SECTION IV – ABOUT US

A. INDUSTRY OVERVIEW

(The information in this section is derived from various publicly available sources. This information has not been independently verified by us or respective legal or financial advisors, and no representation is made as to the accuracy of this information. Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured and accordingly, investment decisions should not be based on such information.)

India has witnessed steady GDP growth in the past decade and it is one of the fastest growing economies of the world. The major factor in this growth is the mass consuming population of the country. Consumers today are much more evolved and their demands and needs are very different. Over the years, the investments levels, technological changes, industry structure and intensity of competition have been significantly influenced by the Government tariff policy.

In Q4 FY 2017-18, India's GDP growth was 8.2%, which was the highest in the world. The growth is being led by strong consumption demand. Although, job growth still remains elusive, improving capacity utilisation and higher corporate earnings growth is expected to address that issue.

The country's financial services sector consists of the capital markets, insurance sector and non-banking financial companies (NBFCs). India's gross national savings (GNS) as a percentage of Gross Domestic Product (GDP) stood at 30.50 % in 2019. The total amount of Initial Public Offerings increased to Rs 84,357 crore (US$ 13,089 million) by the end of F.Y.18. IPO's reached to US$ 1.94 billion in F.Y.19 (up to Feb 2019). Ultra High Net Worth Individual (UHNWI) increased to 2,697 in 2018 and the population of UHNWI has grown by 118 % from 2013 to 2018.

NBFCs are rapidly gaining prominence as intermediaries in the retail finance space. NBFCs finance more than 80 % of equipment leasing and hire purchase activities in India. The gross loans of India's Non-Banking Finance Company Microfinance Institutions (NBFC-MFIs) increased 24 % year on-year in Q2 F.Y. 18 to Rs 38,288 crore (US$ 5.89 billion)[*Source: RBI, Microfinance Institutions Network (MFIN)]*.NBFC's market share in commercial loans increased to 2.8 %in 2016-17 from 2 % in 2015-16.The public deposit of NBFCs increased from US$ 0.3 billion in FY09 to Rs 319 billion (US$ 4.9 billion) in FY18, registering a Compound Annual Growth Rate (CAGR) of 36.8%.*[Source: Investment & Finance Sector Analysis Report dated 12th February, 2019]*

There are 11,522 Non-Banking Financial Companies (NBFCs) registered with the Reserve Bank of India out of which a lion's share of 98.5% are non-deposit accepting with the balance 1.5% being deposit accepting NBFCs. Around 218 non-deposit accepting NBFCs have been classified as systemically important. NBFCs have established presence in specialized segments, for e.g. HDFC (mortgage loans), Mahindra Finance (agri finance), Power Finance Corporation (power finance) & Shriram Transport Finance (pre-owned commercial vehicle finance).*[Source: Investment & Finance Sector Analysis Report dated 12th February, 2019]*

Present in the competing fields of vehicle financing, housing loans, hire purchase, lease and personal loans, NBFCs, have emerged as key financial intermediaries for small-scale and retail sectors thereby

forming an essential part of shadow banking in India. NBFCs are the third largest segment in the Indian financial system after commercial banks and insurance companies and accounts for 9% of the total financial assets.*[Source: Investment & Finance Sector Analysis Report dated 12th February, 2019]*

But NBFCs cannot access low-cost deposits like their banking peers. Borrowings make up a lion's share of 70% of their liabilities, *as per CARE Ratings (Source)*. A number of NBFCs have been issuing non-convertible debentures (NCDs) in order to increase liquidity. For systemically important NBFCs, debentures had the largest share 49% of borrowings in FY17. Bank borrowings and commercial paper account for 22% and 10% in the liability mix.*[Source: Investment & Finance Sector Analysis Report dated 12th February, 2019]*

Non-Banking Financial Companies are expected to raise their share to 19%-20% by 2020 through recapitalization program for public sector and the new RBI guidelines on NBFCs with regard to capital requirements, provisioning norms and enhanced disclosure requirements are expected to benefit the sector in the long run. New distribution channels such as NBFCs have widened the reach and reduced operational costs.

B. OUR BUSINESS

The financial figures used in this chapter, unless otherwise stated, have been derived from our Company's Financial Statements and audit reports for the relevant years. This section should be read in conjunction with and is qualified in its entirety by, the more detailed information about us and our financial statements, including the notes thereto, in the sections "Risk Factors". In this section "our Company", "we", "us" and "our" refers to APM Finvest Limited.

Overview:

Our Company is a registered with the Reserve Bank of India (RBI) as a Non Deposit Accepting, Non-Banking Financial Company (NBFC-ND). Through our key business lines we deliver financing, investment and advisory services to our customers and clients. We believe our broad based and integrated financial solutions offerings enable us to service our customers from *"cradle to grave"*.

- **Primary Business or Key Strengths:** The key business activities of the Company are:

  - to invest in and acquire, hold or otherwise, dispose of exchange, transfer or alienate any share, stocks, debentures, debenture stock, bonds, obligation and securities issued or guaranteed by any company constituted or carrying on business in India or elsewhere;

  - financing and advancing short term and long term loans and credits of any type including business loans, loan against property, housing finance, home loans, personal loans, loan against Diamond jewellery, Diamonds or other precious or semi-precious jewellery or stones etc., loan against Gold jewellery, Gold ornaments, Gold/silverware articles, precious watches, art & artifacts, paintings and similar items to individuals, firms, companies or association of individuals;

  - to lend and advance money of all kinds or give credit on any terms or mode and with or without security to any individual, firm, body corporate or any other entity, bill discounting & to enter into guarantees, contracts of indemnity and surety ship of all kinds, and to secure or guarantee in any manner and upon any terms the payment of any sum of money or the performance of any obligation by any person, firm or company; and

- Financing the hire purchase transactions, in all its branches in respect of motor vehicles, motor cycles, cycles, agricultural machinery, aero planes, launches, boat, mechanical or otherwise, appliances, refrigerator, furniture wooden or metallic, household equipments and all classes of plant and Machinery, Construction equipment, Materials Handling equipment.

➢ **Our Services:**

Nature of the Services and the end users

The Company is a registered NBFC holding Certificate of Registration from the RBI. The Company intends to focus on the areas of Loans and Investments in Direct Equity, Mutual Funds, Alternate Investment Funds, and Bonds etc.

The Company would provide loans to financial sound corporates and other entities with adequate security. At present the Company is not planning to foray into retail loans since though it may give higher returns it would entail setting up of an extensive network to manage the same which is not contemplated at present.

The Management would review the opportunities from time to time and also take a decision on the financing/loan opportunities from time to time.

The Company would also invest in directequity, Mutual funds etc. in Primary and Secondary market and also related products

➢ **Business Strategy:**

Our Overall business strategy would be to replicate AFL's success as an NBFC-ND, with a differentiated and calibrated foray into the NBFC sector, with a diversified focus on financing and investing business activities. We operate in an environment where generating and maintaining brand recognition is a significant element of our business strategy.

While the loans and Bonds would provide a regular income stream to the Company, the Investments in Equity and related products would aim at capital appreciation over the medium to long term. The Company intends to maintain a low risk profile of its Loans and Investments

The allocation of capital between the different categories of Investments would be decided from time to time by the Management keeping in view the Economic and Capital Market conditions. The Company would take into consideration the views and opinions of various Financial & Investment advisors, Bankers etc. while deciding the resource allocation/investment opportunities.

C. SUMMARY OF FINANCIAL INFORMATION.

Summary of Balance Sheet of our Company for preceding 3 financial Years:

Particulars	For the period from May 13, 2016 to March 31, 2017	Year ended 31st March, 2018	Year ended 31st March, 2019
EQUITY AND LIABILITIES			

Shareholders' funds			
Share capital	20,000,000	20,000,000	43,222,720
Reserves and surplus	100,527	1,103,376	697,984,596
	20,100,527	**21,103,376**	**741,207,316**
Non- Current Liabilities			
Deferred tax Liabilities (Net)	-	-	16,722,151
	-	-	**16,722,151**
Current Liabilities			
Other current liabilities	464,747	49,306	307,854
Short-term provisions	47,376	172,055	17,326
	512,123	**221,361**	**325,180**
TOTAL	**20,612,650**	**21,324,737**	**758,254,647**
ASSETS			
Non- Current Assets			
Investments	-	9,922,516	644,754,693
Deferred tax assets (net)	99,847	62,404	-
	99,847	**9984920**	**644,754,693**
Current assets			
Cash and bank balances	20,512,803	1,253,269	29,973,689
Short-term loans and advances	-	10,000,000	82,387,477
Other current assets	-	86,548	1,138,788
	20,512,803	**11339817**	**113499954**
TOTAL	**20,612,650**	**11,339,817**	**113,499,954**

Summary of Profit & Loss Account of our Company for preceding 3 financial Years:

Particulars	For the period from May 13, 2016 to March 31, 2017	Year ended 31st March, 2018	Year ended 31st March, 2019
INCOME			
Revenue from operations	974,238	1,558,620	13,124,126
Other income		502	
Total revenue	**974,238**	**1,559,122**	**13,124,126**
EXPENSES			

Employee Benefits Expenses	-	-	222,403
Other expenses	828,758	209,873	439,249
Total expenses	**828,758**	**209,873**	**661,652**
Profit before tax	**145,480**	**1,349,249**	**12,462,474**
Tax expenses			
Current tax	144,800	311,211	4,702,476
Income-tax for earlier years	-	(2,254)	7,245
Deferred tax charge/ (credit)	(99,847)	37,443	(4,041,763)
Total tax expense	**44,953**	**346,400**	**667,958**
PROFIT FOR THE YEAR	**100,527**	**1,002,849**	**11,794,516**

D. KEY INDUSTRY-REGULATIONS

The following description is a brief summary of the relevant regulations, policies and plans which are applicable to our Company. The information detailed in this chapter has been obtained from the websites of the relevant regulators and publications available in the public domain. The regulations set out below are not exhaustive, and are only intended to provide general information and are neither designed nor intended to be a substitute for professional legal advice. Taxation statutes such as the Income Tax Act, 1961, State/Central/Union Territory/Integrated Goods & Service Tax Act, 2017 and applicable local sales tax statutes apply to us in India as they do to any other Indian company. The statements below are based on the current provisions of applicable law, and remain subject to judicial and administrative interpretations thereof, which are subject to change or modification by subsequent legislative, regulatory, administrative or judicial decisions.

RESERVE BANK OF INDIA REGULATIONS

Reserve Bank of India Act, 1934

RBI may, subject to certain conditions, direct the inclusion or exclusion of any bank from the second schedule of the RBI Act. Scheduled banks are required to maintain cash reserves with the RBI. In this regard, RBI may stipulate an average daily balance requirement to be complied with by such banks and may direct that such banks regard a transaction or class of transactions as a liability. Further, RBI may direct any banking company to submit returns for the collection of credit information and may also furnish such information to a banking company upon an application by such company. RBI has the power to impose penalties against any person for *inter-alia* failure to produce any book, account or other document or furnish any statement, information or particulars which such person is duty-bound to produce or furnish under the RBI Act, or any order, regulation or direction thereunder.

Regulation relating to the NON-SYSTEMICALLY IMPORTANT NON-DEPOSIT TAKING NBFCs

The "Non-Systemically Important Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2015" are applicable on our Company.

These Regulations provides for the provisions in relation to income recognition, income from investments, applicability of accounting standards, asset classification, disclosures in balance sheet, requirements as to capital adequacy, loans against security of single product - gold jewellery, Verification of the ownership of gold, Standardization of value of gold accepted as collateral in arriving at LTV Ratio, Safety and security measures to be followed by Non-Banking Financial Companies lending against collateral of gold jewellery, Norms for restructuring of advances, Submission of 'Branch Info' Return, Exemptions available for a Non-Banking Financial Company.

OTHER GENERAL APPLICABLE LAWS:

Companies Act, 2013

Companies Act 2013 is an Act of the Parliament of India on Indian company law which regulates incorporation of a company, responsibilities of a company, directors, dissolution of a company.

The provisions of Companies Act, 2013 shall apply to

(a) companies incorporated under this Act or under any previous company law;
(b) insurance companies, except in so far as the said provisions are inconsistent with the provisions of the Insurance Act, 1938 (4 of 1938) or the Insurance Regulatory and Development Authority Act, 1999 (41 of 1999);
(c) banking companies, except in so far as the said provisions are inconsistent with the provisions of the Banking Regulation Act, 1949 (10 of 1949);
(d) companies engaged in the generation or supply of electricity, except in so far as the said provisions are inconsistent with the provisions of the Electricity Act, 2003 (36 of 2003);
(e) any other company governed by any special Act for the time being in force, except in so far as the said provisions are inconsistent with the provisions of such special Act; and
(f) such body corporate, incorporated by any Act for the time being in force, as the Central Government may, by notification, specify in this behalf, subject to such exceptions, modifications or adaptation, as may be specified in the notification.

Securities and Exchange Board of India Act, 1992

SEBI Act was enacted to provide for the establishment of SEBI whose function is to protect the interest of investors and to promote the development of, and to regulate the securities market, and for mattersconnected therewith and incidental thereto. The SEBI Act regulates the functioning of SEBI andenumerates its powers. It also provides for the registration and regulation of the function of variousmarket intermediaries such as stock brokers, merchant bankers, portfolio managers etc. In terms of theprovisions under the SEBI Act, SEBI has the power to and has formulated various rules and regulationsto govern the functions and working of these intermediaries. SEBI also issues various circulars,notifications and guidelines from time to time in accordance with the powers vested with it under theSEBI Act. 1992.

Securities Contracts (Regulations) Act, 1956

SCRA seeks to prevent undesirable transactions in securities by regulating the business of dealing in securities and other related matters. The SCRA provides for grant of recognition for stock exchanges and clearing corporations by the Central Government (which has been delegated to SEBI). Every recognized stock exchange and clearing corporation is required to have in place a set of rules relating to its constitution and bye-laws for the regulation and control of contracts. It also deals with recognition, de-recognition, regulation/ control on the stock exchanges and clearing corporations and

empowers the stock exchanges for making its own bye laws, rules and the provisions pertaining to listing of securities, delisting of securities and dealing in securities.

Depositories Act, 1996

The Depositories Act provides for regulation of depositories in securities and other related matters. Every person subscribing to securities offered by an issuer has the option either to receive the security certificates or hold securities with a depository. All securities held by a depository are required to be de-materialized and in a fungible form. A depository after obtaining a certificate of commencement of Business from SEBI can enter into an agreement with one or more participants as its agent. Any person, through a participant, may enter into an agreement with any depository for availing its services.

Income Tax Act, 1961

The Income-tax Act, 1961 is the charging Statute of Income Tax in India. It provides for levy, administration, collection and recovery of Income Tax in India.Income Tax including surcharge (if any) & cess is charged for any person at the rate as prescribed by Central Act for that assessment year.

Stamp Duty Act, 1899

This act lays down that certain instruments shall be chargeable with duty of the amount mentioned in the schedule of the Act as the proper duty. All duties with which any instruments are chargeable shall be paid, and such payment shall be indicated on such instruments, by means of stamps.

SEBI (Prohibition of Insider Trading) Regulations, 2015

The Insider Trading Regulations govern the law with respect to insider trading in India. The Insider Trading Regulations, inter alia, prohibit all insiders from dealing in securities of a listed company when the insider is in possession of unpublished price sensitive information ("UPSI"). It further prohibits an insider from communicating, counselling or procuring, directly or indirectly, any UPSI to any person who while in possession of such UPSI is likely to deal in such securities. Information is said to be price sensitive if it is likely to, directly or indirectly, materially affect the price of the securities of the company to which it relates. Under the Insider Trading Regulations, the concept of an insider is related to those of a connected person or is in possession of or having access to unpublished price sensitive information. Further, in terms of the Insider Trading Regulations, the board of directors of a market intermediary is required to formulate a code of conduct to regulate, monitor and report trading by its employees and other connected persons towards achieving compliance with the Insider Trading Regulations, adopting the minimum standards set out in the Schedule B of the Insider Trading Regulations, without diluting the provisions of the Insider Trading Regulations in any manner.

LIST OF OTHER LAWS WHICH MAY BE APPLICABLE

The list of other laws and regulations that may be applicable to our Company includes the following:

1. SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015
2. Goods and Services Tax Act, 2017
3. Consumer Protection Act, 1986
4. Equal Remuneration Act, 1976
5. Information Technology Act, 2000
6. The Minimum Wages Act, 1948

7. Payment of Wages Act, 1936
8. Payment of Gratuity Act, 1972
9. SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
10. Securities and Exchange Board of India (Issue Of Capital And Disclosure Requirements) Regulations, 2011

E. HISTORY AND OTHER CORPORATE MATTERS

Our Company was incorporated on May 13th 2016 at Alwar as APM Finvest Limited as a public limited company under the provisions of Companies Act, 2013 bearing CIN: U65990RJ2016PLC054921 and presently having its registered office at SP-147, RIICO Industrial Area Bhiwadi, Alwar, Rajasthan - 301 019. Our Company is registered with Reserve Bank of India (RBI) as Non-deposit accepting Non-Banking Financial Company.

We have received a certificate of Registration bearing Registration No. B-10.00247 from Reserve Bank of India to carry on the business of an investment company as an NBFC-ND.

Main Objects of our Company

(i) *To carry on the business of investment company and to invest in and acquire, hold or otherwise, dispose of exchange, transfer or alienate any share, stocks, debentures, debenture stock, bonds, obligation and securities issued or guaranteed by any company constituted or carrying on business in India or elsewhere and debentures, debenture Stock, bonds, obligations and securities issued or guaranteed by any government, State dominion, Sovereign rules, commissioner, public body or authority supreme, municipal local or otherwise where in India or elsewhere.*

(ii) *To carry on the business of financing and advancing short term and long term loans and credits of any type including business loans, loan against property, housing finance, home loans, personal loans, loan against Diamond jewellery, Diamonds or other precious or semi-precious jewellery or stones etc., loan against Gold jewellery, Gold ornaments, Gold/silverware articles, precious watches, art & artifacts, paintings and similar items to individuals, firms, companies or association of individuals by whatever name called and either on securities such as lands, building or part thereof, machinery, gold, plants, chattels, vehicles, shares, debentures, government securities, stock certificates, life insurance policies and unit stock-in-trade or on guarantee or without securities.*

(iii) *To lend and advance money of all kinds or give credit on any terms or mode and with or without security to any individual, firm, body corporate or any other entity (including, without prejudice to the generality of the foregoing, any holding company, subsidiary or fellow subsidiary of , or any other company whether or not associated in any way with, the company), bill discounting & to enter into guarantees, contracts of indemnity and surety ship of all kinds, and to secure or guarantee in any manner and upon any terms the payment of any sum of money or the performance of any obligation by any person, firm or company (Including without prejudice to the generality of the foregoing any holding company, subsidiary or fellow subsidiary of , or any other company associated in any way with the company).*

(iv) *To carry on the business of financing the hire purchase transactions, in all its branches in respect of motor vehicles, motor cycles, cycles, agricultural machinery, aeroplanes, launches, boat, mechanical or otherwise, appliances, refrigerator, furniture wooden or metallic,*

household equipments and all classes of plant and Machinery, Construction equipment, Materials Handling equipment.

F. SCHEME OF ARRANGEMENT

RATIONALE AS PROVIDED IN THE SCHEME

The arrangement is aimed at demerger of "Investments undertaking" of AIL into AFL to segregate the said business. The transfer and vesting by way of a demerger shall achieve the following benefits for AIL and AFL:

I. Each of the business activities being carried out by the AIL is distinct and diverse in its business characteristics. Both the businesses are entirely unrelated and at different stages of maturity with different risk and return profiles and capital and operational requirements. The management of the Demerged Company believes that there may be a segment of investors who may wish to have a choice of investing in either of the categories of businesses being undertaken by the company.

II. Pursuant to the proposed demerger, the Demerged Undertaking (defined hereinafter) and the Remaining Business (defined hereinafter) would have their own management teams which can chart out independent strategies for each business segment. Further, the proposed demerger would also open avenues for resizing and inorganic growth opportunities for the businesses, provide multiple listing avenues, alongwith creating opportunity for shareholders to participate in business of choice and reposition the businesses in their respective market segments, thereby creating opportunities for value creation for the respective stakeholders.

III. The demerger will permit increased focus by AIL and AFL on their respective businesses in order to better meet their respective customers' needs and priorities, develop their own network of alliances and talent models that are critical to success.

There is no adverse effect of the Scheme on any directors, key management personnel, promoters, non-promoter members, creditors and employees of AFL. The Scheme would be in the best interest of all stakeholders in AIL.

The transfer and vesting of the Investment undertaking into AFL would be in the best interests of the shareholders, creditors and employees of AIL and AFL, respectively, as it would result in enhanced value for the shareholders and allow focused strategy in operation of the Investment undertaking and the remaining business of the AIL. Pursuant to this Scheme all the shareholders of the AIL will get shares in AFL and there would be no change in the economic interest for any of the shareholders of AIL pre and post implementation of the Scheme.

In view of the above rationale, the Board recommended a Scheme of Arrangement whereby the Investment undertaking of AIL will be demerged into AFL as a going concern with effect from the Appointed Date viz. 1st April, 2018. Accordingly, the Board of Directors of AIL and AFL have decided to make requisite applications and/or petitions before the Tribunal (NCLT) as the case may be, as applicable under Sections 230 to 232 of the Companies Act, 2013 read with section 66 of the Act, and other applicable provisions for the sanction of this Scheme.

Approvals with respect to the Scheme of Arrangement

The Jaipur Bench of National Company Law Tribunal, vide its order dated 24th May, 2019 has approved the Scheme of Arrangement between APM Industries Limited and APM Finvest Limited and their respective shareholders and creditors. Pursuant to the Scheme, the Finance & Investment Undertaking of the Demerged Company is transferred to and vested with the Resulting Company with effect from Appointed Date, viz. 1st April 2018 in accordance with the Section 230 to 232 of the Companies Act, 2013.

ISSUE OF SHARES FOR DEMERGER AS PROVIDED IN THE SCHEME

1. ISSUE OF SHARES

1.1 Upon the coming into effect of this Scheme and in consideration of the transfer and vesting of the Finance & Investment Undertaking of AIL in AFL, AFL shall, without any further act or deed, issue and allot to the equity shareholders of AIL, whose names appear in the Register of Members of AIL, on a date (hereinafter referred to as "Record Date") to be fixed in that behalf by the Board of Directors of AIL in consultation with AFL for the purpose of reckoning the names of the equity shareholders of AIL, in consideration for the transfer of the Finance & Investment Undertaking in the following proportion namely,:

1 (One) Equity Shares of face value of Rs. 2 (Rupees Two) each at par in Resulting Company for every 1 (One) Equity Shares of face value of Rs.2 (Rupees Two) each held by them in Demerged Company.

1.2 In issue and allotment of such shares as aforesaid, the fractional entitlements of shares of any shareholders of AIL shall not be taken into account, but such shares representing fractional entitlements shall be allotted to Company Secretary of AFL upon trust, who will sell them on the date of listing of AFL or within such period of listing of AFL as may be decided by the Board of Directors of AFL, and distribute their sale proceeds (less expenses, if any) to the shareholders of AIL, who are entitled to such fractional shares.

1.3 In case of shareholders of the Demerged Company, who holds shares in the demerged company in dematerialized form, New Shares will be credited to the existing depository accounts of the shareholders of the Demerged Company as per records maintained by National Securities Depository Limited and/or Central Depositors Services (India) Limited on the record date and made available by the Demerged Company to the Resulting Company. All those equity shareholders of AIL who hold equity shares of AIL in physical form shall also have the option to receive the new equity shares, as the case may be, in dematerialized form, provided the details of their account with the depository participant are intimated in writing to AFL before the Record Date. In the event that AFL has received notice from any equity shareholder of AIL that equity shares are to be issued in physical form or if any equity shareholder has not provided the requisite details relating to his/her/its account with a depository participant or other confirmations as may be required or if the details furnished by any equity shareholder do not permit electronic credit of the shares of AFL, then AFL shall issue new equity shares of AFL in accordance with clauses 1.1 above, as the case may be, in physical form to such equity shareholder.

1.4 The new equity shares of AFL to be issued to the shareholders of AIL in terms of this scheme, shall be subject to the provisions of the Memorandum of Association and Articles of Association of AFL and shall rank pari-passu, in all respects with the then existing equity shares in AFL in all respects.

1.5 Where the new equity shares of AFL are to be allotted, pursuant to this scheme, to heirs, executors or administrators or, as the case may be, to successors of deceased equity shareholders of AIL, the concerned heirs, executors, administrators or successors shall be obliged to produce evidence of title satisfactory to the Board of Directors of AFL.

1.6 The new equity shares to be issued by AFL, pursuant to this scheme, in respect of any equity shares of AIL, which are held in abeyance under the provisions of Section 126 of the Act or otherwise shall, pending allotment or settlement of dispute by order of court or otherwise, be held in abeyance by AFL.

1.7 In the event of there being any pending and valid share transfers, whether lodged or outstanding, of any shareholder of the Demerged Company, the Board of Directors or any committee thereof of the Demerged Company shall be empowered in appropriate cases, even

subsequent to the Appointed Date or the Effective Date, as the case may be, to effectuate such a transfer in the Demerged Company, as if such changes in registered holder were operative as on the Record Date, in order to remove any difficulties arising to the Resulting Company of such shares.

1.8 The issue and allotment of shares to shareholders of Resulting Company, as provided in this Scheme, shall be deemed to be made in compliance with the procedure laid down under Section 62 of the Companies Act, 2013.

G. MANAGEMENT

The general supervision, direction and management of our Company, its operations & business are vested in the board which exercises its power subject to Memorandum of Association&Article of Association of the Company. The Article of Association of the Company sets out that the Company shall not have less than three Directors and not more than fifteen Directors. Provided that the Company may appoint more than fifteen directors subject to the approval of shareholders of the Company. The composition of the Board of Directors will be in consonance with the Act and SEBI Listing Regulations, 2015.

The following table set forth details of the Board of Directors as on the date of Information Memorandum:

Name, Designation	Date of Birth	Age	Date of Expiry of Term	Nationality	Address	Occupation	Qualification	DIN	Other Directorships and LLP
Mr. Tribhuwan Nath Chaturvedi, ***Chairman, Independent Director***	15-01-1959	60	19th June, 2024	Indian	B-10, Pamposh Enclave, G K -1, Greater Kailash, Delhi-110048	Business	Chartered Accountant	00002815	Not Applicable
Mr. Sanjay Rajgarhia, Vice ***Executive Director***	21-02-1963	56	N.A.	Indian	177 C, Western Avenue, W-7 Lane, Sainik Farms, New Delhi-110062	Business	B.Com. (Bachelor of Commerce)	00154167	1.Perfectpac Limited 2. Faridabad Paper Mills Private Limited 3. Rajgarhia Leasing and Financial Services Pvt. Ltd. 4.Indian Corrugated Case Manufacturers

									Association
Mr. Ajay Rajgarhia, ***Managing Director***	20-08-1967	51	19th June, 2024	Indian	W 13 Greater Kailash - II, New Delhi-110048	Business	M.B.A. from William E Simon Graduate School of Business Management University of Rochester, USA	01065833	1. Aamir Exim Private Limited 2. Rajgarhia Leasing and Financial Services Pvt. Ltd. 3. Axis Cottex Private Limited
Mrs. Nirmala Bagri, ***Independent Director***	26-04-47	71	19th June, 2024	Indian	7/23, Old No.-177-C, W-7, Western Avenue, Sainik Farms, Pushpa Bhawan S.O, South Delhi, Delhi-110062	Service	B.A. (Bachelor of Arts)	01081867	1. Godfrey Phillips India Limited 2. Clear Water Limited 3. Bagri Udyog Pvt. Ltd.
Mrs. Anisha Mittal, ***Non-Executive Director***	13-10-47	45	N.A.	Indian	A-39, IIIrd Floor, Friends Colony, East South Delhi-110065	Business	M.B.A. in Finance from University of Pittsburg, U.S.A.	00002252	1. Sheevam Comfort Hotels Private Limited 2. Madhushree Properties (P) Limited 3. Rovo Marketing Private Limited 4. Blue Mountain Advisors India Private Limited

Brief Profile of Directors:

Mr. Tribhuwan Nath Chaturvedi (T.N. Chaturvedi) – Chairman, Independent Director

He is 60 years of age. He is designated as Chairman on the Board of the Company. Mr. T.N. Chaturvedi is a senior partner of a reputed Chartered Accountants' firm having more than 32 years of experience in institutional finance, corporate restructuring, financial due diligence, auditing, corporate law and taxation.

Mr. Sanjay Rajgarhia – Vice Chairman, Executive Director

He is having 56 years of age. He is designated as Vice-chairman on the Board of the Company. He is a commerce graduated and having vast experience in Finance, and also having 29 years of vast experience in NBFCs affairs including Investments, Taxation etc. His vast knowledge and experience about the Finance Market is very much helpful for the Company and his guidance is making Company achieving success consistently. He has also gained so much exposure in the field NBFCs.

Mr. Ajay Rajgarhia - Managing Director

He is 51 years old. He is having specialization in the field of finance as he has done M.B.A. from William E Simon Graduate School of Business Management University of Rochester, USA. He has been contributing tremendous efforts towards development in finance and he has +23 years of experience in the field of NBFCs.

Mrs. Nirmala Bagri – Independent Director

Mrs. Nirmala Bagri's age is 71 years. She is having work experience of over 40 years in the field of Finance, accounts and human resource operations. She has been contributing tremendous efforts towards supporting senior management in fulfillment of Company's business strategy.

Ms. Anisha Mittal – Non Executive Director

She is 45 years old. She has done her M.B.A. in Finance from University of Pittsburg, U.S.A. and she is having specialization in the field of finance. She has over 17 years' experience in the field of finance.

Changes in Board of Directors since Incorporation

1. At the time of Incorporation Mr. Sanjay Rajgarhia, Mr. Ajay Rajgarhia and Mrs. Anisha Mittal were appointed as Executive Directors in the Company.

2. On 20th June, 2019, the designation of Mrs. Anisha Mittal has been changed from Executive Director to Non-Executive Director,Mr. Sanjay Rajgarhia is also appointed as Vice Chairman Director of the Company and Mr. Ajay Rajgarhia is appointed as Managing Director of the Company for a term of 5years.

3. Further, in accordance with the applicable provisions of Companies Act, 2013 and SEBI (Listing Obligation & Disclosure Requirements) Regulations, 2015 following directors were appointed:

Name of Director	Date of Appointment	Term	Designation
Tribhuwan Nath Chaturvedi	20th June, 2019	5 Years	Chairman, Independent Director
Nirmala Bagri	20th June, 2019	5 Years	Non-Executive, Independent Director

Note: The Articles of Association of the Company do not require the Directors of the Company to hold any qualification shares.

Details of directorships in delisted/suspended companies

None of the Directors have held or are holding directorship in any listed companies whose shares have been or were suspended from being traded on BSE and/or NSE or whose shares have been or delisted from any stock exchange(s), in the past five years.

Confirmations/ Disclosures

Nature of any family relationship between any of the directors or any of the directors and key managerial personnel.

Mr. Sanjay Rajgarhia and Mr. Ajay Rajgarhia, directors of the Company are related to each other as brothers. Further, Mrs. Anisha Mittal, director of the Company is a cousin of Mr. Sanjay Rajgarhia and Mr. Ajay Rajgarhia.

Interest of Directors

All of the Directors may be deemed to be interested only to the extent of sitting fees, if any, payable to them for their services for a sum not exceeding the sum prescribed under the Act for every meeting of the Board of Directors or Committee thereof attended by them as well as to the extent of reimbursement of expenses payable to them under the Articles of Association and to the extent of remuneration paid to them for services rendered as an officer or employee of the Company.

The Directors may also be regarded as interested in the equity shares held by them or to the companies, firms and trusts, in which they are interested as directors, members, partners and or trustees. All Directors may be deemed to be interested in the contracts, agreements/arrangements entered into or to be entered into by the Company with any Company in which they hold Directorships or any partnership firm in which they are partners as declared in their respective declarations.

Further, Presently the Directors are interested to the extent of equity shares that they are holding and are allotted to them pursuant to the Scheme, and also to the extent of any dividend payable to them and other distributions in respect of the equity shares.

Except as stated otherwise in this this Information Memorandum, the Company has not entered into any contract, agreement or arrangement during the preceding two years from the date of the Information Memorandum in which the Directors are directly or indirectly interested.

The Directors have no interest in any property acquired or proposed to be acquired by the Company within the two years preceding the date of this this Information Memorandum.
None of the Directors have any interest in the promotion of the Company other than in the ordinary course of the business.

Any arrangement or understanding with major shareholders, customers, suppliers or others, pursuant to which of the directors was selected as a director or member of senior management

There are no arrangements or understandings with major shareholders, customers, suppliers or other, pursuant to which a Director was selected as a Director.

CORPORATE GOVERNANCE

The provisions with respect to the corporate governance will be applicable upon Listing of the Equity Shares of the Company on BSE. The Company administers corporate governance through the Board of Directors and the Committees of the Board. In compliance with the requirement of the Regulation 17-27 of SEBI (Listing Obligation & Disclosures) Requirements, 2015, the Company has constituted following Board level Committees:

Audit Committee

The Audit Committee was originally constituted by the Board of Directors at their meeting held on 20th June, 2019

As on the date of this Memorandum, the Audit Committee consists of the following Directors:

Name of Director	Designation in the Committee	Nature of Directorship
Mr. Tribhuwan Nath Chaturvedi	Chairman	Independent Director
Mr. Sanjay Rajgarhia	Member	Executive Director
Mrs. Nirmala Bagri	Member	Independent Director

Terms of Reference:

The Committee shall perform the following functions:

1. oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. recommending to the board for appointment, remuneration and terms of appointment of auditors of the listed entity;
3. approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
   - i matters required to be included in the director's responsibility statement to be included in the board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
   - ii changes, if any, in accounting policies and practices and reasons for the same;

iii major accounting entries involving estimates based on the exercise of judgment by management;
iv significant adjustments made in the financial statements arising out of audit findings;
v compliance with listing and other legal requirements relating to financial statements;
vi disclosure of any related party transactions;
vii modified opinion(s) in the draft audit report;

5. reviewing, with the management, the quarterly financial statements before submission to the board for approval;
6. reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter;
7. reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
8. approval or any subsequent modification of transactions of the Companyy with related parties;
9. scrutiny of inter-corporate loans and investments;
10. valuation of undertakings or assets of the Company, wherever it is necessary;
11. evaluation of internal financial controls and risk management systems;
12. reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
13. reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
14. discussion with internal auditors of any significant findings and follow up there on;
15. reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
16. discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
17. to look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
18. to review the functioning of the whistle blower mechanism;
19. approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;
20. review the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary (if any), whichever is lower including existing loans / advances / investments existing

Nomination and Remuneration Committee

The Nomination and Remuneration Committee was originally constituted by the Board of Directors at their meeting held on 20th June, 2019. As on the date of this Memorandum the Nomination and Remuneration Committee consists of the following Directors:

Name of Director	Designation in the Committee	Nature of Directorship
Mrs. Nirmala Bagri	Chairman	Independent Director
Mr. Tribhuwan Nath Chaturvedi	Member	Independent Director
Mrs. Anisha Mittal	Member	Non-Executive Director

Terms of Reference:

The Committee shall perform the following functions:

1. formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;
2. formulate the criteria for evaluation of performance of independent directors and the board of directors;
3. devise a policy on diversity of board of directors;
4. identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal.
5. Identify whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.
6. Recommend to the board, all remuneration, in whatever form, payable to senior management.

Stakeholders Relationship Committee

The Stakeholders Relationship Committee was originally constituted by the Board of Directors at their meeting held on 20th June, 2019. As on the date of this Memorandum the Stakeholders Relationship Committee consists of the following Directors:

Name of Director	Designation in the Committee	Nature of Directorship
Mrs. Nirmala Bagri	Chairman	Independent Director
Mr. Sanjay Rajgarhia	Member	Executive Director
Mr. Ajay Rajgarhia	Member	Managing Director

Terms of Reference:

The Committee shall perform the following functions:

1. Resolving the grievances of the security holders of the Company including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.
2. Review the measures taken for effective exercise of voting rights by shareholders.
3. Review adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent.
4. Review the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company.

Management Organizational Structure

The Company is managed by the Board of Director of the Company consisting of three non-independent and two Independent Director(s).They are presently assisted by the Company secretary and Chief Financial Officer for the day to day operation of the Company

Key Managerial Personnel

The Company is managed by the Board of Directors (including its committees) and assisted by qualified persons who form the key managerial personnel team of the Company. The following are the key managerial personnel of the Company:

1. **Name of Personnel:**Ajay Rajgarhia
   Age:51 Years
   Address:W 13 Greater Kailash - II, New Delhi-110048
   Designation: Managing Director
   Qualifications: M.B.A. from William E Simon Graduate School of Business Management University of Rochester, USA
   Past business experience, and functions and areas of experience in the issuer: He is having specialization in the field of finance as he is M.B.A. from William E Simon Graduate School of Business Management University of Rochester, USA. He was appointed as Vice President (Business Development) in APM Industries Limited since 01.07.1995 &onwards. He has been contributing tremendous efforts towards development in finance and further expansion of the Company. He has 23 years of experience in NBFC.
   Date of Appointment: 20th June, 2019
   Period of Appointment: 5 Years, ending on 19th June, 2024
   No. of Equity Shares of the Company held: 2275000
   Details of previous employment: He was appointed as Vice President (Business Development) in APM Industries Limited Since 01.07.1995 onwards

2. **Name of Personnel:** Mr. Manoj Kumar Rinwa
   Age:42 Years
   Address: Near Ashok Stambh, Ratangarh and Distt. Churu, Rajasthan -331022
   Designation: Chief Financial Officer
   Qualifications: Graduate (B. Com) from Maharishi Dayanand University, Ajmer
   Past business experience, and functions and areas of experience in the issuer: He is having knowledge in the field of accounts and Finance have over 20 years' experience in the field of finance and accounts.
   Date of Appointment: 20th June, 2019
   Period of Appointment: N.A.
   No. of Equity Shares of the Company held: Nil
   Details of previous employment: Worked withM/s J.J. Buildcon Pvt. Ltd. Bhiwadi as accountant from 2012 to August -2018

3. **Name of Personnel:** Nidhi
   Age: 29 Years
   Address: H.No.85-A Model Basti, East Park Road Karol Bagh, New Delhi – 110005
   Designation: Company Secretary
   Qualifications: M.B.A. from Sikkim Manipal University andCompany Secretary
   Past business experience, and functions and areas of experience in the issuer: N.A.
   Date of Appointment: 20th June, 2019
   Period of Appointment: N.A.
   No. of Equity Shares of the Company held: Nil
   Details of previous employment: N.A.

Changes in Key Managerial Personnel in the past 3 years

There has been no change in Key Managerial Personnel of the Company in the past 3 years.

Relationship of Key Managerial Personnel

Mr. Ajay Rajgarhia, Managing Director and Key Managerial Personnel of the Company is related as brother to Mr. Sanjay Rajgarhia, Vice Chairman Director of the Company. Mr. Ajay Rajgarhia also holds 22,75,000 equity shares in our Promoter Company APM Industries Limited.

Arrangements with Major Shareholders, Customers, Suppliers and Others

There are no arrangements or understandings with major shareholders, customers, suppliers or other, pursuant to which a Key Managerial Personnel was appointed as a Key Managerial Personnel.

Other Commercial Arrangements with Key Managerial Personnel

Except for terms set forth in the appointment/engagement letters, the Key Managerial Personnel have not entered into any other contractual arrangements with the Company.

Interest of Key Managerial Personnel

All the Key Managerial Personnel may be deemed to be interested to the extent of the remuneration and other benefits in accordance with their terms of employment for services rendered as officers or employees to the Company. The Key Managerial Personnel may be deemed to be interested to the extent of their shareholding and / or dividends paid or payable on the Equity Shares held by them. None of the Key Managerial Personnel have been paid any consideration of any nature from the Company, other than their remuneration.

Employee Stock Options

The Company does not presently have in place any employee stock option plan/scheme.

H. PROMOTER, PROMOTER GROUP AND GROUP COMPANIES

APM Industries Limited ("AIL") is the Promoter of the Company.

1. Incorporation, Registered Office& other General Details:

AIL (CIN: L21015RJ1973PLC015819) was incorporatedon 21st September, 1973 in Jaipur, Rajasthan under the provisions of Companies Act, 1956 under the name "APM INDUSTRIES LIMITED". Registered office of the promoter Company is located at SP-147, RIICO INDUSTRIEAL AREA, Bhiwadi, Rajasthan – 301019.

AIL is presently engaged in the Business of manufacture of yarn. The equity shares of the AIL are currently listed on BSE.

It's Textile Spinning Unit in 1979-80 at Bhiwadi, Distt. Alwar, Rajasthan located in NCR 55 Kms. away from New Delhi International Airport, 5 Kms. from N.H.8 on Dharuhera-Sohna Road, under the trade name of **ORIENT SYNTEX** for the manufacture of Synthetic Blended Spun Yarns. Late Shri R.L. Rajgarhia, as its founder Chairman and Shri Rajendra Kumar Rajgarhia as Promoter Director promoted the company. The President of India honored late Shri Ram Lal Rajgarhia with Padmashri award in 1969 for his outstanding contribution to Indian Industry & promotion of export of engineering goods. Now, Shri R.K. Rajgarhia, as Chairman, looks after the company. The management control of the Company is vested with the Board of

Directors comprising of professionals & technocrats who are having vast experience. Shri Hari Ram Sharma, Managing Director of the Company and his team of Senior Executives & Technocrats in Production, Marketing and Research & Development etc.

The following is the capital structure of the Company since incorporation as per the details mentioned below:-

(Amount in Rs.)

Particulars		Authorised Share Capital	Issued Share Capital	Subscribed & Paid up Share Capital
0	:	25,00,000 Equity Shares of Rs 10/- each and 15,000 Preference Shares of Rs 100/- each	737,750 Equity Shares of Rs 10/- each	734,138 Equity Shares of Rs 10/- each
Year 1980	:	26,500,000	7,377,750	7,341,380
Capital	:	25,00,000 Equity Shares of Rs 10/- each and 15,000 Preference Shares of Rs 100/- each	1,622,500 Equity Shares of Rs 10/- each	1,622,500 Equity Shares of Rs 10/- each
Year 1981-89	:	26,500,000	16,225,000	16,225,000
Capital	:	25,00,000 Equity Shares of Rs 10/- each and 15,000 Preference Shares of Rs 100/- each	23,29,875 Equity Shares of Rs 10/- each	23,29,875 Equity Shares of Rs 10/- each
Year 1990	:	26,500,000	23,298,750	23,298,750
Capital	:	28,50,000 Equity Shares of Rs 10/- each and 15,000 Preference Shares of Rs 100/- each	28,22,530 Equity Shares of Rs 10/- each	27,01,477 Equity Shares of Rs 10/- each
Year 1991-94	:	30,000,000	28,225,300	27,014,770
Issued 16,20,886 Equity Shares of Rs 10/- each at a premium of Rs 15/- per share				
Capital	:	98,50,000 Equity Shares of Rs 10/- each and 15,000 Preference Shares of Rs 100/- each	44,43,416 Equity Shares of Rs 10/- each	43,22,272 Equity Shares of Rs 10/- each
Year 1995-97	:	100,000,000	44,434,160	43,222,720
Change in Authorised share Capital Structure				
Capital		70,00,000 Equity Shares of Rs 10/- each and 3,00,000 Preference Shares	44,43,416 Equity Shares of Rs 10/-	43,22,272 Equity Shares of Rs 10/- each

1,50,000 Equity shares allotted to promoters for other than cash

Right Issue

		of Rs 100/- each	**each**	
Year 1998-2010	:	100,000,000	44,434,160	43,222,720
The Company sub divided the face value of equity shares from Rs 10 to Rs 2 w.e.f January 28, 2011				
Capital		**3,50,00,000 Equity Shares of Rs 2/- each and 3,00,000 Preference Shares of Rs 100/-each**	**2,22,17080 Equity Shares of Rs 2/- each**	**2,16,11,360 Equity Shares of Rs 2/- each and 3,00,000 Preference Shares of Rs 100/- each**
Year 2011-2015	:	100,000,000	44,434,160	43,222,720

Sub division

Pursuant to the Scheme of Arrangement among APM Industries Limited (Demerged Company) and APM Finvest Limited (Resulting Company) and their respective shareholders and creditors in accordance with Sections 230-232 of the Companies Act, 2013 for the demerger of 'Finance & Investment Undertaking' ('Demerged Undertaking') of APM Industries Limited (Demerged Company') and subsequent amalgamation of Demerged Undertaking with its wholly owned subsidiary APM Finvest Limited (Resulting Company) has been approved by the Hon'ble National Company Law Tribunal ("Tribunal"), Jaipur Bench vide its order dated 24th May, 2019.

The authorized share capital of the demerged company will get transferred to the resulting company, to the extent as specified below, and the authorized share capital of the resulting company shall automatically stand increased by said amount.

Details of the authorised share capital of the Demerged Company is given below:-

APM INDUSTRIES LIMITED (DEMERGED COMPANY)	Equity	Preference	Total
Authorised share capital (Pre Scheme of arrangement) **35,000,000 Equity Shares of Rs.2/- each** **3,00,000 Preference Shares of Rs. 100/- each**	70,000,000	30,000,000	100,000,000
Authorised share capital to be transferred as per scheme of arrangement **12,500,000 Equity Shares of Rs. 2/- each**	25,000,000	Nil	25,000,000
Authorised share capital (Post Scheme of arrangement) ***2,25,00,000* Equity Shares of Rs.2/- each** **3,00,000 Preference Shares of Rs. 100/- each**	*4,50,00,000*	30,000,000	*7,50,00,000*

2. Nature of Activities:

AIL is engaged in business activities of manufacturing of Synthetic Blended Spun Yarns under the trade name of ORIENT SYNTEX.