

**MAHAN INDUSTRIES LTD.**

CIN : L91110GJ1995PLC024053

Redg. Office : 3rd Floor, D.K. House, Nr Mithakhali Bridge, Ahmedabad – 380006.Ph : 079-26568789, 30024897 e-mail ID : mahan.int@gmail.comWeb: www.mahan.co.in

FORM NO PAS – 4
PRIVATE PLACEMENT OFFER LETTER
[Pursuant to section 42 and rule 14(1) of the Companies
(Prospectus and Allotment of Securities) Rules, 2014]

PART-A

Sr. No	Particulars	Information		
1.	GENERAL INFORMATION:			
i.	Name, address, website and other contact details of the company indicating both registered office and corporate office;			
	Name	Mahan Industries Limited		
	Registered Office Address	3 rd Floor, D.K. House, Near Mithakhali Bridge, Ahmedabad – 380006, Gujarat		
	Corporate Office Address	--		
	Website	www.mahan.co.in		
	Other contact details	079-26568789, 079-30024897		
	CIN	L91110GJ1995PLC024053		
ii.	Date of incorporation of the company;			
iii.	Business carried on by the company and its subsidiaries with the details of branches or units, if any;	Non-Banking Financial Company mainly in the Business of providing Loans & making Investment		
iv.	Brief particulars of the management of the company;			
	Name	Designation		
	YOGENDRAKUMAR GUPTA	Managing Director		
	SUSHILKUMAR GOEL	Independent Director		
	AMITA CHHAGANBHAI PRAGADA	Independent Director		
	YASH KAMLESHKUMAR SHAH	Independent Director		
v.	Names, addresses, DIN and occupations of the directors;			
	Name	Address	DIN	Occupation
1	YOGENDRAKUMAR GUPTA	19, Samarpan Bungalows, Judges Bungalows Road, Bodakdev Ahmedabad-380015, Gujarat	01726701	Business
2	SUSHILKUMAR GOEL	60, Shivam Bungalows, Behind Sun City, Daskroi Ahmedabad- 380058, Gujarat	10647484	Business
3	AMITA CHHAGANBHAI PRAGADA	G 7, Shreedhar Appartment, Shyamal Cross Road, Satellite, Near Jivraj Bridge, Ahmedabad- 380015, Gujarat	09578592	Professional
4	YASH KAMLESHKUMAR SHAH	F/304, Suvidhi Society, Behind Madhuram Complex, Opposite Gnanda Society, Vejalpur, Ahmedabad- 380051, Gujarat	10565098	Professional
vi.	Management's perception of risk factors;	Annexure -A		
vii.	Details of default, if any, including therein the amount involved, duration of default and present status, in repayment of- i) Statutory Dues; ii) debentures and interest thereon; iii) deposits and interest thereon; iv) loan from any bank or	Not Applicable		

		financial institution and interest thereon.					
	viii.	Names, designation, address and phone number, email ID of the nodal/ compliance officer of the company, if any, for the private placement offer process;	Name	Yogendrakumar Gupta			
			Designation	Managing Director			
			Address	3 rd Floor, D.K. House, Nr Mithakhali Bridge, Ahmedabad - 380006, Gujarat			
			Phone Number	+91 9898077107			
			Email Id:	ykgupta123@yahoo.com			
	ix.	Any default in Annual Filing of the Company under the Companies Act, 2013 or the rules made there under;	No.	There is no default in Annual Filing of the Company under the Companies Act, 2013 or the rules made there under. The Balance Sheet and Annual Returns have been filed upto March 31, 2024.			
2.		PARTICULARS OF THE OFFER:					
	i.	*Financial Position of the Company for the Last 3 Financial Years and Un-Audited figures for December, 2024	As per Financial Statements (Rs in Million)				
			Particulars	December 31, 2024	March 31, 2024	March 31, 2023	March 31, 2022
			Total Revenue	9.45	7.14	11.74	7.18
			Total Expenses	9.59	7.07	11.41	8.80
			Profit/(Loss) before Tax	-0.14	-0.50	-0.23	-1.62
			Tax	0.00	0.00	0.00	0.00
			Profit/(Loss) after Tax	-0.14	-0.50	-0.23	-1.62
			*Elaborated statement of profit and loss is provided on page no.12 onwards of the offer cum application letter.				
			*Extract of pages of Balance Sheet, Profit and Loss Account and Cash Flow for the last three years and Un-Audited figures as on December 31, 2024 are attached as " Annexure-I "				
	ii.	Date of passing of board resolution;	January 16, 2025				
	iii.	Date of passing of resolution in the general meeting, authorizing the offer of securities;	February 15, 2025				
	iv.	Kinds of securities offered (i.e. whether share or debenture) and class of security;	Equity Shares				
	v.	Price at which the security is being offered including the premium, if any, along with justification of the price;	Securities are offered at a price of Rs.25/- each (Face Value Rs.10/- each + Premium Rs.15/- each) In accordance with Regulation 164, 166A of the SEBI ICDR Regulations & Valuation report issued by Manish S. Buchasia, Registered Valuer having Reg. No. IBBI/RV/03/2019/12235 using the Discounted Cash Flow (DCF) method and with the approval of the Board of directors of the Company.				
	vi.	Name and Address of the valuer who performed valuation of the security offered;	Mr. Manish S. Buchasia 306, "Gala Mart" Near Sobo Centre, Before Safal Parisar, Above Sbi/Union Bank, South Bopal, Ahmedabad - 380058, Gujarat				
	vii.	Basis on which the price has been arrived at along with report of the Registered Valuer;	In accordance with Regulation 166A of the SEBI ICDR Regulations, since the proposed preferential issue may result in an allotment exceeding five percent of the post-issue fully diluted share capital of the Company to a single allottee or to allottees acting in concert, the minimum issue price shall be determined as the higher of the prices calculated using the following methods:				

		<p>a) Regulation 164 of the ICDR Regulations prescribes the minimum price at which a preferential issue may be made. In accordance with Regulation 164, the minimum price of the shares shall be the higher of:</p> <p>i. the 90 trading days' volume weighted average price of the related equity shares quoted on the recognized stock exchange preceding the relevant date; i.e. Rs.2.66/- per Equity Shares and</p> <p>ii. the 10 trading days' volume weighted average prices of the related equity shares quoted on a recognized stock exchange preceding the relevant date; i.e. Rs.0/- per Equity Shares. We also confirm that the Articles of Association do not contain any restrictive provision for Preferential Allotment and doesn't contain any article which provides for particular method for determination of price in case preferential issue. Accordingly, the minimum issue price in terms of Regulation 164 of the SEBI ICDR Regulation, is Rs.2.66/- per Equity Share being higher of the above two prices.</p> <p>The Equity Shares of the Company are listed on BSE Limited ("BSE") (referred to as "Stock Exchange"). The Equity Shares of the Company are frequently traded within the meaning of explanation provided in Regulation 164 of Chapter V of the SEBI (ICDR) Regulations, 2018. The price is determined in compliance with Regulation 164 read with Regulation 166A of the SEBI (ICDR) Regulations, 2018.</p> <p>Hence, based on the above, the Board of the Directors of the Company has decided that the Equity Shares to be issued on Preferential basis shall be at a price of Rs.25/- each (Face Value Rs.10/- each + Premium Rs.15/- each).</p> <p>As required under Regulation 166A of the SEBI (ICDR) Regulations, 2018, the Valuation of Equity Shares has been done by RV Manish Santosh Buchasia, IBBI Registered Valuer-Securities and Financial Assets being an Independent Registered Valuer (IBBI Registration No. IBBI/RV/03/2019/12235) having its Office at 306, "Gala Mart", Near SOBO Centre, South Bopal, Ahmedabad-380058, Gujarat using accepted valuation practices vide Valuation Report dated January 16, 2025. Accordingly, the Fair Value of Equity Shares is Rs.25/- each. The Valuation Report so obtained from the Independent Registered Valuer is placed on the "Investor" tab on the website of the Company at the following link: https://mahan.co.in/wp-content/uploads/2025/01/Valuation-Report-1.pdf.</p>		
	viii.	Relevant date with reference to which the price has been arrived.	The Relevant Date in terms of Regulation 161 of SEBI (ICDR) Regulations, 2018 for determining the price of Convertible Equity Shares with reference to the proposed allotment is Thursday, January 16, 2025 being the date 30 days prior to Saturday, February 15, 2025 (i.e., the date on which the Extra Ordinary General Meeting of the Company is being convened in terms of the Companies Act, 2013 to consider the proposed preferential issue).	
	ix.	Classes of persons to whom the allotment is proposed to be made:		
		Name	Category	Number of Share
		Vegada N. Pradipkumar	Non Promoter	1,42,000
		Gautam Keshavlal Chauhan	Non Promoter	1,55,000
		Noopur Kushan Farkiwala	Non Promoter	1,03,000
		Amees Tushar Shah	Non Promoter	2,50,000
		Kapadia Finwealth LLP	Non Promoter	2,50,000
		TOTAL		9,00,000
	x.	Intention of Promoters, Directors or Key Managerial Personnel to subscribe to the offer;	None of the Promoters, Directors, Key Managerial Personnel or Senior Management of the Company except as mentioned herein above, intend to subscribe to any of the Equity Shares proposed to be issued under the Preferential Issue.	
	xi.	The Proposed time within which the allotment shall be completed;	As required under the Regulation 170 of SEBI (ICDR) Regulations 2018, the Company shall complete the allotment of Equity Shares within a period of 15 days from the date of passing of this Special Resolution by the shareholders in Extra Ordinary General Meeting, provided that where any approval or permission by any regulatory authority or the Central Government or the Stock Exchanges is pending, the allotment shall be completed within a period of 15 days from the date of such approval or permission.	
	xii.	The Names of the Proposed Allottees and the percentage of post private placement that may be held by Proposed Allottees	The Names of Proposed Allottees and the percentage of post private placement that may be held by Proposed Allottees are attached herewith as Annexure-II	
	xiii.	The Change in control, if any, in the Company that would occur consequent to the Private Placement;	There will not be any change in the management or control of the Company as a result of the proposed preferential allotment.	
	xiv.	The Number of persons to whom allotment on preferential issue/private placement/rights issue has already made during the year, in terms of number of securities as well	No allotment(s) has been made on a preferential basis from the beginning of the year to the date of issue of this notice.	

		as price;	
	xv.	The Justification for the allotment proposed to be made for consideration other than cash together with valuation report of the Registered Valuer;	Not applicable as this issue is not for consideration other than cash.
	xvi.	Amount which the company intends to raise by way of proposed offer of securities;	The Company intends to raise Rs. 2,25,00,000 (Rupees Two Crores Twenty Five Lacs only) by issuing upto 9,00,000 equity shares at a Price of Rs.25/- per Share to the Non-Promoter for cash.
	xvii.	Terms of raising of securities: Duration, if applicable, Rate of dividend or rate of interest, mode of payment and repayment;	<p>a) An amount equivalent to 100% of the consideration shall be paid by the proposed allottees on or before the date of allotment of Equity Shares. The Investors shall make payment of Issue Price of Equity Shares from their own bank account into the designated bank account of the Company.</p> <p>b) The Equity Shares to be allotted in terms of this resolution shall be made fully paid up at the time of allotment and be issued in dematerialized form only.</p> <p>c) The Equity Shares proposed to be issued shall rank pari passu with the existing Equity Shares of the Company in all respects and that the Equity Shares so allotted shall be entitled to the dividend declared, if any, including other corporate benefits, if any.</p> <p>d) The pre-preferential shareholding of the Proposed Allottee's, if any, shall be under lock-in for such period as may be prescribed under Regulation 167 of Chapter V of the SEBI ICDR Regulations.</p> <p>e) The Equity shares issued and allotted shall be subject to lock-in for such period as prescribed under the SEBI (ICDR) Regulations.</p> <p>f) The Equity Shares so allotted to the Proposed Allottee's under this resolution shall not be sold, transferred, hypothecated or encumbered in any manner during the period of lock-in provided under SEBI ICDR Regulations except to the extent and in the manner permitted there under.</p> <p>g) The issue and allotment of equity shares shall be subject to the requirements of all applicable laws and pursuant to the provisions of the Memorandum of Association and Articles of Association of the Company.</p> <p>h) The Equity Shares shall be allotted within a period 15 days from the date of passing the special resolution by the members OR after receiving in-principle approval letter from stock exchanges, whichever is later, provided that where the allotment of Shares is subject to receipts of any approval or permission from any regulatory or Government of India, the allotment shall be completed within a period of 15 days from the date of receipts of last date of such approvals or permission.</p> <p>i) The "Relevant Date" pursuant to Regulation 161 of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 in relation to the above-mentioned Preferential Issue, shall be Thursday, January 16, 2025 which is a date 30 days prior to the meeting of members of the Company scheduled to be held to consider the Preferential Issue of equity shares.</p> <p>j) The price of each equity share to be issued is Rs. 25/- per share read with Regulation 164 of Chapter V of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, whichever is higher.</p> <p>k) The Equity shares will be listed and traded on the BSE Limited ("BSE") where the existing shares of the Company are currently listed, subject to the receipt of necessary permissions and approvals from the exchange.</p>
	xviii	Proposed time schedule for which the private placement offer cum application letter is valid;	Within 15 days from the date of receipt of In principal approval from BSE Limited ("BSE") i.e. March 10, 2025.
	xix.	Purposes and objects of the offer;	To meet the working capital requirements, to comply with the guideline of the Reserve Bank of India's (RBI) revised regulatory framework to strength the capital adequacy of Base Layer NBFCs and general corporate purpose.
	xx.	Contribution being made by the promoters or directors either as part of the offer or separately in furtherance of such objects;	Nil
	xxi.	Principle terms of assets charged as security, if applicable;	Not Applicable

	xxii.	The details of significant and material orders passed by the Regulators, Courts and Tribunals impacting the going concern status of the Company and its future operations;	Nil														
	xxiii	The pre-issue and post-issue shareholding pattern of the Company;	The pre-issue and post-issue shareholding pattern of the Company is attached herewith as Annexure-III														
3.		MODE OF PAYMENT OF SUBSCRIPTION:	Through Cheque or RTGS (Bank account details are as under: HDFC BANK LTD AC Account Name: MAHAN INDUSTRIES LTD PREFERANTIAL SHARES APPLICATION AC Account Number: 50200107402390 IFSC CODE: HDFC0008702														
4.		DISCLOSURES WITH REGARD TO INTEREST OF DIRECTORS, LITIGATION ETC.:															
	i.	Any financial or other material interest of the directors, promoters or key managerial personnel in the offer and the effect of such interest in so far as it is different from the interests of other persons;	None of the Directors/Key Managerial Personnel of the Company/ their relatives are in, anyway, concerned or interested, in the above resolution, as allottees are covered under Non-promoter category of the Company.														
	ii.	Details of any litigation or legal action pending or taken by any Ministry or Department of the Government or a statutory authority against any promoter of the offeree company during the last three years immediately preceding the year of the circulation of the offer letter and any direction issued by such Ministry or Department or statutory authority upon conclusion of such litigation or legal action shall be disclosed;	There is no litigation or legal action pending or taken by any Ministry or Department of the Government or Statutory Authority against any promoter of the offeree company during the last three years immediately preceding the year of the circulation of the Offer Letter and no direction has been issued by such Ministry or Department or Statutory Authority upon conclusion of such litigation or legal action.														
	iii.	Remuneration of directors (during the current year and last three financial years)	<table border="1"> <thead> <tr> <th colspan="2">F.Y. 2023-24</th> </tr> <tr> <th>Name of Director</th> <th>Salary (in Rs.)</th> </tr> </thead> <tbody> <tr> <td>Sunil Gurnani</td> <td>3,30,000</td> </tr> <tr> <td colspan="2">F.Y. 2022-23</td> </tr> <tr> <td>Nil</td> <td>Nil</td> </tr> <tr> <td colspan="2">F.Y. 2021-22</td> </tr> <tr> <td>Manik Dattatreya</td> <td>25,000</td> </tr> </tbody> </table>	F.Y. 2023-24		Name of Director	Salary (in Rs.)	Sunil Gurnani	3,30,000	F.Y. 2022-23		Nil	Nil	F.Y. 2021-22		Manik Dattatreya	25,000
F.Y. 2023-24																	
Name of Director	Salary (in Rs.)																
Sunil Gurnani	3,30,000																
F.Y. 2022-23																	
Nil	Nil																
F.Y. 2021-22																	
Manik Dattatreya	25,000																
	iv.	Related party transactions entered during the last three financial years immediately preceding the year of circulation of offer letter including with regard to loans made or, guarantees given or securities provided;	NIL The details of Related Party Transactions are enclosed as Annexure IV														
	v.	Summary of reservations or qualifications or adverse remarks of auditors in the last five financial years immediately preceding the year of circulation of offer letter and of their impact on the financial statements and financial position of the company and the corrective steps taken and proposed to be taken by the company for each of the said reservations or qualifications or adverse remark;	NIL There were no reservations or qualifications or adverse remarks of auditors in the last five financial years immediately preceding the year of circulation of offer letter.														
	vi.	Details of any inquiry, inspections or investigations initiated or conducted under the Companies Act or any previous company law in the last three years immediately preceding	NIL No inquiry, inspections or investigations initiated or conducted under the Companies Act or any previous company law in the last three years immediately preceding the year of circulation of offer letter.														

		the year of circulation of offer letter in the case of company and all of its subsidiaries. Also if there were any prosecutions filed (whether pending or not) fines imposed, compounding of offences in the last three years immediately preceding the year of the offer letter and if so, section-wise details thereof for the company and all of its subsidiaries;	
	vii.	Details of acts of material frauds committed against the company in the last three years, if any, and if so, the action taken by the company;	NIL There were no acts of material frauds committed against the company in the last three years.
5.		FINANCIAL POSITION OF THE COMPANY:	
	a.	The Capital Structure of the Company in the following manner in a tabular form:	
	ia.	Type of Capital	Description
		Authorized	Equity Shares
			3,73,00,000
		Total	3,73,00,000
		Issued	Equity Shares
			36,00,000
		Total	36,00,000
		Subscribed and Paid Up	Equity Shares
			36,00,000
		Total	36,00,000
	b.	Size of the Present Offer;	Issue and Allot upto 9,00,000 equity Shares at a Price of Rs. 25/- per share including premium of Rs.15/- fully paid-up on Preferential Allotment basis to Non-Promoters for cash.
	c.	Paid Up Capital after the offer;	After the Offer, The Paid Up Share Capital of the Company will be Rs. 4,50,00,000/- divided into 45,00,000 Equity Shares of Rs.10/- each.
	d.	Share Premium Account before the offer;	NIL
	ii.	The details of the existing share capital of the issuer company in a tabular form, indicating therein with regard to each allotment, date of allotment, the number of shares allotted, the face value of the shares allotted, the price and the form of consideration;	The details are enclosed as Annexure V
	iii.	Dividends declared by the Company in respect of the said three financial years; interest coverage ratio for last three years (Cash profit after tax plus interest paid/interest paid): NIL	
			March 31, 2024
			March 31, 2023
			March 31, 2022
		Dividend declared (per share)	Nil
		Interest Coverage Ratio	-2.63
			-1.05
			-16.24
	iv.	A Summary of the financial position of the Company as in the three audited balance sheets immediately preceding the date of circulation of offer letter;	As Per "Annexure-I"
	v.	Audited Cash Flow Statement for the three years immediately preceding the date of circulation of offer letter;	As Per "Annexure-I"
	vi.	Any change in accounting policies during the last three years and their effect on the profits and the reserves of the Company;	There has been no change in the accounting policies during the last three years and therefore the profits and the reserves of the Company remain unchanged.

A DECLARATION BY THE DIRECTORS THAT-

- The company has complied with the provisions of the Act and the rules made there under;
- The compliance with the Act and the rules does not imply that payment of dividend or interest or repayment of debentures, if applicable, is guaranteed by the Central Government;
- The monies received under the offer shall be used only for the purposes and objects indicated in the offer letter;

I am authorized by the Board of Directors of the Company vide resolution number 04 dated January 16, 2025 to sign this form and declare that all the requirements of Companies Act, 2013 and the rules made there under in respect of the subject matter of this form and matters incidental thereto have been complied with. Whatever is stated in this form and in the attachments thereto is true, correct and complete and no information material to the subject matter of this form has been suppressed or concealed and is as per the original records maintained by the promoters subscribing to the Memorandum of Association and Articles of Association. It is further declared and verified that all the required attachments have been completely, correctly and legibly attached to this form.

For, MAHAN INDUSTRIES LIMITED

SD/-

YOGENDRAKUMAR GUPTA
MANAGING DIRECTOR
DIN: 01726701

Attachments:

- a) Copy of Board Resolution
- b) Copy of Shareholder Resolution
- c) Annexure-A: Management's perception of risk factors
- d) Annexure-I: Extract of pages of balance sheet, Profit and Loss account and cash flow for the last three years and unaudited figures as on December 30, 2024
- e) Annexure-II: The Names of the Proposed Allottees and the percentage of post private placement that may be held by Proposed Allotees
- f) Annexure-III: The pre-issue and post-issue shareholding pattern of the Company
- g) Annexure IV: The details of Related Party Transactions
- h) Annexure V: The details of the capital structure of the company and allotment(s) made by the company



PART – B

APPLICATION FORM

Date:

SHARE APPLICATION FORM SERIAL NO.	<<Sr_No>> 01
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Issue and Allot up to 9,00,000 equity Shares at a Price of Rs 25 per share including premium of Rs. 15/- fully paid-up aggregating to Rs. 2,25,00,000/- on Preferential Allotment basis to Non-Promoter for cash

EQUITY SHARES APPLIED FOR:

Number of Equity shares:

Number of Equity shares (in words):

Total Amount Rs. _____

Total Amount (in words) Rupees _____ only

DETAILS OF

Draft / RTGS / Direct Credit / ECS / NEFT/other permitted mechanisms)

No. _____

Dated _____

Drawn on _____

Funds transferred to ' _____ '

Amount Rs. _____

Amount (in words) Rupees _____ only

Details of bank account of the Company where the subscription money to be deposited:	
Beneficiary Name	
Address of Beneficiary	
Name of Bank and Address	HDFC BANK LTD
Branch Code	008702
Account number	50200107402390
IFSC Code	HDFC0008702
SWIFT CODE	
Account Name	MAHAN INDUSTRIES LTD PREFERANTIAL SHARES APPLICATION ACCOUNT

APPLICANT'S NAME IN FULL (CAPITAL LETTER)

SPECIMEN SIGNATURE

<Name of allottee>	
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APPLICANT'S ADDRESS

ADDRESS	
Contact details	

APPLICANT'S PAN/GIR NO.:

IT CIRCLE/WARD/DISTRICT:

I/WE AM/ARE () Individual () Company () Others If Others, Specify

I/We have read and understood the terms and conditions of the issue of Equity shares as set out in the Private Placement Offer cum Application Letter. We wish to apply for allotment of these Equity shares. We request you to please place our name(s) on the Register of Equity Shareholders.

Name of the Authorized Signatory(ies)	Designation	Signature

I/We, the undersigned, am/are agreeable to holding the Equity shares of the Company in dematerialized form. Details of my/our Beneficial Owner Account are as given below:

Depository	
Depository Participant Name	
Beneficiary Account Number	

(DP ID and Client ID)	
Name of the Applicant(s)	
Applicant Bank Account: (Settlement by way of Cheque / Demand Draft / Pay Order / Direct Credit / ECS / NEFT/RTGS/Other permitted mechanisms)	

Applicant's Signature:

FOR OFFICE USE ONLY:

DATE OF RECEIPT: _____

DATE OF CLEARANCE: _____

(Note: Cheque and Drafts are subject to realization)

----- *(TEAR HERE)* -----

ACKNOWLEDGMENT SLIP

(To be filled in by Applicant) SERIAL NO.	
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MANAGEMENT’S PERCEPTION OF RISK FACTORS

The following are the risks relating to the Company, If any or some combination of the following risks, or other risks that are not currently known or believed to be material, actually occur, our business, financial condition and results of operation may suffer, and the trading price of shares. Prospective investors should carefully consider the risk factors relating to the business and the industry described below. These risks and uncertainties are not the only issues that the Company faces; additional risks and uncertainties not presently known to the Company or that are currently believed to be immaterial may also have an adverse effect on the business, results of operations, financial condition or prospects and cause the market price of the Shares to fluctuate and consequently adversely impact the investment by investors. Unless otherwise stated in the relevant risk factors set forth below, we are not in a position to specify or quantify the financial or other risks mentioned herein.

The ordering of the risk factors is intended to facilitate ease of reading and reference and does not in any manner indicate the importance of one risk factor over another.

1. Market and Economic Risk

- **Macroeconomic Conditions:** The financial stability of the country, inflation, interest rates, and overall economic growth can significantly impact the NBFC sector. Economic slowdowns or recessions can affect the credit quality of the loan portfolio, reducing profitability.
- **Stock Market Volatility:** Since the company is listed, fluctuations in the stock market, particularly in the NBFC sector, can affect the valuation of the preferential issue and shareholder returns.
- **Interest Rate Risk:** Being in the financial services industry, NBFCs are particularly sensitive to interest rate fluctuations. A sudden rise in interest rates may increase the cost of funds and reduce net interest margins, impacting profitability.

2. Regulatory and Compliance Risk

- **Regulatory Changes:** The NBFC sector is regulated by the **Reserve Bank of India (RBI)**, and any changes in RBI regulations or guidelines could have a significant impact on the company’s operations, capital adequacy requirements, or loan approval process.
- **Compliance Risk with SEBI & MCA Guidelines:** Any failure to comply with the SEBI (Issue of Capital and Disclosure Requirements) Regulations, the Companies Act, and MCA’s PAS-4 form guidelines could result in penalties or legal issues.
- **Government Policy Changes:** Changes in government policies, such as the introduction of new taxes or the imposition of restrictions on lending or capital raising activities, could impact the company’s financial performance.

3. Liquidity and Funding Risk

- **Liquidity Constraints:** NBFCs rely on both equity and debt markets for funding. Any liquidity constraints or a lack of access to funding can significantly affect the company’s ability to meet its obligations and fund its operations.
- **Reliance on Short-Term Borrowings:** If the company is dependent on short-term borrowing to fund long-term assets, any disruption in access to short-term funds or a change in borrowing costs could impact the company’s liquidity and solvency.

4. Credit Risk

- **Asset Quality:** As an NBFC, the company is exposed to the creditworthiness of its borrowers. If the loan portfolio faces a high rate of defaults or non-performing assets (NPAs), this could negatively affect the financial health of the company.
- **Concentration Risk in Borrowing:** If a large portion of the company’s loans is concentrated in a specific sector, region, or borrower group, the NBFC may face significant risks in the event of an economic downturn or sector-specific issues.
- **Risk of Delayed Recoveries:** Delays in the recovery of loans or bad debt write-offs could significantly affect the company’s profitability and capital base.

5. Operational Risk

- **Operational Inefficiencies:** NBFCs must have robust risk management, loan approval, and recovery processes. Any weaknesses in internal controls, processes, or technology systems could lead to operational losses or reputational damage.
- **Cybersecurity Risk:** With increasing digitalization in the financial sector, cybersecurity risks are high. A cyber attack or data breach could compromise sensitive customer information, leading to regulatory penalties and reputational harm.

6. Concentration and Credit Risk

- **Concentration of Borrowers:** If the NBFC is overly reliant on a small number of large borrowers or certain sectors (e.g., real estate, infrastructure), it may be vulnerable to sectoral downturns or defaults by those key clients.
- **Concentration of Shareholders:** If the preferential issue is targeted at a few select investors, this may lead to concerns about concentrated control and governance risks.

7. Pricing and Valuation Risk

- **Pricing of the Preferential Issue:** If the preferential issue is priced too high or too low relative to the prevailing market price, it may affect investor sentiment and raise concerns of unfair dilution or undervaluation.
- **Valuation Risk of Assets and Liabilities:** The valuation of the company’s loan book, investments, and other assets may be subject to market conditions or changes in accounting standards, which could impact the company’s financial position and the valuation of shares issued in the preferential issue.

8. Management and Governance Risk

- **Management Stability and Experience:** Investors often assess the capability of the management team to navigate risks, grow the company, and respond to changing market conditions. Any changes in the management team or poor track records could raise concerns.
- **Corporate Governance Practices:** Governance issues, such as lack of transparency or conflicts of interest in the preferential issue, could adversely affect the company's reputation and investor trust.

9. Reputational Risk

- **Public Perception of Preferential Allotment:** Preferential issues can sometimes be perceived as a way to benefit a select group of investors or promoters. Transparency in the process and clear communication to the market is crucial to mitigate any reputational concerns.
- **Negative Sentiment in the NBFC Sector:** If the NBFC sector is under scrutiny (e.g., due to an industry-wide crisis or bad loans), the preferential issue might face skepticism, reducing the demand for the new issue.

10. Debt and Capital Structure Risk

- **Impact on Capital Adequacy:** If the funds raised through the preferential issue are not used effectively, it could impact the company's capital adequacy ratio, potentially affecting its regulatory standing and ability to lend.
- **Debt Levels and Leverage:** A highly leveraged NBFC may face challenges in servicing its debt obligations if its cash flows are impacted by defaults, regulatory changes, or economic downturns.

11. Competition and Market Positioning Risk

- **Increased Competition from Banks and Other NBFCs:** The NBFC industry is highly competitive, and new entrants or aggressive pricing strategies from competitors could impact the company's market share and profitability.
- **Market Sentiment towards NBFCs:** There could be an ongoing negative sentiment toward NBFCs, especially following any crises in the sector (e.g., IL&FS or DHFL defaults). If the market loses confidence in the sector, the issue may face lower demand.

12. Force Majeure Events

- **Natural Calamities, Pandemics, or Geopolitical Risks:** Events like natural disasters, pandemics or geopolitical instability (e.g., war or trade sanctions) could disrupt business operations and affect the company's financial performance.

ANNEXURE I

A. BALANCE SHEET FOR THE LAST 3 FINANCIAL YEARS

Particulars		(Rs. In lakhs)As at 31st March,		
		2024	2023	2022
ASSETS				
A	Financial Assets			
(a)	Cash and Cash Equivalents	2.04	0.34	0.45
(b)	Bank balances other than cash and cash equivalents			
(c)	Receivables			
	(
i)	Trade receivables	226.70	232.39	486.37
	(
ii)	Other receivables			
(d)	Loans	395.20	405.29	140.89
(e)	Investments	0.00	0.00	0.00
(f)	Inventories	18.18	12.59	12.05
	Total financial assets	642.12	650.61	639.78
B	Non Financial Assets			
(a)	Current tax asset (net)			
(b)	Deferred tax assets (net)			
(c)	Property, Plant and Equipment	6.00	6.15	6.30
(d)	Intangible assets			
(e)	Other non financial assets	10.55	9.41	8.51
	Total non financial assets	16.55	15.56	14.82
	Total Assets (A+B)	658.68	666.18	654.60
LIABILITIES AND EQUITY				
C	Liabilities			
(I)	Financial liabilities			
(a)	Payables			
(i)	Trade payables			
-	Total outstanding dues of micro enterprises and small enterprises			
-	Total outstanding dues of creditors other than micro enterprises and small enterprises	5.29	4.93	-0.01
(ii)	Other payables			
-	Total outstanding dues of micro enterprises and small enterprises	-	-	
-	Total outstanding dues of creditors other than micro enterprises and small enterprises	346.66	347.66	339.50
(b)	Debt securities	-	-	-
(c)	Borrowings	-	-	-
(d)	Other financial liabilities	-	-	-
	Total financial liabilities	351.95	352.59	339.48
(II)	Non Financial liabilities			
(a)	Current tax liabilities (net)	-	-	-
(b)	Provisions	-	-	-
(c)	Other Current Liabilities	1.95	3.80	2.99
	Total non financial liabilities	1.95	3.80	2.99
D	Equity			
(a)	Equity Share Capital	3,600.00	3,600.00	3,600.00
(b)	Other Equity	- 3,295.22	-3,290.22	- 3287.87
	Total Liabilities and Equity (C+D)	658.68	666.18	654.60

B. STATEMENT OF PROFIT AND LOSS FOR LAST 3 YEARS AND FOR QUARTER ENDED ON DECEMBER 31, 2024

Sr. No.	Particulars	For the quarter ended on December 31, 2024	(Rs. In Lacs)		
			For the Year ended 31st March,		
			2024	2023	2022
	Revenue from operation				
I	Interest income	9.17	34.23	18.66	4.75
II	Fees and commission income	-	-	-	-
III	Sale of Shares/stock in trade	85.36	36.98	98.21	54.01
IV	Dividend income	-	0.02	0.26	0.14
	Profit On Sale of Unquoted Investment	-	-	-	-
	Total revenue from operations (I + II+III)	94.54	71.23	117.13	71.56
	Other Income	-	0.18	0.27	0.17
	Total income (I+II+III+IV)	94.54	71.42	117.40	71.74
	Expenses				
V	Finance cost	0.95	2.88	2.51	0.13
VI	Employee benefit expense	6.54	18.16	16.39	18.04
VII	Depreciation and amortisation expenses	0.04	0.15	0.16	0.17
VIII	Purchase of stock / Share	54.44	40.17	83.50	59.07
IX	Changes in inventories	29.45	-5.59	- 0.54	-3.98
	Other Expenses	4.51	14.98	12.04	14.54
XI	Diminution (Gain) in Value of unquoted Investments				
XII	Diminution (Gain) in Value of Long term Investments				
	Bad debts & Loan Written off	-	5.69	5.69	-
XIII	Income Tax Exp earlier years paid written off/STT/MAT Written off/				
XIV	Total expenses (IV)	95.93	76.42	119.74	87.98
	Profit before tax for continuing operations	-1.39	-5.01	-2.34	-16.24
XV	Tax expense:				
	(1) Current Tax	-	-	-	-
	(2) Deferred tax	-	-	-	-
	Profit After Tax (V-VI)	-1.39	-5.01	-2.34	-16.24
XVI	Other Comprehensive Income				
	Items that will not be reclassified to profit or Loss : Remeasurement gains/loss	-	-	-	-
	Items that will be reclassified to profit or Loss : Changes in fair value				
XV	Total Comprehensive Income for the Year	-1.39	-5.01	-2.34	-16.24
XVI	Earnings per equity share: (nominal value of share 10/-)				
	(1) Basic	-0.00	-0.01	-0.01	-0.05
	(2) Diluted	-0.00	-0.01	-0.01	-0.05

C. CASH FLOW STATEMENT FOR THE LAST 3 FINANCIAL YEAR(Amount in Lakhs)

Sr. No.	Particulars	For the Year ended 31st March,		
		2024	2023	2022
1	Cash flow from Operating Activities			
	Profit Before Tax as per statement of Profit & Loss	-5.01	-2.34	-16.24
	Adjusted for:			
	Depreciaition and amortization expenses	0.15	0.16	0.17
	Non Cash Expenditure	-	-	-
	Net Gain/ Loss on Valuation of Investment [FVTPL]	-	-	-
	Sub-total (a)	-4.86	-2.18	-16.06
	Changes in Working Capital (Increase)/Decrease in Current Assets			
	Trade Receivables	5.69	253.98	-45.61
	Inventory	-5.59	-0.54	-3.98
	Other Current Assets	10.10	-264.40	1.28
	Sub-Total (b)	10.19	-10.95	-16.06
	Increase/ (Decrease) in Current Liabilities			
	Trade Payables	0.37	4.95	-1.43
	Provisions	-	-	-
	Other current liabilities	-1.86	0.81	1.20
	Sub-Total (c)	-1.49	5.76	-0.23
	Changes in Working Capital (d=b-c)	8.71	-5.20	-48.55
	Cash flow from operating activities (a+d)	3.84	-7.38	-64.61
2	Cash flow from Investing Activities			
	Decrease in Current Investment	-	-	-
	Increase/Decrease in non current assets	-1.14	-0.90	-0.50
	Cash flow from Investing Activities	-1.14	-0.90	-0.50
3	Cash flow from Financing Activities			
	Proceeds/(Repayment) of short-Term Borrowings	-1.00	8.16	60.65
	Cash flow from Financing Activities	-1.00	8.16	60.65
	Cash in/(out) flow during the period (4=1+2+3)	1.70	-0.12	-4.46
	Opg. Balance of Cash & cash equivalents	0.34	0.46	4.92
	Clg. balance of Cash and cash equivalents	2.04	0.34	0.45
	Adjustment for gain / loss on fair valuatton of current financial assets measured at FVTPL	-	-	
		2.04	0.34	0.45

ANNEXURE-II

The Names of Proposed Allottees and the percentage of post private placement that may be held by Proposed Allottees:

Sr. No.	Name & Address of the proposed allottees	Category	Identity of ultimate beneficial owners	No. & % of Equity Shares held prior to the Preferential Allotment		No. & % of Equity Shares to be issued and allotted		No. & % of Post Issue Equity and Voting Share Capital*(Assuming full allotment of 9,00,000 equity shares)	
				No of shares	%	No of shares	No of shares	%	
1.	Vegada N Pradipkumar	Non-Promoter	-	-	-	1,42,000	1,42,000	3.15%	
2.	Gautam Keshavlal Chauhan	Non-Promoter	-	-	-	1,55,000	1,55,000	3.44%	
3.	Noopur Kushan Farkiwala	Non-Promoter	-	-	-	1,03,000	1,03,000	2.29%	
4.	Amees Tushar Shah	Non-Promoter	-	-	-	2,50,000	2,50,000	5.56%	
5.	Kapadia Finwealth LLP	Non-Promoter	1. Amees Shah - AQBPS2684R 2. Tushar Shah - BMIPS4597P	-	-	2,50,000	2,50,000	5.56%	

ANNEXURE-III

The Pre-Issue and Post-Issue Shareholding Pattern of the Company:

Sr. No	Category	Pre Preferential Issue*		Allotment of Equity Shares		Post Preferential Issue of 9,00,000 Equity Shares	
		No. of shares held	% of share holding	No. of shares held	% of share holding	No. of shares held	% of share holding
A	Promoters Holding						
1	<u>Indian</u>						
	Individual	52,169	1.45	-	-	52,169	1.16
	Bodies corporate	-	-	-	-	-	-
	Sub-total	52,169	1.45	-	-	52,169	1.16
2	<u>Foreign Promoters**</u>						
	Sub-total (A)						
B	Non-promoters' holding						
	<u>Institutional investors</u>						
	<u>Non-institution</u>						
	Private corporate bodies & LLP	18,25,329	50.70	6,50,000	14.44	24,75,329	55.01
	Indian public & HUF	17,14,396	47.62	2,50,000	5.56	19,64,396	43.65
	(Others including NRIs, Central Government, Escrow Account, Government Companies, Nationalized Banks, NBFCs, Non Nationalised Banks, etc)	8,106	0.22	-	-	8,106	0.22
	Sub-total (B)	35,47,831	98.55	9,00,000	20	44,47,831	98.84
	GRAND TOTAL	36,00,000	100	9,00,000	20	45,00,000	100

***It is assumed that the proposed allottee will subscribe to the entire quantity of the new shares proposed to be offered under preferential allotment.**

(The above pre-issue shareholding pattern is based on the shareholding as on December 31, 2024)

ANNEXURE-IV

Related Party Transactions entered during the last three financial years immediately preceding the year of circulation of offer letter including with regard to loans made or guarantees given or securities provided: **NIL**

(Rs. In Lakhs)

NAME OF RELATED PARTY	PARTICULARS OF RELATED PARTY TRANSACTIONS	ASSOCIATE AND ENTERPRISES WHERE KMP OR THEIR RELATIVES HOLD SIGNIFICANT INFLUENCE			KEY MANAGERIAL PERSONNEL AND THEIR RELATIVES		
		2023-24	2022-23	2021-22	2023-24	2022-23	2021-22
Manik Dattatrey	Remuneration Paid	--	--	--	--	--	0.25
Sunil Gurnani	Remuneration Paid	--	--	--	3.30	6.60	6.60
Yogendrakumar Gupta	Loan Taken	--	--	--	25.50	128.96	54.25
Yogendrakumar Gupta	Loan Repaid	--	--	--	0.00	127.30	14.17
Jeegneshkumar Devganiya	Salary Paid	--	--	--	0.40	1.80	1.30

ANNEXURE V

1. EXISTING CAPITAL STRUCTURE OF THE COMPANY:

AUTHORIZED, ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL			
Particulars	Number of Securities	Description (type of security)	Aggregate Nominal Value(Amount in Rs.)
Authorized Capital	3,73,00,000	Equity Shares	37,30,00,000
Issued Capital	36,00,000	Equity Shares	3,60,00,000
Subscribed Capital	36,00,000	Equity Shares	3,60,00,000
Paid-up Capital	36,00,000	Equity Shares	3,60,00,000

2. DETAILS OF ALLOTMENT(S) MADE BY THE COMPANY:

Sr. No.	Date of Allotment	Type of Issue	No. of shares Allotted	Face value / share (Rs.)	Issue price / share (Rs.)	Nature of Consideration (Cash/ Other than Cash)	Cumulative no. of shares issued	Remarks
1.	02/01/1995	Subscription to MOA	700	10	10	Cash	700	
2.	06/03/1995	Company Issue Equity Share	6,21,500	10	10	Cash	6,22,200	
3.	31/03/1995	Company Issue Equity Share	4,95,400	10	10	Cash	11,17,600	
4.	26/02/1996	Company Issue Equity Share	39,82,400	10	10	Cash	51,00,000	
5.	28/02/2000	Company Issue Equity Share	9,00,000	10	10	Cash	60,00,000	
6.	31/01/2004	Company Issue Equity Share	11,50,000	10	10	Cash	71,50,000	
7.	20/02/2010	Preferential Allotment	2,48,50,000	10	10	Cash	3,20,00,000	
8.	17/05/2010	Preferential Allotment	51,50,000	10	10	Cash	3,71,50,000	
9.	04/10/2010	Reduction of Capital	(11,50,000)	10	10	-	3,60,00,000	
10.	06/12/2024	Reduction of Capital	3,60,000	10	10	-	36,00,000	