OFFER DOCUMENT
ISSUE OF PERPETUAL NON-CUMULATIVE PREFERENCE SHARES (PNCPS) (SERIES-I) UNDER TIER-I CAPITAL.

The Banaskantha Mercantile Co-Operative Bank Ltd (herewith referred to "The Bank') proposes to issue 20,00,000 PERPETUAL NON CUMULATIVE PREFERENCE SHARES (hereinafter referred to as "PNCPS") of the face value Rs.100/- (Rupees Hundred Only) each at par, aggregating to Rs.20,00,00,000.00 (Rupees Twenty Crores Only), pursuant to this Offer Document.

ABOUT THE BANK:

- The Banaskantha Mercantile Co-Operative Bank Ltd was registered on 11th May, 1973, initially as a co-operative credit society and later on was converted in to a full-fledged Co-operative Bank on 02.05.1981.
- As on date, Bank has a network of 8 branches spread across the Palanpur, Deesa, Iqbalgadh & Tharad locations of Banaskantha district and Gota location of Ahmedabad in Gujarat state.
- In terms of our commitment for harnessing the state of art technology, networking all the branches under 'Core Banking Solution', customers can access their accounts and perform banking operations 'anywhere anytime' with value added services viz; ATM (linked to over one lac ATM span India), Mobile banking, RuPay Debit Card etc.
- The well qualified & experienced professionals on the Board of the Bank not only ensure emphasis on profits but also in the spirit of co-operative principles, keeping focus on welfare of its stakeholders.
- The Bank enjoys 'A' Audit Classification. Over the years, the Bank has not only grown big in terms of business volume crossing Rs.1850 crores of Business Mix, but has also grown strong having multiplied its net worth many folds making the institution sound & fundamentally strong.

BOARD OF DIRECTORS:

- The existing elected Board brings in anamalgam of knowledge, talent and vast experience. Professionals and entrepreneurs coming from varied and diverse fields like Engineering, Business and CA Professionals.

Following are the details of Board of Directors of the Bank:

Sr. No.	Name of Director	Designation	Qualification
1	Mr. Sanjaykumar B. Patel	Chairman	B. Com
2	Mrs. Diptiben H. Gami	Vice Chairman	B.E. (Computer Engineering)
3	Mr. Sandipkumar G. Patel	Director	B. Com
4	Mr. Ambalal B. Patel	Director	F.Y. B.Com.
5	Mr. Vikramkumar A. Patel	Director	Old SSC

6	Mr. Karshanbhai L. Manvar	Director	Std — 6
7	Mr. Hirabhai P. Patel	Director	B. Com
8	Mr. Shamalbhai J. Patel	Director	SSC, ITI
9	Mr. Pravinkumar H. Patel	Director	B. Com
10	Mr. Kanubhai N. Patel	Director	HSC
11	Mr. Rohitkumar S. Patel	Director	SSC
12	Mr. Amratlal K. Patel	Director	B. Com
13	Mrs. Gunmalaben H. Maheta	Director	B.A.
14	Mr. Maheshkumar B. Patel	Professional Director	C.A.
15	Mr. Bhikhalal D. Patel	Professional Director	C.A.
16	Mr. Bhaveshkumar K. Patel	Chief Executive Officer	CFA, CAIIB

FINANCIAL GROWTH OF THE BANK:

Financial growth of the Bank for last 3 financial years is as follows. (Rs. in Crores)

Sr. No.	Particulars	31.03.2023	31.03.2024	31.03.2025	31.03.2026
I	Share Capital	20.81	25.15	29.75	32.82
II	Reserves	63.41	85.49	101.55	117.67
III	Total Deposits	14.31	756.3	912.13	1120.58
IV	Deposits Growth (in %)	19.90%	23.11%	20.60%	22.85%
V	Total Advances	392.03	500.22	623.77	741.17
VI	Advances Growth (in%)	17.13%	27.60%	24.70%	18.82%
VII	Gross N PA (in %)	0.06%	0.06%	0.05%	0.02%
VIII	Net NPA (in %)	0.00%	0.00%	0.00%	0.00%
IX	Operating Profit	17.94	22.51	26.01	29.85
X	Net Profit after Tax	7.21	8.01	10.11	14.10
XI	CRAR (%)	13.72%	13.03%	13.18%	13.19%
XII	No. of Branches	6	6	7	8
XIII	Audit Classification	A	A	A	A

- Healthy rise in Deposits, Advances & Operating Profits.
- High Quality of Credit Portfolio, as is evident from the low levels of Gross & net NPAs, CRAR is Maintained above RBI stipulated norms.

ISSUE STRUCTURE		
1	Number of Perpetual Non-Cumulative Preference Shares approved.	20,00,000 (Twenty Lacs) shares
2	Face Value per share (Rs.)	Rs.100/-per share
3	Issue price per Share (Rs.)	Rs.100/-per share
4	Nature of Instrument	Perpetual Non-Cumulative Preference Shares (PNCPS)
5	Tenor	Perpetual
6	Exercise of Put/Call option	Bank reserves right of "Call option" (i.e. repaying of PNCPS) which may be exercised by the Bank only after the instrument of PNCPS has run for at least 10 years, with prior permission of the RBI. PNCPS holder shall not have "Put Option" or "Step Up Option".
7	Minimum Investment Amount- For all applicants (subject to the compliance with the eligibility norms as specified in the terms of issue)	100 shares of Rs. 100/- each amounting to minimum of Rs. 10,000 /- and thereafter in multiples of 100 shares. i.e. Rs.10,000/-.
8	Maximum Investment amount per applicant	5% of the Bank's paid up equity capital as on previous year ending, March 2026 i.e. maximum of Rs. 1.64 Cr.
9	Issue open date	September 01, 2026.
10	Date of Allotment/Rejection of PNCPS application	Within 60 days from the date of realization of cheque /DD proceeds, (along with duly signed and completed share application form) or date of Committee / Board Meeting in which the PNCPS applicant is admitted as a member/is rejected, whichever is earlier. If the Bank fails to allot or reject the PNCPS application within the said period, the Bank will pay interest at the savings rate to the applicant from the date of realization of cheque/DD till the date of allotment/ refund of PNCPS.
11	Issue close Date	On Receipt of the total amount of Rs. 20 Crore or 4 Months from Issue Open date whichever is earlier.
12	Eligibility for Dividend	The dividend shall be paid only conditions mentioned in **PAYMENT OF DIVIDEND** para get fulfilled. Also, if given conditions are fulfilled then BoDs recommend to the AGM approval for the distribution of dividend.
13	Rate of Dividend	The rate of dividend payable to the investors shall be fixed rate of 10.00% p.a. on pro rota basis.
14	Interim Dividend	Not Applicable.

15	Claim Preference	The claims of investors in PNCPS shall be prior/senior to the claims of the investors in equity shares and subordinated to the claims of all other creditors and depositors.
16	Conversion	Non-convertible
17	Voting Rights	No Voting Rights

OFFER INFORMATION

TERM OF ISSUE

The "Terms of issue" sets out the conditions pertaining to this issue of 20,00,000 PERPETUAL NON-CUMULATIVE PREFERENCE SHARES ("PNCPS) at the face value of Rs. 100/-each, to be issued by The Banaskantha Mercantile Co-Operative Bank Ltd, and will be fully paid up, unsecured and free of any restrictive clauses.

The Reserve Bank of India (RBI), have granted permission to The Banaskantha Mercantile Co-operative Bank Ltd to raise funds to the tune of Rs 20,00,00,000.00 (Rupees Twenty Crores only) through the instrument of PNCPS for augmenting Tier-I Capital of Bank.

The PNCPS are offered subject to the provisions of the Master Directions DOR.CAP.REC.194/09-18-201/2025-26 dated 28.11.2025 issued by RBI, the permission granted by RBI vide their Letter No. DOR.CAP.S2272/09.18.201/2026-27.

OBJECTS OF THE ISSUE AND ISSUE SIZE

To strengthen the capital base of the Bank under Tier-I Capital, the Bank wishes to issue PNCPS to the extent of Rs.20 Crores.

AUTHORITY FOR THE ISSUE

The Board of Directors of the Bank at its meeting held on 30.01.2026 has approved the proposed Issue of PNCPS as permitted under the provisions of the Master Directions DOR.CAP.REC.194/09-18-201/2025-26 dated 28.11.2025 issued by RBI.

NATURE AND RANKING OF THE PNCPS

The PNCPS shall be perpetual, unsecured and free of any restrictive clauses. The claims of investors in PNCPS shall rank prior/senior to the claims of investors in equity shares and subordinate to the claims of all other creditors and the depositors.

DIVIDEND RATE

The rate of dividend payable to the investors shall be fixed rate of 10.00% p.a. on pro rota basis.

PAYMENT OF DIVIDEND

The payment of dividend by a bank shall be subject to availability of distributable surplus out of current year's profits, and if:

- The CRAR is above the minimum regulatory requirement prescribed by the Reserve Bank;

- The impact of such payment does not result in Bank's capital to risk weighed asset ratio (CRAR) falling below or remaining below the minimum regulatory requirement prescribed by the Reserve Bank of India from time to time and
- The balance sheet as at the end of the previous year does not show any accumulated loss.
- The dividend shat not be cumulative. i.e., dividend missed in a year shall not be paid in subsequent years even if adequate profit is available and the level of CRAR conforms to the regulatory minimum. When dividend is paid at a rate lesser than the prescribed rate, the unpaid amount shall not be paid in future years, even if adequate profit is available and the level of CRAR conforms to the regulatory minimum.

OF DIVIDEND PAYMENT
The dividend will be credited to the Saving/Current account of such PNCPS holder.

JURISDICTION
All disputes/transactions are subject to the jurisdiction with the competent courts in Palanpur, Gujarat.

TRANSMISSION
a) PNCPS are not transferable.
b) No voting rights are available to PNCPS holders.
c) Transmission of the PNCPS shall be subject to provisions of the Bye-laws of the Bank.
d) Nomination facility is available and shall be in accordance with the provisions of Bye-laws of the Bark and RBI guidelines.

AVAILABILITY OF APPLICATION FORMS & OFFER DOCUMENT
PNCPS Application form together with the Offer Document may be obtained from the Branches of the Bank.

WHO CAN APPLY:
The regular/nominal members of the bank and any other person residing within area of operation of bank.

APPLICATION MAY BE MADE BY:
1. Indian Nationals resident in India who have completed 18 years of age, in single or joint names (not more than three names).
2.Companies registered under the applicable law in India.
3. Registered Partnership Firms.
4. Public trusts registered under any other law for the time being.
5. Any other entity permitted to hold PNCPS of the Bank in accordance with the provisions of the Act and the Bye-laws.

FOLLOWING ENTITIES ARE NOT ELIGIBLE FOR APPLYING TO PNCPS ISSUE:
1. Minors
2. Foreign Nationals and NRIs

3. Urban Co-operative Banks (UCBs).
4. Hindu Undivided Family (HUF).
5. Person not entitled to hold shares of the Bank as per the provisions of the Act and Bye-laws i.e. Co-operative housing societies/Credit Co-operative societies, registered under any State's Co-operative Societies Act.

PROCEDURE FOR APPLICATION AND TERMS OF PAYMENT:

1. Application must be made by Indian Resident only in the prescribed application form accompanying the Offer Document.

2. Application form to be filled in BLOCK letters only.

3. Each applicant or the joint applicant of PNCPS shall be KYC compliant.

4. Submission of PAN number is compulsory for first applicant/joint applicant(s) of PNCPS.

5. Multiple applications by eligible applicants for PNCPs are permitted. However, a separate Cheque/ Demand Draft should accompany every PNCPs application form.

6. Applicants have to submit the application form to the branch of The Banaskantha Mercantile Co-Operative Bank Ltd. Cheque (s)/Demand Draft (s) should be drawn in favour of "The Banaskantha Mercantile Co-Operative Bank Ltd.-PNCPS issue and crossed "Account Payee Only payable at any Centre where the Bank's branches are located. The full value of the PNCPS applied for is to be paid along with the said application form.

7. Applicant should indicate the PAN number and name of first applicant on the reverse of Cheque(s)/Demand Draft(s) through which the payment is made.

8. The Cheque(s)/Demand Draft returned unpaid by other bank will not be relodged and the said PNCPS application form will stand rejected.

9. The branch receiving the application form will acknowledge receipt of the application by stamping and returning the acknowledgment slip at the bottom of each application form. For further instructions, please read the PNCPS application form carefully. No separate receipt will be issued for the PNCPS application money.

10. The Date of closure of the issue shall be notified by the Bank on the notice boards of the Bank's offices and also displayed on website of the Bank.

RIGHT TO ACCEPT OR REJECT APPLICATION:

The Bank is entitled at its sole and absolute discretion to accept or reject any application and to allot PNCPS in part or in full, without assigning any reasons.

ALLOTMENT:

Acceptance of applications for PNCPS will be stopped by the Bank on receipt of the total amount of Rs. 20 crores, which is the maximum amount permitted by RBI to raise capital by issuance of PNCPS by the Bank or 4 months from Issue open date whichever is earlier.

The Bank reserves right to accept an amount lesser than the Issue size, without assigning any reasons.

PNCPS CERTIFICATE:
PNCPS Certificate or Letter of Rejection, as the case may be, will be dispatched by standard mode of delivery, to the postal address of the First applicant/Sole applicant as mentioned on the PNCPS application form or it may be collected from the applicant's branch. The PNCPS certificate will be issued only in physical form.

All enquiries in connection with the PNCPS offer Document or the Application Form should be addressed to the Share Department at The Banaskantha Mercantile Co-Operative Bank Ltd, Old Sardargunj Road, Palanpur-385 001, quoting the name of the First/Sole applicant and The Banaskantha Mercantile Co-Operative Bank Ltd. Branch.

REFUND:
The Refund if any, will be as under:
(a) The fund amount will be credited to the Saving/Current account of the applicant after approval from the reserve Bank of India.

GENERAL CONDITIONS:
(i) The holders of PNCPS will not be eligible for any voting rights.
(ii) Duplicate PNCPS Certificate will be issued, subject to rules and regulations framed by the Bank from time to time.
(iii) PNCPS, is different from a fixed deposit, and that these instruments are not covered by deposit insurance.
(iv) The bank shall follow the process of death claim settlement in PNCPS as follow in Regular members.

NOTICE(S):
The Bank will issue notice by publishing on its website and/or in the offices/branches.

SHARE LINKAGE:
The Bank at its sole discretion and subject to the fulfilment of other conditions, as may be prescribed by the Bank from time to time, may treat the PNCPS for the purpose of compliance with extant share linkage norms. Accordingly, the Preference share linkage will be as per the norms of credit policy of The Banaskantha Mercantile Co-Operative Bank Ltd.

GENERAL DISCLAIMER:
This Offer Document is neither a Prospectus nor a statement in Lieu of Prospectus and is prepared in accordance with the stipulations issued by the Urban Banks Department, Reserve Bank of India vide Master Direction No. DOR.CAP.REC.194/09-18-201/2025-26 dated 28.11.2025. The Bank certifies that the disclosures made in this document are generally adequate and are in conformity with the Reserve Bank of India Regulations. This requirement is to facilitate investors to take an informed decision for making investment in the proposed issue.

DISCLAIMER OF THE ISSUER:

The Bank confirms that the information contained in this Offer Document is true and correct in all material respects and is not misleading in any material respect. All information considered adequate and relevant about the issue and the Bank has been made available in this Offer Document for the use and perusal of the potential investors and no selective or additional information would be available to any investors in any manner whatsoever. The Bank accepts no responsibility for statements made otherwise than in this Offer Document and any one placing reliance on any other source of information would be doing so at his/her/their own risk. No person other than the Bank's authorized employees has been authorized to give any information or to make any representations not confirmed in this Offer Document in connection with this offer. Any information or representations not contained herein must not be relied upon as having been authorized by the Bank.

This Offer Document sets forth concisely the information about the PNCPS that a prospective investor ought to know before investing. Investors should carefully read the Offer Document before making an investment decision. This Offer Document remains effective until a material change occurs. As required, a copy of this Offer Document has been submitted to the Reserve Bank of India, Urban Banks Department and the Central Registrar of Co-operative societies. The particulars of this Offer Document have been prepared in accordance with the stipulations of the Urban Banks Department, Reserve Bank of India issued vide Master Directions No. DOR.CAP.REC.194/09-18-201/2025-26 dated 28.11.2025.

sd/-
Bhavesh K. Patel
Chief Executive Officer