Placement Document
Subject to completion
Not for circulation
Serial No. _____
Strictly confidential

Chokhani Securities Limited

(Our Company was incorporated as a Chokhani Securities Private Limited under the Companies Act, 1956 on February 10, 1993 with the Registrar of Companies, Mumbai, Maharashtra. Our Company was subsequently converted to a public limited company pursuant to the fresh Certificate of Incorporation issued by the RoC on July 26, 1994. The CIN of our Company is L67120MH1993PLC070739)

Registered Office: 5-A, Maker Bhavan II, 18 Sir Vithaldas Thackersey Marg, New Marine Lines, Churchgate, Mumbai - 400 020
Tel.: +91 22 2200 0772
Website: www.ugrocapital.com; E-mail: sweta18sep@gmail.com
Contact Person: Sweta Kumar, Company Secretary

Our Company is issuing 8,089,385 Equity Shares of face value of Rs. 10 each (the "Equity Share") at a price of Rs. 140 per Equity Share (the "Issue Price"), including a premium of Rs. 130 per Equity Shares, aggregating Rs. 1,132,513,900 (the "Issue").

ISSUE IN RELIANCE UPON SECTION 42 OF THE COMPANIES ACT, 2013, AS AMENDED, READ WITH RULES MADE THEREUNDER, ALONGWITH CHAPTER VIII OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, AS AMENDED (THE "SEBI ICDR REGULATIONS").

THIS ISSUE AND DISTRIBUTION OF THIS PLACEMENT DOCUMENT IS BEING MADE TO QUALIFIED INSTITUTIONAL BUYERS ("QIBS") AS DEFINED IN THE SEBI ICDR REGULATIONS IN RELIANCE UPON CHAPTER VIII OF THE SEBI ICDR REGULATIONS, AS AMENDED AND SECTION 42 OF THE COMPANIES ACT, 2013, AS AMENDED, AND RULES MADE THEREUNDER. THIS PLACEMENT DOCUMENT IS PERSONAL TO EACH PROSPECTIVE INVESTOR AND DOES NOT CONSTITUTE AN OFFER OR INVITATION OR SOLICITATION OF AN OFFER TO THE PUBLIC OR TO ANY OTHER PERSON OR CLASS OF INVESTORS WITHIN OR OUTSIDE INDIA OTHER THAN QIBS. THIS PLACEMENT DOCUMENT WILL BE CIRCULATED ONLY TO SUCH QIBS WHOSE NAMES ARE RECORDED BY OUR COMPANY PRIOR TO MAKING AN INVITATION TO SUBSCRIBE TO EQUITY SHARES.

Invitations for subscription of Equity Shares shall only be made pursuant to and in accordance with this Placement Document together with the respective Application Form (as defined hereinafter) and the Placement Document and the Confirmation of Allocation Note (as defined herein). For further information, see the section "Issue Procedure" beginning on page 91. The distribution of this Placement Document or the disclosure of its contents without our Company's prior consent to any person, other than QIBs and persons retained by QIBs to advise them with respect to their purchase of Equity Shares, is unauthorized and prohibited. Each prospective investor, by accepting delivery of this Placement Document, agrees to observe the foregoing restrictions and agrees to make no copies of this Placement Document or any documents referred to in this Placement Document.

Our Company's outstanding Equity Shares are listed on BSE Limited ("BSE" / "Stock Exchange"). The closing price of the outstanding Equity Shares on BSE on May 29, 2018 was ₹ 164.85 per Equity Share. In-principle approvals under Regulation 28(1) of the SEBI Listing Regulations (as defined herein) for listing of the Equity Shares to be issued under this Placement Document have been received from BSE vide their letter no. DCS/QIP/HM/IP/372/2018-19 dated May 29, 2018. Applications shall be made to the Stock Exchange for obtaining the listing and trading approvals for the Equity Shares to be issued pursuant to the Issue. The Stock Exchange assume no responsibility for the correctness of any statements made, opinions expressed or reports contained herein. Admission of the Equity Shares to be issued for trading on the Stock Exchange should not be taken as an indication of the merits of our Company or the Equity Shares.

A copy of this Placement Document (which includes disclosures prescribed under Form PAS-4 under the Companies (Prospectus and Allotment of Securities) Rules, 2014, as amended) has been delivered to the Stock Exchange. A copy of the Placement Document (which will include disclosures prescribed under Form PAS-4 under the Companies (Prospectus and Allotment of Securities) Rules, 2014, as amended) will also be delivered to the Stock Exchange and RoC. Our Company shall also make the requisite filings with the RoC and Securities and Exchange Board of India ("SEBI") within the stipulated period as required under the Companies Act, 2013 and the Companies (Prospectus and Allotment of Securities) Rules, 2014, as amended. This Placement Document has not been reviewed by SEBI, the Reserve Bank of India (the "RBI") the Stock Exchange or any other regulatory or listing authority and is intended only for use by QIBs. This Placement Document has not been and will not be registered as a prospectus with the RoC, and will not be circulated or distributed to the public in India or any other jurisdiction and will not constitute a public offer in India or any other jurisdiction.

OUR COMPANY HAS PREPARED THIS PLACEMENT DOCUMENT SOLELY FOR PROVIDING INFORMATION IN CONNECTION WITH THE PROPOSED ISSUE.

YOU MAY NOT AND ARE NOT AUTHORIZED TO (1) DELIVER THIS PLACEMENT DOCUMENT TO ANY OTHER PERSON; OR (2) REPRODUCE THIS PLACEMENT DOCUMENT IN ANY MANNER WHATSOEVER. ANY DISTRIBUTION OR REPRODUCTION OF THIS PLACEMENT DOCUMENT IN WHOLE OR IN PART IS UNAUTHORIZED. FAILURE TO COMPLY WITH THIS INSTRUCTION MAY RESULT IN A VIOLATION OF THE SEBI ICDR REGULATIONS OR OTHER APPLICABLE LAWS OF INDIA AND OTHER JURISDICTIONS.

INVESTMENTS IN EQUITY SHARES INVOLVE A DEGREE OF RISK AND PROSPECTIVE INVESTORS SHOULD NOT INVEST IN THE ISSUE UNLESS THEY ARE PREPARED TO TAKE THE RISK OF LOSING ALL OR PART OF THEIR INVESTMENT. PROSPECTIVE INVESTORS ARE ADVISED TO CAREFULLY READ THE SECTION "RISK FACTORS" BEGINNING ON PAGE 30 BEFORE MAKING AN INVESTMENT DECISION RELATING TO THE ISSUE. EACH PROSPECTIVE INVESTOR IS ADVISED TO CONSULT ITS OWN ADVISORS ABOUT THE PARTICULAR CONSEQUENCES OF AN INVESTMENT IN THE EQUITY SHARES BEING ISSUED PURSUANT TO THE PLACEMENT DOCUMENT.

The Equity Shares have not been and will not be registered under the Securities Act of 1933, as amended (the "Securities Act"), and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. Accordingly, the Equity Shares are being offered and sold (a) in the United States only to persons reasonably believed to be qualified institutional buyers (as defined in Rule 144A under the Securities Act) pursuant to the private placement exemption set out in Section 4(a)(2) of the Securities Act, and (b) outside the United States, in offshore transactions, in reliance on Regulation S under the Securities Act and the applicable laws of the jurisdiction where these offers and sales occur. For further information, see the sections "Selling Restrictions" and "Transfer Restrictions" on beginning on pages 101 and 108, respectively.

The information on our Company's website, any website directly or indirectly linked to our Company's website, or the website of the Book Running Lead Manager or their respective affiliates does not form part of this Placement Document and prospective investors should not rely on such information contained in, or available through, any such websites.

This Placement Document is dated August 13, 2018.

BOOK RUNNING LEAD MANAGER	
SUNDAE	**Sundae Capital Advisors Private Limited** SEBI Regn. No.: INM000012494 611, Shahpuri Tirath Singh Tower, 58, C - Block, Community Centre, Janak Puri, New Delhi - 110 058 Tel.: +91 11 4914 9740 Investor Grievance E-mail: grievances.mb@sundaecapital.com / Website: www.sundaecapital.com

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NOTICE TO INVESTORS

Our Company has furnished and accepts full responsibility for all of the information contained in this Placement Document and confirms that to its best knowledge and belief, having made all reasonable enquiries, this Placement Document contains all information with respect to our Company and the Equity Shares that is material in the context of the Issue. The statements contained in this Placement Document relating to our Company and the Equity Shares are, in all material respects, true and accurate and not misleading, and the opinions and intentions expressed in this Placement Document with regard to our Company and the Equity Shares are honestly held, have been reached after considering all relevant circumstances and are based on reasonable assumptions and information presently available to our Company. There are no other facts in relation to our Company and the Equity Shares, the omission of which would, in the context of the Issue, make any statement in this Placement Document misleading in any material respect. Further, our Company has made all reasonable enquiries to ascertain such facts and to verify the accuracy of all such information and statements.

The Book Running Lead Manager has not separately verified all of the information contained in this Placement Document (financial, legal or otherwise). Accordingly, neither the Book Running Lead Manager nor any of its shareholders, employees, counsel, officers, directors, representatives, agents or affiliates makes any express or implied representation, warranty or undertaking, and no responsibility or liability is accepted by the Book Running Lead Manager or any of its shareholders, employees, counsel, officers, directors, representatives, agents or affiliates as to the accuracy or completeness of the information contained in this Placement Document or any other information supplied in connection with our Company and the Equity Shares. Each person receiving this Placement Document acknowledges that such person has not relied on either the Book Running Lead Manager or on any of its shareholders, employees, counsel, officers, directors, representatives, agents or affiliates in connection with such person's investigation of the accuracy of such information or such person's investment decision, and each such person must rely on its own examination of our Company and the merits and risks involved in investing in the Equity Shares.

No person is authorised to give any information or to make any representation not contained in this Placement Document and any information or representation not so contained must not be relied upon as having been authorised by or on behalf of our Company or by or on behalf of the Book Running Lead Manager. The delivery of this Placement Document at any time does not imply that the information contained in it is correct as of any time subsequent to its date.

The Equity Shares to be issued pursuant to the Issue have not been approved, disapproved or recommended by any regulatory authority in any jurisdiction, including the U.S. Securities and Exchange Commission, any other federal or state authorities in the United States, the securities authorities of any non-United States jurisdiction or any other United States or non-United States regulatory authority. No authority has passed on or endorsed the merits of the Issue or the accuracy or adequacy of this Placement Document. Any representation to the contrary is a criminal offense in the United States and may be a criminal offence in other jurisdictions.

The Equity Shares have not been and will not be registered under the U.S. Securities Act or any other applicable state securities laws of the United States and, unless so registered may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, the Equity Shares are being offered and sold (a) in the United States only to persons who are U.S. QIBs pursuant to Section 4(a)(2) or another applicable exemption from registration under the U.S. Securities Act; for avoidance of doubt, the term U.S. QIBs does not refer to a category of institutional investors defined under applicable Indian regulations and referred to in this Placement Document as "**QIBs**" and (b) outside the United States in offshore transactions in reliance on Regulation S and the applicable laws of the jurisdiction where those offers and sales are made. See the sections titled "*Selling Restrictions*" and "*Transfer Restrictions*" on pages 101 and 108, respectively. The Equity Shares are transferable only in accordance with the restrictions described in "*Selling Restrictions*" and "*Transfer Restrictions*" on pages 101 and 108, respectively, of this Placement Document. Purchasers of the Equity Shares will be deemed to make the representations, warranties, acknowledgments and agreements set forth in the sections "*Representation by Investors*" and "*Selling Restrictions*" and "*Transfer Restrictions*" on pages 4, 101 and 108, respectively of this Placement Document.

The distribution of this Placement Document or the disclosure of its contents without the prior consent of our Company to any person, other than Eligible QIBs whose names are recorded by our Company prior to the

invitation to subscribe to the Issue (in consultation with the Book Running Lead Manager or its representatives), and those retained by Eligible QIBs to advise them with respect to their purchase of the Equity Shares is unauthorised and prohibited. Each prospective investor, by accepting delivery of this Placement Document, agrees to observe the foregoing restrictions and to not make copies of this Placement Document or any documents referred to in this Placement Document.

The distribution of this Placement Document and the issue of the Equity Shares may be restricted in certain jurisdictions by law. As such, this Placement Document does not constitute, and may not be used for or in connection with, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation. In particular, no action has been taken by our Company and the Book Running Lead Manager which would permit an offering of the Equity Shares or distribution of this Placement Document in any jurisdiction, other than India, where action for that purpose is required. Accordingly, the Equity Shares may not be offered or sold, directly or indirectly, and neither this Placement Document nor any offering material in connection with the Equity Shares may be distributed or published in or from any country or jurisdiction, except under circumstances that will result in compliance with any applicable rules and regulations of any such country or jurisdiction.

In making an investment decision, prospective investors must rely on their own examination of our Company and the terms of the Issue, including the merits and risks involved. Investors should not construe the contents of this Placement Document as legal, business, tax, accounting or investment advice. Investors should consult their own counsel and advisors as to business, legal, tax, accounting and related matters concerning the Issue. In addition, neither our Company nor the Book Running Lead Manager are making any representation to any offeree or subscriber of the Equity Shares regarding the legality of an investment in the Equity Shares by such offeree or subscriber under applicable legal, investment or similar laws or regulations.

Each subscriber of the Equity Shares in the Issue is deemed to have acknowledged, represented and agreed that it is eligible to invest in India and in our Company under Indian law, including Chapter VIII of the SEBI ICDR Regulations and Section 42 of the Companies Act, 2013, and that it is not prohibited by SEBI or any other statutory authority from buying, selling or dealing in the securities including the Equity Shares. Each Eligible QIB subscribing to the Equity Shares in the Issue also acknowledges that it has been afforded an opportunity to request from our Company and review information relating to our Company and the Equity Shares.

This Placement Document contains summaries of certain terms of certain documents, which summaries are qualified in their entirety by the terms and conditions of such documents.

The information on our Company's website, www.ugrocapital.com or any website directly and indirectly linked to the website of our Company or on the website of the Book Running Lead Manager or its affiliates, does not constitute nor form part of this Placement Document. Prospective investors should not rely on such information contained in, or available through, any such websites.

CERTAIN U.S. MATTERS

THE EQUITY SHARES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OR ANY OTHER APPLICABLE STATE SECURITIES LAWS OF THE UNITED STATES AND, UNLESS SO REGISTERED, MAY NOT BE OFFERED, SOLD OR DELIVERED WITHIN THE UNITED STATES EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE U.S. SECURITIES ACT AND APPLICABLE STATE SECURITIES LAWS. ACCORDINGLY, THE EQUITY SHARES ARE BEING OFFERED AND SOLD (A) IN THE UNITED STATES ONLY TO PERSONS REASONABLY BELIEVED TO BE QUALIFIED INSTITUTIONAL BUYERS (AS DEFINED IN RULE 144A UNDER THE U.S. SECURITIES ACT) PURSUANT TO SECTION 4(a)(2) UNDER THE SECURITIES ACT, AND (B) OUTSIDE THE UNITED STATES IN OFFSHORE TRANSACTIONS IN RELIANCE ON REGULATION S UNDER THE U.S. SECURITIES ACT. FOR A DESCRIPTION OF CERTAIN RESTRICTIONS ON TRANSFER OF THE EQUITY SHARES, SEE "TRANSFER RESTRICTIONS".

THE SECURITIES OFFERED HEREBY HAVE NOT BEEN REGISTERED WITH, OR APPROVED OR DISAPPROVED BY, THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION IN THE UNITED STATES OR ANY OTHER UNITED STATES REGULATORY AUTHORITY. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT PASSED

ON OR ENDORSED THE MERITS OF THE OFFERING OR THE ACCURACY OR ADEQUACY OF THIS PLACEMENT DOCUMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE IN THE UNITED STATES.

NOTICE TO INVESTORS IN CERTAIN OTHER JURISDICTIONS

For information for investors in certain other jurisdictions, please see sections "*Selling Restrictions*" and "*Transfer Restrictions*" on pages 101 and 108 of this Placement Document, respectively.

REPRESENTATION BY INVESTORS

References herein to "you" or "your" is to the prospective investors in the Issue.

By Bidding for and subscribing to any Equity Shares in the Issue, you are deemed to have represented, warranted, acknowledged and agreed to our Company and the Book Running Lead Manager, as follows:

- You are a QIB as defined in Regulation 2(1)(zd) of the SEBI ICDR Regulations and not excluded pursuant to Regulation 86(1)(b) of the SEBI ICDR Regulations, having a valid and existing registration under applicable laws and regulations of India, and undertake to acquire, hold, manage or dispose of any Equity Shares that are Allocated to you in accordance with Chapter VIII of the SEBI ICDR Regulations and undertake to comply with the SEBI ICDR Regulations, the Companies Act and all other applicable laws, including any reporting obligations;

- if you are not a resident of India, you are an Eligible FPI (as defined hereinafter) (including a sub-account other than a sub-account which is a foreign corporate or a foreign individual), and have a valid and existing registration with the SEBI under the applicable laws in India and you agree that you will participate in this Issue through the Portfolio Investment Scheme or the Foreign Portfolio Investment Scheme, as applicable. You confirm that you are not an FVCI or a foreign multilateral and bilateral development financial institution;

- You are eligible to invest in India under applicable law, including FEMA 20, and any notifications, circulars or clarifications issued thereunder, and have not been prohibited by SEBI or any other regulatory authority, from buying, selling or dealing in securities

- If you are Allotted any Equity Shares in the Issue, you shall not, for a period of one year from the date of Allotment, sell the Equity Shares so Allotted except on the floor of the Stock Exchange. Additional restrictions apply if you are within the United States. Please see the section "*Transfer Restrictions*";

- You have made, or are deemed to have made, as applicable, the representations set forth under sections "*Selling Restrictions*" and "*Transfer Restrictions*" on pages 101 and 108 of this Placement Document, respectively;

- You are aware that the Equity Shares have not been and will not be registered through a prospectus under the Companies Act (as defined hereinafter), the SEBI ICDR Regulations or under any other law in force in India. This Placement Document (which includes disclosures prescribed under Form PAS-4) has not been reviewed or affirmed by the RBI, SEBI, the Stock Exchange, the RoC or any other regulatory or listing authority and is intended only for use by Eligible QIBs and that this Placement Document will not be registered as a prospectus under the Companies Act;

- You are entitled to subscribe for and acquire the Equity Shares under the laws of all relevant jurisdictions that apply to you and that you have fully observed such laws and you have the necessary capacity, have obtained all necessary consents, governmental or otherwise, and authorisations and complied with all necessary formalities, to enable you to commit to participation in the Issue and to perform your obligations in relation thereto (including, without limitation, in the case of any person on whose behalf you are acting, all necessary consents and authorisations to agree to the terms set out or referred to in this Placement Document), and will honour such obligations;

- Neither our Company nor the Book Running Lead Manager or any of their respective shareholders, directors, officers, employees, counsel, representatives, agents or affiliates are making any recommendations to you or advising you regarding the suitability of any transactions you may enter into in connection with the Issue and your participation in the Issue is on the basis that you are not, and will not, up to the Allotment, be a client of the Book Running Lead Manager. Neither the Book Running Lead Manager nor any of its shareholders, directors, officers, employees, counsel, representatives, agents or affiliates have any duties or responsibilities to you for providing the protection afforded to their clients or customers or for providing advice in relation to the Issue and are not in any way acting in any fiduciary capacity;

- You confirm that, either: (i) you have not participated in or attended any investor meetings or presentations by our Company or its agents (the "**Company Presentations**") with regard to our Company or the Issue; or (ii) if you have participated in or attended any Company Presentations: (a) you understand and acknowledge

that the Book Running Lead Manager may not have knowledge of the statements that our Company or its agents may have made at such Company Presentations and are therefore unable to determine whether the information provided to you at such Company Presentations may have included any material misstatements or omissions, and, accordingly you acknowledge that the Book Running Lead Manager has advised you not to rely in any way on any information that was provided to you at such Company Presentations, and (b) confirm that, you have not been provided any material information relating to our Company and the Issue that was not publicly available;

- All statements other than statements of historical fact included in this Placement Document, including, without limitation, those regarding our Company's financial position, business strategy, plans and objectives of management for future operations (including development plans and objectives relating to our Company's business), are forward-looking statements. Such forward-looking statements involve known and unknown risks, uncertainties and other important factors that could cause actual results to be materially different from future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding our Company's present and future business strategies and the environment in which our Company shall operate in the future. You should not place undue reliance on forward-looking statements, which speak only as at the date of this Placement Document. Our Company assumes no responsibility to update any of the forward-looking statements contained in this Placement Document;

- You are aware and understand that the Equity Shares are being offered only to Eligible QIBs and are not being offered to the general public, and the Allotment basis shall be made at the discretion of our Company and the Book Running Lead Manager;

- You are aware that the pre-Issue and post-Issue shareholding pattern of our Company in the format prescribed in the SEBI Listing Regulations will be filed by our Company with the Stock Exchange, and if you are Allotted more than 5% of the Equity Shares in the Issue, our Company shall be required to disclose your name and the number of the Equity Shares Allotted to you to the Stock Exchange and the Stock Exchange will make the same available on their websites and you consent to such disclosures;

- You have been provided a serially numbered copy of this Placement Document and have read it in its entirety, including in particular, the section "*Risk Factors*" on page 30 of this Placement Document;

- In making your investment decision, you have (i) relied on your own examination of our Company and the terms of the Issue, including the merits and risks involved, (ii) made your own assessment of our Company, the Equity Shares and the terms of the Issue based solely on the information contained in this Placement Document and no other disclosure or representation by our Company, its Directors, promoters and affiliates or any other party, (iii) consulted your own independent counsel and advisors or otherwise have satisfied yourself concerning, without limitation, the effects of local laws, (iv) relied solely on the information contained in this Placement Document and no other disclosure or representation by our Company or any other party, (v) received all information that you believe is necessary or appropriate in order to make an investment decision in respect of our Company and the Equity Shares, and (vi) relied upon your own investigation and resources in deciding to invest in the Issue;

- Neither the Book Running Lead Manager nor any of its shareholders, directors, officers, employees, counsel, representatives, agents or affiliates have provided you with any tax advice or otherwise made any representations regarding the tax consequences of purchase, ownership and disposal of the Equity Shares (including but not limited to the Issue and the use of the proceeds from the Equity Shares). You will obtain your own independent tax advice from a reputable service provider and will not rely on the Book Running Lead Manager or any of its respective shareholders, directors, officers, employees, counsel, representatives, agents or affiliates when evaluating the tax consequences in relation to the Equity Shares (including but not limited to the Issue and the use of the proceeds from the Equity Shares). You waive, and agree not to assert any claim against our Company or the Book Running Lead Manager or any of their respective shareholders, directors, officers, employees, counsel, representatives, agents or affiliates with respect to the tax aspects of the Equity Shares or as a result of any tax audits by tax authorities, wherever situated;

- You are a sophisticated investor and have such knowledge and experience in financial, business and investment matters as to be capable of evaluating the merits and risks of an investment in the Equity Shares. You are experienced in investing in private placement transactions of securities of companies in a similar nature of business, similar stage of development and in similar jurisdictions. You and any accounts for which

you are subscribing for the Equity Shares (i) are each able to bear the economic risk of your investment in the Equity Shares, (ii) will not look to our Company and/or the Book Running Lead Manager or any of their respective shareholders, directors, officers, employees, counsel, representatives, agents or affiliates for all or part of any such loss or losses that may be suffered in connection with the Issue, including losses arising out of non-performance by our Company of any of its obligations or any breach of any representations and warranties by our Company, whether to you or otherwise, (iii) are able to sustain a complete loss on the investment in the Equity Shares, and (iv) have no need for liquidity with respect to the investment in the Equity Shares and (v) have no reason to anticipate any change in your or their circumstances, financial or otherwise, which may cause or require any sale or distribution by you or them of all or any part of the Equity Shares. You acknowledge that an investment in the Equity Shares involves a high degree of risk and that the Equity Shares are, therefore, a speculative investment. You are seeking to subscribe to the Equity Shares in the Issue for your own investment and not with a view to resell or distribute;

- If you are acquiring the Equity Shares to be issued pursuant to the Issue for one or more managed accounts, you represent and warrant that you are authorised in writing, by each such managed account to acquire such Equity Shares for each managed account and to make (and you hereby make) the representations, warranties, acknowledgements and agreements herein for and on behalf of each such account, reading the reference to "you" to include such accounts;

- You are not a 'promoter' (as defined under the SEBI ICDR Regulations) of our Company or any of its affiliates and are not a person related to the promoter, either directly or indirectly and your Bid does not directly or indirectly represent the 'promoter', or 'promoter group', (as defined under the SEBI ICDR Regulations) of our Company or persons related to the promoters;

- You agree that in terms of Section 42(7) of the Companies Act, 2013and Rule 14(3) of the Companies (Prospectus and Allotment of Securities) Rules, 2014, our Company shall file the list of Eligible QIBs (to whom the Placement Document has been circulated) along with other particulars with the RoC and SEBI within 30 days of circulation of the Placement Document and other filings required under the Companies Act, 2013 in connection with the Issue;

- You are aware that our Company shall make necessary filings with the RoC pursuant to the Allotment (which shall include certain details such as your name, address and number of Equity Shares Allotted) and if the Allotment of Equity Shares in the Issue results in you being one of the top ten shareholders of our Company, we shall also be required to disclose your name and shareholding details to the RoC within 15 days of Allotment, and you consent to such disclosure being made by us, under Section 93 of the Companies Act, 2013;

- You have no rights under a shareholders' agreement or voting agreement with the promoters or persons related to the promoters, no veto rights or right to appoint any nominee director on the Board of Directors other than the rights acquired, if any, in the capacity of a lender not holding any Equity Shares which shall not be deemed to be a person related to the promoters;

- You will have no right to withdraw your Bid after the Bid/Issue Closing Date (as defined hereinafter);

- You are eligible to apply for and hold the Equity Shares Allotted to you together with any Equity Shares held by you prior to the Issue. Further, you confirm that your aggregate holding after the Allotment of the Equity Shares shall not exceed the level permissible as per any applicable regulation;

- The Bid made by you would not result in triggering an open offer under the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended ("**Takeover Regulations**");

  The number of Equity Shares Allotted to you pursuant to the Issue, together with other Allottees that belong to the same group or are under common control shall not exceed 50% of the Issue.

- You shall not undertake any trade in the Equity Shares credited to your beneficiary account until such time that the final listing and trading approvals for such Equity Shares are issued by the Stock Exchange;

- You are aware that (i) applications for in-principle approval, in terms of Regulation 28(1)(a) of the SEBI Listing Regulations, for listing and admission of the Equity Shares and for trading on the Stock Exchange,

were made and approval has been received from each of the Stock Exchange, and (ii) the applications for the final listing and trading approvals will be made only after Allotment. There can be no assurance that the final approvals for listing and trading in the Equity Shares will be obtained in time or at all. Our Company shall not be responsible for any delay or non-receipt of such final approvals or any loss arising from such delay or non-receipt;

- You are aware and understand that the Book Running Lead Manager has entered into a Placement Agreement with our Company whereby the Book Running Lead Manager has severally and not jointly, subject to the satisfaction of certain conditions set out therein, agreed to manage the Issue and use its reasonable efforts as placement agents of our Company to procure subscriptions for the Equity Shares on the terms and conditions set forth therein;

- The contents of this Placement Document are exclusively the responsibility of our Company, and neither the Book Running Lead Manager nor any person acting on its behalf has or shall have any liability for any information, representation or statement contained in this Placement Document or any information previously published by or on behalf of our Company and will not be liable for your decision to participate in the Issue based on any information, representation or statement contained in this Placement Document or otherwise. By accepting a participating in the Issue, you agree to the same and confirm that the only information you are entitled to rely on, and on which you have relied in committing yourself to acquire the Equity Shares is contained in this Placement Document, such information being all that you deem necessary to make an investment decision in respect of the Equity Shares, you have neither received nor relied on any other information, representation, warranty or statement made by or on behalf of the Book Running Lead Manager or our Company or any of their respective affiliates or any other person, and neither the Book Running Lead Manager nor our Company nor any other person will be liable for your decision to participate in the Issue based on any other information, representation, warranty or statement that you may have obtained or received;

- You understand that the Book Running Lead Manager does not have any obligation to purchase or acquire all or any part of the Equity Shares purchased by you in the Issue or to support any losses directly or indirectly sustained or incurred by you for any reason whatsoever in connection with the Issue, including the non-performance by our Company or any of our respective obligations or any breach of any representations or warranties by us, whether to you or otherwise;

- You understand and agree that the Equity Shares are transferable only in accordance with the restrictions described in "*Transfer Restrictions*" and you warrant that you will comply with those restrictions;

- You understand that the Equity Shares have not been and will not be registered under the U.S. Securities Act or registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws.

- If you are within the United States, you are a U.S. QIB who is, or are, acquiring the Equity Shares for your own account or for the account of an institutional investor who also meets the requirements of a U.S. QIB, for investment purposes only and not with a view to, or for resale in connection with, the distribution (within the meaning of U.S. securities laws) thereof, in whole or in part;

- If you are outside the United States, you are purchasing the Equity Shares in an "offshore transaction" within the meaning of Regulation S under the U.S. Securities Act;

- You are not our affiliate or a person acting on behalf of such an affiliate; and

- You are not acquiring or subscribing for the Equity Shares as a result of any general solicitation or general advertising (as those terms are defined in Regulation D under the U.S. Securities Act) or directed selling efforts (as defined in Regulation S) and you understand and agree that offers and sales are being made in reliance on an exemption to the registration requirements of the U.S. Securities Act provided by Section 4(a)(2) thereof, and the Equity Shares may not be eligible for resale under Rule 144A. You understand and agree that the Equity Shares are transferable only in accordance with the restrictions described under the sections titled "*Selling Restrictions*" and "*Transfer Restrictions*" on pages 101 and 108, respectively.

- You agree that any dispute arising in connection with the Issue will be governed by and construed in accordance with the laws of Republic of India, and the courts in Mumbai, India shall have exclusive

jurisdiction to settle any disputes which may arise out of or in connection with this Placement Document and the Placement Document;

- Each of the representations, warranties, acknowledgements and agreements set out above shall continue to be true and accurate at all times up to and including the Allotment, listing and trading of the Equity Shares issued pursuant tithe Issue;

- You agree to indemnify and hold our Company and the Book Running Lead Manager and their respective directors, officers, affiliates, associates and representatives harmless from any and all costs, claims, liabilities and expenses (including legal fees and expenses) arising out of or in connection with any breach of the foregoing representations, warranties, acknowledgements and undertakings made by you in this Placement Document. You agree that the indemnity set forth in this paragraph shall survive the resale of the Equity Shares by, or on behalf of, the managed accounts;

- Our Company, the Book Running Lead Manager, their respective affiliates and others will rely on the truth and accuracy of the foregoing representations, warranties, acknowledgements and undertakings, given by you to the Book Running Lead Manager on its own behalf and on behalf of our Company, which are irrevocable. It is agreed that if any of such representations, warranties, acknowledgements and undertakings are no longer accurate, you will promptly notify our Company and the Book Running Lead Manager; and

- You will make all necessary filings with appropriate regulatory authorities, including the RBI, as required pursuant to applicable laws.

Offshore Derivative Instruments

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of the Regulation 22 of the SEBI FPI Regulations and circulars issued in this regard, a FPI, other than Category III FPIs and unregulated broad based funds, which are classified as Category II FPIs by virtue of their investment manager being appropriately regulated, may issue, subscribe or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by an FPI against securities held by it that are listed or proposed to be listed on any recognized stock exchange in India, as its underlying) (all such offshore derivative instruments referred to herein as "P-Notes"), directly or indirectly, only in the event (i) such P-Notes are issued only to persons who are regulated by an appropriate regulatory authority; (ii) such P-Notes are issued after compliance with 'know your client' norms, and (iii) such offshore derivatives investments shall not be issued to or transferred to persons who are resident Indians or NRIs and to entities beneficially owned by residents Indian or NRIs.

An FPI is also required to ensure that any transfer of offshore derivative instrument is made by, or on behalf of it subject to the following conditions: (a) such offshore derivative instruments are transferred to persons subject to fulfilment of SEBI FPI Regulations; and (b) prior consent of the FPI is obtained for such transfer, except when the persons to whom the offshore derivative instruments are to be transferred to are pre-approved by the FPI.

Prospective investors interested in purchasing a P-Note have the responsibility to obtain adequate disclosure as to the issuer of the P-Note and the terms and conditions of any such P-Notes from the issuer of such P-Note. The FPI is required to collect regulatory fee of US$1,000 or any other amount, as may be specified by SEBI from time to time, from every subscriber of P-Notes issued by it and deposit the same with SEBI by way of electronic transfer in the designated bank account of SEBI. FPI is required to deposit this regulatory fee once every three years, provided that for the block of three years beginning April 1, 2017, the FPI shall collect and deposit the regulatory fee within two months from the date of notification of the Securities and Exchange Board of India (Foreign Portfolio Investors) (Fourth Amendment) Regulations, 2017 (i.e. July 20, 2017).

Prospective investors interested in purchasing any P-Notes have the responsibility to obtain adequate disclosure as to the issuer(s) of such P-Notes and the terms and conditions of any such P-Notes from the issuer(s) of such P-Notes. Neither SEBI nor any other regulatory authority has reviewed or approved any P-Notes or any disclosure related thereto. Prospective investors are urged to consult with their own financial, legal and tax advisers regarding any contemplated investment in P-Notes, including whether P-Notes are issued in compliance with applicable laws and regulations, including without limitation, Indian laws, rules, regulations and guidelines applicable to P-Notes.

Any P-Notes that may be issued are not securities of our Company and do not constitute any obligations of, claim on, or interests in our Company. Our Company has not participated in any offer of any P-Notes, or in the establishment of the terms of any P-Notes, or in the preparation of any disclosure related to any P-Notes. Any P-Notes that may be offered are issued by, and are solely the obligations of, third parties that are unrelated to our Company. Our Company and the Book Running Lead Manager do not make any recommendation as to any investment in P-Notes and do not accept any responsibility whatsoever in connection with any P-Notes. Any P-Notes that may be issued are not securities of the Book Running Lead Manager and do not constitute any obligations of, or claims on, the Book Running Lead Manager. FPI affiliates (other than Category III FPI and unregulated broad-based funds which are classified as FPI by virtue of their investment manager being appropriately regulated) of the Book Running Lead Manager may purchase, to the extent permissible under law, Equity Shares in the Issue, and may issue P-Notes in respect thereof.

DISCLAIMER CLAUSE

Disclaimer Clause of the Stock Exchange

As required, a copy of this Placement Document has been submitted to the Stock Exchange. The Stock Exchange do not in any manner:

(1) warrant, certify or endorse the correctness or completeness of any of the contents of this Placement Document;

(2) warrant that the Equity Shares will be listed or will continue to be listed on the Stock Exchange; or

(3) take any responsibility for the financial or other soundness of our Company, its promoters, its management or any scheme or project of our Company.

It should not for any reason be deemed or construed to mean that this Placement Document has been cleared or approved by the Stock Exchange. Every person who desires to apply for or otherwise acquires any Equity Shares may do so pursuant to an independent inquiry, investigation and analysis and shall not have any claim against any of the Stock Exchange whatsoever, by reason of any loss which may be suffered by such person consequent to or in connection with, such subscription/acquisition, whether by reason of anything stated or omitted to be stated herein, or for any other reason whatsoever.

Disclaimer Clause of the Reserve Bank of India

The Company is having a valid certificate of registration no. 13.00325 dated March 11, 1998 issued by the RBI under Section 45 IA of the RBI Act. However, the RBI does not accept any responsibility or guarantee about the present position as to the financial soundness of the Company or for the correctness of any of the statements or representations made or opinions expressed by the Company and for repayment of deposits / discharge of liabilities by the Company.

PRESENTATION OF FINANCIAL AND OTHER INFORMATION

In this Placement Document, unless otherwise specified or the context otherwise indicates or implies, references to 'you', 'your', 'offeree', 'purchaser', 'subscriber', 'recipient', 'investors', 'prospective investors' and 'potential investor' are to the prospective investors in the Issue, references to the 'Company', 'Chokhani Securities Limited, 'Issuer', 'we', 'us' or 'our' are to Chokhani Securities Limited.

Currency and Units of Presentation

In this Placement Document, references to "USD" or "US$" or "U.S. dollar" are to United States Dollars, the official currency of the United States of America, and references to 'INR', '₹', 'Rs', 'Indian Rupees' and 'Rupees' are to the legal currency of India.

All references herein to the 'US' or 'U.S.' or the 'United States' are to the United States of America and its territories and possessions. All references herein to "India" are to the Republic of India and its territories and possessions and all references herein to the 'Government' or 'GOI' or the 'Central Government' or the 'State Government' are to the Government of India, central or state, as applicable. References to the singular also refers to the plural and one gender also refers to any other gender, wherever applicable, and the words "lakh" or "lac" mean "100,000", and the word "million" means "10 lakh", and the word "crore" means "10 million" or "100 lakh" and the word "billion" means "1,000 million" or "100 crore".

Financial Data

The financial year of our Company commences on April 1 of each calendar year and ends on March 31 of the following calendar year, and, unless otherwise specified or if the context requires otherwise, all references to a particular 'Fiscal Year' or 'fiscal' or "financial year" or 'FY' are to the 12 month period ended on March 31 of that year. Our Company publishes its financial statements in Indian Rupees.

In this Placement Document, we have included, (i) the audited standalone and consolidated financial statements for Fiscal 2015, 2016 and 2017 and nine months unaudited reviewed financial statements prepared in accordance with Indian GAAP and the Companies Act, 2013 ("**Indian GAAP Audited Financial Statements"**).

Unless the context otherwise requires, all financial data in this Placement Document are derived from our Indian GAAP Audited Financial Statements.

In this Placement Document, certain monetary thresholds have been subjected to rounding adjustments; accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures which precede them.

INDUSTRY AND MARKET DATA

Information included in this Placement Document regarding market position, growth rates and other industry data pertaining to our Company's business consists of estimates based on data reports compiled by government bodies, professional organisations and analysts, data from other external sources and knowledge of the markets in which our Company competes. Unless otherwise stated, statistical information included in this Placement Document pertaining to the business in which our Company operates, has been reproduced from trade, industry and government publications and websites. Our Company confirms that such information and data has been accurately reproduced, and that as far as it is aware and is able to ascertain from information published by third parties, no material facts have been omitted that would render the reproduced information inaccurate or misleading.

This information is subject to change and cannot be verified with complete certainty due to limits on the availability and reliability of the raw data and other limitations and uncertainties inherent in any statistical survey. In many cases, there is no readily available external information (whether from trade or industry associations, government bodies or other organisations) to validate market-related analysis and estimates, so our Company has relied on internally developed estimates.

Neither our Company nor the Book Running Lead Manager have independently verified this data, nor does it or the Book Running Lead Manager make any representation regarding the accuracy of such data. Similarly, while our Company believes its internal estimates to be reasonable, such estimates have not been verified by any independent sources, and neither our Company nor the Book Running Lead Manager can assure potential investors as to their accuracy.

The extent to which the market and industry data used in this Placement Document is meaningful depends on the reader's familiarity with and understanding of the methodologies used in compiling such data.

FORWARD LOOKING STATEMENTS

Certain statements contained in this Placement Document that are not statements of historical fact constitute 'forward-looking statements'. Investors can generally identify forward-looking statements by terminology such as 'aim', 'anticipate', 'believe', 'continue', 'can', 'could', 'estimate', 'expect', 'intend', 'may', 'objective', 'plan', 'potential', 'project', 'pursue', 'shall', 'should', 'will', 'would', 'will likely result' 'is likely', 'are likely', 'believe', 'expect', 'expected to', 'will continue', 'will achieve', or other words or phrases of similar import. Similarly, statements that describe the strategies, objectives, plans or goals of our Company are also forward-looking statements. However, these are not the exclusive means of identifying forward-looking statements.

All statements regarding our Company's expected financial conditions, results of operations, business plans and prospects are forward-looking statements. These forward-looking statements and any other projections include statements as to our Company's business strategy, planned projects, revenue and profitability (including, without limitation, any financial or operating projections or forecasts), new business and other matters discussed in this Placement Document that are not historical facts. These forward-looking statements contained in this Placement Document (whether made by our Company or any third party), are predictions and involve known and unknown risks, uncertainties, assumptions and other factors that may cause the actual results, performance or achievements of our Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements or other projections. All forward-looking statements are subject to risks, uncertainties and assumptions about our Company that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. Important factors that could cause the actual results, performances and achievements of our Company to be materially different from any of the forward-looking statements include, among others:

- our ability to manage our credit quality;
- interest rates and inflation in India;
- volatility in interest rates for our lending and investment operations as well as the rates at which our Company borrows from banks/financial institution;
- general, political, economic, social and business conditions in Indian and other global markets;
- our ability to successfully implement our strategy, growth and expansion plans;
- competition from our existing as well as new competitors;
- change in the government regulations;
- availability of adequate debt and equity financing at commercially acceptable terms;
- performance of the Indian debt and equity markets; and
- our ability to comply with certain specific conditions prescribed by the GoI in relation to our business changes in laws and regulations applicable to companies in India, including foreign exchange control regulations in India.

Additional factors that could cause actual results, performance or achievements of our Company to differ materially include, but are not limited to, those discussed under the sections "Risk Factors", "Industry Overview", "Our Business" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" beginning on pages 30, 56, 64 and 54, respectively.

By their nature, market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains, losses or impact on net interest income and net income could materially differ from those that have been estimated, expressed or implied by such forward looking statements or other projections.

The forward-looking statements contained in this Placement Document are based on the beliefs of management, as well as the assumptions made by, and information currently available to, management of our Company. Although our Company believes that the expectations reflected in such forward-looking statements are reasonable at this time, it cannot assure investors that such expectations will prove to be correct. Given these uncertainties, investors are cautioned not to place undue reliance on such forward-looking statements. In any event, these statements speak only as of the date of this Placement Document or the respective dates indicated in this Placement Document and neither our Company nor the Book Running Lead Manager undertake any obligation to update or revise any of them, whether as a result of new information, future events, changes in assumptions or changes in factors affecting these forward looking statements or otherwise.

If any of these risks and uncertainties materialise, or if any of our Company's underlying assumptions prove to be incorrect, the actual results of operations or financial condition of our Company could differ materially from that described herein as anticipated, believed, estimated or expected. All subsequent forward-looking statements attributable to our Company are expressly qualified in their entirety by reference to these cautionary statements.

ENFORCEMENT OF CIVIL LIABILITIES

Our Company is a company incorporated under the laws of India. The Board of Directors of our Company comprises of 4 Directors, all of whom are Indian citizens. All of our Company's Key Managerial Personnel are residents of India and a substantial portion of the assets of our Company and such persons are located in India. As a result, it may not be possible for investors outside India to effect service of process upon our Company or such persons in India, or to enforce against them judgments obtained in courts outside India.

India is not a signatory to any international treaty in relation to the recognition or enforcement of foreign judgments. Recognition and enforcement of foreign judgments is provided for under Section 13 and Section 44A of the Code of Civil Procedure, 1908, as amended ("Civil Code") on a statutory basis.

Section 13 of the Civil Code provides that a foreign judgment shall be conclusive as to any matter thereby directly adjudicated upon between the same parties or parties litigating under the same title except:

(a) where the judgement has not been pronounced by a court of competent jurisdiction;
(b) where the judgement has not been given on the merits of the case;
(c) where it appears on the face of the proceedings that the judgement to be founded on an incorrect view of international law or a refusal to recognise the law of India in cases where such law is applicable;
(d) where the proceedings in which the judgment was obtained were opposed to natural justice;
(e) where the judgement has been obtained by fraud; or
(f) where the judgement sustains a claim founded on a breach of any law then in force in India.

Section 44A of the Civil Code provides that where a foreign judgment has been rendered by a superior court (within the meaning of that section) in any country or territory outside India which the Government has by notification declared to be a reciprocating territory, it may be enforced in India by proceedings in execution as if the foreign judgment had been rendered by a district court in India. Under Section 14 of the Civil Code, a court in India will, upon the production of any document purporting to be a certified copy of a foreign judgment, presume that the foreign judgment was pronounced by a court of competent jurisdiction, unless the contrary appears on record but such presumption may be displaced by proving want of jurisdiction. However, Section 44A of the Civil Code is applicable only to monetary decrees not being in the nature of any amounts payable in respect of taxes or other charges of a like nature or in respect of a fine or other penalty and is not applicable to arbitration awards.

Each of the United Kingdom, Singapore and Hong Kong, amongst others, has been declared by the Government to be a reciprocating territory for the purposes of Section 44A of the Civil Code but the United States has not been so declared. A foreign judgment of a court in a jurisdiction which is not a reciprocating territory may be enforced only by a new suit based upon the foreign judgment and not by proceedings in execution. Such a suit has to be filed in India within three years from the date of the foreign judgment in the same manner as any other suit filed to enforce a civil liability in India. Accordingly, a judgment of a court in the United States may be enforced only by a fresh suit upon the foreign judgment and not by proceedings in execution.

It is unlikely that a court in India would award damages on the same basis as a foreign court if an action is brought in India. Furthermore, it is unlikely that an Indian court would enforce a foreign judgment if it viewed the amount of damages awarded as excessive or inconsistent with public policy, and it is uncertain whether an Indian court would enforce foreign judgments that would contravene or violate Indian law. A party seeking to enforce a foreign judgment in India is required to obtain approval from the RBI to repatriate outside India any amount recovered pursuant to execution, and any such amount may be subject to tax in accordance with applicable laws. Any judgment for payment of amounts denominated in a foreign currency would be converted into Rupees on the date of the judgment or award and not on the date of the payment.

AVAILABLE INFORMATION

Our Company has agreed that, for so long as any Equity Shares are "restricted securities" within the meaning of Rule 144(a)(3) under the U.S. Securities Act, our Company will, during any period in which it is neither subject to Section 13 or 15(d) of the U.S. Securities Exchange Act of 1934, as amended, nor exempt from reporting pursuant to Rule 12g3-2(b) thereunder, provide to any holder or beneficial owner of such restricted securities or to any prospective purchaser of such restricted securities designated by such holder or beneficial owner, upon the request of such holder, beneficial owner or prospective purchaser, the information required to be provided by Rule 144A(d)(4) under the U.S. Securities Act, subject to compliance with the applicable provisions of Indian law.

DEFINITIONS AND ABBREVIATIONS

This Placement Document uses the definitions and abbreviations set forth below, which you should consider when reading the information contained herein.

The following list of certain capitalised terms used in this Placement Document is intended for the convenience of the reader/prospective investor only and is not exhaustive.

Unless otherwise specified, the capitalised terms used in this Placement Document shall have the meaning as defined hereunder. Further any references to any statute or regulations or policies shall include amendments made thereto, from time to time.

The words and expressions used in this Placement Document but not defined herein, shall have, to the extent applicable, the meaning ascribed to such terms under the Companies Act, the SEBI ICDR Regulations, the SCRA, the Depositories Act or the rules and regulations made thereunder. Notwithstanding the foregoing, terms used in the sections "Statement of Tax Benefits" and "Financial Statements" beginning on pages 117 and 124, respectively, shall have the meaning given to such terms in such sections.

General Terms

Term	Description
the Company, our Company, the Issuer, we, our or us	Chokhani Securities Limited, a company under the Companies Act, 2013 with its registered office at 5-A, Maker Bhavan II, 18 Sir Vithaldas Thackersey Marg, New Marine Lines, Churchgate, Mumbai - 400 020

Company Related Terms

Term	Description
Articles or Articles of Association	Articles of Association of our Company, as amended
Auditors / Statutory Auditors	Deloitte Haskins & Sells LLP, Chartered Accountants (Firm Registration No.: 117366W/W-100018)
Board / Board of Directors	Board of Directors of our Company and includes any duly constituted committee thereof
Director	Director of our Company, unless otherwise specified
Equity Shares	Equity Shares of our Company of face value ₹ 10 each
Key Management Personnel	The Key Management Personnel of our Company in accordance with the provisions of the Companies Act, 2013. For details, see "***Board of Directors and Senior Management***" beginning on page 80
Memorandum or Memorandum of Association	Memorandum of Association of our Company, as amended
Promoter & Promoter Group	Mr. Shachindra Nath and Poshika Advisory Services LLP are the promoters of the Company subsequent to the change in control and management of the Company. Further, the members of the Company in their Extra Ordinary General Meeting held on July 28, 2018 approved the re-classification of Mr. Ramakant R Chokhani, Ramakant R Chokhani HUF, Ms. Neelam R Chokhani, Mr. Anand R Chokhani and the Company has made an application with BSE for the same in accordance with Regulation 31A of the SEBI LODR Regulations.
Registered Office	5-A, Maker Bhavan II, 18 Sir Vithaldas Thackersey Marg, New Marine Lines, Churchgate, Mumbai - 400 020
RoC	Registrar of Companies, Maharashtra at Mumbai

Issue Related Terms

Term	Description
Allocated / Allocation	The allocation of Equity Shares by our Company (in consultation with the Book Running Lead Manager) to successful Bidders on the basis of the Application Form submitted by such successful Bidders, and in compliance with Chapter VIII of the SEBI ICDR Regulations
Allot / Allotment / Allotted	The issue and allotment of Equity Shares pursuant to the Issue
Allottees	Successful Bidders to whom Equity Shares Allotted pursuant to the Issue
Application Form	The form (including any revisions thereof) pursuant to which a Bidder shall submit a Bid for the Equity Shares in the Issue
Bid(s)	Indication of interest of a Bidder, including all revisions and modifications thereto, as provided in the Application Form, to subscribe for the Equity Shares to be issued pursuant to the Issue
Bid / Issue Closing Date	August 13, 2018, which is the last date up to which the Application Forms shall be accepted by our Company (or the Book Running Lead Manager, on behalf of our Company)
Bid / Issue Opening Date	July 10, 2018, the date on which the acceptance of the Application Forms shall have commenced by our Company (or the Book Running Lead Manager on behalf of our Company)
Bidder	Any prospective investor, being a QIB, who makes a Bid pursuant to the terms of this Placement Document and the Application Form
Bidding Period	The period between the Bid/Issue Opening Date and Bid/Issue Closing Date inclusive of both dates during which Bidders can submit their Bids including any revision and/or modifications thereof
Book Running Lead Manager / BRLM	Sundae Capital Advisors Private Limited
CAN / Confirmation of Allocation Note	Note or advice or intimation to successful Bidders confirming Allocation of Equity Shares to such successful Bidders after determination of the Issue Price and requesting payment for the entire applicable Issue Price for all Equity Shares Allocated to such successful Bidders
Closing Date	The date on which Allotment of Equity Shares pursuant to the Issue shall be made, i.e. on or about August 14, 2018
Cut-off Price	The Issue Price of the Equity Shares to be issued pursuant to the Issue which shall be finalised by our Company in consultation with the Book Running Lead Manager
Designated Date	The date of credit of Equity Shares to the demat accounts of successful Bidders
Escrow Agreement	Agreement dated May 29, 2018, entered into amongst our Company, the Escrow Bank and the Book Running Lead Manager for collection of the Bid Amounts and for remitting refunds, if any, of the amounts collected, to the Bidders
Escrow Bank	IndusInd Bank Limited
Escrow Bank Account	The account titled 'Chokhani Securities Limited - QIP Escrow Account' to be opened with the Escrow Bank, subject to the terms of the Escrow Agreement, into which the application monies payable by Bidders in connection with subscription to Equity Shares pursuant to the Issue shall be deposited
Floor Price	The floor price of ₹ 145.46, which has been calculated in accordance with Chapter VIII of the SEBI ICDR Regulations. In terms of the SEBI ICDR Regulations, the Issue Price cannot be lower than the Floor Price. Our Company may offer a discount of not more than 5% on the Floor Price in terms of Regulation 85 of the SEBI ICDR Regulations.
Issue	The issue and Allotment of 8,089,385 Equity Shares of face value of ₹ 10 each (the "Equity Share") at a price of ₹ 140 per Equity Share (the "Issue Price"), including a premium of ₹ 130 per Equity Shares, aggregating ₹ 1,132,513,900 (the "Issue") pursuant to chapter VIII of the SEBI ICDR Regulations and the provisions of the Companies Act, 2013
Issue Price	₹ 140 per Equity Share
Issue Size	The aggregate size of the Issue, which is up to ₹ 1,132,513,900
Mutual Fund	A mutual fund registered with SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996, as amended

Term	Description
Mutual Fund Portion	10% of the Equity Shares proposed to be Allotted in the Issue, which is available for Allocation to Mutual Funds
Pay-in Date	The last date specified in the CAN for payment of application monies by the successful Bidders
Placement Agreement	Placement agreement dated May 28, 2018 entered into between our Company and the Book Running Lead Manager
Placement Document	The placement document to be issued by our Company in accordance with Chapter VIII of the SEBI ICDR Regulations and Section 42 of the Companies Act, 2013 and the rules prescribed thereunder
Preliminary Placement Document	The Preliminary Placement Document dated May 29, 2018 issued to QIBs in accordance with Chapter VIII of the SEBI ICDR Regulations and Section 42 of the Companies Act, 2013 and the rules prescribed thereunder
Pricing Date	The date of determination of the number of Equity Shares to be placed through the Issue and the Issue Price for the same
QIBs / Qualified Institutional Buyers	Qualified institutional buyers as defined under Regulation 2(1)(zd) of the SEBI ICDR Regulations
QIP	Qualified institutions placement, being private placement to Eligible QIBs under Chapter VIII of the SEBI ICDR Regulations and applicable sections of the Companies Act, 2013, read with applicable rules of the Companies (Prospectus and Allotment of Securities) Rules, 2014
Relevant Date	May 29, 2018, which is the date of the meeting of the QIP Committee of the Board of Directors of our Company which decided to open the Issue

Business and Industry Related Terms

Term	Description
ALCO	Asset Liability Management Committee
CAR / Capital Adequacy Ratio	Minimum Capital Ratio to be maintained by a NBFC as required under the "Non-Banking Financial Company - Non Systematically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016"
CP	Commercial Paper
ECB	External Commercial Borrowing
FCNR	Foreign currency non-resident
ICD	Inter - Corporate Deposit
NBFC	Non-Banking Financial Company
Net NPAs	Net Non-performing assets as per RBI regulations for banks or NBFCs
NPAs	Non-performing assets
RBI	Reserve Bank of India
Tier I Capital	As defined under RBI regulations for NBFCs
Tier II Capital	As defined under RBI regulations for NBFCs
Total Assets	Total assets is balance sheet total
Yield	Ratio of interest income to the daily average of interest earning assets

Conventional and General Terms / Abbreviations

Term	Description
Rupees / INR / Rs. / ₹	Indian Rupee
AGM	Annual General Meeting
AIFs	Alternative investment funds, as defined and registered with SEBI under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012, as amended
AMC	Asset Management Company
AS	Accounting Standards issued by the Institute of Chartered Accountants of India
AY	Assessment Year
BSE	BSE Limited
CAGR	Compounded annual growth rate

Term	Description
Category III Foreign Portfolio Investor	An FPI registered as a category III foreign portfolio investor under the SEBI FPI Regulations
CDSL	Central Depository Services (India) Limited
CEO	Chief executive officer
CIN	Corporate Identity Number
Civil Procedure Code	The Code of Civil Procedure, 1908
Companies Act	The Companies Act, 2013 and the rules made thereunder
Depositories Act	The Depositories Act, 1996
Depository	A depository registered with SEBI under the Securities and Exchange Board of India (Depositories and Participant) Regulations, 1996, as amended
Depository Participant	A depository participant as defined under the Depositories Act
DIN	Director Identification Number
EBITDA	Earnings before interest, taxes, depreciation and amortization
EGM	Extra-ordinary General Meeting
Eligible FPIs	FPIs that are eligible to participate in the Issue and does not include qualified foreign investors or Category III Foreign Portfolio Investors (who are not eligible to participate in the Issue)
EPS	Earnings Per Share
FDI	Foreign Direct Investment
FDI Policy	Consolidated Foreign Direct Investment Policy notified under Circular No. D/o IPP F. No. 5(1)/2017-FC-1, effective from August 28, 2017, as amended from time to time
FEMA 20	The Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2017, as amended
Financial Year / Fiscal Year / Fiscal	Period of 12 months ended March 31 of that particular year, unless otherwise stated
FIPB	Erstwhile Foreign Investment Promotion Board
Form PAS-4	Form PAS-4 as prescribed under the Companies (Prospectus and Allotment of Securities) Rules, 2014
FPI	Foreign portfolio investors as defined under the SEBI FPI Regulations and includes a person who has been registered under the SEBI FPI Regulations.
FVCI	Foreign venture capital investors as defined under and registered with SEBI pursuant to the Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000 registered with SEBI
GAAP	Generally accepted accounting principles
GDP	Gross domestic product
GDR	Global depository receipts
GoI / Government	Government of India
GST	Goods and Services Tax
ICAI	Institute of Chartered Accountants of India
IND AS	Indian accounting standards as notified by the MCA vide Companies (Indian Accounting Standards) Rule 2015 in its G.S.R dated February 16, 2015
Indian GAAP	Generally accepted accounting principles in India
Insider Trading Regulations	The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended
IPC	The Indian Penal Code, 1860
Income Tax Act, 1961 / IT Act	Income Tax Act, 1961
Mn	Million
MoU	Memorandum of understanding
NRIs	Non-Resident Indians
NSDL	National Securities Depository Limited
PAN	Permanent account number
PAT	Profit after tax
RBI	Reserve Bank of India
RBI Act	The Reserve Bank of India Act, 1934

Term	Description
Regulation S	Regulation S under the Securities Act
RoC	Registrar of Companies, Maharashtra at Mumbai
Rule 144A	Rule 144A under the Securities Act
SCR (SECC) Rules	The Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2012, notified by the SEBI
SCRA	Securities Contracts (Regulation) Act, 1956
SCRR	Securities Contracts (Regulation) Rules, 1957
SEBI	Securities and Exchange Board of India
SEBI Act	The Securities and Exchange Board of India Act, 1992
SEBI AIF Regulations	The Securities and Exchange Board of India (Alternate Investment Fund) Regulations, 2012, as amended
SEBI FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014, as amended
SEBI ICDR Regulations	The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended
SEBI LODR Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended
SEC	United States Securities and Exchange Commission
Securities Act	The U.S. Securities Act of 1933
Stock Exchange	BSE Limited
STT	Securities Transaction Tax
SEBI Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended
US$ / USD / U.S. dollar	United States Dollar, the legal currency of the United States of America
USA / U.S. / United States	The United States of America
VCF	Venture capital fund as defined and registered with SEBI under the Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996 or the SEBI AIF Regulations, as the case may be

DISCLOSURE REQUIREMENTS UNDER FORM PAS-4 PRESCRIBED UNDER THE COMPANIES ACT, 2013

The table below sets out the disclosure requirements as provided in Form PAS-4 and the relevant pages in this Placement Document where these disclosures, to the extent applicable, have been provided.

Sr. No.	Disclosure Requirements	Relevant page of this Placement Document
1.	**General Information**	
a.	Name, address, website and other contact details of the company indicating both registered office and corporate office	Cover Page
b.	Date of incorporation of the company	Cover Page
c.	Business carried on by the company and its subsidiaries with the details of branches or units, if any	24
d.	Brief particulars of the management of the company	81
e.	Names, addresses, DIN and occupations of the directors	81
f.	Management's perception of risk factors	30
g.	Details of default, if any, including therein the amount involved, duration of default and present status, in repayment of:	
(i)	Statutory dues;	Nil
(ii)	Debentures and interest thereon;	Not Applicable
(iii)	Deposits and interest thereon; and	Not Applicable
(iv)	Loan from any bank or financial institution and interest thereon	Not Applicable
h.	Names, designation, address and phone number, e-mail ID of the nodal / compliance officer of the company, if any, for the private placement offer process	Cover Page, 125
2.	**Particulars of the Offer**	
a.	Date of passing of board resolution	25, 125
b.	Date of passing of resolution in the general meeting, authorizing the offer of securities	25, 125
c.	Kinds of securities offered (i.e. whether share or debenture) and class of security	Equity Shares
d.	Price at which the security is being offered including the premium, if any, along with justification of the price	25
e.	Name and address of the valuer who performed valuation of the security offered	Not Applicable
f.	Amount which the company intends to raise by way of securities	Cover Page, 25
g.	Terms of raising of securities:	
(i)	Duration, if applicable	Not Applicable
(ii)	Rate of Dividend;	Not Applicable
(iii)	Rate of Interest;	Not Applicable
(iv)	Mode of payment; and	Not Applicable
(v)	Mode of repayment	Not Applicable
h.	Proposed time schedule for which the offer letter is valid	18
i.	Purposes and objects of the offer	47
j.	Contribution being made by the promoters or directors either as part of the offer or separately in furtherance of such objects.	47
k.	Principle terms of assets charged as security, if applicable	Not Applicable
3	**DISCLOSURES WITH REGARD TO INTEREST OF DIRECTORS, LITIGATION ETC**	
a.	Any financial or other material interest of the directors, promoters or key managerial personnel in the offer and the effect of such interest in so far as it is different from the interests of other persons.	85
b.	Details of any litigation or legal action pending or taken by any Ministry or Department of the Government or a statutory authority against any promoter of the offeree company during the last three years immediately preceding the year of the circulation of the offer letter and any direction issued by such Ministry or Department or statutory authority upon conclusion of such litigation or legal action shall be disclosed.	122
c.	Remuneration of directors (during the current year and last three financial years).	85

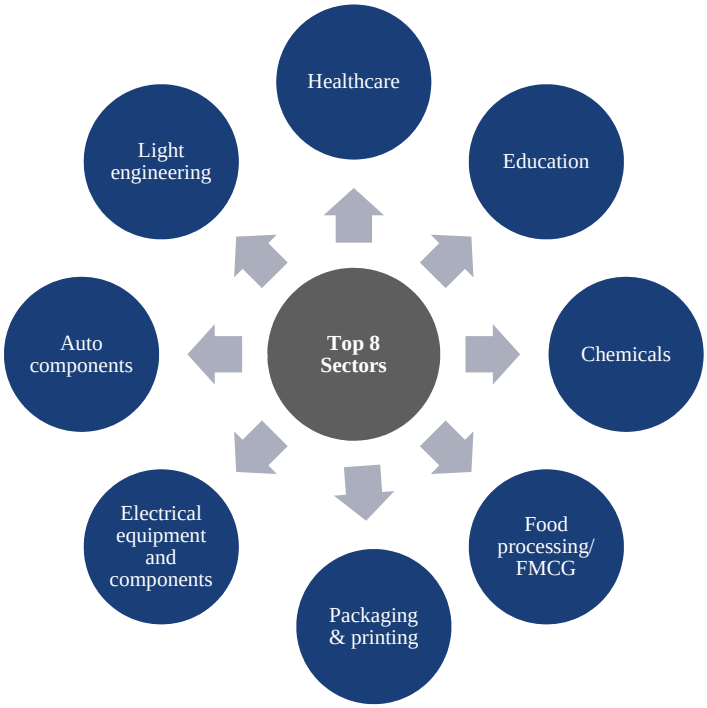
Sr. No.	Disclosure Requirements	Relevant page of this Placement Document
d.	Related party transactions entered during the last three financial years immediately preceding the year of circulation of offer letter including with regard to loans made or, guarantees given or securities provided.	126
e.	Summary of reservations or qualifications or adverse remarks of auditors in the last five financial years immediately preceding the year of circulation of offer letter and of their impact on the financial statements and financial position of the company and the corrective steps taken and proposed to be taken by the company for each of the said reservations or qualifications or adverse remark.	123
f.	Details of any inquiry, inspections or investigations initiated or conducted under the Companies Act or any previous company law in the last three years immediately preceding the year of circulation of offer letter in the case of company and all of its subsidiaries. Also if there were any prosecutions filed (whether pending or not) fines imposed, compounding of offences in the last three years immediately preceding the year of the offer letter and if so, section-wise details thereof for the company and all of its subsidiaries.	122
g.	Details of acts of material frauds committed against the company in the last three years, if any, and if so, the action taken by the company.	122
4.	**FINANCIAL POSITION OF THE COMPANY**	
a.	The capital structure of the company in the following manner in a tabular form:	49
(i)(a)	The authorized, issued, subscribed and paid up capital (number of securities, description and aggregate nominal value);	49
(b)	Size of the present offer; and	49
(c)	Paid up Capital;	49
(A)	After the offer; and	49
(B)	After conversion of convertible instruments (if applicable);	49
(d)	Share premium account (before and after the offer).	49
(ii)	The details of the existing share capital of the issuer company in a tabular form, indicating therein with regard to each allotment, the date of allotment, the number of shares allotted, the face value of the shares allotted, the price and the form of consideration.	49
	Provided that the issuer company shall also disclose the number and price at which each of the allotments were made in the last one year preceding the date of the offer letter separately indicating the allotments made for considerations other than cash and the details of the consideration in each case.	49
b.	Profits of the company, before and after making provision for tax, for the three financial years immediately preceding the date of circulation of offer letter.	28 & 126
c.	Dividends declared by the company in respect of the said three financial years; interest coverage ratio for last three years (Cash profit after tax plus interest paid/interest paid).	54
d.	A summary of the financial position of the company as in the three audited balance sheets immediately preceding the date of circulation of offer letter.	27
e.	Audited Cash Flow Statement for the three years immediately preceding the date of circulation of offer letter.	27
f.	Any change in accounting policies during the last three years and their effect on the profits and the reserves of the company.	56
5.	**A DECLARATION BY THE DIRECTORS THAT**	
a.	The company has complied with the provisions of the Act and the rules made thereunder.	128
b.	The compliance with the Act and the rules does not imply that payment of dividend or interest or repayment of debentures, if applicable, is guaranteed by the Central Government.	128
c.	The monies received under the offer shall be used only for the purposes and objects indicated in the Offer letter.	128

SUMMARY OF OUR BUSINESS

We are registered with the Reserve Bank of India as "Non-Banking Financial Company - Non Systematically Important Non-Deposit taking Company", presently engaged in the business of undertaking NBFC activities including investment in the capital or other moneys of the company in the purchase or upon the security of shares, stock, debentures, debenture - stock, bonds, mortgages, obligations and securities of any kind, carrying on business in shares, stocks, debentures, debenture stock, bonds, mortgages, obligations and other securities, commissioners, trust, municipal or local authority and to carry on business of underwriters, film financing, hire purchase financing and to carry on business of financing industrial enterprises, trade and business financing

For details on recent developments, please refer to the section "Our Business" beginning on page 64.

With the proposed change of control of the management of the Company, demerger of lending business of Asia Pragati Capfin Private Limited into our Company and raising of further capital, the Company will diversify its operations in the business of extending secured loans to Small and Medium Enterprise ("SME") and Micro, Small and Medium Enterprises ("MSME") borrowers in India against security of assets including residential and commercial property and plant and machinery. After raising of capital, as aforesaid, we shall be focusing on the SME & MSME lending business in the following sectors:



With the in-depth product knowledge, relevant financial services domain knowledge, ability to structure loans and the new management team, we believe that the same will be critical to the growth of our operations.

Revenue summary
Our total revenues has increased to ₹ 3.52 crores during the fiscal 2018 as against ₹ 2.43 crores for the fiscal 2017 and profit after tax has increased to ₹ 2.98 crore during the fiscal 2018 as against ₹ 1.97 crore for the fiscal 2017.

SUMMARY OF THE ISSUE

The following is a general summary of the terms of the Issue. This summary should be read in conjunction with, and is qualified in its entirety by, the more detailed information appearing elsewhere in this Placement Document, including the sections "Risk Factors", "Use of Proceeds", "Placement", "Issue Procedure" and "Description of the Equity Shares" beginning on pages 30, 47, 100, 91 and 114 respectively.

Name of Issuer	Chokhani Securities Limited
Issue Price	₹ 140 per Equity Share
Floor Price	₹ 145.46 per Equity Share. In terms of the SEBI ICDR Regulations, the Issue Price cannot be lower than the Floor Price. Our Company has offered a discount of 3.75% on the Floor Price in terms of Regulation 85 of the SEBI ICDR Regulations.
Issue Size	Issue of 8,089,385 Equity Shares, aggregating to ₹ 1,132,513,900 A minimum of 10% of the Issue Size i.e. up to 808,939 Equity Shares shall be available for Allocation to Mutual Funds only, and up to 7,280,446 Equity Shares shall be available for Allocation to all QIBs, including Mutual Funds. If no Mutual Fund is agreeable to take up the minimum portion mentioned above, such minimum portion or part thereof may be Allotted to other eligible QIBs.
Date of Board Resolution	December 29, 2017
Date of Shareholders Resolution	May 07, 2018
Eligible Investors	QIBs as defined in Regulation 2(1)(zd) of the SEBI ICDR Regulations to whom this Placement Document and the Application Form is circulated and who are eligible to bid and participate in the Issue and QIBs not excluded pursuant to Regulation 86(1)(b) of the SEBI ICDR Regulations. See the sections "***Issue Procedure***", "***Selling Restrictions***" and "***Transfer Restrictions***" beginning on pages 91, 101 and 108, respectively. The list of QIBs to whom this Placement Document and Application Form is delivered shall be determined by the Book Running Lead Manager in consultation with our Company, at their sole discretion.
Equity Shares issued and outstanding immediately prior to the Issue	7,256,638 Equity Shares
Equity Shares issued and outstanding immediately after the Issue	15,346,023 Equity Shares
Listing	Our Company has obtained in-principle approval from BSE vide letter no. DCS/QIP/HM/IP/372/2018-19 dated May 29, 2018 in terms of Regulation 28(1) of the SEBI Listing Regulations for listing of the Equity Shares pursuant to the Issue. Our Company shall make application to each of the Stock Exchange after allotment to obtain final listing and trading approval for the Equity Shares.
Transferability Restrictions	The Equity Shares Allotted pursuant to the Issue shall not be sold for a period of one year from the date of Allotment, except on the floor of the Stock Exchange. See the section "***Transfer Restrictions***" beginning on page 108.
Use of Proceeds	The gross proceeds from the Issue are ₹ 1,132,513,900. The net proceeds from the Issue, after deducting fees, commissions and expenses of the Issue, will be approximately ₹ 1,107,351,762. See the section "***Use of Proceeds"*** beginning on page 47 for additional information.
Risk Factors	See the section "***Risk Factors***" beginning on page 30 for a discussion of risks you should consider before deciding whether to subscribe for the Equity Shares.
Pay-in Date	Last date specified in the CAN sent to the QIBs for payment of application money.
Closing	The Allotment of the Equity Shares offered pursuant to the Issue is expected to be made on or about August 14, 2018.

Ranking	The Equity Shares to be issued pursuant to the Issue shall be subject to the provisions of the Memorandum of Association and Articles of Association and shall rank *pari passu* with the existing Equity Shares of our Company, including rights in respect of dividends. The shareholders of our Company will be entitled to participate in dividends and other corporate benefits, if any, declared by our Company after the Closing Date, in compliance with the Companies Act, 2013, the SEBI Listing Regulations and other applicable laws and regulations. Shareholders of our Company may attend and vote in shareholders' meetings on the basis of one vote for every Equity Share held.	
Voting Rights	See the section "***Description of the Equity Shares- Voting Rights***" beginning on page 115.	
Security Codes for the Equity Shares	ISIN	INE583D01011
	BSE Scrip Code	511742

SUMMARY FINANCIAL INFORMATION

*The following summary financial information and other data should be read together with "**Management's Discussion and Analysis of Financial Condition and Results of Operations**" and our financial information, including the notes thereto and the reports thereon, which appear in the section "**Financial Statements**". The summary financial information set forth below is derived from the Audited Financial Statements for the financial years ended March 31, 2018, 2017 and 2016 prepared in accordance with Indian GAAP. The selected data set out below has been derived from Audited Financial Statements. Neither the information set forth below nor the format in which it is presented should be viewed as comparable to information presented in accordance with IND AS, IFRS or other accounting principles.*

Summary Balance Sheet

(Amount in ₹)

Particulars	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016
Equity and liabilities			
Shareholders' funds			
Share Capital	4,69,85,000	4,69,85,000	4,69,85,000
Reserves and Surplus	32,33,63,148	29,35,69,911	27,33,65,611
Total	**37,03,48,148**	**34,05,54,911**	**32,03,50,611**
Current Liabilities			
Short-Term Provisions	4,997	17,20,291	19,83,412
Trade Payables	59,000	1,03,500	68,400
Other Current Liabilities	10,000	2 5,100	350
Sub Total	**73,997**	**18,48,891**	**20,52,162**
Total	**37,04,22,145**	**34,24,03,802**	**32,24,02,773**
Assets			
Non-Current Assets			
Non-Current Investments	33,43,44,949	25,79,21,468	24,54,87,352
Total	**33,43,44,949**	**25,79,21,468**	**24,54,87,352**
Current Assets			
Inventories	2,67,22,000	7,63,33,220	3,64,72,014
Cash and Cash equivalents	87,007	2 8,171	3,27,36,790
Short-Term Loans and Advances	11,24,524	10,80,000	21,407
Other Current Assets	81,43,665	70,40,943	76,85,211
Sub Total	**3,60,77,196**	**8,44,82,334**	**7,69,15,422**
Total	**37,04,22,145**	**34,24,03,802**	**32,24,02,773**

Summary Statement of Profit and Loss

(Amount in ₹)

Particulars	For the year ended		
	March 31, 2018	March 31, 2017	March 31, 2016
Revenues			
Revenue from Operations	**57,52,880**	**1 3,71,088**	**76,73,583**
Other Income	2,94,02,693	2,20,60,867	3,00,96,766
Total Revenues	**3,51,55,573**	**2,34,31,955**	**3,77,70,349**
Expenses			
Employee Benefit Expenses	11,29,995	14,82,746	14,97,287
Other Expenses	17,80,246	17,78,502	16,37,855
Total Expenses	**29,10,241**	**32,61,248**	**31,35,142**
Profit before Exceptional Items and Tax	**3,22,45,332**	**2,01,70,707**	**3,46,35,207**
Exceptional Items	0	0	0
Profit before Tax	**3,22,45,332**	**2,01,70,707**	**3,46,35,207**
Tax Expense:			
Current tax	24,52,095	4,45,000	47,40,000
Deferred tax	-	-	-
Profit/ (Loss) after tax	**2,97,93,237**	**1,97,25,707**	**2,98,95,207**
Earnings per Share (EPS) (Weighted Average):			
Basic EPS (in Rupees per share)	**6.34**	**4.20**	**6.36**
Diluted EPS (in Rupees per share)	**6.34**	**4.20**	**6.36**

Summary Statement of Cash Flows

(Amount in ₹)

Particulars	For the year ended		
	March 31, 2018	March 31, 2017	March 31, 2016
Cash flow from Operating Activities:			
Net(Loss)/Profit Before Extraordinary Item And Taxes	**3,22,45,332**	**2,01,70,707**	**3,46,35,207**
Adjustments for:			
Short Term Capital Gain on sale of Units of Mutual Funds	7,43,752	12,55,653	-
Short Term Capital Gain on Shares & Security	15,58,322	2,21,946	-
Long Term Capital Gain on Shares & Security	49,80,582	13,14,153	-
Long Term Gain on sale of Units of Mutual Funds	17,36,975	15,44,700	-
Interest from Tax Free Bonds	1,84,60,189	1,77,24,415	-
Interest on Bond Application	-	-	-
Dividend Income	19,22,873	-	-
Operating Profit/(Loss) before Working Capital Changes	**28,42,639**	**(18,90,160)**	**3,46,35,207**
Movements in Working Capital			
Adjustments for (Increase)/Decrease in operating assets:			
Inventories	4,96,11,220	(3,98,61,207)	7,89,20,427
Short-term loans and advances	(44,524)	(5,80,001)	(7,007)
Other Current Assets	(11,02,722)	6,44,268	1,60,39,991
Adjustments for Increase/(Decrease) in operating liabilities:			
Short term provisions	(17,15,294)	(2,63,121)	12,69,939
Trade payables	(44,500)	35,100	(10,24,268)
Other Current Liabilities	(15,100)	24,750	(25,97,904)
	4,66,89,080	**(4,00,00,211)**	**92,601,179**
Cash flow from extraordinary items	-	-	-
Cash generated from operations	4,95,31,719	(4,18,90,370)	12,72,36,386
Net income tax (paid)/ refunds	(24,52,095)	(4,45,000)	(47,40,000)

Particulars	For the year ended		
	March 31, 2018	**March 31, 2017**	**March 31, 2016**
Net Cash From/(Used In) Operating Activities (A)	**4,70,79,624**	**(4,23,35,370)**	**12,24,96,386**
Cash flow from Investing Activities:			
Income from Tax Free Bonds	1,84,60,189	1,77,24,415	-
Income from Bond Application	-	-	-
Purchase of Long term investments	-	-	(9,37,80,424)
Purchase of Mutual Funds	(7,38,95,366)	(19,37,78,238)	-
Purchase of Shares/Debentures	-	(6,43,98,618)	-
Proceeds from sale of Mutual Funds	-	18,83,56,259	-
Proceeds from sale of Shares/Debentures	64,91,516	6,17,22,936	-
Cash flow from extraordinary items	-	-	-
Net Cash Outflow From/ (Used in) Investing Activities (B)	(4,89,43,661)	**96,26,754**	**(9,37,80,424)**
Cash flow from Financing Activities:			
Issue of Equity Shares (net of issue expenses)	-	-	-
Dividend Income	19,22,873		
Net Cash inflow from Financing Activities (C)	**19,22,873**	-	-
Net Increase / (Decrease) in Cash and Cash equivalents (A+B+C)	58,836	**(3,27,08,616)**	**2,87,15,961**
Opening cash and cash equivalents	28,171	3,27,36,790	40,20,829
Effect of exchange differences on restatement of foreign currency Cash & Cash Equivalents	-	-	-
Cash and cash equivalents at the end of the year	**87,007**	**28,174**	**3,27,36,790**
Comprises:			
Cash in Hand	5,260	630	4,998
Balances with Bank (in current accounts)	81,747	27,541	3,27,31,792
	87,007	**28,174**	**3,27,36,790**

RISK FACTORS

An investment in our Equity Shares involves a high degree of risk. You should carefully consider each of the following risk factors and all other information set forth in this Placement Document before making an investment in our Equity Shares. The risks and uncertainties described below are not the only risks that we currently face. Additional risks and uncertainties not presently known to us or that we currently believe to be immaterial may also adversely affect our business, financial condition, results of operations and cash flows.

If any or some combination of the following risks, or other risks that are not currently known or believed to be adverse, actually occur, our business, financial condition and results of operations could suffer, the trading price of, and the value of your investment in, our Equity Shares could decline and you may lose all or part of your investment. In making an investment decision with respect to this Issue, you must rely on your own examination of our Company and the terms of this Issue, including the merits and risks involved.

INTERNAL RISKS

1. ***Any non-compliance with mandatory Anti Money Laundering (AML) and Know Your Customer (KYC) policies could expose us to additional liability and harm our business and reputation.***

   We adopt applicable anti-money laundering ("**AML**") and know your client ("**KYC**") policies and procedures in our businesses. While we have adopted policies and procedures aimed at collecting and maintaining all AML and KYC related information from our customers in order to detect and prevent the use of our networks for illegal money laundering activities, there may be instances where we may be used by other parties in attempts to engage in money laundering and other illegal or improper activities. In addition, a number of jurisdictions (including India) have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement certain provisions of the U.S. Internal Revenue Code of 1986, commonly known as FATCA. Pursuant to these provisions, as part of our KYC processes we are required to collect and report certain information regarding US persons having accounts with us who are customers of our alternative asset management business.

   Although we believe that we have adequate internal policies, processes and controls in place to prevent and detect AML activity and ensure KYC compliance, including FATCA compliance, and have taken necessary corrective measures, there can be no assurance that we will be able to fully control instances of any potential or attempted violation by other parties and may accordingly be subject to regulatory actions including imposition of fines and other penalties by the relevant government agencies to whom we report, including the FIU-IND. Our business and reputation could suffer if any such parties use or attempt to use us for money-laundering or illegal or improper purposes and such attempts are not detected or reported to the appropriate authorities in compliance with applicable regulatory requirements.

2. ***If we fail to identify, monitor and manage risks and effectively implement our risk management policies, it could have a material adverse effect on our business, financial condition, results of operations and cash flows.***

   We have devoted resources to develop our risk management policies and procedures and aim to continue to do so in the future. Despite this, our policies and procedures to identify, monitor and manage risks of fraud, money laundering, any other credit, operational or other risks may not be effective. Further, some of our methods of managing risks are based upon the use of observed historical market behaviour. As a result, these methods may not accurately predict future risk exposures, which could be greater than those indicated by the historical measures. To the extent any of the instruments and strategies we use to hedge or otherwise manage our exposure to market or credit risk are not effective, we may not be able to mitigate effectively our risk exposures in particular market environments or against particular types of risk.

   Our investment and interest rate risks are dependent upon our ability to identify and mark-to-market changes in the value of financial instruments caused by changes in market prices or rates. Our earnings are dependent upon the effectiveness of our management of changes in credit quality and risk concentrations, the accuracy of our valuation models and our critical accounting estimates and the adequacy of our allowances for loan losses.

To the extent our assessments, assumptions or estimates prove inaccurate or not predictive of actual results, we could suffer higher than anticipated losses.

If we fail to effectively implement our risk management policies, it could materially and adversely affect our business, financial condition, results of operations and cash flows.

3. We are vulnerable to the volatility in interest rates and we may face interest rate and redemption risk with respect to the debt securities in which investments have been made by our Company and also affect our source of funding.

Our operations are particularly vulnerable to volatility in interest rates and redemption of the debt securities in which investments are made. The yield on our investments in debt securities and the market value of such investments are determined by a number of factors, many of which are beyond our control, including the RBI's monetary policies, inflationary expectations, competition, domestic and international economic and political scenario and other factors. Competitive pressures may require us to sell / redeem our investments at a lower price than as available in the market. Also, any financial turmoil in the financial markets has the ability to adversely impact the economic activity in India and globally. Continued deterioration of the credit and capital markets could result in volatility of our investment earnings and impairments to our investment and asset portfolio, which could adversely affect our reported income and financial condition.

Also, if on maturity date of any debt securities in which we have invested monies, its respective issuer fails to redeem such securities, we may face the credit risk and may lose our entire investments.

There can be no assurance that we will be able to adequately manage our interest rate risk and redemption risk in the future, and if we are unable to do so, this could have an adverse effect on our interest income and networth, which could in turn have a material adverse effect on our business, results of operations and financial condition.

4. Any disruption in our sources of funding could adversely affect our liquidity and financial condition.

The liquidity and profitability of our business will depend, in large part, on our timely access to, and the costs associated with, raising funds. Our funding requirements historically have been met from the limited source of shareholders funding. Our business thus depends and will continue to depend on our ability to access shareholders funds. Our ability to raise funds on acceptable terms and at fair value depends on various factors including our current and future results of operations and financial condition, our risk management policies, the shareholding of our Promoter in our Company, our credit ratings, our brand equity, the regulatory environment and policy initiatives in India and developments in the international markets affecting the Indian economy. Changes in economic, regulatory and financial conditions or any lack of liquidity in the market could adversely affect our ability to access funds at competitive rates, which could adversely affect our liquidity and financial condition

5. We will operate in an increasingly competitive financial services industry, which creates significant pricing pressures and may adversely affect our net interest margins, income and market share. Further, our growth depends on our ability to compete effectively in this competitive environment.

We will operate in a highly competitive market and face significant competition from other players in the financial services industry and from companies seeking to attract our customers' financial assets. The financial services market is being served by a range of financial entities, including traditional banking institutions, other Indian and foreign brokerage houses, investment banks, asset managers, captive finance affiliates of players in various industries, public sector banks, NBFCs and small finance banks. Many of our competitors may have greater financial resources, may be larger in terms of business volume and customer base, have greater brand recognition among customers, better institutional distribution platforms and may have significantly lower cost of funds compared to us. Some of them may also have greater geographical reach, long-standing partnerships and may offer their customers other forms of financing that we may not be able to provide and accordingly, may be more flexible and better positioned to take advantage of market opportunities. Moreover, as interest rate is a key factor driving a customers' decision in selecting a financier, competitors may offer loans at lower rates, owing to access to lower cost of capital, to retain market share. This competition is likely to further intensify as more and more international players enter into Indian financial services industry as a result of regulatory changes. Our future success will depend, to a large extent, on our ability to respond in a timely and effective manner to these competitive pressures. There can be no

assurance that we will be able to compete successfully with such competitors and gain market share. Such competitive pressures may affect our business, and our growth will largely depend on our ability to respond in an effective and timely manner to these competitive pressures. Our business, financial condition, cash flows, results of operations and prospects may be materially and adversely affected if we are not able to maintain our market position, sustain our growth, develop new products or target new markets. Further, the financial services industry in India is undergoing rapid and significant technological and other changes. We use technology in many aspects of our business. If we do not anticipate, innovate, keep pace with and adapt to technological and other changes impacting the Indian financial services industry, it could harm our ability to compete in the market, decrease the attractiveness of our products to customers and materially and adversely affect our business prospects. There can be no assurance that we will be able to react effectively to these or other market developments or compete effectively with new and existing players in the increasingly competitive vehicle finance industry. Increasing competition may adversely affect our net interest margins, income and market share.

6. The risk of non-payment or default by borrowers may adversely affect our financial condition and results of operations.

The main source of income of our Company till date was from investments into debt securities of other companies. Such debt securities possess various risk including credit risk, insolvency, lack of liquidity, interest rates fluctuations. With the proposed change of control of the management of the Company, demerger of lending business of Asia Pragati Capfin Private Limited into our Company and raising of further capital, the Company will diversify its operations in the business of extending secured loans to Small and Medium Enterprise ("SME") and Micro, Small and Medium Enterprises ("MSME") borrowers in India against security of assets including residential and commercial property and plant and machinery.

Besides macroeconomic conditions, we face risks specific to each line of business segment in which we operate, which may also result in increased defaults. It may therefore be difficult to carry out precise credit risk analyses on all of our investment portfolios.

Further, the Government has by the Finance Act, 2017 introduced Section 269(ST) to the Income Tax Act, which restricts cash transactions above ₹ 200,000 and also sets out penalties for the violation of this section. Cash has historically been a preferred mode of payment by small customers in the Industry and may continue to be in the future. Due to the introduction of such restrictions, our collections may be affected until our customers start making repayments through banking channels. Consequently, non-payment or default by borrowers could adversely affect our financial condition and results of operations.

7. We will depend on the accuracy and completeness of information about customers and counterparties and any misrepresentation, errors in or incompleteness of such information could cause our business to suffer.

In deciding whether to extend credit or enter into other transactions with customers, we will rely on information furnished to us by or on behalf of customers. We may also rely on certain representations from our customers as to the accuracy and completeness of that information. For ascertaining the creditworthiness and encumbrances on collateral we may depend on third parties such as the respective registrars and sub-registrars of assurances, credit information companies or credit bureaus, and on independent or professional valuers in relation to the value of the collateral, and our reliance on any misleading information given may affect our judgement of credit worthiness of potential borrowers, and the value of and title to the collateral, which may affect our business, prospects, results of operations and financial condition. Moreover, the availability of accurate and comprehensive credit information on retail customers and small businesses in India is more limited than for larger corporate customers, which will reduce our ability to accurately assess the credit risk associated with such lending. While the law provides us with better access to credit information, there may be relatively less financial and credit information available on small and medium enterprises and in relation to the possibility of double-financing obtained by any such clients, than may have been available in a more developed economy, and the availability of such financial and credit information in India may be considered to suffer from an absence of competitive pressure at present. Difficulties in assessing credit risks associated with our day-to-day lending operations may lead to an increase in the level of our non-performing and restructured assets, which could materially and adversely affect our business, prospects, results of operations and financial condition.

8. We are affected by volatility in interest rates for both our lending and treasury operations, which could cause our net interest income to decline and adversely affect our return on assets and profitability.

A significant component of our revenue is the interest income we receive from the securities in which we invest. A large portion of our investment is expected to derive from the lending business which we propose to undertake after the change of control and management and raising of further capital.

Our interest income may be affected by any volatility in interest rates in our lending operations. Interest rates are highly sensitive to many factors beyond our control, including the monetary policies of the RBI, deregulation of the financial sector in India, domestic and international economic and political conditions and other factors, which have historically generated a relatively high degree of volatility in interest rates in India. Persistently high inflation in India may discourage the Government from implementing policies that would cause interest rates to decrease. Moreover, if there is an increase in the interest rates we pay on our borrowings that we are unable to pass to our customers, we may find it difficult to compete with our competitors, who may have access to low-cost funds. Further, to the extent our borrowings are linked to market interest rates, we may have to pay interest at a higher rate than lenders that borrow only at fixed interest rates.

Fluctuations in interest rates may also adversely affect our treasury operations. In a rising interest rate environment, especially if the rise is sudden or sharp, we could be adversely affected by the decline in the market value of our securities portfolio and other fixed income securities. In addition, the value of any interest rate hedging instruments we may enter into in the future would be affected by changes in interest rates, which could adversely affect our ability to hedge against interest rate volatility. We cannot assure that we will continue to enter into such interest rate hedging instruments or that we will be able to enter into the correct amount of such instruments to adequately hedge against interest rate volatility in the future.

Further, pursuant to our loan agreements with customers, we lend money on fixed interest rate basis, typically without including a provision that interest rates due under our loan agreements will increase if interest rates in the market increase. Our inability to effectively and efficiently manage interest rate variations and our failure to pass on increased interest rates on our borrowings may cause our net interest income to decline, which would decrease our return on assets and could adversely affect our business, future financial performance and result of operations.

9. We may be unsuccessful in expanding into new lines of business and implement our new business strategies, which could adversely affect our business and prospects.

We continue to pursue opportunities to expand into new lines of business. With the proposed change of control of the management of the Company, demerger of lending business of Asia Pragati Capfin Private Limited into our Company and raising of further capital, the Company will diversify its operations in the business of extending secured loans to Small and Medium Enterprise ("SME") and Micro, Small and Medium Enterprises ("MSME") borrowers in India against security of assets including residential and commercial property and plant and machinery. However, our growth strategies may require new regulatory approvals and strain our resources. We may also pursue new business strategies in the future such as opening new offices, increasing our presence in new geographies and introduce new products and services. Pursuing such business opportunities will require significant capital, which we may not be able to raise in a timely manner, or at all. We cannot assure you that we will be successful in expanding these new lines of business, which could adversely affect our business, operations and profitability.

10. We may experience difficulties in expanding our business into new regions and markets in India.

As part of our proposed growth strategy, we will continue to evaluate opportunities to expand our business into new markets in India. Factors such as competition, customer requirements, regulatory regimes, business practices and customs in these new markets may differ from those in our existing markets, and our experience in our existing markets may not be applicable to these new markets. In addition, as we enter new markets and geographical regions, we are likely to compete with not only other banks and financial institutions but also the local unorganized or semi-organized private financiers, who are more familiar with local regulations, business practices and customs, and have stronger relationships with target customers.

As we plan to expand our geographic footprint, our business may be exposed to additional challenges, including obtaining necessary governmental approvals, identifying and collaborating with local business partners with whom we may have no existing relationship; successfully marketing our products in markets in

which we have no familiarity; attracting customers in a market in which we do not have significant experience or visibility; being subject to additional local taxes; attracting and retaining new employees; expanding our technological infrastructure; maintaining standardized systems and procedures; and adapting our marketing strategy and operations to new markets in India in which different languages are spoken. To address these challenges, we may have to make significant investments that may not yield desired results or incur costs that we may not be able to recover. Our inability to expand our current operations may adversely affect our business, financial conditions, and results of operations.

11. We depend on the services of our management team and employees, our inability to recruit and retain them may adversely affect our business.

Since the Company is in the process of transition from being an investment company to a loan company, the Company proposes to hire a management team which will be experienced in the said business and our future success depends substantially on the continued service and performance of members of our management team and employees and also upon our ability to manage key issues relating to human resource such as selecting and retaining key managerial personnel, developing managerial experience, addressing emerging challenges and ensuring a high standard of client service. There is intense competition for experienced senior management and other qualified personnel, particularly office managers, field executives and employees with local knowledge in client procurement, loan disbursement and installment collections. If we cannot hire management personnel and employees, our ability to expand our business will be impacted and our revenue could be adversely affected. Failure to train and motivate our employees properly may result in an increase in employee attrition rates, require additional hiring, divert management resources, adversely affect our origination and collection rates, increase our exposure to high-risk credit and impose significant costs on us. While we plan to have an incentive based remuneration structure, employee stock option scheme and training and development programs designed to encourage employee retention, our inability to attract and retain talented professionals, or the resignation or loss of key managerial personnel, may have an adverse impact on our business, future financial performance.

12. We are subject to laws and regulations governing the banking and financial services industry in India and changes in laws and regulations governing us could adversely affect our business, results of operations and prospects.

As an NBFC, we are subject to regulation by Government authorities, including the RBI. For example, we are subject to the RBI's guidelines on financial regulation of NBFCs, including capital adequacy, exposure provisioning and other master directions. The RBI also regulates the credit flow by banks to NBFCs and provides guidelines to commercial banks with respect to their investment and credit exposure norms for lending to NBFCs. Additionally, we are required to make various filings with the RBI, the Registrar of Companies and other relevant authorities pursuant to the provisions of RBI regulations, the Companies Act and other regulations.

The RBI, from time to time, amends the regulatory framework governing NBFCs to address concerns arising from certain divergent regulatory requirements for banks and NBFCs. The laws and regulations governing the banking and financial services industry in India have become increasingly complex and cover a wide variety of issues, such as interest rates, liquidity, investments, ethical issues, money laundering and privacy. These laws and regulations can be amended, supplemented or changed at any time such that we may be required to restructure our activities and incur additional expenses to comply with such laws and regulations, which could adversely affect our business and our financial performance.

13. We may face asset-liability mismatches, which could affect our liquidity and consequently may adversely affect our operations and profitability.

We may face potential liquidity risks because our assets and liabilities will mature over different periods. As is typical for NBFCs, in future we may source our funding requirements through short-term funding sources, such as by issuing commercial paper, short-term loans from banks, fixed deposits and unsecured debentures. The loan assets of our Company may have varying tenures. Consequently, our inability to obtain additional credit facilities or renew our existing credit facilities in a timely and cost-effective manner or at all may lead to mismatches between our assets and liabilities, which in turn may adversely affect our operations and profitability.

14. As an NBFC, non-compliance with the RBI's observations made during its periodic inspections could expose us to penalties and restrictions.

As an NBFC, we are subject to periodic inspection by the RBI under the Reserve Bank of India Act, 1934 (the "**RBI Act**"), pursuant to which the RBI may inspect our books of accounts and other records for the purpose of verifying the correctness or completeness of any statement, information or particulars furnished to the RBI. We cannot assure you that the RBI will not raise any adverse observations based on their finding on the operations of our Company. In the event we are unable to resolve such deficiencies to the RBI's satisfaction, we may be restricted in our ability to conduct our business as we currently do. While we seek to comply with all regulatory provisions applicable to us, in the event we are unable to comply with the observations made by the RBI, we could be subject to penalties and restrictions which may be imposed by the RBI. Imposition of any penalty or adverse findings by the RBI during the ongoing or any future inspections may have an adverse effect on our business, results of operations, financial condition and reputation.

15. We may not be able to sustain our growth.

Our proposed growth strategy includes diversifying in the business of lending, diversifying our product portfolio and expanding our customer base. However, we cannot assure you that our growth strategy will continue to be successful or that we will be able to continue to expand further or diversify our product portfolio. If we increase the number of loans we extend too quickly or fail to properly assess credit risks associated with new borrowers, a higher percentage of our loans may become non-performing, which may adversely affect the quality of our assets and our results of operations and financial condition.

We also face a number of operational risks in executing our proposed growth strategy. Our rapid growth exposes us to a wide range of risks, including business and management risks, such as the possibility that a number of our impaired loans may increase faster than anticipated or that we fail to understand the new markets we enter into, as well as operational risks and fraud, regulatory and legal risks. It will also place sufficient demands on our management, financial and other resources and will require us to continuously develop and improve our operational, financial and internal controls.

Moreover, our ability to sustain our rate of growth depends significantly upon our ability to manage key issues such as selecting and retaining key managerial personnel, maintaining effective risk management policies, continuing to offer products which are relevant and cost effective for our target customers, training managerial personnel to address emerging challenges, developing and maintaining technical infrastructure and systems and ensuring a high standard of customer service. We will need to recruit new employees, who will have to be trained and integrated into our operations. We will also have to train existing employees to adhere properly to evolving internal controls and risk management procedures. Failure to train our employees for the above operational controls may result in loss of business, erosion of the quality of customer service, diversion of management resources, an increase in our exposure to high-risk credit, significant costs and an increase in employee attrition rates, any of which could adversely affect our business.

16. Any failure by us to identify, manage, complete and integrate acquisitions, divestitures and other significant transactions successfully could adversely affect our business and results of operations.

As part of our business strategy, we may acquire complementary companies or businesses, divest non-core businesses or assets, enter into strategic alliances and joint ventures and make investments to further expand our business. In order to pursue this strategy successfully, we must identify suitable candidates for and successfully complete such transactions, some of which may be large and complex, and manage the integration of acquired companies or employees. We may not fully realize all of the anticipated benefits of any such transaction within our anticipated timeframe, or at all. Any increased or unexpected costs, unanticipated delays or failure to achieve contractual obligations could make such transactions less profitable or unprofitable. Managing business combination and investment transactions requires varying levels of management resources, which may divert our attention from other business operations and may result in significant costs and expenses.

17. ***We require certain statutory and regulatory approvals for conducting our business and our inability to obtain, retain or renew them in a timely manner, or at all, may adversely affect our operations.***

We require certain statutory and regulatory approvals for conducting our business and may also need additional approvals from regulators to distribute insurance products through our insurance broking business and other fee- based products to our customers. For example, we are required to obtain and maintain a certificate of registration for carrying on business as an NBFC, a certificate that is subject to numerous conditions. We also require licenses and approvals to operate our various lines of business. We may not be able to obtain such approval in a timely manner or at all.

In addition, our various offices, meeting centers and customer care centers may be required to be registered under the relevant shops and establishments laws of the states and also require a trade license in certain states. The shops and establishment laws regulate various employment conditions, including working hours, holidays and leave and overtime compensation. A court, arbitration panel or regulatory authority may in the future find that we have not complied with applicable legal or regulatory requirements. We may also be subject to lawsuits or arbitration claims by customers, employees or other third parties in the different state jurisdictions in India in which we conduct our business. If we fail to obtain or retain any of these approvals or licenses, or renewals thereof, in a timely manner or at all, our business may be adversely affected. If we fail to comply, or a regulator claims we have not complied, with any of these conditions, our certificate of registration may be suspended or cancelled and we shall not be able to carry on such activities. We may also incur substantial costs related to litigation if we are subject to significant regulatory action, which may adversely affect our business, future financial performance and results of operations.

18. ***The restrictions imposed on NBFCs by the RBI through a Master Circular – Bank Finance to Non-Banking Financial Companies dated July 1, 2015 (the "Master Circular") may restrict our ability to obtain bank financing for specific activities.***

Pursuant to the Master Circular, the RBI has imposed certain restrictions on banks providing financing to NBFCs. Under this Master Circular, certain NBFC activities are ineligible for financing by banks, such as certain types of discounting and rediscounting of bills, investments of current and long term nature by way of shares, debentures, etc, loans and advances by NBFCs to their subsidiaries and group companies, or lending by NBFCs to individuals for subscribing to public offerings and purchasing shares from the secondary market, unsecured loans, inter-corporate deposits provided by the NBFCs and subscription to shares or debentures by NBFCs. In addition, the Master Circular prohibits:

- banks from granting bridge loans of any nature, provide interim finance against capital or debenture issues and/or in the form of loans of a temporary nature pending the raising of long term funds from the market by way of capital, deposits, or other means to any category of NBFCs;
- banks from accepting shares and debentures as collateral for secured loans granted to NBFCs; and
- banks from executing guarantees covering inter-company deposits or loans that guarantee refund of deposits or loans accepted by NBFCs. The Master Circular also requires that guarantees not be issued by banks for the purpose of indirectly enabling the placement of deposits with NBFCs.

These restrictions may adversely affect our access to or the availability of bank finance, which may in turn adversely affect our financial condition and results of operations.

19. ***The Board of Directors of our Company has approved the issue and allotment of certain securities to raise fresh capital. Any failure of our Company to raise the funds or to receive all requisite approvals for allotment, listing and trading of such securities / equity shares will adversely affect the business plans of the Company, growth and results of operations.***

Pursuant to the approval granted by the Board of Directors of our Company in their meeting held on December 29, 2017, we have entered into three different Securities Subscription Agreement to issue and allot, on preferential basis, 25,58,138 equity shares of face value ₹ 10 each at a price of ₹ 129 per Equity Share, 1,38,37,210 Compulsorily Convertible Preference Shares ("CCPS") convertible into 1,38,37,210 Equity Shares of face value ₹ 10 each at a price of ₹ 129 per CCPS and 1,73,25,582 Compulsorily Convertible Debentures ("CCD") of face value ₹ 10 each convertible into 1,73,25,582 Equity Shares of face value ₹ 10 each at a price of ₹ 129 per CCD.

The approval for the issue and allotment of Equity Shares, Compulsory Convertible Preference Shares and Compulsory Convertible Debentures was received from the shareholders of the Company on May 07, 2018 through postal ballot. The Company has also received approval from RBI vide their letter ref. no. DNBS.CMD.No.2006/12.11.059.2017-18 dated May 10, 2018 for the said transactions contemplated through change of control and management, demerger and allotment of Equity Shares, Compulsory Convertible Preference Shares and Compulsory Convertible Debentures which is valid for a period of six months from the date of the approval.

However any failure to raise capital from such investors and make allotment or to receive requisite approvals for allotment, listing or trading of the said securities will affect the business plans and to expand our operations which may have an adverse effect on our business and results of operations.

20. The Board of Directors of our Company has approved a Scheme of Arrangement, in terms of Section 230 to 232 read with Section 52 and 66 of the Companies Act, 2013, Section 2(19AA) of the Income Tax Act, 1961 and other applicable provisions, whereby the business division of Asia Pragati Capfin Private Limited (the "Demerged Company") comprising of its lending business (the "Demerged Undertaking") shall stand demerged and vested into Chokhani Securities Limited (the "Resulting Company"). Any failure to complete the said demerger or to receive the regulatory approvals will adversely impact the business plans of the Company and its results of operations.

The Board of Directors of our Company in their meeting held on December 29, 2017 has approved the Scheme of Arrangement, in terms of Section 230 to 232 read with Section 52 and 66 of the Companies Act, 2013, Section 2(19AA) of the Income Tax Act, 1961 and other applicable provisions, whereby the business division of Asia Pragati Capfin Private Limited (the "Demerged Company") comprising of its lending business (the "Demerged Undertaking") shall stand demerged and vested into Chokhani Securities Limited (the "Resulting Company") with appointed date being April 01, 2018. In consideration of the foregoing, the shareholders of Demerged Company shall be paid consideration by way of issuance of 13,565,891 Equity Shares of face value ₹ 10 each of the Target Company. The Company has applied to BSE for its approval to the Scheme of Arrangement under Regulation 37 of the SEBI LODR Regulations and the approval is still awaited.

Any failure to complete the demerger or to receive regulatory approvals for Scheme of Arrangement will adversely impact the business plans of the Company and its results of operations.

21. Poshika Advisory Services LLP & Mr. Shachindra Nath (collectively referred to as the "Acquirers") has given an open offer to acquire the control of the management of our Company. The new management may adopt new policies for operations of the Company which may adversely affect the business operations of our Company.

On December 31, 2017, Poshika Advisory Services LLP & Mr. Shachindra Nath (collectively referred to as the "Acquirers") has made a public announcement to acquire control of the management of our Company from the existing Promoters to the Acquirers in accordance with the SEBI Takeover Regulations and RBI approval. Mr. Shachindra Nath is an experienced financial services professional having several years of experience. He is currently founder of Poshika Financial Ecosystem Private Limited which is engaged in advising, mentoring and investing in financial services. Earlier, he was part of Religare group, an Indian financial services conglomerate. He is a qualified lawyer and a graduate holder from the Banaras Hindu University (India).

Any failure of the Company to adopt new policies for business operations of our Company may not provide desired results and may adversely affect the business operations of our Company

22. Upon completion of the raising of fresh capital, our new Promoters and Promoter Group / Acquirers will not continue to retain control over us and their holding may get reduced substantially, which may result in any potential acquirer to obtain control over our Company.

Raising of fresh capital by the Company will substantially reduce the new promoters / Acquirers shareholding in our Company. Assuming completion of allotment of the 25,58,138 equity shares of face value ₹ 10 each at a price of ₹ 129 per Equity Share, 1,38,37,210 Compulsorily Convertible Preference Shares ("CCPS") convertible into 1,38,37,210 Equity Shares of face value ₹ 10 each at a price of ₹ 129 per CCPS and 1,73,25,582 Compulsorily Convertible Debentures ("CCD") of face value ₹ 10 each convertible into

1,73,25,582 Equity Shares of face value ₹ 10 each at a price of ₹ 129 per CCD, the shareholding of the Acquirers will reduce to 7.98% of the expanded capital of the Company on fully diluted basis.

With lower percentage of shareholding of the Acquirers, the voting rights of our Company will be fragmented and few public category shareholders may have higher shareholding in the Company. Also lower shareholding of the Acquirers may result in any potential acquirer to obtain control over our Company.

23. Our insurance coverage may not adequately protect us against losses.

We maintain insurance coverage that we believe is adequate for our operations. Our insurance policies, however, may not provide adequate coverage in certain circumstances and are subject to certain deductibles, exclusions and limits on coverage. We cannot, however, assure you that the terms of our insurance policies will be adequate to cover any damage or loss suffered by us or that such coverage will continue to be available on reasonable terms or will be available in sufficient amounts to cover one or more large claims, or that the insurer will not disclaim coverage as to any future claim.

A successful assertion of one or more large claims against us that exceeds our available insurance coverage or changes in our insurance policies, including premium increases or the imposition of a larger deductible or co- insurance requirement, could adversely affect our business, financial condition and results of operations.

24. Our business operations will be heavily reliant on our information technology and telecommunication systems. Any failure of or disruptions/ security breach in our systems, inability to adapt to the technological changes could have an adverse impact on our business, operations and financial condition.

Our business will be largely dependent on our information technology systems to record and process accurately a large number of transactions on a daily basis and in a timely manner and our ability to maintain and upgrade our information technology systems and infrastructure. The proper functioning of our financial, trading, risk management, accounting, customer database, customer service and other data processing systems in our computer systems and networks, along with the communications networks linking our information technology systems with relevant exchanges, banks, depositories, registrar and transfer agents and customer interfaces, will be critical to our business and our ability to compete effectively. We will also rely on the secure processing, storage and transmission of confidential and other information in our computer systems and networks. Our computer systems, servers, software, including software licensed from vendors and networks may be vulnerable to unauthorized access, computer viruses or other malicious code and other events that could compromise data integrity and security and result in identity theft including customer data, employee data and propriety business data, for which we could potentially be liable. Our business activities would be materially disrupted in the event of a partial or complete failure of any of these information technology systems, communication networks or their backup systems and procedures. We will rely on our information technology systems for processing securities transactions. Any prolonged disruption to, or failure of, our information processing or communications systems would limit our ability to process transactions. This would impair our ability to service our customers, which could materially and adversely affect our competitiveness, financial condition, cash flows and results of operations. Further, the information available to and received by us through our existing systems may not be sufficient to manage risks or to plan for and respond to changes in market conditions and other developments in our operations. If any of these systems are disabled or if there are other failures in our internal processes or systems, it may disrupt our business or impact our operational efficiencies, and render us liable to regulatory intervention or damage to our reputation. The occurrence of any such events may adversely affect our business, results of operations and financial condition. We will also be dependent on various third parties for the implementation of certain of our operations, including implementing information technology infrastructure and hardware, networking and back-up support for disaster recovery. As a result, we will be exposed to the risk that these third party service providers may be unable to fulfil their contractual obligations or that they may be subject to the risk of fraud or operational errors or the risk that the data security systems provided by them may be inadequate or fail to perform. Failure to perform any of these functions by our third party service providers could materially and adversely affect our business, results of operations and cash flows. Additionally, our success will also depend in part on our ability to respond to technological advances and to emerging financing industry standards and practices on a cost effective and timely basis. Such development and implementation of technology entails significant technical and business risks. If we are unable to keep up with technological changes while our competitors invest in improved or better technologies, they may be able to offer customers better products and user experience. If we are unable to effectively compete on information technology enabled offerings, it could have a material adverse effect on our business, financial condition, cash flows, results of operations

and prospects. Further, our hardware and software systems will also be subject to damage or incapacitation by human error, natural disasters, power loss, lack of capacity during peak trading times or times of unusual market volatility, sabotage, computer viruses and other similar events. Our information technology system may not remain free of any interruptions and may not meet our requirements or be suitable for use in any particular condition. So far, we have not experienced widespread disruptions of service to our customers, but there can be no assurance that we may not encounter disruptions in the future due to substantially increased numbers of customers and transactions, or for other reasons. Our operations will also rely on the secure processing, storage and transmission of confidential and other information in our computer systems and networks. Any inability to maintain the reliability and efficiency of our systems could adversely affect our reputation, and our ability to attract and retain customers. In the event we experience system interruptions, errors or downtime (which could result from a variety of causes, including changes in customer use patterns, technological failure, changes to systems, linkages with third-party systems and power failures), we may be unable to develop necessary technology to compensate for these interruptions, which may materially and adversely affect our business, financial condition and results of operations.

25. We have entered into, and will continue to enter into, related party transactions and we cannot assure you that we could not have achieved more favorable terms had such transactions not been entered into with related parties.

We have entered into transactions with related parties. We can give no assurance that we could not have achieved more favorable terms had such transactions been entered into with parties that were not related parties. Furthermore, it is likely that we will enter into related party transactions in the future. There can be no assurance that such transactions, individually or in the aggregate, will not have an adverse effect on our financial condition and results of operations. The transactions we have entered into and any future transactions with our related parties have involved or could potentially involve conflicts of interest. For more information, see "*Financial Statements*".

26. Failure to identify and address conflicts of interest appropriately could adversely affect our business.

We along with other financial services firms will be subject to increased scrutiny concerning perceived conflicts of interest that increase the risk of financial liability and reputational harm resulting from adverse regulatory actions. We will be subject to various laws relating to the prevention of insider trading, front running and other conflicts of interest. Conflicts of interest may exist between our clients, our employees and our departments. There can be no assurance that we or our sub-brokers, franchises, independent financial distributors, will always manage such conflicts of interest, including compliance with various applicable laws and regulations. In addition, our internal controls and measures to prevent such conflict of interest may be incorrectly implemented and fail to perform as expected. Any such failure to manage such conflicts could harm our reputation and impair client confidence in us and could materially and adversely affect our business, financial condition and results of operations.

27. We do not own our registered office premises from which we operate.

We do not own the premises in which our registered office and certain office premises are situated. We cannot assure you that we will own, or have the right to occupy these premises in the future or that we will be able to continue with the uninterrupted use of these premises, which may impair our operations and adversely affect our financial condition.

28. Our inability to assess, monitor and manage risks inherent in our business may have an adverse effect on our business and results of operations.

The effectiveness of our risk monitoring and management will be limited by the quality, timeliness and availability of data required for the assessment of the risks such as, information regarding market, customers and proposed policy changes. Such data may not be accurate or complete in all the cases thereby affecting our ability to access, monitor and manage risks. Our hedging strategies and other risk management techniques may not be fully effective in mitigating all the types of risks that we may face. Largely, our risk management is based on the study of historical market behaviour and as a result these studies may not predict the future risks exposures. Our risk management policies therefore may not adequately address unidentified or unanticipated risks in all cases. Any inadequacy in the timely assessment and mitigation of risks may have an adverse effect on our business and results of operations.

29. ***Our ability to pay dividends in the future will depend upon our earnings, financial condition, cash flows and capital requirements.***

Dividends that we have paid in the past may not be reflective of the dividends that we may pay in a future period. Our ability to pay dividends in the future will depend on our earnings, financial condition, cash flows and capital requirements. Dividends distributed by us will attract dividend distribution tax at rates applicable from time to time. We cannot assure you that we will be able to pay dividends in the future.

30. ***Our Company has recently approved a corporate governance code by way of the approval of the shareholders through postal ballot dated May 7, 2018 and the ability of the management of the Company to take decisions will be impacted as per the provisions of the said code.***

Our Company has approved a corporate governance code by way of the approval of the shareholders through postal ballot dated May 7, 2018 and the said code has also been incorporated as a part of the articles of association of the Company by way of amending the said articles. The said code provides for stricter corporate governance norms in the form of requirement of specific approval of board of directors and shareholders of the company in relation to the matters specified therein and it may impact the ability of the management to take quick decisions and implement them.

EXTERNAL RISKS

1. ***The regulatory framework in India is evolving and regulatory changes may have an adverse effect on our business, results of operations and financial condition. Our inability to comply with such requirements may adversely affect our business, results of operations and financial condition.***

We are / will be subject to various regulations and policies including RBI, Money Laundering, SEBI, GST, Income Tax, Labour acts, etc. Our business and prospects could be materially adversely affected by changes in any of these regulations and policies, including the introduction of new laws, policies or regulations or changes in the interpretation or application of existing laws, policies and regulations. There can be no assurance that we will succeed in obtaining all requisite regulatory approvals in the future for our operations or that compliance issues will not be raised in respect of our operations, either of which could have a material adverse affect on our business, financial condition and results of operations.

2. ***The Indian tax regime is currently undergoing substantial changes which could adversely affect the Company's business and the trading price of the Equity Shares.***

The goods and service tax ("GST") that has been implemented with effect from July 1, 2017 combines taxes and levies by the GoI and state governments into a unified rate structure, and replaces indirect taxes on goods and services such as central excise duty, service tax, customs duty, central sales tax, state VAT, cess and surcharge and excise that were being collected by the GoI and state governments. Since this is a recent development and is undergoing substantial changes, there could be an adverse impact to our business and consequently affect the trading price of our Equity Shares. As regards the General Anti-Avoidance Rules ("GAAR"), the provisions of Chapter X-A (sections 95 to 102) of the Income Tax Act, 1961, are applicable from assessment year 2019 (Fiscal 2018) onwards. The GAAR provisions intend to declare an arrangement as an "impermissible avoidance arrangement", if the main purpose or one of the main purposes of such arrangement is to obtain a tax benefit, and satisfies at least one of the 71 following tests (i) creates rights, or obligations, which are not ordinarily created between persons dealing at arm's length; (ii) results, directly or indirectly, in misuse, or abuse, of the provisions of the Income Tax Act, 1961; (iii) lacks commercial substance or is deemed to lack commercial substance, in whole or in part; or (iv) is entered into, or carried out, by means, or in a manner, that is not ordinarily engaged for bona fide purposes. If GAAR provisions are invoked, the tax authorities will have wider powers, including denial of tax benefit or a benefit under a tax treaty. In the absence of any precedents on the subject, the application of these provisions is uncertain. As the taxation regime in India is undergoing a significant overhaul, its consequent effects on economy cannot be determined at present and there can be no assurance that such effects would not adversely affect our business, future financial performance and the trading price of the Equity Shares. Further, the GoI has issued a set of Income Computation and Disclosure Standards ("ICDS") that will be applied in computing taxable income and payment of income taxes thereon, effective from April 1, 2016. ICDS apply to all taxpayers following an accrual system of accounting for the purpose of computation of income under the heads of "Profits and gains of business/profession" and "Income from other sources". This is the first time such specific standards have been issued for income taxes in India, and the impact of the ICDS on our tax incidence is uncertain.

3. ***We are required to prepare our financial statements with effect from April 1, 2018 under the Ind AS. As Ind AS differs in various respects from Indian GAAP, our financial statements for the financial year 2019 may not be comparable to our historical financial statements.***

We are currently required to prepare our financial statements in accordance with Indian GAAP. The Companies (Indian Accounting Standards) Rules, 2015 (**"IAS Rules"**), as amended by the Companies (Indian Accounting Standards) (Amendment) Rules, 2016, enacted changes to Indian GAAP that are intended to align Indian GAAP with IFRS. The IAS Rules provide that financial statements of companies to which such rules apply shall be prepared and audited in accordance with Ind AS. Ind AS differs in various respects from Indian GAAP. We are required to prepare our financial statements in accordance with Ind AS with effect from April 1, 2018 with comparatives for prior periods. While we have not determined with any degree of certainty the impact that the adoption of Ind AS will have on our financial statements, we are aware that Ind AS will impact certain items in our financial statements such as income from loans and advances, finance cost, provision on non-performing assets, deferred tax and recognition of securitization/ assignment transactions. Accordingly, our financial statements for the period commencing from April 1, 2018 will not be comparable to our historical financial statements. Further, our financial statements for the financial year 2018 prepared under Ind AS will not be comparable to our financial statements prepared for such period under Indian GAAP.

4. ***A slowdown in economic growth in the markets in which we operate could cause our business to suffer.***

Our performance and growth are dependent on the health of the economy of the markets in which we operate. The economy could be adversely affected by various factors such as political or regulatory action, including adverse changes in liberalization policies, social disturbances, terrorist attacks and other acts of violence or war, natural calamities, interest rates, commodity and energy prices and various other factors. Any slowdown in the economy of the markets in which we operate may adversely affect our business and financial performance and the price of our Equity Shares.

5. ***Any downgrading of India's debt rating by a domestic or international rating agency could adversely affect our business.***

Any adverse revisions to India's credit ratings for domestic and international debt by domestic or international rating agencies may adversely affect our ability to raise additional financing, and the interest rates and other commercial terms. This could impact our profitability and ability to obtain financing for capital expenditures and the price of our Equity Shares.

6. ***Our business may be adversely affected by any social, political and economic changes in India, including if one or more of such changes lead to an adverse change in government policy.***

The GoI has traditionally exercised and continues to exercise a significant influence over many aspects of the economy. Our business, and the market price and liquidity of our Company's shares, may be affected by changes in GoI's policies, including taxation. Social, political, economic or other developments in or affecting India could also adversely affect our business. Since 1991, successive governments have pursued policies of economic liberalization and financial sector reforms including significantly relaxing restrictions on the private sector. The rate of economic liberalization could change, and specific laws and policies affecting foreign investment and other matters affecting investment in our Equity Shares could change as well. In addition, any political instability in India may adversely affect the Indian economy and the Indian securities markets in general, which could also affect the trading price of our Equity Shares. Any adverse change in government policies relating to the steel sector or other sectors in which we operate may have an impact on our profitability.

India's economy could be adversely affected by a general rise in interest rates, adverse weather conditions affecting agriculture, commodity and energy prices as well as various other factors. A slowdown in the Indian economy could adversely affect the policy of the GoI towards our industry, which may in turn adversely affect our financial performance and our ability to implement our business strategy. The Indian economy is also influenced by economic and market conditions in other countries, particularly emerging market conditions in Asia. A decline in India's foreign exchange reserves may also affect liquidity and interest rates in the Indian economy, which could adversely impact our financial condition. A loss of investor confidence in other emerging market economies or any worldwide financial instability may adversely affect the Indian economy, which could materially and adversely affect our business and results of operations and the market

price of our Equity Shares.

7. ***Acts of terrorism, civil disturbance, communal conflicts, regional conflicts and other similar threats to security could adversely affect our Company's business, cash flows, results of operations and financial condition.***

Increased political instability and regional conflicts, evidenced by the threat or occurrence of terrorist attacks, enhanced national security measures, conflicts in several countries and regions in which our Company operates, strained relations arising from these conflicts and the related decline in consumer confidence may hinder our ability to do business. Any escalation in these events or similar future events may disrupt our Company's operations or those of our customers and suppliers. Further, certain events that are beyond the control of our Company, such as violence or war, including those involving India, the United Kingdom, the United States or other countries, may adversely affect worldwide financial markets and could potentially lead to a severe economic recession, which could adversely affect our business, results of operations, financial condition and cash flows, and more generally, any of these events could lower confidence in India's economy. Southern Asia has, from time to time, experienced instances of civil unrest and political tensions and hostilities among neighbouring countries. Political tensions could create a perception that there is a risk of disruption of services provided by India-based companies, which could have an adverse effect on our business, future financial performance and price of the Equity Shares. Furthermore, if India were to become engaged in armed hostilities, particularly hostilities that are protracted or involve the threat or use of nuclear weapons, the Indian economy and consequently Company's operations might be significantly affected. India has from time to time experienced social and civil unrest and hostilities, including riots, regional conflicts and other acts of violence. Events of this nature in the future could have an adverse effect on our ability to develop our business. As a result, our business, results of operations and financial condition may be adversely affected. These events have had and may continue to have an adverse impact on the global economy and customer confidence, which could in turn adversely affect our Company's revenue, operating results and cash flows. Such incidents could also create a greater perception that investment in Indian companies involves a higher degree of risk and could have an adverse effect on our business and the market price of the Equity Shares. The impact of these events on the volatility of global financial markets could increase the volatility of the market price of securities and may limit the capital resources available to our Company and to our customers and suppliers.

8. ***Regional or International hostilities, terrorist attack or other acts of violence of war could have a significant adverse impact on international or Indian financial markets or economic conditions or on Government Policy. Such incidents could also create a greater perception that investment in Indian Companies involves a higher degree of risk and could have an adverse impact on our business and on the market price of our company's equity shares.***

9. ***Any future issue of Equity Shares may dilute the investor's shareholding and sales of our Equity Shares by our Promoter or other major shareholders may adversely affect the trading price of the Equity Shares.***

Any future issuance of the Equity Shares by the Company could dilute your shareholding. Any such future issuance of the Equity Shares (including the issuance of Equity Shares under any employee stock option scheme) or future sales of the Equity Shares by any of our significant shareholders may also adversely affect the trading price of the Equity Shares and impact our ability to raise capital through an offering of our securities. Any perception by investors that such issuances or sales might occur could also affect the trading price of the Equity Shares.

Additionally, the disposal, pledge or encumbrance of our Equity Shares by any of our Company's major shareholders, or the perception that such transactions may occur may affect the trading price of our Equity Shares. No assurance may be given that our Company will not issue Equity Shares or that such shareholders will not dispose of, pledge or encumber their Equity Shares in the future.

10. ***The market value of the Equity Shares may fluctuate due to the volatility of the securities markets.***

The securities markets are volatile and stock exchanges have in the past, experienced substantial fluctuations in the prices of listed securities. The stock exchanges have experienced problems, which, if these were to continue or recur, could affect the market price and liquidity of the securities of Indian Companies, including the Equity Shares. The governing bodies of the various Indian stock exchanges have from time to time imposed restrictions on trading in certain securities, limitations on price movements and margin requirements.

Furthermore, time to time disputes have occurred between listed companies and stock exchanges and other regulatory bodies, which in some cases may have had a negative effect on the market sentiment.

11. Future issues of Equity Shares / convertible instruments of our company may significantly affect the trading price of the Equity Shares.

Future issues of Equity Shares / convertible instruments by our company or the disposal of Equity Shares by any of the major shareholders or the perception that such issues or sales may occur may significantly affect trading price of the Equity Shares, and there can be no assurance that any shareholder will not dispose of, encumber, or pledge, his Equity Shares.

12. There is no guarantee that our Equity Shares will be listed, or continue to be listed, on the Indian stock exchange in a timely manner, or at all, and prospective investors will not be able to immediately sell their Equity Shares on a Stock Exchange.

In accordance with Indian law and practice, final approval for listing and trading of our Equity Shares will not be applied for or granted until after our Equity Shares have been issued and allotted. Such approval will require the submission of all other relevant documents authorizing the issuance of our Equity Shares. Accordingly, there could be a failure or delay in listing our Equity Shares on the BSE, which would adversely affect your ability to sell our Equity Shares.

13. There are restrictions on daily movements in the price of the Equity Shares, which may adversely affect a shareholder's ability to sell, or the price at which it can sell, Equity Shares at a particular point in time.

The Equity Shares will be subject to a daily circuit breaker imposed on listed companies by all stock exchange in India, which does not allow transactions beyond a certain volatility in the price of the Equity Shares. This circuit breaker operates independently of the index-based market-wide circuit breakers generally imposed by SEBI on Indian stock exchange. The percentage limit on the Equity Shares' circuit breaker will be set by the stock exchanges based on historical volatility in the price and trading volume of the Equity Shares. The stock exchange is not required to inform us of the percentage limit of the circuit breaker and they may change the limit without our knowledge. This circuit breaker would effectively limit the upward and downward movements in the price of the Equity Shares. As a result of this circuit breaker, there can be no assurance regarding the ability of shareholders to sell Equity Shares or the price at which shareholders may be able to sell their Equity Shares.

14. An investor will not be able to sell any of our Equity Shares purchased in the Issue other than on a recognized Indian stock exchange for a period of 12 months from the date of issue of such Equity Shares.

Pursuant to the SEBI ICDR Regulations, for a period of 12 months from the date of the issue of our Equity Shares in the Issue, investors purchasing our Equity Shares in the Issue may only sell their Equity Shares on the BSE and may not enter into any off-market trading in respect of their Equity Shares. We cannot be certain that these restrictions will not have an impact on the price of our Equity Shares.

15. Investors may be subject to Indian taxes arising out of capital gains on the sale of our Equity Shares.

Capital gains arising from the sale of our Equity Shares are generally taxable in India. Any gain realized on the sale of our Equity Shares on a stock exchange held for more than 12 months, which are sold on a recognized stock exchange and as result of which STT has been paid, will be subject to concessional rate of 10% capital gains tax in India. STT will be levied on and collected by an Indian stock exchange on which our Equity Shares are sold. Any gain realized on the sale of our Equity Shares held for more than 12 months by an Indian resident, which are sold other than on a recognized stock exchange and as a result of which no STT has been paid, will be separately subject to capital gains tax in India. Further, any gain realized on the sale of our Equity Shares held for a period of 12 months or less will be subject to 15% tax rate in India. Capital gains arising from the sale of our Equity Shares will be exempt from taxation in India in cases where an exemption is provided under a treaty between India and the country of which the seller is a resident. Generally, Indian tax treaties do not limit India's ability to impose tax on capital gains.

As a result, residents of other countries may be liable for tax in India as well as in their own jurisdictions on gains arising from a sale of our Equity Shares. However, capital gains on the sale of our Equity Shares

purchased in the Issue by residents of certain countries will not be taxable in India by virtue of the provisions contained in the taxation treaties between India and such countries.

16. A third party could be prevented from acquiring control of us because of the anti-takeover provisions under Indian law.

There are provisions in Indian law that may delay, deter or prevent a future takeover or change in control of our Company. Under the takeover regulations, an acquirer has been defined as any person who, directly or indirectly, acquires or agrees to acquire shares or voting rights or control over a company, whether individually or acting in concert with others. Although these provisions have been formulated to ensure that interests of investors/shareholders are protected, these provisions may also discourage a third party from attempting to take control of our Company. Consequently, even if a potential takeover of our Company would result in the purchase of the Equity Shares at a premium to their market price or would otherwise be beneficial to our Shareholders, such a takeover may not be attempted or consummated because of the takeover regulations.

17. Foreign investors are subject to foreign investment restrictions under Indian laws which limit our ability to attract foreign investors, which may adversely impact the market price of the Equity Shares.

Under the foreign exchange regulations currently in force in India, transfers of shares between non-residents and residents are freely permitted (subject to certain restrictions) if they comply with the pricing guidelines and reporting requirements specified by the RBI. If the transfer of shares, which are sought to be transferred, is not in compliance with such pricing guidelines or reporting requirements or falls under any of the exceptions referred to above, then the prior approval of the RBI will be required. Additionally, shareholders who seek to convert the Rupee proceeds from a sale of shares in India into foreign currency and repatriate that foreign currency from India will require a no objection/tax clearance certificate from the income tax authority. We cannot assure investors that any required Approval from the RBI or any other Indian government agency can be obtained on any particular terms, or at all.

18. It may not be possible for investors to enforce any judgment obtained outside India against us, the Book Running Lead Managers or any of their directors and executive officers in India respectively, except by way of a law suit in India.

The enforcement of civil liabilities by overseas investors in the Equity Shares, including the ability to effect service of process and to enforce judgments obtained in courts outside of India may be adversely affected by the fact that the Company is incorporated under the laws of the Republic of India and all of its executive officers and directors reside in India. As a result, it may be difficult to enforce the service of process upon the Company and any of these persons outside of India or to enforce outside of India, judgments obtained against the Company and these persons in courts outside of India. India is not a party to any international treaty in relation to the recognition or enforcement of foreign judgments. Recognition and enforcement of foreign judgments is provided for under Section 13, Section 14 and Section 44A of the Code of Civil Procedure, 1908 ("Civil Code") on a statutory basis. Section 44A of the Civil Code provides that where a certified copy of a decree of any superior court, within the meaning of that Section, in any country or territory outside India which the Government has by notification declared to be in a reciprocating territory, it may be enforced in India by proceedings in execution as if the judgment had been rendered by a district court in India. However, Section 44A of the Civil Code is applicable only to monetary decrees not being in the same nature of amounts payable in respect of taxes, other charges of a like nature or in respect of a fine or other penalties and does not apply to arbitration awards (even if such awards are enforceable as a decree or judgment). The United Kingdom, Singapore and Hong Kong have been declared by the Government to be reciprocating territories for the purposes of Section 44A of the Civil Code. The United States has not been declared by the Government of India to be a reciprocating territory for the purposes of Section 44A of the Civil Code. A judgment of a court of a country which is not a reciprocating territory may be enforced in India only by a suit upon the judgment under Section 13 of the Civil Code, and not by proceedings in execution. Section 13 of the Civil Code provides that foreign judgments shall be conclusive regarding any matter directly adjudicated upon except: (i) where the judgment has not been pronounced by a court of competent jurisdiction; (ii) where the judgment has not been given on the merits of the case; (iii) where it appears on the face of the proceedings that the judgment is founded on an incorrect view of international law or refusal to recognize the law of India in cases to which such law is applicable; (iv) where the proceedings in which the judgment was obtained were opposed to natural justice; (v) where the judgment has been obtained by fraud; and/ or (vi) where the judgment sustains a claim founded on a breach of any law then in force in India. The suit must be brought in India

within three years from the date of judgment in the same manner as any other suit filed to enforce a civil liability in India. Further, there are considerable delays in the disposal of suits by Indian courts. It may be unlikely that a court in India would award damages on the same basis as a foreign court if an action is brought in India. Furthermore, it may be unlikely that an Indian court would enforce foreign judgments if it viewed the amount of damages awarded as excessive or inconsistent with public policy in India. A party seeking to enforce a foreign judgment in India is required to obtain prior approval from the RBI under FEMA to repatriate any amount recovered pursuant to execution and any such amount may be subject to income tax in accordance with applicable laws. Any judgment or award in a foreign currency would be converted into Indian Rupees on the date of the judgment or award and not on the date of the payment.

19. Rights of shareholders under Indian law may differ or may be more limited than under the laws of other jurisdictions.

The Companies Act and related regulations, the rules and regulations issued by SEBI and other regulatory authorities, the Memorandum of Association, the Articles of Association and the listing agreement entered into with the Stock Exchange govern the corporate affairs of the Company. Legal principles relating to these matters and the validity of corporate procedures, directors' fiduciary duties and liabilities, and shareholders' rights may differ from those that would apply to a company in another jurisdiction. Shareholders' rights under Indian law may not be as extensive as shareholders' rights under the laws of other countries or jurisdictions. Investors may have more difficulty in asserting their rights as a shareholder in India than as a shareholder of a corporation in another jurisdiction.

20. Financial instability, economic developments and volatility in securities markets in other countries may also cause the price of our Equity Shares to decline.

The Indian economy and its securities markets are influenced by economic developments and volatility in securities markets in other countries. Investors' reactions to developments in one country may have adverse effects on the market price of securities of companies located in other countries, including India.

A loss of investor confidence in the financial systems of other emerging markets may cause increased volatility in Indian financial markets and the Indian economy in general. Any worldwide financial instability could also have a negative impact on the Indian economy, including the movement of exchange rates and interest rates in India. Any financial disruption could have an adverse effect on our business, future financial performance, shareholders' equity and the price of our Equity Shares.

21. Currency exchange rate fluctuations may affect the value of the Equity Shares.

Our Equity Shares are, and will be quoted in Rupees on the Stock Exchange. Any dividends in respect of the Equity Shares will be paid in Rupees and subsequently converted into other currencies for repatriation. Any adverse movement in exchange rates during the time it takes to undertake such conversion may reduce the net dividend to investors. In addition, any adverse movement in exchange rates during a delay in repatriating the proceeds from a sale of Equity Shares outside India, for example, because of a delay in regulatory approvals that may be required for the sale of Equity Shares, may reduce the net proceeds received by shareholders.

MARKET PRICE INFORMATION

The Equity Shares have been listed and are available for trading on the BSE. As on the date of this Placement Document, 46,98,500 Equity Shares have been issued and are fully paid up.

On May 29, 2018 the closing price of the Equity Shares on the BSE was ₹ 164.85 per Equity Share and are frequently traded in terms of the SEBI ICDR Regulations. The following tables set forth the reported high, low and average market prices and the trading volumes of the Equity Shares on the BSE on the dates on which such high and low prices were recorded for the financial year ended March 31, 2018, 2017 and 2016:

Financial Year ended March 31,	High (₹)	Date of High	Volume on date of high (no. of shares)	Low (₹)	Date of Low	Volume on date of low (no. of shares)	Weighted Average Price (₹)
2018	76.40	23/03/18	1,538	23.80	14/08/17	4	51.08
2017	35.80	19/12/16	702	16.00	23/05/16	493	24.38
2016	27.25	17/12/15	400	15.20	10/06/15	24	19.46

The following tables set forth the reported high, low and average market prices and the trading volumes of the Equity Shares on the BSE on the dates on which such high and low prices were recorded during each of the last six months:

Period	High (₹)	Date of High	Volume on date of high (no. of shares)	Low (₹)	Date of Low	Volume on date of low (no. of shares)	Weighted Average Price (₹)
April 2018	76.40	24/04/18	300	76.40	24/04/18	300	76.40
March 2018	76.40	23/03/18	1,538	76.40	23/03/18	1,538	76.40
February 2018	76.40	09/02/18	1,000	76.40	09/02/18	1,000	76.40
January 2018	76.40	10/01/18	525	54.65	01/01/18	208	71.92
December 2017	52.05	27/12/17	8,82,017	39.20	01/12/17	315	51.95
November 2017	39.20	30/11/17	625	25.00	02/11/17	400	33.56

The following table sets forth the market price on the BSE on January 01, 2018, i.e., the first working day following the approval of the Board of Directors for the Issue:

Open (in ₹)	High (in ₹)	Low (in ₹)	Close (in ₹)	Weighted average price (in ₹)	No. of equity shares traded	Turnover (in ₹)
54.65	54.65	54.65	54.65	54.65	208	11,367

Form the purpose of this chapter:

- Year is a calendar year
- Average price is the weighted average share price of the Equity Shares traded during the respective period
- High price is the maximum of the daily high prices and Low price is the minimum of the daily low prices of the Equity Shares of our Company for the year, or the month, as the case may be
- In case of two days with the same high / low / closing price, the date with higher volume has been considered
- Source: www.bseindia.com

USE OF PROCEEDS

The gross proceeds from the Issue will be ₹ 1,132,513,900. The net proceeds from the Issue, after deducting fees, commissions and expenses of the Issue, will be approximately ₹ 1,107,351,762 (the "Net Proceeds").

Subject to compliance with applicable laws and regulations, our Company intends to use the net proceeds of the Issue to augment its long-term resources and capital to enable it to meet its business growth & funding requirements, strengthening its capital adequacy and for general corporate purposes. As permissible under applicable laws, our management will have flexibility in deploying the Net Proceeds received by our Company from the Issue. Pending utilisation for the purposes described above, our Company intends to temporarily invest funds in creditworthy instruments, including money market mutual funds and deposits with banks. Such investments would be in accordance with the investment policies as approved by the Board of Directors from time to time and applicable laws.

Neither our Promoter nor our Directors are making any contribution either as part of the Issue or separately in furtherance of the objects of the Issue.

The Net Proceeds of the Issue are not proposed to be utilised towards any specific project. Accordingly, the disclosure requirements under the SEBI ICDR Regulations with respect to: (i) break-up of cost of the project, (ii) means of financing such project, and (iii) proposed deployment status of the proceeds at each stage of the project, are not applicable.

CAPITALIZATION STATEMENT

The following table sets forth our Company's capitalisation as at March 31, 2018, the last available audited financial statements, and as adjusted for the Issue. This table should be read in conjunction with "***Management's Discussion and Analysis of Financial Condition and Results of Operations***" beginning on page 54 and other financial information contained in "***Financial Statements***" beginning on page 124.

Particulars	Pre Issue at March 31, 2018 (Audited)	Post Issue *
Borrowings		
Short-term debt	-	-
Long-term debt	-	-
Total Debt	-	-
Shareholders' funds:		
Equity Share Capital	46,985,000	153,460,230
Compulsorily Convertible Preference Shares	-	138,372,100
Compulsorily Convertible Debentures	-	173,255,820
Reserves and Surplus	323,363,148	5,387,773,868
Total Shareholders' funds	370,348,148	5,679,606,198
Total Capitalisation	370,348,148	5,679,606,198
Long term debt / equity ratio	NA	NA
Total debt / equity ratio	NA	NA

Note:
1. Will be updated following closure of the Issue.
2. Adjustments do not include Issue related expenses.
3. The Company do not has any short term or long term debt as on March 31, 2018

CAPITAL STRUCTURE

Our capital structure and related information as on date of the Placement Document is set forth below.

(in ₹ Lakhs unless otherwise stated)

	Share Capital	Aggregate value at face value	Aggregate Value at Issue Price
A.	**Authorised Share Capital**		
	8,15,00,000 Equity Shares of ₹ 10/- each	8,150.00	
	2,05,00,000 Preference Shares of ₹ 10/- each	2,050.00	
B.	**Issued Share Capital**		
	72,56,638 Equity Shares of ₹ 10/- each	725.66	
	1,38,37,210 Compulsorily Convertible Preference Shares of ₹ 10/- each	1,383.72	
C.	**Subscribed and Paid-up Capital**		
	72,56,638 Equity Shares of ₹ 10/- each	725.66	
	1,38,37,210 Compulsorily Convertible Preference Shares of ₹ 10/- each	1,383.72	
D.	**Present Issue in terms of the Letter of Offer ***		
	80,89,385 Equity Shares at an Issue Price of ₹ 140 per Equity Share	808.94	11,325.14
E.	**Subscribed and Paid-up capital after the Issue, assuming full subscription (Refer note 1 below)**		
	1,53,46,023 Equity Shares of ₹ 10/- each fully paid-up	1,534.60	
	1,38,37,210 Compulsorily Convertible Preference Shares of ₹ 10/- each	1,383.72	
F.	**Share Premium Account:**		
	Before the Issue	40,127.91	
	After the Issue	50,644.11	

* The Issue has been authorized through resolution passed by the Board of Directors in their meeting held on December 31, 2017 and by our shareholders through postal ballot on May 07, 2018.

Share capital History of our Company

1. Equity Share Capital

The history of the Equity Share capital of our Company is provided in the following table:

Date of allotment	No. of equity shares allotted	Face Value (₹)	Issue Price (₹)	Consider-ation	Nature of allotment
-	46,98,500	10	-	-	Paid up equity share capital on listing of equity shares in July 2001
July 05, 2018	25,58,138	10	129	Cash	Allotment to Clearsky Investment Holdings Pte. Ltd. and NewQuest Asia Investments III Limited

The history of the Preference Share capital of our Company is provided in the following table:

Date of allotment	No. of equity shares allotted	Face Value (₹)	Issue Price (₹)	Consider-ation	Nature of allotment
July 05, 2018	1,38,37,210	10	129	Cash	Allotment to NewQuest Asia Investments III Limited.

Date of allotment	No. of equity shares allotted	Face Value (₹)	Issue Price (₹)	Consider-ation	Nature of allotment
					(Convertible at any time after 6 months from the date of allotment but before completion of 18 months from the date of allotment)

The history of the Preference Share capital of our Company is provided in the following table:

Date of allotment	No. of equity shares allotted	Face Value (₹)	Issue Price (₹)	Consider-ation	Nature of allotment
July 05, 2018	1,73,25,582	10	129	Cash	Allotment to Clearsky Investment Holdings Pte. Ltd. and Indgrowth Capital Fund I (Convertible at any time after 6 months from the date of allotment but before completion of 18 months from the date of allotment)

In the last one year preceding the date of this Placement Document, our Company has not issued any Equity Shares for consideration other than cash. The Board has approved the issue and allotment of the following securities:

A. Pursuant to the approval granted by the Board of Directors of our Company in their meeting held on December 31, 2017, we have entered into three different Securities Subscription Agreement to issue and allot, on preferential basis, 25,58,138 equity shares of face value ₹ 10 each at a price of ₹ 129 per Equity Share, 1,38,37,210 Compulsorily Convertible Preference Shares ("CCPS") convertible into 1,38,37,210 Equity Shares of face value ₹ 10 each at a price of ₹ 129 per CCPS and 1,73,25,582 Compulsorily Convertible Debentures ("CCD") of face value ₹ 10 each convertible into 1,73,25,582 Equity Shares of face value ₹ 10 each at a price of ₹ 129 per CCD. The details of the same is as under:

1. Execution of Securities Subscription Agreement to be entered into between the Company, Indgrowth Capital Fund I and Exiting Promoters, whereby subject to approval of shareholders of the Company and in compliance of applicable laws, Indgrowth Capital Fund I shall be issued upto 34,88,372 number of fully compulsory convertible debentures ("Indgrowth CCDs") of ₹ 129/- each which would be converted into 1 Equity Share of ₹ 10 each at a premium of ₹ 119 within 18 months of the allotment of the Indgrowth CCDs aggregating upto ₹ 44,99,99,988 (Rupees forty four crore ninety nine lacs Ninety Nine thousand Nine hundred and eighty eight only). Issuance of the aforesaid securities shall be made to Indgrowth Capital Fund I Limited as a public shareholder on preferential basis and Indgrowth Capital Fund I is not acting in concert with any person or entity as defined under the SEBI Takeover Regulations as acknowledged by the parties under the aforesaid agreement.
2. Execution of Securities Subscription Agreement to be entered into between the Company, Clearsky Investment Holdings Pte. Ltd. ("Clearsky") and Exiting Promoters ("Clearsky SSA") whereby subject to approval of shareholders of the Company and in compliance of applicable laws, Clearsky shall be issued upto 12,79,069 number of Equity Shares at ₹ 129/- each (face value ₹ 10 issued at a premium of ₹ 119) aggregating to upto ₹ 16,49,99,901 (Rupees sixteen crore forty nine lacs ninety nine thousand nine hundred and one only), and upto 138,37,210 number of fully compulsory convertible debentures ("Clearsky CCDs") of ₹ 129 each, which would be converted into 1 Equity Share of ₹ 10 each at a premium of ₹ 119 within 18 months of the allotment of the Clearsky CCDs aggregating upto ₹ 178,50,00,090 (Rupees One hundred and seventy eight crore fifty lacs and ninety only). Issuance of the aforesaid securities shall be made to Clearsky as a public shareholder on preferential basis and Clearsky is not acting in concert with any person or entity as defined under the SEBI Takeover Regulations as acknowledged by the parties under the aforesaid agreement.
3. Execution of Securities Subscription Agreement to be entered into between the Company, NewQuest Asia Investments III Limited and Exiting Promoters whereby subject to approval of shareholders of the Company and in compliance of applicable laws, NewQuest Asia Investments III Limited shall be issued upto 12,79,069 number of Equity Shares of ₹ 129/- each aggregating upto ₹ 16,49,99,901 (Rupees sixteen crore forty nine lacs ninety nine thousand nine hundred and one only), and upto 138,37,210 number of

fully compulsory convertible preference shares of ₹ 129/- each aggregating upto ₹ 178,50,00,090/- (Rupees One hundred and seventy eight crore fifty lacs and ninety only) ("CCPS"). Issuance of the aforesaid securities shall be made to NewQuest Asia Investments III Limited as a public shareholder on preferential basis and NewQuest Asia Investments III Limited is not acting in concert with any person or entity as defined under the SEBI Takeover Regulations as acknowledged by the parties under the aforesaid agreement.

4. Raising of funds to the tune of ₹ 250 Crores (Indian Rupees Two Hundred and fifty Crore) by way of issuance of securities including Equity Shares, convertible preference shares, convertible debentures, Global Depository Receipts, American Depository Receipts etc. by way of qualified institutions placement ("QIP") or through any other method, subject to the approval of shareholders' of the Company and in compliance of applicable laws.

The approval for the issue and allotment of Equity Shares, Compulsory Convertible Preference Shares and Compulsory Convertible Debentures was received from the shareholders of the Company on May 07, 2018 through postal ballot. The Company has also received approval from RBI vide their letter ref. no. DNBS.CMD.No.2006/12.11.059.2017-18 dated May 10, 2018 for the said transactions contemplated through change of control and management, demerger and allotment of Equity Shares, Compulsory Convertible Preference Shares and Compulsory Convertible Debentures which is valid for a period of six months from the date of the approval.

B. The Board of Directors of our Company has in the same meeting on December 31, 2017 approved the Scheme of Arrangement, in terms of Section 230 to 232 read with Section 52 and 66 of the Companies Act, 2013, Section 2(19AA) of the Income Tax Act, 1961 and other applicable provisions, whereby the business division of Asia Pragati Capfin Private Limited (the "Demerged Company") comprising of its lending business (the "Demerged Undertaking") shall stand demerged and vested into Chokhani Securities Limited (the "Resulting Company") with appointed date being April 01, 2018.

Upon the coming into effect of this Scheme and in consideration of the transfer and vesting of the Demerged Undertaking of Demerged Company in the Resulting Company pursuant to the Scheme, the Resulting Company shall, without any further act or deed, issue and allot to the equity shareholders of Demerged Company (other than in respect of shares that are held by the Resulting Company or its nominees), whose names appear in the Register of Members of Demerged Company, on a Record Date to be fixed in that behalf by the Board of Directors of Demerged Company in consultation with the Resulting Company for the purpose of reckoning the names of the equity shareholders of Demerged Company in the following proportion namely,:

"The fair exchange ratio for the proposed demerger of Demerged Company *into Resulting Company should be 1,00,000 (One Lakh)] equity shares of face value INR. 10 (rupees ten only) of the Resulting Company for every 13,65,162 (Thirteen Lakh Sixty Five Thousand One Hundred and Sixty Two) equity shares of Demerged Company of face value of INR 10/- (rupees ten only)"*

Our Company has filed the application with BSE and SEBI for obtaining their approval under Regulation 37 of the SEBI LODR Regulations.

C. The shareholders of the Company has approved the issue of 30,70,000 Equity Shares of face value ₹ 10 each under the CSL Employees Stock Option Scheme 2017" ("ESOP Scheme"). No options has been granted by us under the ESOP Scheme till the date of Placement Document.

D. The Board of Directors of our Company in their meeting held on May 24, 2018 have approved the issuances of securities on preferential basis as mentioned below:

1. Issue of Compulsory Convertible Preference Shares(CCPS) on preferential basis upto 64,92,583 (Sixty Four Lakh Ninety Two Thousand Five Hundred Eighty Three Only)having face value of ₹ 10/- (Rupees Ten only) each, at an issue price as may be determined as on the Relevant Date in accordance with the provisions of Chapter VII of the SEBI (Issue of Capital and Disclosure Requirements)Regulations, 2009 (ICDR Regulations), which shall not be less than ₹ 140/- (Rupees One Hundred Forty only) including premium to the investors whose names and the terms are set out below;

Type of Securities Proposed to be Issued – Compulsory Convertible Preference Shares (CCPS)
Type of Issuance –Preferential Allotment

Total number of Securities Proposed to be issued or total amount for which the securities will be issued- upto6,492,583 Compulsory Convertible Preference shares
Issue Price: ₹ 140/- (Rupees One Hundred and Forty only)
Conversion Period: CCPS shall be convertible into equity shares at any time not later than 18 months from the date of allotment of such CCPS, but in no case prior to expiry 6 months from the date of their allotment.
Details of allottees:

Sr. No.	Name of the Investor	No. Of CCPS (upto)	Face Value per CCPS (INR)	Total Consideration (INR)
1	EIP Global Fund LLC	2,300,000	10	322,000,000
2	Navodhyam Holding LLP	500,000	10	70,000,000
3	BG Advisory Services LLP	357,143	10	50,000,020
4	Aditya Himatsingka	357,143	10	50,000,020
5	Manoj Dhirajlal Rajani	357,143	10	50,000,020
6	Ashutosh Taparia	238,095	10	33,333,300
7	Urmila Devi Taparia	238,095	10	33,333,300
8	Sanjeev Taparia	238,095	10	33,333,300
9	Family Trust	214,286	10	30,000,040
10	Chattisgarh Investments Limited	200,000	10	28,000,000
11	Shilpa Ajitkumar Patel	142,857	10	19,999,980
12	Asteya Investment Manager LLP	100,000	10	14,000,000
13	Andre Graham Nazareth	71,429	10	10,000,060
14	Deepti Joshi	71,429	10	10,000,060
15	Govind Pathak	71,429	10	10,000,060
16	Rakesh Gupta	71,429	10	10,000,060
17	Ujwal A Shangarpawar	71,429	10	10,000,060
18	Vivek Mishra	71,429	10	10,000,060
19	Vinodh Chelambathodi Gopalkrishnan Markaseri	71,429	10	10,000,060
20	Orbis Securities Private Limited	70,000	10	9,800,000
21	Ankur Arora	53,572	10	7,500,080
22	George Thomas Thekkekara	40,000	10	5,600,000
23	Accorn Investments Advisory Services Private Limited	35,715	10	5,000,100
24	Indranil Chakraborty	35,715	10	5,000,100
25	Jigisha Suresh Lulla	35,715	10	5,000,100
26	Manoj Warrier	35,715	10	5,000,100
27	Natasha Rodricks	35,715	10	5,000,100
28	Neetu Brijesh Gaur	35,715	10	5,000,100
29	Russell John Barrett	35,715	10	5,000,100
30	Stanly William	35,715	10	5,000,100
31	Tarun Batra	35,715	10	5,000,100
32	Amit Aggarwal	35,715	10	5,000,100
33	RNG Family Private Trust	35,714	10	4,999,960
34	Rashmi Gupta	35,000	10	4,900,000
35	Ravi Ruparel	20,000	10	2,800,000
36	Aditya Vikram Dua	17,858	10	2,500,120
37	Anish Handa	18,000	10	2,520,000
38	Mahesh Agarwal	18,000	10	2,520,000
39	Venugopalan Swaminathan	17,857	10	2,499,980
40	Raoul Kapoor	17,857	10	2,499,980
41	Pardeep Dahiya	10,715	10	15,00,100
42	Swapnilsagar R Vithalani	10,000	10	1,400,000
43	Nidhi Thakkar	10,000	10	1,400,000
44	Nisha Goyal	10,000	10	1,400,000

Sr. No.	Name of the Investor	No. Of CCPS (upto)	Face Value per CCPS (INR)	Total Consideration (INR)
45	Gopal Laddha	4,000	10	560,000
46	Nimesh Shantilal Salot	4,000	10	560,000
	Total	**6,492,583**		**908,961,620**

2. Issue of Convertible Warrants (Warrants) on preferential basis upto 87,83,785 (Eighty Seven Lakh Eighty Three Thousand Seven Hundred Eighty Five) with a right to Samena Fidem Holdings to apply for and get one equity share of face value ₹ 10/- (Rupees Ten only) each for each Warrant at an issue price as may be determined as on the Relevant Date in accordance with the provisions of Chapter VII of the ICDR Regulations, which shall not be less than ₹ 148/- (Rupees One Hundred Forty Eight only) including premium to the investors whose names and the terms are set out below;

   Type of Securities Proposed to be Issued – Warrants
   Type of Issuance –Preferential Allotment
   Total number of Securities Proposed to be issued or total amount for which the securities will be issued- upto 87,83,785 Warrants
   Issue Price: ₹ 148/- (Rupees One Hundred and Forty-Eight only)
   Conversion Period: Warrants shall be convertible into equity shares after the expiry of 6 months from the date of allotment of Warrants but no later than December 31, 2019.
   Details of allottees:

Sr. No.	Name of the Investors	No of Warrants (upto)	Total Consideration (INR) (upto an amount of)
1.	Samena Fidem Holdings	8,783,785	130,00,00,180

Except as mentioned above, our Company does not have any outstanding preference shares or other convertible instruments, as on date of this Placement Document.

DIVIDEND POLICY

The declaration and payment of dividends by our Company is governed by the applicable provisions of the Companies Act, 2013 and our Memorandum and Articles of Association. Under the Companies Act, 2013, the board of directors of a company recommends the payment of dividend and the shareholders approve of the same at a general meeting. The Articles of Association grant discretion to the Board to declare and pay interim dividends as it may think fit. The Shareholders have the right to decrease but not to increase the dividend amount recommended by the Board of Directors. Our Company has no formal dividend policy.

We have not declared any dividend in the past three financial years.

The declaration of dividends in future are dependent on a number of factors, including but not limited to the earnings, capital requirements, contractual obligations, applicable legal restrictions, results of operations, overall financial position of our Company and other factors that may be considered relevant by the Board. There is no guarantee that any dividends will be declared or paid or that the amount thereof will not be decreased in the future.

Dividends are payable within 30 days from the date of its declaration. Any shareholder who ceases to be a shareholder prior to the record date or who becomes a shareholder after the record date will not be entitled to the dividend declared by our Company.

MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITIONS AND RESULTS OF OPERATIONS

You should read the following discussion of our financial condition and results of operations together with our Audited Financial Statements included in this Placement Document. You should also read the sections titled "Risk Factors" and "Forward Looking Statements" included in this Placement Document which discuss a number of factors and contingencies that could affect our financial condition and results of operations.

Our financial statements included in this Placement Document are prepared in accordance with Indian GAAP, which differs in certain material respects from IFRS and U.S. GAAP. Our financial year ends on March 31 of each year. Accordingly, all references to a particular financial year / fiscal are to the 12 months ended March 31 of that year.

RESULTS OF OPERATIONS

The following table sets forth, for the periods indicated, certain items from our restated consolidated financial statements, in each case also stated as a percentage of our total revenue:

(Figures in ₹, except percentages)

Particulars	For the year ended					
	March 31, 2017		March 31, 2016		March 31, 2015	
Revenues						
Revenue from Operations	5,752,880	16.36%	1,371,088	5.85%	7,673,583	20.32%
Other Income	29,402,693	83.64%	22,060,867	94.15%	30,096,766	79.68%
Total Revenues	**35,155,573**	**100.00%**	**23,431,955**	**100.00%**	**37,770,349**	**100.00%**
Expenses						
Employee Benefit Expenses	1,129,995	3.21%	1,482,746	6.33%	1,497,287	3.96%
Other Expenses	1,780,246	5.06%	1,778,502	7.59%	1,637,855	4.34%
Total Expenses	**2,910,241**	8.28%	**3,261,248**	13.92%	**3,135,142**	8.30%
Profit before Exceptional Items and Tax	**32,245,332**	91.72%	**20,170,707**	86.08%	**34,635,207**	91.70%
Exceptional Items	0		0		0	
Profit before Tax	**32,245,332**	91.72%	**20,170,707**	86.08%	**34,635,207**	91.70%
Tax Expense:						
Current tax	2,452,095	6.97%	445,000	1.90%	4,740,000	12.55%
Deferred tax	-		0		0	
Profit/ (Loss) after tax	**29,793,237**	84.18%	**19,725,707**	84.18%	**29,895,207**	79.15%
Earnings per Share (EPS) (Weighted Average):						
Basic EPS (in Rupees per share)	**6.34**		**4.20**		**6.36**	
Diluted EPS (in Rupees per share)	**6.34**		**4.20**		**6.36**	

Fiscal 2018 compared to Fiscal 2017

Our results of operations for the fiscal 2017 were particularly affected by the overall trading / investments undertaken by our Company.

Revenue from operations

The total revenues of the Company increased by 50.03% to ₹ 3,51,55,573 for fiscal 2018 from ₹ 23,431,955 into fiscal 2017.

Expenses: Total expenses reduced by 10.76% to ₹ 29,10,241 for fiscal 2018 from ₹ 3,261,248 for fiscal 2017, primarily as a result of:

(i) a 23.79% decrease in employee benefit expenses to ₹ 1,129,995 from ₹ 1,482,746;
(ii) a marginal 0.10% increase in other expenses to ₹ 1,780,246 from ₹ 1,778,502

Profit after tax. As a result of the foregoing, our profit after tax increased to ₹ 29,793,237 for fiscal 2018 from ₹ 19,725,707 for fiscal 2017.

Fiscal 2017 compared to Fiscal 2016
Our results of operations for the fiscal 2017 were particularly affected by the overall trading / investments undertaken by our Company.

Revenue from operations
The total revenues of the Company decreased by 37.96% to ₹ 23,431,955 for fiscal 2017 from ₹ 37,770,349 into fiscal 2016.

Expenses: Total expenses increased by 4.02% to ₹ 3,261,248 for fiscal 2017 from ₹ 3,135,142 for fiscal 2016, primarily as a result of:
(i) a 0.97% decrease in employee benefit expenses to ₹ 1,482,746 from ₹ 1,497,287;
(ii) a 8.59% increase in other expenses to ₹ 1,778,502 from ₹ 1,637,855, which was mainly attributable to marginal increase in fees to Auditors, CSR provision and miscellaneous expenses

Profit after tax. As a result of the foregoing, our profit after tax reduced to ₹ 19,725,707 for fiscal 2017 from ₹ 29,895,207 for fiscal 2016.

Changes in Accounting Policies
There has been no changes in the accounting policies in the last three financial years.

Significant developments occurring after March 31, 2018
Except as disclosed in the section "Our Business" beginning on page 64 of the Placement Document, no circumstances have arisen since the date of the last financial statements as on March 31, 2018 as disclosed in this Placement Document which adversely affect or are likely to affect, our operations or profitability, or the value of our assets or our ability to pay our material liabilities within the next 12 months

INDUSTRY OVERVIEW

The information presented in this section has been obtained from publicly available documents from various sources including officially prepared materials from the Government of India, RBI websites / publications and company estimates. The accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured. Industry and government publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Although we believe industry, market and government data used in the Placement Document is reliable, it has not been independently verified.

Overview of Indian Economy

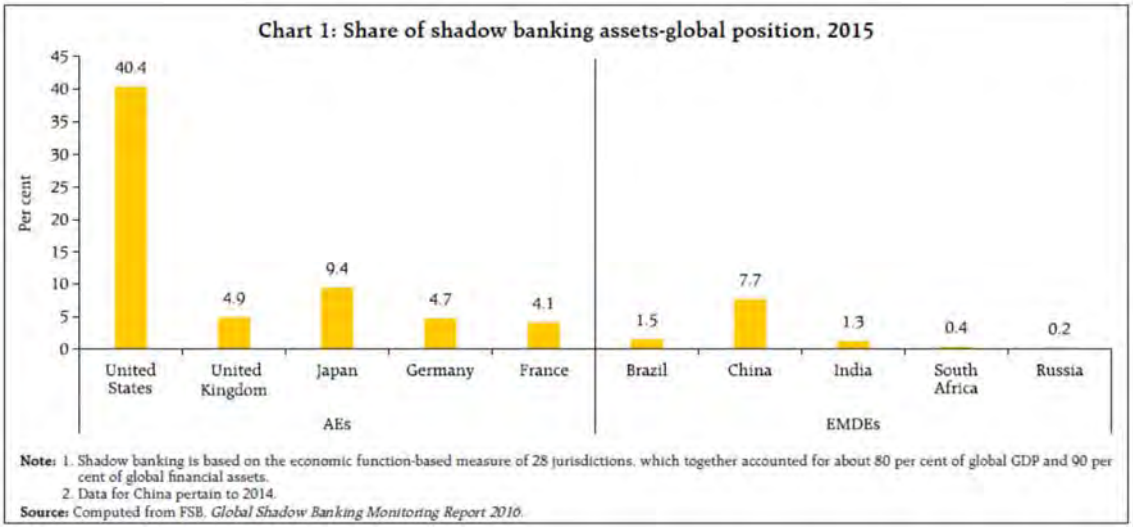
India has the fourth largest economy in the world by purchasing power parity. (*Source: Central Intelligence Agency, The World Factbook, accessed on January 2, 2018*) Real GDP growth in the first half of the financial year 2017 decreased to 7.2%, from 7.6% in the second half of the financial year 2016, although India still maintains its position as one of the world's fastest growing major economies.

Consumption and investment are the major drivers of any economy. In recent years, India has grown primarily on the engine of consumption, while the other engine, investment, has been decelerating. GDP (at constant financial year 2012 prices) grew at a 6.9% CAGR between financial years 2012 to 2017. It grew at a slower pace between financial years 2012 to 2014, mainly because of sluggish income growth, persistently rising inflation and high interest rates. Industrial output grew at a slower pace, affecting GDP growth. After financial year 2014, improving industrial activity, lower crude oil prices and supportive policies led to a recovery in GDP growth. The growth slowed down in financial year 2017, due to demonetization, dwindling private investment and slower global growth.

Cross country prospective

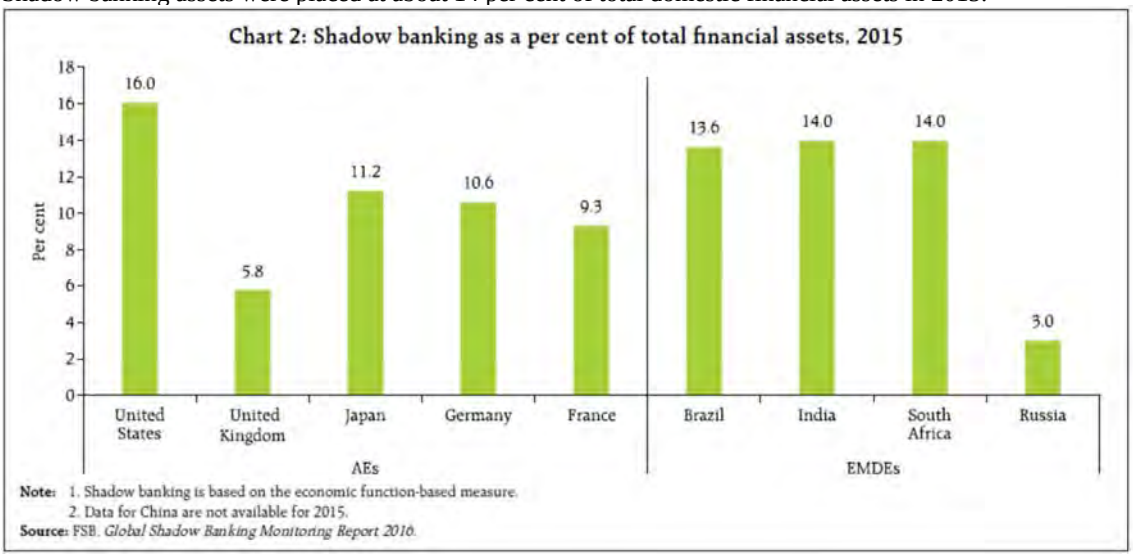
The world over, non-banking financial entities complement the mainstream banking system in the process of financial intermediation. Regarded as shadow banks by the Financial Stability Board (FSB) –"entities and activities (fully or partially) outside the regular banking system" (FSB, 2017), these specialised intermediaries leverage on lower transaction costs, financial innovations and regulatory arbitrage. In emerging economies, they often play an important role because of their ability to (a) reach out to inaccessible areas; and (b) act as not just complements but also substitutes to banks when the banks are confronted with stricter regulatory constraints. Customers tend to find the non-banking entities convenient due to their quicker decision-making ability, prompt provision of services and expertise in niche segments. Apart from widening the ambit of and access to financial services, they also enhance the resilience of the financial system by acting as backup institutions when banks come under stress.

There has been a steady expansion in the size of the global shadow banking sector in recent years from US$ 31 trillion in 2010 to US$ 34 trillion in 2015 (FSB, 2017).The size of India's shadow banking sector stood at US$ 436 billion, accounting for 1.3 per cent of the total global shadow banking assets in 2015.



Source: "Non-Banking Finance Companies in India's Financial Landscape" published on October 10, 2017

Shadow banking assets were placed at about 14 per cent of total domestic financial assets in 2015.



Source: "Non-Banking Finance Companies in India's Financial Landscape" published on October 10, 2017

NBFC - Indian Market

Non-Banking Financial Companies ("**NBFCs**") have played an important role in the Indian financial system by complementing and competing with banks, and by bringing in efficiency and diversity into financial intermediation. NBFCs have evolved considerably in terms of operations, heterogeneity, asset quality and profitability, and regulatory architecture. *(Source: Reserve Bank of India, Non-Banking Finance Companies in India's Financial Landscape, October 2017).* A Non-Banking Financial Company (NBFC) is a company registered under the Companies Act, 1956 engaged in the business of loans and advances, acquisition of shares/stocks/bonds/debentures/securities issued by Government or local authority or other marketable securities of a like nature, leasing, hire-purchase, insurance business, chit business but does not include any institution whose principal business is that of agriculture activity, industrial activity, purchase or sale of any goods (other than securities) or providing any services and sale/purchase/construction of immovable property. A non-banking institution which is a company and has principal business of receiving deposits under any scheme or arrangement in one lump sum or in installments by way of contributions or in any other manner, is also a non-banking financial company (Residuary non-banking company).

In terms of Section 45-IA of the RBI Act, 1934, no Non-banking Financial company can commence or carry on business of a non-banking financial institution without a) obtaining a certificate of registration from the Bank and without having a Net Owned Funds of ₹ 25 lakhs (₹ Two crore since April 1999). However, in terms of the powers given to the Bank, to obviate dual regulation, certain categories of NBFCs which are regulated by other regulators are exempted from the requirement of registration with RBI viz. Venture Capital Fund/Merchant Banking companies/Stock broking companies registered with SEBI, Insurance Company holding a valid Certificate of Registration issued by IRDA, Nidhi companies as notified under Section 620A of the Companies Act, 1956, Chit companies as defined in clause (b) of Section 2 of the Chit Funds Act, 1982,Housing Finance Companies regulated by National Housing Bank, Stock Exchange or a Mutual Benefit company.

Non-bank finance companies, which have been issued Certificate of Registration by RBI with a specific licence to accept deposits, are entitled to accept public deposit. In other words, not all NBFCs registered with the Reserve Bank are entitled to accept deposits but only those that hold a deposit accepting Certificate of Registration can accept deposits. They can, however, accept deposits, only to the extent permissible.

Types of NBFCs

NBFCs are categorized a) in terms of the type of liabilities into Deposit and Non-Deposit accepting NBFCs, b) non deposit taking NBFCs by their size into systemically important and other non-deposit holding companies (NBFC-NDSI and NBFC-ND) and c) by the kind of activity they conduct. Within this broad categorization the different types of NBFCs are as follows:

1. Asset Finance Company (AFC) : An AFC is a company which is a financial institution carrying on as its principal business the financing of physical assets supporting productive/economic activity, such as automobiles, tractors, lathe machines, generator sets, earth moving and material handling equipments, moving on own power and general purpose industrial machines. Principal business for this purpose is defined as aggregate of financing real/physical assets supporting economic activity and income arising therefrom is not less than 60% of its total assets and total income respectively.
2. Investment Company (IC) : IC means any company which is a financial institution carrying on as its principal business the acquisition of securities,
3. Loan Company (LC): LC means any company which is a financial institution carrying on as its principal business the providing of finance whether by making loans or advances or otherwise for any activity other than its own but does not include an Asset Finance Company.
4. Infrastructure Finance Company (IFC): IFC is a non-banking finance company a) which deploys at least 75 per cent of its total assets in infrastructure loans, b) has a minimum Net Owned Funds of ₹ 300 crore, c) has a minimum credit rating of 'A 'or equivalent d) and a CRAR of 15%.
5. Systemically Important Core Investment Company (CIC-ND-SI): CIC-ND-SI is an NBFC carrying on the business of acquisition of shares and securities which satisfies the following conditions:-
   (a) it holds not less than 90% of its Total Assets in the form of investment in equity shares, preference shares, debt or loans in group companies;
   (b) its investments in the equity shares (including instruments compulsorily convertible into equity shares within a period not exceeding 10 years from the date of issue) in group companies constitutes not less than 60% of its Total Assets;
   (c) it does not trade in its investments in shares, debt or loans in group companies except through block sale for the purpose of dilution or disinvestment;
   (d) it does not carry on any other financial activity referred to in Section 45I(c) and 45I(f) of the RBI act, 1934 except investment in bank deposits, money market instruments, government securities, loans to and investments in debt issuances of group companies or guarantees issued on behalf of group companies.
   (e) Its asset size is ₹ 100 crore or above and
   (f) It accepts public funds
6. Infrastructure Debt Fund: Non- Banking Financial Company (IDF-NBFC) : IDF-NBFC is a company registered as NBFC to facilitate the flow of long term debt into infrastructure projects. IDF-NBFC raise resources through issue of Rupee or Dollar denominated bonds of minimum 5 year maturity. Only Infrastructure Finance Companies (IFC) can sponsor IDF-NBFCs.
7. Non-Banking Financial Company - Micro Finance Institution (NBFC-MFI): NBFC-MFI is a non-deposit taking NBFC having not less than 85% of its assets in the nature of qualifying assets which satisfy the following criteria:
   (a) loan disbursed by an NBFC-MFI to a borrower with a rural household annual income not exceeding ₹ 1,00,000 or urban and semi-urban household income not exceeding ₹ 1,60,000;
   (b) loan amount does not exceed ₹ 50,000 in the first cycle and ₹ 1,00,000 in subsequent cycles;
   (c) total indebtedness of the borrower does not exceed ₹ 1,00,000;
   (d) tenure of the loan not to be less than 24 months for loan amount in excess of ₹ 15,000 with prepayment without penalty;
   (e) loan to be extended without collateral;
   (f) aggregate amount of loans, given for income generation, is not less than 50 per cent of the total loans given by the MFIs;
   (g) loan is repayable on weekly, fortnightly or monthly instalments at the choice of the borrower
8. Non-Banking Financial Company – Factors (NBFC-Factors): NBFC-Factor is a non-deposit taking NBFC engaged in the principal business of factoring. The financial assets in the factoring business should constitute at least 50 percent of its total assets and its income derived from factoring business should not be less than 50 percent of its gross income.
9. Mortgage Guarantee Companies (MGC) - MGC are financial institutions for which at least 90% of the business turnover is mortgage guarantee business or at least 90% of the gross income is from mortgage guarantee business and net owned fund is ₹ 100 crore.
10. NBFC- Non-Operative Financial Holding Company (NOFHC) is financial institution through which promoter / promoter groups will be permitted to set up a new bank .It's a wholly-owned Non-Operative Financial Holding Company (NOFHC) which will hold the bank as well as all other financial services companies regulated by RBI or other financial sector regulators, to the extent permissible under the applicable regulatory prescriptions.
11. Account Aggregator (NBFC-AA): Entity involved in collecting and providing the information of customers financial assets in a consolidated, organized and retrievable manner to the customer or others as specified by the customer.

12. Non Banking Finance Company-Peer to Peer Lending Platform (NBFC-P2P): Entity involved in providing an online platform to bring lenders and borrowers together to help mobilise unsecured finance.

While loan companies and investment companies have traditionally been the two core categories of the NBFC sector, newer categories have been added to this sector over time in recognition of the growing diversification of financial intermediation and the need for better regulatory oversight. Illustratively, in 2006, 'hire purchase' and 'equipment leasing' categories were merged and categorised as Asset Finance Companies (AFCs) – the third major category in the NBFC sector. Infrastructure Finance Companies (NBFC-IFC) were defined as a separate category in 2010. NBFC-IDFs were set up in 2011 to increase longterm debt financing of infrastructure projects as well as to alleviate asset liability mismatches arising out of financing such projects. They were envisaged to take over loans provided for infrastructure projects based on Public Private Partnership (PPP) route which had completed one year of commercial operation.[9] NBFCs-MFI were also set up in 2011 in order to serve the needs of the micro finance sector and the underserved segments more effectively. The focus of the regulations was more on strengthening the lending and recovery practices in the sector, especially with regard to the pricing of credit and multiple lending operations leading to over borrowing. NBFC-Factors were notified in accordance with the Factoring Act, 2011 as they were required to be registered with the Reserve Bank as NBFCs to commence their operations.

In recent years, the NBFC sector has seen a fair degree of consolidation, leading to the emergence of larger companies with diversified activities. Consolidation and acquisition have increased the number of NBFCs with asset base in excess of ` 5 billion.

Shares of NBFCs classified by activities in total assets of the NBFC sector

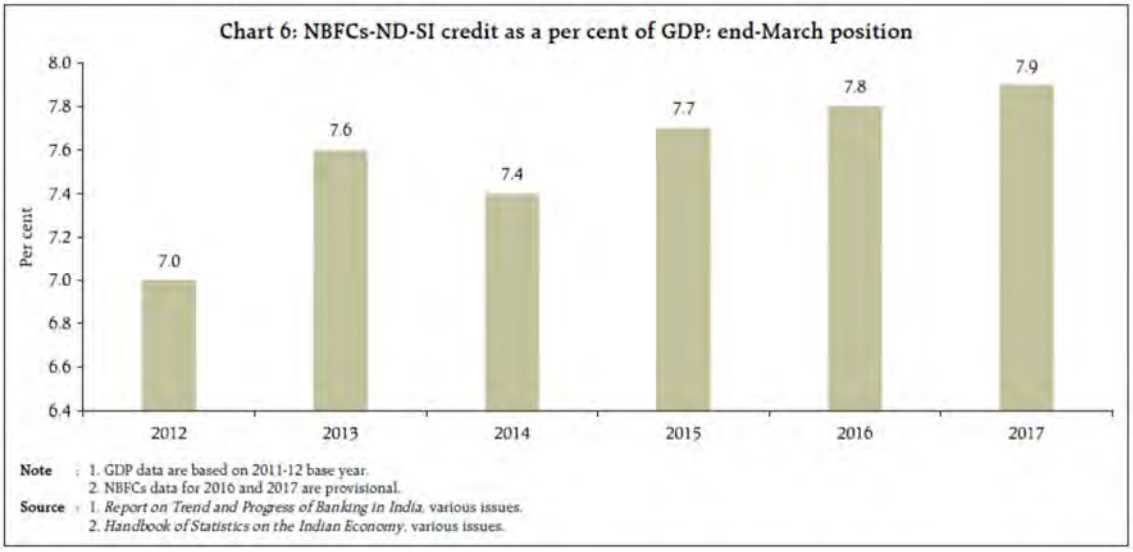
Notwithstanding the addition of newer categories over time, loan companies remain the single largest category, with a share of 36.2% in total assets of NBFCs as of March 31, 2017. NBFCs-IFC emerged as the second largest category following the growing thrust on infrastructure financing. AFCs occupied the third position constituting 13.7% of total assets of NBFCs followed by investment companies. NBFCs-MFI, although accounting for only about 3% of the NBFC sector's assets as of March 31, 2017, have shown a steady rise in share since their inception.

Category (%)	As on March 31					
	2012	2013	2014	2015	2016	2017
Loan Companies	31.2	28.9	28.6	28.0	33.2	36.2
NBFCs-IFC	30.8	32.1	34.0	35.4	27.1	31.5
AFCs	12.6	14.2	14.3	13.9	13.2	13.7
Investment Companies	22.3	21.4	19.7	17.7	22.4	12.6
NBFCs-MFI	1.6	1.9	1.9	2.4	2.8	3.0
CICs ND-SI	1.0	1.2	1.2	2.2	0.9	2.2
NBFCs-Factor	0.5	0.3	0.3	0.2	0.2	0.1
IDF-NBFCs	0.0	0.0	0.0	0.1	0.3	0.6
Total	100.0	100.0	100.0	100.0	100.0	100.0

Note: 1. Data are provisional; 2. NOFHC, MGC and NBFC-AA data are not captured in the table as they have a minuscule share in the total assets of the NBFC sector.

(Source: Reserve Bank of India, Non-Banking Finance Companies in India's Financial Landscape, October 2017)

Reflecting their ability to evolve as well as innovate, NBFCs have recorded robust growth in recent years. Moreover, their balance sheet performance has been better than banks on various parameters. Credit by NBFCs-ND-SI has risen strongly in recent years with a growth of 13 per cent in 2016-17. This is in contrast to the slowdown in bank credit growth, especially in respect of public sector banks. As a result, the credit intensity, i.e., credit as per cent of GDP, of NBFCs-ND-SI has shown a steady increase, reaching 8 per cent in 2017.



Source: "Non-Banking Finance Companies in India's Financial Landscape" published on October 10, 2017

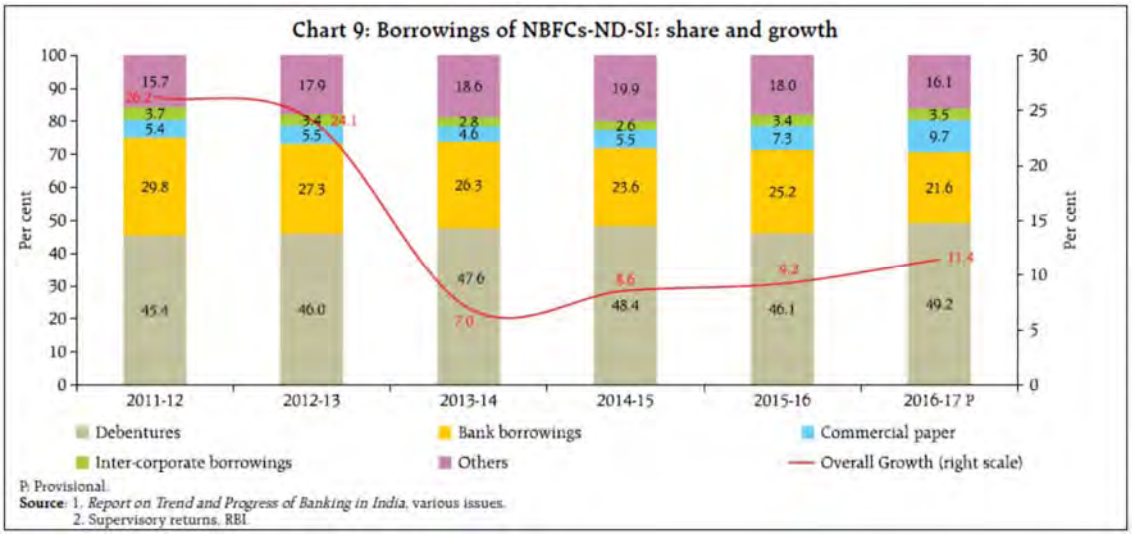
Among NBFCs-ND-SI, credit extension is the main business for loan companies, NBFCs-IFC, NBFCs-MFI, and AFCs. While all these categories of NBFCs posted double-digit growth till 2015-16, they showed divergent patterns in 2016-17. Loan companies and NBFCs-IFC maintained positive credit growth, whereas NBFCs-MFI and AFCs shrank their asset portfolios mainly due to conversion of large NBFCs- MFI into small finance banks during the year. AFCs, which mainly lend to finance vehicles and retail loans, were affected by the postponement of purchase decisions by their customers due to uncertainty in the wake of demonetisation (RBI, 2017).

Growth rate of credit of major categories of NBFCs

Category	2012-13	2013-14	2014-15	2015-16	2016-17
Loan Companies	11.3	7.7	20.5	22.7	22.1
NBFCs-IFC	24.4	17.8	24.6	7.6	5.6
NBFCs-MFI	34.3	21.3	47.6	36.3	-3.4
AFCs	30.0	10.4	13.2	23.1	-17.1

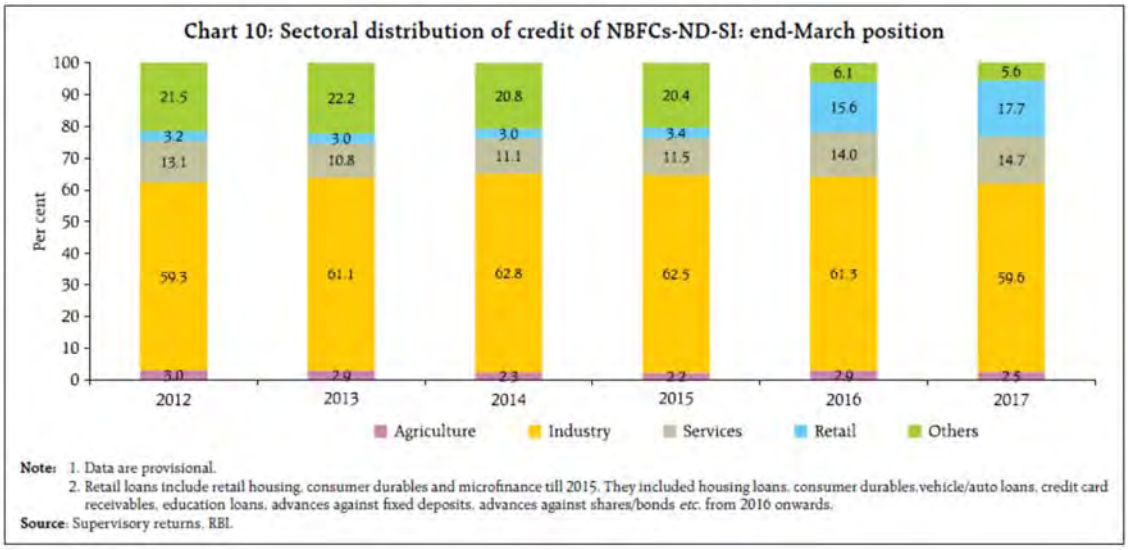
Note: Data are provisional.

Borrowings constitute about 71 per cent of total liabilities of NBFCs-ND-SI. While banks have been the main source of borrowings for NBFCs-ND-SI, they have been increasingly replaced with market-based instruments in recent years. In 2016-17, NBFCs- ND-SI largely borrowed through debentures, which constituted nearly half of their total borrowings. Borrowing through commercial paper too has increased over time, reflecting lower cost of raising funds through these instruments



Source: "Non-Banking Finance Companies in India's Financial Landscape" published on October 10, 2017

NBFCs-ND-SI have traditionally funded both the industrial sector and the retail segment. While industry has received about two-thirds of the total credit by these companies, the share of retail credit has increased from 3.4 per cent in 2014-15 to 15.6 per cent in 2015-16 and 17.7 per cent in 2016-17.



Source: "Non-Banking Finance Companies in India's Financial Landscape" published on October 10, 2017

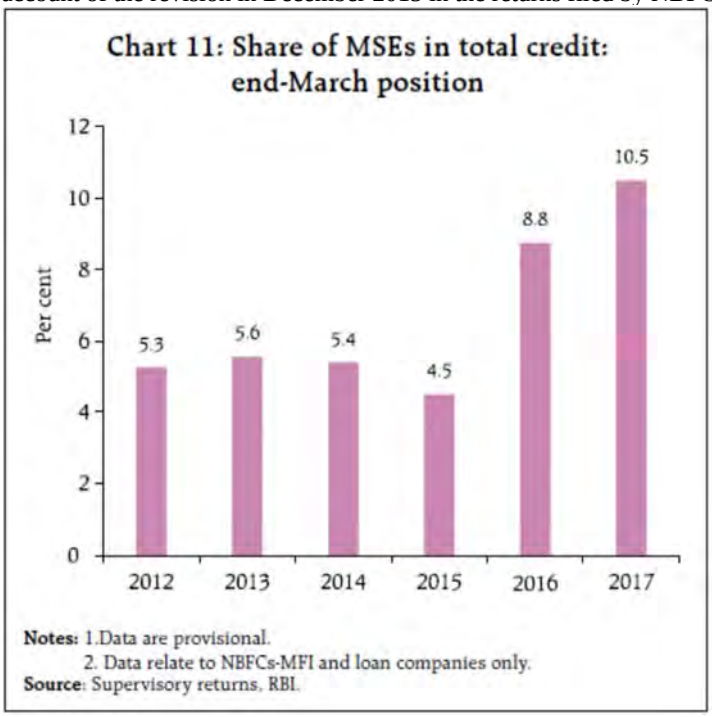
SME FINANCE / MSME

The MSME sector in India continues to have huge unmet demand for credit. NBFCs share in MSME financing will continue to grow but competitive intensity is expected to rise due to entry of small finance banks and PSB recapitalization. NBFCs provide term loans to MSMEs, whereas for banks 75% to 80% of MSMEs loans are working capital loans. 75% to 80% of the lending is secured for NBFCs.

An increase in demand for additional loans (top-up), bridge finance and online platforms is leading to rise in unsecured credit, while yield is under pressure due to increasing competition. NBFCs NPAs in MSME lending have steadily increased over the last three years as NBFCs try to maintain high AUM growth. MSME industry has certain inherent risks such as industry slowdown and technological obsolescence so GST has added a financial burden on MSMEs especially in the unorganized sector thus affecting credit profile of NBFCs borrowers.

Several NBFCs-ND-SI specialise in financing niche segments, including the micro and small enterprises (MSE), which particularly figure prominently in the loan portfolios of NBFCs-MFI and loan companies. Over recent

years, there has been a steady growth in the credit to MSE sector from these two categories. This was mainly on account of the revision in December 2015 in the returns filed by NBFCs, as mentioned earlier.

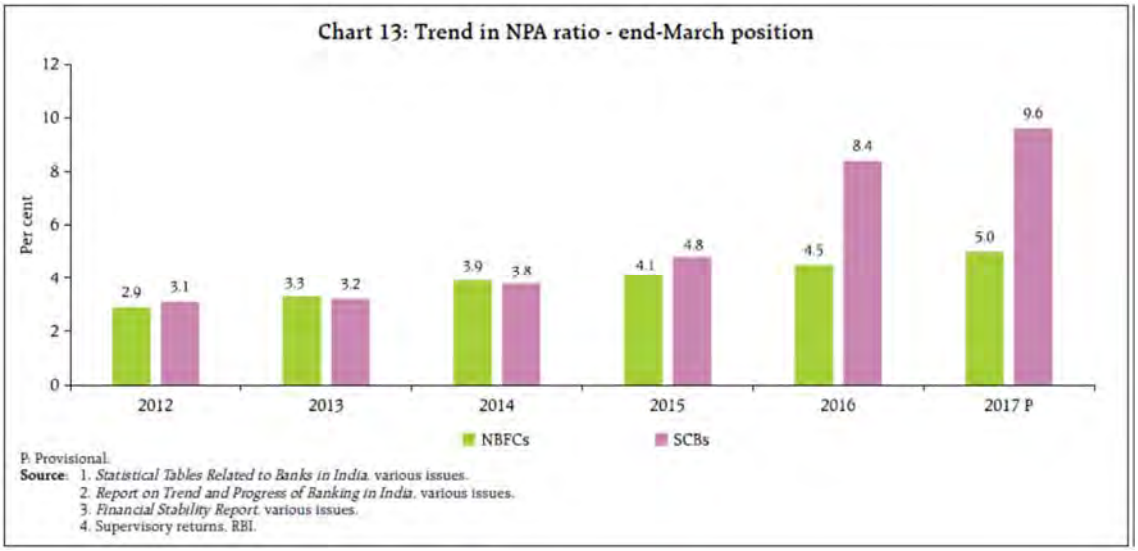


Source: "Non-Banking Finance Companies in India's Financial Landscape" published on October 10, 2017

NBFCs-IFC and NBFC-IDFs are the two major categories within NBFCs-ND-SI which specialise in infrastructure financing. In line with bank credit, infrastructure credit growth of NBFCs-IFC and NBFC-IDFs has decelerated in recent years, attributed to industrial slowdown, particularly in the power sector as well as the conversion of IDFC into a universal bank.[13] Nevertheless, growth in infrastructure credit by NBFCs-IFC and NBFCs-IDF was higher than by banks, which, in fact, reported credit contraction in 2016-17.

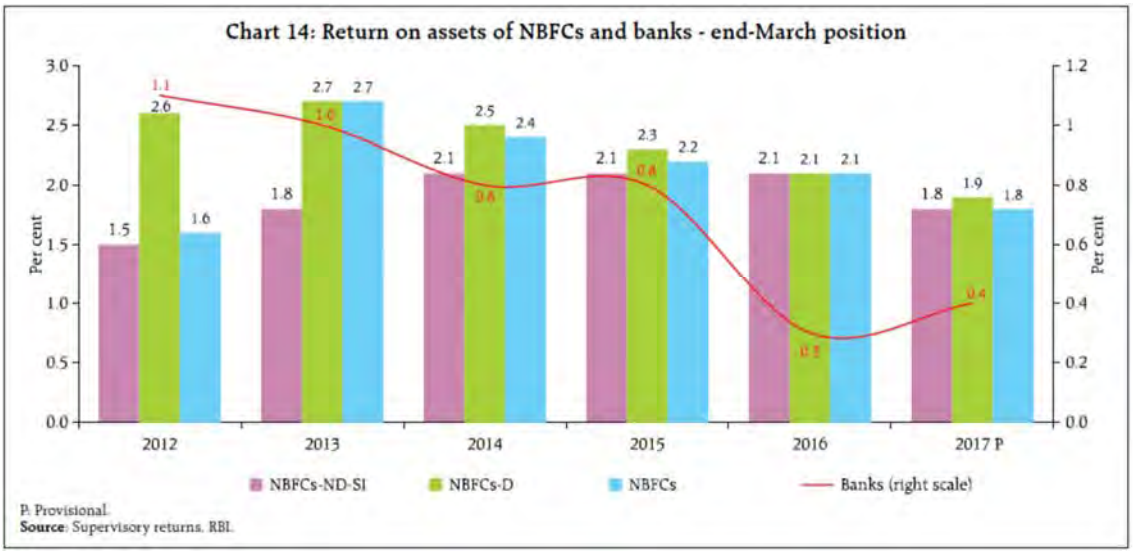
Key Soundness Indicators of NBFCs

There has been a steady deterioration in asset quality of NBFCs in recent years. Gross non-performing assets (GNPA) ratio for NBFCs increased to 5.0 per cent at end-March 2017 from 2.9 per cent at end-March 2012. The deterioration in asset quality could partly be attributed to the change in NPA recognition norms. Notwithstanding the recent deterioration, their asset quality remained better than that of banks.



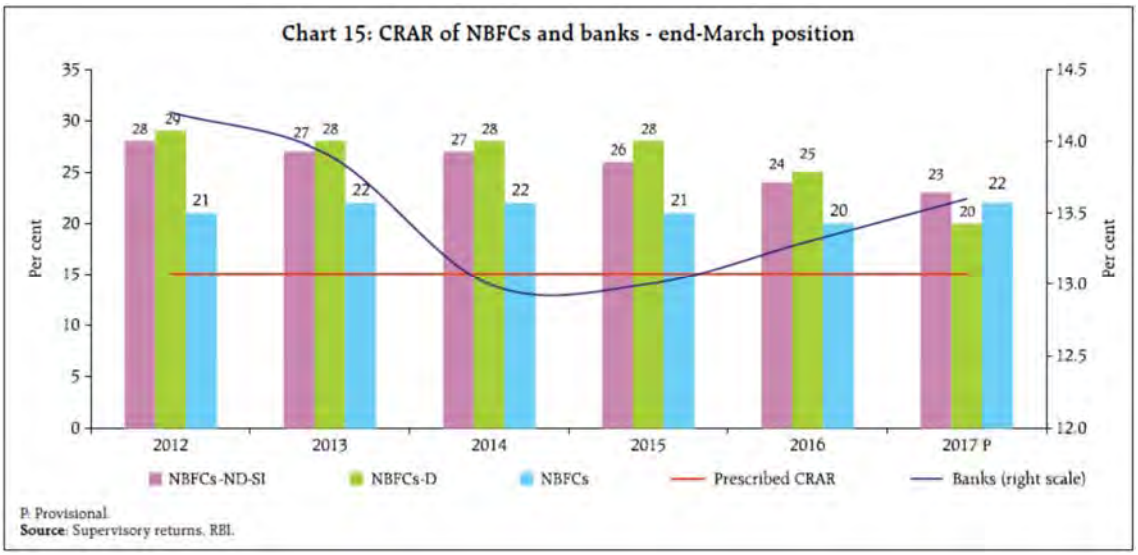
Source: "Non-Banking Finance Companies in India's Financial Landscape" published on October 10, 2017

Return on Assets (RoA) of NBFCs declined from 2013 onwards in tandem with the asset quality deterioration in the financial system (Chart 14). Compared to banks, however, NBFCs reported a fairly higher RoA.



Source: "Non-Banking Finance Companies in India's Financial Landscape" published on October 10, 2017

The capital to risk-weighted assets ratio (CRAR) of NBFCs has declined in recent years although it was higher than the prescribed regulatory level of 15 per cent, symbolising the soundness of the sector



Source: "Non-Banking Finance Companies in India's Financial Landscape" published on October 10, 2017

OUR BUSINESS

We are registered with the Reserve Bank of India as "Non-Banking Financial Company - Non Systematically Important Non-Deposit taking Company", presently engaged in the business of undertaking NBFC activities including investment in the capital or other moneys of the company in the purchase or upon the security of shares, stock, debentures, debenture - stock, bonds, mortgages, obligations and securities of any kind, carrying on business in shares, stocks, debentures, debenture stock, bonds, mortgages, obligations and other securities, commissioners, trust, municipal or local authority and to carry on business of underwriters, film financing, hire purchase financing and to carry on business of financing industrial enterprises, trade and business financing

RECENT DEVELOPMENTS

The following material developments has happened in our Company which have been / are to be implemented:

A. Pursuant to the approval granted by the Board of Directors of our Company in their meeting held on December 31, 2017, we have entered into three different Securities Subscription Agreement to issue and allot, on preferential basis, 25,58,138 equity shares of face value ₹ 10 each at a price of ₹ 129 per Equity Share, 1,38,37,210 Compulsorily Convertible Preference Shares ("CCPS") convertible into 1,38,37,210 Equity Shares of face value ₹ 10 each at a price of ₹ 129 per CCPS and 1,73,25,582 Compulsorily Convertible Debentures ("CCD") of face value ₹ 10 each convertible into 1,73,25,582 Equity Shares of face value ₹ 10 each at a price of ₹ 129 per CCD. The details of the same is as under:

1. Execution of Securities Subscription Agreement to be entered into between the Company, Indgrowth Capital Fund I and Exiting Promoters, whereby subject to approval of shareholders of the Company and in compliance of applicable laws, Indgrowth Capital Fund I shall be issued upto 34,88,372 number of fully compulsory convertible debentures ("Indgrowth CCDs") of ₹ 129/- each which would be converted into 1 Equity Share of ₹ 10 each at a premium of ₹ 119 within 18 months of the allotment of the Indgrowth CCDs aggregating upto ₹ 44,99,99,988 (Rupees forty four crore ninety nine lacs Ninety Nine thousand Nine hundred and eighty eight only). Issuance of the aforesaid securities shall be made to Indgrowth Capital Fund I Limited as a public shareholder on preferential basis and Indgrowth Capital Fund I is not acting in concert with any person or entity as defined under the SEBI Takeover Regulations as acknowledged by the parties under the aforesaid agreement. The allotment for 34,88,372 CCDs was made by the Company in its Board Meeting held on July 03, 2018.

2. Execution of Securities Subscription Agreement to be entered into between the Company, Clearsky Investment Holdings Pte. Ltd. ("Clearsky") and Exiting Promoters ("Clearsky SSA") whereby subject to approval of shareholders of the Company and in compliance of applicable laws, Clearsky shall be issued upto 12,79,069 number of Equity Shares at ₹ 129/- each (face value ₹ 10 issued at a premium of ₹ 119) aggregating to upto ₹ 16,49,99,901 (Rupees sixteen crore forty nine lacs ninety nine thousand nine hundred and one only), and upto 138,37,210 number of fully compulsory convertible debentures ("Clearsky CCDs") of ₹ 129 each, which would be converted into 1 Equity Share of ₹ 10 each at a premium of ₹ 119 within 18 months of the allotment of the Clearsky CCDs aggregating upto ₹ 178,50,00,090 (Rupees One hundred and seventy eight crore fifty lacs and ninety only). Issuance of the aforesaid securities shall be made to Clearsky as a public shareholder on preferential basis and Clearsky is not acting in concert with any person or entity as defined under the SEBI Takeover Regulations as acknowledged by the parties under the aforesaid agreement. The allotment for 12,79,069 Equity Shares and 138,37,210 CCDs was made by the Company in its Board Meeting held on July 03, 2018.

3. Execution of Securities Subscription Agreement to be entered into between the Company, NewQuest Asia Investments III Limited and Exiting Promoters whereby subject to approval of shareholders of the Company and in compliance of applicable laws, NewQuest Asia Investments III Limited shall be issued upto 12,79,069 number of Equity Shares of ₹ 129/- each aggregating upto ₹ 16,49,99,901 (Rupees sixteen crore forty nine lacs ninety nine thousand nine hundred and one only), and upto 138,37,210 number of fully compulsory convertible preference shares of ₹ 129/- each aggregating upto ₹ 178,50,00,090/- (Rupees One hundred and seventy eight crore fifty lacs and ninety only) ("CCPS"). Issuance of the aforesaid securities shall be made to NewQuest Asia Investments III Limited as a public shareholder on preferential basis and NewQuest Asia Investments III Limited is not acting in concert with any person or entity as defined under the SEBI Takeover Regulations as acknowledged by the parties under the aforesaid agreement. The allotment for 12,79,069 Equity Shares and 138,37,210 CCPS was made by the Company in its Board Meeting held on July 03, 2018.

4. Raising of funds to the tune of ₹ 250 Crores (Indian Rupees Two Hundred and fifty Crore) by way of issuance of securities including Equity Shares, convertible preference shares, convertible debentures, Global Depository Receipts, American Depository Receipts etc. by way of qualified institutions placement ("QIP") or through any other method, subject to the approval of shareholders' of the Company and in compliance of applicable laws.

B. The Board of Directors of our Company in their meeting held on December 31, 2017 has approved the Scheme of Arrangement, in terms of Section 230 to 232 read with Section 52 and 66 of the Companies Act, 2013, Section 2(19AA) of the Income Tax Act, 1961 and other applicable provisions, whereby the business division of Asia Pragati Capfin Private Limited (the "Demerged Company") comprising of its lending business (the "Demerged Undertaking") shall stand demerged and vested into Chokhani Securities Limited (the "Resulting Company") with appointed date being April 01, 2018. The proposed demerger is likely to offer benefits to APCPL and the Resulting Company, as outlined hereunder:

1. The lending business of Demerged Company requires a focused management team and investment to grow. The nature of risk, competition, challenges, opportunities and business operations for the lending business is separate and distinct from the other and new businesses proposed to be carried out by Demerged Company. Thus, the Scheme, which envisages demerger of lending business into Resulting Company, would enable the lending business to innovate, scale up and pursue growth opportunities in a more focused manner.

2. As part of Resulting Company, the lending business is expected to be in a position to attract the right set of investors, strategic partners, employees and other relevant stakeholders

3. There would be enhanced focus on the operations of the lending business under a dedicated management team of the Resulting Company, who can chart out and pursue an independent strategy to maximize value creation for stakeholders.

Upon the coming into effect of this Scheme and in consideration of the transfer and vesting of the Demerged Undertaking of Demerged Company in the Resulting Company pursuant to the Scheme, the Resulting Company shall, without any further act or deed, issue and allot to the equity shareholders of Demerged Company (other than in respect of shares that are held by the Resulting Company or its nominees), whose names appear in the Register of Members of Demerged Company, on a Record Date to be fixed in that behalf by the Board of Directors of Demerged Company in consultation with the Resulting Company for the purpose of reckoning the names of the equity shareholders of Demerged Company in the following proportion namely,:

"The fair exchange ratio for the proposed demerger of Demerged Company *into Resulting Company should be 1,00,000 (One Lakh)] equity shares of face value INR. 10 (rupees ten only) of the Resulting Company for every 13,65,162 (Thirteen Lakh Sixty Five Thousand One Hundred and Sixty Two) equity shares of Demerged Company of face value of INR 10/- (rupees ten only)"*

Accordingly, the shareholders of Demerged Company shall be paid consideration by way of issuance of 13,565,891 Equity Shares of face value ₹ 10 each of the Target Company.

Our Company has filed the application with BSE and SEBI for obtaining their approval under Regulation 37 of the SEBI LODR Regulations.

C. On December 31, 2017, Poshika Advisory Services LLP & Mr. Shachindra Nath (collectively referred to as the "Acquirers") has made a public announcement to acquire control of the management of our Company from the existing Promoters to the Acquirers in accordance with Regulation 3(1) and 4 of the SEBI Takeover Regulations subject to prior RBI Approval as per RBI Circular no. RBI/2015-16/122-DNBR(PD) CC. No. 065/03.10.001/2015-16 dated July 09, 2015.

Mr. Shachindra Nath is an experienced financial services professional having several years of experience. He is currently founder of Poshika Financial Ecosystem Private Limited which is engaged in advising, mentoring and investing in financial services. Earlier, he was part of Religare group, an Indian financial services conglomerate. He is a qualified lawyer and a graduate holder from the Banaras Hindu University (India).

Poshika Advisory Services LLP is a limited liability partnership and was incorporated on November 2, 2017 under the provisions of the Limited Liability Partnership Act, 2008 with the Limited Liability Partnership Identification Number ("**LLPIN**") AAL-0334. Poshika Advisory Services LLP is engaged in the business of providing financial and management consultancy services and to buy, invest in and acquire shares, stocks, debenture, bonds or any other securities. The total capital contribution of the partners of Poshika Advisory Services LLP is ₹ 105,100,000 (Indian Rupees One Hundred and Five Million and One Hundred Thousand). Of the total capital contribution, Mr. Shachindra Nath has contributed ₹ 22,550,000 (Indian Rupees Twenty Two Million Five Hundred Fifty Thousand) constituting 21.46%, Mrs. Shruti Nath has contributed ₹ 22,550,000 constituting 21.46% and Poshika Financial Ecosystem Private Limited has contributed ₹ 60,000,000 constituting 57.09%. Mrs. Shruti Nath is the wife of Mr. Shachindra Nath. Mrs. Shruti Nath holds 24.68% and Mr. Shachindra Nath holds 75.32% share capital of Poshika Financial Ecosystem Private Limited.

The change of control and further issue of Equity Shares, Compulsory Convertible Preference Shares and Compulsory Convertible Debentures was subject to regulatory approvals, including Securities and Exchange Board of India and Reserve Bank of India.

The approval for the issue and allotment of Equity Shares, Compulsory Convertible Preference Shares and Compulsory Convertible Debentures was received from the shareholders of the Company on May 07, 2018 through postal ballot. The Company has also received approval from RBI vide their letter ref. no. DNBS.CMD.No.2006/12.11.059.2017-18 dated May 10, 2018 for the said transactions contemplated through change of control and management, demerger and allotment of Equity Shares, Compulsory Convertible Preference Shares and Compulsory Convertible Debentures which is valid for a period of six months from the date of the approval. Further, in terms of the abovementioned letter, RBI has also granted approval for appointment of the following persons as Directors on the Board of our Company:

1. Mr. Shachindra Nath
2. Mr. Abhijit Ghosh
3. Mr. Amit Gupta
4. Mr. Manoj Sherawat
5. Mr. Kanak Kamal Kapur

SEBI has issued observations vide their letter dated SEBI/HO/CFD/DCR1/OW/P/2018/014722/1 dated May 18, 2018 on the Draft Letter of Offer filed by the Acquirers.

In terms of the same, the management and control of the Company was taken over by Mr. Shachindra Nath and Poshika Advisory Services LLP on July 05, 2018.

D. The Board of Directors of our Company in their meeting held on May 24, 2018 have approved the issuances of securities on preferential basis as mentioned below:

1. Issue of Compulsory Convertible Preference Shares(CCPS) on preferential basis upto 64,92,583 (Sixty Four Lakh Ninety Two Thousand Five Hundred Eighty Three Only)having face value of ₹ 10/- (Rupees Ten only) each, at an issue price as may be determined as on the Relevant Date in accordance with the provisions of Chapter VII of the SEBI (Issue of Capital and Disclosure Requirements)Regulations, 2009 (ICDR Regulations), which shall not be less than ₹ 140/- (Rupees One Hundred Forty only) including premium to the investors whose names and the terms are set out below;

   Type of Securities Proposed to be Issued – Compulsory Convertible Preference Shares (CCPS)
   Type of Issuance –Preferential Allotment
   Total number of Securities Proposed to be issued or total amount for which the securities will be issued-upto6,492,583 Compulsory Convertible Preference shares
   Issue Price: ₹ 140/- (Rupees One Hundred and Forty only)
   Conversion Period: CCPS shall be convertible into equity shares at any time not later than 18 months from the date of allotment of such CCPS, but in no case prior to expiry 6 months from the date of their allotment.
   Details of allottees:

Sr. No.	Name of the Investor	No. Of CCPS (upto)	Face Value per CCPS (INR)	Total Consideration (INR)
1	EIP Global Fund LLC	2,300,000	10	322,000,000
2	Navodhyam Holding LLP	500,000	10	70,000,000
3	BG Advisory Services LLP	357,143	10	50,000,020
4	Aditya Himatsingka	357,143	10	50,000,020
5	Manoj Dhirajlal Rajani	357,143	10	50,000,020
6	Ashutosh Taparia	238,095	10	33,333,300
7	Urmila Devi Taparia	238,095	10	33,333,300
8	Sanjeev Taparia	238,095	10	33,333,300
9	Family Trust	214,286	10	30,000,040
10	Chattisgarh Investments Limited	200,000	10	28,000,000
11	Shilpa Ajitkumar Patel	142,857	10	19,999,980
12	Asteya Investment Manager LLP	100,000	10	14,000,000
13	Andre Graham Nazareth	71,429	10	10,000,060
14	Deepti Joshi	71,429	10	10,000,060
15	Govind Pathak	71,429	10	10,000,060
16	Rakesh Gupta	71,429	10	10,000,060
17	Ujwal A Shangarpawar	71,429	10	10,000,060
18	Vivek Mishra	71,429	10	10,000,060
19	Vinodh Chelambathodi Gopalkrishnan Markaseri	71,429	10	10,000,060
20	Orbis Securities Private Limited	70,000	10	9,800,000
21	Ankur Arora	53,572	10	7,500,080
22	George Thomas Thekkekara	40,000	10	5,600,000
23	Accorn Investments Advisory Services Private Limited	35,715	10	5,000,100
24	Indranil Chakraborty	35,715	10	5,000,100
25	Jigisha Suresh Lulla	35,715	10	5,000,100
26	Manoj Warrier	35,715	10	5,000,100
27	Natasha Rodricks	35,715	10	5,000,100
28	Neetu Brijesh Gaur	35,715	10	5,000,100
29	Russell John Barrett	35,715	10	5,000,100
30	Stanly William	35,715	10	5,000,100
31	Tarun Batra	35,715	10	5,000,100
32	Amit Aggarwal	35,715	10	5,000,100
33	RNG Family Private Trust	35,714	10	4,999,960
34	Rashmi Gupta	35,000	10	4,900,000
35	Ravi Ruparel	20,000	10	2,800,000
36	Aditya Vikram Dua	17,858	10	2,500,120
37	Anish Handa	18,000	10	2,520,000
38	Mahesh Agarwal	18,000	10	2,520,000
39	Venugopalan Swaminathan	17,857	10	2,499,980
40	Raoul Kapoor	17,857	10	2,499,980
41	Pardeep Dahiya	10,715	10	15,00,100
42	Swapnilsagar R Vithalani	10,000	10	1,400,000
43	Nidhi Thakkar	10,000	10	1,400,000
44	Nisha Goyal	10,000	10	1,400,000
45	Gopal Laddha	4,000	10	560,000
46	Nimesh Shantilal Salot	4,000	10	560,000
	Total	**6,492,583**		**908,961,620**

2. Issue of Convertible Warrants (Warrants) on preferential basis upto 87,83,785 (Eighty Seven Lakh Eighty Three Thousand Seven Hundred Eighty Five) with a right to Samena Fidem Holdings to apply for and get one equity share of face value ₹ 10/- (Rupees Ten only) each for each Warrant at an issue price as may be determined as on the Relevant Date in accordance with the provisions of Chapter VII of

the ICDR Regulations, which shall not be less than ₹ 148/- (Rupees One Hundred Forty Eight only) including premium to the investors whose names and the terms are set out below;

Type of Securities Proposed to be Issued – Warrants
Type of Issuance –Preferential Allotment
Total number of Securities Proposed to be issued or total amount for which the securities will be issued- upto 87,83,785 Warrants
Issue Price: ₹ 148/- (Rupees One Hundred and Forty-Eight only)
Conversion Period: Warrants shall be convertible into equity shares after the expiry of 6 months from the date of allotment of Warrants but no later than December 31, 2019.
Details of allottees:

Sr. No.	Name of the Investors	No of Warrants (upto)	Total Consideration (INR) (upto an amount of)
1.	Samena Fidem Holdings	8,783,785	130,00,00,180

E. The Board of Directors of our Company, in their meeting held on May 29, 2018, has approved the appointment of the following persons as Directors on the Board of our Company, subject to the approval of the shareholders in their ensuing Annual General Meeting to be held on July 03, 2018:

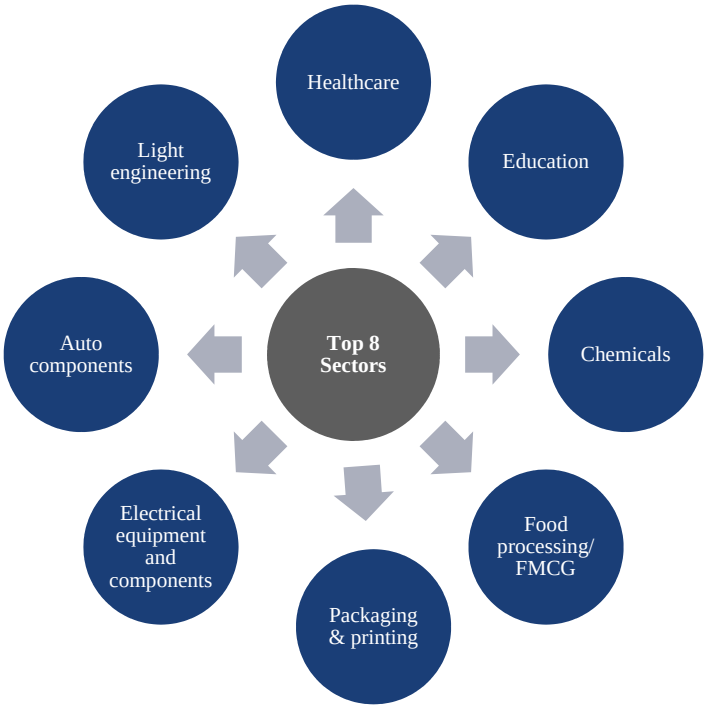
Name of proposed Director & DIN	Designation
Mr. Abhijit Ghosh DIN: 07935397	Whole Time Director and Chief Executive Officer
Ms. Ranjana Agarwal DIN: 03340032	Independent Director
Mr. S Karupasamy DIN: 03632212	Independent Director
Mr. Satyananda Mishra DIN: 01807198	Independent Director
Mr. Abhijit Sen DIN: 00002593	Independent Director
Mr. Navin Kumar Maini DIN: 00419921	Independent Director
Mr. Rajeev Kumar Agarwal DIN: 07984221	Independent Director
Mr. Amit Gupta DIN: NA	Investor Nominee Director on behalf of New Quest Asia Investment III Limited
Mr. Manoj Sehrawat DIN: NA	Investor Nominee Director on behalf of Clearsky Investment Holding Pte. Ltd.

The said Directors were appointed on the Board of the Company in its Annual General Meeting held on July 03, 2018.

For details, please refer to the section titled "Board of Directors and Senior Management" beginning on page 80 of the Placement Document.

F. The members of our Company, in their Annual General Meeting held on July 23, 2018, has approved the appointment of M/s Deloitte Haskins & Sells LLP, Chartered Accountants (Firm Registration No.: 117366W/W-100018) as the Statutory Auditors of the Company in place of the previous Auditors, M/s B M Gattani & Co., Chartered Accountants (Firm Registration No.: 113536W).

With the proposed change of control of the management of the Company, demerger of lending business of Asia Pragati Capfin Private Limited into our Company and raising of further capital, the Company will diversify its operations in the business of extending secured loans to Small and Medium Enterprise ("SME") and Micro, Small and Medium Enterprises ("MSME") borrowers in India against security of assets including residential and commercial property and plant and machinery. After raising of capital, as aforesaid, we shall be focusing on the SME & MSME lending business in the following sectors:



With the in-depth product knowledge, relevant financial services domain knowledge, ability to structure loans and the new management team, we believe that the same will be critical to the growth of our operations.

Revenue summary
Our total revenues has increased to 3.52 crores during the fiscal 2018 as against ₹ 2.43 crores for the fiscal 2017 and profit after tax has increased to ₹ 2.98 crore during the fiscal 2018 as against ₹ 1.97 crore for the fiscal 2017.

OUR STRATEGIES
We intend to diversify and expand our scale of operations and increase our profitability through the following key strategies:

Segment focused strategy and diversified funding profile across various identified sectors
We will prioritize the segments / sectors for lending in SME & MSME segment based on the attractiveness of the sector and accessibility of funds. Our Products portfolio will be based on customer needs, to include both own as well as third party products, and the ability and willingness to take higher risks for better returns.

We believe that the success and continued growth of our lending business is dependent on, among others, (i) identifying and directly sourcing potential borrowers through our knowledge of local markets and customer centric approach, (ii) to offer customized solutions to address our customers' financial requirements, (iii) to take the lead position in underwriting larger ticket loans for corporates instead of participating in syndicated loans originated by other lenders, and (iv) to structure our loan products to maximize our returns. Further, with established credentials into secured lending business, we shall be gradually moving to collateral based lending and / or unsecured lending.

Lending approach and to create a robust credit assessment and risk management framework
We intend to shall create a strong presence in the targeted customer segments which shall be acquired through a carefully thought through mix of channels aligned to segments via, sector specific partners, DSA / DSA aggregators, digital platforms and own sourcing. The Credit underwriting shall be driven by a deep understanding of segments and proprietary risk models and approach.

- Comprehensive underwriting process covering SME's Business model / Cash flows / Promoters/ Management / Collaterals
- Deep knowledge of business fundamentals to drive surrogate based income assessment, if lack of proper documentation

- Strong and experienced underwriting team with functional expertise in cash flow assessment and business expertise in focus segments
- Asset valuation capability driven by knowledge of asset liquidity, secondary market etc.
- In-house technical team to underwrite values of collateral
- Technical verification to assess marketability and compliance to local bylaws
- Legal assessment to determine free, clear and marketable title

Liability management
Presently our entire funds has been sourced from equity / compulsorily convertible securities. We have not borrowed any capital till date. We plan to build loan book starting from high equity / low leverage to higher leverage over a period of time. With established credentials and enhanced ratings, we will create a diverse mix of conventional funding sources and which will also help us to enhance our return to shareholders progressively by increasing leveraging.

Ownership by institutional investors ensuring international corporate governance standards
With the approval of the shareholders of our Company to allot equity shares to various independent PE funds, we expect to be benefitted from the strong capital sponsorship and professional expertise of our new Promoter, after completion of the open offer in accordance with SEBI takeover Regulations, and other institutional shareholders which will help us to access to best industry practices and international corporate governance standards and thereby raising the Company's corporate governance practice.

To leverage on digital technologies and use of data analytics to support business growth and improve efficiency as well as to further strengthen our risk management framework
We intend to develop and invest in digital technologies to support our growth, improve the quality of our services and achieve superior turnaround time in our operations. We believe that our increased leveraging of technology and use of data analytics will helps us develop early warning systems and sound risk management system. Our focused approach on the effective use of technology is aimed at allowing our employees to collect and enter data to a centralized management system, providing our senior management real-time access to credit processing and decision making. We believe that the accurate and timely collection of such data gives us the ability to operate our business in a centralized manner and develop better credit procedures and risk management.

To create brand awareness to become the preferred NBFC for borrowers in our target customer segments
We plan to invest in enhancing our brand to become the preferred NBFC for borrowers in our target customer segments. We seek to build our brand by continuing to engage with existing and potential customers through sales campaigns, sponsor popular events in locations in which we operate and advertisement campaigns.

COMPETITION
The NBFC Industry in India is characterized by high levels of competition. The main competitive factors are product range, ability to customize products, speed of loan approvals, price, reputation and customer relationships. We will face competition from banks and other established NBFCs in India. In addition, many of our potential customers in economically weaker segments do not have access to any form of organized institutional lending, and rely on loans from informal sources, especially moneylenders, landlords, private financiers, at much higher rates.

In the organized sector, many of the institutions with whom we will face competition have greater assets and better access to, and lower costs of, funding than we do. In certain areas, they may also have better brand recognition and larger customer bases than us. If we are unable to access funds at an effective cost that is comparable to or lower than our competitors or expand our reach and build our brand among our target customer segments, we may not be able to extend our reach in the market and will have lower penetration, resulting in impact on our results of operations and profitability.

INTELLECTUAL PROPERTY
We do not own any intellectual property as on the date of this Placement Document.

PROPERTY
We do not own any immovable property as on the date of this Placement Document. Our registered office is situated at leased premises.

REGULATION AND POLICIES

The following is an overview of certain sector-specific relevant laws and regulations which are applicable to the operations of our Company and our Subsidiaries. The information detailed in this chapter has been obtained from publications available in public domain. The description of laws and regulations set out below is not exhaustive but indicative, and is only intended to provide general information to investors and is neither designed nor intended to be a substitute for professional legal advice.

As per the RBI Act, a financial institution is defined as a non-banking institution, carrying on as its business or part of its business of, inter alia, the financing activities, whether by way of making loans or advances or otherwise, of any activity, other than its own, and is engaged in the acquisition of shares, stock, bonds, debentures and/or securities issued by the Government or other local authorities or other marketable securities of like nature, leasing, hire-purchase, insurance business, chit business, but does not include any institution whose principal business is that of carrying out any agricultural or industrial activities or the purchase or sale of any goods (other than securities) or the providing of any services or the sale, purchase and/or construction of immovable property.

Any company which carries on the business of a non-banking financial institution as its principal business is to be treated as an NBFC. Since the term 'principal business' has not been defined in law, the RBI has clarified through a press release (Ref. No. 1998-99/ 1269) in 1999, that in order to identify a particular company as an NBFC, it will consider both the assets and the income pattern as evidenced from the last audited balance sheet of the company to decide its principal business. The company will be treated as an NBFC if its financial assets are more than 50% of its total assets (netted off by intangible assets) and income from financial assets should be more than 50% of the gross income. Both these tests are required to be satisfied as the determinant factor for principal business of a company.

Section 45-IA of the RBI Act makes it mandatory for every NBFC to get itself registered with the Reserve Bank in order to be able to commence any of the aforementioned activities. Further, an NBFC may be registered as a deposit accepting NBFC ("NBFC-D") or as a non-deposit accepting NBFC ("NBFC-ND").

NBFCs registered with RBI are further classified as:
(i) Asset financing companies;
(ii) Investment companies;
(iii) Loan companies;
(iv) infrastructure finance companies;
(v) Systematically important core investment companies;
(vi) Infrastructure debt fund – NBFCs;
(vii) NBFC- non operative financial holding company; and/or
(viii) Motgage guarantee company;
(ix) NBFC- Non operative financial holding company; and/or
(x) NBFC – micro finance institutions.

Our Company is registered with RBI as "Non-Banking Financial Company – Non-Systemically Important Non-Deposit taking company". On successful raising of funds through this Placement Document, our Company shall be categorized as Non-Banking Financial Company - Systemically Important Non-Deposit taking company ("NBFC-ND-SI")

Key Regulations applicable to our Company in India are:

The Reserve Bank of India Act, 1934 ("RBI Act")
The RBI Act defines an NBFC as: (a) a financial institution which is a company; (b) a non-banking institution which is a company and which is in the principal business of receiving deposits, under any scheme or arrangement or in any other manner, or lending in any manner; or (c) such other non-banking institution or class of such institutions as the RBI may, with the previous approval of the Central Government, and by notification in the official gazette, specify.

In order to commence or carry out the business of a non-banking financial institution, an NBFC has to mandatorily obtain a certificate of registration issued by the RBI and it should have minimum net owned fund of ₹ 20 million, except wherever otherwise a specific requirement as to net owned fund is prescribed by the RBI.

Net Owned Fund

Section45-IA of the RBI Act provides that to carry on the business of a NBFC, an entity would have to register as an NBFC with the RBI and would be required to have a minimum net owned fund of ₹ 20 million (Rupees Twenty million only). For this purpose, the RBI Act has defined "net owned funds" to mean: (i) the aggregate of the paid-up equity capital, preference shares which are compulsorily convertible into equity and free reserves as disclosed in the latest balance sheet of the company, after deducting (i) accumulated balance of loss, (ii) deferred revenue expenditure, (iii) deferred tax assets (net); and (iv) other intangible assets; and (ii) Further reduced by amounts representing, (1) investment by such companies in shares of (i) its subsidiaries, (ii) companies in the same group, (iii) other NBFCs; and (2) the book value of debentures, bonds, outstanding loans and advances (including hire purchase and 197 lease finance) made to, and deposits with (i) subsidiaries of such companies; and (ii) companies in the same group, to the extent such amount exceeds 10% of (a) above.

Reserve Fund

Every NBFC is required to create a reserve fund and transfer thereto a sum not less than 20% of its net profit every year, as disclosed in the profit and loss account and before any dividend is declared. Further, no appropriation can be made from such fund by the NBFC except for the purposes specified by the RBI from time to time and every such appropriation shall be reported to the RBI within 21 days from the date of such withdrawal.

Maintenance of liquid assets

The RBI has prescribed that every NBFC shall invest, and continue to invest, in unencumbered approved securities valued at a price not exceeding the current market price of such securities an amount which shall, at the close of business on any day, be not less than 10% in approved securities and the remaining in unencumbered term deposits in any scheduled commercial bank; the aggregate of which shall not be less than 15% of the public deposit outstanding at the close of business on the last working day of the second preceding quarter.

Norms for excessive interest rates

NBFCs are required to put in place appropriate internal principles and procedures in determining interest rates and charges for loans and advances. The Master Directions stipulate that the Board of each NBFC shall adopt an interest rate model after taking into account the various relevant factors, such as, among others, cost of funds, margin and risk premium. The rate of interest and the approach for gradation of risk and the rationale for charging different rates of interest for different categories of borrowers shall be required to be disclosed in the application form and communicated explicitly in the sanction letter. Furthermore, the same is also required to be made available on the company's website or be published in the relevant newspapers and is required to be updated in the event of any change therein. Further, the rate of interest would have to be annualized rates so that the borrower is aware of the exact rates that would be charged to the account.

Asset Classification

The Master Directions require that every NBFC shall, after taking into account the degree of well-defined credit weaknesses and extent of dependence on collateral security for realisation, classify its lease/hire purchase assets, loans and advances and any other forms of credit into the following classes:

- Standard assets;
- Sub-standard assets;
- Doubtful assets; and
- Loss assets

Further, such class of assets would not be entitled to be upgraded merely as a result of rescheduling, unless it satisfies the conditions required for such upgradation as prescribed by the RBI.

In addition, NBFCs are also governed by various directions, circulars and guidelines as issued by the RBI from time to time.

Master Direction - Non-Banking Financial Company – Non Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016 dated September 1, 2016 and updated as of February 23, 2018 ("Master Directions, 2016")

The Master Directions, 2016 defines Non-Banking Financial Company – Non Systemically Important Non-Deposit taking Company as a non-banking financial company which is not systematically important. A "Systemically important non-deposit taking non-banking financial company" is defined to mean a non-banking financial company not accepting / holding public deposits and having total assets of ₹ 500 crore and above as shown in the last audited balance sheet.

Under the master Directions 2016, the NBFCs must adhere to various requirements including minimum capital requirements, prudential regulations, fair practices, governance matters and norms for disclosures in balance sheets, subject to such provisions as provided therein.

Asset Liability Management

As part of the Master Directions, 2016, the RBI has prescribed guidelines for putting in place an asset liability management ("ALM") system, for applicable NBFCs with asset base of ₹ 1,000 million or more. The ALM guidelines require NBFCs to put in place a strong Management Information System. For quick analysis and consolidation of data, the Management Information System shall be computerised and shall make use of specialised software for managing the assets and liabilities with respect to the maturity mismatches, and the various risks associated with such mismatches, as a pre-requisite for putting in place the ALM system.

The ALM system shall inter alia involve (i) ALM information systems – covering management information systems and information availability, accuracy, adequacy and expediency, (ii) ALM organizations – covering structure and responsibilities and level of top management involvement, (iii) ALM Processes – covering risk parameters, identification, measurement, management, policies and tolerance levels.

Under the ALM guidelines, the prudential limits for negative liquidity gaps in time buckets of 1 to 30/31 days has been fixed at 15% of the cash outflows of each time-bucket and for cumulative gap up to the one year period has been fixed at maximum of 15% of the cumulative cash outflows up to one year period. NBFCs, however, are expected to monitor their cumulative mismatches (running total) across all time buckets by establishing internal prudential limits with the approval of the board / management committee.

For the interest rate gaps in various time buckets, the prudential limits have to be fixed by the board / management committee of the NBFC. Such prudential limits should have a relationship with the total assets, earning assets or equity.

Acquisition or transfer of control:

NBFC-ND-SIs are required to obtain prior written permission of RBI for, (a) any takeover or acquisition of control, which may or may not result in change in management, (b) any change in the shareholding, including progressive increases over time, which would result in acquisition or transfer of shareholding of 26% or more of the paid up equity capital except any shareholding going beyond 26% due to buyback of shares or reduction in capital where it has approval of a competent court, and (c) any change in the management of the NBFC-ND-SIs which results in change in more than 30% of the directors, excluding independent directors, except where the directors are re-elected on retirement by rotation. NBFC-ND-SIs are also required to keep the RBI informed of any change in their director or management. After obtaining the prior permission of RBI, a public notice of at least 30 days shall be given by the NBFC-ND-SI and by the other party or jointly by the parties concerned, indicating the intention to sell or transfer ownership / control, the particulars of transferee and the reasons for such sale or transfer of ownership / control which is required to be published in one leading national and one leading local (covering the place of the registered office of the NBFC-ND-SI) vernacular newspaper.

Corporate Governance

NBFC-ND-SIs are required to adhere to certain corporate governance norms, including constitution of an audit committee, a nomination committee, an asset liability management committee and risk management committee. RBI vide its Master Circular dated July 1, 2015, introduced the Non-Banking Financial Companies – Corporate Governance (Reserve Bank) Directions, 2015 (the "RBI Master Circular") which requires all systematically important ND NBFCs having an asset size above ₹ 5,000 million are required to consider adopting best practices and transparency in their systems as specified below. The RBI Master Circular mandated that all NBFC having assets of ₹ 5,000 million and above as per its last audited balance sheet are required to constitute an audit committee, consisting of not less than three members of its Board. NBFCs are required to furnish to the RBI a quarterly statement on change of directors, and a certificate from the managing director of the NBFC that fit and proper criteria in selection of the directors has been followed. Further, all applicable NBFCs shall have to frame their internal guidelines on corporate governance with the approval of its Board, enhancing the scope of the guidelines without sacrificing the spirit underlying the above guidelines and it shall be published on the company's web-site, if any, for the information of various stakeholders constitution of a nomination committee, a risk management committee and certain other norms in connection with disclosure, transparency and connected lending has also been prescribed in the RBI Master Circular. Further, the audit committee of NBFCs are required to ensure that an Information Systems Audit of the internal systems and processes is conducted at least once in two years to assess operational risks. The audit committee should consist of not less than three members of its board of directors, and it must ensure that an information system audit of the internal systems and processes is

conducted at least once in two years to assess operational risks faced. Nomination committee is required to ensure 'fit and proper' status of proposed/ existing director; and in order to manage the integrated risk, such NBFCs shall form a risk management committee, besides the asset liability management committee.

In addition to this, NBFC-ND-SIs shall ensure that a policy is put in place with the approval of the Board for ascertaining the fit and proper criteria of the directors at the time of appointment, and on a continuing basis. All such NBFCs are also required to put up to the Board, at regular intervals, as may be prescribed, the progress made in putting in place a progressive risk management system and risk management policy and strategy followed by the NBFC, conformity with corporate governance standards viz., composition of various committees, their role and functions, periodicity of the meetings and compliance with coverage and review functions, etc. Such NBFCs will also have to adhere to certain other norms in connection with disclosure, transparency and rotation of partners of the statutory audit firm. Such NBFCs are also required to frame internal guidelines on corporate governance standards which are also to be put up on their website for information of various stakeholders.

Fair practice code

NBFC-ND-SIs having customer interface should mandatorily adopt the guidelines on fair practices to be adhered to while conducting business. The guidelines require that all communications to the borrower shall be in the vernacular language or a language as understood by the borrower. Also, loan application forms shall include necessary information which affects the interest of the borrower, so that a meaningful comparison with the terms and conditions offered by other NBFCs can be made and informed decision can be taken by the borrower. Such NBFCs should also give notice to the borrower in the vernacular language or a language as understood by the borrower of any change in the terms and conditions including disbursement schedule, interest rates, service charges, prepayment charges etc. Such NBFCs shall also ensure that changes in interest rates and charges are effected only prospectively.

In order to regulate charging of excessive interest rates, NBFC-ND-SIs are required to adopt an interest rate model. The rate of interest and the approach for gradations of risk and rationale for charging different rate of interest to different categories of borrowers shall be explicitly disclosed to the borrower. In the matter of recovery of loans, such NBFCs shall not resort to undue harassment methods which include persistently bothering the borrowers at odd hours, use muscle power for recovery of loans etc. Such NBFCs shall also ensure that the staffs are adequately trained to deal with the customers in an appropriate manner.

Also, NBFC-ND-SIs are required to lay down an appropriate grievance redressal mechanism within the organisation and display the same at branches and offices from where business is transacted, along with the name and contact details of the grievance redressal officer who can be approached by members of the public for resolution of complaints against the NBFC and also display the contact details of the RBI Officer who can be contacted if complaints are not resolved by the NBFC within a period of one month.

Master Direction – Non-Banking Financial Companies Auditor’s Report (Reserve Bank) Directions, 2016

In addition to the report made by the auditor under Section 143 of the Companies Act, 2013 on the accounts of an NBFC, the auditor shall also make a separate report to the Board of Directors of the company on the validity of the certificate of registration obtained from the RBI and whether the NBFC is entitled to continue to hold such certificate in terms of its Principal Business Criteria (financial asset / income pattern) as on March 31 of the applicable year, the auditor shall also mention in his report whether the NBFC is meeting the required net owned fund requirement, whether the board of directors has passed a resolution for non-acceptance of public deposits, whether the company has accepted any public deposits during the applicable year, whether the company has complied with the prudential norms relating to income recognition, accounting standards, asset classification and provisioning for bad and doubtful debts as applicable to it, whether the capital adequacy ratio as disclosed in the return submitted to the RBI in form NBS- 7, has been correctly arrived at and whether such ratio is in compliance with the minimum CRAR prescribed by the RBI, whether the company has furnished to the RBI the annual statement of capital funds, risk assets/exposures and risk asset ratio (NBS-7) within the stipulated period, and whether the NBFC has been correctly classified as NBFC Micro Finance Institutions (MFI). In the event of non-compliance, the statutory auditors are required to directly report the same to the RBI.

Directions on Managing Risks and Code of Conduct in Outsourcing of Financial Services by NBFCs

The RBI issued these directions on November 9, 2017 for all NBFCs. Outsourcing is defined as the NBFC’s use of a third party either an affiliated entity within a corporate group or an entity that is external to the corporate group to perform activities on a continuing basis that would normally be undertaken by the NBFC itself, now or in the future.

Outsourced financial services include applications processing loan origination, credit card, document processing, marketing and research, supervision of loans, data processing and back office related activities, besides others. Some key risks in outsourcing are Strategic Risk, Reputation Risk, Compliance Risk, Operational Risk, Legal Risk, Exit Strategy Risk, Counterparty Risk, Country Risk, Contractual Risk, Access Risk, Concentration and Systemic Risk. The NBFC outsourcing its activities must ensure sound and responsive risk management practices for effective oversight, due diligence and management of risks arising from such outsourced activities. Technology-related issues and activities not related to financial services, like usage of courier services, catering, housekeeping and janitorial services, security of the premises, movement and archiving of records, etc. are not covered under these directions. Prior approval from RBI is not required for NBFCs which desire to outsource financial services. However, such arrangements would be subject to on-site/ off- site monitoring and inspection/ scrutiny by RBI. An NBFC intending to outsource any of its financial activities shall put in place a comprehensive outsourcing policy, approved by its Board, which incorporates, inter alia, criteria for selection of such activities as well as service providers, delegation of authority depending on risks and materiality and systems to monitor and review the operations of these activities. In considering or renewing an outsourcing arrangement, appropriate due diligence shall be performed to assess the capability of the service provider to comply with obligations in the outsourcing agreement. NBFCs shall consider whether the service providers' systems are compatible with their own and also whether their standards of performance including in the area of customer service are acceptable to it. The NBFC shall monitor and control its outsourcing activities and have a management structurein place. It shall ensure that outsourcing agreements with the service provider contain provisions to address their monitoring and control of outsourced activities.

Ombudsman scheme for customers of NBFCs

The RBI had under its Statement on Development and Regulatory Policies-February 2018 dated February 7, 2018 announced the proposed ombudsman scheme for NBFCs to provide cost-free and expeditious grievance redressal to customers of all NBFC-Ds and all NBFCs with customer interface having an asset size exceeding ₹ 1 billion ("Covered NBFCs"). Further, the RBI has on February 23, 2018 introduced the Ombudsman Scheme for Non-Banking Financial Companies, 2018 (the "Scheme"). The objective of the Scheme is to enable the resolution of complaints free of cost, relating to certain aspects of services rendered by certain categories of NBFCs registered with the RBI to facilitate the satisfaction or settlement of such complaints, and matters connected therewith. The Scheme provides for the appointment by RBI of one or more officers not below the rank of general manager as ombudsmen (the "Ombudmen") for a period not exceeding three years at a time, to carry out the functions entrusted to Ombudsmen under the Scheme. The Scheme describes the nature of complaints which any person could file with an Ombudsman allegeing deficiency in services by an Covered NBFC, which include inter alia failure to convey in writing the amount of loan sanctioned along with the terms and conditions including annualised rate of interest and method of application thereof, failure or refusal to provide adqequate notice on proposed changes being made in the sanctioned terms in vernacular or a language understood by the borrower, levying of charges without adequate prior notice to the borrower/customer and failure or inordinate delay in releasing the securities documents to the borrower on repayment of all dues. The complaints may be settled by the Covered NBFC within a specified period or may be decided by an award passed by Ombudsman after affording the parties a reasonable opportunity to present their case, either in writing or in a meeting. Where the Ombudsman decides to allow the complaint, the award passed is required to contain the direction/s, if any, to the Covered NBFC for specific performance of its obligations and in addition to or otherwise, the amount, if any, to be paid by the Covered NBFC to the complainant by way of compensation for any loss suffered by the complainant, arising directly out of the act or omission of the Covered NBFC. The Covered NBFC is required to implement the settlement arrived at with the complainant or the award passed by the Ombudsman when it becomes final and send a report in this regard to the RBI within 15 days of the award becoming final. The Ombudsman is required to send a report to the RBI governor annually (as on June 30 every year) containing general review of the activities of his office during the preceding financial year and provide such other information as may be required by the RBI.

The Recovery of Debts due to Banks and Financial Institutions Act, 1993

The Recovery of Debts due to Banks and Financial Institutions Act, 1993 (the "DRT Act") provides for establishment of the Debts Recovery Tribunals (the "DRTs") for expeditious adjudication and recovery of debts due to banks and public financial institutions or to a consortium of banks and public financial institutions. The DRT Act, provides a simplified procedure for recovery of debt and various time frames have been fixed for speedy disposal of cases. The DRT Act lays down the rules for establishment of DRTs, procedure for making application to the DRTs, powers of the DRTs and modes of recovery of debts determined by DRTs. These include attachment and sale of movable and immovable property of the defendant, arrest of the defendant and his detention in prison and appointment of receiver for management of the movable or immovable properties of the defendant. The DRT Act also provides that a bank or public financial institution having a claim to recover its debt, may join an ongoing

proceeding filed by some other bank or public financial institution, against its debtor, at any stage of the proceedings before the final order is passed, by making an application to the DRT.

Anti-Money Laundering

The Prevention of Money Laundering Act, 2002 and Master Direction - Know Your Customer (KYC) Direction, 2016 dated February 25, 2016 ("KYC Directions")

The Prevention of Money Laundering Act, 2002 ("PMLA") was enacted to prevent money-laundering and to provide for confiscation of property derived from or involved in, money-laundering and for matters connected therewith or incidental thereto. The Government of India under PMLA has issued the Prevention of Money laundering (Maintenance of Records of the Nature and Value of Transactions, the Procedure and Manner of Maintaining and Time for Furnishing Information and Verification and Maintenance of Records of the Identity of the Clients of the Banking Companies, Financial Institutions and Intermediaries) Rules, 2005, as amended ("PML Rules"). PMLA & PML Rules extends to all banking companies and financial institutions, including NBFCs.

Additionally, the RBI has issued the KYC Directions, under which all NBFCs are required to follow certain customer identification procedure while undertaking a transaction either by establishing an account based relationship or otherwise and monitor their transactions. The KYC Directions are applicable to every entity regulated by the RBI, specifically, scheduled commercial banks, regional rural banks, local area banks, primary (urban) co-operative banks, NBFCs, miscellaneous non-banking companies and residuary non-banking companies, amongst others. In terms of the KYC Directions, regulated entities are required to formulate a KYC policy which is duly approved by the board of directors of such entity or a duly constituted committee thereof. The KYC policy formulated is required to include four key elements, being customer acceptance policy, risk management, customer identification procedures and monitoring of transactions. The regulated entities are required to ensure compliance with KYC policy through specifying as to who constitute 'senior management' for the purpose of KYC compliance, specifying allocation of responsibility for effective implementation of policies and procedures, independent evaluation of the compliance functions of the entity's policies and procedures, including legal and regulatory requirements, internal audit systems to verify compliance with the KYC Directions/AML policies and procedures and policy and submission of quarterly audit notes and compliance to the audit committee.

Further, pursuant to the provisions of PMLA, and the KYC Directions, all NBFCs have to appoint a "Designated Director" who shall be responsible for ensuring overall compliance as required under the PMLA and KYC Directions, and a Principal Officer, who shall be responsible for furnishing / reporting all transactions and sharing of information as required under the law to the Foreign Intelligence Unit -India (FIU-IND) and other enforcement agencies.

Master Direction - Monitoring of Frauds in NBFCs (Reserve Bank) Directions, 2016 dated September 29, 29, 2016 ("Fraud Prevention Directions")

NBFC-ND-SIs are required to put in place a reporting system for recording frauds, without any delay. In order to maintain uniformity in reporting frauds, the Fraud Prevention Directions prescribe the manner of classification of frauds. Such NBFCs are required to report frauds accorded to various bodies like the board, the audit committee, the RBI and the police authorities, depending on the amount involved in the fraud. Individual attempted fraud cases involving an amount of ₹ 2.5 million or more are also to be reported to the audit committee of such NBFCs board. The board of directors of the NBFC are also required to conduct a quarterly and annual review of all frauds cases. An NBFC-ND-SI is required to report all cases of fraud of ₹ 1 lakh and above, the report should be sent in the prescribed format within three weeks from the date of detection thereof. NBFCs are advised to close those fraud cases involving amounts upto ₹ 25.00 lakh, where:

(a) the investigation is on or challan / charge sheet not filed in the Court for more than three years from the date of filing of First Information Report (FIR) by the CBI / Police; or
(b) the trial in the courts, after filing of charge sheet / challan by CBI / Police, has not started, or is in progress.

NBFC-ND-SIs should fix staff accountability in respect of delays in reporting of fraud cases to the RBI. For this purpose, an official of the rank of general manager or equivalent should be nominated who will be responsible for submitting all the returns to the RBI and reporting referred to in the Fraud Prevention Directions. In terms of the Fraud Prevention Directions, such NBFCs shall disclose the amount related to fraud reported by the NBFC for the year in their balance sheet.

Master Direction- Non-Banking Financial Company Returns (Reserve Bank) Directions, 2016 dated September 29, 2016 ("NBFC Returns Directions")

As per the NBFC Returns Directions, all NBFCs are required to put in place a reporting system for filing various returns within a prescribed timeframe. The returns required to be filed by NBFC-ND-SIs relate to inter alia, financial parameters, prudential norms compliance, asset liability management, branch information, requirement to hold certificate of registration as an NBFC and compliance with FDI norms.

Information Technology Framework for the NBFC Sector Directions, dated June 08, 2017 (the "IT Framework Directions")

The RBI issued these directions on June 8, 2017. The IT Framework Directions have been notified with the view of benchmarking the information technology/ information security framework, business continuity planning, disaster recovery management, information technology ("IT") audit and other processes to best practices for the NBFC sector. NBFCs with an asset size of above ₹ 5,000 million are required to comply with the IT Framework - Systemically Important shall comply with the Master Directions by June 30, 2018 and other NBFCs (asset size below ₹ 500 crore) shall comply by September 30, 2018. The IT Framework Directions require all NBFC-SIs to undertake IT governance through formation of an IT strategy committee and formulation of a board approved IT policy. They also require NBFC-SIs to conduct an information system audit at least once in a year.

The directions focus on the governance of information technology ("IT") framework, audit of information systems, outsourcing of IT services, business continuity planning and the formulation of IT and cyber security policies for non-deposit taking NBFCs. The main objective of these directions is to enhance the safety, security and operational efficiency of NBFCs. The board of directors and the executive management of an NBFC are responsible for effective IT governance. An NBFC must constitute an 'IT Strategy Committee', which shall comprise of an independent director as the chairman, a chief information officer ("CIO"); and a chief technology officer ("CTO"). The IT Strategy Committee should meet at an appropriate frequency but not more than six months should elapse between two meetings. All deliberations/ recommendations of the IT Strategy Committee may be placed before the Board of the NBFC. The NBFCmust formulate an 'Information Security Policy', duly approved by its board of directors. An NBFCmust undertake a comprehensive risk assessment of its IT systems, on an annual basis. The assessment should analyse the existent/ anticipated threats to the IT assets and the existing 203 security controls and processes of the NBFC. The risk assessment should be brought to the notice of the Chief Risk Officer ("CRO"), CIO and the Board of the NBFC. An NBFCmust formulate a 'Cyber Crisis Management Plan', entailing preventive and corrective measures to be undertaken by the NBFC-SI upon the occurrence of a cyber threat/ intrusion. With the changing needs of its customers and businessan NBFC must realign its IT systems on a regular basis. In this regard, an NBFCmust formulate a 'Change Management Policy'. NBFCmust also adopt an 'Information System Audit Framework', duly approved by its Board. The information system audit shall identify risks and methods to mitigate risk arising out of IT infrastructure such as server architecture, local and wide area networks, physical and information security, telecommunications etc. The NBFC may also enter into outsourcing arrangements with service providers vis-à-vis its IT related business, subject to the approval of the Board. In order to protect the authenticity and integrity of important electronic documents and with respect to high value funds transfer and conduct regular user trainings and information security awareness programs,NBFCs must consider using digital signatures. NBFCs using mobile financial services, should have an appropriate mechanism to provide end-to-end encryption of information assets to provide services to customers.

The Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 ("SARFAESI Act")

The SARFAESI Act governs securitization of assets in India. Pursuant to a notification of the Ministry of Finance, GoI dated August 5, 2016, 196 NBFCs with an asset size of ₹ 5,000 million and above as per their last audited balance sheet were named as financial institutions under the SARFAESI Act.

The SARFAESI Act provides that any asset reconstruction company may acquire the financial assets of any bank or financial institution by either entering into an agreement with such bank or financial institution for the transfer of such financial assets to such company or by issuing a debenture or bond or any other security in the nature of the debenture, for consideration agreed upon between such company and the bank or financial institution, incorporating such terms and conditions as may be mutually agreed between them. The SARFAESI Act further provides that if the bank or financial institution is a lender in relation to any financial assets acquired by the asset reconstruction company as stated above, then such company shall, on such acquisition be deemed to be the lender and all the rights of such bank or financial institution shall vest in such company in relation to those financial assets.

Further, upon such acquisition, all material contracts entered into by the bank or financial institution, in relation to the financial assets, shall also get transferred in favour of the asset reconstruction company. The SARFAESI Act also enables banks and NBFCs notified as financial institutions to enforce the underlying security of an NPA

without court intervention. Pursuant to an asset being classified as an NPA, the security interest can be enforced as per the procedure laid down in the Security Interest Enforcement Rules, 2002.

The SARFAESI Act provides for the enforcement of security interest without the intervention of the courts. Under the provisions of the SARFAESI Act, a secured creditor can recover dues from its borrowers by taking any of the measures as provided therein. Rights, with respect to the enforcement of security interest, under the SARFAESI Act cannot be enforced unless the account of the borrower has been classified as an NPA in the books of account of the secured creditor in accordance with the directions or guidelines issued by the RBI or any other applicable regulatory authority. The secured creditors must serve a 60-day notice on the borrower demanding repayment of the amount due and specifying the borrower's assets over which the secured creditor proposes to exercise remedies. If the borrower still fails to pay, the secured creditors, on expiry of the 60-day notice period, can: (i) take possession of the secured assets; (ii) take over the management of the secured assets along with the right to transfer by way of lease, assignment or sale of the secured assets; (iii) appoint any person to manage the secured assets; and (iv) require any person who has acquired any of the secured assets from the borrower to pay amounts necessary to satisfy the debt. The security interests covered by the SARFAESI Act are security interests over immovable and movable property, existing or future receivables, certain intangible assets (such as know-how, patents, copyrights, trademarks, licenses, franchises) and any debt or any right to receive payment of money, or any receivable, present or future, and in which security interest has been created. Security interests over ships and aircraft, any statutory lien, a pledge of movables, any conditional sale, hire purchase or lease or any other contract in which no security interest is created, rights of unpaid sellers, any property not liable to attachment, security interest for securing repayment of less than ₹ 10 million , agricultural land and any case where the amount due is less than 20.00% of the principal amount and interest are not enforceable under the SARFAESI Act. In the event that the secured creditor is unable to recover the entire sum due by exercise of the remedies under the SARFAESI Act in relation to the assets secured, such secured creditor may approach the relevant court for the recovery of the balance amounts. A secured creditor may also simultaneously pursue its remedies under the SARFAESI Act.

Insolvency and Bankruptcy Code

The Insolvency and Bankruptcy Code, 2016 ("Code") consolidates laws relating to insolvency, reorganisation and liquidation/ bankruptcy of all persons, including companies, individuals, partnership firms and Limited Liability Partnerships ("LLPs"). The Code has established an Insolvency and Bankruptcy Board of India to function as the regulator for all matters pertaining to insolvency and bankruptcy. The Code prescribes a timeline of 180 days for the insolvency resolution process, which begins from the date the application is admitted by the NCLT. During this period, the creditors and the debtor shall negotiate and finalise a resolution plan (accepted by 75% of the financial creditors) and in the event, they fail, the debtor is placed in liquidation and the moratorium lifted. The Code stipulates an interim-moratorium period which would commence after filing of the application for a fresh start process and shall cease to exist after elapse of a period of 180 days from the date of application. During such period, all legal proceedings against such debtor should be stayed and no fresh suits, proceedings, recovery or enforcement action may be initiated against such debtor. However, the Code has also imposed certain restrictions on the debtor during the moratorium period such as the debtor shall not be permitted to act as a director of any company or be involved in the promotion or management of a company during the moratorium period.

The Securities Contracts (Regulation) Act, 1956, as amended ("SCRA"), and the Securities Contracts (Regulation) Rules, 1957, as amended ("SCRR")

The SCRA regulates securities transactions and other related matters. The SCRA governs all grants of recognition for Indian stock exchanges by the central government, corporatisation and demutualisation of stock exchanges and regulation of the stock exchanges, including the regulatory framework governing bylaws of stock exchanges and the circumstances governing withdrawal of recognition. The SCRA also establishes the legal framework governing contracts and options in securities, conditions for listing, delisting and dealing in securities. Additionally, the SCRA has an appeal process that provides for the right to appeal any determination to the securities appellate tribunal, which precludes the jurisdiction of civil courts in India. The SCRR sets forth the rules of procedure with respect to the listing of securities, the grounds for delisting of securities, continuous listing requirements, qualifications for membership of recognised stock exchanges and the submission of periodical returns by recognised stock exchanges with SEBI.

Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2017 ("FEMA 20")

Foreign investment in India is governed primarily by the provisions of the FEMA which relates to regulation primarily by the RBI and the rules, regulations and notifications thereunder, and the policy prescribed by the Department of Industrial Policy and Promotion ("DIPP"), GoI which is regulated by the relevant ministries of the GoI. The RBI, in exercise of its power under the FEMA, has notified FEMA 20 to prohibit, restrict or regulate,

transfer by or issue of security to a person resident outside India. FEMA 20 lays down that no prior consent and approval is required from the RBI for FDI under the "automatic route" within the specified sectoral caps. In respect of all industries not specified as FDI under the automatic route, and in respect of investment in excess of the specified sectoral limits under the automatic route, approval may be required from the relevant ministry/ministries of the Government and/or the RBI.

Foreign Direct Investment ("FDI")

FDI in an Indian company is governed by the provisions of the FEMA read with FEMA 20 and the FDI Policy. FDI is permitted (except in the prohibited sectors) in Indian companies either through the automatic route or the approval route, depending upon the sector in which FDI is sought to be made. Under the automatic route, no prior Government approval is required for the issue of securities by Indian companies/acquisition of securities of Indian companies, subject to the sectoral caps and other prescribed conditions. Investors are required to file the required documentation with the RBI within 30 days of such issue/acquisition of securities. Under the approval route, prior approval from the relevant ministry/ministries of the Government or RBI is required. FDI for the items/activities that cannot be brought in under the automatic route (other than in prohibited sectors) may be brought in through the approval route. Further, as per the sector specific guidelines of the Government, 100% FDI/NRI investments are allowed under the automatic route in certain NBFC activities subject to compliance with guidelines of the RBI in this regard.

Laws relating to employment

Employment of workers, depending on the nature of activity, is regulated by a wide variety of generally applicable labour laws. The following in an indicative list of labour laws applicable to the business and operations of Indian companies:

- Employees' Provident Funds and Miscellaneous Provisions Act, 1952;
- Employees' State Insurance Act, 1948;
- Inter-State Migrant Workmen (Regulation of Employment and Conditions of Service) Act, 1979;
- Minimum Wages Act, 1948;
- Payment of Bonus Act, 1965;
- Payment of Gratuity Act, 1972;
- Payment of Wages Act, 1936;
- Maternity Benefit Act, 1961;
- Industrial Disputes Act, 1947 and
- Employees' Compensation Act, 1923.

In addition, there are certain state specific labour laws which also need to be complied with by Indian Companies.

Laws relating to intellectual property

The Trade Marks Act, 1999 and the Indian Copyright Act, 1957 inter-alia govern the law in relation to intellectual property, including brand names, trade names and service marks and research works.

In addition to the above, we are required to comply with the provisions of the Companies Act, SEBI Listing Regulations, FEMA, labour laws, shops and establishment acts, various tax related legislations and other applicable statutes for its day-to-day operations.

BOARD OF DIRECTORS AND SENIOR MANAGEMENT

Our Board of Directors presently consists of 4 Directors of which 2 are Independent Directors. The composition of the Board is in conformity with section 149 of the Companies Act, 2013 and Regulation 17 of the Listing Regulation.

The Articles No. 26 of the Articles of Association provide that our Company shall not have less than 2 Directors and not more than 12 Directors. Pursuant to the provisions of the Companies Act, 2013, at least two-third of the total number of Directors, excluding the Independent Directors, are liable to retire by rotation, with one-third of such number retiring at each AGM. A retiring Director is eligible for re-election. Further, an Independent Director may be appointed for a maximum of two consecutive terms of up to five consecutive years each. Any re-appointment of Independent Directors shall, inter alia, be on the basis of the performance evaluation report and approved by the shareholders by way of special resolution.

The following table provides information about the Directors as of the date of this Placement Document:

Sr. No.	Name, Designation, DIN, Term and Occupation	Category	Nationality / Age (in years)	Address
1	Mr. Shachindra Nath Managing Director DIN: 00510618 Term: June 22, 2018 to June 21, 2023 Occupation: Professional	Promoter	Indian 47	TPV-GV-65, Villas at the Palm Springs, Sector - 54, Urban Estate, Gurgaon - 122 001
2	Mr. Abhijit Ghosh Whole Time Director & CEO DIN: 07935397 Term: July 05, 2018 to July 04, 2023 Occupation: Service	Executive, Non-Independent	Indian 46	Flat-401 & 501, Tower 7, Upohar Luxury Complex, 2052, Chak Garia, Behind Peerless Hospital, Kolkata - 700 094
3	Ms. Ranjana Agarwal Director DIN: 03340032 Term: July 05, 2018 to July 04, 2023 Occupation: Chartered Accountant	Independent	Indian 62	C - 62, South Extension, Part II, New Delhi - 110 049
4	Mr. S Karupasamy Director DIN: 03632212 Term: July 05, 2018 to July 04, 2023 Occupation: Professional	Independent	Indian 64	A-1301, Monarch Ashar Residency, Thane - 400 610
5	Mr. Satyanand Mishra Director DIN: 01807198 Term: July 05, 2018 to July 04, 2023 Occupation: Professional	Independent	Indian 69	D 138, Defence Colony, Delhi-110024
6	Mr. Abhijit Sen Director DIN: 00002593 Term: July 05, 2018 to July 04, 2023 Occupation: Retired Banker & Advisor	Independent	Indian 68	A 92, Grand Paradi, 572 Dadyseth Hill, August Kranti Marg, Near Kemps Corner, Mumbai - 400 036
7	Mr. Navin Kumar Maini Director DIN: 00419921 Term: July 05, 2018 to July 04, 2023 Occupation: Consultant	Independent	Indian 63	B - 74, 1st Floor, Defence Colony, New Delhi - 110 024
8	Mr. Rajeev Kumar Agarwal Director DIN: 07984221 Term: July 05, 2018 to July 04, 2023 Occupation: Consultant	Independent	Indian 60	2B, Manek Building, LD Ruparel, Mumbai - 400 006

Sr. No.	Name, Designation, DIN, Term and Occupation	Category	Nationality / Age (in years)	Address
9	Mr. Amit Gupta Director DIN: 02282600 Term: July 05, 2018 to July 04, 2023 Occupation: Professional	Nominee Director	Indian 42	West Block, 4/F, Savoy Court, 101 Robinson Road, Mid-Levels, Hong Kong
10	Mr. Manoj Sehrawat Director DIN: 02224299 Term: July 05, 2018 to July 04, 2023 Occupation: Investment Official	Nominee Director	Indian 46	72, Bayshore Road #30-14, Singapore 469988 SG

Mr. Shachindra Nath is an experienced financial services professional having several years of experience. He is currently founder of Poshika Financial Ecosystem Private Limited which is engaged in advising, mentoring and investing in financial services. Earlier, he was part of Religare group, an Indian financial services conglomerate. He is a qualified lawyer and a graduate holder from the Banaras Hindu University (India).

The shareholders of our Company has approved, on May 7, 2018 through postal ballot, the appointment of Mr. Shachindra Nath as the Managing Director of our Company to hold office for a period of five (5) years effective from the date of approval of the Reserve Bank of India for the change in control and management and shareholding of the Company at an annual compensation package / remuneration of ₹ 3,00,00,000/- (Rupees Three Crores only), subject to the provisions of the Act which will include basic salary, taxable and non-taxable allowances and benefits, and other payments he may be entitled to receive from the Company as per the applicable compensation structure in terms of Company's policy in compliance with applicable laws and in addition to the above annual compensation package/remuneration he would be further be entitled to performance bonus/ variable pay as per policy approved by the Board of Directors and the Nomination and Remuneration Committee of the Company annually subject to the provisions of the Act. The said change shall be effective from the expiry of 30 days from the date of publication of the public notice for the change of control and management.

Mr. Abhijit Ghosh, Whole Time Director and Chief Executive Officer: Mr. Ghosh is an expert of managing large distribution across SME segments with innovative underwriting through targeted acquisition approach. He has led lending business transformation projects to maximize productivity and performance hence enhanced profitability. His academic credentials include Management Courses from Kelloggs, XLRI, HAYS Group.

Till recently Mr. Ghosh was Chief Business Officer of ReligareFinvest Limited – NBFC where he built robust lending distribution leading to a four fold revenue growth and ROE increase from single digit to mid-teen. Mr. Ghosh has an overall experience of more than 20 Years across the cross section of organisation in Banking & Financial Services, Consumer Appliances, Hospitality, Telecom and Healthcare. He has worked with organisations like Whirlpool, ABN Amro, Reliance Infocom, ICICI Bank, Future Capital and ICICI Securities.

Ms. Ranjana Agarwal, Independent Director: Ms. Agarwal is an expert in Audit, Tax, Management Consulting, Risk Assurance, Financial Due Diligence and General Management. She is a Fellow member of Institute of Chartered Accountants of India and alumnus of Lady Shri Ram College, University of Delhi (Bachelor of Arts). She has more than 30 years of work experience across organizations like Vaish Associates Advocates (Corporate, Tax and Business Advisory Law Firm), FICCI and Deloitte Haskins & Sells.

Ms. Agarwal after CA training with Price Waterhouse Coopers, she founded Vaish& Associates, Chartered Accountants in 1985. She was India's first lady Chartered Accountant to set up her own firm. Today the firm is one of the top twenty accounting firms in India. She was also a senior audit partner in Deloitte Haskins & Sells, where she started their Delhi practice and managed the firm from 1995 – 2000. She also served as National President of the FICCI Ladies Organization (FLO).

She has been the recipient of the Indira Gandhi Priyadarshini award for professional excellence.

She is currently Independent Director of ICRA Limited where she is Chair – Audit Committee, KDDL Limited, Shubham Housing Development Finance Co. Pvt. Ltd. – Chair Audit Committee, Indo Rama Synthetics (India) Ltd. ICRA Management Consulting Services Limited, JoyvilleShapoorji Housing Private Limited (Chair – NRC), Munjal Showa Ltd (Invited member on the audit committee).

Mr. S Karupasamy, Independent Director: Mr. Karuppasamy is an expert of Banking Regulation and Education. He is alumnus of National Institute of Bank Management, Post Graduate Diploma in Bank Management, Indian Institute of Banking and Finance, CAIIB (Honorary Fellow) and Mumbai University, Master of Arts (Economics).

Mr. Karuppasamy has work experience of more than 40 years with India's Central Bank – The Reserve Bank of India. He retired as Executive Director in 2014 and in this role looked after Department of Expenditure and Budgetary Control, Department of Information Technology, Legal Department and Urban Banks Department (including regulation and supervision of Urban Co-operative Banks).

Mr. Karuppasamy joined the Reserve Bank of India in 1975, and worked his way through various departments in different capacities including, Issue Department, Department of Economic Analysis and Policy, Banking Department, Agricultural Credit Department, Rural Planning & Credit Department, Department of Banking Operations & Development and Urban Banks Department.

Mr. Karuppasamy has been associated or been a member of various working groups / committees including, RBI Nominee Director on the Board of Indian Bank (Three times), RBI Nominee Director in Sangameshwara Grameena Bank, SreeAnantha Grameena Bank and Rayalaseema Grameena Bank, Governing Council and Executive Committee of Indian Institute of Banking and Finance (Member); and Steering Committee Member in the International Credit Union Regulators' Network, World Credit Union, USA.

Mr. Karuppasamy is currently Member of RBI Services Board, Independent Director of ARCIL and Independent Director of proposed Microfinance Vidharan.

Mr. Satyananda Mishra, Independent Director: Mr. Mishra is a career bureaucrat and an immensely knowledgeable professional with years of varied and rich experience in the public sector. During his career he has been instrumental in the formulation and implementation of policies, projects and programs. Noteworthy among them include running of agricultural markets (mandis), welfare programs, various infrastructure projects, information policy, the human resource development policy and cultural policy.

Mr. Mishra holds a Master of Arts degree in English from the Utkal University; an M.Phil in Public Administration from the Punjab University; and a Master of Science degree in Policy Planning for Developing Countries from the London School of Economics.

Mr. Mishra joined the Indian Administrative Service in 1973. In a diverse career spanning 40 years, he has held several prestigious positions in the Indian Government, both at the state and central levels. He worked with Central Information Commission in the capacity of Chief Information Commissioner (New Delhi), which involved hearing appeals and complaints under the Right to Information Act. The other positions of significance held by him include Secretary, Department of Personnel & Training (DoPT); Principal Secretary, Public Works Department; Principal Secretary, Public Health Engineering, Principal Secretary, Housing & Environment; Housing Commissioner, Madhya Pradesh Housing Board.

In his earlier role as Managing Director, Small Industries Development Corporation and Development Commissioner, Small Scale Industries in the Government of India, Mr. Mishra worked towards the development of small and medium enterprises (SMEs). He also served on the Board of the SIDBI as Development Commissioner (Small Scale Industries). He also served as the Chairman and Independent Director of Multi Commodity Exchange of India Ltd. (MCX).

Mr. Abhijit Sen, Independent Director: Mr. Abhijit Sen is an expert in Banking and Finance and alumnus of Indian Institute of Management, Calcutta and Indian Institute of Technology, Kharagpur. He Sen has more than 30 years of work experience spanning banking and financial services in the finance function with some of the leading brands in the Industry including CITI, CEAT and Tata Tea.

Mr. Sen spent 18 years with Citi covering multiple leadership roles; retired as the Chief Financial Officer–India Subcontinent (India, Bangladesh and SriLanka), where he was responsible for the Finance function including, including Strategic planning and business performance evaluation; Controllership, US & Indian Regulatory reporting for all Citi group vehicles; Tax Advisory & Accounting Policy. He was member of all Policy level Committees as well as Boards of constituent Citi Companies.

Mr. Sen is currently an External Advisory to Ernst & Young, Indepdent Director and Chair, Audit Committee of Trent Limited, Independent Director, Ujjivan Micro Finance Limited, Independent Director and Chair – Audit Committee, IDFC Bank, Independent Director and Chair – Audit Committee, Cashpor Microcredit, Independent Director and Chair – Audit Committee, Kalyani Forge and Independent Director, India First Life Insurance Limited.

Mr. Navin Kumar Maini, Independent Director: Mr. Maini is an expert in Development Banking, MSME lending and General Management. He is alumnus of Management Development Institute, Gurgaon (Post Graduate Diploma in Management), Indian Institute of Banking and Finance, Delhi (Certified Associate), Indian Institute of Foreign Trade, Delhi (Post Graduate Diploma in International Trade), Faculty of Law, Delhi University (Bachelor of Law) and St. Stephens College, Delhi University (Bachelor of Science)

Mr. Maini has more than 38 years of work experience across prestigious organizations including, SIDBI, UCO Bank and IDBI Bank. Mr. Maini worked more than 25 years with SIDBI and held various leadership positions with increasing levels of responsibility. He retired as Deputy Managing Director In-Charge in February 2015. Mr. Maini's 3.5 decades of extensive experience covers Commercial and Development Banking in various facets of financing MSMEs and Large Corporate, Micro Credit and Core Business functions.

He also held the role of CEO of Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE) on a one year deputation, which was set up by Ministry of Small Scale Industries, GOI & SIDBI for providing guarantees to eligible Member Lending Institutions to enable them to extend collateral free loans to small enterprises.

Mr. Maini is currently Non – Executive Director with Micro Units Development Refinancing Agency (MUDRA), Director with Micro Finance Institutions Network (MFIN), Director, National Securities Clearing Corporation of India (NSCCL), a subsidiary of the National Stock Exchange and Member of Advisory Committee of Impact Investment funds including Ivy Cap Venture Trust Fund and Lok Capital Group.

Mr. Rajeev Kumar Agarwal, Independent Director: Mr. Agarwal is an expert of Regulatory, Securities & Commodities markets, Income Tax, Enforcement, and General management. He is alumnus of The Indian Revenue Service (Batch of 1983) and Indian Institute of Technology, Roorkee (Bachelor of Technology).

Mr. Agarwal has nearly three decades of service and contribution to the Indian financial sector covering, Securities and Exchange Board of India, Forward Markets Commission and Indian Revenue Service.

Mr. Agarwal recently retired (November 2016) from the post of Whole Time Member at SEBI where he was responsible for policy formulation, regulation and enforcement in the securities markets in India. Before joining SEBI, he served as the Member of the Forward Markets Commission (FMC), the regulator for the commodity futures business for a period of five and half years and was responsible for the framing of regulations for the Commodities Markets which had been liberalized just then.

Mr. Amit Gupta, Investor Nominee Director on behalf of New Quest Asia Investment III Limited: Mr. Gupta is a founding Partner of NewQuest and oversees the firm's India and Southeast Asia business as well as investments in the power and financial services sectors. He has more than 16 years of industry experience. Prior to co-founding NewQuest, he was a Director at Bank of America Merrill Lynch's (BAML) Asia Private Equity group where he led the India business and oversaw investments the energy and financial services sectors across the Asia Pacific.

Mr. Gupta has also served in other roles in BAML, including Corporate Principal Investments based in Hong Kong and Investment Banking based in Mumbai.

Prior to working at BAML, Mr. Gupta was a software engineer based in Mumbai and the United States. He is an MBA from Indian Institute of Management (IIM), Bangalore, where he was placed on the Director's Merit List for his performance, and an undergraduate degree in electrical engineering from REC Kurukshetra, where he received the University gold medal.

Mr. Manoj Sehrawat, Investor Nominee Director on behalf of Clearsky Investment Holding Pte. Ltd.: Mr. Sehrawat is based in Singapore and has 18 years of experience in financial services across private equity, distress debt acquisition & resolution, corporate and financial restructurings in India. He has been with ADV since

inception and is part of the founding team and leads ADV's coverage of India and is responsible for driving value-add initiatives and generating synergies between ADV's India investments with the broader portfolio.

Prior to ADV, Mr. Sehrawat was Vice President with JPMorgan's Asia Special Situations Group and as part of the initial team for special situations investing business in India he played a key role in sourcing, analyzing, structuring and executing investment opportunities as well as asset management of Indian portfolio companies.

Previously he has worked at ARCIL – India's largest asset reconstruction company, where he was responsible for acquisition of NPLs from banks & FIs and evaluation & implementation of recovery strategies for NPLs acquired. Prior to that Manoj Worked at Dimensions Consulting - a boutique sell side advisory firm where he led execution of several mandates covering business & financial restructuring for large corporates.

Mr. Sehrawat is a Chartered Accountant from Institute of Chartered Accountants of India and has a Bachelors in Commerce from Delhi University.

Relationship with other Directors
None of the Directors of our Company are related to each other.

Remuneration paid to Directors in last three financial years
The details of the remuneration paid to Directors of our Company during the last three financial years is as under:

Name	Financial year ended		
	March 31, 2018	March 31, 2017	March 31, 2016
Mr. Ramakant Ruliram Chokhani*	Nil	Nil	Nil
Mr. Rajesh Satyanarayan Chokhani*	Nil	Nil	Nil
Mr. Pravin Rajendra Prasad Gupta*	Nil	Nil	Nil
Mrs. Jyoti Ramakant Jain*	Nil	Nil	Nil

* Resigned from the Board of our Company w.e.f. July 05, 2018.

Borrowing powers of our Company
Our Company has not passed any resolution to borrow monies.

Interest of the Directors
All of our directors may be deemed to be interested to the extent of their shareholding, remuneration / fees, if any, payable to them, for attending meetings of the Board or a committee thereof as well as to the extent of other remuneration paid in their professional capacity and / or reimbursement of expenses, if any, payable to them and the shares held by them in our Company. All Directors may also be regarded as interested in the Equity Shares held by, or subscribed by and allotted to, the companies, firms and trusts, in which they are interested as directors, members, partners or trustees.

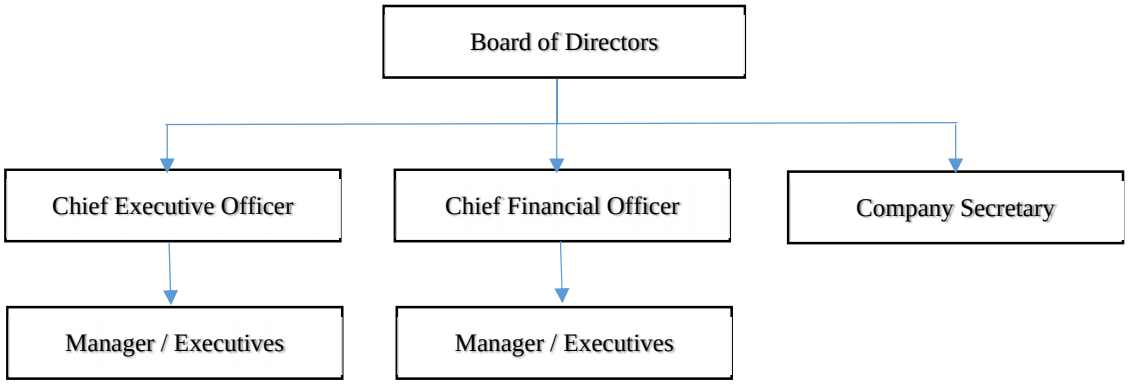
Further, the Directors, who are also part of the Promoter Group, shall be deemed to be interested to the extent of the related party transactions entered into by our Company with the said Directors or their relatives or entities on which such Directors directly or indirectly exercise control. For details of related party transactions, refer to the "Financial Statements" on page 124 of the Placement Document. Except as stated above our Directors do not have any other interest in our business.

Shareholding of our Directors
As per the provisions of our Articles of Association, our Directors are not required to hold any qualification shares. Details of the shares held in our Company by our Directors are provided in the table given below:

Sr. No.	Name of Director	No. of shares held	%age of holding
1	Mr. Shachindra Nath	-	-
2	Mr. Abhijit Ghosh *	-	-
3	Ms. Ranjana Agarwal	-	-
4	Mr. S Karupasamy	-	-
5	Mr. Satyananda Mishra	-	-
6	Mr. Abhijit Sen	-	-
7	Mr. Navin Kumar Maini	-	-
8	Mr. Rajeev Kumar Agarwal	-	-
9	Mr. Amit Gupta	-	-
10	Mr. Manoj Sehrawat	-	-

* The Board in its meeting held on August 13, 2018 has granted 724,615 stock options to Mr. Abhijit Ghosh under the CSL Employees Stock Option Scheme, 2017.

Organisation Chart of our Company



Key Managerial Personnel of our Company

Our Company has not appointed any Managing Director or Whole Time Director, except the appointment of Mr. Shachindra Nath. Further, the following are the key managerial personnel of our Company:

Name	Designation
Abhijit Ghosh	Chief Executive Officer
Sweta Kumar	Company Secretary

All our Key Managerial Personnel are permanent employees of our Company. None of the Key managerial Personnel, other than Directors of the Company, holds any Equity Shares in our Company.

Interest of Key Managerial Personnel

The Key Managerial Personnel of our Company do not have any other interest in our Company other than to the extent of the remuneration or benefits to which they are entitled to as per the terms of appointment and reimbursement of expenses incurred by them during the ordinary course of business.

Corporate Governance

Our Company has been complying with the requirements of the applicable regulations, including the Listing Agreement with the Stock Exchange and the SEBI LODR Regulations, in respect of corporate governance including constitution of the Board and Committees thereof.

Our corporate governance policies recognize the accountability of the board and the importance of the transparency to all our constituents, including employees, customers, investors and the regulatory authorities and of demonstrating that the shareholders are the ultimate beneficiaries of our economic activities.

Our corporate governance philosophy encompasses not only regulatory and legal requirements, including the SEBI guidelines in respect of corporate governance, but also other practices aimed at a high level of business ethics, effective supervision and enhancement of value for all shareholders. Our role, function, responsibility and accountability are clearly defined. In addition to its primary role of monitoring corporate performance, the function of the Board includes approving a business plan, reviewing and approving annual budgets and borrowing limits, fixing exposure limits and ensuring that our shareholders are kept informed about our plans, strategies and performance. To enable the Board of Directors to discharge these responsibilities effectively, the management provides detailed reports on our performance to the board on a quarterly basis.

The Board of Directors can also function through various committees such as the audit committee, the share committee and the shareholders' / investors' grievance committee. These committees meet on a regular basis. The following table sets forth the details of the Committees constituted by our Board reconstituted in their meeting held on July 05, 2018:

Committee	Members
Audit Committee	Mr. Abhijit Sen Mr. Satyanand Mishra Mrs. Ranjana Agarwal Mr. Navin Kumar Maini Mr. Rajeev Agarwal Mr. S Karuppasamy Mr. Shachindra Nath Mr. Amit Gupta
Nomination and Remuneration Committee	Mrs. Ranjana Agarwal Mr. Rajeev Agarwal Mr. Abhijit Sen Mr. Navin Kumar Maini Mr. Shachindra Nath Mr. Amit Gupta Mr. Manoj Sehrawat
Stakeholders' Relationship Committee	Mr. Rajeev Agarwal Mr. S Karuppasamy Mr. Abhijit Ghosh
Corporate Social Responsibility Committee	Mr. Satyanand Mishra Mrs. Ranjana Agarwal Mr. Navin Kumar Maini Mr. Shachindra Nath
Risk Management Committee	Mr. Navin Kumar Maini Mr. Satyanand Mishra Mr. Abhijit Sen Mrs. Ranjana Agarwal Mr. S Karuppasamy Mr. Shachindra Nath Mr. Manoj Sehrawat Mr. Amit Gupta
Asset Liability Committee	Mr. Shachindra Nath Mr. Navin Kumar Maini Mr. Satyanand Mishra Mr. Abhijit Sen Mrs. Ranjana Agarwal Mr. Rajeev Agarwal Mr. Abhijit Ghosh Mr. Manoj Sehrawat Mr. Amit Gupta
QIP Committee	Mr. Shachindra Nath Mr. Abhijit Ghosh
Compliance Committee	Mr. S Karuppasamy Mr. Rajeev Agarwal Mr. Abhijit Ghosh

Policy on disclosures and internal procedure for prevention of insider trading

Our Company has adopted the 'Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information' and 'Code of Conduct for Prevention of Insider Trading in Securities of Chokhani Securities Limited' (the "Code") in compliance with the Insider Trading Regulations. The Code has been formulated to regulate, monitor and ensure reporting of trading by the employees and connected persons designated on the basis of their functional role in our Company towards achieving compliance with the Insider Trading Regulations and is designed to maintain the highest ethical standards of trading in securities of our Company by persons to whom it is applicable. The provisions of the Code are designed to prohibit designated persons and connected persons from trading in our Company's securities when in possession of unpublished price sensitive information. The Code lays down guidelines for procedures to be followed and disclosures to be made while dealing with securities of our Company and cautions designated persons and connected persons of the consequences of violations.

Other confirmations

None of the Directors, Promoters or key managerial personnel of our Company have any financial or other material interest in the Issue.

Neither our Company, nor our Directors or Promoters have ever been identified as wilful defaulters by any bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the RBI.

Neither our Company, nor our Directors or Promoters have been debarred from accessing capital markets under any order or direction made by SEBI.

Related Party Transactions

For details in relation to the related party transactions entered by our Company during the last three Financial Years, as per the requirements under AS 18 issued by the Institute of Chartered Accountants in India, see the section "Financial Statements" beginning on page 124.

PRINCIPAL SHAREHOLDERS

The following tables set forth the details regarding the shareholding pattern of our Company, as on August 03, 2018:

Table I: Summary statement holding of specified securities

Cate-gory	Category of shareholders	No. of share-holders	No. of fully paid up Equity Shares held	No. of partly paid up Equity Shares held	No. of shares underlying Depository Receipts	Total no. of shares held	Share-holding as a %age of total no. of shares (calculated as per SCRR, 1957) (as a % of (A+B+C)	No. of Equity Shares held in dematerialised form
(A)	Promoter & Promoter Group *	5	37,35,817	-	-	37,35,817	51.48	37,35,817
(B)	Public	868	35,20,821	-	-	35,20,821	48.52	34,33,501
(C)	Non promoter non public							
(C1)	Shares underlying DRs	-	-	-	-	-	-	-
(C2)	Shares held by Employee trust	-	-	-	-	-	-	-
	Total	**845**	**72,56,638**	**-**	**-**	**72,56,638**	**100.00**	**71,69,318**

* The members of the Company in their Extra Ordinary General Meeting held on July 28, 2018 approved the re-classification of Mr. Ramakant R Chokhani, Ramakant R Chokhani HUF, Ms. Neelam R Chokhani, Mr. Anand R Chokhani and the Company has made an application with BSE for the same in accordance with Regulation 31A of the SEBI LODR Regulations.

Table II: Statement showing shareholding pattern of the Promoter and Promoter Group

Cate-gory	Category of share-holders	No. of share-holders	No. of fully paid up Equity Shares held	No. of shares underlying Depository Receipts	Total no. of shares held	Share-holding as a %age of total no. of shares (calculated as per SCRR, 1957) (as a % of (A+B+C)	No. of Equity Shares held in dematerialised form
A(1)	**Indian**						
(a)	Individuals / HUF	4	7,16,000	-	7,16,000	9.87	7,16,000
	Ramakant R Chokhani		2,15,435	-	2,15,435	2.97	2,15,435
	Ramakant R Chokhani HUF		3,15,356	-	3,15,356	4.35	3,15,356
	Neelam R Chokhani		98,023	-	98,023	1.35	98,023
	Anand R Chkhani		87,186	-	87,186	1.20	87,186
(b)	**Central Govt / State Govt**	-	-	-	-	-	-
(c)	**Financial Institutions / Banks**	-	-	-	-	-	-
(d)	**Any other Bodies Corporate**	-	-	-	-	-	-
(e)	**LLP**						
	Poshika Advisory Services LLP	1	30,19,817	-	30,19,817	41.61	30,19,817
	Sub-total A(1)	5	37,35,817	-	37,35,817	51.48	37,35,817
A(2)	Foreign						
(a)	Individuals (Non resident Individuals / Foreign Individuals)	-	-	-	-	-	-
(b)	Government	-	-	-	-	-	-
(c)	Institutions	-	-	-	-	-	-
(d)	**Foreign Portfolio Investors**	-	-	-	-	-	-
(e)	**Any others (Foreign Bodies Corporate)**	-	-	-	-	-	-
	Sub-total A(2)	-	-	-	-	-	-
	Total shareholding of Promoter & Promoter Group (A) = (A)(1) + (A)(2) *[Refer Note 1]*	**5**	**37,35,817**	**-**	**37,35,817**	**51.48**	**37,35,817**

Table III: Statement showing shareholding pattern of public shareholder

Cate-gory	Category of share-holders	No. of share-holders	No. of fully paid up Equity Shares held	No. of shares underlying Depository Receipts	Total no. of shares held	Share-holding as a %age of total no. of shares (calculated as per SCRR, 1957) (as a % of (A+B+C)	No. of Equity Shares held in dematerialised form
1	**Institutions**	-	-	-	-	-	-
(a)	Mutual Funds	-	-	-	-	-	-
(b)	Venture Capital Fund	-	-	-	-	-	-
(c)	Alternate Investment Fund	-	-	-	-	-	-
(d)	Foreign venture capital investor	-	-	-	-	-	-
(e)	Foreign portfolio investor	-	-	-	-	-	-
(f)	Financial Institutions / Banks	-	-	-	-	-	-
(g)	Insurance Companies	-	-	-	-	-	-
(h)	Provident funds / pension funds	-	-	-	-	-	-
(i)	Any other (Foreign Institutional Investors)	-	-	-	-	-	-
	Sub Total (B)(1)	-	-	-	-	-	-
2	Central government / state government / President of India	-	-	-	-	-	-
	Sub Total (B)(2)	-	-	-	-	-	-
3	**Non Institutions**						
(a)	Individual shareholders holding nominal share capital upto ₹ 2.00 lac	819	3,16,210	-	3,16,210	4.36	2,30,681
	Individual shareholders holding nominal share capital in excess of ₹ 2.00 lac	2	6,01,150	-	6,01,150	8.28	6,01,150
(b)	NBFC registered with RBI	-	-	-	-	-	-
(c)	Employees Trusts	-	-	-	-	-	-
(d)	Overseas Depositories (holding DR) balancing figure	-	-	-	-	-	-
(e)	Any other	47	26,03,470	-	26,03,470	35.88	26,03,470
	Clearing Members	19	30,390	-	30,390	0.42	30,390
	Bodies Corporate	17	10,950	-	10,950	0.15	9,150
	Non Resident Indians (NRIs)	2	1,450	-	1,450	0.02	1,450
	Foreign Companies	2	25,58,138	-	25,58,138	35.25	25,58,138
	HUF	7	2,542	-	2,541	0.04	3,146
	Sub Total (B)(3)	**812**	**12,30,700**	**-**	**12,30,700**	**26.19**	**11,35,480**
	Total public shareholding (B) = (B)(1)+(B)(2)+(B)(3)	**812**	**12,30,700**	**-**	**12,30,700**	**26.19**	**11,35,480**

Table IV: Statement showing shareholding pattern of Non promoter Non public shareholder

Cate-gory	Category of share-holders	No. of share-holders	No. of fully paid up Equity Shares held	No. of shares underlying Depository Receipts	Total no. of shares held	Share-holding as a %age of total no. of shares (calculated as per SCRR, 1957) (as a % of (A+B+C)	No. of Equity Shares held in dematerialised form
1	Custodian / DR Holder	-	-	-	-	-	-
(a)	Name of DR Holder (if any)	-	-	-	-	-	-
2	Employees benefit trust (under SEBI (Share based employee benefit) Regulations, 2014	-	-	-	-	-	-
(b)	Total non promoter non public shareholding (C) = (C)(1) + (C)(2)	-	-	-	-	-	-

ISSUE PROCEDURE

*The following is a summary intended to present a general outline of the procedure relating to the application, payment, Allocation and Allotment of the Equity Shares to be issued pursuant to the Issue. The procedure followed in the Issue may differ from the one mentioned below, and investors are presumed to have apprised themselves of the same from our Company or the Book Running Lead Manager. Investors that apply in the Issue will be required to confirm and will be deemed to have represented to our Company, the Book Running Lead Manager and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares. Our Company and the Book Running Lead Manager and their respective directors, officers, agents, affiliates and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire the Equity Shares. Investors are advised to inform themselves of any restrictions or limitations that may be applicable to them and are required to consult their respective advisors in this regard. See "**Selling Restrictions**" and "**Transfer Restrictions**" beginning on pages 101 and 108, respectively.*

Qualified Institutions Placement

The Issue is being made to QIBs in reliance upon Chapter VIII of the SEBI ICDR Regulations, Section 42 and Section 62 of the Companies Act, 2013 read with Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014, through the mechanism of a QIP wherein a listed company in India may issue and allot equity shares to QIBs on a private placement basis provided, *inter alia*, that:

- a special resolution approving the QIP is passed by shareholders of the issuer. Such special resolution must specify (a) that the allotment of equity shares is proposed to be made pursuant to a QIP; and (b) the relevant date;
- equity shares of the same class of such issuer, which are proposed to be allotted through the QIP, have been listed on a recognised stock exchange in India having nation-wide trading terminals for a period of at least one year prior to the date of issuance of notice to its shareholders for convening the meeting to pass the above-mentioned special resolution;
- the aggregate of the proposed issue and all previous QIPs made by the issuer in the same Fiscal does not exceed five times the net worth (as defined in the SEBI ICDR Regulations) of the issuer as per the audited balance sheet of the previous Fiscal;
- the issuer shall have completed allotments with respect to any offer or invitation made earlier by the issuer or shall have withdrawn or abandoned any invitation or offer previously made by the issuer;
- the offer must be made through a private placement offer letter and an application form serially numbered and addressed specifically to the eligible QIB to whom the offer is made and is sent to the allottee / QIB within 30 days of recording the names of such eligible QIBs;
- the explanatory statement to the notice to the shareholders for convening the general meeting must disclose the basis or justification for the price (including premium, if any) at which the offer or invitation is being made;
- our Company complies with the minimum public shareholding requirements set out in SCRR;
- prior to circulating the private placement offer letter, the issuer must prepare and record a list of eligible QIBs to whom the offer will be made. The offer must be made only to such persons whose names are recorded by the issuer prior to the invitation to subscribe;
- the issuer shall offer to each allottee such number of equity shares in the issue which would aggregate to at least ₹ 20,000 calculated at the face value of the equity shares; and
- at least 10% of the equity shares issued to QIBs must be allotted to Mutual Funds, provided that, if this portion or any part thereof to be allotted to Mutual Funds remains unsubscribed, it may be allotted to other QIBs.

Bidders are not allowed to withdraw their Bids after the Bid/Issue Closing Date.

Additionally, there is a minimum pricing requirement for pricing the equity shares offered in a QIP under the SEBI ICDR Regulations. The floor price of the equity shares offered in a QIP shall not be less than the average of the weekly high and low of the closing prices of the equity shares quoted on the stock exchange during the two weeks preceding the relevant date. Provided however that an issuer may offer a discount of not more than 5% on the price calculated for the QIP as above, subject to the approval of the shareholders by a special resolution pursuant to Regulation 82(a) of the SEBI ICDR Regulations.

The "Relevant Date" referred to above, means the date of the meeting in which the Board of Directors or the Committee of Directors duly authorized by the Board of Directors decides to open the proposed Issue and the "Stock Exchange" means BSE Limited, the stock exchange on which the Equity Shares of our Company are listed.

Equity shares must be allotted within 12 months from the date of the shareholders resolution approving the QIP and also within 60 days from the date of receipt of application money from the successful applicants. The equity shares issued pursuant to the QIP must be issued on the basis of a placement document that shall contain all material information including the information specified in Schedule XVIII of the SEBI ICDR Regulations and Form PAS- 4.

This Placement Document and the Placement Document are private documents provided to only select QIBs, through serially numbered copies and are required to be placed on the website of the Stock Exchange and of the Issuer with a disclaimer to the effect that they are in connection with an issue to QIBs and no offer is being made to the public or to any other category of investors. Securities allotted to a QIB pursuant to a QIP shall not be sold by the allottee for a period of one year from the date of allotment except on a recognised stock exchange in India.

The minimum number of allottees for each QIP shall not be less than:
1. Two, where the issue size is less than or equal to ₹ 2,500 million; and
2. Five, where the issue size is greater than ₹ 2,500 million.

No single allottee shall be allotted more than 50% of the issue size or less than ₹ 20,000 of face value of Equity Shares. QIBs that belong to the same group or that are under common control shall be deemed to be a single allottee for this purpose.

In terms of Regulation 89 of the SEBI Regulations, the aggregate of the proposed QIP and all previous QIPs made in the same financial year shall not exceed five times the net worth of our Company as per its audited balance sheet of the previous Financial Year.

The issuer shall also make the requisite filings with the RoC, Stock Exchange, and SEBI within the stipulated period as required under the Companies Act, 2013 and the Companies (Prospectus and Allotment of Securities) Rules, 2014.

Our Company has filed a copy of this Placement Document and will file a copy of the Placement Document with the Stock Exchange. Our Company has received the in-principle approval of the BSE vide their letter no. DCS/QIP/HM/IP/372/2018-19 dated May 29, 2018 in terms of Regulation 28(1) of the SEBI Listing Regulations for the Issue. The Board of Directors has authorized the Issue pursuant to a resolution passed at its meeting held on December 31, 2017. The shareholders of our Company have authorized the Issue pursuant to a special resolution passed through postal ballot on May 07, 2018.

The Equity Shares offered hereby have not been and will not be registered under the U.S. Securities Act or any state securities laws of the United States and, unless so registered, may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. Accordingly, the Equity Shares are being offered and sold outside the United States in offshore transactions in reliance on Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those offers and sales are made. For further information, see the sections "*Selling Restrictions*" and "*Transfer Restrictions*" beginning on pages 101 and 108, respectively.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Issue Procedure
1. Our Company and the Book Running Lead Manager shall circulate serially numbered copies of this Placement Document and the serially numbered Application Form, either in electronic form or physical form, to QIBs and the Application Form shall be specifically addressed to such QIBs. Pursuant to section 42(7) of the Companies Act, 2013, our Company shall maintain complete record of the QIBs to whom this Placement Document and the serially numbered Application Form have been dispatched. Our Company will make the requisite filings with the RoC and with SEBI within the stipulated time period as required under the Companies Act, 2013 and the rules made thereunder.

2. The list of QIBs to whom this Placement Document and the Application Form is delivered shall be determined by the Book Running Lead Manager at their sole discretion. **Unless a serially numbered Placement Document along with the Application Form is addressed to a particular QIB, no invitation to subscribe shall be deemed to have been made to such QIB.** Even if such documentation were to come into the possession of any person other than the intended recipient, no offer or invitation to offer shall be deemed to have been made to such other person and any application that does not comply with this requirement shall be treated as invalid.

3. QIBs may submit the Application Form alongwith copy of PAN Card or PAN allotment letter, including any revisions thereof, during the Bidding Period to the Book Running Lead Manager.

4. QIBs shall submit Bids for, and our Company shall offer and allot to each successful Allottee at least such number of Equity Shares in the Issue which would aggregate to ₹ 20,000 calculated at the face value of the Equity Shares.

5. QIBs will be required to indicate the following in the Application Form:
   (a) name of the QIB to whom Equity Shares are to be Allotted;
   (b) number of Equity Shares Bid for;
   (c) price at which they offer to apply for the Equity Shares provided that QIBs may also indicate that they are agreeable to submit an Application Form at "Cut-off Price" which shall be any price as may be determined by our Company in consultation with the Book Running Lead Manager at or above the Floor Price, net of such discount as approved in accordance with SEBI ICDR Regulations and decided by the Board/the Committee of Directors. Our Company may offer a discount up to 5% to the Floor Price in accordance with the proviso of Regulation 85(1) of the SEBI ICDR Regulations;
   (d) a representation that it is outside the United States and is acquiring the Equity Shares in an offshore transaction in reliance on Regulation S and it has agreed to all the representations set forth in the Application Form;
   (e) the details of the beneficiary account(s) maintained with the depository participant(s) to which the Equity Shares should be credited; and
   (f) that it has agreed to certain representations set forth in the Application Form.

NOTE*: *Eligible FPIs are required to indicate the SEBI FPI registration number in the Application Form.

6. Once a duly completed Application Form is submitted by the QIB, such Application Form constitutes an irrevocable offer and the same cannot be withdrawn after the Bid/Issue Closing Date. The Bid/Issue Closing Date shall be notified to the Stock Exchange and the QIBs shall be deemed to have been given notice of such date after the receipt of the Application Form.

7. The Bids made by asset management companies or custodians of Mutual Funds shall specifically state the names of the concerned schemes for which the Bids are made. In case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the mutual fund registered with SEBI and such Bids in respect of more than one scheme of the Mutual Fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme for which the Bid has been made. Application by various schemes or funds of a Mutual Fund will be treated as one application from the Mutual Fund. Under the current regulations, the following restrictions are applicable for investments by Mutual Funds: No mutual fund scheme shall invest more than 10% of its net asset value in Equity Shares or equity related instruments of any company provided that the limit of 10% shall not be applicable for investments in case of index funds or sector or industry specific schemes. No mutual fund under all its schemes should own more than 10% of any company's paid-up capital carrying voting rights. Bidders are advised to ensure that any single Bid from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable laws.

8. Based on the Application Forms received, our Company shall, after closure of the Issue, in consultation with the Book Running Lead Manager, determine the final terms including QIBs to whom such Equity Shares shall be allocated, the Issue Price and the number of Equity Shares to be issued pursuant to the Issue. We shall notify the Stock Exchange of the Issue Price. Our Company shall also intimate the Stock Exchange about the meeting to decide the Issue Price, two working days in advance (excluding the date of the intimation and the date of the meeting). On determining the Issue Price and the QIBs to whom Allocation shall be made, the Book Running Lead Manager, shall on behalf of our Company, send the CANs along with a serially numbered Placement Document to the QIBs who have been Allocated Equity Shares either in electronic form

or by physical delivery. The dispatch of the CANs shall be deemed a valid, binding and irrevocable contract for the QIBs to pay the entire Issue Price for all the Equity Shares Allocated to such QIB. The CAN shall contain details such as the number of Equity Shares Allocated to the QIB, payment instructions including the details of the amounts payable by the QIB for Allotment of the Equity Shares in its name and the Pay-In Date as applicable to the respective QIBs.

Following the receipt of the CAN, each QIB would have to make the payment of the entire application monies for the Equity Shares indicated in the CAN at the Issue Price through electronic transfer to the Escrow Bank Account by the Pay-in Date as specified in the CAN sent to the respective QIB. **Please note that the allocation shall be at the absolute discretion of our Company and will be based on the recommendation of the Book Running Lead Manager.**

9. No payment shall be made by QIBs in cash. Please note that any payment of application monies for the Equity Shares shall be made from the bank accounts of the relevant QIBs applying for the Equity Shares and our Company shall keep a record of the bank account from where such payment for subscriptions have been received. Monies payable on Equity Shares to be held by joint holders shall be paid from the bank account of the person whose name appears first in the application. Pending Allotment, all monies received for subscription of the Equity Shares shall be kept by our Company in a separate bank account with a scheduled bank and shall be utilised only for the purposes permitted under the Companies Act, 2013.

10. Upon receipt of the application monies from the QIBs, our Company shall Allot Equity Shares as per the details in the CAN to the QIBs. Our Company will intimate the details of the Allotment to the Stock Exchange.

11. After passing the resolution for Allotment, our Company will intimate to the Stock Exchange the details of the Allotment and apply for approvals for listing of the Equity Shares on the Stock Exchange prior to crediting the Equity Shares into the beneficiary account maintained with the depository participant by the eligible QIBs.

12. After receipt of the listing approvals from the Stock Exchange, our Company shall credit the Equity Shares into the beneficiary account maintained with the depository participant of the respective QIB in accordance with the details submitted by the QIBs in the Application Forms.

13. Our Company shall then apply to Stock Exchange for the final listing and trading permission.

14. The Equity Shares that have been credited to the beneficiary account maintained with the Depository Participant of the QIBs shall be eligible for trading on the Stock Exchange only upon the receipt of final listing and trading approval from Stock Exchange.

15. Upon receipt of the final listing and trading approval from the Stock Exchange, our Company shall inform the QIBs who have received Allotment of the receipt of such approval.

16. Our Company and the Book Running Lead Manager shall not be responsible for any delay or non-receipt of the communication of the final listing and trading permissions from the Stock Exchange or any loss arising from such delay or non-receipt. Final listing and trading approval granted by the Stock Exchange is also placed on their respective websites. QIBs are advised to apprise themselves of the status of the receipt of the permissions from Stock Exchange.

Qualified Institutional Buyers

Only QIBs as defined in Regulation 2(1)(zd) of the SEBI ICDR Regulations and not otherwise excluded pursuant to Regulation 86(1)(b) of Chapter VIII of the SEBI ICDR Regulations are eligible to invest in the Issue. Under Regulation 86(1)(b) of the SEBI ICDR Regulations, no Allotment shall be made, either directly or indirectly, to any QIB who is a Promoter or any person related to the Promoters. Currently QIBs include: Alternate investment funds registered with SEBI;

- Eligible FPIs;
- Foreign venture capital investors registered with SEBI;
- Insurance companies registered with Insurance Regulatory and Development Authority;
- Insurance funds set up and managed by the army, navy, or air force of the Union of India;
- Insurance funds set up and managed by the Department of Posts, India;
- Multilateral and bilateral development financial institutions;
- Mutual funds registered with SEBI;

- Pension Funds with minimum corpus of ₹ 250 million;
- Provident Funds with minimum corpus of ₹ 250 million;
- Public financial institutions as defined in section 2(72) of the Companies Act, 2013;
- Scheduled commercial banks;
- State industrial development corporations;
- National Investment Fund set up by resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of the Government of India published in the Gazette of India;
- Venture capital funds registered with SEBI; and
- Systemically important non- banking financial company having a net-worth of more than ₹ 5,000 million as per the last audited financial statements.

Foreign Portfolio Investors are permitted to participate in the Issue subject to compliance with applicable law and such that the shareholding of the Foreign Portfolio Investors does not exceed specified limits as prescribed under applicable law in this regard.

All non-resident QIBs shall ensure that the investment amount is paid as per RBI's notification no. FEMA 20(R)/ 2017-RB dated November 7, 2017, as amended from time to time.

In terms of the SEBI FPI Regulations, the issue of Equity Shares to a single FPI or an investor group (which means the same set of ultimate beneficial owner(s) investing through multiple entities) is not permitted to be 10.00% or above of our post-Issue Equity Share capital. Further, in terms of the FEMA, the total holding by each FPI shall be below 10% of the total paid-up Equity Share capital of our Company and the total holdings of all FPIs put together shall not exceed 24% of our paid-up Equity Share capital, provided that the aggregate limit of 24% may be increased by our Company up to the applicable sectoral cap by way of a resolution passed by our Board followed by a special resolution passed by our Shareholders. Under FEMA, we are entitled to 100% FDI inflow. Our Board has through its resolution dated June 15, 2009 and our Shareholders have through a special resolution dated July 1, 2009, approved the increase in the aggregate investment limit applicable to FPIs to 49%. The RBI had on December 13, 2013 notified such increase in investment limits by our Company.

Eligible FPIs are permitted to participate in the Issue subject to compliance with conditions and restrictions which may be specified by the Government from time to time.

In terms of FEMA 20, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs shall be included.

Under Regulation 86(1)(b) of the SEBI ICDR Regulations, no allotment shall be made pursuant to the Issue, either directly or indirectly, to any QIB being our Promoter or any person related to our Promoters. QIBs which have all or any of the following rights shall be deemed to be persons related to our Promoters:

(i) Rights under a shareholders' agreement or voting agreement entered into with our Promoter or persons related to our Promoter;
(ii) Veto rights; or
(iii) A right to appoint any nominee director on the Board.

Provided however that a QIB which does not hold any Equity Shares in our Company and who has acquired the aforesaid rights in the capacity of a lender shall not be deemed to be a person related to the Promoter.

Neither our Company nor the Book Running Lead Manager nor any of their respective directors, officers, counsels, advisors, representatives, agents or affiliates are liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Placement Document. QIBs are advised to make their independent investigations and satisfy themselves that they are eligible to apply. QIBs are advised to ensure that any single Application Form from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Placement Document. Further, QIBs are required to satisfy themselves that any requisite compliance pursuant to this Allotment such as public disclosures under applicable laws is complied with. QIBs are advised to consult their advisers in this regard. Furthermore, QIBs are required to satisfy themselves that their Application Form would not eventually result in triggering a tender offer under the Takeover Regulations.

Note: Affiliates or associates of the Book Running Lead Manager who are QIBs may participate in the Issue subject to compliance with applicable laws.

Allotments made to FVCIs, VCFs and AIFs in the Issue are subject to the rules and regulations that are applicable to each of them respectively, including in relation to lock-in requirements. Specifically, investments by FVCIs are required to be made in compliance with Schedule 1 of FEMA 20.

A minimum of 10% of the Equity Shares offered in the Issue shall be Allotted to Mutual Funds. If no Mutual Fund is agreeable to take up the minimum portion as specified above, such minimum portion or part thereof may be Allotted to other QIBs.

Bid Process

Application Form

QIBs are permitted to only use the serially numbered Application Forms (which is addressed to the QIB) supplied by our Company and the Book Running Lead Manager in either electronic form or by physical delivery for the purpose of making a Bid (including any revision of a Bid) in terms of this Placement Document.

By making a Bid (including revisions thereof) for Equity Shares pursuant to the terms of this Placement Document, each QIB will be deemed to have made the following representations and warranties, and the representations, warranties, acknowledgements and agreements made under "*Representations by Investors*". The representations listed in this section shall be included in the Application Form:

1. The QIB confirms that it is a QIB in terms of Regulation 2(1)(zd) of the SEBI ICDR Regulations and has a valid and existing registration under the applicable laws of India and is eligible to participate in the Issue and is not excluded under Regulation 86 of the SEBI ICDR Regulations;
2. The QIB confirms that it is not a Promoter of our Company and is not a person related to the Promoter of our Company, either directly or indirectly and its Application Form does not directly or indirectly represent the Promoter or Promoter Group or a person related to the Promoter of our Company;
3. The QIB confirms that it has no rights under a shareholders' agreement or voting agreement with the Promoter or persons related to the Promoters, no veto rights or right to appoint any nominee director on the Board of our Company other than such rights acquired in the capacity of a lender (not holding any Equity Shares) which shall not be deemed to be a person related to the Promoters;
4. The QIB acknowledges that it has no right to withdraw its Bid after the Bid/Issue Closing Date;
5. The QIB confirms that if Equity Shares are Allotted pursuant to the Issue, it shall not, for a period of one year from Allotment, sell such Equity Shares otherwise than on the floor of the Stock Exchange;
6. The QIB confirms that the QIB is eligible to Bid and hold Equity Shares so Allotted and together with any Equity Shares held by the QIB prior to the Issue. The QIB further confirms that its holding of the Equity Shares does not, and shall not, exceed the level permissible as per any applicable regulations applicable to the QIB;
7. The QIB confirms that the Bids will not eventually result in triggering an open offer under the Takeover Regulations;
8. The QIB confirms that, to the best of its knowledge and belief, together with other QIBs participating in the Issue that belongs to the same group or are under common control, the Allotment to the QIB shall not exceed 50% of the Issue Size. For the purposes of this statement:
   (a) The expression "belongs to the same group" shall derive meaning from the concept of "companies under the same group" as provided in sub-section (11) of Section 372 of the Companies Act, 1956; and
   (b) "Control" shall have the same meaning as is assigned to it by Clause 1(e) of Regulation 2 of the Takeover Regulations.
9. The QIBs shall not undertake any trade in the Equity Shares credited to its Depository Participant account until such time that the final listing and trading approval for the Equity Shares is issued by the Stock Exchange.
10. The QIB acknowledges, represents and agrees that in the event its total interest in the paid-up share capital of our Company or voting rights in our Company, whether direct or indirect, beneficial or otherwise (any such interest, your "**Holding**"), when aggregated together with any existing Holding and/or Holding of any of the persons acting in concert, results in Holding of 5.00% or more of the total paid-up share capital of, or voting rights in, our Company a disclosure of the aggregate shareholding and voting rights will have to be made under the Takeover Regulations. In case such QIB is an existing shareholder who, together with persons acting in concert, holds 5.00% or more of the underlying paid up share capital of, or voting rights in our Company a disclosure will have to be made under the Takeover Regulations in the event of a change of 2% or more in the existing Holding of the QIB and persons acting in concert.
11. The QIB represents that it is outside the United States and is acquiring the Equity Shares in an offshore transaction in reliance on Regulation S under the U.S. Securities Act and it has agreed to certain other

representations set forth in the Application Form and is not our affiliate or a person acting on behalf of such an affiliate.

12. It has read and understood, and by making a Bid for the Equity Shares through the Application Forms and pursuant to the terms of this Placement Document, will be deemed to have made the representations, warranties and agreements made under the sections "***Notice to Investors***", "***Representations by Investors***", "***Selling Restrictions***" and "***Transfer Restrictions***" beginning on page 1, 4, 101 and 108, respectively.

QIBs MUST PROVIDE THEIR PAN, DEPOSITORY ACCOUNT DETAILS, THEIR DEPOSITORY PARTICIPANT'S NAME, DEPOSITORY PARTICIPANT IDENTIFICATION NUMBER AND BENEFICIARY ACCOUNT NUMBER IN THE APPLICATION FORM. QIBs MUST ENSURE THAT THE NAME GIVEN IN THE APPLICATION FORM IS EXACTLY THE SAME AS THE NAME IN WHICH THE DEPOSITORY ACCOUNT IS HELD.

IF SO REQUIRED BY THE BOOK RUNNING LEAD MANAGER, THE QIB SUBMITTING A BID, ALONG WITH THE APPLICATION FORM, WILL ALSO HAVE TO SUBMIT REQUISITE DOCUMENT(S) TO BOOK RUNNING LEAD MANAGER TO EVIDENCE THEIR STATUS AS A "QIB" AS DEFINED HEREINABOVE. IF SO REQUIRED BY THE BOOK RUNNING LEAD MANAGER, THE ESCROW AGENT OR ANY STATUTORY OR REGULATORY AUTHORITY IN THIS REGARD, INCLUDING AFTER BID/ISSUE CLOSING DATE, THE QIB SUBMITTING A BID AND/OR BEING ALLOTTED EQUITY SHARES IN THE ISSUE, WILL ALSO HAVE TO SUBMIT REQUISITE DOCUMENT(S) TO FULFILL THE KNOW YOUR CUSTOMER (KYC) NORMS.

Demographic details such as an address and a bank account will be obtained from the Depositories as per the Depository Participant account details given above.

The submission of an Application Form by the QIB shall be deemed a valid, binding and irrevocable offer for the QIB to pay the entire Issue Price for its share of Allotment (as indicated by the CAN) and becomes a binding contract on the QIB, upon issuance of the CAN by the Issuer in favour of the QIB.

Submission of Application Form

All Application Forms shall be required to be duly completed with information including the name of the QIB, the price and the number of Equity Shares applied. The Application Form shall be submitted to the Book Running Lead Manager either through electronic form or through physical delivery at the following addresses:

Name of the BRLM	Address	Contact Person	Tel No. & E-mail
Sundae Capital Advisors Private Limited	611, Shahpuri Tirath Singh Tower, 58, C - Block, Community Centre, Janak Puri, New Delhi - 110 058	Radhika Somani / NitiN Somani	Tel.: +91 11 4914 9740 E-mail: radhika@sundaecapital.com nitin@sundaecapital.com

The Book Running Lead Manager shall not be required to provide any written acknowledgement of the same.

Permanent Account Number or PAN

Each QIB should mention its Permanent Account Number ("**PAN**") allotted under the IT Act. **The copy of the PAN card is required to be submitted with the Application Form.** Bids without this information will be considered incomplete and is liable to be rejected. It is to be specifically noted that Applicant should not submit the GIR number instead of the PAN as the Application Form is liable to be rejected on this ground.

Pricing and Allocation

Build-up of the book

The QIBs shall submit their Bids (including the revision thereof) through the Application Form within the Bidding Period to the Book Running Lead Manager and cannot be withdrawn after the Bid/ Issue Closing Date. The book shall be maintained by the Book Running Lead Manager.

Price discovery and Allocation

Our Company, in consultation with the Book Running Lead Manager, shall determine the Issue Price for the Equity Shares, which shall be at or above the Floor Price. Our Company may offer a discount of not more than 5% on the Floor Price in terms of Regulation 85 of the SEBI ICDR Regulations. After finalisation of the Issue

Price, our Company shall update this Placement Document with the details of the Issue and file the Placement Document with the Stock Exchange.

Method of Allocation

Our Company shall determine the Allocation in consultation with the Book Running Lead Manager on a discretionary basis and in compliance with Chapter VIII of the SEBI ICDR Regulations.

Bids received from the QIBs at or above the Issue Price shall be grouped together to determine the total demand. The Allocation to all such QIBs will be made at the Issue Price. Allocation to Mutual Funds for up to a minimum of 10% of the Issue Size shall be undertaken subject to valid Application Form being received at or above the Issue Price.

THE DECISION OF OUR COMPANY, IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGER, IN RESPECT OF ALLOCATION SHALL BE FINAL AND BINDING ON ALL QIBs. QIBs MAY NOTE THAT ALLOCATION OF EQUITY SHARES IS AT THE SOLE AND ABSOLUTE DISCRETION OF OUR COMPANY, IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGER, AND QIBs MAY NOT RECEIVE ANY ALLOCATION EVEN IF THEY HAVE SUBMITTED VALID APPLICATION FORMS AT OR ABOVE THE ISSUE PRICE. NEITHER OUR COMPANY NOR THE BOOK RUNNING LEAD MANAGER ARE OBLIGED TO ASSIGN ANY REASONS FOR SUCH NON-ALLOCATION.

All Application Forms duly completed along with payment and a copy of the PAN card or PAN allotment letter shall be submitted to the Book Running Lead Manager as per the details provided in the respective CAN.

CAN

Based on the Application Forms received, our Company, in consultation with the Book Running Lead Manager, will, in its sole and absolute discretion, decide the list of QIBs to whom the serially numbered CAN shall be sent, pursuant to which the details of the Equity Shares Allocated to them and the details of the amounts payable for Allotment of the same in their respective names shall be notified to such QIBs. Additionally, the CAN would include details of Escrow Bank Account into which such payments would need to be made, Pay-In Date as well as the probable designated date ("**Designated Date**"), being the date of credit of the Equity Shares to the QIB's account, as applicable to the respective QIBs.

The QIBs who have been Allotted Equity Shares pursuant to the Issue, would also be sent a serially numbered Placement Document either in electronic form or by physical delivery along with the serially numbered CAN.

The dispatch of the serially numbered Placement Document and the CAN to the QIB shall be deemed a valid, binding and irrevocable contract for the QIB to furnish all details that may be required by the Book Running Lead Manager and our Company and to pay the entire Issue Price for all the Equity Shares Allocated to such QIB.

QIBs ARE ADVISED TO INSTRUCT THEIR DEPOSITORY PARTICIPANT TO ACCEPT THE EQUITY SHARES THAT MAY BE ALLOCATED / ALLOTTED TO THEM PURSUANT TO THE ISSUE.

Bank Account for the Payment of Bid Money

Our Company has opened an escrow account titled 'Chokhani Securities Limited – QIP - Escrow Account' (the "**Escrow Bank Account**") with the Escrow Bank in terms of the arrangements amongst our Company, the Book Running Lead Manager and IndusInd Bank Limited, the Escrow Agent (acting as the Escrow Bank). The QIBs will be required to deposit the entire amount payablee for the Equity Shares Allocated to it by the Pay-In Date as mentioned in their respective CAN.

Payments are to be made only through electronic fund transfer.

Note: Payments through cheques are liable to be rejected.

If the payment is not made favouring the Escrow Bank Account within the time stipulated in the CAN, the Application Form and the CAN of the QIB are liable to be cancelled.

In case of cancellations or default by the QIBs, our Company and the Book Running Lead Manager have the right to re-allocate the Equity Shares at the Issue Price among existing or new QIBs at their sole and absolute discretion, subject to the compliance with the requirements of the Companies Act, 2013 and the SEBI ICDR Regulations.

Our Company undertakes to utilise the amount in the Escrow Bank Account only for the purposes of: (i) adjustments against Allotment of Equity Shares in the Issue; or (ii) repayment of application money if our Company is not able to Allot Equity Shares in the Issue.

Designated Date and Allotment of Equity Shares

1. The Equity Shares will not be Allotted unless the QIBs pay the Issue Price to the Escrow Bank Account as stated above.
2. Subject to the satisfaction of the terms and conditions of the Placement Agreement, our Company will ensure that the Allotment of the Equity Shares is completed by the Designated Date provided in the CAN for the QIBs who have paid the aggregate subscription amounts as stipulated in the CAN.
3. In accordance with the SEBI ICDR Regulations, Equity Shares will be issued and Allotment shall be made only in the dematerialised form to the Allottees. Allottees will have the option to re-materialise the Equity Shares, if they so desire, as per the provisions of the Companies Act, 2013 and the Depositories Act.
4. Our Company reserves the right to cancel the Issue at any time up to Allotment without assigning any reasons whatsoever.
5. Post receipt of the listing approval of the Stock Exchange, the Issuer shall credit the Equity Shares into the Depository Participant account of the QIBs.
6. Following the Allotment and credit of Equity Shares pursuant to the Issue into the QIBs Depository Participant account, our Company will apply for final listing and trading approval for trading on the Stock Exchange.
7. In the event our Company is unable to Issue and Allot the Equity Shares or on cancellation of the Issue, within 60 days from the date of receipt of application money, in accordance with section 42 of the Companies Act, 2013 our Company shall repay the application money within 15 days from expiry of 60 days, failing which our Company shall repay that money with interest at the rate of 12% per annum from expiry of the 60th day. The application money to be refunded by us shall be refunded to the same bank account from which application money was remitted by the QIBs.
8. The Escrow Bank shall release the monies lying to the credit of the Escrow Bank Account to our Company after the receipt of the final listing and trading approval from the Stock Exchange.
9. In case of QIBs who have been Allotted more than 5% of the Equity Shares in the Issue, our Company shall disclose the name and the number of the Equity Shares Allotted to such QIB to Stock Exchange and Stock Exchange shall make the same available on their website.

Other Instructions

Our Right to Reject Bids

Our Company, in consultation with the Book Running Lead Manager, may reject Bids, in part or in full, without assigning any reasons whatsoever. The decision of our Company and the Book Running Lead Manager in relation to the rejection of Bids shall be final and binding.

Equity Shares in dematerialised form with NSDL or CDSL

1. The Allotment of the Equity Shares in the Issue shall be only in dematerialised form, (i.e., not in the form of physical certificates but be fungible and be represented by the statement issued through the electronic mode).
2. A QIB applying for Equity Shares must have at least one beneficiary account with a Depository Participant of either NSDL or CDSL prior to making the Bid.
3. Allotment to a successful QIB will be credited in electronic form directly to the beneficiary account (with the Depository Participant) of the QIB.
4. Equity Shares in electronic form can be traded only on the Stock Exchange having electronic connectivity with NSDL and CDSL. The Stock Exchange have electronic connectivity with NSDL and CDSL.
5. The trading of the Equity Shares would be in dematerialised form only for all QIBs in the demat segment of the Stock Exchange.
6. Our Company will not be responsible or liable for the delay in the credit of the Equity Shares due to errors in the Application Forms or on part of the QIBs.

PLACEMENT

Placement Agreement

The Book Running Lead Manager have entered into a placement agreement with our Company dated May 28, 2018 (the "**Placement Agreement**"), pursuant to which each of the Book Running Lead Manager have severally (and not jointly) agreed to manage the Issue and to act as placement agents in connection with the proposed Issue and procure subscription for Equity Shares, on a reasonable efforts basis, to be placed with the QIBs, pursuant to Chapter VIII of the SEBI ICDR Regulations and Section 42 of the Companies Act, 2013 and rules made thereunder.

The Placement Agreement contains customary representations, warranties and indemnities from our Company and the Book Running Lead Manager, and it is subject to termination in accordance with the terms contained therein.

The Equity Shares have not been and will not be registered under the U.S. Securities Act or any state securities laws of the United States and, unless so registered, may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. Accordingly, the Equity Shares are being offered and sold outside the United States in offshore transactions in reliance on Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those offers and sales are made.

Applications shall be made to list the Equity Shares issued pursuant to the Issue and admit them to trading on the Stock Exchange. No assurance can be given as to the liquidity or sustainability of the trading market for such Equity Shares, the ability of holders of the Equity Shares to sell their Equity Shares or the price at which holders of the Equity Shares will be able to sell their Equity Shares.

This Placement Document has not been, and will not be, registered as a prospectus with the RoC and, no Equity Shares will be offered in India or overseas to the public or any members of the public in India or any other class of investors, other than QIBs.

In connection with the Issue, the Book Running Lead Manager (or their respective affiliates) may, for their own account, subscribe to the Equity Shares or enter into asset swaps, credit derivatives or other derivative transactions relating to the Equity Shares to be issued pursuant to the Issue at the same time as the offer and sale of the Equity Shares, or in secondary market transactions. As a result of such transactions, the Book Running Lead Manager may hold long or short positions in such Equity Shares. These transactions may comprise a substantial portion of the Issue and no specific disclosure will be made of such positions. Affiliates of the Book Running Lead Manager may purchase Equity Shares and be Allotted Equity Shares for proprietary purposes and not with a view to distribute or in connection with the issuance of P-Notes. See "***Offshore Derivative Instruments***" beginning on page 8.

From time to time, the Book Running Lead Manager, and their affiliates and associates have engaged in or may in the future engage in transactions with and perform services including but not limited to investment banking, advisory, banking, trading services for our Company, our Subsidiaries, group companies, affiliates and the shareholders, as well as to their respective associates and affiliates, pursuant to which fees and commissions have been paid or will be paid to the Book Running Lead Manager and their affiliates and associates.

SELLING RESTRICTIONS

The distribution of this Placement Document or any offering material and the offering, sale or delivery of the Equity Shares is restricted by law in certain jurisdictions. Therefore, persons who may come into possession of this Placement Document or any offering material are advised to consult with their own legal advisors as to what restrictions may be applicable to them and to observe such restrictions.

General

No action has been taken or will be taken by the Company or the BRLMs that would permit a public offering of the Equity Shares to occur in any jurisdiction, or the possession, circulation or distribution of this Placement Document or any other material relating to the Company or the Equity Shares in any jurisdiction where action for such purpose is required (including filing of prospectus in India with SEBI or any other authority in connection with the Issue). Accordingly, the Equity Shares may not be offered or sold, directly or indirectly, and none of this Placement Document, any offering materials and any advertisements in connection with the offering of the Equity Shares may be distributed or published in or from any country or jurisdiction except under circumstances that will result in compliance with any applicable rules and regulations of any such country or jurisdiction. The Issue will be made in compliance with the applicable SEBI Regulations. Each purchaser of the Equity Shares in this Issue will be deemed to have made acknowledgments and agreements as described under "Notice to Investors", "Representations by Investors" and "Transfer Restrictions".

Australia

This Placement Document:

- does not constitute a product disclosure document or a prospectus under Chapter 6D.2 of the Corporations Act 2001 (Cth) (the "**Corporations Act**");
- has not been, and will not be, lodged with the Australian Securities and Investments Commission ("ASIC"), as a disclosure document for the purposes of the Corporations Act and does not purport to include the information required of a disclosure document under Chapter 6D.2 of the Corporations Act;
- does not constitute or involve a recommendation to acquire, an offer or invitation for issue or sale, an offer or invitation to arrange the issue or sale, or an issue or sale, of interests to a "retail client" (as defined in section 761G of the Corporations Act and applicable regulations) in Australia; and
- may only be provided in Australia to select investors who are able to demonstrate that they fall within one or more of the categories of investors, or Exempt Investors, available under section 708 of the Corporations Act.

The Equity Shares may not be directly or indirectly offered for subscription or purchased or sold, and no invitations to subscribe for or buy the Equity Shares may be issued, and no draft or definitive offering memorandum, advertisement or other offering material relating to any Equity Shares may be distributed in Australia, except where disclosure to investors is not required under Chapter 6D of the Corporations Act or is otherwise in compliance with all applicable Australian laws and regulations. By submitting an application for the Equity Shares, you represent and warrant to us that you are an Exempt Investor.

As any offer of Equity Shares under this Placement Document will be made without disclosure in Australia under Chapter 6D.2 of the Corporations Act, the offer of those securities for resale in Australia within 12 months may, under section 707 of the Corporations Act, require disclosure to investors under Chapter 6D.2 if none of the exemptions in section 708 applies to that resale. By applying for the Equity Shares you undertake to us that you will not, for a period of 12 months from the date of issue of the Equity Shares, offer, transfer, assign or otherwise alienate those securities to investors in Australia except in circumstances where disclosure to investors is not required under Chapter 6D.2 of the Corporations Act or where a compliant disclosure document is prepared and lodged with ASIC.

Bahrain

All applications for investment should be received, and any allotments should be made, in each case from outside Bahrain. This Placement Document has been prepared for private information purposes of intended investors only who will be high net worth individuals and institutions. Our Company and the Selling Shareholders have not made and will not make any invitation to the public in the Kingdom of Bahrain and the Placement Document will not be issued, passed to, or made available to the public generally. The Bahrain Monetary Agency ("**BMA**") has not reviewed, nor has it approved, the Placement Document or the marketing of Equity Shares in the Kingdom of Bahrain. Accordingly, Equity Shares may not be offered or sold in Bahrain or to residents thereof except as permitted by Bahrain law.

Cayman Islands
No offer or invitation to subscribe for Equity Shares may be made to the public in the Cayman Islands.

Dubai International Financial Centre ("DIFC")
This Placement Document relates to an Exempt Offer in accordance with the Markets Rules 2012 of the Dubai Financial Services Authority ("**DFSA**"). This Placement Document is intended for distribution only to persons of a type specified in the Markets Rules 2012 of the DFSA. It must not be delivered to, or relied on by, any other person. The DFSA has no responsibility for reviewing or verifying any documents in connection with Exempt Offers. The DFSA has not approved this prospectus supplement nor taken steps to verify the information set forth herein and has no responsibility for this Placement Document. The securities to which this Placement Document relates may be illiquid and/or subject to restrictions on their resale. Prospective purchasers of the securities offered should conduct their own due diligence on the securities. If you do not understand the contents of this Placement Document you should consult an authorized financial advisor.

In relation to its use in the DIFC, this Placement Document is strictly private and confidential and is being distributed to a limited number of investors and must not be provided to any person other than the original recipient, and may not be reproduced or used for any other purpose. The interests in the securities may not be offered or sold directly or indirectly to the public in the DIFC.

European Economic Area
In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a "**Relevant Member State**"), with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State, no offer of Equity Shares may be made to the public in that Relevant Member State other than:

- to any legal entity which is a qualified investor as defined in the Prospectus Directive;
- to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive), subject to obtaining the prior consent of the Underwriters; or
- in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Equity Shares shall require the Company or any Underwriter to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive and each person who initially acquires any Equity Shares or to whom any offer is made will be deemed to have represented, acknowledged and agreed to and with each of the Underwriters and the Company that it is a "qualified investor" within the meaning of the law in that Relevant Member State implementing Article 2(1)(e) of the Prospectus Directive.

In the case of any Equity Shares being offered to a financial intermediary as that term is used in Article 3(2) of the Prospectus Directive, each such financial intermediary will be deemed to have represented, acknowledged and agreed that the Equity Shares acquired by it in the Offer have not been acquired on a non-discretionary basis on behalf of, nor have they been acquired with a view to their offer or resale to, persons in circumstances which may give rise to an offer of any Equity Shares to the public other than their offer or resale in a Relevant Member State to qualified investors as so defined or in circumstances in which the prior consent of the representatives has been obtained to each such proposed offer or resale.

For the purposes of this provision, the expression an "offer of Equity Shares to the public" in relation to any Equity Shares in any Relevant Member State means the communication in any form and by means of sufficient information on the terms of the offer and the Equity Shares to be offered so as to enable an investor to decide to purchase Equity Shares, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State, the expression "Prospectus Directive" means Directive 2003/71/EC (as amended, including by Directive 2010/73/EU), and includes any relevant implementing measure in the Relevant Member State.

Hong Kong
The Equity Shares have not been offered or sold and will not be offered or sold in Hong Kong, by means of any document, other than (a) to "professional investors" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made under that Ordinance; or (b) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong or which do not constitute an offer to the public within the meaning of that Ordinance. No advertisement, invitation or document relating to the Equity Shares has been or may be issued or has been or may be in the possession of any person for the purposes of issue, whether in Hong Kong or elsewhere,

which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Equity Shares which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the Securities and Futures Ordinance and any rules made under that Ordinance.

Japan

The Equity Shares have not been and will not be registered pursuant to Article 4, Paragraph 1 of the Financial Instruments and Exchange Act. Accordingly, none of the Equity Shares nor any interest therein may be offered or sold, directly or indirectly, in Japan or to, or for the benefit of, any "resident" of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organized under the laws of Japan), or to others for re-offering or resale, directly or indirectly, in Japan or to or for the benefit of a resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Financial Instruments and Exchange Act and any other applicable laws, regulations and ministerial guidelines of Japan in effect at the relevant time.

Jordan

This Placement Document has not been and will not be filed with the Jordanian Securities Commission. The Placement Document has not been and will not be distributed, and offers to sell, and sales of the Equity Shares will not be made to more than 30 Jordanian residents. It may not be used for a public offering in Jordan of the Equity Shares. Offers of the Equity Shares are being made from outside Jordan on a private one-on-one contact basis to pre-identified potential investors in Jordan by persons who are not resident within Jordan and accordingly no registration, local prospectus filing and local agent requirements apply. This Placement Document is strictly for private use by its holder and may not be passed on to third parties or otherwise distributed publicly.

Republic of Korea

The Equity Shares have not been and will not be registered under the Financial Investments Services and Capital Markets Act of Korea and the decrees and regulations thereunder (the "**FSCMA**"), and the Equity Shares have been and will be offered in Korea as a private placement under the FSCMA. None of the Equity Shares may be offered, sold or delivered directly or indirectly, or offered or sold to any person for re-offering or resale, directly or indirectly, in Korea or to any resident of Korea except pursuant to the applicable laws and regulations of Korea, including the FSCMA and the Foreign Exchange Transaction Law of Korea and the decrees and regulations thereunder (the "**FETL**"). Furthermore, the purchaser of the Equity Shares shall comply with all applicable regulatory requirements (including but not limited to requirements under the FETL) in connection with the purchase of the Equity Shares. By the purchase of the Equity Shares, the relevant holder thereof will be deemed to represent and warrant that if it is in Korea or is a resident of Korea, it purchased the Equity Shares pursuant to the applicable laws and regulations of Korea.

Kuwait

The Equity Shares have not been authorised or licensed for offering, marketing or sale in the State of Kuwait. The distribution of the Placement Document and the offering and sale of the Equity Shares in the State of Kuwait is restricted by law unless a license is obtained from the Kuwaiti Ministry of Commerce and Industry in accordance with Law 31 of 1990.

Malaysia

No prospectus or other offering material or document in connection with the offer and sale of the Equity Shares has been or will be registered with the Securities Commission of Malaysia ("**Commission**") for the Commission's approval pursuant to the Capital Markets and Services Act 2007. Accordingly, this Placement Document and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Equity Shares may not be circulated or distributed, nor may the Equity Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Malaysia other than (i) a closed end fund approved by the Commission; (ii) a holder of a Capital Markets Services Licence; (iii) a person who acquires the Equity Shares, as principal, if the offer is on terms that the Equity Shares may only be acquired at a consideration of not less than RM250,000 (or its equivalent in foreign currencies) for each transaction; (iv) an individual whose total net personal assets or total net joint assets with his or her spouse exceeds RM3 million (or its equivalent in foreign currencies), excluding the value of the primary residence of the individual; (v) an individual who has a gross annual income exceeding RM300,000 (or its equivalent in foreign currencies) per annum in the preceding twelve months; (vi) an individual who, jointly with his or her spouse, has a gross annual income of RM400,000 (or its equivalent in foreign currencies), per annum in the preceding twelve months; (vii) a corporation with total net assets exceeding RM10 million (or its equivalent in a foreign currencies) based on the last audited accounts; (viii) a partnership with total net assets exceeding RM10 million (or its

equivalent in foreign currencies); (ix) a bank licensee or insurance licensee as defined in the Labuan Financial Services and Securities Act 2010; (x) an Islamic bank licensee or takaful licensee as defined in the Labuan Financial Services and Securities Act 2010; and (xi) any other person as may be specified by the Commission; provided that, in the each of the preceding categories (i) to (xi), the distribution of the Equity Shares is made by a holder of a Capital Markets Services Licence who carries on the business of dealing in securities. The distribution in Malaysia of this Placement Document is subject to Malaysian laws. This Placement Document does not constitute and may not be used for the purpose of public offering or an issue, offer for subscription or purchase, invitation to subscribe for or purchase any securities requiring the registration of a prospectus with the Commission under the Capital Markets and Services Act 2007.

Mauritius

The Equity Shares may not be offered or sold, directly or indirectly, to the public in Mauritius. Neither this Placement Document nor any offering material or information contained herein relating to the offer of Equity Shares may be released or issued to the public in Mauritius or used in connection with any such offer. This Placement Document does not constitute an offer to sell Equity Shares to the public in Mauritius and is not a prospectus as defined under the Companies Act 2001.

New Zealand

This Placement Document is not a prospectus. It has not been prepared or registered in accordance with the Securities Act 1978 of New Zealand (the "**New Zealand Securities Act**"). This Placement Document is being distributed in New Zealand only to persons whose principal business is the investment of money or who, in the course of and for the purposes of their business, habitually invest money, within the meaning of section 3(2)(a)(ii) of the New Zealand Securities Act ("**Habitual Investors**"). By accepting this Placement Document, each investor represents and warrants that if they receive this Placement Document in New Zealand they are a Habitual Investor and they will not disclose this Placement Document to any person who is not also a Habitual Investor.

Oman

This Placement Document and the Equity Shares to which it relates may not be advertised, marketed, distributed or otherwise made available to any person in Oman without the prior consent of the Capital Market Authority ("**CMA**") and then only in accordance with any terms and conditions of such consent. In connection with the offering of Equity Shares, no prospectus has been filed with the CMA. The offering and sale of Equity Shares described in the Placement Document will not take place inside Oman. The Placement Document is strictly private and confidential and is being issued to a limited number of sophisticated investors, and may neither be reproduced, used for any other purpose, nor provided to any other person than the intended recipient hereof.

Qatar (excluding Qatar Financial Centre)

The Equity Shares have not been offered, sold or delivered, and will not be offered, sold or delivered at any time, directly or indirectly, in the State of Qatar in a manner that would constitute a public offering. This Placement Document has not been reviewed or registered with Qatari Government Authorities, whether under Law No. 25 (2002) concerning investment funds, Central Bank resolution No. 15 (1997), as amended, or any associated regulations. Therefore, this Placement Document is strictly private and confidential, and is being issued to a limited number of sophisticated investors, and may not be reproduced or used for any other purposes, nor provided to any person other than the recipient thereof.

The Capital Market Authority does not make any representation as to the accuracy or completeness of this Placement Document, and expressly disclaims any liability whatsoever for any loss arising from, or incurred in reliance upon, any part of this Placement Document. Prospective purchasers of the Equity Shares offered hereby should conduct their own due diligence on the accuracy of the information relating to the Equity Shares. If you do not understand the contents of this Placement Document, you should consult an authorized financial adviser.

Qatar Financial Centre

This Placement Document does not, and is not intended to, constitute an invitation or offer of securities from or within the Qatar Financial Center ("**QFC**"), and accordingly should not be construed as such. This Placement Document has not been reviewed or approved by or registered with the Qatar Financial Centre Authority, the Qatar Financial Centre Regulatory Authority or any other competent legal body in the QFC. This Placement Document is strictly private and confidential, and may not be reproduced or used for any other purpose, nor provided to any person other than the recipient thereof. Our Company has not been approved or licensed by or registered with any licensing authorities within the QFC.

Saudi Arabia

This Placement Document may not be distributed in the Kingdom of Saudi Arabia except to such persons as are permitted under the Offers of Securities Regulations as issued by the board of the Saudi Arabian Capital Market Authority ("**CMA**") pursuant to resolution number 2-11-2004 dated 4 October 2004 as amended by resolution number 1-28-2008, as amended (the "CMA Regulations"). The CMA does not make any representation as to the accuracy or completeness of this Placement Document and expressly disclaims any liability whatsoever for any loss arising from, or incurred in reliance upon, any part of this Placement Document. Prospective purchasers of the securities offered hereby should conduct their own due diligence on the accuracy of the information relating to the securities. If you do not understand the contents of this Placement Document, you should consult an authorized financial adviser.

South Africa

Due to restrictions under the securities laws of South Africa, the Equity Shares are not offered, and the offer shall not be transferred, sold, renounced or delivered, in South Africa or to a person with an address in South Africa, unless one or other of the following exemptions applies:

i. the offer, transfer, sale, renunciation or delivery is to:
   (a) persons whose ordinary business is to deal in securities, as principal or agent;
   (b) the South African Public Investment Corporation;
   (c) persons or entities regulated by the Reserve Bank of South Africa;
   (d) authorised financial service providers under South African law;
   (e) financial institutions recognised as such under South African law;
   (f) a wholly-owned subsidiary of any person or entity contemplated in (c), (d) or (e), acting as agent in the capacity of an authorised portfolio manager for a pension fund or collective investment scheme (in each case duly registered as such under South African law); or
   (g) any combination of the person in (a) to (f); or
ii. the total contemplated acquisition cost of the securities, for any single addressee acting as principal is equal to or greater than ZAR1,000,000.

No "offer to the public" (as such term is defined in the South African Companies Act, No. 71 of 2008 (as amended or re-enacted) (the "**South African Companies Act**")) in South Africa is being made in connection with the issue of the Equity Shares. Accordingly, this Placement Document does not, nor is it intended to, constitute a "registered prospectus" (as that term is defined in the South African Companies Act) prepared and registered under the South African Companies Act and has not been approved by, and/or filed with, the South African Companies and Intellectual Property Commission or any other regulatory authority in South Africa. Any issue or offering of the Equity Shares in South Africa constitutes an offer of the Equity Shares in South Africa for subscription or sale in South Africa only to persons who fall within the exemption from "offers to the public" set out in section 96(1)(a) of the South African Companies Act. Accordingly, this Placement Document must not be acted on or relied on by persons in South Africa who do not fall within section 96(1)(a) of the South African Companies Act (such persons being referred to as "**SA Relevant Persons**"). Any investment or investment activity to which this Placement Document relates is available in South Africa only to SA Relevant Persons and will be engaged in South Africa only with SA relevant persons.

Singapore

This Placement Document has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this prospectus and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of Equity Shares may not be circulated or distributed, nor may the Equity Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the Securities and Futures Act, Chapter 289 of Singapore (the "SFA"), (ii) to a relevant person pursuant to Section 275(1), or any person pursuant to Section 275(1A), and in accordance with the conditions specified in Section 275 of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Equity Shares are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

(a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
(b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor, securities (as defined in Section 239(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust

shall not be transferred within six months after that corporation or that trust has acquired the Equity Shares pursuant to an offer made under Section 275 of the SFA except:

i. to an institutional investor or to a relevant person defined in Section 275(2) of the SFA, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;
ii. where no consideration is or will be given for the transfer;
iii. where the transfer is by operation of law;
iv. as specified in Section 276(7) of the SFA; or
v. as specified in Regulation 32 of the Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2005 of Singapore.

Switzerland

The Equity Shares may not be publicly offered in Switzerland and will not be listed on the SIX Swiss Exchange ("**SIX**") or on any other stock exchange or regulated trading facility in Switzerland. This Placement Document does not constitute a prospectus within the meaning of, and has been prepared without regard to the disclosure standards for issuance prospectuses under art. 652a or art. 1156 of the Swiss Code of Obligations or the disclosure standards for listing prospectuses under art. 27 ff. of the SIX Listing Rules or the listing rules of any other stock exchange or regulated trading facility in Switzerland. Neither this document nor any other offering or marketing material relating to the Equity Shares or the offering may be publicly distributed or otherwise made publicly available in Switzerland.

Neither this Placement Document nor any other offering or marketing material relating to the offering, the Company, the Equity Shares have been or will be filed with or approved by any Swiss regulatory authority. In particular, this document will not be filed with, and the offer of Equity Shares will not be supervised by, the Swiss Financial Market Supervisory Authority and the offer of Equity Shares has not been and will not be authorized under the Swiss Federal Act on Collective Investment Schemes ("**CISA**"). The investor protection afforded to acquirers of interests in collective investment schemes under the CISA does not extend to acquirers of Equity Shares.

United Arab Emirates

The Equity Shares have not been, and are not being, publicly offered, sold, promoted or advertised in the United Arab Emirates (including the Dubai International Financial Centre) other than in compliance with the laws of the United Arab Emirates (and the Dubai International Financial Centre) governing the issue, offering and sale of securities. Further, this Placement Document does not constitute a public offer of securities in the United Arab Emirates (including the Dubai International Financial Centre) and is not intended to be a public offer. This Placement Document has not been approved by or filed with the Central Bank of the United Arab Emirates, the Securities and Commodities Authority or the Dubai Financial Services Authority.

United Kingdom

In the United Kingdom, this Placement Document is being distributed only to, and is directed only at, and any offer subsequently made may only be directed at persons who are "qualified investors" (as defined in the Prospectus Directive) (i) who have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "**Order**") and/or (ii) who are high net worth companies (or persons to whom it may otherwise be lawfully communicated) falling within Article 49(2)(a) to (d) of the Order (all such persons together being referred to as "relevant persons") or otherwise in circumstances which have not resulted and will not result in an offer to the public of the Equity Shares in the United Kingdom within the meaning of the Financial Services and Markets Act 2000. Any person in the United Kingdom that is not a relevant person should not act or rely on the information included in this Placement Document or use it as basis for taking any action. In the United Kingdom, any investment or investment activity that this Placement Document relates to may be made or taken exclusively by relevant persons.

United States

The Equity Shares offered in the Offer have not been and will not be registered under the Securities Act or any state securities laws in the United States, and unless so registered may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. Accordingly, such Equity Shares are being offered and sold (i) outside of the United States in offshore transactions in reliance on Regulation S under the Securities Act and the applicable laws of the jurisdiction where those offers and sales occur; and (ii) to "qualified institutional buyers" (as defined in Rule 144A under the Securities Act), pursuant to the private placement exemption set out in Section 4(a)(2) of the Securities Act.

Until 40 days after the commencement of the Issue, an offer or sale of the Equity Shares within the United States by a dealer (whether or not participating in the Issue) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with an exemption from registration under the Securities Act.

TRANSFER RESTRICTIONS

Due to the following restrictions, investors are advised to consult legal counsel prior to purchasing Equity Shares or making any resale, pledge or transfer of the Equity Shares.

Purchasers are not permitted to sell the Equity Shares Allotted pursuant to the Issue, for a period of one year from the date of Allotment, except on the BSE. Allotments made to Eligible FPIs in the Issue are subject to the rules and regulations that are applicable to them, including in relation to lock-in requirements. Additional transfer restrictions applicable to the Equity Shares are listed below.

United States Transfer Restrictions

The Equity Shares have not been and will not be registered under the Securities Act and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws.

Each purchaser of the Equity Shares outside the United States pursuant to Regulation S will be deemed to have represented and agreed that it has received a copy of this Placement Document and such other information as it deems necessary to make an informed investment decision and that:

1. the purchaser acknowledges that the Equity Shares have not been and will not be registered under the Securities Act, or with any securities regulatory authority of any state of the United States, and are subject to restrictions on transfer;

2. the purchaser and the person, if any, for whose account or benefit the purchaser is acquiring the Equity Shares, was located outside the United States at the time the buy order for the Equity Shares was originated and continues to be located outside the United States and has not purchased the Equity Shares for the account or benefit of any person in the United States or entered into any arrangement for the transfer of the Equity Shares or any economic interest therein to any person in the United States;

3. the purchaser is not an affiliate (as defined in Rule 405 of the Securities Act) of our Company or a person acting on behalf of such affiliate; and it is not in the business of buying and selling securities or, if it is in such business, it did not acquire the Equity Shares from our Company or an affiliate (as defined in Rule 405 of the Securities Act) thereof in the initial distribution of the Equity Shares;

4. the purchaser is aware of the restrictions on the offer and sale of the Equity Shares pursuant to Regulation S described in this Placement Document;

5. the Equity Shares have not been offered to it by means of any "directed selling efforts" as defined in Regulation S under the Securities Act; and

6. the purchaser acknowledges that our Company, the BRLMs and their respective affiliates (as defined in Rule 405 of the Securities Act), and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agrees that, if any of such acknowledgements, representations and agreements deemed to have been made by virtue of its purchase of the Equity Shares are no longer accurate, it will promptly notify our Company, and if it is acquiring any of the Equity Shares as a fiduciary or agent for one or more accounts, it represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of such account.

Each purchaser of the Equity Shares within the United States purchasing pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act will be deemed to have represented and agreed that it has received a copy of this Placement Document and such other information as it deems necessary to make an informed investment decision and that:

1. the purchaser is authorized to consummate the purchase of the Equity Shares in compliance with all applicable laws and regulations;

2. the purchaser acknowledges that the Equity Shares have not been and will not be registered under the Securities Act or with any securities regulatory authority of any state of the United States and are subject to significant restrictions on transfer;

3. the purchaser is a U.S. QIB and is aware that the sale to it is being made in a transaction not subject to the registration requirements of the Securities Act and is acquiring such Equity Shares for its own account or for the account of a qualified institutional buyer;

4. the purchaser is aware that the Equity Shares are being offered in the United States in a transaction not involving any public offering in the United States within the meaning of the Securities Act;

5. if in the future, the purchaser decides to offer, resell, pledge or otherwise transfer such Equity Shares, or any economic interest therein, such Equity Shares or any economic interest therein may be offered, sold, pledged or otherwise transferred only to a qualified institutional buyer in a transaction meeting the requirements of Rule 144A, in accordance with Regulation S under the Securities Act or in accordance with Rule 144 under the Securities Act (if available), in each case in accordance with any applicable securities laws of any state of the United States or any other jurisdiction;

6. the Equity Shares are "restricted securities" within the meaning of Rule 144(a)(3) under the Securities Act and no representation is made as to the availability of the exemption provided by Rule 144 for resales of any Equity Shares;

7. the purchaser will not deposit or cause to be deposited such Equity Shares into any depositary receipt facility established or maintained by a depositary bank other than a Rule 144A restricted depositary receipt facility, so long as such Equity Shares are "restricted securities" within the meaning of Rule 144(a)(3) under the Securities Act;

8. our Company shall not recognize any offer, sale, pledge or other transfer of the Equity Shares made other than in compliance with the above-stated restrictions;

9. the purchaser acknowledges that our Company, the BRLMs and their respective affiliates (as defined in Rule 405 of the Securities Act), and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agrees that, if any of such acknowledgements, representations and agreements deemed to have been made by virtue of its purchase of the Equity Shares are no longer accurate, it will promptly notify our Company, and if it is acquiring any of the Equity Shares as a fiduciary or agent for one or more accounts, it represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of such account; and

10. The Equity Shares may not be acquired by or transferred to (i) any person that is, or that is acting on behalf of or investing assets of, (A) an "employee benefit plan" (as defined in section 3(3) of ERISA) that is subject to the fiduciary responsibility provisions of Title I of ERISA, (B) a "plan" (as defined in Section 4975(e)(1) of the Internal Revenue Code) that is subject to Section 4975 of the Internal Revenue Code or (C) an entity whose underlying assets are deemed to include assets of an employee benefit plan or a plan described in (A) or (B) by reason of such employee benefit plan's or plan's investment in the entity (collectively, a "**Benefit Plan Investor**") or (ii) any person that is, or that is acting on behalf of or investing the assets of a governmental, church or non-U.S. plan that is subject to Similar Law, unless in each case such person's acquisition, holding and disposition of the Equity Shares will not constitute or result in a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Internal Revenue Code or a non-exempt violation of any Similar Law, in the case of a plan subject to Similar Law.

11. Each purchaser or transferee of Equity Shares or any interest therein that is using assets of a benefit plan investor subject to ERISA or to Section 4975 of the Code (a "benefit plan"), including any fiduciary purchasing Equity Shares on behalf of a benefit plan ("**Plan Fiduciary**"), will be deemed to have represented by its acquisition of the Equity Shares that:

    (a) none of the Company, the Book Running Lead Manager, agents, dealers and similar parties, or any of their respective affiliated entities (the "**Transaction Parties**"), has provided or will provide advice with respect to the acquisition of Equity Shares by the benefit plan, other than to the Plan Fiduciary which is independent of the Transaction Parties, and the Plan Fiduciary either: (a) is a bank as defined in Section

202 of the Investment Advisers Act of 1940 (the "**Advisers Act**"), or similar institution that is regulated and supervised and subject to periodic examination by a State or Federal agency; (b) is an insurance carrier which is qualified under the laws of more than one state to perform the services of managing, acquiring or disposing of assets of a benefit plan; (c) is an investment adviser registered under the Advisers Act, or, if not registered an as investment adviser under the Advisers Act by reason of paragraph (1) of Section 203A of the Advisers Act, is registered as an investment adviser under the laws of the state in which it maintains its principal office and place of business; (d) is a broker-dealer registered under the Securities Exchange Act of 1934, as amended; or (e) has, and at all times that the benefit plan is invested in Equity Shares will have, total assets of at least U.S. $50,000,000 under its management or control (provided that this clause (e) shall not be satisfied if the Plan Fiduciary is either (i) the owner or a relative of the owner of an investing individual retirement account or (ii) a participant or beneficiary of the benefit plan investing in Equity Shares in such capacity);

(b) the Plan Fiduciary is capable of evaluating investment risks independently, both in general and with respect to particular transactions and investment strategies, including the acquisition by the benefit plan of Equity Shares;

(c) the Plan Fiduciary is a "fiduciary" with respect to the benefit plan within the meaning of Section 3(21) of ERISA, Section 4975 of the Code, or both, and is responsible for exercising independent judgment in evaluating the benefit plan's acquisition of Equity Shares;

(d) none of the Transaction Parties has exercised any authority to cause the benefit plan to invest in Equity Shares or to negotiate the terms of the benefit plan's investment in Equity Shares; and

(e) the Plan Fiduciary has been informed by the Transaction Parties: (a) that none of the Transaction Parties is undertaking to provide impartial investment advice or to give advice in a fiduciary capacity, and that no such entity has given investment advice or otherwise made a recommendation, in connection with the benefit plan's acquisition of Equity Shares; and (b) of the existence and nature of the Transaction Parties financial interests in the benefit plan's acquisition of Equity Shares.

The above representations are intended to comply with the DOL's Reg. Sections 29 C.F.R. 2510.3-21(a) and (c)(1) as promulgated on April 8, 2016 (81 Fed. Reg. 20,997). If these regulations are revoked, repealed or no longer effective, these representations shall be deemed to be no longer in effect.

None of the Transaction Parties is undertaking to provide impartial investment advice, or to give advice in a fiduciary capacity, in connection with the acquisition of any Equity Shares by any benefit plan.

THE SECURITIES MARKET OF INDIA

The information in this section has been extracted from documents available on the website of SEBI and the Stock Exchange and has not been prepared or independently verified by our Company or the Book Running Lead Manager or any of their respective affiliates or advisors.

The Indian Securities Market

India has a long history of organised securities trading. In 1875, the first stock exchange was established in Mumbai. BSE and NSE are the significant stock exchanges in terms of the number of listed companies, market capitalisation and trading activity.

Indian Stock Exchanges

Indian stock exchanges are regulated primarily by SEBI, as well as by the Government acting through the Ministry of Finance, Capital Markets Division, under the Securities Contracts (Regulation) Act, 1956 (the "**SCRA**") and the Securities Contracts (Regulation) Rules, 1957 (the "**SCRR**"). On June 20, 2012, SEBI, in exercise of its powers under the SCRA and the Securities and Exchange Board of India Act, 1992, as amended from time to time (the "**SEBI Act**"), notified the Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2012 (the "**SCR (SECC) Rules**"), which regulate *inter alia* the recognition, ownership and internal governance of stock exchanges and clearing corporations in India together with providing for minimum capitalisation requirements for stock exchanges. The SCRA, the SCRR and the SCR (SECC) Rules along with various rules, bye-laws and regulations of the respective stock exchanges, regulate the recognition of stock exchanges, the qualifications for membership thereof and the manner, in which contracts are entered into, settled and enforced between members of the stock exchanges.

The SEBI Act empowers SEBI to regulate the Indian securities markets, including stock exchanges and intermediaries in the capital markets, promote and monitor self-regulatory organisations and prohibit fraudulent and unfair trade practices. Regulations and guidelines concerning minimum disclosure requirements by public companies, investor protection, insider trading, substantial acquisitions of shares and takeover of companies, buy-backs of securities, delisting of securities, employee stock option schemes, stockbrokers, merchant bankers, underwriters, mutual funds, FPIs, credit rating agencies and other capital market participants have been notified by the relevant regulatory authority.

With effect from April 1, 2003, the stock exchanges in India operate on a trading day plus two, or T+2, rolling settlement system. At the end of the T+2 period, obligations are settled with buyers of securities paying for and receiving securities, while sellers transfer and receive payment for securities. For example, trades executed on a Monday would typically be settled on a Wednesday. In order to contain the risk arising out of the transactions entered into by the members of various stock exchanges either on their own account or on behalf of their clients, the stock exchanges have designed risk management procedures, which include compulsory prescribed margins on the individual broker members, based on their outstanding exposure in the market, as well as stock-specific margins from the members.

Listing of Securities

The listing of securities on a recognised Indian stock exchange is regulated by the applicable Indian laws including the Companies Act, 2013, the SCRA, the SCRR, the SEBI Act and various guidelines and regulations issued by SEBI and the SEBI Listing Regulations. The SCRA empowers the governing body of each recognised stock exchange to among other things, suspend trading of or withdraw admission to dealings in a listed security for breach of or non-compliance with any conditions or breach of a company's obligations under the SEBI Listing Regulations or for any reason, subject to the issuer receiving prior written notice of the intent of the exchange and upon granting of a hearing in the matter. SEBI also has the power to amend the SEBI Listing Regulations and bye-laws of the stock exchanges in India, to overrule decision of the stock exchange's governing body and withdraw recognition of a recognised stock exchange.

Minimum Level of Public Shareholding

All listed companies are required to ensure a minimum public shareholding at 25%. Further, where the public shareholding in a listed company falls below 25% at any time, such company is required to bring the public shareholding to 25% within a maximum period of 12 months from the date of such fall. Consequently, a listed company may be delisted from the stock exchanges for not complying with the above-mentioned requirement. Our Company is in compliance with this minimum public shareholding requirement. Our Company is in compliance with this minimum public shareholding requirement. Pursuant to an amendment of the SCRR in June

2010, all listed companies (except public sector undertakings) were required to maintain a minimum public shareholding of 25%. However, pursuant to a subsequent amendment to the SCRR, a public company, including public sector undertakings, seeking to get a particular class or kind of securities listed shall offer and allot to the public (i) at least 25% of such class or kind of securities issued by the company, if the post issue capital is less than or equal to ₹ 160,00,000,000, (ii) at least such percentage of such class or kind of securities issued by the company equivalent to ₹ 4,000,000,000, if the post issue capital of the company is more than ₹ 16,000,000,000 but less than or equal to ₹ 40,000,000,000 or (iii) at least 10% of such class or kind of securities issued by the company, if the post issue capital of the company is above ₹ 40,000,000,000. In case of (ii) and (iii) above, the public shareholding is required to be increased to 25% within a period of three years from the date of listing of the securities.

Delisting
SEBI has notified the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 in relation to the voluntary and compulsory delisting of equity shares from the stock exchanges which were significantly modified in 2015. In addition, certain amendments to the SCRR have also been notified in relation to delisting.

Index-Based Market-Wide Circuit Breaker System
In order to restrict abnormal price volatility in any particular stock, SEBI has instructed stock exchanges to apply daily circuit breakers which do not allow transactions beyond a certain level of price volatility. The index based market-wide circuit breaker system (equity and equity derivatives) applies at three stages of the index movement, at 10%, 15% and 20%. These circuit breakers, when triggered, bring about a co-ordinated trading halt in all equity and equity derivative markets nationwide. The market-wide circuit breakers are triggered by movement of either the SENSEX of BSE or the S&P CNX NIFTY of NSE, whichever is breached earlier.

With effect from October 1, 2013, the stock exchanges, shall on a daily basis translate the 10%, 15% and 20% circuit breaker limits of market wide index variation based on the previous days' closing level of the index.

In addition to the market-wide index-based circuit breakers, there are currently in place individual scrip-wise price bands of up to 20% movements either up or down. However, no price bands are applicable on scrips on which derivative products are available or scrips included in indices on which derivative products are available.

The stock exchanges in India can also exercise the power to suspend trading during periods of market volatility. Margin requirements are imposed by stock exchanges that are required to be paid by the stockbrokers.

BSE
Established in 1875, BSE is the oldest stock exchange in India. On August 31, 1957, it became the first stock exchange in India to obtain permanent recognition from the Government under the SCRA. Pursuant to BSE (Corporatisation and Demutualisation) Scheme 2005 of the SEBI, with effect from August 19, 2005, BSE was incorporated and is now a company under the Companies Act, 2013.

NSE
NSE was established by financial institutions and banks to provide nationwide online, satellite-linked, screen-based trading facilities with market-makers and electronic clearing and settlement for securities including government securities, debentures, public sector bonds and units. NSE was recognised as a stock exchange under the SCRA in April 1993 and commenced operations in the wholesale debt market segment in June 1994. The capital market (equities) segment commenced operations in November 1994 and operations in the derivatives segment commenced in June 2000.

Internet-based Securities Trading and Services
Internet trading takes place through order routing systems, which route client orders to exchange trading systems for execution. Stockbrokers interested in providing this service are required to apply for permission to the relevant stock exchange and also have to comply with certain minimum conditions stipulated under applicable law. Internet trading is possible on both the "equities" and the "derivatives" segments of NSE and BSE.

Trading Hours
Trading on BSE occurs from Monday to Friday, between 9:15 a.m. and 3:30 p.m. IST (excluding the 15 minutes pre-open session from 9:00 a.m. to 9:15 a.m.). BSE and NSE are closed on public holidays. The recognised stock exchanges have been permitted to set their own trading hours (in the cash and derivatives segments) subject to the

condition that (i) the trading hours are between 9.00 a.m. and 5.00 p.m.; and (ii) the stock exchange has in place a risk management system and infrastructure commensurate to the trading hours.

Trading Procedure
In order to facilitate smooth transactions, BSE replaced its open outcry system with BSE On-line Trading (or "BOLT") facility in 1995. This totally automated screen based trading in securities was put into practice nationwide. This has enhanced transparency in dealings and has assisted considerably in smoothening settlement cycles and improving efficiency in back-office work.

NSE has introduced a fully automated trading system called National Exchange for Automated Trading (or "NEAT"), which operates on strict time/price priority besides enabling efficient trade. NEAT has provided depth in the market by enabling large number of members all over India to trade simultaneously, narrowing the spreads.

Takeover Regulations
Disclosure and mandatory bid obligations for listed Indian companies under Indian law are governed by the Takeover Regulations, which provides specific regulations in relation to substantial acquisition of shares and takeover. Once the equity shares of a company are listed on a stock exchange in India, the provisions of the Takeover Regulations will apply to any acquisition of the company's shares/voting rights/control. The Takeover Regulations prescribe certain thresholds or trigger points in the shareholding a person or entity has in the listed Indian company, which give rise to certain obligations on part of the acquirer. Acquisitions up to a certain threshold prescribed under the Takeover Regulations mandate specific disclosure requirements, while acquisitions crossing particular thresholds may result in the acquirer having to make an open offer of the shares of the target company. The Takeover Regulations also provides for the possibility of indirect acquisitions, imposing specific obligations on the acquirer in case of such indirect acquisition.

Insider Trading Regulations
The SEBI Insider Trading Regulations have been notified by SEBI to prohibit and penalise insider trading in India. An insider is, among other things, prohibited from dealing either on his own behalf or on behalf of any other person, in the securities of a listed company or a company proposed to be listed when in possession of unpublished price sensitive information.

The Insider Trading Regulations also provide disclosure obligations for promoters, employees and directors, with respect to their shareholding in our company, and the changes therein. An insider is, inter alia, prohibited from trading in securities of a listed or proposed to be listed company when in possession of unpublished price sensitive information and to provide access to any person including other insiders to the above referred unpublished price sensitive information except where such communication is for legitimate purposes, performance of duties or discharge of legal obligations. Unpublished price sensitive information shall include any information, relating to a company or its securities, directly or indirectly, that is not generally available which upon becoming generally available, is likely to materially affect the price of the securities.

Depositories
The Depositories Act provides a legal framework for the establishment of depositories to record ownership details and effect transfers in book-entry form. Further, SEBI framed regulations in relation to, among other things, the formation and registration of such depositories, the registration of participants as well as the rights and obligations of the depositories, participants, companies and beneficial owners. The depository system has significantly improved the operation of the Indian securities markets.

Derivatives (Futures and Options)
Trading in derivatives is governed by the SCRA, the SCRR and the SEBI Act. The SCRA was amended in February 2000 and derivatives contracts were included within the term "securities", as defined by the SCRA. Trading in derivatives in India takes place either on separate and independent derivatives exchanges or on a separate segment of an existing stock exchange. The derivatives exchange or derivatives segment of a stock exchange functions as a self-regulatory organisation under the supervision of the SEBI.

DESCRIPTION OF THE EQUITY SHARES

The following is information relating to the Equity Shares including a brief summary of the Memorandum and Articles of Association, the Companies Act, 2013. Prospective investors are urged to read the Memorandum and Articles of Association carefully, and consult with their advisers, as the Memorandum and Articles of Association and applicable Indian law, and not this summary, govern the rights attached to the Equity Shares.

General

The authorized share capital of our Company is ₹ 1,020,000,000, consisting of 81,500,000 Equity Shares of face value ₹ 10 each and 20,500,000 Preference Shares of face value ₹ 10 each. For further information, see "***Capital Structure***" on page 49.

Dividends

Under Indian law, a company pays dividends upon a recommendation by its board of directors and approval by a majority of the shareholders at the AGM held each fiscal year. Under the Companies Act, 2013 unless the board of directors of a company recommends the payment of a dividend, the shareholders at a general meeting have no power to declare any dividend. Subject to certain conditions laid down by Section 123 of the Companies Act, 2013 no dividend can be declared or paid by a company for any fiscal year except out of the profits of the company for that year, calculated in accordance with the provisions of the Companies Act, 2013 or out of the profits of the company for any previous fiscal year(s) arrived at as laid down by the Companies Act, 2013. According to the Articles of Association, the amount of dividends shall not exceed the amount recommended by the Board of Directors. However, our Company may declare a smaller dividend in the general meeting. In addition, as is permitted by the Articles of Association, the Board of Directors may from time to time pay to the members interim dividend, subject to the requirements of the Companies Act, 2013.

Dividends are generally declared as a percentage of par value (on per share basis) and distributed and paid to shareholders. The Companies Act, 2013 provides that shares of a company of the same class must receive equal dividend treatment. These distributions and payments are required to be deposited into a separate bank account within five days of the declaration of such dividend and paid to shareholders within 30 days of the AGM where the resolution for declaration of dividends is approved.

The Companies Act, 2013 states that any dividends that remain unpaid or unclaimed after that period is to be transferred to a special bank account. Any money that remains unclaimed for seven years from the date of the transfer is to be transferred by our Company to a fund, called the Investor Education and Protection Fund, created by the GoI. Under the Companies Act, 2013 final dividends payable can be paid only in cash or by cheque, or by warrant, or in any other electronic mode to the registered shareholder at a record date fixed prior to the relevant AGM, or to his order or to the order of his banker. The Equity Shares issued pursuant to this Placement Document shall rank *pari passu* with the existing Equity Shares in all respects including entitlements to any dividends that may be declared by our Company.

Bonus Shares

In addition to permitting dividends to be paid out of current or retained earnings as described above, the Companies Act, 2013 permits the board of directors, if so approved by the shareholders in a general meeting, to distribute an amount transferred in the free reserves, the securities premium account or the capital redemption reserve account to its shareholders, in the form of fully paid up bonus shares, which are similar to stock dividend. These bonus ordinary shares must be distributed to shareholders in proportion to the number of ordinary shares owned by them as recommended by our Board of Directors. No issue of bonus shares shall be made by capitalizing reserves created by revaluation of assets. Further, any issue of bonus shares would be subject to SEBI ICDR Regulations and the Companies Act, 2013.

As per the Articles of Association, subject to the provisions of the Companies Act, 2013, the Board of Directors of the Company may distribute by way of bonus amongst the staff of our Company a share or shares in the profits of our Company, and to give to any director, officer or other person employed by our Company a commission on the profits of any particular business or transaction and to charge such bonus or commission as a part of working expenses of our Company.

Share Capital

Subject to the provisions of the Companies Act, 2013 our Company may increase its share capital by issuing new shares on such terms and with such rights and privileges as it, by action of its shareholders in a general meeting

may determine. According to Section 62 of the Companies Act, 2013 such new shares shall be offered to existing shareholders in proportion to the amount paid up on those shares at that date. The offer shall be made by notice specifying the number of shares offered and the date (being not less than 15 days and not exceeding 30 days from the date of the offer) within which the offer, if not accepted, will be deemed to have been declined. After such date the Board may dispose of the shares offered in respect of which no acceptance has been received which shall not be disadvantageous to the shareholders of our Company. The offer is deemed to include a right exercisable by the person concerned to renounce the shares offered to him in favour of any other person.

Under the provisions of Section 62(1)(c) of the Companies Act, 2013, new shares may be offered to any persons whether or not those persons include existing shareholders, either for cash of for a consideration other than cash, if the price of such shares is determined by the valuation report of a registered valuer subject to such conditions as may be prescribed, if a special resolution to that effect is passed by our Company's shareholders in a general meeting.

General Meetings of shareholders

There are two types of general meetings of the shareholders:

(i) AGM; and

(ii) EGM.

Under the provisions of the Companies Act, 2013 a Company must hold its AGM within six months after the expiry of each fiscal year provided that not more than 15 months shall elapse between the AGM and next one, unless extended by the RoC at Company's request for any special reason for a period not exceeding three months. Every annual general meeting shall be called for at a time during business hours i.e. between 9:00 am and 6:00 pm on any day that is not a national holiday and shall be held either at the registered office of our Company or at some other place within the city or town or village in which the registered office of our Company is situated. The Board of Directors may convene an EGM when necessary or at the request of a shareholder or shareholders holding in the aggregate not less than one tenth of our Company's issued paid up capital (carrying a right to vote in respect of the relevant matter on the date of receipt of the requisition).

Notices, either in writing or through electronic mode, convening a meeting setting out the date, day, hour, place and agenda of the meeting must be given to members at least 21 clear days prior to the date of the proposed meeting. A general meeting may be called after giving shorter notice if consent is received, in writing or electronic mode, from not less than 95% of the shareholders entitled to vote. Unless, the Articles of Association provide for a larger number, (i) five shareholders present in person, if the number of shareholders as on the date of meeting is not more than 1,000; (ii) 15 shareholders present in person, if the number of shareholders as on the date of the meeting is more than 1,000 but up to 5,000; and (iii) 30 shareholders present in person, if the number of shareholders as on the date of meeting exceeds 5,000, shall constitute a quorum for a general meeting of our Company, whether AGM or EGM. The quorum requirements applicable to shareholder meetings under the Companies Act, 2013 have to be physically complied with.

A company intending to pass a resolution relating to matters such as, but not limited to, amendment in the objects clause of the Memorandum, the issuing of shares with different voting or dividend rights, a variation of the rights attached to a class of shares or debentures or other securities, buy-back of shares, giving loans or extending guarantees in excess of limits prescribed, is required to obtain the resolution passed by means of a postal ballot instead of transacting the business in our Company's general meeting. A notice to all the shareholders shall be sent along with a draft resolution explaining the reasons therefore and requesting them to send their assent or dissent in writing on a postal ballot within a period of 30 days from the date of posting the letter. Postal ballot includes voting by electronic mode.

Voting Rights

Subject to any rights or restrictions for the time being attached to any class or classes of shares on a show of hands, every member present in person shall have one vote; and on a poll, the voting rights of members shall be in proportion to his share in the paid-up equity share capital of our Company.

Section 110 of the Companies Act, 2013 read with Companies (Management and Administration) Rules, 2014, prescribe that in respect of certain items of business to be transacted by certain specified companies, the approval of members is required to be sought only by means of a postal ballot.

Ordinary resolutions may be passed by simple majority of those present and voting and those voting electronically. Special resolutions require that the votes cast in favour of the resolution must be at least three times the votes cast against the resolution.

A member may exercise his vote at a meeting by electronic means in accordance with Section 108 and shall vote only once. The instrument appointing a proxy and the power-of-attorney or other authority, if any, under which it is signed or a notarised copy of that power or authority, shall be deposited at the registered office of our Company not later than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, or, in the case of a poll, not later than 24 hours before the time appointed for the taking of the poll; and in default the instrument of proxy shall not be treated as valid. An instrument appointing a proxy shall be in the form as prescribed in the rules made under Section 105 of the Companies Act, 2013. No instrument appointing a proxy shall be valid after the expiration of twelve months from the date of its execution.

Transfer of shares

Shares held through depositories are transferred in the form of book entries or in electronic form in accordance with the regulations laid down by SEBI. These regulations provide the regime for the functioning of the depositories and the participants and set out the manner in which the records are to be kept and maintained and the safeguards to be followed in the system. Transfers of beneficial ownership of shares held through a depository are exempt from stamp duty. Our Company has entered into an agreement for such depository services with the NSDL and CDSL. SEBI requires that the shares for trading and settlement purposes be in book-entry form for all investors, except for transactions that are not made on a stock exchange and transactions that are not required to be reported to the stock exchange. The record of the transfers/ transmission of shares of our Company is kept by the Share Transfer Agents.

Pursuant to the SEBI Listing Regulations, in the event our Company has not effected the transfer of shares within 15 days or where our Company has failed to communicate to the transferee any valid objection to the transfer within the stipulated time period of 15 days, it is required to compensate the aggrieved party for the opportunity loss caused during the period of the delay. However, during the intervening period on account of delay in transfer above, our Company shall provide all benefits, which have accrued, to the holder of securities in terms of provisions of Section 126 of Companies Act, 2013, and Section 27 of the SCRA. The Equity Shares shall be freely transferable, subject to applicable laws.

Buy-back

Our Company may buy back its own Equity Shares or other specified securities subject to the provisions of the Companies Act, 2013 and any related SEBI guidelines issued in connection therewith.

Liquidation Rights

Under the provisions of the Companies Act, 2013, if a Company is wound-up, whether voluntarily or otherwise, the liquidators may, with the sanction of a special resolution but subject to the rights attached to any preference share capital, divide amongst the contributories, *in specie* or in kind, the whole or any part of the assets of our Company and may, with the same sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories as the liquidator, with the like sanction shall think fit, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability.

STATEMENT OF TAX BENEFITS

STATEMENT OF POSSIBLE TAX BENEFITS AVAILBLE TO THE COMPANY AND ITS SHAREHOLDERS UNDER THE APPLICABLE LAWS IN INDIA

To,
The Board of Directors,
5-A, Maker Bhavan II
18 Sir Vithaldas Thackersey Marg
New Marine Lines, Churchgate
Mumbai - 400 020

Dear Sirs,

Subject: Certification on Statement of possible special tax benefits ("the Statement") available to Chokhani Securities Limited ('the Company') and its Shareholders in connection with Qualified Institutional Placement by the Company of its equity shares under Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2009, as amended ("the Regulations")

We, Mehrotra Seth & Associates, Chartered Accountants, have been requested by the Management of the Company to certify the Statement of possible special tax benefits to the Company and its Shareholders under the provisions of the Income Tax Act, 1961 ("the Act") and Income Tax Rules, 1962 including amendments made by the Finance Act 2018 (together "the Tax Laws"), presently in force in India as of date in connection with the proposed issue of Equity shares of the Company to Qualified Institutional Buyers.

We hereby report that the enclosed Statement prepared by the Company, initialed by us and the Company for identification purpose, states the possible special tax benefits available to the Company and to its shareholders under the Tax Laws, presently in force in India as on the date of the signing. These possible special tax benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the Tax Laws. Hence, the ability of the Company or its shareholders to derive these possible special tax benefits is dependent upon their fulfilling such conditions, which is based on business imperatives the Company may face in the future and accordingly, the Company or its shareholders may or may not choose to fulfill.

The special benefits discussed in the enclosed Statement cover the possible special tax benefits available to the Company and its shareholders. Further, the preparation of the enclosed Statement and its contents is the responsibility of the Management of the Company. We were informed that the Statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the proposed issue of equity shares of the Company to Qualified Institutional Buyers (the "Proposed Offer") particularly in view of the fact that certain recently enacted legislation may not have a direct legal precedent or may have a different interpretation on the possible special tax benefits, which an investor can avail. Neither we are suggesting nor advising the investors to invest money based on the Statement.

We do not express any opinion or provide any assurance as to whether:
(i) the Company or its shareholders will continue to obtain these possible special tax benefits in future; or
(ii) the conditions prescribed for availing the possible special tax benefits where applicable, have been/would be met with.

The contents of this Statement are based on the information, explanation and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company.

Our views expressed herein are based on the facts and assumptions indicated to us. No assurance is given that the revenue authorities/ courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to change from time to time. We do not assume responsibility to update the views consequent to such changes. We shall not be liable to the Company for any claims, liabilities or expenses relating to this assignment except to the extent of fees relating to this assignment, as finally judicially determined to have resulted primarily from bad faith or intentional misconduct. We will not be liable to any other person in respect of this Statement.

We hereby give consent to include this Statement in the Preliminary Placement Document and Placement Document in connection with the Proposed Offer, and is not to be used, referred to or distributed for any other purpose without our prior written consent.

For Mehrotra Seth & Associates
Chartered Accountants
FRN: 008315N

Sd/-
CA Dilip Kumar Singh
Partner
M.No. 523877

Place: New Delhi
Date: May 28, 2018

ANNEXURE

Annexure to the Statement of Possible Special Tax Benefits available to the Company and its Shareholder under the Income Tax Act, 1961 ('the Act') and other Direct Tax Laws presently in force in India:

Outlined below are the Possible Special Tax Benefits available to the Company and its shareholders under the direct tax laws in force in India (i.e. applicable for the Financial Year 2017-18 relevant to the assessment year 2018-19). These Possible Special Tax Benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant tax laws. Hence, the ability of the Company or its shareholders to derive the Possible Special Tax Benefits is dependent upon fulfilling such conditions, which are based on business imperatives it faces in the future, it may or may not choose to fulfill.

I. Possible Special Tax Benefits available to the Company

There are no Possible Special Tax Benefits available to the Company.

II. Possible Special Tax Benefits available to the Shareholders

There are no Possible Special Tax Benefits available to the shareholders for investing in the shares of the Company.

Notes:

- The above Statement of Possible Special Tax Benefits sets out the provisions of law in a summary manner only and is not a complete analysis or listing fall potential tax consequences of the purchase, ownership and disposal of equity shares;
- The above Statement of Possible Special Tax Benefits sets out the Possible Special Tax Benefits available to the Company and its shareholders under the current tax laws presently in force in India;
- This Statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences, the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the issue; and
- In respect of non-residents, the tax rates and the consequent taxation mentioned above shall be further subject to any benefits available under the Double Taxation Avoidance Agreement, if any, between India and the country in which the non-resident has fiscal domicile.

The above stated Possible Special Tax Benefits will be available only to the sole/first named holder in case the shares are held by joint share-holders.

For Mehrotra Seth & Associates
Chartered Accountants
FRN: 008315N

Sd/-
CA Dilip Kumar Singh
Partner
M.No. 523877

Place: New Delhi
Date: May 28, 2018

LEGAL PROCEEDINGS

Our Company believes that the number of proceedings and disputes in which our Company is involved is not unusual for a company of its size in the context of doing business in India. Our Company, from time to time, is involved in various legal proceedings in the ordinary course of business. For the purposes of this section of this Placement Document, it was decided that litigation involving more than 2% of the total revenue of the Company for the Fiscal 2017 i.e., ₹4,68,639/- shall be considered material for the purposes of disclosure in this Placement Document. Further, other material legal proceedings, which may have a material adverse effect on our business, properties, financial condition or operations are also being considered material for the purpose of disclosure in this Placement Document.

Except as described below, our Company is not involved in any legal proceeding and is not aware of any proceeding that is threatened, which if determined adversely, may have a material adverse effect on the business, properties, financial condition or results of operations of our Company. Other than as disclosed in this section (i) no other litigation has been treated as material in the opinion of the Board of Directors which may have, or have had, a material adverse effect on the business, financial condition, cash flows or operations of our Company; (ii) there are no litigation or legal action pending or taken by any Ministry or Department of the Government or a statutory authority against our Promoters during the last three years; (iii) there are no inquiries, inspections or investigations initiated or conducted under the Companies Act, 2013 or the Companies Act, 1956 in the last three years involving our Company. Further, our Company (i) has no outstanding defaults in relation to statutory dues payable, dues payable to holders of any debentures and interest thereon, and in respect of deposits and interest thereon, defaults in repayment of loans from any bank or financial institution and interest thereon; and (ii) has not faced any material frauds in the last three years preceding the date of this Placement Document.

It is clarified that for the purposes of the above, pre-litigation notices received by our Company, Directors or the Promoters shall, unless otherwise decided by our Board of Directors, not be considered as litigation until such time that our Company, or Directors or Promoters, as the case may be, is impleaded as a defendant in litigation proceedings before any judicial forum.

There are no pending civil, criminal or taxation related litigations by or against our Company.

Details of default, if any, including therein the amount involved, duration of default and present status, in repayment of statutory dues; debentures and interests thereon; deposits and interest thereon; and loan from any bank or financial institution and interest thereon.
There are no outstanding defaults in undisputed statutory payments, repayment of debentures and interest thereon, repayment of deposits and interest thereon and repayment of loan from any bank or financial institution and interest thereon, in relation to last three Financial Years.

Details of inquiries, inspection or investigation under the Companies Act, 2013 against our Company in the last three years along with section wise details of prosecutions filed (whether pending or not), fines imposed or compounding of offences against our Company in the last three years or any previous law.
There has been no inquiry, inspection or investigation initiated or conducted under the Companies Act, 2013 or any previous law in the last three years immediately preceding the date of this Placement Document against our Company.

Further, there have been no prosecutions filed, fines imposed or compounding of offences in the last three years immediately preceding the date of this Placement Document involving our Company.

Details of litigation or legal action pending or taken by any ministry or government department or statutory authority against our Promoter during the last three years and any direction issued by any such ministry or department or statutory authority upon conclusion of such litigation or legal action, as on date of this Placement Document.
Nil

Details of acts of material frauds committed against our Company in the last three years, if any, and if so, the action taken by our Company.
Nil

Details of material proceedings which may have a material adverse effect on our business, properties, financial condition or operations of the Company
Nil

Summary of reservations, qualifications or adverse remarks of auditors in the last five Fiscals immediately preceding the year of circulation of this Placement Document and of their impact on the financial statements and financial position of our Company and the corrective steps taken and proposed to be taken by our Company for each of the said reservations or qualifications or adverse remarks.
Nil

Other confirmations
Neither our Company, nor any of our Promoters or Directors have been identified as wilful defaulters, as defined in the SEBI ICDR Regulations.

STATUTORY AUDITORS

Our Company's Indian GAAP Audited Financial Statements have been included in this Placement Document.

B M Gattani & Co., Chartered Accountants, had audited the financial statements of the Company for the Fiscal 2018 prepared in accordance with Indian GAAP, and the Companies Act, 1956 (to the extent applicable) and the Companies Act, 2013. P C Ghadiali & Co. LLP, Chartered Accountants, have audited the financial statements for the Fiscal 2017 and 2016 prepared in accordance with Indian GAAP, and the Companies Act, 1956 (to the extent applicable) and the Companies Act, 2013.

Further, members of our Company, in their Annual General Meeting held on July 03, 2018, has approved the appointment of M/s Deloitte Haskins & Sells LLP, Chartered Accountants (Firm Registration No.: 117366W/W-100018) as the Statutory Auditors of the Company in place of the previous Auditors, M/s B M Gattani & Co., Chartered Accountants (Firm Registration No.: 113536W).

GENERAL INFORMATION

- Our Company was incorporated as a Chokhani Securities Private Limited under the Companies Act, 1956 on February 10, 1993 with the Registrar of Companies, Maharashtra, Mumbai. Our Company was subsequently converted to a public limited company pursuant to the fresh Certificate of Incorporation issued by the ROC on July 26, 1994. The CIN of our Company is L67120MH1993PLC070739.
- The Registered Office of our Company is 5-A, Maker Bhavan II, 18 Sir Vithaldas Thackersey Marg, New Marine Lines, Churchgate, Mumbai - 400 020
- The authorized share capital of our Company is ₹ 64,00,00,000, consisting of 5,00,00,000 Equity Shares of face value ₹ 10 each and 1,40,00,000 Preference Shares of face value ₹ 10 each. For further information, see "Capital Structure" on page 49.
- Our Company has received in-principle approvals to list the Equity Shares to be issued pursuant to the Issue from BSE vide their letter no. DCS/QIP/HM/IP/372/2018-19 dated May 29, 2018 under Regulation 28 of the SEBI Listing Regulations.
- There has been no significant change in the financial or trading position of our Company since March 31, 2018, the date of the report of the Indian GAAP audited Finance Statements for the Fiscal 2018 included in this Placement Document, except as disclosed herein.
- The Indian GAAP Audited Financial Statements included herein have been prepared in accordance with Indian GAAP, as applicable to companies in India. Unless the context otherwise requires, all financial data in this Placement Document are derived from our Financial Statements. Indian GAAP differs in certain significant respects from IFRS and U.S. GAAP.
- The Issue was authorised and approved by our Board on December 29, 2017 and approved by the shareholders by way of the postal ballot on May 07, 2018. Our Company has been authorised to raise funds up to ₹ 2,500 million by way of issue of securities including the Equity Shares and convertible securities.
- Except as disclosed in this Placement Document, there are no litigation or arbitration proceedings against or affecting us, or our assets, business or revenues, nor are we aware of any pending or threatened litigation or arbitration proceedings, which are or might be material in the context of this Issue. For further details, please see section titled "Legal Proceedings" on page 120.
- Copies of the Memorandum and Articles of Association of our Company will be available for inspection between 11.00 A.M. to 1.00 P.M. on any weekday (except Saturdays, Sundays and public holidays) during the Bid/Issue Period at our Registered Office.
- The Floor Price for the Equity Shares under the Issue is ₹ 145.46 per Equity Share which has been calculated in accordance with Chapter VIII of the SEBI ICDR Regulations. Our Company may offer a discount of not more than 5% on the Floor Price in terms of Regulation 85 of the SEBI ICDR Regulations.
- Details of the Company Secretary and Compliance Officer:
  Sweta Kumar
  5-A, Maker Bhavan II, 18 Sir Vithaldas Thackersey Marg
  New Marine Lines, Churchgate, Mumbai - 400 020
  Tel.: +91 22 2200 0772
  E-mail: sweta18sep@gmail.com
- Our Company has obtained all consents, approvals and authorizations required in connection with the Issue.
- Our Company and the Book Running Lead Manager accept no responsibility for statements made otherwise than in this Placement Document and anyone placing reliance on any other source of information, including our website, would be doing it at his or her own risk.

FINANCIAL STATEMENTS

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INDEPENDENT AUDITORS' REPORT

To the Members of CHOKHANI SECURITIES LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of **CHOKHANI SECURITIES LIMITED**, ("the Company"), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting principles generally accepted in India, including the Accounting Standards notified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under and the order under section 143(11) of the Act. We conducted our audit in accordance with the Standards on Auditing specified under section 143 (10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2018, and its **profit** and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of section 143(11) of the Act, we give in "**Annexure A**" a statement on the matters specified in paragraph 3 and 4 of the Order.
2. As required by section 143(3) and of the Act, we report that:-
   a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
   b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
   c. The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
   d. In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
   e. On the basis of written representations received from the directors as on March 31, 2018, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018, from being appointed as a director in terms Section 164 (2) of the Act.
   f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "**Annexure B**".
   g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us;
      i. The Company does not have any pending litigations which would impact its financial position;
      ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
      iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company & maintained by the company.

Sd/-
Balmukund N Gattani
Proprietor
Membership Number: 047066

For and on behalf of
B.M. GATTANI & CO.
Chartered Accountants
Firm No. 0113536W

Place :Mumbai
Date: May 29, 2018

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

[Referred to in paragraph 1 under "Report on other Legal and Regulatory Requirements" section of our Independent Auditors Report to the Members of CHOKHANI SECURITIES LIMITED for the year ended March 31, 2018]

On the basis of such checks as we considered appropriate and according to the information and explanations given to us during the course of our audit, we report that:

1. The Company does not have any fixed assets. Therefore, the said clause is not applicable to the Company.
2. The Company is in the business of Shares & Securities trading. The Physical verification of inventory has been conducted at reasonable intervals by the management during the year and on comparison of the same with book records, Demat Accounts/ Mutual Fund Statements, no material discrepancies were found.
3. The company has not granted any loans, secured or unsecured, to companies, firms, limited liability partnerships or other parties covered in the register maintained u/s 189 of the Companies Act, 2013, therefore the provisions of this clause are not applicable to the Company.
4. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sec. 185 and 186 of the Act in respect of loans, making investments and providing guarantees and securities, as applicable.
5. The Company has not accepted any deposits from the public attracting the directives issued by the Reserve Bank of India and the provisions of Section 73 to 76 of the Companies Act, 2013 and the rules framed there under. Therefore, the provisions of Clause 3(v) of the Companies (Auditor's Report) Order, 2016 are not applicable to the Company.
6. The Company is not required to maintain cost records under sub-section (1) of Section 148 of the Companies Act, 2013 as the company's business activities are not covered by the Companies (Cost Records and Audit) Rules, 2014.
7. According to the information and explanations given to us, in respect of statutory dues:
   a. The Company is generally regular in depositing undisputed statutory dues in respect of Service Tax, Tax Deducted on Source, Income Tax and other material statutory dues. There are no undisputed statutory dues payable in respect of Service Tax, Tax Deducted on Source, Income Tax and other material statutory dues.
   b. There are no dues of Professional Tax, Service Tax, Tax Deducted on Source, and other statutory dues applicable to it, which have not been deposited on Account of any dispute. The particulars of dues of Income Tax as at 31.03.2018 which have not been deposited on account of dispute are as follows for which rectification is pending with concerned authorities :

Name of the Statute	Nature of the Dues	Dues Amount (Rs.)	Financial Year	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	37,41,900	2008-09	Assessing Officer
Income Tax Act, 1961	Income Tax	274130	2011-12	Assessing Officer/CPC

8. According to the records of the company examined by us and the information and explanation given to us, the company has not defaulted in repayment of loans and borrowings from a bank or government. Company has not borrowed from a financial institution nor have they issued any debentures.
9. No moneys have been raised by public offer and hence point (ix) of Companies (Auditor's Report) Order, 2016 is not applicable.
10. During the course of our examination of the books and records of the company, carried in accordance with the auditing standards generally accepted in India, we have neither come across any instance of fraud by the Company or any fraud on the company by its officers or employees has been noticed or reported during the year nor have we been informed of any such instance by the Management.
11. The Managerial Remuneration has been paid in accordance with requisite approvals mandated by the provisions of the section 197 read with Schedule V to the Companies Act, 2013.
12. This company is not a Nidhi Company and hence point (xii) of Companies (Auditor's Report) Order, 2016 is not applicable.
13. As per the information and explanations given to us, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review, hence the provisions of said clause are not applicable.
14. The company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of section 192 of Companies Act, 2013 are not applicable.
15. The company is registered and holding a Certificate of Registration (COR) under Section 45-IA of the Reserve Bank of India Act, 1934

Sd/-
Balmukund N Gattani
Proprietor
Membership Number: 047066

For and on behalf of
B.M. GATTANI & CO.
Chartered Accountants
Firm No. 0113536W

Place :Mumbai
Date: May 29, 2018

ANNEXURE "B" TO THE INDEPENDENT AUDITORS' REPORT

[The Annexure referred to in paragraph 2(f) under "Report on other Legal and Regulatory Requirements" section of our Independent Auditors Report to the Members of CHOKHANI SECURITIES LIMITED for the year ended March 31, 2018]

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **CHOKHANI SECURITIES LIMITED** ("the Company") as of and for the year ended 31 March 2018.

Management's Responsibility for Internal Financial Controls

The Respective Board of Directors of the Company are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") issued by ICAI and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

Sd/-
Balmukund N Gattani
Proprietor
Membership Number: 047066

For and on behalf of
B.M. GATTANI & CO.
Chartered Accountants
Firm No. 0113536W

Place : Mumbai
Date: May 29, 2018

Balance Sheet as at March 31, 2018

Particulars		Note No.	As at 31 March, 2018	As at 31 March, 2017
			₹	₹
A	**EQUITY AND LIABILITIES**			
1	**Shareholders' funds**			
	(a) Share capital	2	46,985,000	46,985,000
	(b) Reserves and surplus	3	323,363,148	293,569,911
			370,348,148	340,554,911
2	**Current liabilities**			
	(a) Short-term provisions	4	4,997	1,720,291
	(b) Trade Payables	5	59,000	103,500
	(c) Other Current Liabilities	6	10,000	25,100
			73,997	1,848,891
	TOTAL		**370,422,145**	**342,403,802**
B	**ASSETS**			
1	**Non-current assets**			
	(a) Non-current investments	7	334,344,949	257,921,468
			334,344,949	257,921,468
2	**Current assets**			
	(a) Inventories	8	26,722,000	76,333,220
	(b) Cash and cash equivalents	9	87,007	28,171
	(c) Short-term loans and advances	10	1,124,524	1,080,000
	(d) Other current assets	11	8,143,665	7,040,943
			36,077,196	84,482,334
	TOTAL		**370,422,145**	**342,403,802**
See accompanying notes forming part of the financial statements		1 to 22		

As per our Report attached of even date

Sd/-
Balmukund N Gattani
Proprietor
Membership Number: 047066

For and on behalf of
B. M. Gattani & Co.
Chartered Accountants
Firm No. 0113536W

Place: Mumbai
Date: May 29, 2018

For & on behalf of Board of Directors

Sd/-
Ramakant Chokhani
Director
DIN: 00613176

Sd/-
Jyoti A. Jain
Director
DIN: 00613331

Sd/-
Sunil S. Sharma
Chief Executive Officer

Sd/-
Manish C Parekh
Chief Finance Officer

Sd/-
Sweta Kumar
Company Secretary

Place: Mumbai
Date: May 29, 2018

Statement of Profit and Loss for the year ended March 31, 2018

	Particulars	Note No.	For the year ended 31 March, 2018	For the year ended 31 March, 2017
			₹	₹
A	**CONTINUING OPERATIONS**			
1	Revenue from operations	12	5,752,880	1,371,088
2	Other income	13	29,402,693	22,060,867
3	**Total revenues (1+2)**		**35,155,573**	**23,431,955**
4	**Expenses**			
	(a) Employee benefits expense	14	1,129,995	1,482,746
	(b) Other expenses	15	1,780,246	1,778,502
	Total expenses		**2,910,241**	**3,261,248**
5	**Profit before exceptional and extraordinary items and tax (3 - 4)**		32,245,332	20,170,707
6	**Tax expense:**			
	(a) Tax expense for current year		2,470,000	445,000
	(b) (Less): MAT credit (where applicable)		-	-
	(c) Current tax expense relating to prior years		(17,905)	-
	(d) Net current tax expense		2,452,095	445,000
	(e) Deferred tax		-	-
			2,452,095	445,000
7	**Profit from continuing operations (5 ± 6)**		**29,793,237**	**19,725,707**
	See accompanying notes forming part of the financial statements	1 to 22		

In terms of our report attached.

Sd/-
Balmukund N Gattani
Proprietor
Membership Number: 047066

For and on behalf of
B. M. Gattani & Co.
Chartered Accountants
Firm No. 0113536W

Place: Mumbai
Date: May 29, 2018

For & on behalf of Board of Directors

Sd/-
Ramakant Chokhani
Director
DIN: 00613176

Sd/-
Jyoti A. Jain
Director
DIN: 00613331

Sd/-
Sunil S. Sharma
Chief Executive Officer

Sd/-
Manish C Parekh
Chief Finance Officer

Sd/-
Sweta Kumar
Company Secretary

Place: Mumbai
Date: May 29, 2018

Cash Flow Statement for the year ended 31 March, 2018

Particulars	For the year ended 31 March, 2018	For the year ended 31 March, 2017
	₹	₹
A. Cash flow from operating activities		
Net Profit before extraordinary items and tax	32,245,332	20,170,707
Adjustments for:		
Net (gain) / loss on sale of investments:		
Short Term Capital Gain on Sale of Units of Mutual Funds	743,752	1,255,653
Short Term Capital Gain on Shares & Security	1,558,322	221,946
Long Term Capital Gain on Shares & Security	4,980,582	1,314,153
Long Term Gain on Sale of Units of Mutual Funds	1,736,975	1,544,700
Interest from Tax Free Bonds	18,460,189	17,724,415
Dividend Income	1,922,873	-
Operating profit / (loss) before working capital changes	2,842,639	(1,890,160)
Changes in working capital:		
Adjustments for (increase) / decrease in operating assets:		
Inventories	49,611,220	(39,861,207)
Short-term loans and advances	(44,524)	(580,001)
Other current assets	-1,102,722	644,268
Adjustments for increase / (decrease) in operating liabilities:		
Short Term Provisions	(1,715,294)	(263,121)
Trade payables	(44,500)	35,100
Other Current Liabilities	(15,100)	24,750
	46,689,080	(40,000,211)
Cash flow from extraordinary items	-	-
Cash generated from operations	49,531,719	(41,890,371)
Net income tax (paid) / refunds	(2,452,095)	(445,000)
Net cash flow from / (used in) operating activities (A)	47,079,624	(42,335,371)
B. Cash flow from investing activities		
Income From Tax free bonds	18,460,189	17,724,412
(Purchase)/ Sale of Mutual Funds	(73,895,366)	(5,421,979)
(Purchase)/ Sale of Shares/ Debentures	6,491,516	(2,675,682)
Net cash flow from / (used in) investing activities (B)	(48,943,661)	9,626,751
C. Cash flow from financing activities		
Proceeds from issue of equity shares		
Dividend Income	1,922,873	-
Net cash flow from / (used in) Financing activities (B)	**1922873**	**-**
Net cash flow from / (used in) financing activities (C)		
Net increase / (decrease) in Cash and cash equivalents (A+B+C)	58,836	(32,708,620)
Cash and cash equivalents at the beginning of the year	28,171	32,736,790
Effect of exchange differences on restatement of foreign currency Cash and cash equivalents		
Cash and cash equivalents at the end of the year	87,007	28,171
Reconciliation of Cash and cash equivalents with the Balance Sheet:		
Cash and cash equivalents as per Balance Sheet (Refer Note 19)		
Less: Bank balances not considered as Cash and cash equivalents as defined in AS 3 *Cash Flow Statements* (give details)		
Net Cash and cash equivalents (as defined in AS 3 *Cash Flow Statements*) included in Note 19	87,007	28,171
Add: Current investments considered as part of Cash and cash equivalents (as defined in AS 3 *Cash Flow Statements*) (Refer Note (ii) to Note 16 Current investments)		
Cash and cash equivalents at the end of the year	87,007	28,171
Comprises:		
(a) Cash on hand	5,260	630
(b) Balances with banks		
(i) In current accounts	81,747	27,541
	87,007	28,171

Notes:
(i) The Cash Flow Statement reflects the combined cash flows pertaining to continuing and discounting operations.
(ii) These earmarked account balances with banks can be utilised only for the specific identified purposes.
See accompanying notes forming part of the financial statements

In terms of our report attached.

Sd/-
Balmukund N Gattani
Proprietor
Membership Number: 047066

For and on behalf of
B. M. Gattani & Co.
Chartered Accountants
Firm No. 0113536W

Place: Mumbai
Date: May 29, 2018

For & on behalf of Board of Directors

Sd/-
Ramakant Chokhani
Director
DIN: 00613176

Sd/-
Jyoti A. Jain
Director
DIN: 00613331

Sd/-
Sunil S. Sharma
Chief Executive Officer

Sd/-
Manish C Parekh
Chief Finance Officer

Sd/-
Sweta Kumar
Company Secretary

Place: Mumbai
Date: May 29, 2018

Notes forming part of the financial statements for the year ended March 31, 2018

Note 1

1. SIGNIFICANT ACCOUNTING POLICIES:

A. Basis Of Preparation Of Financial Statements

These financial statements have been prepared to comply with the Generally Accepted Accounting Principles in India (Indian GAAP), including the Accounting Standards notified under the relevant provisions of the Companies Act, 2013. The financial statements are prepared on accrual basis under the historical cost convention.

B. Use Of Estimates

The preparation of financial statements in conformity with Indian GAAP requires judgements, estimates and assumptions to be made that affect the reported amount of assets and liabilities, disclosure of contingent liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognised in the period in which the results are known/materialised.

C. Fixed Assets:

Company has no Fixed Assets.

D. Depreciation:

As the Company do not have any Fixed Assets, the question of depreciation does not arise.

E. Investments

There are no current investments in the current financial year. Non Current investments are stated at cost.

F. Taxation:

Income Tax expense comprises of current tax and deferred tax, charge or credit. The deferred charge or credit is recognized using current tax rates. Where there is unabsorbed or carry forward depreciation, deferred tax assets are recognized only if there is virtual certainty of realisation of such assets. Other deferred tax assets are recognised only to the extent there is reasonable certainty of realisation in future. Deferred tax assets/ liabilities are reviewed as at each Balance Sheet date based on developments during the year and available case laws to reassess realization/liabilities.

G. Inventories:

Stocks of shares and securities have been valued at cost or market value whichever is lower.

H. Income:

Interest on Loans and Other financial instruments are accounted for on accrual basis.

Recognition of Expenditure:

Revenue Expenditure is accounted for on accrual basis.

I. Provisions, Contingent Liabilities And Contingent Assets

Provision is recognized in the accounts when there is a present obligation as a result of past event(s) and it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate can be made. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

Contingent liabilities are disclosed unless the possibility of outflow of resources is remote.

Contingent assets are neither recognised nor disclosed in the financial statements.

As Per our Report attached of even date

Sd/-
Balmukund N Gattani
Proprietor
Membership Number: 047066

For and on behalf of
B. M. Gattani & Co.
Chartered Accountants
Firm No. 0113536W

Place: Mumbai
Date: May 29, 2018

For & on behalf of Board of Directors

Sd/-
Ramakant Chokhani
Director
DIN: 00613176

Sd/-
Jyoti A. Jain
Director
DIN: 00613331

Sd/-
Sunil S. Sharma
Chief Executive Officer

Sd/-
Manish C Parekh
Chief Finance Officer

Sd/-
Sweta Kumar
Company Secretary

Place: Mumbai
Date: May 29, 2018

Notes forming part of the financial statements

Note 2 Share capital

Particulars	As at 31 March, 2018		As at 31 March, 2017	
	Number of shares	₹	Number of shares	₹
(a) Authorized				
Equity shares of ` 10 each with voting rights	6,000,000	60,000,000	6,000,000	60,000,000
(b) Issued				
Equity shares of ` 10 each with voting rights	4,698,500	46,985,000	4,698,500	46,985,000
(c) Subscribed and fully paid up				
Equity shares of ` 10 each with voting rights	4,698,500	46,985,000	4,698,500	46,985,000
Total	4,698,500	**46,985,000**	4,698,500	**46,985,000**

Details of shares held by each shareholder holding more than 5% shares:

Class of shares / Name of shareholder	As at 31 March, 2018		As at 31 March, 2017	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Equity shares with voting rights:				
Anand Ramakant Chokhani	327710	6.97%	327710	6.97%
Ramakant R. Chokhani HUF	633600	13.49%	633600	13.49%
Neelam R. Chokhani	700000	14.90%	700000	14.90%
Ramakant R. Chokhani	1806490	38.45%	1806490	38.45%
Poshika Advisory Services LLP	879017	18.71%	-	-

There is no change in the Promotor's shareholding of the Company, however there is change in public share holding as shown above.

Note 3 Reserves and surplus

Particulars	As at 31 March, 2018	As at 31 March, 2017
	₹	₹
Surplus in Statement of Profit and Loss		
Opening balance	293,569,911	273,365,611
Add: Profit for the year	29,793,237	19,725,707
Add: Reversal of Tax Paid of earlier years	-	500,000
Less: Taxes of Previous years written off	-	-21,407
Less: Transfer to Special Reserve	(111,643,815)	-
TOTAL (A)	**211,719,333**	**293,569,911**
Special Reserve U/s 45-IC of the RBI Act, 1934		
Opening balance	-	-
Add: Transfer from Surplus	111,643,815	-
TOTAL (B)	**111,643,815**	**-**
GRAND TOTAL (A+B)	**323,363,148**	**293,569,911**

Note 4 Short-term provisions

Particulars	As at 31 March, 2018	As at 31 March, 2017
	₹	₹
(a) Provision for Tax for AY 2016-17 (Net of Advance Tax and TDS)	-	3,481
(b) Provision for Expenses incurred in fulfilling Corporate Social Responsibility Assessment Year 2017-18	4,997	705,213
(c) Provision for Expenses incurred in fulfilling Corporate Social Responsibility Assessment Year 2016-17	-	638,617
(d) Provision for Expenses incurred in fulfilling Corporate Social Responsibility Assessment Year 2015-16	-	372,980
Total	**4,997**	**1,720,291**

Note 5 Trade Payables

Particulars	As at 31 March, 2018	As at 31 March, 2017
	₹	₹
Sundry Creditors	59,000	103,500
Total	**59,000**	**103,500**

Note 6 Other Current Liabilities

Particulars	As at 31 March, 2018	As at 31 March, 2017
	₹	₹
(a) Other Payables:		
Statutory Remittances:		
TDS Payable	10,000	25,100
Total	**10,000**	**25,100**

Notes forming part of the financial statements

Note 7 Non-current investments

Particulars	Quantity	As at 31 March, 2018	Quantity	As at 31 March, 2017
		₹		₹
Investments (At cost):				
(a) Investment in equity instruments				
1 Equity Shares of Jay Agro-Organics Limited of ₹5 each fully Paid up	450,000	4,500	450,000	4,500
2 Equity Shares of Larsen & Toubro Limited of ₹2 each fully Paid up	2,400	3,200	2,400	3,200
3 Equity Shares of Larsen & Toubro Limited of ₹2 each fully Paid up (Bonus Shares)	1,200	-	-	-
4 Equity Shares of Iccon Oil & Specialities Limited of ₹10 each fully Paid up	2,000	1,900	2,000	1,900
5 Equity Shares of Sibar Software Services (India) Limited of ₹10 each fully Paid up	500	400	500	400
6 Equity Shares of Reliance Capital Limited of ₹10 each fully Paid up	20	-	-	-
7 Equity Shares of Reliance Communications of ₹5 each fully Paid up	400	-	-	-
8 Equity Shares of Surya Pharmaceutical Limited of ₹1 each fully Paid up	100	115	100	115
9 Equity Shares of Gas Authority of India Ltd.	-	-	4,000	1
10 Equity Shares of Reliance Home Finance Limited of ₹10 each fully Paid up	20	-	-	-
11 Equity Shares of Reliance Industries Limited of ₹10 each fully Paid up	1,600	51,200	-	-
12 Equity Shares of ReliancePower Limited of ₹10 each fully Paid up	100	-	-	-
13 Equity Shares of Oil & Natural Gas Corporation	-	-	25,000	1
14 Equity Shares of Reliance Industrial Infra of ₹10 each fully Paid up	30	-	-	-
		61,315		**10,117**
(b) Investment in Mutual Fund				
1 JM Arbitrage Advantage Fund - Bonus	814,866	1	814,866	1
2 L&T Mutual Funds	1,078,407	11,087,677	-	-
3 UTI Short Term Plan - Growth	170,573	2,500,000	170,573	2,500,000
4 IDFC Mutual Funds	927,383	12,114,206	-	-
5 JM Arbitrage Advantage Fund - Annual Bonus	-	-	143,249	1
6 Reliance Floating Rate - STP	131,998	2,500,000	131,998	2,500,000
7 Reliance Liquid Fund	534	2,256,081	3,376	13,365,959
8 Reliance Arbitrage Advantage Fund	2,425,592	30,713,611	200,589	2,500,000
9 HDFC Top 200 Fund	908	311,204	1,490	510,000
10 AXIS Enhanced ARB Fund	1,845,832	20,201,851	-	-
11 SBI Arb Opp Fund	784,158	11,108,971	-	-
12 ICICI Prudential Equity Arbitrage Fund	509,258	7,458,452	173,130	2,500,000
		100,252,054		**23,875,961**

(c) Investment in Tax Free Bonds				
1 7.19% Power Finance Corporation	1,060	1,051,999	1,060	1,051,999
2 7.36% Power Finance Corporation	1,800	1,694,659	1,800	1,694,659
3 8.20% Power Finance Corporation	4,106	4,092,608	4,106	4,092,608
4 8.30% Power Finance Corporation	18,380	18,983,515	18,380	18,983,515
5 8.79% Power Finance Corporation	2,536	2,935,069	2,536	2,935,069
6 8.92% Power Finance Corporation	650	792,394	650	792,394
7 7.35% Power Finance Corporation	3,080	3,080,000	3,080	3,080,000
8 7.22% Rural Electrification Corporation Limited	550	565,898	550	565,898
9 7.93% Rural Electrification Corporation Limited	300	316,591	300	316,591
10 7.38% Rural Electrification Corporation Limited	1,010	1,014,510	1,010	1,014,510
11 8.46% Rural Electrification Corporation Limited	100	99,500	100	99,500
12 8.12% Rural Electrification Corporation Limited	26,297	26,325,184	26,297	26,325,184
13 7.34% Housing and Urban Development Corporation Limited	731	710,956	731	710,956
14 8.51% Housing and Urban Development Corporation Limited	5,000	5,000,000	5,000	5,000,000
15 7.50% Housing and Urban Development Corporation Limited	2,060	1,962,160	2,064	1,965,970
16 8.10% Housing and Urban Development Corporation Limited	8,436	8,534,246	8,436	8,534,246
17 8.20% Housing and Urban Development Corporation Limited	42,071	42,347,873	42,071	42,347,873
18 8.39% Housing and Urban Development Corporation Limited	100	113,007	100	113,007
19 8.7613% Housing and Urban Development Corporation Limited	250	284,514	250	284,514
20 8.7625% Housing and Urban Development Corporation Limited	200	237,462	200	237,462
21 8.83% Housing and Urban Development Corporation Limited	250	287,514	250	287,514
22 9.01% Housing and Urban Development Corporation Limited	1,000	1,137,057	1,000	1,137,057
23 7.39% Housing and Urban Development Corporation Limited	4,204	4,204,000	4,204	4,204,000
24 7.36% Indian Infrastructure Finance Company Limited	2,000	1,969,551	2,000	1,969,551
25 8.66% Indian Infrastructure Finance Company Limited	5,000	5,000,000	5,000	5,000,000
26 8.63% Indian Infrastructure	1,000	1,105,055	1,000	1,105,055
27 7.49% Indian Renewable Energy Development Agency Ltd	17,030	17,030,000	17,030	17,030,000
28 7.17% Indian Renewable Energy Development Agency Ltd	10	10,003,000	10	10,003,000
29 7.28% Indian Railway Finance Corporation Limited	22,039	22,039,000	22,039	22,039,000
30 7.35% Indian Railway Finance Corporation Limited	2,939	2,939,000	2,939	2,939,000
31 8.10% Indian Railway Finance Corporation Limited	5,511	5,571,954	5,511	5,571,954
32 8.63% Indian Railway Finance Corporation Limited	5,000	5,000,000	5,000	5,000,000

33 7.40% Indian Infrastructure Finance Company Limited	800	856,043	800	856,043
34 7.60% National Highway Authority of India	5,000	5,016,361	5,000	5,016,361
35 7.35% National Highway Authority of India	5,000	5,159,917	5,000	5,159,917
36 8.30% National Highway Authority of India	5,500	5,578,026	5,500	5,578,026
37 8.65% National Housing Bank	638	3,190,000	638	3,190,000
38 8.66% National Thermal Power Corporation Limited	12,666	12,666,000	12,666	12,666,000
39 8.91% National Thermal Power Corporation Limited	1,630	1,926,846	1,630	1,926,846
40 7.35% National Bank for Agriculture and Rural Development	1,002	1,002,000	1,002	1,002,000
41 8.79% NHPC	2,000	2,208,111	2,000	2,208,111
		234,031,580		**234,035,390**
Total		**334,344,949**		**257,921,468**
Aggregate market value of listed and quoted investments				
Investment in Equity Instruments		6,170,086		10,288,538
Investment in Mutual Fund		112,592,605		37,384,863
Investment in Tax Free Bonds		248,236,265		248,240,075

Notes forming part of the financial statements

Note 8 Inventories

(At lower of cost and net realizable value)

Particulars	As at 31 March, 2018	As at 31 March, 2017
	₹	₹
Shares, Securities & Bonds As certified by management.)	26,722,000	76,333,220
Total	**26,722,000**	**76,333,220**

Note 9 Cash and cash equivalents

Particulars	As at 31 March, 2018	As at 31 March, 2017
	₹	₹
(a) Cash on hand	5,260	630
(b) Balances with banks		
In current accounts		
Axis Bank	71,747	17,541
HDFC Bank	10,000	10,000
Total	**87,007**	**28,171**
Of the above, the balances that meet the definition of Cash and cash equivalents as per AS 3 *Cash Flow Statements* is	87,007	28,171

Note 10 Short-term loans and advances

Particulars	As at 31 March, 2018	As at 31 March, 2017
	₹	₹
Balances with Government Authorities		
Unsecured, considered good		
(i) Taxes Paid (Net of Provisions and taxes paid)		
For A.Y. 2018-19	30,000	-
For A.Y. 2017-18	580,000	580,000
For A.Y. 2016-17	14,524	-
(ii) For Tax on regular assessment		
For A.Y. 2007-08	250,000	250,000
For A.Y. 2008-09	250,000	250,000
Total	**1,124,524**	**1,080,000**

Note 11 Other current assets

Particulars	As at 31 March, 2018	As at 31 March, 2017
	₹	₹
(a) Accruals		
(i) Interest accrued on Tax free Bonds	6,308,854	6,309,421
(ii) Interest accrued on Taxable Bonds	1,834,811	731,522
Total	**8,143,665**	**7,040,943**

Notes forming part of the financial statements

Note 12 Revenue from operations

Particulars	For the year ended 31 March, 2018	For the year ended 31 March, 2017
	₹	₹
Net Income from Shares,Securities & Bond	5,752,880	1,371,088
Total	**5,752,880**	**1,371,088**

Note 13 Other income

Particulars	For the year ended 31 March, 2018	For the year ended 31 March, 2017
	₹	₹
Dividend Income	1,922,873	-
Income from Tax Free Bonds	18,460,189	17,724,415
Short Term Capital Gain on Sale of Units of Mutual Funds	743,752	1,255,653
Short Term Capital Gain on Shares & Security	1,558,322	221,946
Long Term Capital Gain on Shares & Security	4,980,582	1,314,153
Long Term Gain on Sale of Units of Mutual Funds	1,736,975	1,544,700
Total	**29,402,693**	**22,060,867**

Note 14 Employee benefits expense

Particulars	For the year ended 31 March, 2018	For the year ended 31 March, 2017
	₹	₹
Salaries and wages	1,051,925	1,382,658
Staff welfare expenses	78,070	100,088
Total	**1,129,995**	**1,482,746**

Note 15 Other expenses

Particulars	For the year ended 31 March, 2018	For the year ended 31 March, 2017
	₹	₹
Expense made to earn Tax Free Income	48,000	-
Legal and Professional Fees	178,160	160,575
Listing and Exchange Fees	287,500	200,000
Miscellaneous Expenses	344,666	467,606
Office and General Expenses	862,920	136,611
Payment to Auditors	59,000	103,500
Provision for Expenses for Corporate Social Responsibility	-	710,210
Total	**1,780,246**	**1,778,502**

Notes:

Particulars	For the year ended 31 March, 2018	For the year ended 31 March, 2017
	₹	₹
Payments to the auditors comprises:		
Statutory & Tax Audit Fees	59,000	103,500
Total	**59,000**	**103,500**

Notes forming part of the financial statements

Note 16 Segment Reporting

The Company treats Share Trading Activity, Securities Trading Activity and Loan Given and taken to company (under the same Management) as single segment. Therefore, no Segment Reporting is required.

Note 17 Earning Per Share

Computation for the basic earning per share of ₹ 10 each.	For the year ended 31 March, 2018	For the year ended 31 March, 2017
(a) Net profit available for Equity Shareholders	29,793,237	19,725,707
(b) Number of Equity Shares for basic earning per share	4,698,500	4,698,500
(c) Basic Earning per Share	6.34	4.20

Note 18

In the opinion of the Board of Directors, Current Assets, Loans and Advances have the value at which these are stated in the Balance Sheet to be realized in the ordinary course of business and the provision for all known liabilities is adequate and not in excess of or less than the amount reasonably necessary.

Note 19 - Deferred Tax Asset/Liability

There are no Deferred Tax Asset or Liability in current and previous year.

Note 20 - Related Party Disclosures

Name of the Party	Relationship
Sweta Kumar	Key Management Personnel (Company Secretary)
Manish Chandrahas Parikh	Key Management Personnel (CFO)
Sunil S. Sharma	Key Management Personnel (CEO)

Transaction during the year

Particulars	For the year ended 31 March, 2018	For the year ended 31 March, 2017
Managerial Remuneration to Manish Chandrahas Parikh	340,104	336,499
Managerial Remuneration to Sunil S Sharma	445,250	29,800

Note 21

Previous year's figures have been regrouped or rearranged or reclassified wherever necessary.

Note 22

During the year, Company has not made provision for Corporate Social Responsibility (CSR) Expenses as the Net profit of the Company for the all three immediate previous year is below rupees five Crore.

As Per our Report attached of even date

Sd/-
Balmukund N Gattani
Proprietor
Membership Number: 047066

For and on behalf of
B. M. Gattani & Co.
Chartered Accountants
Firm No. 0113536W

Place: Mumbai
Date: May 29, 2018

For & on behalf of Board of Directors

Sd/-
Ramakant Chokhani
Director
DIN: 00613176

Sd/-
Jyoti A. Jain
Director
DIN: 00613331

Sd/-
Sunil S. Sharma
Chief Executive Officer

Sd/-
Manish C Parekh
Chief Finance Officer

Sd/-
Sweta Kumar
Company Secretary

Place: Mumbai
Date: May 29, 2018

INDEPENDENT AUDITORS' REPORT

To the Members of CHOKHANI SECURITIES LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of CHOKHANI SECURITIES LIMITED, ("the Company"), which comprise the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting principles generally accepted in India, including the Accounting Standards notified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under and the order under section 143(11) of the Act.

We conducted our audit in accordance with the Standards on Auditing specified under section 143 (10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2017, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraph 3 and 4 of the Order.
2. As required by section 143(3) and of the Act, we report that:-
   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
   (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
   (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
   (e) On the basis of written representations received from the directors as on March 31, 2017, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017, from being appointed as a director in terms Section 164 (2) of the Act.
   (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
   (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us;
      i) The Company does not have any pending litigations which would impact its financial position;
      ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
      iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company & iv) The company had provided the disclosures for Specified Bank Notes (SBN) as required in Schedule III of the Act. The same are in accordance with books of accounts maintained by the company.

Sd/-
Pannkaj Ghadialli
Managing Partner
Membership Number: 031745
Place: Mumbai
Date: May 29, 2017

For and on behalf of
P C Ghadiali and Co LLP
Chartered Accountants
Firm No. 103132W / W-100037

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

[Referred to in paragraph 1 under "Report on other Legal and Regulatory Requirements" section of our Independent Auditors Report to the Members of CHOKHANI SECURITIES LIMITED for the year ended March 31, 2017]

On the basis of such checks as we considered appropriate and according to the information and explanations given to us during the course of our audit, we report that:

i. The Company does not have any fixed assets. Therefore, reporting thereon is not applicable

ii. Physical verification of inventory has been carried on by the management and discrepancy, if any, has been dealt with in the accounts

iii. The company has not granted any loans, secured or unsecured, to parties covered in the register maintained u/s 189 of the Companies Act, 2013.

iv. The provisions of Sec. 185 and 186 have been complied with in respect of loans, investments, guarantees and securities.

v. The Company has not accepted any deposits from the public attracting the directives issued by the Reserve Bank of India and the provisions of Section 73 to 76 of the Companies Act, 2013 and the rules framed there under. Therefore, the provisions of Clause 3(v) of the Companies (Auditor's Report) Order, 2016 are not applicable to the Company.

vi. The Company is not required to maintain cost records under sub-section (1) of Section 148 of the Companies Act, 2013.

vii. (a) The Company is regular in depositing with the appropriate authorities undisputed statutory dues in respect of Professional Tax, Service Tax, Tax Deducted on Source, Income Tax and other statutory dues applicable to it.

(b) There are no undisputed statutory dues payable in respect of Service Tax, Tax Deducted on Source, Income Tax and other material statutory dues.

viii. According to the records of the company examined by us and the information and explanation given to us, the company has not defaulted in repayment of loans and borrowings to a bank or government. Company has not borrowed from a financial institution nor have they issued any debentures.

ix. No moneys have been raised by public offer and hence point (ix) of Companies (Auditor's Report) Order, 2016 is not applicable.

x. During the course of our examination of the books and records of the company, carried in accordance with the auditing standards generally accepted in India, we have neither come across any instance of fraud by the Company or any fraud on the company by its officers or employees has been noticed or reported during the year nor have we been informed of any such instance by the Management.

xi. The Managerial Remuneration has been paid in accordance with requisite approvals mandated by the provisions of the section 197 read with Schedule V to the Companies Act, 2013.

xii. This company is not a Nidhi Company and hence point (xii) of Companies (Auditor's Report) Order, 2016 is not applicable.

xiii. The transactions with related parties are in compliance with section 177 and 188 of the Companies Act, 2013 and the details have been disclosed suitably.

xiv. As per the information and records provided to us, the requirement of section 42 of the Companies Act, 2013 have been complied with for the private placement of shares and the amount raised have been used for the purposes for which the funds were raised. The company has not made any preferential allotment or fully or partly convertible debentures during the year under review.

xv. The company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of section 192 of Companies Act, 2013 are not applicable.

xvi. The company is registered and holding a Certificate of Registration (CoR) under Section 45-IA of the Reserve Bank of India Act, 1934

Sd/-
Pannkaj Ghadiali
Managing Partner
Membership Number: 031745

For and on behalf of
P C Ghadiali and Co LLP
Chartered Accountants
Firm No. 103132W/W-100037

Place: Mumbai
Date: May 29, 2017

ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT

[The Annexure referred to in paragraph 2(f) under "Report on other Legal and Regulatory Requirements" section of our Independent Auditors Report to the Members of CHOKHANI SECURITIES LIMITED for the year ended March 31, 2017]

[Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Subsection 3 of Section 143 of the Companies Act, 2013 ("the Act")]

We have audited the internal financial controls over financial reporting **CHOKHANI SECURITIES LIMITED** ("the Company") as of March 31, 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the designing, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, f the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation o reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Sd/-
Pannkaj Ghadiali
Managing Partner
Membership Number: 031745

For and on behalf of
P C Ghadiali and Co LLP
Chartered Accountants
Firm No. 103132W/W-100037

Place: Mumbai
Date: May 29, 2017

Balance Sheet as at March 31, 2017

Particulars	Note No.	As at 31 March, 2017	As at 31 March, 2016
		₹	₹
A EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	2	46,985,000	46,985,000
(b) Reserves and surplus	3	293,569,911	273,365,611
		340,554,911	320,350,611
2 Current liabilities			
(a) Short-term provisions	4	1,720,291	1,983,412
(b) Trade Payables	5	103,500	68,400
(c) Other Current Liabilities	6	25,100	350
		1,848,891	2,052,162
TOTAL		**342,403,802**	**322,402,773**
B ASSETS			
1 Non-current assets			
(a) Non-current investments	7	257,921,468	245,487,352
		257,921,468	245,487,352
2 Current assets			
(a) Inventories	8	76,333,220	36,472,014
(b) Cash and cash equivalents	9	28,171	32,736,790
(c) Short-term loans and advances	10	1,080,000	21,407
(d) Other current assets	11	7,040,943	7,685,211
		84,482,334	76,915,422
TOTAL		**342,403,802**	**322,402,773**
See accompanying notes forming part of the financial statements	1 to 22		

As Per our Report attached of even date

For & on behalf of Board of Directors

Sd/-
Pannkaj Ghadiali
Managing Partner
Membership Number: 031745

For and on behalf of
P C GHADIALI AND CO LLP
Chartered Accountants
Firm No. 103132W/W-100037

Sd/-
Ramakant Chokhani
Director & Company Secretary
DIN: 00613176

Sd/-
Rajesh Chokhani
Director
DIN: 00238789

Sd/-
Manish Chandrahas Parikh
Chief Financial Officer

Place: Mumbai
Date: May 29, 2017

Place: Mumbai
Date: May 29, 2017

Statement of Profit and Loss for the year ended March 31, 2017

	Particulars	Note No.	For the year ended 31 March, 2017	For the year ended 31 March, 2016
			₹	₹
A	**CONTINUING OPERATIONS**			
1	Revenue from operations	13	1,371,088	7,673,583
2	Other income	14	22,060,867	30,096,766
3	**Total revenues (1+2)**		**23,431,955**	**37,770,349**
4	**Expenses**			
	(a) Employee benefits expense	15	1,482,746	1,497,287
	(b) Other expenses	16	1,778,502	1,637,855
	Total expenses		**3,261,248**	**3,135,142**
5	**Profit before exceptional and extraordinary items and tax (3 - 4)**		20,170,707	34,635,207
6	**Tax expense:**			
	(a) Tax expense for current year		445,000	4,740,000
	(b) (Less): MAT credit (where applicable)		-	-
	(c) Current tax expense relating to prior years		-	-
	(d) Net current tax expense		445,000	4,740,000
	(e) Deferred tax		-	-
			445,000	4,740,000
7	**Profit from continuing operations (5 + 6)**		**19,725,707**	**29,895,207**
	See accompanying notes forming part of the financial statements	1 to 22		

As Per our Report attached of even date

For & on behalf of Board of Directors

Sd/-
Pannkaj Ghadiali
Managing Partner
Membership Number: 031745

For and on behalf of
P C GHADIALI AND CO LLP
Chartered Accountants
Firm No. 103132W/W-100037

Place: Mumbai
Date: May 29, 2017

Sd/-
Ramakant Chokhani
Director & Company Secretary
DIN: 00613176

Sd/-
Rajesh Chokhani
Director
DIN: 00238789

Sd/-
Manish Chandrahas Parikh
Chief Financial Officer

Place: Mumbai
Date: May 29, 2017

Cash Flow Statement for the year ended 31 March, 2017

Particulars	For the year ended 31 March, 2017	For the year ended 31 March, 2016
	₹	₹
A. Cash flow from operating activities		
Net Profit before extraordinary items and tax	20,170,707	34,635,207
Adjustments for:		
Net (gain) / loss on sale of investments:		-
Short Term Capital Gain on Sale of Units of Mutual Funds	1,255,653	398,555
Short Term Capital Gain on Shares & Security	221,946	14,432,964
Long Term Capital Gain on Shares & Security	1,314,153	-
Long Term Gain on Sale of Units of Mutual Funds	1,544,700	11,358
Interest from Tax Free Bonds	17,724,415	14,872,044
Interest on Bond Application	-	381,847
Operating profit / (loss) before working capital changes	(1,890,160)	4,538,441
Changes in working capital:		
Adjustments for (increase) / decrease in operating assets:		
Inventories	(39,861,207)	78,920,427
Short-term loans and advances	(580,001)	(7,007)
Other current assets	644,268	16,039,991
Adjustments for increase / (decrease) in operating liabilities:		
Short Term Provisions	(263,121)	1,269,939
Trade payables	35,100	(1,024,268)
Other Current Liabilities	24,750	(2,597,904)
	(40,000,211)	92,601,179
Cash flow from extraordinary items	-	-
Cash generated from operations	(41,890,370)	97,139,620
Net income tax (paid) / refunds	(445,000)	(4,740,000)
Net cash flow from / (used in) operating activities (A)	(42,335,370)	92,399,620
B. Cash flow from investing activities		
Income From Tax free bonds	17,724,415	14,872,044
Income From Bond Application	-	381,847
Purchase of Mutual Funds	(193,778,238)	(186,402,830)
- Shares/ Debentures	(64,398,618)	(306,403,179)
Proceeds from sale of Mutual Funds	188,356,259	181,849,119
- Shares/ Debentures	61,722,936	232,019,342
Cash flow from extraordinary items	-	-
Net cash flow from / (used in) investing activities (B)	9,626,754	(63,683,658)
C. Cash flow from financing activities		
Proceeds from issue of equity shares	-	-
Net cash flow from / (used in) financing activities (C)		
Net increase / (decrease) in Cash and cash equivalents (A+B+C)	(32,708,616)	28,715,962
Cash and cash equivalents at the beginning of the year	32,736,790	4,020,829
Effect of exchange differences on restatement of foreign currency Cash and cash equivalents		
Cash and cash equivalents at the end of the year	28,174	32,736,790
Reconciliation of Cash and cash equivalents with the Balance Sheet:		
Cash and cash equivalents as per Balance Sheet (Refer Note 19)		
Less: Bank balances not considered as Cash and cash equivalents as defined in AS 3 *Cash Flow Statements* (give details)		
Net Cash and cash equivalents (as defined in AS 3 *Cash Flow Statements*) included in Note 19	28,174	32,736,790
Add: Current investments considered as part of Cash and cash equivalents (as defined in AS 3 *Cash Flow Statements*) (Refer Note (ii) to Note 16 Current investments)		
Cash and cash equivalents at the end of the year	28,174	32,736,790
Comprises:		
(a) Cash on hand	630	4,998
(b) Balances with banks		
(i) In current accounts	27,541	32,731,792
	28,171	32,736,790

Notes:
(i) The Cash Flow Statement reflects the combined cash flows pertaining to continuing and discounting operations.
(ii) These earmarked account balances with banks can be utilised only for the specific identified purposes.
See accompanying notes forming part of the financial statements

In terms of our report attached.

Sd/-
Pannkaj Ghadiali
Managing Partner
Membership Number: 031745

For and on behalf of
P C GHADIALI AND CO LLP
Chartered Accountants
Firm No. 103132W/W-100037

Place: Mumbai
Date: May 29, 2017

For & on behalf of Board of Directors

Sd/-
Ramakant Chokhani
Director & Company Secretary
DIN: 00613176

Sd/-
Rajesh Chokhani
Director
DIN: 00238789

Sd/-
Manish Chandrahas Parikh
Chief Financial Officer

Place: Mumbai
Date: May 29, 2017

Notes forming part of the financial statements for the year ended March 31, 2017

Note 1

1. SIGNIFICANT ACCOUNTING POLICIES:

A. Basis Of Preparation Of Financial Statements

These financial statements have been prepared to comply with the Generally Accepted Accounting Principles in India (Indian GAAP), including the Accounting Standards notified under the relevant provisions of the Companies Act, 2013. The financial statements are prepared on accrual basis under the historical cost convention.

B. Use Of Estimates

The preparation of financial statements in conformity with Indian GAAP requires judgements, estimates and assumptions to be made that affect the reported amount of assets and liabilities, disclosure of contingent liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognised in the period in which the results are known/materialised.

C. Fixed Assets:

Company has no Fixed Assets.

D. Depreciation:

As the Company do not have any Fixed Assets, the question of depreciation does not arise.

E. Investments

There are no current investments in the current financial year. Non Current investments are stated at cost.

F. Taxation:

Income Tax expense comprises of current tax and deferred tax, charge or credit. The deferred charge or credit is recognized using current tax rates. Where there is unabsorbed or carry forward depreciation, deferred tax assets are recognized only if there is virtual certainty of realisation of such assets. Other deferred tax assets are recognised only to the extent there is reasonable certainty of realisation in future. Deferred tax assets/ liabilities are reviewed as at each Balance Sheet date based on developments during the year and available case laws to reassess realization/liabilities.

G. Inventories:

Stocks of shares and securities have been valued at cost or market value whichever is lower.

H. Income:

Interest on Loans and Other financial instruments are accounted for on accrual basis.

Recognition of Expenditure:

Revenue Expenditure is accounted for on accrual basis.

I. Provisions, Contingent Liabilities And Contingent Assets

Provision is recognized in the accounts when there is a present obligation as a result of past event(s) and it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate can be made. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

Contingent liabilities are disclosed unless the possibility of outflow of resources is remote.

Contingent assets are neither recognised nor disclosed in the financial statements.

As Per our Report attached of even date

Sd/-
Pannkaj Ghadiali
Managing Partner
Membership Number: 031745

For and on behalf of
P C GHADIALI AND CO LLP
Chartered Accountants
Firm No. 103132W/W-100037

Place: Mumbai
Date: May 29, 2017

For & on behalf of Board of Directors

Sd/-
Ramakant Chokhani
Director & Company Secretary
DIN: 00613176

Sd/-
Rajesh Chokhani
Director
DIN: 00238789

Sd/-
Manish Chandrahas Parikh
Chief Financial Officer

Place: Mumbai
Date: May 29, 2017

Notes forming part of the financial statements

Note 2 Share capital

Particulars	As at 31 March, 2017		As at 31 March, 2016	
	Number of shares	₹	Number of shares	₹
(a) Authorized				
Equity shares of ` 10 each with voting rights	6,000,000	60,000,000	6,000,000	60,000,000
(b) Issued				
Equity shares of ` 10 each with voting rights	4,698,500	46,985,000	4,698,500	46,985,000
(c) Subscribed and fully paid up				
Equity shares of ` 10 each with voting rights	4,698,500	46,985,000	4,698,500	46,985,000
Total	4,698,500	**46,985,000**	4,698,500	**46,985,000**

Details of shares held by each shareholder holding more than 5% shares:

Class of shares / Name of shareholder	As at 31 March, 2017		As at 31 March, 2016	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Equity shares with voting rights				
Anand Ramakant Chokhani	327710	6.97%	327710	6.97%
Chokhani Custodian Services Private Limited	0	0.00%	372000	7.92%
R R Chokhani Stock Brokers Private Limited	0	0.00%	525600	11.19%
Ramakant R. Chokhani HUF	633600	13.49%	633600	13.49%
Neelam R. Chokhani	700000	14.90%	700000	14.90%
Ramakant R. Chokhani	1806490	38.45%	908890	19.34%

Note 3 Reserves and surplus

Particulars	As at 31 March, 2017	As at 31 March, 2016
	`	`
Surplus in Statement of Profit and Loss		
Opening balance	273,365,611	245,187,885
Add: Profit for the year	19,725,707	29,895,207
Add: Reversal of Tax Paid of earlier years	500,000	-
Less: Taxes of Previous years written off	-21,407	-1,717,481
Total	**293,569,911**	**273,365,611**

Note 4 Short-term provisions

Particulars	As at 31 March, 2017	As at 31 March, 2016
	₹	₹
(a) Provision for Tax for AY 2016-17 (Net of Advance Tax and TDS)	3,481	701,815
(b) Provision for Expenses incurred in fulfilling Corporate Social Responsibility Assessment Year 2017-18	705,213	-
(c) Provision for Expenses incurred in fulfilling Corporate Social Responsibility Assessment Year 2016-17	638,617	648,617
(d) Provision for Expenses incurred in fulfilling Corporate Social Responsibility Assessment Year 2015-16	372,980	632,980
Total	**1,720,291**	**1,983,412**

Note 5 Trade Payables

Particulars	As at 31 March, 2017	As at 31 March, 2016
	₹	₹
Sundry Creditors	103,500	68,400
Total	**103,500**	**68,400**

Note 6 Other Current Liabilities

Particulars	As at 31 March, 2017	As at 31 March, 2016
	₹	₹
(a) Other Payables:		
Statutory Remittances:		
TDS Payable	25,100	350
Total	**25,100**	**350**

Notes forming part of the financial statements

Note 7 Non-current investments

Particulars	Quantity	As at 31 March, 2017	Quantity	As at 31 March, 2016
		`		₹
Investments (At cost):				
(a) Investment in equity instruments				
1 Equity Shares of Jayant Agro-Organics Limited of ₹5 each fully Paid up	450,000	4,500	450,000	4,500
2 Equity Shares of Larsen & Toubro Limited of ₹2 each fully Paid up	2,400	3,200	2,400	3,200
3 Equity Shares of Iccon Oil & Specialities Limited of ₹10 each fully Paid up	2,000	1,900	2,000	1,900
4 Equity Shares of Sibar Software Services (India) Limited of ₹10 each fully Paid up	500	400	500	400
5 Equity Shares of UltraTech Cement Limited of ₹10 each fully Paid up	-	-	320	3,200
6 Equity Shares of Jain Irrigation Systems Limited of ₹2 each fully Paid up	-	-	250	500
7 Equity Shares of Surya Pharmaceutical Limited of ₹1 each fully Paid up	100	115	100	115
8 Equity Shares of Gas Authority of India Limited	4000	1	-	-
9 Equity Shares of Oil and Natural Gas Corporation	25,000	1	-	-
		10,117		**13,815**
(b) Investment in Mutual Fund				
1 JM Arbitrage Advantage Fund - Bonus	814,866	1	814,866	1
2 Reliance Fixed Horizon Fund - XXIV Series 17-367D	-		250,000	2,500,000
3 UTI Short Term Plan - Growth	170,573	2,500,000	170,573	2,500,000
4 DSP Black Rock Series117-12M	-	-	250,000	2,500,000
5 JM Arbitrage Advantage Fund - Annual Bonus	143,249	1	143,249	1
6 Reliance Floating Rate - STP	131,998	2,500,000	131,998	2,500,000
7 SBI Mutual Fund	-	-	1,532	5,043,622
8 Reliance Liquid Fund	3,376	13,365,959	-	-
9 Reliance Arbitrage Advantage Fund	200,589	2,500,000	1,780	25,000
10 HDFC Top 200 Fund	1,490	510,000	1,490	510,000
11 Religare Arbitrage Fund	-	-	1,470	25,000
12 ICICI Prudential Equity Arbitrage Fund	173,130	2,500,000	1,367	25,000
13 Kotak Equity Arbitrage Fund	-	-	1,271	25,000
		23,875,961		**15,653,624**

(c)	**Investment in Tax Free Bonds**				
1	7.19% Power Finance Corporation	1,060	1,051,999	1,060	1,051,999
2	7.36% Power Finance Corporation	1,800	1,694,659	1,800	1,694,659
3	8.20% Power Finance Corporation	4,106	4,092,608	4,106	4,092,608
4	8.30% Power Finance Corporation	18,380	18,983,515	18,380	18,983,515
5	8.79% Power Finance Corporation	2,536	2,935,069	2,536	2,935,069
6	8.92% Power Finance Corporation	650	792,394	902	1,099,599
7	7.35% Power Finance Corporation	3,080	3,080,000	3,080	3,080,000
8	7.22% Rural Electrification Corporation Limited	550	565,898	555	570,768
9	7.93% Rural Electrification Corporation Limited	300	316,591	500	524,604
10	7.38% Rural Electrification Corporation Limited	1,010	1,014,510	1,010	1,014,510
11	8.46% Rural Electrification Corporation Limited	100	99,500	100	99,500
12	8.12% Rural Electrification Corporation Limited	26,297	26,325,184	26,297	26,325,186
13	7.34% Housing and Urban Development Corporation Limited	731	710,956	731	710,956
14	8.51% Housing and Urban Development Corporation Limited	5,000	5,000,000	5,000	5,000,000
15	7.50% Housing and Urban Development Corporation Limited	2,064	1,965,970	2,064	1,965,970
16	8.10% Housing and Urban Development Corporation Limited	8,436	8,534,246	8,436	8,534,246
17	8.20% Housing and Urban Development Corporation Limited	42,071	42,347,873	42,071	42,347,873
18	8.39% Housing and Urban Development Corporation Limited	100	113,007	300	338,518
19	8.7613% Housing and Urban Development Corporation Limited	250	284,514	250	284,514
20	8.7625% Housing and Urban Development Corporation Limited	200	237,462	368	436,302
21	8.83% Housing and Urban Development Corporation Limited	250	287,514	250	287,514
22	9.01% Housing and Urban Development Corporation Limited	1,000	1,137,057	1,000	1,137,057
23	7.39% Housing and Urban Development Corporation Limited	4,204	4,204,000	4,204	4,204,000
24	7.36% Indian Infrastructure Finance Company Limited	2,000	1,969,551	2,000	1,969,551
25	8.66% Indian Infrastructure Finance Company Limited	5,000	5,000,000	5,000	5,000,000
26	8.63% Indian Infrastructure	1,000	1,105,055	1,000	1,105,055

27	7.49% Indian Renewable Energy Development Agency Ltd	17,030	17,030,000	17,030	17,030,000
28	7.17% Indian Renewable Energy Development Agency Ltd	10	10,003,000	10	10,003,000
29	7.28% Indian Railway Finance Corporation Limited	22,039	22,039,000	22,039	22,039,000
30	7.35% Indian Railway Finance Corporation Limited	2,939	2,939,000	2,939	2,939,000
31	8.10% Indian Railway Finance Corporation Limited	5,511	5,571,954	5,511	5,571,954
32	8.63% Indian Railway Finance Corporation Limited	5,000	5,000,000	5,000	5,000,000
33	7.40% Indian Infrastructure Finance Company Limited	800	856,043	800	856,043
34	7.60% National Highway Authority of India	5,000	5,016,361	5,000	5,016,361
35	7.35% National Highway Authority of India	5,000	5,159,917		
36	8.30% National Highway Authority of India	5,500	5,578,026	5,500	5,578,026
37	8.65% National Housing Bank	638	3,190,000	638	3,190,000
38	8.66% National Thermal Power Corporation Limited	12,666	12,666,000	12,666	12,666,000
39	8.91% National Thermal Power Corporation Limited	1,630	1,926,846	1,630	1,926,846
40	7.35% National Bank for Agriculture and Rural Development	1,002	1,002,000	1,002	1,002,000
41	8.79% NHPC	2,000	2,208,111	2,000	2,208,111
			234,035,390		**229,819,913**
	Total		**257,921,468**		**245,487,352**
	Aggregate market value of listed and quoted investments				
	Investment in Equity Instruments		10,288,538		3,973,510
	Investment in Mutual Fund		37,384,863		28,625,392
	Investment in Tax Free Bonds		248,240,075		252,379,870

Notes forming part of the financial statements

Note 8 Inventories

(At lower of cost and net realizable value)

Particulars	As at 31 March, 2017	As at 31 March, 2016
	₹	₹
Shares & Securities	76,333,220	36,472,014
Total	**76,333,220**	**36,472,014**

Note 9 Cash and cash equivalents

Particulars	As at 31 March, 2017	As at 31 March, 2016
	₹	₹
(a) Cash on hand	630	4,998
(b) Balances with banks		
In current accounts		
Axis Bank	17,541	32,721,792
HDFC Bank	10,000	10,000
Total	**28,171**	**32,736,790**
Of the above, the balances that meet the definition of Cash and cash equivalents as per AS 3 *Cash Flow Statements* is	28,171	32,736,790

Note 10 Short-term loans and advances

Particulars	As at 31 March, 2017	As at 31 March, 2016
	₹	₹
Balances with Government Authorities		
Unsecured, considered good		
(i) Taxes Paid (Net of Provisions and taxes paid)		
For A.Y. 2017-18	580,000	-
For A.Y. 2015-16	-	7,007
For A.Y. 2014-15	-	14,400
(ii) For Tax on regular assessment		
For A.Y. 2007-08	250,000	-
For A.Y. 2008-09	250,000	-
(b) Inter-corporate deposits **Total**	**1,080,000**	**21,407**

Note 11 Other current assets

Particulars	As at 31 March, 2017	As at 31 March, 2016
	₹	₹
(a) Accruals		
(i) Interest accrued on Tax free Bonds	6,309,421	6,061,451
(ii) Interest accrued on Taxable Bonds	731,522	1,623,760
Total	**7,040,943**	**7,685,211**

Note 12

Details of Specified Bank Notes (SBN) held and transacted during the period 08/11/2016 to 30/12/2016

	SBNs	Other denomination notes	Total
Closing Cash in hand as on 08.11.2016	-	-	-
(+) Permitted receipts	-	-	-
(-) Permitted Payments	-	-	-
(-) Amount deposited in Banks	-	-	-
Closing Cash in hand as on 30.12.2016	-	-	-

Notes forming part of the financial statements

Note 13 Revenue from operations

Particulars	For the year ended 31 March, 2017	For the year ended 31 March, 2016
	₹	₹
Income from Shares & Securities	1,371,088	7,673,583
Total	**1,371,088**	**7,673,583**

Note 14 Other income

Particulars	For the year ended 31 March, 2017	For the year ended 31 March, 2016
	₹	₹
Interest on Bond Application	-	381,847
Income from Tax Free Bonds	17,724,415	14,872,044
Short Term Capital Gain on Sale of Units of Mutual Funds	1,255,653	398,555
Short Term Capital Gain on Shares & Security	221,946	14,432,964
Long Term Capital Gain on Shares & Security	1,314,153	-
Long Term Gain on Sale of Units of Mutual Funds	1,544,700	11,358
Total	**22,060,867**	**30,096,766**

Note 15 Employee benefits expense

Particulars	For the year ended 31 March, 2017	For the year ended 31 March, 2016
	₹	₹
Salaries and wages	1,382,658	1,406,367
Staff welfare expenses	100,088	90,920
Total	**1,482,746**	**1,497,287**

Note 16 Other expenses

Particulars	For the year ended 31 March, 2017	For the year ended 31 March, 2016
	₹	₹
Demat	4,921	1,124
Expense made to earn Tax Free Income	-	32,000
Legal and Professional Fees	160,575	168,983
Listing and Exchange Fees	200,000	250,330
Miscellaneous Expenses	423,707	328,930
Office and General Expenses	136,611	119,086
Payment to Auditors [refer point (i)]	103,500	68,400
Provision for Expenses for Corporate Social Responsibility	710,210	648,617
STT On Investments	38,978	20,385
Total	**1,778,502**	**1,637,855**

Notes:

Particulars	For the year ended 31 March, 2017	For the year ended 31 March, 2016
	₹	₹
Payments to the auditors comprises:		
Statutory Audit	69,000	68,400
Tax Audit	23,000	-
IT Return Filing	11,500	-
Total	**103,500**	**68,400**

Notes forming part of the financial statements

Note 17 Segment Reporting

The Company treats Share Trading Activity, Securities Trading Activity and Loan Given and taken to company (under the same Management) as single segment. Therefore, no Segment Reporting is required.

Note 18 Earning Per Share

Computation for the basic earning per share of ₹ 10 each.	For the year ended 31 March, 2017	For the year ended 31 March, 2016
(a) Net profit available for Equity Shareholders	19,725,707	29,895,207
(b) Number of Equity Shares for basic earning per share	4,698,500	4,698,500
(c) Basic Earning per Share	4.20	6.36

Note 19

In the opinion of the Board of Directors, Current Assets, Loans and Advances have the value at which these are stated in the Balance Sheet to be realized in the ordinary course of business and the provision for all known liabilities is adequate and not in excess of or less than the amount reasonably necessary.

Note 20 - Deferred Tax Asset/Liability

There are no Deferred Tax Asset or Liability in current and previous year.

Note 21 - Related Party Disclosures

Name of the Party	Relationship
Ramakant R. Chokhani	Key Management Personnel (Company Secretary)
Manish Chandrahas Parikh	Key Management Personnel (CFO)
Sunil S. Sharma	Key Management Personnel (CEO)

Transaction during the year

Particulars	For the year ended 31 March, 2017	For the year ended 31 March, 2016
Managerial Remuneration to Manish Chandrahas Parikh	336,499	303,529
Managerial Remuneration to Sunil S. Sharma	29,800	-

Note 22

Previous year's figures have been regrouped or rearranged or reclassified wherever necessary.

As Per our Report attached of even date

For & on behalf of Board of Directors

Sd/-
Pannkaj Ghadiali
Managing Partner
Membership Number: 031745

For and on behalf of
P C GHADIALI AND CO LLP
Chartered Accountants
Firm No. 103132W/W-100037

Place: Mumbai
Date: May 29, 2017

Sd/-
Ramakant Chokhani
Director & Company Secretary
DIN: 00613176

Sd/-
Rajesh Chokhani
Director
DIN: 00238789

Sd/-
Manish Chandrahas Parikh
Chief Financial Officer

Place: Mumbai
Date: May 29, 2017

INDEPENDENT AUDITORS' REPORT

To the Members of CHOKHANI SECURITIES LIMITED

Report on the Financial Statements

We have audited the attached financial statements of **CHOKHANI SECURITIES LIMITED**("the Company"), which comprise the Balance Sheet as at March 31, 2016 and the Statement of Profit and Loss and Cash Flow Statement for the year ended on the date annexed thereto, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of The Companies Act, 2013 ("The Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards notified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2016 and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under section 143 (10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2016, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

As required by section 143(3) of the Act, we report that:-

(a) We attach the report under Companies (Auditor's Report) Order 2016, in Annexure A.

(b) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.

(c) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

(d) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

(e) In our opinion, the financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2016.

(f) With respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate report in 'Annexure B'. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

(g) On the basis of written representations received from the directors as on March 31, 2016, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016, from being appointed as a director in terms Section 164 (2) of the Act.

(h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2016, in our opinion and to the best of our information and according to the explanations given to us:

i) The Company does not have any pending litigations which would impact its financial position;

ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company;

Sd/-
Sacchin P. Ghadialli
Partner
Membership Number: 133178
Place: Mumbai
Date: May 30, 2016

For and on behalf of
P C Ghadiali and Co LLP
Chartered Accountants
Firm No. 103132W / W-100037

ANNEXURE TO AUDITORS' REPORT

Referred to in the Auditors' Report of even date to the members of CHOKHANI SECURITIES LIMITED on the financial statements for the year ended March 31, 2016 – in terms of Companies (Auditor's Report) Order, 2016.

1. The Company does not have any fixed assets. Therefore, reporting thereon is not applicable.
2. Physical verification of inventory has been carried on by the management and discrepancy, if any, has been dealt with in the accounts.
3. The company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.
4. The company has not raised any loans, investments, guarantees, and securities and hence point (iv) of Companies (Auditor's Report) Order, 2016 is not applicable.
5. The company has not accepted any deposits and hence point (v) of the Companies (Auditor's Report) Order, 2016 is not applicable.
6. Maintenance of cost records has not been prescribed by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013
7.
    a. The company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues to the appropriate authorities.
    b. There has been no default in payment of income tax or sales tax or service tax or duty of customs or duty of excise or value added tax and hence this point is not applicable to the company.
8. According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of loans or borrowing to a financial institution, bank, Government or dues to debenture holders.
9. No moneys have been raised by public offer and hence point (ix) of Companies (Auditor's Report) Order, 2016 is not applicable
10. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the management.
11. Managerial remuneration has been paid in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act.
12. This company is not a Nidhi Company and hence point (xii) of Companies (Auditor's Report) Order, 2016 is not applicable.
13. All transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements etc., as required by the applicable accounting standards;
14. The company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.
15. The company has not entered into any non-cash transactions with directors or persons connected with him.
16. The company is registered under section 45-IA of the Reserve Bank of India Act, 1934.

Sd/-
Sacchin P. Ghadialli
Partner
Membership Number: 133178
For and on behalf of
P C Ghadiali and Co LLP
Chartered Accountants
Firm No. 103132W/W-100037

Place: Mumbai
Date: May 30, 2016

ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph (f) under 'report on other legal and regulatory Requirements' Section of our report of even date)

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **Chokhani Securities Limited** ("the Company") as of March 31, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (The 'Guidance Note). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance 168 Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting, *subject to our verification of documents under preparation, substantiating processes and controls in the Company, prima facie and in general*, were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note.

Sd/-
Sacchin P. Ghadialli
Partner
Membership Number: 133178
For and on behalf of
P C Ghadiali and Co LLP
Chartered Accountants
Firm No. 103132W/W-100037

Place: Mumbai
Date: May 30, 2016

Balance Sheet as at March 31, 2016

	Particulars	Note No.	As at 31 March, 2016	As at 31 March, 2015
			₹	₹
A	**EQUITY AND LIABILITIES**			
1	**Shareholders' funds**			
	(a) Share capital	2	46,985,000	46,985,000
	(b) Reserves and surplus	3	273,365,611	245,187,885
			320,350,611	292,172,885
2	**Current liabilities**			
	(a) Short-term provisions	4	1,983,412	713,473
	(b) Trade Payables	5	68,400	1,092,668
	(c) Other Current Liabilities	6	350	2,598,254
			2,052,162	4,404,395
	TOTAL		**322,402,773**	**296,577,280**
B	**ASSETS**			
1	**Non-current assets**			
	(a) Non-current investments	7	245,487,352	151,706,928
			245,487,352	151,706,928
2	**Current assets**			
	(a) Inventories	8	36,472,013.70	115,392,441
	(b) Cash and cash equivalents	9	32,736,790	4,020,829
	(c) Short-term loans and advances	10	21,407	1,731,881
	(d) Other current assets	11	7,685,211	23,725,202
			76,915,422	144,870,352
	TOTAL		**322,402,773**	**296,577,280**
	See accompanying notes forming part of the financial statements	1 to 21		

As Per our Report attached of even date

Sd/-
Sacchin P. Ghadialli
Partner
Membership Number: 133178
For and on behalf of
P C GHADIALI AND CO LLP
Chartered Accountants
Firm No. 103132W/W-100037

Place: Mumbai
Date: May 30, 2016

For & on behalf of Board of Directors

Sd/-
Ramakant Chokhani
Director & Company Secretary
DIN: 00613176

Sd/-
Rajesh Chokhani
Director
DIN: 00238789

Sd/-
Manish Chandrahas Parikh
Chief Financial Officer

Place: Mumbai
Date: May 30, 2016

Statement of Profit and Loss for the year ended March 31, 2016

	Particulars	Note No.	For the year ended 31 March, 2016	For the year ended 31 March, 2015
			₹	₹
A	**CONTINUING OPERATIONS**			
1	Revenue from operations	12	7,673,583	754,886
2	Other income	13	30,096,766	22,901,414
3	**Total revenues (1+2)**		**37,770,349**	**23,656,300**
4	**Expenses**			
	(a) Employee benefits expense	14	1,497,287	1,884,120
	(b) Other expenses	15	1,637,855	3,810,011
	Total expenses		**3,135,142**	**5,694,131**
5	**Profit before exceptional and extraordinary items and tax (3 - 4)**		34,635,207	17,962,168
6	**Tax expense:**			
	(a) Current tax expense for current year		4,740,000	1,308,000
	(b) (Less): MAT credit (where applicable)		-	-
	(c) Current tax expense relating to prior years		-	-
	(d) Net current tax expense		4,740,000	1,308,000
	(e) Deferred tax		-	-
			4,740,000	1,308,000
7	**Profit from continuing operations (5 ± 6)**		**29,895,207**	**16,654,168**
	See accompanying notes forming part of the financial statements	1 to 21		

As Per our Report attached of even date

For & on behalf of Board of Directors

Sd/-
Sacchin P. Ghadialli
Partner
Membership Number: 133178
For and on behalf of
P C GHADIALI AND CO LLP
Chartered Accountants
Firm No. 103132W/W-100037

Sd/-
Ramakant Chokhani
Director & Company Secretary
DIN: 00613176

Sd/-
Rajesh Chokhani
Director
DIN: 00238789

Sd/-
Manish Chandrahas Parikh
Chief Financial Officer

Place: Mumbai
Date: May 30, 2016

Place: Mumbai
Date: May 30, 2016

Cash Flow Statement for the year ended 31 March, 2016

Particulars	For the year ended 31 March, 2016	For the year ended 31 March, 2015
	₹	₹
A. Cash flow from operating activities		
Net Profit before extraordinary items and tax	34,635,207	17,962,168
Adjustments for:		
Net (gain) / loss on sale of investments	-	-
Speculation Gain/Loss on Shares and Securities	-	-
Operating profit / (loss) before working capital changes	34,635,207	17,962,168
Changes in working capital:		
Adjustments for (increase) / decrease in operating assets:		
Inventories	78,920,427	(115,392,441)
Short-term loans and advances	(7,007)	(10,628)
Other current assets	16,039,991	(889,082)
Adjustments for increase / (decrease) in operating liabilities:		
Short Term Provisions	1,269,939	(5,422,127)
Trade payables	(1,024,268)	(771,575)
Other Current Liabilities	(2,597,904)	2,598,254
	92,601,179	(119,887,599)
Cash flow from extraordinary items		
Cash generated from operations	127,236,386	(101,925,431)
Net income tax (paid) / refunds	(4,740,000)	(1,308,000)
Net cash flow from / (used in) operating activities (A)	122,496,386	(103,233,431)
B. Cash flow from investing activities		
Income From Investment		
Purchase of long-term investments	(93,780,424)	106,519,295
- Others		
Proceeds from sale of long-term investments		
- Others		
Cash flow from extraordinary items		
Net cash flow from / (used in) investing activities (B)	(93,780,424)	106,519,295
C. Cash flow from financing activities	-	-
Proceeds from issue of equity shares		
Net cash flow from / (used in) financing activities (C)		
Net increase / (decrease) in Cash and cash equivalents (A+B+C)	28,715,961	3,285,864
Cash and cash equivalents at the beginning of the year	4,020,829	734,965
Effect of exchange differences on restatement of foreign currency Cash and cash equivalents		
Cash and cash equivalents at the end of the year	32,736,790	4,020,829
Reconciliation of Cash and cash equivalents with the Balance Sheet:		
Cash and cash equivalents as per Balance Sheet (Refer Note 19)		
Less: Bank balances not considered as Cash and cash equivalents as defined in AS 3 *Cash Flow Statements* (give details)		
Net Cash and cash equivalents (as defined in AS 3 *Cash Flow Statements*) included in Note 19	32,736,790	4,020,829
Add: Current investments considered as part of Cash and cash equivalents (as defined in AS 3 *Cash Flow Statements*) (Refer Note (ii) to Note 16 Current investments)		
Cash and cash equivalents at the end of the year	32,736,790	4,020,829
Comprises:		
(a) Cash on hand	4,998	13,823
(b) Balances with banks		
(i) In current accounts	32,731,792	4,007,006
	32,736,790	4,020,829

Notes:
(i) The Cash Flow Statement reflects the combined cash flows pertaining to continuing and discounting operations.
(ii) These earmarked account balances with banks can be utilised only for the specific identified purposes.

See accompanying notes forming part of the financial statements

In terms of our report attached.

Sd/-
Sacchin P. Ghadialli
Partner
Membership Number: 133178
For and on behalf of
P C GHADIALI AND CO LLP
Chartered Accountants
Firm No. 103132W/W-100037

Place: Mumbai
Date: May 30, 2016

Sd/-
Ramakant Chokhani
Director & Company Secretary
DIN: 00613176

Sd/-
Manish Chandrahas Parikh
Chief Financial Officer

For & on behalf of Board of Directors

Sd/-
Rajesh Chokhani
Director
DIN: 00238789

Place: Mumbai
Date: May 30, 2016

Notes forming part of the financial statements for the year ended March 31, 2016

Note 1

1. SIGNIFICANT ACCOUNTING POLICIES:

A. Basis Of Preparation Of Financial Statements

These financial statements have been prepared to comply with the Generally Accepted Accounting Principles in India (Indian GAAP), including the Accounting Standards notified under the relevant provisions of the Companies Act, 2013. The financial statements are prepared on accrual basis under the historical cost convention.

B. Use Of Estimates

The preparation of financial statements in conformity with Indian GAAP requires judgements, estimates and assumptions to be made that affect the reported amount of assets and liabilities, disclosure of contingent liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognised in the period in which the results are known/materialised.

C. Fixed Assets:

Company has no Fixed Assets.

D. Depreciation:

As the Company do not have any Fixed Assets, the question of depreciation does not arise.

E. Investments

Current investments are carried at lower of cost and quoted/fair value, computed category-wise. Non Current investments are stated at cost. Provision for diminution in the value of Non Current investments is made only if such a decline is other than temporary.

F. Taxation:

Income Tax expense comprises of current tax and deferred tax, charge or credit. The deferred charge or credit is recognized using current tax rates. Where there is unabsorbed or carry forward depreciation, deferred tax assets are recognized only if there is virtual certainty of realisation of such assets. Other deferred tax assets are recognised only to the extent there is reasonable certainty of realisation in future. Deferred tax assets/ liabilities are reviewed as at each Balance Sheet date based on developments during the year and available case laws to reassess realization/liabilities.

G. Inventories:

Stocks of shares, securities and commodities have been valued at cost or market value whichever is lower.

H. Income:

Interest on Loans and Other financial instruments are accounted for on accrual basis.

I. Recognition of Expenditure:

Revenue Expenditure is accounted for on accrual basis.

J. Provisions, Contingent Liabilities And Contingent Assets

Provision is recognized in the accounts when there is a present obligation as a result of past event(s) and it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate can be made. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.
Contingent liabilities are disclosed unless the possibility of outflow of resources is remote.
Contingent assets are neither recognised nor disclosed in the financial statements.

As Per our Report attached of even date

Sd/-
Sacchin P. Ghadialli
Partner
Membership Number: 133178
For and on behalf of
P C GHADIALI AND CO LLP
Chartered Accountants
Firm No. 103132W/W-100037

Place: Mumbai
Date: May 30, 2016

For & on behalf of Board of Directors

Sd/-
Ramakant Chokhani
Director & Company Secretary
DIN: 00613176

Sd/-
Rajesh Chokhani
Director
DIN: 00238789

Sd/-
Manish Chandrahas Parikh
Chief Financial Officer

Place: Mumbai
Date: May 30, 2016

Notes forming part of the financial statements

Note 2 Share capital

Particulars	As at 31 March, 2016		As at 31 March, 2015	
	Number of shares	₹	Number of shares	₹
(a) Authorised				
Equity shares of ₹ 10 each with voting rights	6000000	60,000,000	6000000	60,000,000
(b) Issued				
Equity shares of ₹ 10 each with voting rights	4698500	46,985,000	4698500	46,985,000
(c) Subscribed and fully paid up				
Equity shares of ₹ 10 each with voting rights	4698500	46,985,000	4698500	46,985,000
Total	**4698500**	**46,985,000**	**4698500**	**46,985,000**

Details of shares held by each shareholder holding more than 5% shares:

Class of shares / Name of shareholder	As at 31 March, 2016		As at 31 March, 2015	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Equity shares with voting rights				
Anand Ramakant Chokhani	327710	6.97%	327710	6.97%
Chokhani Custodian Services Private Limited	372000	7.92%	372000	7.92%
R R Chokhani Stock Brokers Private Limited	525600	11.19%	525600	11.19%
Ramakant R. Chokhani HUF	633600	13.49%	633600	13.49%
Neelam R. Chokhani	700000	14.90%	700000	14.90%
Ramakant R. Chokhani	908890	19.34%	908890	19.34%

Note 3 Reserves and surplus

Particulars	As at 31 March, 2016	As at 31 March, 2015
	₹	₹
Surplus in Statement of Profit and Loss		
Opening balance	245,187,885	228,533,716
Add: Profit for the year	29,895,207	16,654,168
Less: Taxes of Previous years written off	(1,717,481)	-
Total	**273,365,611**	**245,187,885**

Note 4 Short-term provisions

Particulars	As at 31 March, 2016	As at 31 March, 2015
	₹	₹
(a) Provision for Tax (Net of Advance Tax and TDS)	701,815	80,493
(b) Provision for Expenses incurred in fulfilling Corporate Social Responsibility A.Y. 2016-17	648,617	632,980
(c) Provision for Expenses incurred in fulfilling Corporate Social Responsibility A.Y. 2015-16	632,980	-
Total	**1,983,412**	**713,473**

Note 5 Trade Payables

Particulars	As at 31 March, 2016	As at 31 March, 2015
	₹	₹
Sundry Creditors	68,400	1,092,668
Total	**68,400**	**1,092,668**

Note 6 Other Current Liabilities

Particulars	As at 31 March, 2016	As at 31 March, 2015
	₹	₹
(a) Mark to Market/Premium on Derivative Transactions	-	2,173,843
(b) Other Payables:		
Statutory Remittances:		
VAT Payable	-	419,526
TDS Payable	350	4,885
Total	**350**	**2,598,254**

Notes forming part of the financial statements

Note 7 Non-current investments

Particulars	Quantity	As at 31 March, 2016	Quantity	As at 31 March, 2015
		₹		₹
Investments (At cost):				
(a) Investment in equity instruments				
1 Equity Shares of Jayant Agro-Organics Limited of ₹5 each fully Paid up	450000	4500	450000	4,500
2 Equity Shares of Adani Power Limited of ₹10 each fully Paid up	-	-	48000	2,219,674
3 Equity Shares of Tech Mahindra Limited of ₹5 each fully Paid up	-	-	14000	1
4 Equity Shares of Federal Bank Limited of ₹2 each fully Paid up	-	-	8000	1,029,357
5 Equity Shares of Jaiprakash Associates Limited of ₹2 each fully Paid up	-	-	8000	193,610
6 Equity Shares of Larsen & Toubro Limited of ₹2 each fully Paid up	2400	3,200	2400	3,200
7 Equity Shares of Iccon Oil & Specialities Limited of ₹10 each fully Paid up	2000	1,900	2000	1,900
8 Equity Shares of Infosys Limited of ₹5 each fully Paid up	-	-	1000	1
9 Equity Shares of Sibar Software Services (India) Limited of ₹10 each fully Paid up	500	400	500	400
10 Equity Shares of UltraTech Cement Limited of ₹10 each fully Paid up	320	3200	320	3,200
11 Equity Shares of Jain Irrigation Systems Limited of ₹2 each fully Paid up	250	500	250	500
12 Equity Shares of Surya Pharmaceutical Limited of ₹1 each fully Paid up	100	115	100	115
		13,815		**3,456,458**
(b) Investment in Mutual Fund				
1 Kotak Banking & PSU Debt Fund	-	-	-	-
2 JM Arbitrage Advantage Fund - Bonus	814865.90	1	814865.90	1
3 Reliance Fixed Horizon Fund - XXIV Series 17-367D	250000.00	2,500,000	250000.00	2,500,000
4 DSP BlackRock FMP - Series -117-12M	250000.00	2,500,000	250000.00	2,500,000
5 Birla Sunlife Cashplus	-	-	-	-
6 UTI Short Term Plan - Growth	170572.783	2,500,000	170572.78	2,500,000
7 Sundaram Select Debt Short Term Plan-Bonus	-	-	-	-
8 Kotak QIP Series 3	-	-	-	-
9 JM Arbitrage Advantage Fund - Annual Bonus	143249.009	1	-	-
10 Reliance Floating Rate - STP	131997.867	2,500,000	131997.87	2,500,000
11 DWS Cash Opportunities Fund - Bonus	-	-	-	-
12 Sundram Flexible Short Term Fund - Bonus	-	-	-	-
13 SBI Mutual Fund	1532.27	5,043,622	-	-
14 UTI Mutual Fund	-	-	-	-
15 Reliance Liquid Fund	-	-	-	-
16 Reliance Arbitrage Advantage Fund	1779.92	25,000	1779.92	25,000

17 HDFC Top 200 Fund	1490.47	510,000	1490.47	510,000
18 Religare Arbitrage Fund	1470.19	25,000	1484.39	25,000
19 ICICI Prudential Equity Arbitrage Fund	1367.47	25,000	1367.47	25,000
20 Kotak Equity Arbitrage Fund	1271.35	25,000	1271.35	25,000
21 Axis Equity Fund	-	-	560.29	10,000
22 HDFC Small and MidCap Fund	-	-	210.75	5,000
23 IDFC Premier Equity Fund	-	-	175.36	10,000
24 HDFC MidCap Opportunities Fund	-	-	171.60	5,000
25 Reliance Equity Opportunity Fund	-	-	155.06	10,000
26 ICICI Prudential Dynamic Fund	-	-	56.47	10,000
27 HDFC Equity Fund	-	-	22.84	10,000
28 Reliance Growth Fund	-	-	14.61	10,000
29 Franklin India Prima Fund	-	-	9.95	10,000
		15,653,624		**10,690,001**
(c) Investment in Tax Free Bonds				
1 7.19% Power Finance Corporation	1060	1,051,999	60	56,949
2 7.36% Power Finance Corporation	1800	1,694,659	1800	1,694,659
3 8.20% Power Finance Corporation	4106	4,092,608	3606	3,531,130
4 8.30% Power Finance Corporation	18380	18,983,515	13993	13,903,115
5 8.79% Power Finance Corporation	2536	2,935,069	-	-
6 8.92% Power Finance Corporation	902	1,099,599	-	-
7 7.35% Power Finance Corporation	3080	3,080,000	-	-
8 7.22% Rural Electrification Corporation Limited	555	570,768	130	126,620
9 7.93% Rural Electrification Corporation Limited	500	524,604	-	-
10 7.38% Rural Electrification Corporation Limited	1010	1,014,510	10	9,460
11 8.46% Rural Electrification Corporation Limited	100	99,500	100	99,500
12 8.12% Rural Electrification Corporation Limited	26297	26,325,186	24280	24,156,435
13 7.34% Housing and Urban Development Corporation Limited	731	710,956	681	659,404
14 8.51% Housing and Urban Development Corporation Limited	5000	5,000,000	5000	5,000,000
15 7.50% Housing and Urban Development Corporation Limited	2064	1,965,970	2064	1,965,971
16 8.10% Housing and Urban Development Corporation Limited	8436	8,534,246	8436	8,534,246
17 8.20% Housing and Urban Development Corporation Limited	42071	42,347,873	41071	41,237,818
18 8.39% Housing and Urban Development Corporation Limited	300	338,518	-	-
19 8.7613% Housing and Urban Development Corporation Limited	250	284,514	-	-
20 8.7625% Housing and Urban Development Corporation Limited	368	436,302	-	-
21 8.83% Housing and Urban Development Corporation Limited	250	287,514	-	-

22 9.01% Housing and Urban Development Corporation Limited	1000	1,137,057	-	-
23 7.39% Housing and Urban Development Corporation Limited	4204	4,204,000	-	-
24 7.36% Indian Infrastructure Finance Company Limited	2000	1,969,551	1000	974,501
25 8.66% Indian Infrastructure Finance Company Limited	5000	5,000,000	5000	5,000,000
26 8.63% Indian Infrastructure	1000	1,105,055	-	-
27 7.49% Indian Renewable Energy Development Agency Ltd	17030	17,030,000	-	-
28 7.17% Indian Renewable Energy Development Agency Ltd	10	10,003,000	-	-
29 7.28% Indian Railway Finance Corporation Limited	22039	22,039,000	-	-
30 7.35% Indian Railway Finance Corporation Limited	2939	2,939,000	-	-
31 8.10% Indian Railway Finance Corporation Limited	5511	5,571,954	4261	4,176,634
32 8.63% Indian Railway Finance Corporation Limited	5000	5,000,000	5000	5,000,000
33 7.40% Indian Railway Finance Corporation Limited	800	856,043	-	-
34 7.60% National Highway Authority of India	5000	5,016,361	-	-
35 8.30% National Highway Authority of India	5500	5,578,026	5500	5,578,026
36 8.65% National Housing Bank	638	3,190,000	638	3,190,000
37 8.66% National Thermal Power Corporation Limited	12666	12,666,000	12666	12,666,000
38 8.91% National Thermal Power Corporation Limited	1630	1,926,846	-	-
39 7.35% National Bank for Agriculture and Rural Development	1002	1,002,000	-	-
40 8.79% NHPC	2000	2,208,111	-	-
		229,819,913		**137,560,468**
Total		**245,487,352**		**151,706,928**
Aggregate market value of listed and quoted investments				
Investment in Equity Instruments		3,973,510		46,081,253
Investment in Mutual Fund		28,625,392		20,602,284
Investment in Tax Free Bonds		252,379,870		152,918,919

Notes forming part of the financial statements

Note 8 Inventories

(At lower of cost and net realisable value)

Particulars	As at 31 March, 2016	As at 31 March, 2015
	₹	₹
Equity Shares and Commodities	36,472,014	115,392,441
Total	**36,472,014**	**115,392,441**

Note 9 Cash and cash equivalents

Particulars	As at 31 March, 2016	As at 31 March, 2015
	₹	₹
(a) Cash on hand	4,998	13,823
(b) Balances with banks		
In current accounts		
Axis Bank	32,721,792	3,997,006
HDFC Bank	10,000	10,000
Total	**32,736,790**	**4,020,829**
Of the above, the balances that meet the definition of Cash and cash equivalents as per AS 3 *Cash Flow Statements* is	32,736,790	4,020,829

Note 10 Short-term loans and advances

Particulars	As at 31 March, 2016	As at 31 March, 2015
	₹	₹
Balances with Government Authorities		
Unsecured, considered good		
(i) Taxes Paid (Net of Provisions and taxes paid)		
For A.Y. 2014-15	14,400	14,400
For A.Y. 2015-16	7,007	-
For A.Y. 2013-14	-	58,647
For A.Y. 2012-13	-	1,158,834
(ii) For Tax on regular assessment		
For A.Y. 2007-08	-	250,000
For A.Y. 2008-09	-	250,000
Total	**21,407**	**1,731,881**

Note 11 Other current assets

Particulars	As at 31 March, 2016	As at 31 March, 2015
	₹	₹
(a) Accruals		
(i) Interest accrued on Tax free Bonds	6,061,451	3,489,053
(ii) Interest accrued on Taxable Bonds	1,623,760	-
(b) Others		
(i) Margin with Broker Account	-	9,970,844
(ii) Other Receivables	-	10,265,305
Total	**7,685,211**	**23,725,202**

Notes forming part of the financial statements

Note 12 Revenue from operations

Particulars	For the year ended 31 March, 2016	For the year ended 31 March, 2015
	₹	₹
Income from Shares, Securities and Commodities	7,673,583	754,886
Total	**7,673,583**	**754,886**

Note 13 Other income

Particulars	For the year ended 31 March, 2016	For the year ended 31 March, 2015
	₹	₹
Interest on Bond Application	381,847	25,069
Income from Tax Free Bonds	14,872,044	11,130,392
Short Term Capital Gain on Sale of Units of Mutual Funds	398,555	4,031,098
Short Term Capital Gain on Shares	14,432,964	7,714,854
Long Term Gain on Sale of Units of Mutual Funds	11,358	-
Total	**30,096,766**	**22,901,414**

Note 14 Employee benefits expense

Particulars	For the year ended 31 March, 2016	For the year ended 31 March, 2015
	₹	₹
Salaries and wages	1,406,367	1,803,256
Staff welfare expenses	90,920	80,864
Total	**1,497,287**	**1,884,120**

Note 15 Other expenses

Particulars	For the year ended 31 March, 2016	For the year ended 31 March, 2015
	₹	₹
Demat & Warehouse Charges	1,124	1,869,075
Expense made to earn Tax Free Income	32,000	30,000
Legal and Professional Fees	168,983	113,669
Listing and Exchange Fees	250,330	125,101
Miscellaneous Expenses	328,930	394,082
Office and General Expenses	119,086	174,294
Payment to Auditors [refer point (i)]	68,400	56,180
Provision for Expenses for Corporate Social Responsibility	648,617	632,980
STT On Investments	20,385	414,630
Total	**1,637,855**	**3,810,011**

Notes:

Particulars	For the year ended	For the year ended
	₹	₹
Payments to the auditors comprises:		
As Auditors - Statutory Audit	68,400	56,180
Total	**68,400**	**56,180**

Notes forming part of the financial statements

Note 16 Segment Reporting

The Company treats Share Trading Activity, Securities Trading Activity and Loan Given and taken to company (under the same Management) as single segment. Therefore, no Segment Reporting is required.

Note 17 Earning Per Share

Computation for the basic earning per share of ₹ 10 each.	For the year ended 31 March, 2016	For the year ended 31 March, 2015
(a) Net profit available for Equity Shareholders	29,895,207	16,654,168
(b) Number of Equity Shares for basic earning per share	4698500	4698500
(c) Basic Earning per Share	6.36	3.54

Note 18

In the opinion of the Board of Directors, Current Assets, Loans and Advances have the value at which these are stated in the Balance Sheet to be realized in the ordinary course of business and the provision for all known liabilities is adequate and not in excess of or less than the amount reasonably necessary.

Note 19 - Deferred Tax Asset/Liability

There are no Deferred Tax Asset or Liability in current and previous year.

Note 20 - Related Party Disclosures

Name of the Party	Relationship
Ramakant R. Chokhani	Key Management Personnel (Company Secretary)
Manish Chandrahas Parikh	Key Management Personnel (CFO)
Prashant Ramesh Solanki	Key Management Personnel (CEO)

Transaction during the year

Particulars	For the year ended 31 March, 2016	For the year ended 31 March, 2015
Managerial Remuneration to Manish Chandrahas Parikh	303,529	26,000
Managerial Remuneration to Prashant Ramesh Solanki	296,735	-

Note 21

Previous year's figures have been regrouped or rearranged or reclassified wherever necessary.

As Per our Report attached of even date

For & on behalf of Board of Directors

Sacchin P. Ghadialli
Partner
Membership Number: 133178
For and on behalf of
P C GHADIALI AND CO LLP
Chartered Accountants
Firm No. 103132W/W-100037

Ramakant Chokhani
Director & Company Secretary
DIN: 00613176

Rajesh Chokhani
Director
DIN: 00238789

Manish Chandrahas Parikh
Chief Financial Officer

Place: Mumbai
Date: May 30, 2016

Place: Mumbai
Date: May 30, 2016

DECLARATION

Our Company certifies that all relevant provisions of Chapter VIII, Part G of Schedule VIII and Schedule XVIII of the SEBI ICDR Regulations have been complied with and no statement made in this Placement Document is contrary to the provisions of Chapter VIII, Part G of Schedule VIII and Schedule XVIII of the SEBI ICDR Regulations, and that all approvals and permissions required to carry on our Company's business have been obtained, are currently valid and have been complied with. Further, all the relevant provisions of the SEBI Act have been complied with. Further, all the relevant provisions of the Securities and Exchange Board of India Act, 1992, as amended (including all rules, regulations and guidelines issued thereunder), have been complied with. Our Company further certifies that all the statements in this Placement Document are true and correct.

Signed by

Abhijit Ghosh
Whole Time Director & CEO

Place: Mumbai
Date: August 13, 2018

DECLARATION

We, the Board of Directors of our Company certify that:

(i) the Company has complied with the provisions of the Companies Act and the rules made thereunder;

(ii) the compliance with the Companies Act and the rules made thereunder does not imply that payment of dividend or interest or repayment of debentures, if applicable, is guaranteed by the Central Government; and

(iii) the monies received under the offer shall be used only for the purposes and objects indicated in this Placement Document (which includes disclosures prescribed under Form PAS- 4).

Signed by

Abhijit Ghosh
Whole Time Director & CEO

Place: Mumbai
Date: August 13, 2018

I am authorised by the Board of Directors of our Company, by its resolution dated July 05, 2018, to sign this form and declare that all the requirements of Companies Act, 2013 and the rules made thereunder in respect of the subject matter of this form and matters incidental thereto have been complied with. Whatever is stated in this form and in the attachments thereto is true, correct and complete and no information material to the subject matter of this form has been suppressed or concealed and is as per the original records maintained by the promoter(s) subscribing to the Memorandum of Association and the Articles of Association.

It is further declared and verified that all the required attachments have been completely, correctly and legibly attached to this form.

Signed by

Abhijit Ghosh
Whole Time Director & CEO

Place: Mumbai
Date: August 13, 2018

CHOKHANI SECURITIES LIMITED

CIN: L67120MH1993PLC070739

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Tel.: +91 22 2200 0772
E-mail: sweta18sep@gmail.com
Website: www.ugrocapital.com

DETAILS OF THE COMPLIANCE OFFICER

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Investor Grievance E-mail: grievances.mb@sundaecapital.com
Website: www.sundaecapital.com

STATUTORY AUDITORS OF OUR COMPANY

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