

ABRIDGED LETTER OF OFFER CONTAINING SALIENT FEATURES OF THE LETTER OF OFFER**FOR THE ELIGIBLE EQUITY SHAREHOLDERS OF THE COMPANY ONLY**

This is an Abridged Letter of Offer containing salient features of the Letter of Offer dated November 30, 2021 (“**Letter of Offer**”) which is available on the websites of the Registrar to the Issue (“**Registrar**”), our Company, the Lead Manager and the stock exchange where the Equity Shares of our Company are listed, i.e., BSE Limited (“**BSE**”). You are encouraged to read greater details available in the Letter of Offer. Capitalised terms not specifically defined herein shall have the same meaning as ascribed to them in the Letter of Offer.

THIS ABRIDGED LETTER OF OFFER CONTAINS 12 PAGES, PLEASE ENSURE THAT YOU HAVE RECEIVED ALL THE PAGES

Our Company has made available on the Registrar’s website at <https://rights.kfintech.com> and the Company’s website at www.bnrsecuritie.com, the Abridged Letter of Offer and the Application Form. You may also download the Letter of Offer from the websites of our Company, the Securities and Exchange Board of India (“**SEBI**”), BSE, the Lead Manager to the Issue i.e. Bajaj Capital Limited and the Registrar to the Issue, at www.bnrsecurities.com, www.sebi.gov.in, www.bseindia.com, www.bajajcapital.com and <https://rights.kfintech.com>, respectively. The Application Form is available on the respective websites of the Lead Manager, BSE and on the Registrar’s web-based application platform at <https://rights.kfintech.com> (“**R-WAP**”).



B. N. RATHI SECURITIES LIMITED

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Registered Office: 6-3-652, Fourth Floor, Kautilya Amrutha Estates, Somajiguda Hyderabad Telengana, 500082 India;

Telephone: +91 40 4052 7777; **Facsimile:** +91 40 4052 6283, **E-mail:** investorgrievances@bnrsecurities.com;

Website: www.bnrsecurities.com; **Corporate Identification Number:** L65993TG1985PLC005838

Contact Person: Ms. Gadila Sabitha Reddy, Company Secretary; Mr. M.Venu Gopal Rao, Compliance Officer

OUR PROMOTERS: MR. HARI NARAYAN RATHI AND MR. CHETAN RATHI**ISSUE DETAILS, LISTING AND PROCEDURE**

ISSUE OF UPTO 33,60,000 EQUITY SHARES OF FACE VALUE ₹ 10 EACH (“RIGHTS EQUITY SHARES”) OF OUR COMPANY FOR CASH AT A PRICE OF ₹ 22 PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF ₹ 12 PER EQUITY SHARE) (THE “ISSUE PRICE”), AGGREGATING UPTO ₹ 739.20 LAKHS# ON A RIGHTS BASIS TO THE EXISTING EQUITY SHAREHOLDERS OF OUR COMPANY IN THE RATIO OF 2 RIGHTS EQUITY SHARES FOR EVERY 3 FULLY PAID-UP EQUITY SHARES HELD BY THE EXISTING EQUITY SHAREHOLDERS ON THE RECORD DATE THAT IS DECEMBER 17, 2021. FOR FURTHER DETAILS, PLEASE REFER TO THE SECTION TITLED “TERMS OF THE ISSUE” BEGINNING ON PAGE 145 OF THE LETTER OF OFFER.

PAYEMENT SCHEDULE

Amount Payable per Rights Equity Share*	Face Value (₹)	Premium (₹)	Total (₹)
On Application	10.00	12.00	22.00

*For further details on Payment Schedule, see “**Terms of the Issue**” on page 145 of the Letter of offer.

#Assuming full subscription

Listing Details: The existing Equity Shares of our Company is listed on BSE Limited (“**BSE**”/ “**Stock Exchange**”). Our Company has received “in-principle” approval from BSE for listing of the Rights Equity Shares to be allotted in this Issue pursuant to letter dated November 17, 2021. Our Company will also make an application to BSE to obtain the trading approval for the Rights Entitlements as required under the SEBI circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020. BSE is the Designated Stock Exchange for the purpose of this Issue.

Procedure: If you wish to know about processes and procedures applicable to Rights Issues, you may refer section titled “Terms of the Issue” on page 145 of the Letter of Offer. You may also download the Letter of Offer from the website of our Company, SEBI, BSE, Registrar and the Lead Manager to the Issue. You can also request the Lead Manager to the Issue or Registrar or our Company to provide a hard copy of Letter of Offer. Please note that in terms of Regulation 72(5) of the SEBI ICDR Regulations, 2018, the Lead Manager and the Stock Exchanges may charge a reasonable amount for providing hard copy of the Letter of Offer.

ELIGIBILITY FOR THE ISSUE

Our Company is eligible to offer the Rights Equity Shares pursuant to this Issue in terms of Chapter III of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (“**SEBI ICDR Regulations**”) and Clause (1) Part B of Schedule VI and other applicable provisions of the SEBI ICDR Regulations.

INDICATIVE TIMETABLE#

Issue Opening Date	Monday, January 03, 2022	Date of Allotment (on or about)	Friday, January 21, 2022
Last Date for On Market Renunciation*	Tuesday, January 11, 2022	Date of credit of Rights Equity Shares to demat account of Allottee (on or about)	Monday January 24, 2022
Issue Closing Date#	Monday, January 17, 2022	Date of listing/ commencement of trading of Rights Equity Shares on the Stock Exchange (on or about)	Tuesday, January 25, 2022
Finalisation of Basis of Allotment (on or about)	Thursday, January 20, 2022		

*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 Renouces on or prior to the Issue Closing Date.

Our Board or a Right issue committee thereof will have the right to extend the Issue period as it may determine from time to time but not exceeding 30 (thirty) days from the Issue Opening Date (inclusive of the Issue Opening Date). Further, no withdrawal of Application shall be permitted by any Applicant after the Issue Closing Date.

NOTICE TO INVESTORS

Our Company is undertaking this Issue on a rights basis to the Eligible Equity Shareholders and the Letter of Offer, this Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other applicable Issue material (collectively, the “**Issue Materials**”) will be sent/ dispatched only to the Eligible Equity Shareholders who have provided Indian address and who are located in jurisdictions where the offer and sale of the Rights Entitlement and the Rights Equity Shares are permitted under laws of such jurisdiction and does not result in and may not be construed as, a public offering in such jurisdictions. In case such Eligible Equity Shareholders have provided their valid e-mail address, the Issue Materials will be sent only to their valid e-mail address and in case such Eligible Equity Shareholders have not provided their e-mail address, then the Issue Materials will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them. Those overseas shareholders who do not update our records with their Indian address or the address of their duly authorized representative in India, prior to the date on which we propose to dispatch the Issue Materials, shall not be sent any Issue materials. Further, the Letter of Offer will be provided through e-mail by the Registrar on behalf of our Company to the Eligible Equity Shareholders who have provided their Indian addresses to our Company and who make a request in this regard. Investors can also access the Letter of Offer, the Abridged Letter of Offer and the Application Form from the websites of the Registrar, our Company, the Lead Manager, and the Stock Exchanges, and on R-WAP, subject to the applicable law.

NO OFFER IN THE UNITED STATES

The Rights Entitlements and the Rights Equity Shares have not been and will not be registered under 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 of America or the territories or possessions thereof (“**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 offering to which the Letter of Offer relates is not, and under no circumstances is to be construed as, an offering of any Rights Equity Shares or Rights Entitlement for sale in the United States or as a solicitation therein of an offer to buy any of the Rights Equity Shares or Rights Entitlement. There is no intention to register any portion of the Issue or any of the securities described herein in the United States or to conduct a public offering of securities in the United States. Accordingly, the Letter of Offer/ Letter of Offer/ Abridged Letter of Offer and the enclosed Application Form and Rights Entitlement Letters should not be forwarded to or transmitted in or into the United States at any time.

GENERAL RISKS

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in the Issue unless they can afford to take the risk of losing their entire investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Issue. For taking an investment decision, investors must rely on their own examination of our Company and the Issue, including the risks involved. The Rights Equity Shares in the Issue have not been recommended or approved by the Securities and Exchange Board of India (“**SEBI**”), nor does SEBI guarantee the accuracy or adequacy of the contents of the Letter of Offer. Specific attention of the investors is invited to the section titled “Risk Factors” on page 16 of Letter of Offer and on page 04 of this Abridged Letter of Offer.

<p>Name of the Lead Manager and Contact Details</p>	<p>Bajaj Capital Limited Mezzanine Floor, Bajaj House, 97, Nehru Place, New Delhi -110019, India Tel No: 011-41693000; 011-67000000 Contact Person: P. Balraj Email: info@bajajcapital.com; Website: www.bajajcapital.com SEBI Registration Number: INM000010544</p>
<p>Name of the Registrar to the Issue and Contact Details</p>	<p>KFin Technologies Private Limited, Selenium, Tower- B, Plot No. 31 & 32, Financial district, Nanakramguda, Serilingampally, Karvy Selenium, Mandal, Hyderabad, Telangana, 500032 Tel No: +91 40 – 67162222/ 18003454001; Fax No: +91 40 – 23431551 Email: einward.ris@karvy.com; Website: www.kfintech.com Investor Grievance Email: bnrsecurities.rights@kfintech.com Contact Persons: Mr. M. Muralikrishna SEBI Registration Number: INR000000221 CIN: U72400TG2017PTC117649</p>
<p>Name of Statutory Auditor</p>	<p>Seshachalam & Co. Chartered Accountants 1-11-256, Street No.1, Wall Street Plaza, 6th Floor, Lane Adjacent to Airport, Begumpet Hyderabad – 500 016. Tel: +91 40 - 2789 7172/73; Fax: NA. Email: sesco@sesco.in; Website: www.sesco.in Contact Person: T. Bharadwaj Membership Number: 201042 Firm Registration No. 003714S</p>

ABRIGED LETTER OF OFFER CONTAINING SALIENT FEATURES OF THE LETTER OF OFFER

Self-Certified Bankers	Syndicate	The list of banks that have been notified by SEBI to act as SCSBs for the ASBA process is provided at the website of the SEBI https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes and updated from time to time. For details on Designated Branches of SCSBs collecting the Application Forms, refer to the website of the SEBI https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes . On Allotment, the amount will be unblocked and the account will be debited only to the extent required to pay for the Rights Equity Shares Allotted.
Banker to the Issue/Refund Bank	Kotak Mahindra Bank Limited 2nd Floor, 27BKC, Plot No. C-27, G Block, Bandra Kurla Complex, Bandra (East), Mumbai 400051, India Tel No: +91 022 66056588; Fax No: NA Email: cmsipo@kotak.com; Website: www.kotak.com Contact Persons: Mr. Prashant Sawant / Mr. Amit Gupta SEBI Registration Number: INBI00000927	

1. Summary of our Business

We are a financial services company based in South India that offers financial products and services. Over the years, from being primarily a Telangana/Andhra Pradesh centric broking firm, we have transformed ourselves by establishing presence into other states in India. As on September 30, 2021, we had 4 branches and 400 business associates across the states of Telangana, Andhra Pradesh, Tamil Nadu, Maharashtra, Rajasthan and Gujarat having over 45,803 retail clients.

For further details, see “*Our Business*” on page 57 of the Letter of Offer.

2. Summary of the Objects of the Issue and Means of Finance

Our Company intends to utilize the gross proceeds raised through the Issue for the following objects to Enhance the margin money maintained with the exchanges, Meet expenses of the Issue, and General corporate purposes.

The details of the proceeds from the Issue are summarised in the following table:

	Particulars	Amount (₹ in lakhs)
(A)	Gross proceeds of the Rights Issue*	739.20
	Less: Expenses of the Issue (approx.)	45.00
	Net proceeds of the Rights Issue	694.20
(B)	Utilization of the net proceeds of the Rights Issue	
	(a) Enhance the margin money with the Exchanges	530.00
	(b) General Corporate Purpose	164.20
	Sub-Total	694.20

***Assuming full subscription and Allotment with respect to the Right Equity shares.*

**The issue size will not exceed ₹739.20 lakhs. If there is any reduction in the amount on account of or at the time of finalisation of basis of allotment, the same will be adjusted against General Corporate Purpose.*

Schedule of Implementation and Deployment of Funds

As estimated by our management, the entire proceeds received from the issue would be utilized during FY 2021-22.

Means of Finance

The fund requirements set out above are proposed to be entirely funded from the Net Proceeds. Accordingly, we confirm that there are no requirements to make firm arrangements of finance under Regulation 62(1)(c) of the SEBI ICDR Regulations through verifiable means towards 75% of the stated means of finance, excluding the amount to be raised to be issue. For further details, see “*Object of the Issue*” on page 41 of the Letter of Offer.

3. Monitoring Agency

As the issue size is below Rs. 100 crores, no monitoring agency has been appointed.

4. Shareholding Pattern of our Company

Shareholding Pattern of the Equity Shares of our Company as per the last filing with the Stock Exchange, i.e., as on September 30, 2021 is available on the website of BSE <https://www.bseindia.com/stock-share-price/bnrathi-securities-ltd/bnrsec/523019/shareholding-pattern/>.

The statement showing holding of Equity Shares of persons belonging to the category “Promoter and Promoter Group” including the details of lock-in, pledge of and encumbrance thereon, as on September 30, 2021, can be accessed on the website of the BSE (www.bseindia.com).

The statement showing holding of securities (including Equity Shares, warrants, convertible securities) of persons belonging to the category “Public” including Equity Shareholders holding more than 1% of the total number of Equity Shares as on September 30, 2021, as well as details of shares which remain unclaimed for public can be accessed on the website of the BSE (www.bseindia.com)

5. Board of Directors

Sr. No.	Name	Designation	Other Directorships
1.	Sri. Laxminiwas Sharma	Chairman	<ul style="list-style-type: none"> • NSL Textiles Limited • Chavala Ventures Private Limited
2.	Sri. Hari Narayan Rathi	Managing Director	<ul style="list-style-type: none"> • B.N. Rathi Comtrade Private Limited • B.N. Rathi Industries Private Limited • Mahesh Vidya Bhavan Limited
3.	Sri. Chetan Rathi	Whole-time Director Cum CFO	<ul style="list-style-type: none"> • B.N. Rathi Comtrade Private Limited • B.N. Rathi Industries Private Limited
4.	Sri. Harishchandra Prasad Kanuri	Independent Director	<ul style="list-style-type: none"> • Green Park Hotels and Resorts Limited • K L N Holdings Private Limited • Keerthi Industries Limited • Lakshmi Finance & Industrial Corporation Limited • Hyderabad Flextech Limited • Keerthi Industries Limited • L-Pack Polymers Limited • Suryalata Spinning Mills Limited • Kapil Motors Private Limited
5.	Smt. Shanti Sree Bolleni	Independent Director	<ul style="list-style-type: none"> • Nava Bharat Ventures Limited • Hariom Pipe Industries Limited • Tukaram & Co LLP

For further details of our Board of Directors, see “*Our Management*” on page 67 of the Letter of Offer.

6. Neither our Company, nor our Promoters or our Directors have been or are identified as wilful defaulters.

7. Financial Statement Summary

A summary of our Company’s audited Consolidated Financial Results for the year ended March 31, 2021 and limited review results for the Six months period ended September 30, 2021 is stated as below:-

Particulars	<i>(Rs. In Lakhs)</i>	
	Six months period ended 30 th September, 2021*	March 31, 2021
Total income from operations (net)	1431.49	2343.17
Profit before extraordinary items and tax	342.08	531.95
Profit after Tax and extraordinary items	257.34	363.69
Equity Share Capital	504.00	504.00
Reserve and Surplus	2175.47	1978.60
Net Worth	2679.47	2482.60
Basic Earnings per Equity Share	5.11	7.22
Diluted Earnings per Equity Share	5.11	7.22
Return on Net worth (%)	9.60	14.65

*Not annualised

8. Internal Risk Factors

The below mentioned are top 5 risk factors as per Letter of Offer

- a. We face significant competition in our businesses, which may limit our growth and prospects.
- b. There are operational risks associated with the financial services industry which, if materialise, may have an adverse effect on our business, financial condition, cash flows, results of operations and prospects.
- c. The objects of the Issue for which funds are being raised have not been appraised by any bank or financial institution. The deployment of funds is entirely at the discretion of our management and as per the details mentioned in the section titled “Objects of the Issue”.
- d. Our operations are significantly located in Telangana, Andhra Pradesh, Tamil Nadu, Rajasthan, Gujarat and Maharashtra region and failure to expand our operations may restrict our growth and adversely affect our business.
- e. All of our offices including our Registered and Corporate Offices, are held by us on lease or leave and license.

For further details, see “*Risk Factors*” on page 16 of the Letter of Offer.

9. Summary of Outstanding Litigation

A summary of the pending tax proceedings and other material litigations involving our Company is provided below: -

Type of Proceedings	Number of cases	Amount (in ₹)
Cases against our Company		
Issues involving moral turpitude or criminal liability	-	-
Material violations of Statutory Regulations	-	-
Economic Offences against the Company	-	-
Tax proceedings:		
a. E- Proceedings	3	N.A.
b. Defaults in the payment of Income Tax	3	51,88,308
c. Tax Deducted at Source	1	99,930.00
Other pending matters which, if they result in an adverse outcome would materially and adversely affect the operations or the financial position of our Company:		-
By our Company	1	N.A.
Cases against our Promoters		
Issues involving moral turpitude or criminal liability	-	-
Material violations of Statutory Regulations	-	-
Economic Offences against our Promoters	-	-
Tax proceedings:		
a. E- Proceedings	4	N.A.
b. Defaults in the payment of Income Tax	2	64,677
c. Tax Deducted at Source	-	-
Other pending matters which, if they result in an adverse outcome would materially and adversely affect the operations or the financial position of our Company	-	-
Cases against our Subsidiary Company		
Issues involving moral turpitude or criminal liability	-	-
Material violations of Statutory Regulations	-	-
Economic Offences against our Subsidiary Company	-	-
Tax proceedings:		
a. E- Proceedings	3	N.A.
b. Defaults in the payment of Income Tax	-	-
c. Tax Deducted at Source	1	170
Other pending matters which, if they result in an adverse outcome would materially and adversely affect the operations or the financial position of our Company	-	-

For further details, please refer the chapter titled “*Outstanding Litigation and Material Developments*” on page 135 of the Letter of Offer.

10. Terms of the Issue

Procedure for Application

In accordance with Regulation 76 of the SEBI ICDR Regulations, SEBI Rights Issue Circulars and ASBA Circulars, all Investors desiring to make an Application in this Issue are mandatorily required to use either the ASBA process or the optional mechanism instituted. Investors should carefully read the provisions applicable to such Applications before making their Application through ASBA or the optional mechanism. Kindly note that the R-WAP mechanism is available only for Resident Individual Investors. Kindly note that Non-Resident Investors cannot apply in this Issue using the R-WAP facility, and therefore will have to apply through ASBA mode. Further, the resident Eligible Equity Shareholders holding Equity Shares in physical form as on the Record Date can apply for this Issue through ASBA facility or R-WAP. For details of procedure for application by the resident Eligible Equity Shareholders holding Equity Shares in physical form as on the Record Date, see “Procedure for Application by Resident Eligible Equity Shareholders holding Equity Shares in physical form” on page 163 of the Letter of Offer.

The Application Form can be used by the Investors, Eligible Equity Shareholders as well as the Renounees, to make Applications in this Issue basis the Rights Entitlements credited in their respective demat accounts or demat suspense escrow

account, as applicable. Please note that one single Application Form shall be used by the Investors to make Applications for all Rights Entitlements available in a particular demat account or entire respective portion of the Rights Entitlements in the demat suspense escrow account in case of resident Eligible Equity Shareholders holding shares in physical form as on Record Date and applying in this Issue, as applicable.

In case of Investors who have provided details of demat account in accordance with the SEBI ICDR Regulations, such Investors will have to apply for the 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 accept this Issue and apply for the Rights Equity Shares (i) submitting the Application Form to the Designated Branch of the SCSB or online/electronic Application through the website of the SCSBs (if made available by such SCSB) for authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts, or (ii) filling the online Application Form available on RWAP platform available at <https://rights.kfintech.com> and make online payment using the internet banking or UPI facility from their own bank account thereat. Prior to making an Application, such Investors should enable the internet banking or UPI facility of their respective bank accounts and such Investors should ensure that the respective bank accounts have sufficient funds. Please note that Applications made with payment using third party bank accounts are liable to be rejected.

Investors are also advised to ensure that the Application Form is correctly filled up stating therein, (i) the ASBA Account (in case of Application through ASBA process) in which an amount equivalent to the amount payable on Application as stated in the Application Form will be blocked by the SCSB; or (ii) the requisite internet banking or UPI details (in case of Application through R-WAP which is available only for Resident Individual Investors).

Applicants should note that they should verify carefully fill-in their depository account details and PAN number in the Application Form or while submitting application through online/electronic Application through the website of the SCSBs (if made available by such SCSB) and R-WAP. Incorrect depository account details or PAN number could lead to rejection of the Application. For details see “Terms of the Issue - Grounds for Technical Rejection” on page 168 of the Letter of Offer. Our Company, the Lead Manager, the Registrar and the SCSB shall not be liable for any incorrect demat details provided by the Applicants.

Procedure for Application through the ASBA process

Investors desiring to make an Application in this Issue through ASBA process, may submit the Application Form to the Designated Branch of the SCSB or online/electronic Application through the website of the SCSBs (if made available by such SCSB) for authorizing such SCSB to block Application Money payable on the Application in their respective ASBA Accounts.

Investors should ensure that they have correctly submitted the Application Form, or have otherwise provided an 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.

Self-Certified Syndicate Banks

For the list of banks which have been notified by SEBI to act as SCSBs for the ASBA process, please refer to <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34>. For details on Designated Branches of SCSBs collecting the Application Form, please refer the above-mentioned link. Please note that subject to SCSBs complying with the requirements of SEBI Circular No. CIR/CFD/DIL/13/2012 dated September 25, 2012 within the periods stipulated therein, ASBA Applications may be submitted at the Designated Branches of the SCSBs, in case of Applications made through ASBA facility.

Procedure for Application through R-WAP:

Resident Individual Investors, making an Application through R-WAP, shall make online payment using internet banking or UPI facility. Prior to making an Application, such Investors should enable the internet banking or UPI facility of their respective bank accounts and such Investors should ensure that the respective bank accounts have sufficient funds. Our Company, the Registrar and the Lead Manager shall not be responsible if the Application is not successfully submitted or rejected during Basis of Allotment on account of failure to be in compliance with the same. R-WAP facility will be operational from the Issue Opening Date. For risks associated with the R-WAP process, see “Risk Factor- The R-WAP payment mechanism facility proposed to be used for this issue may be exposed to risks, including risks associated with payment gateways” on page 25 of the Letter of Offer.

PLEASE NOTE THAT ONLY RESIDENT INDIVIDUAL INVESTORS CAN SUBMIT AN APPLICATION USING THE R-WAP. R-WAP FACILITY WILL BE OPERATIONAL FROM THE ISSUE OPENING DATE. FOR RISKS ASSOCIATED WITH THE R-WAP PROCESS, SEE “RISK FACTOR” ON PAGE NO. 25 OF THE LETTER OFFER - THE R-WAP PAYMENT MECHANISM FACILITY PROPOSED TO BE USED FOR THIS ISSUE MAY BE EXPOSED TO RISKS, INCLUDING RISKS ASSOCIATED WITH PAYMENT GATEWAYS” ON PAGE 25

For guidance on the Application process through R-WAP and resolution of difficulties faced by the Investors, the Investors are advised to carefully read the frequently asked questions, visit the online/ electronic dedicated investor helpdesk

(<https://rights.kfintech.com>) or call helpline number (+91 40 67162222/18003094001) . For details, see “ - Procedure for Application through the R-WAP” on page 157 of the Letter of Offer.

Applications on Plain Paper under ASBA process

An Eligible Equity Shareholder who is eligible to apply under the ASBA process may make an Application to subscribe to this Issue on plain paper. An Eligible Equity Shareholder shall submit the plain paper Application to the Designated Branch of the SCSB for 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 address outside India.

Alternatively, Eligible Equity Shareholders may also use the Application Form available online on the websites of our Company, the Registrar to the Issue, the Stock Exchange, the Lead Manager or the R-WAP to provide requisite details.

Please note that 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.

PLEASE NOTE THAT APPLICATION ON PLAIN PAPER CANNOT BE SUBMITTED THROUGH R-WAP

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

- Name of our Issuer, being B.N Ra thi Securities Limited;
- Name and address of the Eligible Equity Shareholder including joint holders (in the same order and as per specimen recorded with our Company or the Depository);
- Registered Folio Number and DP and Client ID No.;
- Number of Equity Shares held as on Record Date;
- Allotment option preferred - only Demat form;
- 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 within the Right Entitlements;
- Total amount paid at the rate of ₹ 22/- per Rights Equity Share;
- Details of the ASBA Account such as the account number, name, address and branch of the relevant SCSB;
- In case of NR Eligible Equity Shareholders making an application with an Indian address, details of the NRE/FCNR/NRO Account such as the account number, name, address and branch of the SCSB with which the account is maintained;
- Except for Applications on behalf of the Central or State Government, the residents of Sikkim and 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;
- Authorisation to the Designated Branch of the SCSB to block an amount equivalent to the Application Money in the ASBA Account;
- Signature of the Eligible Equity Shareholder (in case of joint holders, to appear in the same sequence and order as they appear in the records of the SCSB);
- Additionally, all such Applicants are deemed to have accepted the following:

“I/We understand that neither the Rights Entitlement nor the Rights Equity Shares have been, and will be, registered under the United States Securities Act of 1933, as amended (“US Securities Act”) or any United States state securities laws, and may not be offered, sold, resold or otherwise transferred within the United States or to the territories or possessions thereof (“United States”) or to, or for the account or benefit of a United States person as defined in the Regulation S of the US Securities Act (“Regulation S”). I/ we understand the Rights Equity Shares referred to in this application are being offered in India but not in the United States. I/ we understand the offering to which this application relates is not, and under no circumstances is to be construed as, an offering of any Rights Equity Shares or Rights Entitlement for sale in the United States, or as a solicitation therein of an offer to buy any of the said Rights Equity Shares or Rights Entitlement in the United States. Accordingly, I/ we understand this application should not be forwarded to or transmitted in or to the United States at any time. I/ we confirm that I/ we are not in the United States and understand that neither us, nor 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 a resident of the United States “U.S. Person” (as defined in Regulation S) or is ineligible to participate in the Issue under the securities laws of their jurisdiction.

“I/ We will not offer, sell or otherwise transfer any of the Equity Shares which may be acquired by us in any jurisdiction or under any circumstances in which such offer or sale is not authorized or to any person to whom it is unlawful to make such offer, sale or invitation except under circumstances that will result in compliance with any applicable laws or regulations. We satisfy, and each account for which we are acting satisfies, all suitability standards for investors in investments of the type subscribed for herein imposed by the jurisdiction of our residence.

I/ We understand and agree that the Rights Entitlement and Rights Equity Shares may not be reoffered, resold, pledged or otherwise transferred except in an offshore transaction in compliance with Regulation S, or otherwise pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act. I/We (i) am/are, and the person, if any, for whose account I/we am/are acquiring such Rights Entitlement, and/or the Equity Shares, is/are outside the United States or a Qualified Institutional Buyer (as defined in the US Securities Act), and (ii) is/are acquiring the Rights Entitlement and/or the Equity Shares in an offshore transaction meeting the requirements of Regulation S or in a transaction exempt from, or not subject to, the registration requirements of the US Securities Act.

I/We acknowledge that the Company, the Lead Manager, their affiliates and others will rely upon the truth and accuracy of the foregoing representations and agreements.”

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

Investors are requested to strictly adhere to these instructions. Failure to do so could result in an Application being rejected, with our Company, 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 <https://rights.kfintech.com>. Our Company, the Lead Manager and the Registrar shall not be responsible if the Applications are not uploaded by SCSB or funds are not blocked in the Investors' ASBA Accounts on or before the Issue Closing Date.

Procedure for Application by Eligible Equity Shareholders holding Equity Shares in physical form

Resident 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:

1. The Eligible Equity Shareholders shall send a letter to the Registrar containing the name(s), address, e-mail address, contact details and the details of their demat account along with copy of self-attested PAN and self-attested client master sheet of their demat account either by e-mail, registered post, speed post, courier, or hand delivery or by uploading the said documents in the “Demat Account Registration” module available in the portal of the Registrar at <https://rights.kfintech.com> so as to reach to the Registrar no later than two Working Days prior to the Issue Closing Date;
2. 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;
3. The remaining procedure for Application shall be same as set out in “Application on Plain Paper under ASBA process” beginning on page 160 of Letter of Offer
4. The Eligible Equity Shareholders can access the Application Form from:
 - Our Company at www.bnrsecurities.com
 - the Registrar to the Issue at <https://rights.kfintech.com>
 - the Lead Manager at www.bajajcapital.com
 - the Stock Exchange at www.bseindia.com; and
 - the Registrar's web-based application platform at <https://rights.kfintech.com> - (“R -WAP”)

Eligible Equity Shareholders can also obtain the details of their respective Rights Entitlements from the website of the Registrar to the Issue (<https://rights.kfintech.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 such other credentials for validation of the identity of the shareholder, as may be required. The link for the same shall also be available on the website of our Company (www.bnrsecurities.com).

5. The Eligible Equity Shareholders shall, on or before the Issue Closing Date, (i) submit the Application Form to the Designated Branch of the SCSB or online/electronic Application through the website of the SCSBs (if made available by such SCSB) for authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts, or (ii) fill the online Application Form available on R-WAP and make online payment using their internet banking or UPI facility from their own bank account thereat.

In accordance with the SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020, the resident Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date shall be required to provide their demat account details to our Company or the Registrar to the Issue for credit of REs not later than two working days prior to issue closing date, such that credit of REs in their demat account takes place at least one day before issue closing date, thereby enabling them to renounce their Rights Entitlements through Off Market Renunciation.

PLEASE NOTE THAT THE ELIGIBLE EQUITY SHAREHOLDERS, WHO HOLD EQUITY SHARES IN PHYSICAL FORM AS ON RECORD DATE AND WHO HAVE NOT FURNISHED THE DETAILS OF THEIR RESPECTIVE DEMAT ACCOUNTS TO THE REGISTRAR OR OUR COMPANY AT LEAST TWO WORKING DAYS PRIOR TO THE ISSUE CLOSING DATE, SHALL NOT BE ELIGIBLE TO MAKE AN APPLICATION FOR RIGHTS EQUITY SHARES AGAINST THEIR RIGHTS ENTITLEMENTS WITH RESPECT TO THE EQUITY SHARES HELD IN PHYSICAL FORM.

Rights Entitlement Ratio

The Rights Equity Shares are being offered on a rights basis to the Eligible Equity Shareholders in the ratio of 2 (two) Rights Equity Share(s) for every 3 (three) Equity Share(s) held on the Record Date.

Fractional Entitlements

The Rights Equity Shares are being offered on a rights basis to Eligible Equity Shareholders in the ratio of 2 (two) Rights Equity Share(s) for every 3 (three) Equity Share(s) held on the Record Date. For Rights Equity Shares being offered on a rights basis under the Issue, if the shareholding of any of the Eligible Equity Shareholders is less than 2(two) Equity Shares or is not in the multiple of 1 (One Equity Share), 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 as above will be given preferential consideration for the Allotment of one Additional Rights Equity Share each if they apply for Additional Rights Equity Shares over and above their Rights Entitlement.

Credit of Rights Entitlements in demat accounts of Eligible Equity Shareholders:

In accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI Rights Issue Circular, the credit of Rights Entitlements and Allotment of Rights Equity Shares shall be made in dematerialized form only. Prior to the Issue Opening Date, our Company shall credit the Rights Entitlements to (i) the demat accounts of the Resident Eligible Equity Shareholders holding the Equity Shares in dematerialised form; and (ii) a demat suspense escrow account (namely, “**B N RATHI SECURITIES LIMITED UNCLAIMED SECURITIES SUSPENSE ACCOUNT**”) will be opened by our Company, for the Resident Eligible Equity Shareholders which would comprise Rights Entitlements relating to (a) Equity Shares held in a demat suspense account pursuant to Regulation 39 of the SEBI Listing Regulations; or (b) Equity Shares held in the account of IEPF authority; or (c) the demat accounts of the Resident Eligible Equity Shareholder which are frozen or suspended for debit or credit or details of which are unavailable with our Company or with the Registrar on the Record Date; or (d) Equity Shares held by Eligible Equity Shareholders in physical form as on Record Date where details of demat accounts are not provided by Eligible Equity Shareholders to our Company; (e) credit of the Rights Entitlements returned/reversed/failed; or (f) the ownership of the Equity Shares currently under dispute, including any court proceedings.

In this regard, our Company has made necessary arrangements with NSDL and CDSL for the crediting of the Rights Entitlements to the demat accounts of the Eligible Equity Shareholders in a dematerialized form. A separate ISIN for the Rights Entitlements shall be generated which is INE710D20010. 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.

PLEASE NOTE THAT CREDIT OF THE RIGHTS ENTITLEMENTS IN THE DEMAT ACCOUNT DOES NOT, PER SE, ENTITLE THE INVESTORS TO THE RIGHTS EQUITY SHARES AND THE INVESTORS HAVE TO SUBMIT APPLICATION FOR THE RIGHTS EQUITY SHARES ON OR BEFORE THE ISSUE CLOSING DATE AND MAKE PAYMENT OF THE APPLICATION MONEY. FOR DETAILS, SEE “TERMS OF THE ISSUE - PROCEDURE FOR APPLICATION” ON PAGE 154 OF THE LETTER OF OFFER.

Renunciation of Rights Entitlements

The Investors may renounce the Rights Entitlements, credited to their respective demat accounts, either in full or in part (a) by using the secondary market platform of the Stock Exchange; or (b) through an off - market transfer, 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.

In accordance with the SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020, the resident Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date shall be required to provide their demat account details to our Company or the Registrar to the Issue for credit of REs not later than two working days prior to issue closing date, such that credit of REs in their demat account takes place at least one day before issue closing date, thereby enabling them to

renounce their Rights Entitlements through Off Market Renunciation. Such Eligible Equity Shareholders holding shares in physical form can update the details of their respective demat accounts on the website of the Registrar (i.e., <https://rights.kfintech.com>). Such Eligible Equity Shareholders can make an Application or renounce their entitlement only after the Rights Entitlements are credited to their respective demat accounts. For details, see “*Terms of the Issue - Procedure for Renunciation of Rights Entitlements*” on page 158 of the Letter of Offer.

PLEASE NOTE THAT THE RIGHTS ENTITLEMENTS WHICH ARE NEITHER RENOUNCED NOR SUBSCRIBED BY THE INVESTORS ON OR BEFORE THE ISSUE CLOSING DATE SHALL LAPSE AND SHALL BE EXTINGUISHED AFTER THE ISSUE CLOSING DATE.

(a) On Market Renunciation

The Investors may renounce the Rights Entitlements, credited to their respective demat accounts by trading/selling them on the secondary market platform of the Stock Exchange through a registered stockbroker in the same manner as the existing Equity Shares of our Company.

In this regard, in terms of provisions of the SEBI ICDR Regulations and the SEBI Rights Issue Circulars, the Rights Entitlements credited to the respective demat accounts of the Eligible Equity Shareholders shall be admitted for trading on the Stock Exchange under ISIN INE710D20010 subject to requisite approvals. The details for trading in Rights Entitlements will be as specified by the Stock Exchange from time to time. The Rights Entitlements are tradable in dematerialized form only. The market lot for trading of Rights Entitlements is 2 (Two) Rights Entitlements.

The On Market Renunciation shall take place only during the Renunciation Period for On Market Renunciation, i.e., Monday, January 03, 2022 to Monday, January 17, 2022 (both days inclusive). The Investors holding the Rights Entitlements who desire to sell their Rights Entitlements will have to do so through their registered stock brokers by quoting the ISIN INE710D20010 and indicating the details of the Rights Entitlements they intend to sell. The Investors can place order for sale of Rights Entitlements only to the extent of Rights Entitlements available in their demat account.

The On Market Renunciation shall take place electronically on secondary market platform of BSE under automatic order matching mechanism and on ‘T+2 rolling settlement 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 Exchange and the SEBI.

(b) Off Market Renunciation

The Investors may renounce the Rights Entitlements, credited to their respective demat accounts by way of an off-market transfer through a depository participant. The Rights Entitlements can be transferred in 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.

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 INE710D20010, 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.

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.

Options available to the Eligible Equity Shareholders

Details of each Eligible Equity Shareholders RE will be sent to the Eligible Equity shareholder separately along with the Application Form and would also be available on the website of the Registrar to the Issue at <https://rights.kfintech.com> and link of the same would also be available on the website of our Company at (www.bnrsecurities.com). Respective Eligible Equity Shareholder can check their entitlement by keying their requisite details therein.

The Eligible Equity Shareholders will have the option to:

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

Additional Rights Equity Shares

Investors are eligible to apply for additional Rights Equity Shares over and above their Rights Entitlements, provided that they are eligible to apply for Rights Equity Shares under applicable law and they have applied for all the Rights Equity Shares forming part of their Rights Entitlements without renouncing them in whole or in part. Applications for additional Rights Equity Shares shall be considered and allotment shall be made at the sole discretion of the Board, subject to applicable sectoral caps, and in consultation if necessary with the Designated Stock Exchange and in the manner prescribed under the section titled "Terms of the Issue" on page 145 of the Letter of Offer. Applications for additional Rights Equity Shares shall be considered and Allotment shall be made in accordance with the SEBI ICDR Regulations and in the manner prescribed under the section "Basis of Allotment" on page 171 of the Letter of Offer.

Eligible Equity Shareholders who renounce their Rights Entitlements cannot apply for additional Rights Equity Shares.

Non-resident Renounees who are not Eligible Equity Shareholders cannot apply for additional Rights Equity Shares.

Resident Eligible Equity Shareholders who hold Equity Shares in physical form as on the Record Date cannot renounce until the details of their demat account are provided to our Company or the Registrar and the dematerialised Rights Entitlements are transferred from suspense escrow demat account to the respective demat accounts of such Eligible Equity Shareholders within prescribed timelines. However, Such Eligible Equity Shareholders, where the dematerialised Rights Entitlements are transferred from the suspense escrow demat account to the respective demat accounts within prescribed timelines, can apply for additional Rights Equity Shares while submitting the Application through ASBA process or using R-WAP.

Intention and extent of participation in the Issue by the Promoter and Promoter Group

The Promoters vide their letters dated October 25, 2021 have undertaken to fully subscribe for their Rights Entitlement in the Issue. The Promoters reserve the right to subscribe to their Entitlement in the Issue by subscribing for renunciation if any made in their favour. The Promoters may also apply for additional Equity Shares in the Issue. As a result of this subscription and consequent allotment, the Promoters may acquire shares over and above their entitlement in the Issue, which may result in an increase of their shareholding above the current shareholding with the entitlement of Equity Shares under the Issue. This subscription and acquisition of additional Equity Shares by the Promoters, if any, shall be made in compliance with the applicable provisions of the SEBI SAST Regulations. Allotment to the Promoters of any unsubscribed portion, over and above their entitlement shall be done in compliance with SEBI LODR Regulations and other applicable laws prevailing at that time relating to continuous listing requirements. In the event of renouncement by any promoter and/or member of the promoter group of the Issuer Company, other than renunciation within the promoters / promoter group, the promoters and the promoter group shall not be eligible for exemption available under Regulation 10(4)(b) of the SEBI SAST Regulations, 2011.

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.

Availability of offer document of the immediately preceding rights issue for inspection: A copy of letter of offer dated November 30, 2021 issued in respect of previous rights issue of face value of ₹ 10 each of our Company is available in the manner specified in the SEBI ICDR Regulations and also as a material document for inspection.

Any other important information as per Lead Manager and the Issuer: Nil

DECLARATION

We hereby certify that no statement made in the Letter of Offer contravenes any of the provisions of the Companies Act, 2013 and the rules made thereunder. We further certify that all the legal requirements connected with the Issue as also the regulations, guidelines, instructions, etc., issued by SEBI, Government of India and any other competent authority in this behalf, have been duly complied with. We further certify that all disclosures made in the Letter of Offer are true and correct.

SIGNED BY THE DIRECTORS OF OUR COMPANY

Sd/-
Sri. Laxminiwas Sharma
(Chairman)

Sd/-
Hari Narayan Rathi
(Managing Director)

Sd/-
Chetan Rathi
(Whole-Time Director & CFO)

Sd/-
Harishchandra Prasad Kanuri
(Director)

Sd/-
Smt. Shanti Sree Bolleni
(Director)

Date: November 30, 2021
Place: Hyderabad, Telengana