

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 January 03, 2023 ("Letter of Offer") which is available on the websites of our Company, the Registrar and the Stock Exchanges. You are encouraged to read greater details available in the Letter of Offer. Capitalized terms not specifically defined herein shall have the meaning 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 i.e., www.adroitcorporate.com the Letter of Offer, Abridged Letter of Offer along with the Rights Entitlement and Application Form to the Eligible Equity Shareholders. You may also download the Letter of Offer from the websites of the Company, the stock exchange where the Equity Shares of our Company are listed, i.e., BSE Limited ("BSE") and the Registrar at www.vfsl.org, www.bseindia.com and www.adroitcorporate.com respectively. The Application Form is available on the respective websites of the Stock Exchange and the Registrar.



Visagar Financial Services Limited

Corporate Identification Number:
L99999MH1994PLC076858

Registered Office: 907-908, Dev Plaza, 9th Floor, S.V. Road, Andheri (West), Mumbai - 400 058;

Tel. No.: +91 22 67424815;

Website: www.vfsl.org ;

E-mail: info@visagar.com

Contact Person: Ms. Sonam Prajapati, Company Secretary and Compliance Officer

PROMOTER OF OUR COMPANY: MR. TILOKCHAND MANAKLAL KOTHARI and SIBSAGAR TRADE AND AGENCIES PRIVATE LIMITED

ISSUE DETAILS

ISSUE OF UP TO 49,73,87,700 UP EQUITY SHARES WITH A FACE VALUE OF RE. 1.00 EACH ("RIGHTS EQUITY SHARES") OF OUR COMPANY FOR CASH AT A PRICE OF RE. 1.00 PER RIGHTS EQUITY SHARE ("ISSUE PRICE") FOR AN AGGREGATE AMOUNT UP TO Rs. 49.73 CRORES* ON A RIGHTS BASIS TO THE ELIGIBLE EQUITY SHAREHOLDERS OF OUR COMPANY IN THE RATIO OF 51 (FIFTY- ONE) RIGHTS EQUITY SHARES FOR EVERY 10 (TEN) FULLY PAID-UP EQUITY SHARES HELD BY THE ELIGIBLE EQUITY SHAREHOLDERS ON THE RECORD DATE, THAT IS ON FRIDAY, DECEMBER 30, 2022 (THE "ISSUE"). THE ISSUE PRICE FOR THE RIGHTS EQUITY SHARES IS 1.00 TIMES THE FACE VALUE OF THE EQUITY SHARES.

**Assuming full subscription and receipt of Application Monies with respect to Rights Equity Shares.*

AMOUNT PAYABLE ON APPLICATION: RE. 1/- PER EQUITY SHARE

The existing Equity Shares of our Company are listed on the BSE Limited ("BSE") the ("Stock Exchange"). Our Company has received "in-principle" approvals from BSE for listing the Rights Equity Shares through their letter dated November 17, 2022. For the purposes of the Issue, the Designated Stock Exchange is BSE.

Procedure: If you wish to know about processes and procedures applicable to rights issue, you may refer to the section titled "**Terms of the Issue**" on page 224 of the Letter of Offer. You may download a copy of the Letter of Offer from the websites of the Company, BSE, Registrar as stated above.

ELIGIBILITY FOR THE PRESENT RIGHTS ISSUE

Our Company is eligible to offer Rights Equity Shares pursuant to the Issue in terms of Chapter III and other applicable provisions of the SEBI ICDR Regulations. Pursuant to Clause 1 of Part B of Schedule VI to the SEBI ICDR Regulations, our Company is required to make disclosures in accordance with Part B of Schedule VI to the SEBI ICDR Regulations.

Minimum Subscription: In accordance with Regulation 86(1) of the SEBI ICDR Regulations, our Company is not required to achieve minimum subscription for the Rights Issue on account of the following reason:

1. Objects of the Rights Issue are for a purpose which is other than financing a capital expenditure for a project; and
2. Our Promoters and members of our Promoter Group vide their letter (Subscription Letter) have agreed that they have the intention to subscribe, to the full extent of their Rights Entitlements in the Issue, except to the extent of renunciation by certain members of Promoters and Promoter Group of their Rights Entitlement in favour other members of Promoter and Promoter Group in part or full.

INDICATIVE TIMELINES

The below mentioned timelines are indicative and does not constitute any obligation on our Company:

ISSUE OPENING DATE	January 12, 2023; Thursday	DATE OF ALLOTMENT (ON OR ABOUT)	February 15, 2023; Wednesday
LAST DATE FOR ON MARKET RENUNCIATION OF RIGHTS ENTITLEMENTS#	January 25, 2023; Wednesday	DATE OF CREDIT (ON OR ABOUT)	February 16, 2023; Thursday
ISSUE CLOSING DATE*	February 02, 2023; Thursday	DATE OF LISTING (ON OR ABOUT)	March 01, 2023; Wednesday
FINALISATION OF BASIS OF ALLOTMENT (ON OR ABOUT)	February 14, 2023; Tuesday	DATE OF TRADING (ON OR ABOUT)	March 01, 2023; Wednesday

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

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

NOTICE TO INVESTORS

In accordance with the SEBI ICDR Regulations, the SEBI Relaxation Circulars, the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be sent/ dispatched only to the Eligible Equity Shareholders who have provided Indian address. In case such Eligible Equity Shareholders have provided their valid e-mail address, the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be sent only to their valid e-mail address and in case such Eligible Equity Shareholders have not provided their e-mail address, then the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them. Further, the Letter of Offer will be sent/ dispatched to the Eligible Equity Shareholders who have provided Indian address and who have made a request in this regard. In case such Eligible Equity Shareholders have provided their valid e-mail address, the Letter of Offer will be sent only to their valid e-mail address and in case such Eligible Equity Shareholders have not provided their e-mail address, then the Letter of Offer will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them.

GENERAL RISKS

Investment in equity and equity related securities involve a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk with such investment. Investors are advised to read the risk factors carefully before taking an investment decision in this Issue. For taking an investment decision, investors must rely on their own examination of our Company and the Issue including the risks involved. The Rights Equity Shares 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 this Document. Specific attention of investors is invited to the statement of "Risk Factors" on page 22 before making an investment in this Issue

Name of Registrar to the Issue and contact details	ADROIT CORPORATE SERVICES PRIVATE LIMITED Address: 18-20, Jafarbhoy Industrial Estate, 1st Floor, Makawana Road, Marol Naka, Andheri (East), Mumbai 400 059 Tel. No.: +91 22 42270400 Email: divyan@adroitcorporate.com Investor Grievance Email: info@adroitcorporate.com Website: www.adroitcorporate.com Contact Person: Ms. Diviya Nadar SEBI Registration No.: INR000002227
Name of Statutory Auditors	M/S BHATTER AND ASSOCIATES, CHARTERED ACCOUNTANTS
Self-Certified Syndicate Banks ("SCSBs")	The list of banks that have been notified by SEBI to act as the SCSBs for the ASBA process is provided on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34 and updated from time to time. For a list of branches of the SCSBs named by the respective SCSBs to receive the ASBA Forms from the Designated Intermediaries, please refer to the above-mentioned link.

Banker(s) to the Issue	HDFC BANK LIMITED Address: FIG-OPS Dept, Lodha-I Think Techno Campus, O-3, Next to Kanjurmarg Railway Station, Kanjurmarg (E), Mumbai 400042 Tel. No.: +91 91 22 30752914/ 28/ 29 Email: siddharth.jadhav@hdfcbank.com / sachin.gawade@hdfcbank.com / Website: www.hdfcbank.com Contact Person: Vikas Rahate/ Eric Bacha/ Siddharath Jadhav/ Sachin Gawade/ Tushar Gavankar
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1. SUMMARY OF BUSINESS

Our Company is a non-deposit taking Non-Banking Financial Company (NBFC-Non-Systematically Important Non-Deposit Taking Company) categorized as Investment and Credit Company i.e. ICC) registered with the RBI. VFSL is primarily engaged in the business of investing in securities of listed and unlisted companies. Our investment strategy depends on the opportunities, market conditions; both long term and short term and we invest in variety of sectors. The company generates maximum revenue from the sale of shares. Our loan portfolio was FY 2020-21 and FY 2021-22, is Rs. 733.52 Lakhs and Rs. 634.89 Lakhs, respectively comprising of short term of loan to a few corporate and non-corporate clients. We provide both secured and unsecured loans based on the risk profiles of the clients. We need financial resources to fuel the growing demand and to seize the opportunities presented by the market from time to time.

2. OUR PROMOTER

The Promoter of our Company are Mr. Tilokchand Kothari and Sibsagar Trade and Agencies Private Limited. Our Promoters and Promoter Group have, vide their letters (the "Subscription Letters") have agreed that they along with other Promoters and certain members of Promoter Group of our Company, intend to subscribe, jointly and / or severally, to the full extent of their Rights Entitlements (including through subscription of any Rights Entitlements renounced in their favour by any other Promoter or member(s) of the Promoter Group of our Company).

3. OBJECTS OF THE ISSUE

Sr. No.	Object	Amount Proposed to be Utilized from the Net Proceeds (Rs. in lakhs upto)
1.	Augmenting the capital base of our Company	3923.88
2.	General Corporate Purposes	1000.00
3.	To meet Issue Expenses	50.00
	Total	4973.88

For further details, please refer chapter "Objects of the Issue" beginning from page no. 53 of this Letter of Offer.

The amount is subject to adjustment upon finalization of Issue related expenses and subject to receipt of subsequent call money as may be called by the Board from time to time, however, in no event, shall general corporate purposes exceed 25% of the Gross Price. Our Company proposes to meet the entire requirement of funds for the proposed objects of the Issue from the Rights Issue Proceeds. Accordingly, our Company confirms that there is no requirement to make firm arrangements of finance through verifiable means towards at least 75% of the stated means of finance, excluding the amount to be raised from the Issue.

4. NAME OF MONITORING AGENCY

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

5. EQUITY SHAREHOLDING PATTERN (AS ON SEPTEMBER 30, 2022):

Category of shareholder	No. of shareholders	No. of fully paid up equity shares held	Total no. shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B+C2)	Voting Rights	Total as a % of Total Voting right	No. of equity shares held in dematerialized form
(A) Promoter & Promoter Group	2	52,08,000	52,08,000	5.34	52,08,000	5.34	52,08,000
(B) Public	38,971	9,23,19,000	9,23,19,000	94.66	9,23,19,000	94.66	9,14,61,000
(C1) Shares underlying DRs				0.00		0.00	
(C2) Shares held by Employee Trust				0.00		0.00	
(C) Non Promoter-Non Public				0.00		0.00	
Grand Total	38,973	9,75,27,000	9,75,27,000	100.00	9,75,27,000	100.00	9,66,69,000

Shareholding Pattern of our Company as per the last filing with the Stock Exchanges in compliance with the provisions of the SEBI Listing Regulations:

- i. The shareholding pattern of our Company as on September 30, 2022, can be accessed on the website of the BSE at: <https://www.bseindia.com/stock-share-price/visagar-financial-services-ltd/visagar/531025/shareholding-pattern/>
- ii. Statement showing holding of the Equity Shares of the Promoters and Promoter Group including details of lock-in, pledge of and encumbrance thereon, as on September 30, 2022 can be accessed on the website of BSE at: <https://www.bseindia.com/corporates/shpPromoterNGroup.aspx?scripcd=531025&qtrid=115.00&QtrName=September%202022>
- iii. Statement showing holding of the Equity Shares of persons belonging to the category “Public” including shareholders holding more than 1% of the total number of the Equity Shares as on September 30, 2022 can be accessed on the website of BSE at <https://www.bseindia.com/corporates/shpPublicShareholder.aspx?scripcd=531025&qtrid=115.00&QtrName=September%202022>
- iv. Statement showing shareholding pattern of the Non Promoter-Non Public shareholder of our Company as on September 30, 2022 can be accessed on the website of BSE at: <https://www.bseindia.com/corporates/shpNonProPublic.aspx?scripcd=506178&qtrid=115.00&QtrName=September%202022>

6. BOARD OF DIRECTORS

Sr. No.	Name	Designation	Other Directorships as on the date of the Letter of Offer
1.	Mr. Tilokchand Manaklal Kothari	Executive Director	<p>Companies</p> <ul style="list-style-type: none"> • Trisha Studios Limited • Shalimar Productions Limited • Jagrecha Finance And Trades Private Limited • Sibsagar Trade And Agencies Private Limited • Sagar Portfolio Services Limited • Maharashtra Corporation Limited • Visagar Polytex Limited <p>HUF- Tilokchand Manaklal Kothari HUF</p> <ul style="list-style-type: none"> • LLP- NIL • Proprietary Firm-NIL <p>Trust- Saraswati Educare Foundation</p>
2.	Mr. Kailash Ram Gopal Chhapparwal	Non- Executive Director	<ul style="list-style-type: none"> • Nandini Texcom (India) Limited • Visagar Polytex Limited • Shalimar Productions Limited
3.	Mr. Kuldeep Kumar	Non-Executive Independent Director	<ul style="list-style-type: none"> • Visagar Polytex Limited • Maharashtra Corporation Limited • Shalimar Productions Limited
4.	Mr. Sanjay Rajak	Non-Executive Independent Director	<ul style="list-style-type: none"> • Maharashtra Corporation Limited • Shalimar Productions Limited
5.	Ms. Madhu Bala Vaishnav	Non-executive Independent Director	<ul style="list-style-type: none"> • Visagar Polytex Limited • Maharashtra Corporation Limited • Shalimar Productions Limited

For more details, see the chapter titled “*Our Management*” on page 79 of the Letter of Offer.

7. Neither our Company nor our Promoters or our Directors have been or are identified as Wilful Defaulter or a fraudulent borrower

8. Financial Statement Summary

A summary of the consolidated financial information of our Company for Financial Year 2021-22 and for the 6 months period ended September 30, 2022 is set out below:

(Rs. In Lakhs)

Particulars	Audited as at 30/09/2022	Audited as at 31/03/2022
Total income from operations (net)	2331.07	1682.30
Net profit / (loss) before tax and extraordinary items	(306.32)	23.83
Profit / (loss) after tax and extraordinary items	(306.32)	23.83
Equity Share Capital	975.27	975.27
Reserves and Surplus	87.03	219.28
Net worth	888.24	1194.55
Basic and Diluted Earnings per Equity Share (Face Value to Re. 1)	(0.31)	0.02
Net Asset Value/Book Value per Equity Share (Face Value to Re. 1)	0.91	1.22
Return on net worth (%)	(0.34)	0.02

9. INTERNAL RISK FACTORS

The below mentioned risks are the top ten risk factors as per the Letter of Offer:

1. There are outstanding legal proceedings involving our Company, its Promoters, its Directors and Group Company.
2. Failure on our part to adhere to RBI or other Regulatory norms may lead to penalties affecting our business and financial condition and / or cancellation of NBFC license
3. As an NBFC, we face the risk of default and non-payment by borrowers and other counterparties. Any such defaults and non-payments would result in write-offs and/or provisions in our financial statements which may materially and adversely affect our profitability and asset quality.
4. Our investments activity and inventory are subject to market risk and judgement of our Management.
5. Some the loans granted are short term in nature.
6. We are a listed company and are required to comply with rules and regulations imposed by the Stock Exchanges and SEBI with respect to continuous listing and the Companies Act. Any failure to comply with such rules and regulations or any wrong disclosure made to the Stock Exchange or any statutory authority could result in penalties being imposed on us, which may adversely affect our business and operations.
7. Our Company may incur penalties or liabilities for non-compliances with few provisions of the Companies Act and other applicable laws in the last five (5) Years.
8. High levels of customer defaults or delays in repayment of loans could adversely affect our business, financial condition and results of operations
9. Our indebtedness and the conditions and restrictions imposed by our financing agreements could restrict our ability to conduct our business and operations in the manner we desire.
10. We are significantly dependent on a few major borrowers. Our inability to expand our loan book to include a greater number of borrowers and hence reduce dependence on certain borrowers could result in large write-offs or other financial instability.

For further details, see the section “*Risk Factors*” on page of 22 the Letter of Offer.

10. OUTSTANDING LITIGATION, CLAIMS AND REGULATORY ACTION

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

(Rs. in lakhs)

Nature of Cases	Number of outstanding cases	Amount Involved*
<i>Litigation involving our Company</i>		
Criminal proceedings against our Company	NIL	NIL
Criminal proceedings by our Company	1	12.00
Material civil litigation against our Company	NIL	NIL
Material civil litigation by our Company	NIL	NIL
Actions by statutory or regulatory Authorities	NIL	NIL
Direct and indirect tax proceedings	11	40.43
<i>Litigation involving our Directors</i>		
Criminal proceedings against our Directors	1	122.58
Criminal proceedings by our Directors	NIL	NIL
Material civil litigation against our Directors	NIL	NIL
Material civil litigation by our Directors	NIL	NIL
Actions by statutory or regulatory authorities	NIL	NIL
Direct and indirect tax proceedings	3	4.24
<i>Litigation involving our Promoters</i>		
Criminal proceedings against our Promoters	1	122.58
Criminal proceedings by our Promoters	NIL	Nil
Material civil litigation against our Promoters	NIL	NIL
Material civil litigation by our Promoters	NIL	NIL
Actions by statutory or regulatory authorities	NIL	Nil
Direct and indirect tax proceedings	7	64.05
<i>Litigation involving our Group Company</i>		
Criminal proceedings against our Group Company	NIL	NIL
Criminal proceedings by our Group Company	NIL	NIL
Material civil litigation against our Group Company	NIL	NIL
Material civil litigation by our Group Company	NIL	NIL
Actions by statutory or regulatory Group Authorities	1	53.41
Direct and indirect tax proceedings	66	1550.91

*Includes TDS defaults for prior years

For further details in relation to the pending litigation involving our Company, see section “*Outstanding Litigations, Defaults and Material Developments*” on page 211 of the Letter of Offer.

10. TERMS OF THE ISSUE

In accordance with the SEBI ICDR Regulations, the SEBI Relaxation Circulars, the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be sent/ dispatched only to the Eligible Equity Shareholders who have provided Indian address. In case such Eligible Equity Shareholders have provided their valid e-mail address, the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be sent only to their valid e-mail address and in case such Eligible Equity Shareholders have not provided their e-mail address, then the Abridged Letter of Offer, the Application Form, the

Rights Entitlement Letter and other Issue material will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them.

Further, the Letter of Offer will be sent/ dispatched to the Eligible Equity Shareholders who have provided Indian address and who have made a request in this regard. In case such Eligible Equity Shareholders have provided their valid e-mail address, the Letter of Offer will be sent only to their valid e-mail address and in case such Eligible Equity Shareholders have not provided their e-mail address, then the Letter of Offer will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them.

Procedure for Application

In accordance with Regulation 76 of the SEBI ICDR Regulations, the SEBI Rights Issue Circulars and the ASBA Circulars, all Investors desiring to make an Application in this Issue are mandatorily required to use the ASBA process. Investors should carefully read the provisions applicable to such Applications before making their Application through ASBA.

The Application Form can be used by the Eligible Equity Shareholders as well as the Renouncees, to make Applications in this Issue basis the Rights Entitlement credited in their respective demat accounts or demat suspense escrow account, as applicable. For further details on the Rights Entitlements and demat suspense escrow account, see “Terms of the Issue - Credit of Rights Entitlements in demat accounts of Eligible Equity Shareholders” beginning on page 202 of the Letter of Offer.

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

Shareholders may apply for the Equity Shares by submitting the Application Form to 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.

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

Applicants should note that they should very carefully fill-in their depository account details and PAN in the Application Form or while submitting application through online/electronic Application through the website of the SCSBs (if made available by such SCSB). Please note that incorrect depository account details or PAN or Application Forms without depository account details shall be treated as incomplete and shall be rejected. For details see “Grounds for Technical Rejection” below. Our Company, the Registrar and the SCSBs shall not be liable for any incomplete or incorrect demat details provided by the Applicants.

Additionally, in terms of Regulation 78 of the SEBI ICDR Regulations, the Eligible Equity Shareholders may choose to accept the offer to participate in this Issue by making plain paper Applications. Please note that SCSBs shall accept such applications only if all details required for making the application as per the SEBI ICDR Regulations are specified in the plain paper application and that Eligible Equity Shareholders making an application in this Issue by way of plain paper applications shall not be permitted to renounce any portion of their Rights Entitlements. For details, see “- Making of an Application by Eligible Equity Shareholders on Plain Paper under ASBA process” on page 228 of the Letter of Offer.

Making of an Application through the ASBA process

Eligible Shareholders, wishing to participate in this Issue through the ASBA facility, is required to have an ASBA enabled bank account with an SCSB, prior to making the Application. Shareholders desiring to make an Application in this Issue through ASBA process, may submit the Application Form in physical mode to the Designated Branches of the SCSB or online/ electronic Application through the website of the SCSBs (if made available by such SCSB) for authorizing such SCSB to block Application Money payable on the Application in their respective ASBA Accounts.

Eligible Shareholders should ensure that they have correctly submitted the Application Form and have provided an authorisation to the SCSB, via the electronic mode, for blocking funds in the ASBA Account equivalent to the Application Money mentioned in the Application Form, as the case may be, at the time of submission of the Application.

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>.

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

An Eligible Equity Shareholder in India who is eligible to apply under the ASBA process may make an application to subscribe to this Issue on plain paper in case of non-receipt of Application Form as detailed above. In such cases of non-receipt of the Application Form through e-mail or physical delivery (where applicable) and the Eligible Equity Shareholder not being in a position to obtain it from any other source may make an application to subscribe to this Issue on plain paper with the same details as per the Application Form that is available on the website of the Registrar, Stock Exchanges. An Eligible Equity Shareholder shall submit the plain paper Application to the Designated Branch of the SCSB for authorizing such SCSB to block Application Money in the said bank account maintained with the same SCSB. Applications on plain paper will not be accepted from any Eligible Equity Shareholder who has not provided an Indian address or is a U.S. Person or in the United States.

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.

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

- i. Name of our Company, being Visagar Financial Services Limited;
- ii. Name and address of the Eligible Equity Shareholder including joint holders (in the same order and as per specimen recorded with our Company or the Depository);
- iii. Folio Number (in case of Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date) / DP and Client ID;
- iv. Except for Applications on behalf of the Central or State Government, the residents of Sikkim and the officials appointed by the courts, PAN of the Eligible Equity Shareholder and for each Eligible Equity Shareholder in case of joint names, irrespective of the total value of the Equity Shares applied for pursuant to this Issue
- v. Number of Equity Shares held as on Record Date;
- vi. Allotment option – only dematerialised form;
- vii. Number of Equity Shares entitled to;
- viii. Number of Equity Shares applied for within the Rights Entitlements;
- ix. Number of additional Equity Shares applied for, if any (applicable only if entire Rights Entitlements have been applied for);
- x. Total number of Equity Shares applied for;
- xi. Total amount paid at the rate of Re 1 per Equity Share;
- xii. Details of the ASBA Account such as the SCSB account number, name, address and branch of the relevant SCSB;
- xiii. In case of non-resident 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;
- xiv. 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); and
- xv. All such Eligible Equity Shareholders are deemed to have accepted the following:

“I/ We will not offer, sell or otherwise transfer any of the Rights 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 Shareholders 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 Rights Equity Shares is/ are, outside the U.S., (ii) am/ are not a “U.S. Person” as defined in (“Regulation S”), and (iii) is/ are acquiring the Rights Entitlement and/ or the Rights Equity Shares in an offshore transaction meeting the requirements of Regulation S.

I/ We acknowledge that the Company, its 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, as applicable, including cases where a Shareholders submits Application Forms along with a plain paper Application, such Applications shall be liable to be rejected.

Shareholders are requested to strictly adhere to these instructions. Failure to do so could result in an application being rejected, with our Company and the Registrar not having any liability to the Shareholders. The plain paper Application format will be available on the website of the Registrar at www.purvashare.com.

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

Rights Entitlements Ratio

The Equity Shares are being offered on a rights basis to existing Eligible Equity Shareholders in the ratio of 51.10 (51 Equity Shares for every 10 Equity Shares held as on the Record Date).

Fractional Entitlements

The Right Equity Shares are being offered on a rights basis to existing Eligible Equity Shareholders in the ratio of 51 (Fifty-One) Right Equity Shares for every 10 (Ten) Equity Shares held as on the Record Date. As per SEBI Rights Issue Circulars, the fractional entitlements are to be ignored. Accordingly, if the shareholding of any of the Eligible Equity Shareholders is less than 10 Equity Shares or is not in the multiple of 10 Equity Shares, the fractional entitlements of such Eligible Equity Shareholders shall be ignored by rounding down of their Rights Entitlements. However, the Eligible Equity Shareholders whose fractional entitlements are being ignored will be given preferential consideration for the Allotment of one additional Rights Equity Share if they apply for additional Rights Equity Shares over and above their Rights Entitlements, if any, subject to availability of Rights Equity Shares in this Issue post allocation towards Rights Entitlements applied for

For example, if an Eligible Equity Shareholder holds 9 Equity Shares, such Equity Shareholder will be entitled to 45 Right Equity Shares and will also be given a preferential consideration for the Allotment of one additional Rights Equity Share if such Eligible Equity Shareholder has applied for additional Rights Equity Shares, over and above his/her Rights Entitlements, subject to availability of Rights Equity Shares in this Issue post allocation towards Rights Entitlements applied for

IV. RENUNCIATION AND TRADING OF RIGHTS ENTITLEMENT

• Renounees

All rights and obligations of the Eligible Equity Shareholders in relation to Applications and refunds pertaining to this Issue shall apply to the Renounee(s) as well.

• Renunciation of Rights Entitlements

This Issue includes a right exercisable by Eligible Equity Shareholders to renounce the Rights Entitlements credited to their respective demat account either in full or in part.

The renunciation from non-resident Eligible Equity Shareholder(s) to resident Indian(s) and *vice versa* shall be subject to provisions of FEMA Rules and other circular, directions, or guidelines issued by RBI or the Ministry of Finance from time to time. However, the facility of renunciation shall not be available to or operate in favor of an Eligible Equity Shareholders being an erstwhile OCB unless the same is in compliance with the FEMA Rules and other circular, directions, or guidelines issued by RBI or the Ministry of Finance from time to time.

The renunciation of Rights Entitlements credited in your demat account can be made either by sale of such Rights Entitlements, using the secondary market platform of the Stock Exchanges or through an off-market transfer.

• Procedure for Renunciation of Rights Entitlements

The Eligible Equity Shareholders may renounce the Rights Entitlements, credited to their respective demat accounts, either in full or in part (a) by using the secondary market platform of the Stock Exchanges (the “**On Market Renunciation**”); or (b) through an off-market transfer (the “**Off Market Renunciation**”), during the Renunciation Period. The Shareholders 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.

Shareholders may be subject to adverse foreign, state or local tax or legal consequences as a result of trading in the Rights Entitlements.

Shareholders who intend to trade in the Rights Entitlements should consult their tax advisor or stock-broker regarding any cost, applicable taxes, charges and expenses (including brokerage) that may be levied for trading in Rights Entitlements.

Please note that the Rights Entitlements which are neither renounced nor subscribed by the Shareholder on or before the Issue Closing Date shall lapse and shall be extinguished after the Issue Closing Date.

Payment Schedule of Rights Equity Shares

The Issue Price of Re. 1.00 per Rights Equity Share shall be payable on application.

Our Company accept no responsibility to bear or pay any cost, applicable taxes, charges and expenses (including brokerage), and such costs will be incurred solely by the Eligible Shareholders.

(a) On Market Renunciation

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

In this regard, in terms of provisions of the SEBI ICDR Regulations and the SEBI 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 Exchanges under ISIN INE309H20012 subject to requisite approvals. Prior to the Issue Opening Date, our Company will obtain the approval from the Stock Exchanges for trading of Rights Entitlements. No assurance can be given regarding the active or sustained On Market Renunciation or the price at which the Rights Entitlements will trade. The details for trading in Rights Entitlements will be as specified by the Stock Exchanges from time to time.

The On Market Renunciation shall take place only during the Renunciation Period for On Market Renunciation, *i.e.*, from January 12, 2023; Thursday to January 25, 2023; Wednesday (both days inclusive).

The Shareholders 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 INE309H20012 and indicating the details of the Rights Entitlements they intend to trade. The Shareholders 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 Exchanges and the SEBI.

(b) Off Market Renunciation

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

Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncees on or prior to the Issue Closing Date to enable Renouncees to subscribe to the Equity Shares in the Issue.

The Shareholders 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 INE309H20012, 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 Shareholders can transfer Rights Entitlements only to the extent of Rights Entitlements available in their demat account.

The instructions for transfer of Rights Entitlements can be issued during the working hours of the depository participants. The detailed rules for transfer of Rights Entitlements through off-market transfer shall be as specified by the NSDL and CDSL from time to time.

Application for Additional Equity Shares

Investors are eligible to apply for additional Equity Shares over and above their Rights Entitlements, provided that they are eligible to apply for Equity Shares under applicable law and they have applied for all the Equity Shares forming part of their Rights Entitlements without renouncing them in whole or in part. Where the number of additional Equity Shares applied for exceeds the number available for Allotment, the Allotment would be made as per the Basis of Allotment finalised in consultation with the Designated Stock Exchange.

Applications for additional Equity Shares shall be considered and Allotment shall be made in accordance with the SEBI ICDR Regulations and in the manner as set out in “*Basis of Allotment*” on page 244 of the Letter of Offer.

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

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

Our Company is a professionally managed company and does not have an identifiable promoter. Hence participation in the Issue by the Promoters and Promoter Group is not applicable.

INVESTORS TO KINDLY NOTE THAT AFTER PURCHASING THE RIGHTS ENTITLEMENTS (RE) THROUGH ON MARKET RENUNCIATION / OFF MARKET RENUNCIATION, AN APPLICATION HAS TO BE MADE FOR SUBSCRIBING THE SHARES OFFERED UNDER RIGHTS ISSUE.

IF NO APPLICATION IS MADE BY THE PURCHASER OF REs ON OR BEFORE ISSUE CLOSING DATE THEN SUCH RES WILL GET LAPSED AND SHALL BE EXTINGUISHED AFTER THE ISSUE CLOSING DATE. NO SHARES FOR SUCH LAPSED RE WILL BE CREDITED, EVEN IF SUCH RE WERE PURCHASED FROM MARKET AND PURCHASER WILL LOSE THE AMOUNT PAID TO ACQUIRE THE RE. PERSONS WHO HAVE BOUGHT RIGHTS ENTITLEMENTS, SHALL REQUIRE TO MAKE AN APPLICATION AND APPLY FOR SHARES OFFERED UNDER RIGHTS ISSUE, IF THEY WANT TO SUBSCRIBE TO THE SHARES OFFERED UNDER RIGHTS ISSUE.

AVAILABILITY OF OFFER DOCUMENT OF THE IMMEDIATELY PRECEDING PUBLIC ISSUE OR RIGHTS ISSUE FOR INSPECTION

The said offer documents shall be available for inspection at the registered office of our Company.

ANY OTHER IMPORTANT INFORMATION AS PER COMPANY

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

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

DECLARATION

We/ I hereby certify that no statement made in this Letter of Offer contravenes any of the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contract (Regulation) Rules, 1957 and the Securities and Exchange Board of India Act, 1992, each as amended, or the rules, regulations or guidelines issued thereunder. We/ I further certify that all the legal requirements connected with the Issue as also the regulations, guidelines, instructions, etc., issued by Securities and Exchange Board of India, Government of India and any other competent authority in this behalf, have been duly complied with. We/ I further certify that all disclosures made in this Letter of Offer are true and correct.

Signed by all the Directors of **Visagar Financial Services Limited**

Name of the Directors	Signature
Mr. Tilokchand Manaklal Kothari Executive Director	Sd/- _____
Mr. Kailash Ram Gopal Chhapparwal Non-Executive Director	Sd/- _____
Mr. Kuldeep Kumar Non- Executive Independent Director	Sd/- _____
Mr. Sanjay Rajak Non- Executive Independent Director	Sd/- _____
Ms. Madhu Bala Vaishnav Non- Executive Independent Director	Sd/- _____

Place: Mumbai

Date: Tuesday, January 03, 202