

**INDEPENDENT AUDITOR'S REVIEW REPORT ON REVIEW OF INTERIM
FINANCIAL RESULTS**

**TO THE BOARD OF DIRECTORS OF
Chokhani Securities Limited**

1. We have reviewed the accompanying Statement of Unaudited Financial Results of **Chokhani Securites Limited** ("the Company"), for the Quarter ended June 30, 2018 ("the Statement"), being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

This Statement which is the responsibility of the Company's Management and approved by the Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in the Accounting standard 25 for "Interim Financial Reporting" ("AS 25"), prescribed under Section 133 of the Companies Act, 2013 read with the Companies (Accounting Standards) Rules, 2006, as amended, and other accounting principles generally accepted in India. Our responsibility is to issue a report on the Statement based on our review.

2. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity', issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of Company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.
3. Based on our review conducted as stated above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the aforesaid Accounting Standards and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, including the manner in which it is to be disclosed, or that it contains any material misstatement.




**Deloitte
Haskins & Sells LLP**

4. The comparative financial information of the Company for the quarter ended June 30, 2017, prepared in accordance with the recognition and measurement principles laid down in Accounting Standard for Interim Financial Reporting (AS 25), prescribed under Section 133 of the Companies Act, 2013 read with the Companies (Accounting Standards) Rules, 2006, as amended, and other accounting principles generally accepted in India, have been reviewed by the predecessor auditor and the comparative financial statements for the year and quarter ended March 31, 2018 prepared in accordance with the Accounting Standard, prescribed under Section 133 of the Companies Act, 2013 read with the Companies (Accounting Standards) Rules, 2006, as amended, and other accounting principles generally accepted in India have been audited by the predecessor auditor. The reports of the predecessor auditor on these comparative financial information and financial statements dated August 10, 2017 and May 29, 2018 respectively expressed an unmodified conclusion and unmodified opinion respectively. Our report is not modified in respect of these matters.

Mumbai
August 13, 2018

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Reg. No. 117366W/W-100018)


Anjum A. Qazi
Partner
(Membership No.104968)

CHOKHANI SECURITIES LIMITED

Registered Office: 5-A, Maker Bhavan- II, 18, Sir Vithaldas Thackersey Marg, New Marine Lines, Churchgate, Mumbai City MH 400020

CIN:L67120MH1993PLC070739

Statement Of Unaudited Financial Results For The Quarter Ended 30 June, 2018

		Rs. In lacs		
Sr	Particulars	Quarter ended		
No		30 June, 2018	31 March, 2018	Year ended
			(Refer note 4)	31 March, 2018
		Unaudited	Unaudited	(Refer note 4)
			Unaudited	Audited
1	Revenue from operations	125.77	126.76	30.48
2	Other Income	-	-	-
3	Total Revenue (1 + 2)	125.77	126.76	30.48
	Expenses			
	(a) Employee benefits expense	1.55	1.60	1.69
4	(b) Expenses towards increase of authorised share capital and listing of shares and debentures	75.50	-	-
	(c) Other expenses	3.42	0.30	4.40
	Total expense	80.47	1.90	6.09
5	Profit before tax (3-4)	45.31	124.86	24.39
	Tax expense			
6	(a) Current Tax	7.50	11.72	2.50
	(b) Deferred Tax	-	-	-
7	Profit for the period for the period(5-6)	37.81	113.14	21.89
8	Paid Up Equity Share Capital (Face Value Rs. 10)	4.70	4.70	4.70
9	Reserves excluding Revaluation Reserve as at 31st March, 2018			32.34
	Earning per Share			
10	Basic	0.80	2.41	0.47
	Diluted	0.80	2.41	0.47

Notes:

- The above unaudited results have been reviewed and recommended by the audit committee and approved by the board of directors in their meeting held on 13 August, 2018. The Statutory Auditors of the Company have carried out Limited Review as required under Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the related report is being submitted to the concerned stock exchanges. As the Company is NBFC having Net worth below 500 Crore, Indian Accounting Standards (Ind AS) as prescribed u/s 133 of Companies Act 2013 are not applicable to the Company, hence these unaudited financial statements have been prepared as per generally accepted accounting principles in India (Indian GAAP) including Accounting Standards.
- The Board of Directors, at their meeting held on 14 June, 2018 have declared interim dividend of Rs. 3.5 per equity share aggregating to Rs. 1.98 crores inclusive of tax on dividend.
- Segment reporting is not applicable to the Company as the Company operates in single segment i.e. lending and investing.
- The figures for the previous year and quarter ended 31 March, 2018 and for the quarter ended 30 June, 2017 were subjected to audit and limited review respectively by the previous auditors vide their report dated 29 May, 2018 and 10 August, 2017 respectively.
- As per the Share Purchase and Transfer of Control Agreement dated 31 December, 2017 signed by the erstwhile promoters of the Company, agreeing to cede control over the management and transfer of their shareholding in the Company to Mr. Shachindra Nath and Poshika Advisory Services LLP (collectively referred to as "Acquirers") The Acquirers have acquired control of 2,140,800 shares of the Company from the exiting promoters on 5 July, 2018 after receiving RBI approval which is effective on 22 June, 2018. The Company proposes to focus on the business of extending term loans and working capital loans to small and medium sized companies.
- In accordance with the investment agreements signed by the Company, and approval of the board of directors and shareholders of the Company, the Company proposes to raise funds aggregating to Rs. 800 crores approximately through issue of 13,412,758 equity shares, 20,219,078 compulsorily convertible preference shares, 17,325,582 compulsorily convertible debentures and 8,783,785 Convertible Warrants (Warrants) at an issue price ranging from Rs. 129 to Rs. 148 per share/debenture/warrant (Face value Rs. 10) on preferential basis through a mix of qualified institutional placement and preferential allotments. The Company has received the entire proceeds which is held in an escrow account as of 30 June, 2018.
- Out of the aforesaid, allotment of 2,558,138 equity shares amounting to Rs. 32.99 crores, 13,837,210 preference shares amounting to Rs. 178.5 crores and 17,325,582 compulsorily convertible debentures amounting to Rs. 223.50 crores was made on 5 July, 2018.
- The Board of Directors at the meeting held on 31 December, 2017, approved the issue of 135,65,891 number of equity shares amounting to Rs. 174.99 Crore at Rs. 129 each (face value RS. 10) at a premium of Rs. 119 per share to DBZ (Cyprus) Limited, in terms of a scheme of arrangement, under which the lending business of Asia Pragati Capfin Private Limited, a private limited company incorporated under the laws of India and holding a license to act as a non-banking finance company comprising of business of extending term loans and working capital loans to small and medium sized companies, shall be merged with the Company, subject to the approval of scheme of arrangement stated above by the relevant National Company Law Tribunal.
- The Previous Year's/ Quarter figures have been regrouped / rearranged wherever necessary to make them comparable.



For Chokhani Securities Limited

Shachindra Nath

**Shachindra Nath
Managing Director
DIN: 00510618**

**Place: Mumbai
Date: 13 August 2018**