education presentations, annual reports, collectively constitutes "**Exchange Information**"), and that it has had access to such information without undue difficulty and has reviewed such Exchange Information as it has deemed necessary; and (ii) none of our Company, any of its affiliates, the Lead Manager or any of their affiliates has made any representations or recommendations to it, express or implied, with respect to our Company, the Rights Entitlements, the Rights Equity Shares or the accuracy, completeness or adequacy of the Exchange Information.
11. The purchaser acknowledges that (i) any information that it has received or will receive relating to or in connection with this Issue, and the Rights Entitlements or the Rights Equity Shares, including this Draft Letter of Offer and the Exchange Information (collectively, the "Information"), has been prepared solely by our Company; and (ii) neither the Lead Manager nor any of their affiliates has verified such Information, and no recommendation, promise, representation or warranty (express or implied) is or has been made or given by the Lead Manager or their affiliates as to the accuracy, completeness or sufficiency of the Information, and nothing contained in the Information is, or shall be relied upon as, a promise, representation or warranty by the Lead Manager or any of their affiliates.
12. The purchaser will not hold our Company, the Lead Manager or their affiliates responsible for any misstatements in or omissions to the Information or in any other written or oral information provided by our Company to it. It acknowledges that no written or oral information relating to this Issue, and the Rights Entitlements or the Rights Equity Shares has been or will be provided by the Lead Manager or their affiliates to it.
13. The purchaser understands and acknowledges that the Lead Manager are assisting our Company in respect of this Issue and that the Lead Manager are acting solely for our Company and no one else in connection with this Issue and, in particular, are not providing any service to it, making any recommendations to it, advising it regarding the suitability of any transactions it may enter into to subscribe or purchase any Rights Entitlements or Rights Equity Shares nor providing advice to it in relation to our Company, this Issue or the Rights Entitlements or the Rights Equity Shares. Further, to the extent permitted by law, it waives any and all claims, actions, liabilities, damages or demands it may have against the Lead Manager arising from their engagement with our Company and in connection with this Issue.
14. The purchaser understands that its receipt of the Rights Entitlements and any subscription it may make for the Rights Equity Shares will be subject to and based upon all the terms, conditions, representations, warranties, acknowledgements, agreements and undertakings and other information contained in this Draft Letter of Offer and the Application Form. The purchaser understands that none of our Company, the Registrar, the Lead Manager or any other person acting on behalf of us will accept subscriptions from any person, or the agent of any person, who appears to be, or who we, the Registrar, the Lead Manager or any other person acting on behalf of us have reason to believe is ineligible to participate in this Issue under applicable securities laws.

15. The purchaser is, and the persons, if any, for whose account it is acquiring the Rights Entitlements and the Rights Equity Shares are, entitled to subscribe for the Rights Equity Shares.
16. If the purchaser is outside India, the sale of the Rights Equity Shares to it will not require any filing or registration by, or qualification of, our Company or the Lead Manager with any court or administrative, governmental or regulatory agency or body, under the laws of any jurisdiction which apply to the purchaser or such persons.
17. If the purchaser is outside India, the purchaser, and each account for which it is acting, satisfies (i) all suitability standards for investors in investments in the Rights Entitlements and the Rights Equity Shares imposed by all jurisdictions applicable to it, and (ii) is eligible to subscribe and is subscribing for the Rights Equity Shares and Rights Entitlements in compliance with applicable securities and other laws of all jurisdictions of residence.
18. The purchaser is authorized to consummate the purchase of the Rights Equity Shares sold pursuant to this Issue in compliance with all applicable laws and regulations.
19. Except for the sale of Rights Equity Shares on one or more of the Stock Exchanges, the purchaser agrees, upon a proposed transfer of the Rights Equity Shares, to notify any purchaser of such Equity Shares or the executing broker, as applicable, of any transfer restrictions that are applicable to the Rights Equity Shares being sold.
20. The purchaser acknowledges that the Rights Equity Shares and Rights Entitlements issued pursuant to this Offer have not been and will not be registered under the U.S. Securities Act or with any securities regulatory authority of any state of the United States and accordingly may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act.
21. The purchaser is purchasing the Rights Equity Shares and Rights Entitlements issued pursuant to this Issuer in an offshore transaction meeting the requirements of Rule 903 of Regulation S under the U.S. Securities Act.
22. The purchaser and the person, if any, for whose account or benefit the purchaser is acquiring the Rights Equity Shares and Rights Entitlements issued pursuant to this Offer, is a non-U.S. Person and was located outside the United States at each time (i) the offer was made to it and (ii) when the buy order for such Rights Equity Shares and Rights Entitlements was originated, and continues to be a non-U.S. Person and located outside the United States and has not purchased such Equity Shares for the account or benefit of any U.S. Person or any person in the United States or entered into any arrangement for the transfer of such Rights Equity Shares and Rights Entitlements or any economic interest therein to any U.S. Person or any person in the United States.
23. The purchaser is not an affiliate of the Company or a person acting on behalf of such affiliate.
24. If, in the future, the purchaser decides to offer, resell, pledge or otherwise transfer such Rights Entitlements and Rights Equity Shares, or any economic interest therein, such Rights Entitlements and Rights Equity Shares or any economic interest therein may be offered, sold, pledged or otherwise transferred only outside the United States in an offshore transaction complying with Rule 903 or Rule 904 of Regulation S under the U.S. Securities Act to a person outside the United States and not known by the transferor to be a U.S. Person by pre-arrangement or otherwise (including, for the avoidance of doubt, a bona fide sale on the BSE or the NSE). The purchaser agrees not to effect any sale, pledge or other transfer unless the purchaser first executes a US Resale Letter in the form of Annexure B to this Prospectus and delivers such letter to our Company prior to the settlement if any sale, pledge or other transfer of the Rights Entitlements and the Rights Equity Shares. The purchaser understands that the

transfer restrictions will remain in effect until our Company determines, in its sole discretion, to remove them

25. The purchaser understands that such Rights Entitlements and Rights Equity Shares (to the extent they are in certificated form), unless the Company determines otherwise in accordance with applicable law, will bear a legend substantially to the following effect:

THIS SECURITY HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "U.S. SECURITIES ACT") OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND THE ISSUER HAS NOT BEEN REGISTERED UNDER THE U.S. INVESTMENT COMPANY ACT OF 1940, AS AMENDED (THE "U.S. INVESTMENT COMPANY ACT"). THIS SECURITY MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT TO A PERSON OUTSIDE THE UNITED STATES AND NOT KNOWN BY THE TRANSFEROR TO BE A US PERSON BY PRE-ARRANGEMENT OR OTHERWISE IN AN OFFSHORE TRANSACTION COMPLYING WITH RULE 903 OR RULE 904 OF REGULATION S UNDER THE U.S. SECURITIES ACT, AND OTHERWISE IN A TRANSACTION EXEMPT FROM, OR NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE U.S. SECURITIES ACT AND THE U.S. INVESTMENT COMPANY ACT. THIS SECURITY IS NOT TRANSFERABLE EXCEPT IN ACCORDANCE WITH THE RESTRICTIONS DESCRIBED HEREIN. EACH TRANSFEROR OF THIS SECURITY AGREES TO PROVIDE NOTICE OF THE TRANSFER RESTRICTIONS SET FORTH HEREIN AND IN THE COMPANY'S OFFER DOCUMENTS TO THE TRANSFEREE AND TO ANY EXECUTING BROKER.

26. The purchaser agrees, upon a proposed transfer of the Rights Entitlements and Rights Equity Shares, to notify any purchaser of such Rights Entitlements and Rights Equity Shares or the executing broker, as applicable, of any transfer restrictions that are applicable to the Rights Entitlements and Rights Equity Shares being sold.
27. The purchaser understands and acknowledges that (i) the Company will not recognize any offer, sale, pledge or other transfer of such Rights Entitlements and Rights Equity Shares made other than in compliance with the above-stated restrictions; (ii) any acquisition of a beneficial interest in the Rights Entitlements and the Rights Equity Shares by any U.S. Person or any person within the United States who is required under these restrictions to be a U.S. Qualified Purchaser but is not a U.S. Qualified Purchaser at the time it acquires a beneficial interest in the Rights Entitlements and Rights Equity Shares, shall be null and void ab initio and will not be honored by the Company and in no event will the Company, its directors, officers, employees or agents, including any broker or dealer, have any liability whatsoever to the purchaser by reason of any act or failure to act by any person authorized by the Company in connection with the foregoing.
28. The purchaser understands and acknowledges that our Company may be considered a "covered fund" for purposes of the Volcker Rule. The definition of "covered fund" in the Volcker Rule includes (generally) any entity that would be an investment company under the U.S. Investment Company Act, but for the exceptions provided under Section 3(c)(1) or 3(c)(7) thereunder. Because our Company relies on Section 3(c)(7) of the U.S. Investment Company Act for its exclusion from registration thereunder, it may be considered to be a covered fund. Accordingly, banking entities that are subject to the Volcker Rule may be prohibited under the Volcker Rule from, among other things, acquiring or retaining the Rights Entitlements and Rights Equity Shares, absent any applicable exception, exclusion or exemption. Each purchaser must make its own determination as to whether it is a banking entity subject to the Volcker Rule and, if applicable, the potential impact of the Volcker Rule on its ability to purchase or retain the Rights Entitlements and Rights Equity Shares.

29. The purchaser shall hold our Company and the Lead Manager harmless from any and all costs, claims, liabilities and expenses (including legal fees and expenses) arising out of or in connection with any breach of its representations, warranties or agreements set forth above and elsewhere in this Draft Letter of Offer. The indemnity set forth in this paragraph shall survive the resale of the Rights Equity Shares.
30. The purchaser acknowledges that our Company, the Lead Manager, their affiliates and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements.

Transfer Restrictions

Due to the following restrictions, prospective investors are advised to consult legal counsel prior to purchasing Rights Equity Shares and making any offer, resale, pledge or transfer of the Rights Equity Shares purchased in the Issue.

In addition to the applicable representations, warranties and agreements set forth above, each purchaser by accepting the delivery of the Letter of Offer and its accompanying documents, submitting an Application Form for the exercise of any Rights Entitlements and subscription for any Rights Equity Shares and accepting delivery of any Rights Entitlements or any Rights Equity Shares, will be deemed to have represented, warranted and agreed as follows on behalf of itself and, if it is acquiring the Rights Entitlements or the Rights Equity Shares as a fiduciary or agent for one or more investor accounts, on behalf of each owner of such account (such person being the “purchaser”, which term shall include the owners of the investor accounts on whose behalf the person acts as fiduciary or agent):

Until the expiry of 40 days after the commencement of the Offer, an offer or sale of the Rights Entitlements and the Rights Equity Shares within the United States by a dealer (whether or not it is participating in the Offer) may violate the registration requirements of the U.S. Securities Act.

SECTION VIII: OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following contracts (not being contracts entered into in the ordinary course of business carried on by our Company or entered into more than two years before the date of the Draft Letter of Offer), which are or may be deemed material have been entered or are to be entered into by our Company. These contracts and also the documents for inspection referred to hereunder, may be inspected at the Registered Office of our Company situated at 503, Rohit House, Tolstoy Marg,3, Central Delhi, New Delhi 110001 from the date of the Draft Letter of Offer until the date of closure of the Rights Issue.

A. Material Contracts

1. Issue Agreement dated January 16, 2025 entered between our Company and the Lead Manager
2. Agreement dated 02.11.2004 entered between our Company, CDSL and the Registrar to the Issue
3. Agreement dated 17.12.2004 entered between our Company, NSDL and the Registrar to the Issue
4. Banker to the Issue Agreement dated [●] between our Company, the Lead Manager, the Registrar to the Issue and Banker to the Issue.

B. Documents available for inspection

1. Certificate of Incorporation of our Company dated June 3, 1992.
2. Memorandum and Articles of Association of our Company.
3. Listing agreements dated 03.02.2016 entered into with BSE.
4. Copy of the Resolution passed by the Directors in their meeting dated October 24, 2024 approving the Issue.
5. Consents of the Promoters, Directors, Compliance Officer, Lead Manager to the Issue, Legal Counsel, Registrar to the Issue, Bankers to our Company, Statutory Auditorsto include their names in the Draft Letter of Offer to act in their respective capacities.
6. Annual Reports for the financial years ended March 31, 2024, March 31, 2023 and March 31, 2022
7. Limited Review report for Quarter and Six months ended September 30, 2024.
8. Statement of Tax Benefits dated 30.11.2024 received from the Statutory Auditors of our Company.
9. A Certificate from M/s G C Agarwal (Firm Reg. No. 017851N), Chartered Accountants dated 21.01.2025 for deployment of funds towards objects of the issue.
10. Initial Public Offering Prospectus dated of our Company.
11. In-principle listing approval for this Issue dated [●] from BSE.

Any of the contracts or documents mentioned in the 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 reference to the Shareholders subject to compliance of the provisions contained in the Companies Act and other relevant statutes.

DECLARATION

No statement made in the Draft Letter of Offer contravenes any of the provisions of the Companies Act, 2013 and the rules made thereunder. All the legal requirements connected with the said 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 statements made in the Draft Letter of Offer are true and correct.

On behalf of the Board Directors of Bharat Bhushan Finance & Commodity Brokers Limited

Vijay Bhushan
Director

Nisha Ahuja
Director

Madhvi Ahuja
Director

Arun Kumar Garg
Director

Madhav Bharat Bhushan
Director

Anil Kumar Gami
Director

Vibhor Agarwal
Director

Atul Bhargava
Director

Baldev Garg
Company Secretary and Compliance Officer

Place: New Delhi
Date: January 22, 2025