UGRO CAPITAL



ANNUAL REPORT 2019



Mr. Shachindra Nath, Executive Chairman and Managing Director (extreme left) and Mr. Anuj Pandey (Extreme right) being felicitated by Dr. A. Ashok (IAS-Govt of India) and Mr Hemant Kaushik (CEO) IBC InfoMedia Pvt Ltd (A Division of International Brand Consulting Corporation, USA)

We are pleased to announce that your company was adjudged 'The Most Trusted Emerging NBFC' at India's Most Trusted Brands, Companies & Education Awards 2019.

The award was presented at an illustrious awards ceremony on 11th August, 2019 at Hotel Hyatt Regency, New Delhi and was received by your Executive Chairman & Managing Director, Mr. Shachindra Nath.

About the Awards

The awards are chosen based on a thorough research conducted by the International Brand Consulting Corporation, USA. The parameters considered are leadership, workplace culture, innovation, business ethics, corporate governance, reputation as well as corporate social responsibility.

BOARD MEMBERS



SHACHINDRA NATH
Executive Chairman & Managing Director



ABHIJIT GHOSH
Whole Time Director & CEO



ABHIJIT SEN
Independent Director



KARUPPASAMY SINGAM
Independent Director



NAVIN KUMAR MAINI
Independent Director



RAJEEV KUMAR AGARWAL
Independent Director



RANJANA AGARWAL
Independent Director



SATYANANDA MISHRA
Independent Director



AMIT GUPTA
Non-Executive Director



MANOJ KUMAR SEHRAWAT
Non-Executive Director



CHETAN GUPTA
Additional
(Non-Executive) Director



KANAK KAPUR
Additional
(Non-Executive) Director



NAVIN PURI
Additional (Independent) Director

MANAGEMENT TEAM



SHACHINDRA NATH
Executive Chairman & Managing Director



ABHIJIT GHOSH
Whole Time Director & CEO



ANUJ PANDEY
Chief Operating Officer



J. SATHIAYAN
Chief Business Officer



KALPESHKUMAR OJHA
Chief Financial Officer



MANISH AGARWAL
Chief Risk Officer



RAJNI KHURANA
Chief Human Resources Officer



SANDEEP KAKAR
Chief Growth Officer

CHAIRMAN SPEECH



Dear Shareholder,

The year gone by was an assimilation of our aspirations to create a platform to "Solve the Unsolved" – the US $600 B SME credit availability problem in our country.

To this end, 2019 saw us close one of the largest fund-raises for a start-up, raising INR 953 crores from a diverse and marquee base of investors; we completed the acquisition of Chokhani Securities and embarked on the U GRO journey.

We believe that knowledge and technology are key to solving the SME credit availability problem in the country. To this end, our 80+ employees have done a phenomenal job of creating a highly specialized, technology enabled distribution and underwriting platform.

Knowledge for us means a deep understanding of the customer - their needs, behavior and the ecosystem in which they operate. In pursuit of this goal, we embarked on a journey of narrowing down the sectors on which to focus on - and after careful analysis of 180+ sectors we narrowed down on eight sectors, each representing large consumption driven markets and relatively less influenced by macro-economic tailwinds. The selected sectors are Healthcare, Education, Chemicals, Food Processing & FMCG, Hospitality, Electrical Equipment & Components, Auto Components and Light Engineering.

Within these eight sectors, we further decided to specialize on 37+ sub-sectors in select SME clusters and build specific customer solutions for these sub-sectors.

Technology underpins every aspect of our lending process – we have integrated 25+ API integrations, built 8 sectoral statistical scorecards, 30 sub-sectoral expert scorecards, state-of-the-art bank, bureau and GST statement analyzers, automated policy approvals, developed machine learning OCR technology to deliver an industry first 60 min in-principal approval to the customer. However, we certainly are not disregarding traditional methods that have been historically successful in this space. Instead, we are blending the best of both fin-tech and fin-touch by supplementing our 60 min in principal approval with all the traditional checks and balances.

We are also in the process of creating a unique multi-pronged distribution model, supplementing the traditional branch led model with partnership led models and direct to customer models. We started disbursals on Jan 15, 2019 and have already disbursed 82 crores by March, 2019 – a testament to the strength of our distribution. The company is in the process of building a 4-pronged distribution network which is scalable, technology enabled and highly specialized

- Intermediary led: In a short span of 3 months, the company has started 7 branches, onboarded 80 channel partners who are operating at industry leading productivities
- Partnership led: The company has built a separate vertical headed by the Chief Growth Officer to build partnerships in prioritized segments and tap into the partners' network of distributors, dealers, suppliers through an ecosystem-based lending strategy.
- BFSI led: The company is in the process of creating a partner network of specialized NBFCs with a view of entering into co-origination/assignment partnerships with them
- Direct to Customer: The company is also planning on launching a direct-to-customer digital channel in the second half of Fy20

On the liability side, the company aspires to be strike an optimal balance between balance sheet and off-balance sheet lending leveraging co-origination and securitization to improve returns, ability to cater to customers of all risk segments, increase scale and minimize ALM mismatches.

FY 2019 was a turbulent year for lenders, particularly NBFCs. Idiosyncratic issues at a few NBFCs have led to a broader crisis of confidence and liquidity crunch in the market. The crisis reemphasizes the importance of a strong corporate governance framework. We at U GRO pride ourselves in being a truly board driven, management run company - setting industry leading standards of corporate governance. To this effect, the company has onboarded pre-eminent professionals from regulatory bodies like RBI, SEBI, developmental funds like SIDBI, the Indian government and with deep expertise in audit and compliance functions. The company has also incorporated the principal tenets of corporate governance in its articles of association so that these are preserved for perpetuity.

Although the liquidity crunch has not had an impact on the company, we believe in being nimble footed and having our ears to the ground. We are confident that our risk management frameworks and our asset liability management will see us through the crisis unscathed.

The path ahead of us is a long and arduous one to be sure. However, while it may be fraught with the dangers of present market conditions, it offers bountiful opportunity as well. The challenging circumstances have greatly increased the emphasis on competence, which has resulted in the space becoming more meritocratic in nature. This is an environment we are more than happy to embrace at U GRO as we look to rapidly scale into one of the industry's major players. We have firm belief in our technology and knowledge focused approach to SME Lending, and we hope that you too will keep faith with us on our journey.

Yours Sincerely,

Shachindra Nath
Executive Chairman & Managing Director
U GRO Capital Limited

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Notice

Notice is hereby given that the 26th (Twenty Sixth) Annual General Meeting of the members of UGRO Capital Limited (Previously known as Chokhani Securities Limited) will be held at 11.00 a.m. on Wednesday, 18th September, 2019 at Shanbaug Hall, Utkarsha Mandal, Vileparle, Utkarsha Mandal Chowk, Malavia Road, Vileparle (East), Mumbai-400057 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as on 31st March, 2019 and Statement of Profit & Loss Account for the financial year ended 31st March, 2019 along with Directors' Report and Auditors' Report thereon.
2. To confirm the interim dividend paid by the Company as final dividend for the financial year ended 31st March, 2019.
3. To appoint a Director in place of Mr. Manoj Kumar Sehrawat (DIN: 02224299) who retires by rotation and being eligible offers himself for reappointment.

SPECIAL BUSINESS:

4. **To appoint Mr. Chetan Gupta (DIN: 07704601) as a Non-Executive Director of the Company**

   To consider and if thought fit, to pass the following resolution as an Ordinary Resolution:

   "**RESOLVED THAT** pursuant to provisions of Sections 152, 160, 161 and other applicable provisions, if any, of the Companies Act, 2013 [including any statutory modification(s) or re-enactment(s) thereof, for the time being in force] and the Companies (Appointment and Qualification of Directors) Rules, 2014 and applicable regulations of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and pursuant to the applicable provisions of RBI, Mr. Chetan Gupta (DIN: 07704601), who was appointed as an Additional Non-Executive Director of the Company by the Board of Directors of the Company with effect from 2nd November, 2018 and who holds the said office up to the date of this Annual General Meeting and who is eligible for appointment under the relevant provisions of the Companies Act, 2013 and in respect of whom the Company has received a notice in writing from a member signifying his intention to propose him as a candidate for the office of the Director, be and is hereby appointed as a Non-Executive Director of the Company, liable to retire by rotation."

5. **To appoint Mr. Kanak Kapur (DIN: 03299278) as a Non-Executive Director of the Company**

   To consider and if thought fit, to pass the following resolution as an Ordinary Resolution:

   "**RESOLVED THAT** pursuant to provisions of Sections 152, 160, 161 and other applicable provisions, if any, of the Companies Act, 2013 [including any statutory modification(s) or re-enactment(s) thereof, for the time being in force] and the Companies (Appointment and Qualification of Directors) Rules, 2014 and applicable regulations of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and pursuant to the applicable provisions of RBI, Mr. Kanak Kapur (DIN: 03299278), who was appointed as an Additional Non-Executive Director of the Company by the Board of Directors of the Company with effect from 7th August, 2019 and who holds the said office up to the date of this Annual General Meeting and who is eligible for appointment under the relevant provisions of the Companies Act, 2013 and in respect of whom the Company has received a notice in writing from a member signifying his intention to propose him as a candidate for the office of the Director, be and is hereby appointed as a Non-Executive Director of the Company, liable to retire by rotation."

6. **To appoint Mr. Navin Puri (DIN: 08493643) as an Independent Director of the Company**

   To consider and if thought fit, to pass the following resolution as an Ordinary Resolution:

   "**RESOLVED THAT** pursuant to provisions of Sections 149, 152, 160, 161 and other applicable provisions, if any, of the Companies Act, 2013 read with Schedule IV to the Companies Act, 2013 [including any statutory modification(s) or re-enactment(s) thereof, for the time being in force] and the Companies (Appointment and qualification of Directors rules, 2014 and applicable regulations of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and pursuant to the applicable provisions of RBI, Mr. Navin Puri (DIN: 08493643), who was appointed as an Additional Director and also as an Independent Director of the Company by the Board of Directors of the Company with effect from 7th August, 2019 and who holds the said office up to the date of this Annual General Meeting and who is eligible for appointment under the relevant provisions of the Companies Act, 2013, and in respect of whom the Company has received a notice in writing from a member signifying his intention to propose him as a candidate for the office of the Director, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation and to hold office for a term of 5 (five) consecutive years from 7th August, 2019 to 6th August, 2024."

7. **Authorization for Borrowing Money under Section 180 (1) (C) of the Companies Act, 2013**

   To consider and if thought fit, to pass the following resolution as Special Resolution:

   "**RESOLVED THAT** pursuant to the provisions of Section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder (including any amendment(s), modification(s), variation(s) or re- enactment(s) thereof for the time being in force) ("the Act"), the provisions of the Memorandum of Association and Articles of Association of the Company, Circulars/ Notifications/ Directions issued by Reserve Bank of India from time to time, the consent of the Members of the Company

be and is hereby accorded to the Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include any Committee constituted by the Board, to exercise its powers, including the powers conferred by this Resolution) to borrow any sum or sums of money (exclusive of interest), from time to time, on such term and conditions as may be determined, in any form one or more companies, body corporate(s), statutory corporations, commercial banks, lending agencies, financial institutions, insurance companies, mutual funds, pension provident funds, multilateral financial institutions, any entity/entities or authority and authorities whether in India or abroad, and whether by way of cash credit, loans, advances or deposits, bill discounting, issue of debentures, commercial papers, long/short term loans, suppliers credit, securitized instruments such as floating rate notes, fixed rate notes, syndicate loans, commercial borrowings, either in rupees and/or in such other foreign currencies as may be permitted by law from time to time and/or any other instruments/securities or otherwise and whether unsecured or secured by mortgage, charge, hypothecation or lien or pledge of companies assets, licenses and properties, whether immovable or movable and/or any of the undertaking of the Company notwithstanding that monies to be borrowed including monies already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) will or may exceed the aggregate of the paid up capital of the Company and its free reserves that is to say reserves not set apart for any specific purpose so that the total amount upto which the monies may be borrowed by the Company and outstanding at any time shall not exceed the sum of INR 2000 Crores only (INR Two Thousand Crores only).

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorised to approve, finalise, modify, settle and execute such documents/ deeds/ writings/ papers/ agreements as may be required or considered necessary by the Board and to do all such acts, deeds, matters and things, as it may in its absolute discretion deem necessary, expedient, incidental thereto proper or desirable and to settle any question, difficulty or doubt that may arise in regard to borrowing(s) as aforesaid or in respect of any other related matter in this regard and to delegate all or any of its powers herein conferred to any Committee of Board and/ or director (s) and/or officer(s) of the Company to give effect to this resolution."

8. Authorization to sell, lease, charge and/or mortgage etc. property of the Company under section 180 (1)(a) of the Companies Act, 2013

To consider and if thought fit, to pass the following resolution as Special Resolution:

"**RESOLVED THAT** pursuant to the provisions of section 180(1)(a) and other applicable provisions of the Companies Act, 2013, if any or any other law for the time being in force (including any statutory modification or amendment thereto or re-enactment thereof) and in terms of Memorandum and Articles of Association of the Company and subject to such other approvals and permissions as may be required, consent of the members be and is hereby accorded to the Company to sell, mortgage and/ or charge, in addition to the mortgages/charges created/ to be created by the Company in such form and manner and with such ranking and at such time and on such terms and conditions as may be determined, on all or any of the movable and/ or immovable properties of the Company and/ or the interest held by the Company in all or any of the movable or immovable properties, both present and future and/ or the whole or any part of the undertaking(s) of the Company, together with the power to take over management of the business and concern of the Company in certain events of default, in favour of lender(s) agent(s), and trustee(s) for securing the borrowings of the Company availed/to be availed by way of loan(s) (in foreign currency and/or rupee currency) and securities (comprising fully/ partly convertible debentures and/or non convertible debentures with or without detachable or non detachable warrants and/or secured premium notes and/ or floating rate notes/ bonds or other debt instruments), issued/ to be issued by the Company from time to time, subject to the limits approved under Section 180 (1) (c) of the Companies Act, 2013 from time to time together with interest at the respective agreed rates, additional interest, compound interest in case of default, accumulated interest, liquidated damages, commitment charges, premium and prepayment, remuneration of the agent(s) and/ or trustee(s), premium (if any) on redemption, all other costs, charges and expenses, including any increase as a result of devaluation/ revaluation/ fluctuation in rates of exchange and all other monies payable by the Company in terms of the loan agreement(s), heads of agreement(s), debenture trust deed(s) or any other agreement/ document, entered into/ to be entered into between the Company and lender(s)/investor(s)/agent(s) and/ or trustee(s) in respect of the said loans , borrowing/ debentures and containing such specific terms and conditions and covenants in respect of enforcement of securities as may be stipulated in that behalf and agreed to between the Company and the lender(s), agent(s) and/ or trustee(s) from time to time for a sum of money which may exceed the paid-up capital and free reserves in the ordinary course of business but not exceeding INR 2,400 Crores (INR Two Thousand Four Hundred Crores) at any point of time.

RESOLVED FURTHER THAT sale, lease, mortgage/charge created/to be created and/or all agreements, documents executed, to be executed and all acts done in terms of the above resolution by and within the authority of the Board of Directors be and is hereby confirmed and ratified.

RESOLVED FURTHER THAT any Director of the Company and Company Secretary be and are hereby severally authorized to sign, execute and submit such applications, undertakings, agreement, writings, deeds and other documents and file necessary forms with Ministry of Corporate Affairs and such Authority/s as may be deemed necessary and to delegate all or any of its powers herein conferred to any Committee of Directors and/ or director (s) and/or officer(s) of the Company to give effect to this resolution or expedient to give effect this resolution."

9. To borrow funds by way of issuance of Non-Convertible Debentures and other instruments

To consider and if thought fit, to pass the following resolution as Special Resolution:

"**RESOLVED THAT** pursuant to the provisions of Sections 23, 42, 71 of the Companies Act, 2013 read with relevant rules thereunder and such other applicable provisions and rules, if any, of the Companies Act, 2013 (including any amendment(s), modification(s),

variation(s) or re enactment(s) thereof for the time being in force) and read with relevant Circulars/Notifications issued by the Ministry of Corporate Affairs, from time to time, and pursuant to the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008, as amended from time to time and subject to such other applicable laws, rules and regulations and circulars/ notifications/ guidelines/ directions including those issued by Reserve Bank of India from time to time, the Memorandum and Articles of Association of Company and subject to such other approvals as may be required from regulatory authorities from time to time, consent of the Members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include any Committee constituted by the Board, to exercise its powers, including the powers conferred by this Resolution) for making offer(s) or invitation(s), issue and allot, in one or more series/tranches Secured/Unsecured Redeemable Non-Convertible Debentures (NCDs) including but not limited to Subordinated Debentures, Perpetual Debt, etc. on private placement basis, for cash and on such terms and conditions and at such times at par or at such premium/ discount, as may be considered fit and appropriate by the Board to such person or persons, including one or more companies, body corporate(s), statutory corporations, commercial banks lending agencies, financial institutions, insurance companies, mutual funds, pension provident funds, multilateral financial institutions and individuals as the case may be or such other person/persons as the Board may decide, for the purpose of meeting long term requirement of funds such that total issuance of Non-Convertible Debentures/Bonds/any other debt securities shall not exceed the overall amount of borrowing of INR 2000 (INR Two Thousand Crores) as may be approved by the members at any point of time, in addition to the limit prescribed under the provision of section 180 of the Act."

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board/Committee of Directors and Officers of the Company be and are hereby severally authorized to do all such acts, deeds and things and deal with such matters and take all such steps as may be necessary and to sign and execute any deeds/documents/undertaking/agreements/papers/writings, as may be required in this regard."

10. To approve the terms of appointment of Mr. Abhijit Ghosh (DIN: 07935397) as Whole Time Director & Chief Executive Officer

To consider and if thought fit, to pass the following resolution as Special Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 196, 197 and 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment (s) thereof, for the time being in force and further to the special resolution passed at the 25th Annual General meeting held on 3rd July, 2018 in connection with appointment of Mr. Abhijit Ghosh as Whole Time Director & Chief Executive Officer, the remuneration of ₹1,50,00,000 (INR One Crore Fifty Lakhs only) from the date of his appointment till 31st March, 2019, as per details set out in the explanatory notes, which was not detailed in the said Shareholders Resolution dated 3rd July, 2019 as recommended by Nomination & Remuneration Committee, and the variable pay for the financial year 2018-19 of ₹ 1,50,00,000 (INR One Crore Fifty Lakhs only) and one time payment of ₹ 2,13,14,830 (INR Two Crore Thirteen Lakhs Fourteen Thousand Eight Hundred and Thirty) be and is hereby ratified and approved.

RESOLVED FURTHER THAT revision in annual compensation package/remuneration of Mr. Abhijit Ghosh, Whole Time Director & Chief Executive Officer to ₹ 1,55,25,000/- (Indian Rupees One Crore Fifty Five Lakhs Twenty Five Thousand Only) to be effective from 1st April, 2019 as per details set out in the explanatory notes be and is hereby approved.

RESOVED FURTHER THAT in addition to the above annual compensation package/remuneration, Mr. Ghosh would 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.

RESOLVED FURTHER THAT the Nomination and Remuneration Committee be and is hereby authorised to alter and vary the terms and conditions of the appointment and/or agreement including any components of the remuneration, as may be necessary from time to time, in view of any approvals and conditions as may be given by the RBI or any other statutory authority in such manner as may be agreed to between the Nomination and Remuneration Committee and Mr. Ghosh.

RESOLVED FURTHER THAT Mr. Abhijit Ghosh shall not be paid any sitting fees for attending the meetings of the Board of Directors or Committees thereof, he shall however be entitled to reimbursement of expenses incurred by him for the business of the Company, which shall not be included in the total remuneration as mentioned above.

RESOLVED FURTHER THAT in the event of loss and/or inadequacy of profits in any financial year during his tenure, the remuneration, perquisites and performance bonus as stated hereinabove shall be paid as Minimum Remuneration to Mr. Abhijit Ghosh.

RESOLVED FURTHER THAT any of the Director of the Company and Company Secretary of the Company be and are hereby severally authorized to do all acts, deeds, matters and things as may be necessary, desirable and expedient to give effect to this resolution and also to intimate and file necessary statutory e-form(s) with the Registrar of Companies/Ministry of Corporate Affairs/ Stock Exchange/Authority(ies) as the case may be."

Notice

11. To approve revision in remuneration of Mr. Shachindra Nath (DIN: 00510618), Executive Chairman and Managing Director

To consider and if thought fit, to pass the following resolution as Special Resolution:

RESOLVED THAT pursuant to the provisions of Sections 196, 197 and 203 read with Schedule V of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force) ("the Act") and/or any other applicable rules, regulations and provisions of law as the case may be and all other applicable regulatory approvals, consent(s) and permission(s) as may be necessary in this regard, and further to the special resolution approved by the members of the Company through postal ballot on 9th May, 2018 in connection with appointment and remuneration of Mr. Shachindra Nath (DIN: 00510618) as the Managing Director and Key Managerial Personnel of the Company, approval of the shareholders be and is hereby granted for revision in the annual compensation package / remuneration from INR 3,00,00,000/- (INR Three Crores only) to INR 3,15,00,000/- (INR Three Crores Fifteen Lacs only) to be effective from 1st April, 2019 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.

RESOVED FURTHER THAT in addition to the above annual compensation package/remuneration Mr. Nath 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.

RESOLVED FURTHER THAT the Nomination and Remuneration Committee be and is hereby authorised to alter and vary the terms and conditions of the appointment and/or agreement including any components of the remuneration, as may be necessary from time to time, in view of any approvals and conditions as may be given by the RBI or any other statutory authority in such manner as may be agreed to between the Nomination and Remuneration Committee and Mr. Nath.

RESOLVED FURTHER THAT Mr. Shachindra Nath shall not be paid any sitting fees for attending the meetings of the Board of Directors or committees thereof, he shall however be entitled to reimbursement of expenses incurred by him for the business of the Company, which shall not be included in the total remuneration as mentioned above.

RESOLVED FURTHER THAT in the event of loss and/or inadequacy of profits in any financial year during his tenure, the remuneration, perquisites and performance bonus as stated hereinabove shall be paid as Minimum Remuneration to Mr. Shachindra Nath.

RESOLVED FURTHER THAT any of the Directors of the Company be and are hereby severally authorized to do all acts, deeds, matters and things as may be necessary, desirable and expedient to give effect to this resolution and also to intimate and file necessary statutory e-form(s) with the Registrar of Companies/Ministry of Corporate Affairs/ Stock Exchange/ Authority(ies) as the case may be".

12. To approve alteration of Articles of Association of the Company

To consider and if thought fit, to pass the following resolution as Special Resolution:

RESOLVED THAT pursuant to the provisions of Section 14 and Companies (Incorporation) Rules 2014 and any other applicable provisions, if any, of Companies Act, 2013, (including any statutory modifications or re-enactment thereof, for the time being in force), and the rules framed there under, consent of the Members of the Company be and is hereby accorded, subject to the approval of the Registrar of Companies, Mumbai, to alter the Articles of Association of the Company, as under.

- Deletion of the following clause 2 (vii) under the heading "Interpretation"

  (vii) "Big Four Accounting Firms" means one of the big four audit firms (being, Price Waterhouse Coopers, Deloitte and Haskins, Ernst & Young and KPMG)

- Existing clause 2 (xxv) under the heading " Interpretation" to be replaced as follows:

  (xxv) "Internal auditor" means Internal Auditor of the Company, appointed in accordance with the Paragraph 7.2 of this Articles and the Act.

- Existing clause 7.1, 7.2 and 7.3 under the heading "Appointment of Statutory Auditors and Internal Auditors" to be replaced as follows:

  "7.1 The Board shall appoint a Statutory Auditor with good reputation, and preferably having international affiliates. Pursuant to approval of the Board, the appointment of the Statutory Auditor will need to be approved by the shareholders in accordance with section 139 of the Act."

  "7.2 An Internal Auditor (with good reputation and international affiliates) will need to be appointed by the Company to conduct an internal audit on the functions and activities of the Company. The Audit Committee shall be responsible for the appointment of Internal Auditor."

  "7.3 The term of the Statutory Auditor and the Internal Auditor shall be as per provisions of Companies Act, 2013 and rules made thereunder, as amended from time to time."

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, any Director and Company Secretary of the Company be and are hereby severally authorized, on behalf of the Company, to do all acts, deeds, matters and things as deem necessary, proper or desirable and to sign and execute all necessary documents, applications and returns for the purpose of giving effect to the aforesaid resolution along with filing of necessary E-form with the Registrar of Companies, Mumbai."

13. To consider and approve raising of funds to the tune of INR 500 Crores (INR Five Hundred Crores) 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, and in compliance of applicable laws

To consider and, if thought fit, to pass the following Resolution as Special Resolution:

"**RESOLVED THAT** pursuant to the provisions of the Companies Act, 2013 including Sections 23, 42 and 62 and all other applicable provisions, if any, of the Companies Act, 2013, as amended (the "Act") and the Rules made there under to the extent notified and in effect, the applicable provisions, if any, of the Companies Act, 1956, as amended (without reference to the provisions thereof that have ceased to have effect upon notification of sections of the Companies Act) and in accordance with the provisions of the Memorandum and Articles of Association of the Company and subject to and in accordance with any other applicable laws or regulation, in India or outside India, including without limitation, the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2018 ("**ICDR Regulations**") (including any amendment/ modifications thereto or re-enactment thereof, for the time being in force), provisions of the SEBI (Listing Obligations and Disclosure Requirement) Regulation, 2015, as amended, the Issue of Foreign Currency Convertible Bonds and Ordinary Shares(through Depository Receipt Mechanism) Scheme, 1993, as amended or restated, the Depository Receipt Scheme 2014, the Foreign Exchange Management Act, 1999 ("**FEMA**"), as amended, Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2017, as amended, and in accordance with the rules, regulations, guidelines, notifications, circulars and clarifications issued thereon, from time to time, by Securities and Exchange Board of India, Reserve Bank of India, the Stock Exchanges, the Government of India, the Registrar of Companies or any other relevant authority from time to time ("**Governmental Authorities**"), to the extent applicable and subject to such approvals, consents, permissions and sanctions as may be required from such Governmental Authorities and subject to such conditions and modifications as may be prescribed, stipulated or imposed by such Governmental Authorities while granting such approvals, consents, permissions and sanctions, the consent, approval and sanction of the Company be and is hereby granted to the Board of Directors (hereinafter referred to as the "**Board**" which term shall be deemed to include any committee(s) thereof constituted/to be constituted by the Board to exercise its powers including the powers conferred by this Resolution to the extent permitted by law) to create, offer, issue and allot, (including with provisions for reservation on firm and/or competitive basis, of such part of issue and for such categories of persons, as may be permitted), with or without a green shoe option, such number of equity shares of the Company with a face value of INR 10 (Rupees Ten) each ("**Equity Shares**") and/or Equity Shares through convertible bonds (whether denominated in Indian rupees or foreign currency) and/or other securities convertible into Equity Shares at the option of the Company and/or the holder(s) of such securities and/or securities linked to Equity Shares or other securities with or without warrants, which may either be detachable or linked, and which warrant has a right exercisable by the warrant holder to subscribe for the Equity Shares and/ or warrants with an option exercisable by the warrant holder to subscribe for Equity Shares and/ or any instruments or securities representing either Equity Shares and/or convertible securities linked to Equity Shares (including the issue and allotment of Equity Shares pursuant to a green shoe option, if any), or any combination of securities convertible into or exchangeable for equity shares including without limitation through Global Depository Receipts ("**GDRs**") and/or American Depository Receipts ("**ADRs**") and/ or convertible preference shares and/or convertible debentures (compulsorily and/or optionally, fully and/ or partly) and/or Commercial Papers and/or warrants with a right exercisable by the warrant holder to exchange or convert such warrants with the Equity Shares of the Company at a later date simultaneously with the issue of non-convertible debentures and/or Foreign Currency Convertible Bonds ("**FCCBs**") and/ or Foreign Currency Exchangeable Bonds ("**FCEBs**") and/or any other permitted fully and/or partly paid securities/ instruments/ warrants, convertible into or exchangeable for equity shares at the option of the Company and/or holder(s) of the security(ies) and/ or securities linked to equity shares, in registered or bearer form, secured or unsecured, listed on a recognized stock exchange in India or abroad whether rupee denominated or denominated in foreign currency (all of which are hereinafter collectively referred to as "**Securities**") or any combination of Securities, in one or more tranches, in India or in course of international offering(s) in one or more foreign markets, by way of one or more public and/or private offerings, Qualified Institutions Placement ("**Qualified Institutional Placement**" or "**QIP**") and/or on preferential allotment basis or any combination thereof, through issue of prospectus and /or placement document/ or other permissible/requisite offer document to any eligible person, including qualified institutional buyers ("**QIBs**") in accordance with Chapter VIII of the ICDR Regulations, (whether residents and/or non-residents and/or institutions/banks and/or incorporated bodies, mutual funds, venture capital funds (foreign or Indian) alternate investment funds, foreign institutional investors, foreign portfolio investors, qualified foreign investors and/or multi-lateral financial institutions, stabilizing agents and/or any other eligible investors, and/or to such investors who are eligible to acquire such Securities in accordance with all applicable laws, rules, regulations, guidelines and approvals and whether they be holders of the Equity Shares of the Company or not (collectively called the "**Investors**") as may be decided by the Board in its absolute discretion and permitted under applicable laws and regulations, in consultation with the lead managers, advisors or

other intermediaries for an aggregate amount not exceeding INR 500 Crores (INR Five Hundred Crores) or its equivalent thereof, in one or more currencies, if any, inclusive of such premium as may be fixed on the Securities by offering the Securities, at such price or prices, at a permissible discount (including but not limited to any discount as may be permitted under Chapter VIII of ICDR Regulations) or premium to market price or prices permitted under applicable laws in such manner and on such terms and conditions including security, rate of interest etc. as may be deemed appropriate by the Board at its absolute discretion including the discretion to determine the categories of Investors to whom the offer, issue and allotment shall be made to the exclusion of other categories of Investors at the time of such offer, issue and allotment considering the prevailing market conditions and other relevant factors and wherever necessary in consultation with lead manager(s) and/or underwriter(s) and/or other advisor(s) or intermediary (ies) appointed and / or to be appointed by the Company (the "**Issue**").

RESOLVED FURTHER THAT in case of any offering of Securities, including without limitation any GDRs / ADRs / FCCBs / FCEBs / other securities convertible into equity shares, the Board to issue and allot such number of equity shares as may be required to be issued and allotted upon conversion, redemption or cancellation of any such Securities referred to above in accordance with the terms of issue/offering in respect of such Securities and such equity shares shall rank paripassu with the existing equity shares of the Company in all respects, except as may be provided otherwise under the terms of issue/offering and in the offer document and/ or offer letter and/or offering circular and /or listing particulars.

RESOLVED FURTHER THAT in case of any issue of Securities made by way of QIP in terms of Chapter VIII of the ICDR Regulations, the allotment of the Securities or any combination of Securities as may be decided by the Board shall be completed within 12 months from the date of this Resolution or such other time as may be allowed under the ICDR Regulations from time to time at such a price being not less than the price determined in accordance with the pricing formula provided under Chapter VIII of ICDR Regulations. The Company may, in accordance with applicable law, also offer a discount of not more than 5 % or such percentage as permitted under applicable law on price calculated in accordance with the pricing formula provided under ICDR Regulations.

RESOLVED FURTHER THAT in the event the Equity Shares are issued pursuant to the QIP in accordance with Chapter VIII of the ICDR Regulations, the "relevant date" for the purpose of pricing of the Equity Shares shall be the date of the meeting in which the Board (including a committee of the Board) decides to open the proposed Issue and in the event eligible convertible securities (as defined under the ICDR Regulations) are issued pursuant to the QIP, the relevant date for the purpose of pricing of such convertible securities and for the purpose of pricing of the Securities by way of GDRs/ADRs/FCCBs/FCEBs or by way of any other issue(s), shall be either the date of the meeting in which the Board of the Company (including a committee of the Board) decides to open the proposed Issue of such convertible securities or the date on which the holder of such convertible securities become entitled to apply for the Equity Shares or the date as specified under the applicable law or regulation.

RESOLVED FURTHER THAT the Board and other designated officers of the Company be and are hereby severally authorised to make all filings including as regards the requisite listing application/ prospectus/ offer document/registration statement, or any draft(s) thereof, or any amendments or supplements thereof, and of any other relevant documents with the Stock Exchanges (in India or abroad), the RBI, the SEBI, the Registrar of Companies and such other authorities or institutions in India and/or abroad for this purpose and to do all such acts, deeds and things as may be necessary or incidental to give effect to the resolutions above and the Common Seal of the Company be affixed wherever necessary.

RESOLVED FURTHER THAT the Board / committee of directors be and is hereby authorized to issue and allot such number of Equity Shares as may be required to be issued and allotted, including issue and allotment of Equity Shares upon conversion of any Securities referred to above or as may be necessary in accordance with the terms of the Issue, all such Equity Shares shall rank paripassu inter-se and with the then existing Equity Shares of the Company in all respects, including dividend, which shall be subject to relevant provisions of the Memorandum and Articles of Association of the Company and the applicable laws and regulations including any rules and regulations of any Stock Exchanges.

RESOLVED FURTHER THAT the Board / committee of directors be and is hereby authorized to engage, appoint lead manager(s), underwriter(s), guarantor(s), depositories, custodian(s), registrar(s), stabilizing agent(s), trustee(s), banker(s), lawyer(s), advisor(s) and all such professionals or intermediaries or agencies as may be involved or concerned in such offerings of Securities and to remunerate them by way of commission, brokerage, fees or the like and also to enter into and execute all such arrangement(s), memorandum(s), arrangement(s), placement agreement(s)/ underwriting agreement(s) / deposit agreement(s) / trust deed(s) / subscription agreement/ payment and conversion agency agreement/ any other agreements or documents, etc., with such agencies and also to seek the listing of such Securities on the Stock Exchange(s))/ International Stock Exchanges and the Equity Shares to be issued on conversion of the Securities as set forth in the aforesaid resolution, if any, on the Stock Exchange(s), authorising any director(s) or any officer(s) of the Company to sign for and on behalf of the Company, the offer document(s), agreement(s), arrangement(s), application(s), authority letter(s), or any other related paper(s) / document(s) and give any undertaking(s), affidavit(s), certificate(s), declaration(s) as the Board may in its absolute discretion deem fit including the authority to amend or modify the aforesaid document(s).

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RESOLVED FURTHER THAT for the purpose of giving effect to any offer, issue or allotment of Equity Shares or Securities or instruments representing the same, as described above, the Board, where required in consultation with the merchant bankers/ lead managers and/or other advisors as mentioned above, be and is hereby authorised on behalf of the Company, to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary or desirable for such purpose, including but not limited to finalize, approve and issue any document(s), including finalization and approval of the preliminary as well as final offer document(s), letter of offer, determining the form and manner of the Issue, including the selection of qualified institutional buyers and/or such Investors to whom the Securities are to be offered, issued and allotted, number of Securities to be allotted, issue price, face value, discounts permitted under applicable law (now or hereafter), premium amount on issue/conversion of the Securities, if any, rate of interest, period of conversion or redemption, listing on one or more stock exchanges in India and/or abroad and any other terms and conditions of the issue, including any amendments or modifications to the terms of the Securities and any agreement or document (including without limitation, any amendment or modification, after the issuance of the Securities), the execution of various transaction documents, creation of mortgage/ charge in accordance with the provisions of the Act and any other applicable laws or regulations in respect of any Securities, either on a paripassu basis or otherwise, fixing of record date or book closure and related or incidental matters as the Board in its absolute discretion deems fit and to settle all questions, difficulties or doubts that may arise in relation to the issue, offer or allotment of the Securities, accept any modifications in the proposal and matters related thereto and with power on behalf of the Company to settle all questions, difficulties or doubts that may arise in regard to such issue(s) or allotment(s) as it may, in its absolute discretion, deem fit without being required to seek further consent or approval of the members or otherwise to the end and intent that the members shall be deemed to have given their approval thereto expressly by the authority of this Resolution.

RESOLVED FURTHER THAT the Board / committee of directors be and is hereby authorized to form a committee and/or delegate all or any of its power to any committee of directors (including any officer(s) of the Company) to give effect to the aforesaid resolutions and is authorized to take such steps and to do all such acts, deeds, matters and things and accept any alterations or modification(s) as they may deem fit and proper and give such directions as may be necessary to settle any question or difficulty that may arise in regard to issue and allotment of Equity Shares.

RESOLVED FURTHER THAT for the purpose aforesaid, all the Directors of the Company be and are hereby severally authorized to sign all documents and settle all questions, difficulties, or doubts that may arise in regard to the issue, offer and allotment of the securities and utilization of the issue proceeds as it may in his absolute discretion deem fit."

Registered Office:
Equinox Business Park, Tower -3, 4th Floor,
LBS Marg, Off BKC Road
Kurla (West), Mumbai 400070

For & on behalf of the Board of Directors
For UGRO CAPITAL LIMITED

Sd/-
Aniket Karandikar
(Company Secretary & Compliance officer)
Memb no: ACS 24107
Date : 7th August, 2019

NOTES:

1. The Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013, in respect of Special Business is annexed hereto under Item No. 4 to 13 forms an integral part of this Notice. The relevant details as required under Regulation 36 (3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), of the person seeking appointment/re-appointment as Director under Item No. 3,4,5 & 6 of the Notice, are also annexed to the notice and Corporate Governance Report.

2. **A Member entitled to attend and vote at the Annual General Meeting (AGM) is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a Member of the Company.** The instrument appointing the proxy, in order to be effective, must be deposited at the Company's Registered Office, duly completed and signed, not less than FORTY-EIGHT HOURS before the commencement of the AGM. Proxies submitted on behalf of limited companies, societies etc., must be supported by appropriate resolutions / authority, as applicable. A person can act as proxy on behalf of Members not exceeding fifty (50) and holding in the aggregate not more than 10 % of the total share capital of the Company. In case a proxy is proposed to be appointed by a Member holding more than 10 % of the total share capital of the Company is proposed to be appointed by a Member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder.

3. The Registers of Members and Share Transfer Books of the Company will be closed from Thursday, 12th September, 2019 to Wednesday, 18th September, 2019.

4. Members, proxies and Authorised representative are requested to bring to the meeting, the Attendance Slip enclosed herewith, duly completed and signed, mentioning therein details of their DP ID and Client ID/ Folio No.

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5. Members holding shares in dematerialized form are requested to intimate all changes pertaining to their bank details such as bank account number, name of the bank and branch details, MICR code and IFSC code, mandates, nominations, power of attorney, change of address, change of name, e-mail address, contact numbers, etc., to their Depository Participant (DP). Changes intimated to the DP will then be automatically reflected in the Company's records which will help the Company and the Company's Registrars and Transfer Agents, Link Intime India Private Limited to provide efficient and better services.

   The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company.

6. Members are requested to note that the Company's equity shares are under compulsory demat trading for all investors, subject to the provisions of SEBI Circular no. 21/99 dated July 8, 1999. Members are, therefore, requested to dematerialize their shareholding to avoid inconvenience.

7. Members holding shares under multiple folios in the identical order of names are requested to consolidate their holdings into one folio. Members are requested to immediately notify any change in their registered address specifying full address with Pin Code Number and quoting their Registered Folio Number to the Company.

8. In case of joint holders attending the AGM, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote.

9. Members desiring any information on the Annual Accounts of the Company for the year ended 31st March, 2019 are requested to write to the Company at its Administrative Office Address at least 7 days in advance of the Annual General Meeting, so as to enable the Management to keep the information ready at the meeting.

10. All documents and agreements referred to in the Notice and Explanatory Statement are open for inspection at the Registered Office of the Company on all working days, except holidays, between 10:00 A.M and 1:00 P.M. up to the date of Annual General Meeting.

11. Electronic copy of the Annual Report for 2019 is being sent to all the members whose email IDs are registered with the Company/ Depository Participant(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual Report for 2019 is being sent in the permitted mode.

12. Members may also note that the Notice of 26th Annual General Meeting and the Annual Report will be available on the Company's website www.ugrocapital.com

13. Electronic copy of the Notice of the 26th Annual General Meeting of the Company inter alia indicating the process and manner of evoting along with Attendance Slip and Proxy Form is being sent to all the members whose email IDs are registered with the Company/Depository Participant(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Notice of the 26th Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent in the permitted mode.

14. Route Map giving directions to the venue of the 26th AGM is annexed.

15. Members wishing to claim dividends that remain unclaimed are requested to correspond with the Registrar and Transfer Agent as mentioned above or to the Company Secretary, at the Company's registered office. Members are requested to note that dividends that are not claimed within seven years from the date of transfer to the Company's Unpaid Dividend Account, will, as per Section 124 of the Act, be transferred to the Investor Education and Protection Fund (IEPF), Shares on which dividend remains unclaimed for seven consecutive years will be transferred to the IEPF as per Section 124 of the Act and the applicable rules.

16. In terms of the provisions of Section 108 of the Companies Act, 2013, read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to offer e-voting facility as an alternate to all its Members to enable them to exercise their right to vote by electronic means. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited ("CDSL") for providing e-voting facility to enable the shareholders to cast their votes electronically.

    These e-voting instructions are being sent to you as your name appears in the Register of Members as on 11th September, 2019, being the cut-off date/entitlement date, fixed by the Board of Directors of the Company to identify the Members who are entitled to receive the copies of the Notice of Twenty Sixth Annual General Meeting together with the Annual Report and to participate through e-voting.

    The instructions for members for voting electronically are as under:- In case of members receiving e-mail:

    i. The voting period begins on 15th September, 2019 at 10:00 a.m. and ends on 17th September, 2019 at 05:00 p.m. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 11th September, 2019, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

ii. Log on to the e-voting website www.evotingindia.com

iii. Click on “Shareholders” tab.

iv. Now Enter your User ID a. For CDSL: 16 digits beneficiary ID, b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID, c. Members holding shares in Physical Form should enter Folio Number registered with the Company.

v. Next enter the Image Verification as displayed and Click on Login.

vi. If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any Company, then your existing password is to be used.

vii. If you are a first time user follow the steps given below:

PAN*	For Members holding shares in Demat Form and Physical Form
	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)
	• Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number (refer serial no. printed on the name and address sticker/Postal Ballot Form/mail) in the PAN field.
	• In case the sequence number is less than 8 digits enter the applicable number of 0’s before the number after the first two characters of the name in CAPITAL letters. E.g. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
Dividend Bank Details or Date of Birth	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the Company records in order to login.
	• If both the details are not recorded with the depository or Company please enter the member id / folio Birth number in the Dividend Bank details field as mentioned in instruction (iv).

(viii) After entering these details appropriately, click on “SUBMIT” tab.

(ix) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other Company on which they are eligible to vote, provided that Company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(xi) Click on the EVSN for the relevant UGRO CAPITAL LIMITED on which you choose to vote.

(xii) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(xiii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.

(xiv) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.

(xv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.

(xvi) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.

(xvii) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xviii) **Shareholders can also cast their vote using CDSL’s mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.**

(xix) **Note for Non – Individual Shareholders and Custodians**

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk. evoting@cdslindia.com.
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

(xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia. com.

(xxi) M/s. Pankaj Nigam & Associates , Practising Company Secretary in whole time practice, has been appointed as Scrutinizer, who in the opinion of the Board can scrutinize the e-voting process in fair and transparent manner.

In case of members receiving the physical copy:

(A) Please follow all steps from sl. no. (i) to sl. no. (xvi) above to cast vote.

(B) The voting period begins on 15th September, 2019 at 10:00 a.m. and ends on 17th September, 2019 at 05:00 p.m. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 11th September, 2019, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

(C) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.co.in under help section or write an email

Notice

DETAILS OF DIRECTORS SEEKING APPOINTMENT/RE-APPOINTMENT AT THE ANNUAL GENERAL MEETING (PURSUANT TO REGULATION 36(3) OF THE LISTING REGULATIONS)

Name of Director	Manoj Kumar Sehrawat	Chetan Gupta	Kanak Kapur	Navin Puri
Category of Director	Non-Executive Director	Non-Executive Director	Non-Executive Director	Independent Director
Date of Birth	31/12/1972	11/05/1980	05/09/1970	02/08/1958
Date of Appointment on Board	05/07/2018	02/11/2018	07/08/2019	07/08/2019
Qualifications	Chartered Accountant (C.A.) from ICAI B.Com (Hons) from Delhi University.	Chartered Financial Analyst (AIMR), Chartered Alternative Investment Analyst And Master's in management (Finance) from the University of Mumbai	MBA from NYU Stern School of Business	MBA (TCU, USA), Chartered Accountant (India), B. Com (St. Xavier's College, Calcutta).
Relationship between Directors inter-se	None	None	None	None
Brief Resume & Expertise in specific functional area	Mr. Sehrawat has 22 years of experience in financial services sector across private equity investments, structured finance, distress debt acquisition & resolution, corporate and financial restructurings in India.	Mr. Gupta is a Managing Director of Samena Special Situations Mauritius in Dubai, focusing on investments within the Special Situation Funds. Mr. Gupta is also a member of the Investment Committee of the Special Situations Funds. Prior to joining Samena Special Situations Mauritius Mr. Gupta was an equity research analyst at Tricolour India Funds and previously was part of the General Atlantic Financial Management Leadership Program	Mr. Kapur is partner and portfolio Manager at Asia Pragati Capfin Pvt. Ltd. in the Absolute Returns Group. He is primarily focused on illiquid investment opportunities and is responsible for sourcing, structuring, and executive credit intensive deals across the capital structure. Mr. Kapur has over 27 years of broad investment banking, trading and distressed investment experience and has been based in Asia for the post 19 years.	Mr. Puri has experience of over 30 years in Retail Banking (19 years with HDFC Bank and 14 years with ANZ Grindlays Bank), with expertise in strategy formulation, operations, risk management, sales, marketing and business development. Results oriented approach. HDFC Bank Country Head since 2002.
Directorships held in other listed Companies	1	Nil	Nil	Nil
Memberships/ Chairmanships of committees of other listed Companies(includes only Audit Committee and Stakeholders Relationship Committee)	1	Nil	Nil	Nil
No. of shares held in the Company as on 31st March, 2019	Nil	Nil	Nil	Nil

Notice

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 (1) OF THE COMPANIES ACT, 2013

Item No. 4

Based on recommendations of the Nomination and Remuneration Committee, the Board of Directors of the Company has appointed Mr. Chetan Gupta (DIN: 07704601) as an Additional Non-Executive Director of the Company w.e.f. 2nd November, 2018 in accordance with the provisions of Section 149 read with Schedule IV to the Companies Act, 2013 ("the Act") and relevant provisions of Articles of Association.

The appointment of Mr. Chetan Gupta as a Non-Executive Director, shall be effective upon approval by the members of this AGM.

The Company has received a notice in writing from a member under Section 160 of the Act proposing the candidature of Mr. Chetan Gupta for the office of Director of the Company.

Details of Mr. Chetan Gupta are provided in to the Notice pursuant to provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

None of the Directors except Mr. Chetan Gupta, or the Key Managerial Personnel of the Company including their relatives are in any way concerned or interested in the proposed resolution.

The Board recommends the Special Resolution set out at Item No. 4 of the Notice for the approval of Members.

Item No.5

Based on recommendations of the Nomination and Remuneration Committee, the Board of Directors of the Company at its meeting held on 7th August, 2019 has appointed Mr. Kanak Kapur (DIN: 03299278) as an Non-Executive Director w.e.f. 7th August, 2019, in accordance with the provisions of Section 149 read with Schedule IV to the Companies Act, 2013 ("the Act").

The appointment of Mr. Kanak Kapur as a Non-Executive Director, shall be effective upon approval by the members of this AGM.

The Company has received a notice in writing from a member under Section 160 of the Act proposing the candidature of Mr. Kanak Kapur for the office of Director of the Company.

Details of Mr. Kanak Kapur are provided into the Notice pursuant to provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

None of the Directors except Mr. Kanak Kapur, or the Key Managerial Personnel of the Company including their relatives are in any way concerned or interested in the proposed resolution.

The Board recommends the Special Resolution set out at Item No. 5 of the Notice for the approval of Members.

Item No.6

Based on recommendations of the Nomination and Remuneration Committee, the Board of Directors of the Company at its meeting held on 7th August, 2019 has appointed Mr. Navin Puri (DIN 08493643) as an Additional Director designated as Independent Director of the Company to hold office for a period of continuous five years form the date of appointment, in accordance with the provisions of Section 149 read with Schedule IV to the Companies Act, 2013 ("the Act").

The appointment of Mr. Navin Puri as an Independent Director, shall be effective upon approval by the members at this AGM.

The Company has received a notice in writing from a member under Section 160 of the Act proposing the candidature of Mr. Navin Puri for the office of Director of the Company. Mr. Navin Puri qualifies for being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as a Director. The Company has received a declaration from Mr. Navin Puri that he meets the criteria of independence as prescribed under Section 149(6) of the Act and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

In the opinion of the Board, Mr. Navin Puri fulfils the conditions for his appointment as an Independent Director as specified in the Act and the SEBI Listing Regulations. Mr. Navin Puri is independent of the management and possesses appropriate skills, experience and knowledge.

Details of Mr. Navin Puri are provided in the Notice pursuant to provisions of the SEBI Listing Regulations.

None of the Directors except Mr. Navin Puri, or the Key Managerial Personnel of the Company including their relatives are in any way concerned or interested in the proposed resolution.

The Board recommends the Special Resolution set out at Item No. 6 of the Notice for the approval of Members.

Item No. 7 & 8

Keeping in view the Company's existing and future financial requirements and the business plan, the Company is desirous of raising finance from various Banks and/or Financial Institutions and/or any other lending institutions and/or Bodies Corporate and/or such other persons/ individuals as may be considered fit, which, together with the moneys already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) may exceed the aggregate of the paid-up capital and

the free reserves of the Company. Hence, it is proposed to increase the maximum borrowing limits upto ₹ 2000 Crores (Rupees Two Thousand Crores only) over and above paid up and Free Reserves of the Company. Pursuant to Section 180(1)(c) of the Companies Act, 2013, the Board of Directors cannot borrow more than the aggregate amount of the paid-up capital of the Company and its free reserves at any one time except with the consent of the members of the Company in a general meeting.

Further, in order to facilitate securing the borrowing(s) made by the Company, it would be necessary to create charge or mortgage on the assets or whole of the undertaking of the Company. Section 180(1)(a) of the Companies Act, 2013 provides for the power to sell, lease or otherwise dispose of the whole or substantially the whole of the undertaking of the Company subject to the prior approval of members in the General Meeting by way of special resolution.

None of the Directors or the Key Managerial Personnel of the Company including their relatives are in any way concerned or interested in the proposed resolutions.

The Board recommends the Special Resolutions set out at Item Nos. 7 & 8 of the Notice for the approval of Members.

Item No. 9

The Board may, at an appropriate time, consider offering or inviting subscriptions for secured / unsecured redeemable non-convertible debentures, in one or more series / tranches, on private placement, issuable / redeemable at par, in order to augment long-term resources for financing its business requirements and for general corporate purposes.

Section 71 of the Act which deals with the issuance of debentures read with Section 42 of the Act which deals with the offer or invitation for subscription of securities of a company on private placement and Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 provide that a company which intends to make a private placement of its non-convertible debentures, shall, before making an offer or invitation for subscription, obtain approval of its shareholders by means of a special resolution. It shall be sufficient if the company passes a special resolution only once in a year for all the offers or invitations for such non-convertible debentures during the year.

Keeping in view the above, consent of the members is sought for passing the Special Resolution as set out at Item No. 9 of the Notice. This enabling resolution authorises the Board of Directors of the Company to offer or invite subscription for redeemable non-convertible debentures, as may be required by the Company, from time to time and as set out herein, for a period of one year from the date of passing this resolution.

None of the Directors or the Key Managerial Personnel of the Company including their relatives are in any way concerned or interested in the proposed resolution.

The Board recommends the Special Resolution set out at Item No. 9 of the Notice for the approval of Members.

Item No. 10

The members of the Company at the 25th Annual General Meeting held on 3rd July, 2018 had accorded its approval for appointment of Mr. Abhijit Ghosh as the Whole Time Director and Chief Executive Officer of the Company as per the recommendations of Nomination and Remuneration Committee (NRC) from the date of change of control and shareholding of the Company. The shareholders had conveyed their approval for appointment of Mr. Ghosh as per the terms and conditions approved by the NRC. This resolution is to clearly set out his exact tenure, terms and remuneration payable of Mr. Abhijit Ghosh.

Compensation:

1. **Remuneration**: Annual compensation package on a Total Fixed Cost (TFC) basis is INR 1,50,00,000 (INR One Crore Fifty Lakhs only) and Total Variable Cost (TVC) of INR 1,50,00,000/- (INR One Crore Fifty Lakhs Only) from the date of his appointment till 31st March, 2019, and INR 1,55,25,000/- (INR One Crore Fifty Five Lakhs Twenty Five Thousand Only) to be effective from 1st April, 2019. TFC will include basic salary, taxable and non-taxable allowances & benefits, and other payments he may be entitled to receive from the Company under applicable laws. TVC would be based on his performance as per policy approved by the Board and the Nomination and Remuneration Committee of the Company annually.

   Compensation break-up would be as per the applicable compensation structure of the Company. Mr. Abhijit Ghosh will be responsible for payment of his income tax and other tax / statutory liabilities and levies arising in India and/or outside India and the Company assumes no liability in this respect thereof.

2. **Compensatory Payments**:

   i. Salary in lieu of break period: He would be paid a fixed onetime payment equal to his fixed monthly compensation from the date of previous employment till the actual date of joining with the Company of ₹ 85,88,710. However, in no circumstances such onetime compensation would be for more than 7 months of such compensation.

   ii. Loss of Earned Bonus: It is understood that he has resigned from his present organization in the middle of the financial year and hence, would be forgoing performance bonus that may be payable to him. He would be paid one-time compensatory bonus at the end of three months of his employment an amount equal to being his last earned bonus from his previous organization plus 10% of such last earned bonus of INR 1,27,26,120.

Notice

3. **Employee Stock Option Plan(ESOP)**: The Company has adopted an ESOP plan and he would be eligible for ESOP as per the terms set out in the ESOP plan approved by the Board of the Company.

4. **Salary Increment**: His salary shall be subject to Performance Review and recommendation of Managing Director and approval from the Board of Directors of the Company as per the Company policy.

5. **Group Insurance**: He will be covered under the Group Personal Accident Insurance, Group Life Insurance and Hospitalization Insurance policies as may be taken out and maintained by the Company, in accordance with Company's policy on employee insurance. The sum/benefit assured under each policy will be subject to his meeting all the insurance company's policies and insurance/underwriting requirements. Until confirmation by the insurance company that he have fulfilled these requirements, the sum insured will be at the insurance company's discretion.

6. **Benefits**: He may be entitled to any medical insurance, life insurance, pension plans and other employee benefit plans as may from time to time be adopted by the Company for its employees. Each of these will be in conformity with the relevant policies of the Company as detailed in the Employee Handbook as per policy approved by the Board and the Nomination and Remuneration Committee of the Company.

7. **Term and Age of Retirement**: He shall continue to be the Chief Executive Officer, however, his appointment as director of the Company is for a term of 5 (five) years from the date of joining set out hereinabove, and any reappointment shall be subject to the approval of the Board and shareholders of the Company in accordance with the Companies Act, 2013. His age of retirement will be 60 years and he shall stand relieved from his appointment as Chief Executive Officer of the Company with effect from the last date of the month in which he attains the age of 60 years, unless extended by the Board.

8. **Whole Time and Attention**: During his employment with the Company he shall devote his best efforts for promoting the Company's (and of any subsidiary of the Company) business as may be required. He shall not without the prior written consent of the Board (and subject to any terms and conditions the Company may impose) engage or be interested (directly or indirectly) in any other business directly competing with the business of the Company or undertake any other employment on full time basis. This restriction does not extend to his being appointed as an director in other companies which would not be in the nature of full time employment. He is not prohibited from making personal investments provided those investments do not require active involvement in the operation of said ventures and are in compliance with the Company's code of conduct on insider trading. Further, he is required to make appropriate disclosures to the Board of his investments, in accordance with the Companies Act, 2013 and the Company's code of conduct on insider trading.

9. **Powers of Management**: He shall have such powers of management as may be delegated by the Board or by the Managing director from time to time.

10. **Leave**: In addition to public holidays observed by the Company, he shall be entitled to paid annual leave for each calendar year in accordance with the existing leave policy of the Company, prorated from his date of joining.

11. **Disclosure**: He shall disclose to the Company all his business interests, whether or not they are similar to or in conflict with the business(es) or activities of the Company, and all circumstances in respect thereof and whether there is, or might be, a conflict of interest between him and the Company.

12. **Intellectual Property**: Subject to any relevant legislation, if any time in the course of his employment he make or discover or participate in the making or discovery of any letters patent, trademarks, service marks, designs, copyrights, inventions, drawings, computer programs, know-how and rights of like nature however arising and whether registered or unregistered ("intellectual property") relating to or capable of being used in the Company (and of any other relevant Group Company, affiliate and/or business associate of the Company) he shall immediately disclose full details thereof to the Company and, at the request and expense of the Company, he shall do all things which may be necessary or desirable for obtaining appropriate forms of protection for such intellectual property in such parts of the world as may be specified by the Company and for vesting all rights in the same in the Company or its nominee.

    a. All rights and obligations under this paragraph 12 in respect of intellectual property made or discovered by him during his employment shall continue in full force and effect after the termination of his employment and shall be binding upon his personal representatives.

    b. He shall not disclose to anyone, directly or indirectly, except when his duties pursuant hereto may require, during or subsequent to the term of employment, any trade secret or confidential information regarding Company's business. Trade Secrets and Confidential information for this purpose shall include, but are not limited to, product information, process information, customer lists, employee details, company policies and procedures and financial information (including results, budgets and other financial plans and systems).

c. Further, he, unconditionally and irrevocably agree and acknowledge that any intellectual property of the Company, whether or not patentable or capable of being registered under any laws, which is/are:

i. generated while he is employed by the Company and relates to or is useful in the actual or planned business of the Company, or any of its subsidiaries or affiliates, or any of the products or services being developed, manufactured, sold and/ or provided by the Company, or any of its subsidiaries or affiliates; or

ii. results from tasks assigned to him by the Company, or any of its subsidiaries or affiliates, or tasks within the scope of his responsibility; or

iii. made, conceived, created, discovered, invented, or reduced to practice by him (either alone or with others) for the Company, shall be works made for hire, and all of his rights and interests therein and all of his records relating to such developments shall be the sole and absolute property of the Company.

d. This obligation shall extend beyond the period of employment, but is limited to the discoveries and inventions conceived or made by him during the period of his employment with the Company. It is further agreed that the obligation to assign such discoveries and inventions shall be binding upon him, his assigns, administrators and other legal representatives.

13. Termination Clause:

a. Disability: If he is prevented from performing any usual duties for a period of three (3) consecutive months, or for shorter periods aggregating more than three (3) months in any twelve (12) month period by reason of physical or mental disability (total or partial), or other causes beyond his control (all herein referred to as "disability"), the Company shall nevertheless continue to pay full salary up to and including the last day of the third consecutive month of disability, or the day on which the shorter periods of disability shall have equaled a total of three (3) months, but the Company may at any time or times on or after such last day (but before the termination of such disability), elect to terminate this agreement upon written notice of further 3 months, effective on such last day. If the Company does not so elect, this agreement shall remain in full force and effect, except that the Company shall not be obligated to pay salary to him during the remaining period of disability.

b. Death: In the event of his death during the term of employment, this agreement shall automatically terminate, except that (a) his estate shall be entitled to receive the compensation provided for hereunder (both TFC & TVC) to the last day of the month in which his death occurs; and (b) such termination not affect any amounts payable as insurance or other death benefits under any plans or arrangements then in force or effect with respect to him.

c. Specified Cause:

The Company may at any time during the term of employment, with or without notice of any duration as it deems fit, may dismiss him from his employment for cause as defined below in connection with the performance of his duties and the cause to be specified in the notice of dismissal.

"Cause" shall mean:

a. Conviction in a felony or a crime involving moral turpitude or the commission or any other act or omission involving dishonesty or fraud with respect to the Company or any of its Affiliates or any of their customers or suppliers or

b. Involvement in a case of harassment or discrimination with respect to any of the Company's employees, provided that the extent of such involvement that would amount to 'Cause' shall be at the discretion of the a committee of independent directors of the Board;

c. material breach of policies and ethical standards adopted by the Company, including anti-bribery / anti-money laundering policies and anti-sexual harassment policies if determined by a committee of non-executive directors and independent directors of the Board with non-executive directors being in majority;

d. misappropriation of funds or assets of the Company for personal use, if determined by a committee of non-executive directors and independent directors of the Board with non-executive directors being in majority;

e. engaging in any conduct which brings the Company or any of its Affiliates into public disagreement or disrepute or which is damaging or potentially damaging to the reputation of the Company, if determined by a committee of non-executive directors and independent directors of the Board with non-executive directors being in majority;

f. continued substantial and repeated neglect of duties, after written notice from the Chairman of the Nomination and Remuneration Committee of the Company, and such failure has not been cured within fifteen (15) days of receipt of written notice;

g. fraud, gross negligence or wilful misconduct in the performance of his duties hereunder, if determined by a committee of non-executive directors and independent directors of the Board with non-executive directors being in majority;

h. abuse of alcohol or drugs that materially adversely impact his ability to perform hereunder, if determined by a committee of non-executive directors and independent directors of the Board with non-executive directors being in majority;

d. Without Cause:

During first three years of his employment, in the event that his employment is terminated by the Company without Cause (including non-performance), he would be entitled to receive twelve (12) months of current Basic Salary & Allowance in effect immediately prior to the date of termination (the "Severance Pay"). The Severance Pay shall be paid along with the Full and Final Settlement.

For the purpose of this clause 'non–performance' would be as reasonably determined and agreed by 75% of the Board of Directors of the Company.

e. Others

After the expire of three year of employment he may terminate his employment by giving the Company six (6) months' written notice The Company may terminate his employment by giving him six (6) months' written notice or by the payment of six (6) months' salary in lieu of such notice. In case he decide to terminate his employment by giving notice to the company before completing three years in the Company, the Compensatory Payments made under Clause 2 would be recoverable by the company and would be adjusted from his full and final settlement amount. Any residual would be payable by him to the Company.

14. Confidentiality or Proprietary Information: He shall not, except as authorized or required by his duties, reveal to any person, any of the trade secrets or confidential operations, processes, dealings of information concerning the organization, business finances or affairs of the Company or any of its associate companies or franchises which come to his knowledge during his employment and shall keep with complete secrecy all confidential information entrusted to him and shall not use or attempt to use any such information in any manner. This restriction shall continue to apply during his employment and after the termination of his employment as the CEO and Whole Time Director but shall cease to apply to information or knowledge which comes within public domain. This shall remain in force after the termination of his employment with the company for any reason whatsoever. He hereby expressly agree that in case of his employment being terminated in any manner and /or he committing a breach of the above condition the Company shall be entitled to claim an injunction from a Court of law restraining him from disclosing the same to any outside or other unauthorized persons. This right will be a right without prejudice to and in addition to the rights of the Company to recover all the damages the Company may have suffered due to said disclosure or for any breach of the terms and conditions herein.

15. Non-Solicitation: As long as he is an employee of the Company or any Affiliate thereof, and for a period of:

a. Two years thereafter, he shall not directly or indirectly through another entity:

1. Induce or attempt to induce any employee of the Company or any Affiliate thereof to leave the employment of the Company of such Affiliate;

2. In any way interfere with the relationship between the Company and any employee thereof or between any employee of an Affiliate of the Company and an Affiliate of the Company;

3. Hire or employ any person who was an employee of the Company or an Affiliate thereof at any time during the two years period immediately preceding the date of expiry / termination of his employment;

4. Induce or attempt to induce any customer, client, supplier, licensing or other business relation of the Company or any Affiliate thereof to cease doing business with the Company or any Affiliate thereof, or in way interfere with the relationship between any such customer, client, supplier, licensee or business relation and the Company or any Affiliate thereof; or

5. Call on, solicit or service any person who was a customer or client or a prospective client of the Company or any Affiliate thereof at any time during the period of two (2) years immediately preceding the date of his termination.

Each of the undertakings in Sections 15(a) and 15(b) is given by him to the Company and to each of its subsidiaries. He acknowledge that each undertaking given in Sections 15(a) and 15(b) is an entirely independent restriction and is no greater than is reasonably necessary to protect the interests of the Company and its subsidiaries. If any such restriction shall be held void or unenforceable but would be valid if deleted in part or reduced in its application, then that restriction shall apply with such modifications as may be necessary to make it valid and effective.

16. Modifications: This Letter may not be changed orally, but only by way of a letter in writing signed by the parties hereto.

17. Governing Laws: This letter will be governed in accordance with Laws of India, without giving effect to the principles of the conflict of laws thereof. Subject to the provisions of dispute resolution [and arbitration] the courts at [Mumbai] shall have exclusive jurisdiction in the matter of all suits relating to the subject matter hereof.

In compliance with the provisions of Section 196, 198, 203 read with Schedule V of the Act, the terms of re-appointment and payment of remuneration of Mr. Abhijit Ghosh as specified above, are now being placed for the approval of the Members.

Notice

None of the Directors except Mr. Abhijit Ghosh, or the Key Managerial Personnel of the Company including their relatives are in any way concerned or interested in the proposed resolution.

The Board recommends the Special Resolution set out at Item No. 10 of the Notice for the approval of Members.

STATEMENT CONTAINING THE PRESCRIBED INFORMATION AS REQUIRED IN TERMS OF RELEVANT SECTION OF SCHEDULE V OF THE COMPANIES ACT, 2013 FOR ITEM NO. 10

I. GENERAL INFORMATION

Nature of Industry: The Company is inter-alia engaged in the non-banking finance business.

Date or expected date of commencement of commercial production: The Company was incorporated on 10/02/1993.

In case of new Companies, expected date of commencement of activities as per project approved by Financial Institutions appearing in the Prospectus: Not Applicable

Financial performance based on given indicators: Financial performance of the Company for 3 years is as follows:

(Amount in Rupees)

Particulars	For the year ended 31st March 2019	For the year ended 31st March 2018	For the year ended 31st March 2017
Net sales and other income	418,106,562	35,155,573	2,34,31,955
EBITDA (Earnings before Interest, Tax, Depreciation and Amortization)	12,198,143	32,245,332	2,01,70,707
Profit/(Loss) before Tax	10,948,539	32,245,332	2,01,70,707
Profit/(Loss) after Tax	14,555,025	29,793,237	1,97,25,707

Foreign Investments or Collaborations, if any

There are foreign investment in the Company by way of Equity Shares, Compulsorily Convertible Preference Shares & Compulsorily Convertible Debentures.

II. INFORMATION ABOUT THE APPOINTEE

Background details:

For Abhijit Ghosh:

Mr. Abhijit Ghosh brings more than two decades of experience to the company from his key roles across Banking & Financial Services, Consumer Appliances, Hospitality, Telecom & Healthcare. Prior to coming aboard, Mr. Ghosh served as the President and Chief Business Officer at Religare Finvest Limited. Mr Ghosh's result focused professionalism and broad business acumen was honed through his past work experiences at Andrew Yule, Whirlpool of India, ICICI Bank, Reliance Info comm, ABN Amro Bank, ICICI Securities Limited and Future Group. He is an passionate visionary leader who is all consumed with envisioning the future of lending and redefining it for U GRO.

Job profile and his suitability:

Mr. Abhijit Ghosh has been associated with NBFC sector for more than 20 years as of now and since then he has held various responsible positions. He has a rich experience of more than two decades in various fields like technical, commercial and managerial functions across industries.

Remuneration proposed:

Full information towards the remuneration so proposed to be paid to Mr. Abhijit Ghosh is mentioned in the text of proposed resolution at item No. 10 and explanatory statement of this Notice.

Comparative remuneration profile with respect to Industry size of the Company, profile of the position and person (in case of expatriates the relevant details would be with respect to the Country of his origin):

The proposed remuneration so to be given to Mr. Abhijit Ghosh commensurate with the size of the Company and nature of the Industry. The salary structure of the Managerial personnel's has undergone major change in the Industry in the recent past.

Keeping in view the type of the Industry, size of the Company, the responsibilities and capabilities of Mr. Abhijit Ghosh, the proposed remuneration is competitive with the remuneration being paid by other Companies to such similar positions.

Hence, the remuneration so proposed to be paid to Mr. Abhijit Ghosh is in line and in consonance with the current trend in the Industry.

Pecuniary relationship directly or indirectly with the Company or relationship with the Managerial Personnel, if any: Nil

III OTHER INFORMATION

1. Reasons of Loss or Inadequate Profits:

Post change of Control and Management, the Company has actively commenced its business operations. The Company has recently put up a new team and fresh set up to cater the business requirements.

2. Steps taken or proposed to be taken for Improvement

The Company is committed to improve its performance by taking steps and measures which will improve performance of the Company and shall result in growth in the revenue, controlling costs and improving productivity and is focusing on revenue enhancement.

3. Expected increase in productivity and profits in measurable terms

It is difficult to forecast the productivity and profitability in measurable terms. However, the Company expects that productivity and profitability may improve.

IV. DISCLOSURES

The requisite information with regard to remuneration package of Mr. Abhijit Ghosh has been duly given in this Notice.

Mr. Abhijit Ghosh holds position as a Director/Partner in following Companies/LLPs: Nil

Item no. 11

The members of the Company had approved the appointment and remuneration of Mr. Shachindra Nath (DIN: 00510618), Executive Chairman & Managing Director through postal ballot on 9th May, 2018. The members are requested to approve the revision in remuneration of Mr. Nath and authorise the Nomination and Remuneration Committee to alter and vary the terms and conditions of the appointment and/or agreement including any components of the remuneration.

None of the Directors except Mr. Shachindra Nath, or the Key Managerial Personnel of the Company including their relatives are in any way concerned or interested in the proposed resolution.

The Board recommends the Special Resolution set out at Item No. 11 of the Notice for the approval of Members.

STATEMENT CONTAINING THE PRESCRIBED INFORMATION AS REQUIRED IN TERMS OF RELEVANT SECTION OF SCHEDULE V OF THE COMPANIES ACT, 2013 FOR ITEM NO. 11

I. GENERAL INFORMATION

Nature of Industry: The Company is inter-alia engaged in the non-banking finance business.

Date or expected date of commencement of commercial production: The Company was incorporated on 10/02/1993.

In case of new Companies, expected date of commencement of activities as per project approved by Financial Institutions appearing in the Prospectus: Not Applicable

Financial performance based on given indicators: Financial performance of the Company for 3 years is as follows:

(Amount in Rupees)

Particulars	For the year ended 31st March 2019	For the year ended 31st March 2018	For the year ended 31st March 2017
Net sales and other income	418,106,562	35,155,573	2,34,31,955
EBITDA (Earnings before Interest, Tax, Depreciation and Amortization)	12,198,143	32,245,332	2,01,70,707
Profit/(Loss) before Tax	10,948,539	32,245,332	2,01,70,707
Profit/(Loss) after Tax	14,555,025	29,793,237	1,97,25,707

Foreign Investments or Collaborations, if any

There are foreign investment in the Company by way of Equity Shares, Compulsorily Convertible Preference Shares & Compulsorily Convertible Debentures.

Notice

II. INFORMATION

Background details:

Mr. Shachindra Nath is an experienced financial services professional having more than 25 Years of experience. He is the founder Poshika Financial Ecosytem (P) Limited which does Mentoring and Investing in financial services ecosystem.

He acquired Chokhani Securities Limited in 2018 and raised equity capital from a diversified set of Institutional Investors and the company was subsequently renamed as U GRO Capital Limited.

He is a qualified lawyer and a University Rank holder from the Banaras Hindu University (India). He is known to be a great motivator and a hands on leader who trusts his instincts.

Job profile and his suitability:

Mr. Shachindra Nath has been associated with financial services sector for more than 20 years as of now and since then he has held various responsible positions. He has a rich experience of more than two decades in various fields like technical, commercial and managerial functions across industries.

Remuneration proposed:

Full information towards the remuneration so proposed to be paid to Mr. Shachindra Nath is mentioned in the text of proposed resolution at item No. 11.

Comparative remuneration profile with respect to Industry size of the Company, profile of the position and person (in case of expatriates the relevant details would be with respect to the Country of his origin):

The proposed remuneration so to be given to Mr. Shachindra Nath commensurate with the size of the Company and nature of the Industry. The salary structure of the Managerial personnel's has undergone major change in the Industry in the recent past.

Keeping in view the type of the Industry, size of the Company, the responsibilities and capabilities of Mr. Shachindra Nath, the proposed remuneration is competitive with the remuneration being paid by other Companies to such similar positions.

Hence, the remuneration so proposed to be paid to Mr. Shachindra Nath is in line and in consonance with the current trend in the Industry.

Pecuniary relationship directly or indirectly with the Company or relationship with the Managerial Personnel, if any: Nil

III OTHER INFORMATION

1. Reasons of Loss or Inadequate Profits:

   Post change of Control and Management, the Company has actively commenced its business operations. The Company has recently put up a new team and fresh set up to cater the business requirements.

2. Steps taken or proposed to be taken for Improvement

   The Company is committed to improve its performance by taking steps and measures which will improve performance of the Company and shall result in growth in the revenue, controlling costs and improving productivity and is focusing on revenue enhancement.

3. Expected increase in productivity and profits in measurable terms

   It is difficult to forecast the productivity and profitability in measurable terms. However, the Company expects that productivity and profitability may improve.

IV. DISCLOSURES

The requisite information with regard to remuneration package of Mr. Shachindra Nath has been duly given in this Notice.

Mr. Nath holds position as a Director/Partner in following Companies/LLPs:

1. Poshika Advisory Services LLP;
2. Poshika Financial Ecosystem Private Limited;
3. Orbis Capital Limited;
4. Orbis Financial Corporation Limited;
5. Equitativa Management Private Limited;
6. Livfin India Private Limited

Notice

Item No. 12

The existing provisions of the Articles of Association ("AOA") mandates the Company to appoint Big Four Accounting Firms (mainly Price Waterhouse Coopers, Deloitte and Haskins, Ernst & Young and KPMG) as the Statutory and Internal Auditors of the Company. In order to have the greater flexibility towards appointment of the Statutory and Internal Auditors, subject to the approval of the shareholders, it is now proposed to amend the relevant existing clauses to enable appointment of audit firms with good reputation preferably having international affiliates. Accordingly, it is now proposed to amend the existing provisions of clause 7.3 of AOA to bring the provisions in line with the Companies Act, 2013.

Pursuant to Section 14 of the Act, the consent of the Members by way of Special Resolution is required for alteration of AOA of the Company. The Board recommends for approval by the members the resolution as set out at Item No. 12 of the Notice as a Special Resolution.

None of the Directors or the Key Managerial Personnel of the Company including their relatives are in any way concerned or interested in the proposed resolution.

The Board recommends the Special Resolution set out at Item No. 12 of the Notice for the approval of Members.

Item No. 13

The Special Resolution proposed is an enabling resolution to facilitate and meet the capital expenditure requirements and to utilize the issue proceeds for general corporate purposes including but not limited to pursuing new business opportunities, meeting the issue expenses etc. The resolution contained in the attached Notice pertains to a proposal by the Company to create, offer, issue and allot equity shares, American Depository Receipts and other securities, as stated therein in one or more tranches (referred to as "Securities").

The members may please note that the resolution is only an enabling resolution and the detailed terms and conditions for the offer will be determined in consultation with lead managers, advisors, underwriters and such other authorities and agencies as may be required to be consulted by the Company in due consideration of prevailing market conditions and other relevant factors. As the price of the securities shall be determined at a later stage, exact number of securities to be issued shall also be crystallized later. However, an enabling resolution is being proposed to give adequate flexibility and discretion to the Board to finalize the terms of the offer.

As per Section 62 of the Companies Act, 2013, and as per the rules and regulations applicable under the laws, the relevant provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), the approval of existing members is being sought to empower the Board to issue, offer and allot Equity Shares at such price (at a discount of not more than 5% on the price calculated for the Qualified Institutions Placement or at such other discount as may be permitted under Chapter VIII of the SEBI ICDR Regulations or premium to market price or prices in such a manner and on such terms and conditions including security, rate of interest, etc. to such person(s)including institutions, incorporated.

The Members' approval to the resolution would have the effect of allowing the Board to offer and allot Securities otherwise than on pro-rata basis to the existing shareholders.

The enabling Special Resolution also seeks to empower the Board of Directors of the Company (hereinafter called the "Board" which term shall be deemed to include any committee which the Board has constituted to exercise its powers including the power conferred by this resolution) to undertake a Qualified Institutional Placement as defined by SEBI ICDR Regulations. The Board may in their discretion adopt this mechanism, as prescribed under Chapter VIII of the SEBI ICDR Regulations. The pricing of the Equity Shares to be issued to Qualified Institutional Buyers pursuant to Chapter VIII of the SEBI ICDR Regulations shall be freely determined subject to such price not being less than the price calculated in accordance with the SEBI ICDR Regulations.

The enabling Special Resolution seeks to give the Board the powers to issue Equity Shares as the Board may deem fit, in one or more tranche or tranches, at such time or times, at such price or prices and to such person(s) including institutions, incorporated bodies and/or individuals or otherwise as the Board, in its absolute discretion, deems fit. The detailed terms and conditions for the offer will be determined by the Board in consultation with the advisors, lead managers, underwriters and such other authority or authorities as may be required to be consulted by the Company considering the prevailing market conditions and in accordance with the applicable provisions of law, and other relevant factors.

The Equity Shares so allotted would be listed. The issue / allotment would be subject to the availability of regulatory approvals, if any

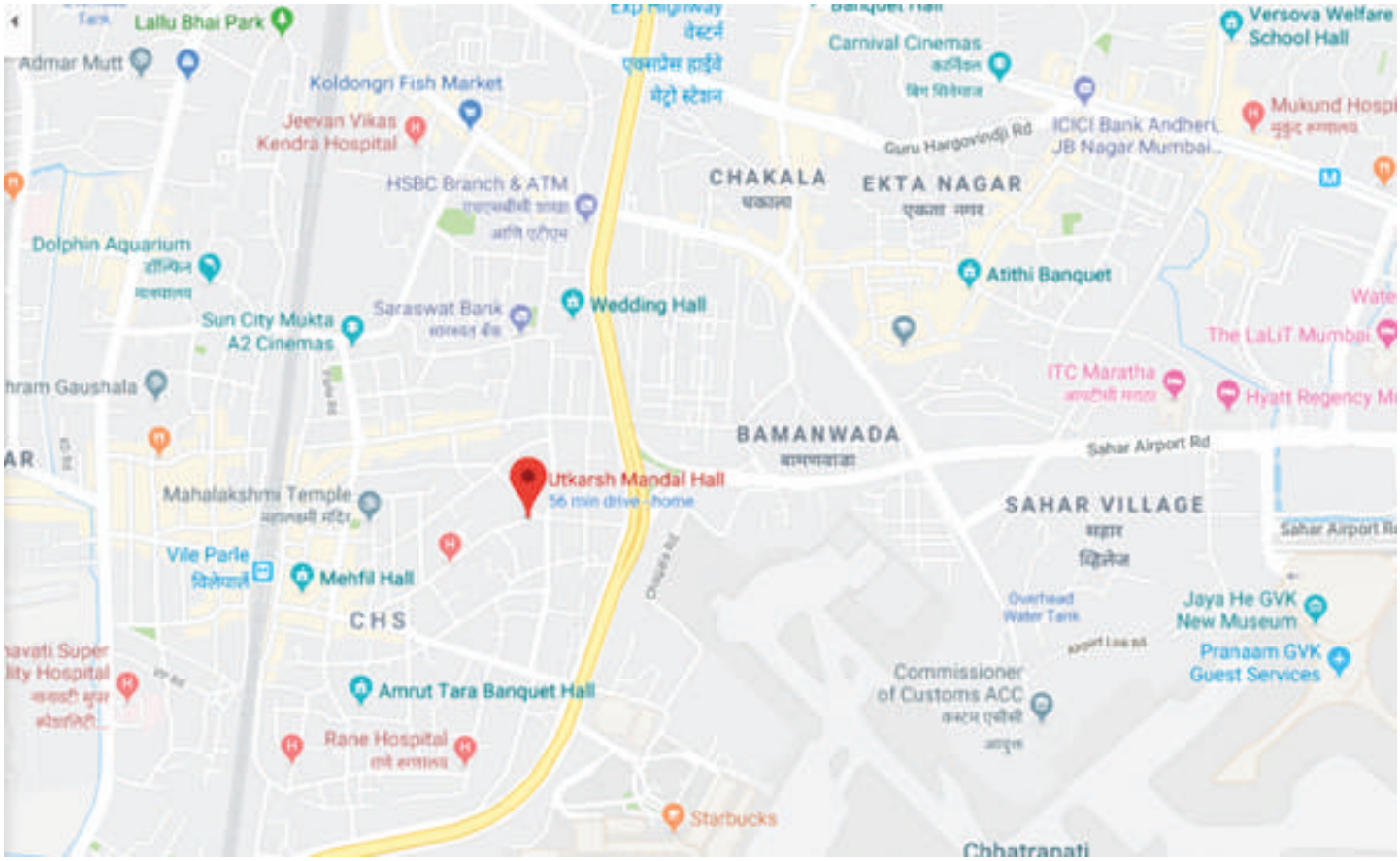
As and when the Board does take a decision on matters on which it has the discretion, necessary disclosures will be made to the Stock Exchange under the provisions of the Listing Regulations.

None of the Directors or the Key Managerial Personnel of the Company including their relatives are in any way concerned or interested in the proposed resolution.

The Board recommends the Special Resolution set out at Item No. 13 of the Notice for the approval of Members.

Notice

ROUTE MAP TO THE VENUE OF THE ANNUAL GENERAL MEETING



Management Discussion And Analysis

MANAGEMENT DISCUSSION AND ANALYSIS

The Global and Indian Economy

The global economy lost some steam in the second half of the financial year 2018-19 both in developed and emerging economies on subdued domestic and global demand impacting industrial activity. Financial markets have been unsettled by the acrimonious US-China trade tensions. Crude oil prices remained volatile, reflecting evolving demand-supply conditions and geopolitical concerns. Most EME currencies depreciated against the US dollar.

On the domestic side, the second advance estimates for 2018-19 released by the Central Statistics Office (CSO) in February 2019 revised India's real gross domestic product (GDP) growth downwards to 7.0 per cent from 7.2 per cent in the first advance estimates. In Q4 of 2018-19, GDP growth decelerated sharply to 5.8 per cent, down from 6.6 per cent in Q3 and 8.1 per cent a year ago.

Exports grew by 0.6 per cent in April 2019, but imports grew at a somewhat accelerated pace, leading to a widening of the trade deficit. After a sharp recovery in March 2019, net foreign portfolio inflows have been relatively modest at US$ 2.3 billion in 2019-20 in April-May. Consumer Price Index (CPI) inflation rose to a near two-year high levels of 4.92% in June 2018, driven by surging oil and food prices, but fell to 19-month lows of 1.97% in January 2019 due to a fall in food prices and smaller increases in fuel costs. This combined with slowing economy has resulted in multiple rate cuts by the Reserve Bank of India.

However, the long term "India" story remains intact. The IMF expects the Indian GDP to grow by 7.5% in 2020. India is expected to surpass the UK to become the world's fifth largest economy this year and projected to surpass Japan to feature at the second position in the Asia-Pacific region by 2025. Structural reforms undertaken in the past few years, including GST, recapitalization of banks, Insolvency and Bankruptcy Code, "Make in India" are expected to yield benefits over the medium and long term. India has also jumped 23 places to the 77th rank in the ease of doing business index and is expected to see a further jump in the coming year.

The financial services sector and the SME lending market

The financial year 2018-19 was a tumultuous year for NBFCs in general. The liquidity crunch driven by the "crisis of confidence" in NBFCs following defaults/events in three large NBFCs has resulted in a broad slowdown in the NBFC market. Debt mutual funds that accounted for 17% of NBFC debt have significantly pruned exposure to the NBFC segment while banks have turned increasingly cautious when extending incremental credit to NBFCs, preferring to buy assets from NBFCs versus lending to them. The RBI has taken some steps to increase the supply of credit to NBFCs, but the crisis is expected to continue for the near term. This has resulted in a slowdown in disbursals at multiple NBFCs, leading to a credit crunch in the broader economy and specifically the SME segment.

However, the longer-term opportunity and growth story for NBFCs remains unchanged.

The Micro, Small & Medium Enterprises segment offers a huge untapped opportunity owing to the significant funding gap. Of the nearly 51 million MSMEs in India, 40 million have current accounts and of these, only 4.5 million are borrowers. This indicates a vast business opportunity. As of December 2018, the total on-balance sheet exposure to the Micro, Small & Medium Enterprises segments stood at ₹ 25.2 Lakh Crores. On a consolidated level, Public Sector Banks continue to constitute the largest segment with a 46% market share. However, NBFCs and Private Sector Banks have increased their market shares by 7% and 14% to account for 13% and 34% of the overall MSME lending market.

The biggest challenges to lending in this segment have been the lack of reliable data, the diversified nature of cash-flows and the distributed nature of these SMEs. Because of this, banks and traditional NBFCs have not been able to cater to this market - resulting in most SMEs having to turn to informal sources of financing. Specialized NBFCs have stepped in to bridge this need gap. Such NBFCs have leveraged data, alternate assessment sources, and technology to cater to this segment. The fact that these NBFCs have been able to attract upwards of US$ 1.2 bn of capital over the last 24 months is a testament to the size of this opportunity.

Overview of the Company

U GRO Capital is a highly specialized, technology-enabled, small business lending platform. The company was incorporated as Chokhani Securities Ltd in 1993 and subsequently listed on the BSE in 1995. Mr. Shachindra Nath, the Executive Chairman and Managing Director acquired the Company in July 2018, and the company name was changed to U GRO Capital Limited.

U GRO's mission is to 'Solve the Unsolved' - the US$ 600 bn Small Business Credit Need. U GRO believes that the challenges surrounding lending to small businesses can be alleviated by building deep expertise around core SME sectors and using a technology-driven distribution and credit appraisal process. Our vision is to create a highly specialized and technology enabled small business lending platform that is optimized for the Indian SME lending climate.

U GRO has a highly experienced senior management team with a very strong track record of building financial institutions. The U GRO Management Team works under the able guidance of its Board of Directors, an exemplary set of financial services leaders with a broad spectrum of specializations and strategic insights.

Management Discussion And Analysis

U GRO caters to specific SME sectors by using our deep knowledge of 8 select sectors - Auto Components, Chemicals, Education, Electrical Equipment & Components, Food Processing & FMCG, Healthcare, Light Engineering and Hospitality. We leverage our knowledge to create granular and insightful loan products for each sub-sector. We uniquely combine business intelligence and technology, leveraging statistical predictive modelling to prognosticate the customer's credit behaviour. Our sub-sector level knowledge is highly granular, derived from over 25 financial and non-financial sources to fully understand the ecosystem the customer operates in.

During the financial year 2018-19, U GRO launched a GRO partner mobile application for the processing of loan applications. This application has helped us achieve industry leading turnaround times, being able to provide an in-principle decision within 60 minutes. The application also contains 20+ API integrations to our authentication and verification suite. This ensures that minimum data entry is required as most requisite data fields are filled and verified in the back end, thus minimizing human error in the loan application process.

U GRO Capital commenced disbursals of loans in the month of January 2018. For the financial year ending 31st March 2019, there are 7 operating branches and 76 active GRO partners active across these branches. Disbursal for the year stands at ₹ 82 crores with ₹ 80 Crores of Assets Under Management outstanding.

The total income for the financial year 2018-19 is ₹ 4,181.07 Lakhs, with Profit Before Tax of ₹ 109.49 Lakhs.

Risk and concern

The Company is exposed to a variety of risks such as credit risk, liquidity risk, market risk, operational risk, regulatory risk and Information security risk etc. The Company has therefore invested in talent, processes and emerging technologies for building advanced risk and underwriting capabilities. The Board of Directors has constituted a Risk Management Committee to address these risks. The Risk Management Committee's mandate includes periodic review of the risk management policy, risk management planning, implementation and monitoring of the risk management plan and mitigation of key risks. The risk owners are accountable to the Risk Committee for identification, assessment, aggregation, reporting and monitoring of Risks.

Credit Risk:

U GRO's credit underwriting is driven by a deep understanding of the selected segments, which inform proprietary risk models and approaches. The Company's credit appraisal philosophy is as follows:

- Positive customer selection: The company has a positive list of sectors that it will source loans from. Even within these sectors, further sub-sectors have been defined and sub-sector specific customer needs are being addressed – including risk mitigation.
- Analytics led: The company has created sector specific statistical scorecards, derived from analysis of large numbers of loans and evaluation of different parameters. These scorecards can predict the probability of default of the loan and thus risk rank it.
- Experience based:
    - Expert Scorecards: The company has also created 'Expert Scorecards' for many sub-sectors. These include a combination of operating parameters specific to the sector and financial parameters which are populated through a personal discussion carried out by the credit manager with the loan applicant. These scorecards have been developed in consultation with CRISIL market experts, combining market research with CRISIL's in-house rating knowledge. They are based on personal interviews across different locations, collecting responses for over each sub-sector.
    - Policies: The company is also in the process of creating sub-sector specific credit policies on basis of best practices in the industry.
- Touch and Feel based: The company, in addition to the scorecards and the policy documents, also follows the traditional 'touch and feel' based checks including legal verification, fraud control unit (FCU) check, field investigation and valuation. This is done by a combination of internal teams and outsourced agencies.
- Data driven: The Company is one of the most 'integrated' NBFCs, pulling data from 25+ sources to augment and validate the information collected from the customer. This allows the company to have a "data backed" credit decisioning process.

Liquidity and Interest Rate risk:

The Company is exposed to liquidity risk principally, as a result of lending and investing for periods which may differ from those of its funding sources. Our Treasury team actively manages asset and liability positions in accordance with the overall guidelines laid down by the regulator in the Asset Liability management framework.

Management Discussion And Analysis

The company may be impacted by volatility in interest rates which could cause its margins to shrink and thus profitability to decline. With the growth of the Company's business, it will become increasingly reliant on funding from the debt capital markets and commercial borrowings. The market for such funds is competitive and the company's ability to obtain funds at competitive rates will depend on various factors including its credit ratings. There can be no guarantee that the company will be able to raise debt on competitive terms, in the required quantum and in a cost-effective manner. Any failure to do so may adversely impact the company's business and its future financial performance. The company is also hedged against this risk through the variable interest clause in its loan portfolio.

Operational Risk:

The Company may encounter operational and control difficulties while carrying out various processes in the normal course of business.

The operations of the company have been extensively automated, which minimizes the operational risk arising out of human errors and omissions. A robust system of internal control is enforced, ensuring that all assets are safeguarded and protected against loss from unauthorized use or dispositions, and all transactions are authorized, recorded and reported correctly.

The Audit committee periodically reviews the adequacy of our internal controls.

Competition risk:

The financial sector industry is becoming increasingly competitive and the Company's growth will depend on its competitive efficacy. The Company's wide distribution network, diversified product offerings and quality of management place us in a strong position to deal with competition effectively.

Regulatory Risk:

The Company is governed by the regulations of Indian governmental authorities and regulators including the Reserve Bank of India. The laws and regulations impose numerous requirements on the Company, including asset classifications, prescribed levels of capital adequacy, solvency requirements and liquid assets. There may be future changes in the regulatory system or in the enforcement of the laws and regulations that could adversely affect the Company's performance.

Internal control systems and their adequacy

The Company maintains a system of internal controls designed to provide a high degree of assurance regarding the efficacy and efficiency of operations, the adequacy of safeguards for assets, reliability of financial controls and compliance with applicable laws and regulations.

The organization is well structured, and the policy guidelines are well documented with pre-defined authority. The company has also implemented suitable controls to ensure that all resources are utilized optimally, financial transactions are reported with accuracy and there is strict adherence to applicable laws and regulations.

The company has put in place adequate systems to ensure that assets are safeguarded against loss from unauthorized use or disposition and that transactions are authorized, recorded and reported. The company has implemented adequate maker and checker demarcation for critical processes; and testing of control effectiveness is carried out periodically.

The company uses information technology extensively in its operations for ensuring effective controls and ease in reporting and monitoring process. Systems also help the company in providing accurate and timely MIS for continual improvement.

The Company has an independent internal audit function which evaluates adequacy and compliance with policies, plan, regulatory and statutory requirements. Internal audit also evaluates and suggests improvements in effectiveness of risk management, control and governance process. The Audit committee of the Board provides necessary oversight and directions to the internal audit function and periodically reviews the findings and ensures correctives measures are taken.

Material developments in Human Resources/Industrial Relations front, including number of people employed:

U GRO became 90 people strong with presence in 7 locations by the end of financial year 2019. Building a truly 'High Performance' and diverse team has been a key milestone for us. We hired only top-rated professionals with proven track-records and strong domain expertise. Our senior management ramp-up at an early stage enabled us to lay a strong foundation for our ambitious long-term strategy.

In addition to firming up the key policies and processes needed to run an organization efficiently, we have also adopted a non-hierarchical organization architecture based on roles versus titles.

Management Discussion And Analysis

Details of significant changes (change of 25% or more as compared to the immediately previous financial year) in key sector-specific financial ratios.

The company has identified the following ratios as key financial ratios:

Particulars	Current Year ended 31st March, 2019		Previous Year ended 31st March, 2018	
	Amount (₹)	%	Amount (₹)	%
Total Income	41,81,06,562	1,089.30	3,51,55,573	50.03
Total Expenditure	37,04,90,565	12,630.58	29,10,241	-10.76
Exceptional Items	3,66,67,458	-	-	-
Profit after Tax	1,45,55,025	-51.15	2,97,93,237	51.04
Net Worth	5,93,79,46,659	2,195.26	25,87,04,333	-24.03
Debt Equity Ratio	0.04		-	
CRAR (%)	213.55		100.31	

On July 5, 2018, a change in Management and Control was effected through a transfer of shareholding from the erstwhile promoters to Mr. Shachindra Nath and Poshika Advisory Services LLP. The company has raised Equity, CCPs, warrants and CCDs amounting to ₹ 953 crores of which ₹ 643.71 Crores was infused into the Company during the financial year. This resulted in an increase of CRAR and Net Worth for the company. The remaining capital will be received by December 2019.

Due to the improved liquidity position, the company has invested in Fixed Deposits, bonds, equity shares and liquid mutual funds, resulting in aggregate earnings of ₹ 34.78 Crores on account of interest income, dividend income and realized profits. The company has also commenced its lending business and created a loan book of ₹ 79.57 Crores.

During the year, the company has hired employees at different functional levels. The company has taken offices on rent in various cities and raised debt amounting to ₹ 10 Crores. This has resulted in a total expenditure of ₹ 37.05 Crores. The company has also invested amount of ₹ 14.78 Crores in building our technology platform and intellectual properties including the scorecards.

Details of changes in return of Net Worth

Particulars	31st March, 2019	31st March, 2018
Return on Net Worth (%)	0.25	11.52

Our return on Net worth has decreased due to decrease in PAT from ₹ 2.97 Crores to ₹ 1.46 Crores and increase in the Net worth on account of capital infusion.

Resource and Liabilities

U GRO is committed to having a diversified borrowing portfolio comprising financial institutions including Banks, Mutual Funds, Provident Funds, and Insurance Companies. The company has raised ₹ 10 Crores in working capital facilities in the financial year 2018-19.

Asset Liability Management

The company is committed to maintaining adequate liquidity throughout the year, especially in view of the volatile sectoral situation expected during first half of the financial year 2019-20. Hence, the company has developed a conservative and prudent policy for matching funding of assets. Its strategy of borrowing longer tenor than the actuarial maturity of its assets enables it to achieve healthy cash flows and ensure the total inflow for each maturity is higher than outflows. This always enables the company to maintain adequate liquidity. The company's strong ALM Strategy is one of the key pillars.

Directors' Report

DIRECTORS' REPORT

Your Directors have pleasure in presenting the 26th Annual Report and the Audited Statement of Accounts of your Company for the financial year ended 31st March 2019.

FINANCIAL HIGHLIGHTS

(₹ in Lakhs)

Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
Total Income	**4,181.07**	351.56
Total Expenditure	**3,704.91**	29.10
Profit Before Tax and exceptional items	**476.16**	322.45
Exceptional items	**366.67**	-
Profit before tax	**109.49**	322.45
Provision for Tax	**36.06**	24.52
Profit after tax	**145.55**	297.93
Balance brought forward	**2,117.19**	2,935.70
Profit available for appropriation	**2,262.74**	3,233.63
Appropriations:		
Transfer to Reserve Fund under Section 45-IC of the RBI Act, 1934	**29.11**	1,116.44
Dividend paid for F.Y. 2018-19	**164.45**	-
Dividend Tax thereon for F.Y. 2018-19	**33.80**	-
Transfer to General Reserve	**-**	-
Balance carried forward to Balance Sheet	**2,035.38**	2,117.19

DIVIDEND

The Board of Directors at their meeting held on 14th June, 2018 declared an interim dividend @ 35% i.e. ₹ 3.50 per equity share of face value at ₹ 10/- each, which has been duly paid on 2nd July, 2018 to shareholders of the Company. No final dividend is recommended for the year ended 31st March, 2019 and the interim dividend paid to shareholders is to be considered as the final dividend.

REVIEW OF OPERATIONS

Your Company reported total income of ₹ 4,181.07 lakhs for the year ended 31st March, 2019 as compared to ₹ 351.56 lakhs for the year ended 31st March, 2018. The Company earned a net profit of ₹ 145.55 lakhs for the year ended 31st March, 2019 as compared to ₹ 297.93 lakhs for the year ended 31st March, 2018.

SUBSIDIARY COMPANIES

Your Company has no subsidiaries as on 31st March, 2019. There are no associate companies or joint venture companies within the meaning of section 2(6) of the Companies Act, 2013 ("the Act").

Further, pursuant to the provisions of section 136 of the Act, the financial statements of the Company, along with relevant documents are available on the website of the Company.

RESERVES

The amounts proposed to be transferred to general reserve, statutory reserve and ESOS reserve are mentioned in financial highlights in financial statements.

CHANGE IN SHARE CAPITAL

During the financial year the Authorized Share Capital of the Company has been increased to ₹ 1,02,00,00,000/- from ₹ 6,00,00,000/. The Authorized equity share capital of the Company comprises of 8,15,00,000 Equity shares of ₹ 10/- each amounting to ₹ 81,50,00,000/- and 2,05,00,000 Preference Shares of ₹ 10/- each amounting to ₹ 20,50,00,000 as on 31st March 2019.

Directors' Report

During the financial year 2018-19 the Company has allotted Equity Shares, Compulsory Convertible Debentures (CCDs), Compulsory Convertible Preference Shares (CCPs) and Warrants. The details of the same are as follows:

- 1,06,47,523 fully paid-up equity shares of face value of ₹ 10/- each;
- 1,73,25,582 CCDs out of these 34,88,372 CCDs were converted into equal number of equity shares in the month of January 2019;
- 1,83,34,297 CCPs, out of these 44,97,087 CCPs were converted in equal number of equity shares in the month of October 2018;
- 87,83,785 Warrants of face value of ₹ 10/- each were issued. These warrants are partly paid (paid up value ₹ 2.50).

As on 31st March 2019, the issued, subscribed and paid up share capital of your Company stood at ₹ 37,16,86,920/- comprising of 2,33,31,482 Equity Shares of ₹ 10/- each amounting to 23,33,14,820 and 1,38,37,210 Compulsorily Convertible Preference Shares of ₹ 10/- each amounting to ₹ 13,83,72,100/-.

Details of issue of shares and convertible securities are given in note 3 of notes to accounts.

Pursuant to the Scheme of Arrangement between Asia Pragati Capfin Private Limited ('APCPL') and UGRO Capital Limited ('the Company') and their respective shareholders and creditors, as approved by the Hon'ble National Company Law Tribunal, Mumbai Bench, vide its order dated 13th June, 2019, the Company has allotted 1,35,65,891 equity shares of ₹ 10 each to the shareholders of APCPL on 30th July, 2019.

DIRECTORS AND KEY MANAGERIAL PERSONNEL (KMP):

The Company has total 11 (Eleven) Directors, out of which 6 (Six) are Independent Directors including one Woman Director as on 31st March, 2019.

Mr. Ramakant Chokhani, Mr. Rajesh Chokhani, Mr. Pravin Gupta and Ms. Jyoti Jain resigned from the post of Director w.e.f. 5th July 2018.

Mr. Manish Parikh ceased to be the Chief Financial Officer of the Company w.e.f. 4th July, 2018 and Ms. Sweta Kumar ceased to be the Company Secretary w.e.f. 2nd November, 2018. Based on recommendations of Nomination and Remuneration Committee, the Board at its meeting held on 2nd November 2018 appointed Mr. Kalpeshkumar Ojha as Chief Financial Officer and Mr. Aniket Karandikar as Company Secretary of the Company w.e.f. 2nd November, 2018.

In accordance with the provisions of the Act and the Articles of Association of the Company, Mr. Manoj Kumar Sehrawat (DIN: 02224299) retires by rotation and being eligible has offered himself for re- appointment.

DETAILS OF FRAUD

No frauds have been reported by auditors under sub-section (12) of section 143 of the Act.

AUDIT COMMITTEE

The terms of reference and composition of Audit Committee are given in the Corporate Governance Report.

STAKEHOLDERS' RELATIONSHIP COMMITTEE

The composition of Stakeholders' Relationship Committee is given in the Corporate Governance Report.

REPORT ON CORPORATE GOVERNANCE AND MANAGEMENT DISCUSSION AND ANALYSIS:-

Pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") Management Discussion and Analysis and Corporate Governance Report are part of this Annual Report. The Certificates from M/s. Pankaj Nigam and Associates, Practicing Company Secretaries regarding Compliance of the conditions of Corporate Governance as stipulated by SEBI Listing Regulations are attached to this report.

FAMILIARIZATION PROGRAMME FOR INDEPENDENT DIRECTORS

The Company familiarizes its Independent Directors with the Company, their roles, rights, responsibilities in the company, nature of the industry in which the company operates, business model of the company etc through various programmers. The details of such familiarization programme are disclosed on the Company's website.

DECLARATION OF INDEPENDENCE

The Company has received and after due assessment has taken on record the necessary declarations from each of the Independent Directors under section 149(7) of the Act that they meets the criteria of Independence laid down in section 149(6) of the Act and Regulation 25 of SEBI Listing Regulations. In the opinion of the Board, as confirmed by these Directors, they fulfill the conditions specified in Section 149 of the Act and the Rules made there under about their status as Independent Directors of the Company.

Directors' Report

ANNUAL EVALUATION BY THE BOARD OF DIRECTORS

The Board of Directors has carried out an annual evaluation of its own performance, Committees, and individual directors pursuant to the provisions of the Act and SEBI Listing Regulations. The performance of the Board was evaluated by the Board after seeking inputs from all the directors on the basis of criteria such as the Board composition and structure, effectiveness of Board processes, information and functioning, etc. The performance of the Committees was evaluated by the Board after seeking inputs from the Committee members on the basis of criteria such as the composition of Committees, effectiveness of Committee meetings, etc. The above criteria are based on the Guidance Note on Board Evaluation issued by the Securities and Exchange Board of India on January 5, 2017. In a separate meeting of Independent Directors, performance of Non-Independent Directors, the Board as a whole and the Chairman of the Company was evaluated, taking into account the views of executive directors and non-executive directors. The Board and the Nomination and Remuneration Committee reviewed the performance of individual directors on the basis of criteria such as the contribution of the individual director to the Board and Committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings, etc. In the Board meeting that followed the meeting of the Independent Directors and meeting of Nomination and Remuneration Committee, the performance of the Board, its Committees, and individual directors was also discussed. Performance evaluation of Independent Directors was carried out by the entire Board, excluding the Independent Director being evaluated.

CODE OF CONDUCT

UGRO Capital has formulated a Code of Business Conduct and Ethics for Board of Directors and Senior Managerial Personnel. The confirmation of compliance of the same is obtained from all concerned on an annual basis. All Board Members and Senior Managerial Personnel have given their confirmation of compliance for the year under review. A declaration duly signed by Whole Time Director and Chief Executive Officer is given under Corporate Governance Report as a separate section in this Annual Report. The Code of Business Conduct and Ethics for Board of Directors and Senior Managerial Personnel is also posted on the website of the Company.

BOARD MEETINGS HELD DURING THE YEAR

The Board of Directors of the Company met 8 (eight) times during the financial year 2018-19. The details of the Board Meetings and the attendance of the Directors, are given in Corporate Governance Report, which forms part of this Annual Report.

COMMITTEES OF THE BOARD

Your Company has constituted various Committees required under the Act read with applicable Rules made there under and the SEBI Listing Regulations and as per RBI requirements. Your Company has also formed other Committee for its day to day operation.

Details regarding mandatory and non-mandatory Committees as on 31st March, 2019 are provided in the report on the Corporate Governance which forms part of this Annual Report.

INTERNAL FINANCIAL CONTROL SYSTEMS AND THEIR ADEQUACY

The details in respect of internal financial control and their adequacy are included in the Management Discussion and Analysis, which forms part of this Annual Report.

DIRECTOR'S RESPONSIBILITY STATEMENT

To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statement in term of sub section (3) (c) and (5) of the Section 134 of the Companies Act, 2013 ("the Act") that:

a) in the preparation of the Financial Statements for the financial year ended 31st March, 2019 the applicable accounting standards had been followed along with proper explanations relating to material departure;

b) we have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2019 and of the profit of the Company for that year;

c) proper and sufficient care had been taken for the 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 fraud and other irregularities;

d) the financial statement of the Company had been prepared on a going concern basis;

e) we have laid down internal financial controls to be followed by the Company which are adequate and were operating effectively; and

f) we have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

Directors' Report

PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS UNDER SECTION 186 OF COMPANIES ACT 2013

Details of loan, guarantee and investments covered under section 186 of the Act are provided in the notes to the Financial Statements.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES

All the related party transactions during the financial year under review were at arm's length basis and are in compliance with the applicable provisions of the Act and SEBI Listing Regulations. There were no material significant related party transactions entered into by the Company with Promoters, Directors or Key Managerial Personnel etc which may have potential conflict of interest with the Company at large.

All the related party transactions are presented to the Audit Committee and Board for their approval. A statement of all related party transactions is presented before the Asset Liability Committee, Audit Committee and Board on quarterly basis, specifying the nature, value and terms and conditions of the transactions. The said transactions are recommended by Asset Liability Committee and Audit Committee and by the Board.

The related party transaction policy of the Company as approved by the Board is uploaded on website of the Company.

The information on transactions with related parties pursuant to Section 134(3)(h) of the Act read with Rule 8(2) of the Companies (Accounts) Rules, 2014 are given in Annexure- I in Form No. AOC-2 and the same forms part of this report.

PARTICULARS OF EMPLOYEES AND REMUNERATION:

The information required in terms of Section 197 (12) of the Act read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rule, 2014 is given below:

A. Information as per Rule 5 (1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

a) The ratio of remuneration of each director to median remuneration of the employees of the Company for the financial year:

Name of Director	Ratio to median remuneration
Mr. Shachindra Nath	**14.02 : 1**
Mr. Abhijit Ghosh	**7.11 : 1**

b) The percentage of increase in remuneration of each Director, Chief Financial Officer, Company Secretary in the financial year: **Nil**

c) Percentage of increase in the median remuneration of employees during the financial year ended 31st March, 2019: **Nil**

d) Number of permanent employees on the rolls of the Company as on 31st March, 2019: **90 employees**

e) Average percentage increase made in the salaries of employee other than the Managerial Personnel in the financial year was Nil vis a vis an increase of nil in the salaries of Managerial Personnel.

f) Affirmation that the remuneration is as per remuneration policy of the Company: **Yes.**

B. Information as per Rule 5 (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

The statement containing names of top ten employees in terms of remuneration drawn and the particulars of employees as required under Section 197(12) of the Act read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is given below.

Name of Employee	Designation of Employee	Remuneration received (in ₹)	Nature of employment	Qualifications and experience of the employee	Date of commencement of employment	Age	Last employment	% of equity shares held in the Company	Whether relative of director or Manager of the Company
Mr. Shachindra Nath	Executive Chairman and Managing Director	2,17,51,163.00	Permanent	Qualified lawyer and a University Rank holder from the Banaras Hindu University (India) Experience: 20+ years	22-Jun-18	47	Poshika Financial Ecosytem (P) Limited	NIL	No
Mr. Abhijit Ghosh	Whole Time Director & CEO	3,23,48,479.00	Permanent	A Science Graduate from the University of Calcutta and an alumnus of Kellogg Executive Education & XLRI Jamshedpur. Experience: 20+ years	1-Jul-18	47	Religare Finvest Ltd.	NIL	No

Name of Employee	Designation of Employee	Remuneration received (in ₹)	Nature of employment	Qualifications and experience of the employee	Date of commencement of employment	Age	Last employment	% of equity shares held in the Company	Whether relative of director or Manager of the Company
Mr. Anuj Pandey	Chief Operating Officer	1,38,18,058.00	Permanent	Bachelor's degree in Engineering (Mechanical) from Thapar University & PGDM from IIM Lucknow. Experience: 20 years	1-Jul-18	44	Religare Finvest Ltd.	NIL	No
Mr. J. Sathiayan	Chief Business Officer	1,34,41,714.00	Permanent	An alumnus of the Sastra University with a degree in B.E. Experience: 20 years	1-Jul-18	49	Religare Finvest Ltd.	NIL	No
Mr. Manish Agarwal	Chief Risk Officer	1,17,93,204.00	Permanent	CA, CS, CMA Experience: 20 years	1-Jul-18	46	Yes Bank Limited	NIL	No

MATERIAL CHANGES AND COMMITMENTS AFFECTING FINANCIAL POSITION OF THE COMPANY OCCURRED BETWEEN 31ST MARCH, 2019

There is no material change and commitments which affected financial position of the Company, which occurred after 31st March, 2019.

CONSERVATION OF ENERGY

A. Conservation of energy-

i.	The steps taken or impact on conservation of energy;	Not applicable
ii.	The steps taken by the company for utilizing alternate sources of energy;	Not applicable
iii.	The capital investment on energy conservation equipment's;	Not applicable

B. Technology absorption-

i.	The efforts made towards technology absorption;	Optical Character Recognition (OCR) is used in analysis of financial documents. It enables conversion of different types of documents, such as scanned paper documents, PDF files or images captured by a digital camera into editable and searchable data. Various APIs used to fetch data used for underwriting directly from source like banking, ITRs, GST returns. Special algorithms are used to process underwriting decisions within one hour.
ii.	The benefits derived like product improvement, cost reduction, product development or import substitution;	TAT improvement, decision of loan cases within one hour, accuracy and objectivity in underwriting decisions and minimizing of errors.
iii.	In case of imported technology (imported during the last three years reckoned from the beginning of the financial year)-	Not applicable
	(a) the details of technology imported;	
	(b) the year of import;	
	(c) whether the technology been fully absorbed;	
	(d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof; and	
iv.	The expenditure incurred on Research and Development.	

C. Foreign exchange earnings and Outgo-

	Year ended 31st March, 2019	Year ended 31st March, 2018
The expenditure incurred on Conference and Conveyance	99,424	Nil
Exchange earned	Nil	Nil

REMUNERATION POLICY OF THE COMPANY

The remuneration policy of the company comprising of the appointment and remuneration of the Directors, Key Managerial Personnel and Senior Managerial Personnel of the Company including criteria for determining qualifications, positive attributes, independence of a Director and other related matters has been provided in the Corporate Governance Report which is attached to this Report and is also available on Company's website. Remuneration Policy is enclosed herewith as Annexure II.

VIGIL MECHANISM / WHISTLE BLOWER POLICY

Pursuant to the Section 177(9) and 177(10) of the Act and Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014 and Regulation 22 of SEBI Listing Regulations, the Board of Directors have approved the Policy on Vigil Mechanism / Whistle Blower and the same has been hosted on the Website of the Company. https://www.ugrocapital.com/investor-relations

This Policy inter alia provides a direct access to the Chairman of the Audit Committee. Your Company hereby affirms that no Director / employee have been denied access to the Chairman of the Audit Committee and that no complaints were received during the year.

PREVENTION OF INSIDER TRADING

The Company has adopted a Code of Conduct for Prevention of Insider Trading with a view to regulate trading in securities by the Directors and designated employees of the Company. The Code requires pre-clearance for dealing in the Company's shares and prohibits the purchase or sale of Company shares by the Directors and the designated employees while in possession of unpublished price sensitive information in relation to the Company and during the period when the Trading Window is closed. The Board is responsible for implementation of the Code. All Board Directors and the designated employees have confirmed compliance with the Code.

DISCLOSURE UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:

The Company follows a strict zero tolerance sexual harassment at workplace and adopted the policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and Rules thereunder for prevention and redressal of complaints of sexual harassment at work place.

The disclosure in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 for the year ended 31st March, 2019 is as follows:

Number of complaints filed during the financial year	Nil
Number of complaints disposed off during the financial year	Nil
Number of complaints pending as at end of the financial year	Nil

STATUTORY AUDITOR'S AND THEIR REPORT

M/s Deloitte Haskins & Sells LLP, Chartered Accountant, (Firm Registration No. 117366W/W-100018) was appointed as Statutory Auditors at the twenty fifth AGM held on 3rd July, 2018 for a period of five years commencing from the conclusion of the Twenty Fifth AGM till the conclusion of the Thirtieth Annual General Meeting of the company.

Further, the report of the Statutory Auditors is provided in the financial section of the Annual Report. The observations made in the Auditors' Report are self-explanatory and do not contain any qualification, reservation or adverse remark. Therefore, it does not call for any further comments.

INTERNAL AUDITORS

Pursuant to the provisions of Section 138 of the Companies Act, 2013, the Board of Directors of the Company has appointed M/s Price Waterhouse Coopers, as an Internal Auditor of the Company 1st January, 2019 to 31st March, 2020 and Company carries out an Internal Audit on quarterly basis.

SECRETARIAL AUDITOR

In terms of Section 204 of the Act and Rules made there under, M/s. Pankaj Nigam and Associates, Company Secretary in Practice, has been appointed as Secretarial Auditor of the Company. The report of the Secretarial Auditor is enclosed as Annexure- III to this report. The report is self-explanatory and does not contain any qualification or adverse remark. Therefore, it does not call for any further comments.

Further, the Company has received certificate of Non-Disqualification of Directors from M/s. Pankaj Nigam and Associates, Company Secretary in Practice. The same is enclosed as annexure to this report.

CHANGE IN NATURE OF BUSINESS

There has been no change in the nature of business of the Company during the financial year ended 31st March, 2019.

The shareholders of the Company at their Extra- Ordinary General meeting held on 18th September, 2018 passed a special resolution for the name change of the Company from Chokhani Securities Limited to UGRO Capital Limited.

After the procedural formalities, the name of the Company has been changed from Chokhani Securities Limited to UGRO Capital Limited w.e.f. 26th September, 2018.

Directors' Report

DETAILS AND STATUS OF ACQUISITION, MERGER, EXPANSION, MODERNIZATION AND DIVERSIFICATION

The Hon'ble National Company Law Tribunal, Mumbai Bench ('Hon'ble NCLT') vide order dated 13th June, 2019 has approved the Scheme of Arrangement between Asia Pragati Capfin Private Limited ("APCPL") and UGRO Capital Limited and their respective shareholders and creditors under section 230-232 read with section 52 and section 66 of the Companies Act, 2013 ("the Act") and other relevant provisions of the Act.

APCPL is also a Non Banking Financial Company, the lending business of APCPL will be transferred to UGRO Capital. The effective date for the same is 1st April, 2018. As per Scheme the shareholders of APCPL will be issued 1,00,000 equity shares of face value of ₹ 10 each of UGRO Capital Limited for every 13, 65,162 equity shares of held in APCPL.

EXTRACT OF ANNUAL RETURN

As per the requirements of Section 92(3) of the Act and Rules framed thereunder, the extract of the annual return in Form MGT-9 as on 31st March 2019 is attached as Annexure-IV of this report.

PUBLIC DEPOSITS

The Company has not accepted any deposits from public and as such, no amount on account of principal or interest on deposits from public was outstanding as on the date of the balance sheet.

RISK MANAGEMENT

The Board of Directors of the Company has formed a Risk Management Committee to frame, implement and monitor the risk management plan for the Company. The Committee is responsible for monitoring and reviewing the risk management plan and ensuring its effectiveness. The Audit Committee has additional oversight in the area of financial risks and controls. The major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis. The various risks are categorized as High risk, Medium risk and Low risk and appropriate steps/measures are taken/initiated, to mitigate the identified risks from time to time.

EMPLOYEE STOCK OPTIONS DISCLOSURE

During the financial year 2018-19 the Company has granted 36,23,067 stock options to the eligible employees. The Board of Directors hereby confirm that there is no material change in Employee Stock Option Scheme (ESOS) of the Company and the scheme is in compliance with the SEBI (Share Based Employee Benefits), 2014.

Disclosure in compliance with the SEBI (Share Based Employee Benefits) Regulations, 2014 and Companies Act, 2013 is available on the website of the Company at the following link: www.ugrocapital.com.

DETAILS OF UTILISATION OF QIP PROCEEDS

Pursuant to Regulation 32(7A) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "the SEBI Listing Regulations, the statement of utilization of Qualified Institutional Placement (QIP) proceeds as on March 31, 2019 is furnished below:

Particulars	Amount in ₹
Net proceeds of QIP Issue	1,10,73,51,762
Less: Amount utilized for the purpose received	1,10,73,51,762
Balance Amount	Nil

CORPORATE SOCIAL RESPONSIBILITY

In compliance with Section 135 of the Act, the Board of Directors of the Company has formed a Corporate Social Responsibility Committee. The Composition of CSR Committee and brief outline of CSR Policy of the Company are set out in this report. The CSR policy is available on the website of the Company.

Section 135 (1) of Companies Act is not applicable to the Company for financial year 2018-19. This would be applicable from financial year 2019-20 (as Company's net worth is more than ₹ 500 Crores as on 31st March 2019).

COMPLIANCE WITH SECRETARIAL STANDARDS

The Company has complied with the Secretarial Standards issued by the Institute of Company Secretaries of India on Board Meetings (SS-1), General Meetings (SS-2) and Boards Report (SS-4).

Directors' Report

INVESTOR EDUCATION AND PROTECTION FUND (IEPF)

There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

DETAILS OF SIGNIFICANT MATERIAL ORDERS PASSED BY THE REGULATORS / COURTS / TRIBUNAL IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATION IN FUTURE

There are no significant material orders passed by the Regulators / Courts / Tribunal which would impact the going concern status of the Company and its future operations. Hence, disclosure pursuant to Rule 8 (5) (vii) of Companies (Accounts) Rules, 2014 is not required.

ACKNOWLEDGMENT

Your Directors thank the Company's employees, customers, vendors, investors for their continuous support.

Your Directors also thank the Central and state Governments and other statutory authorities for their continued support and co-operation.

For and on behalf of Board of Directors
Sd/-
Shachindra Nath
Executive Chairman and Managing Director
DIN: 00510618

Place: Mumbai
Date: 7th August, 2019

Annexure-I

Form No. AOC- 2

(Pursuant to clause (h) of sub-section (3) of Section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto

1. Details of contracts or arrangements or transactions not at arm's length basis: Not Applicable

2. Details of material contracts or arrangement or transactions at arm's length basis:

Sr.	Name of the Related Party	Nature of Relationship	Nature of contracts / arrangements / transactions	Amount (in ₹)	Duration of the contracts / arrangements / transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Amount paid as advances, if any
1	Poshika Financial Ecosystem Private Limited ("PFEPL")	Related Party	Advisory and Fund-raising charges	24,57,37,897/-	N.A.	Advisory and Fund-raising charges	N.A.
2	Poshika Financial Ecosystem Private Limited ("PFEPL")	Related Party	Trademark Transfer	40,000/-	N.A.	Trademark UGRO CAPITAL is presently registered in the name of Poshika Financial Ecosystem Private Limited, and the same needs to be transferred in the name of UGRO Capital Limited	N.A.

Notes:

1. *Appropriate approvals have been taken for Related Party Transactions.*
2. *Materiality Thresholds for Reporting Related Party Transactions in the Ordinary Course of Business and on an Arm's Length basis is as per the Framework for Related Party Transactions adopted by the Company.*

For and on behalf of Board of Directors

Sd/-

Shachindra Nath
Executive Chairman and Managing Director
DIN: 00510618

Place: Mumbai
Date: 7th August, 2019

Annexure- II

Nomination & Remuneration Policy

Introduction

UGRO Capital Limited (hereinafter referred to as the "Company") recognizes its human resources as a valuable asset and the Nomination and Remuneration Policy (hereinafter referred to as the "Policy") ensures that the best industry practices have been considered while fixing the remuneration of the Board of Directors and other employees of the Company. The Policy ensures that the level of remuneration is sufficient to attract and retain the best talent required by the Company to meet its objectives.

The Policy lays down the criteria for the appointment/ reappointment of the Board of Directors and also ensures that the Board is adequately composed with members of diverse background and a broad range of experience in areas that are relevant for the business of the Company.

The Policy has been formulated pursuant to provisions of Section 178 of the Companies Act, 2013 ("the Act") read with applicable rules and amendments thereto and ensures compliance to all the requirements of Securities and Exchange Board of India ("SEBI") Listing Obligations and Disclosure Requirements) Regulations, 2015 ("LODR") and amendments thereto and Corporate Governance Code of the Company. It applies to Directors, Key Managerial Personnel ("KMP"), Senior Management and other employees of the Company.

The Policy has been approved by the Board in the meeting dated 2nd November 2018.

Purpose

The purpose of framing the Policy is to:

a) Identify prospective Directors and recommend to the Board the appointment and removal of Directors, KMPs and Senior Management.

b) Recommend a policy to the Board on remuneration payable to the Directors, KMPs and the Senior Management of the Company.

c) Establish standards of remuneration which shall include fixed and variable components, incentives and bonus. The same shall be developed in line with the applicable regulations and considering the best trends and practices prevailing in the industry.

d) Carry out the evaluation of the performance of every Director and review the terms of remuneration of the Director based on their performance and defined assessment criteria.

e) Formulate the criteria for evaluation of performance of the Independent Directors and determine whether to extend or continue the term of appointment of the Independent Director, in light of the performance evaluation report.

Appointment / Re-appointment of Board of Directors

The Nomination and Remuneration Committee (hereinafter referred to as 'NRC') shall be responsible for ascertaining the criteria for appointment of Directors and ensuring the size of the Board is sufficient for the Company to achieve its objectives.

Appointment criteria and Qualification

- Identify and ascertain the integrity, reputation, qualification, industry related experience, positive attributes and independence of a person for his / her appointment as a Director / KMP / Senior Management and recommend to the Board their appointment
- Ensure a transparent process of Board nomination that promotes diversity, knowledge, experience, skills, age, gender, cultural and educational background
- Appoint Independent Directors, KMPs and other Directors as per the qualifications and disqualifications pursuant to Section 149 (refer Annexure I of the Policy), 164 (refer Annexure II of the Policy) and 203 of the Act (refer Annexure III of the Policy) read along with the rules thereto, Clause 17 of SEBI LODR and the amendments further (refer Annexure IV of the policy) and the Fit and Proper criteria of the Company.

Criteria for members to be elected to the Nomination and Remuneration Committee

The following criteria shall be followed to appoint members to the Committee. The points mentioned here are a non - exhaustive list and a mix of skills, experience, characteristics and key attributes that can be considered to elect qualified members to the committee:

a) Should possess impeccable reputation for integrity.

b) Should have leadership and management experience especially in related businesses as well as personal networks and external contacts.

c) Should have specialized and detailed knowledge of the industry and deep expertise and insights in sectors / areas that are relevant to the Company.

d) Should be a decision maker and be able to choose the option that will benefit the Company in a greater manner.

e) Should have the ability to contribute to the Company's growth.

f) Should have the ability to represent the Company to the various stakeholders.

g) Should have a strategic perspective and be able to identify opportunities and threats to the Company.

Criteria to ensure the independence of the directors

In line with Section 149 (6) (refer Annexure I of the Policy) of the Companies Act, 2013 and Section 16 of SEBI (LODR) Regulations, 2015, as amended from time to time, an independent director will be a director other than managing director or a whole-time director or a nominee director,-

a) who, in the opinion of the Board, is a person of integrity and possesses relevant expertise and experience.

b) who is or was not a promoter of the company or its holding, subsidiary or associate company or member of the promoter group of the listed entity

c) who is not related to promoters or directors in the company, its holding, subsidiary or associate company.

d) who, apart from receiving director's remuneration, has or had no pecuniary relationship with the company, its holding, subsidiary or associate company, or their promoters, or directors, during the two immediately preceding financial years or during the current financial year.

e) none of whose relatives has or had pecuniary relationship or transaction with the company, its holding, subsidiary or associate company, or their promoters, or directors, amounting to two percent or more of its gross turnover or total income or fifty lakh rupees or such higher amount as may be prescribed, whichever is lower, during two immediately preceding financial years or during the current financial year.

f) who, neither himself nor any of his relatives-

- holds or has held the position of a key managerial personnel or is or has been an employee of the company or its holding, subsidiary or associate company in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed.
- is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed, of -
  - ❖ a firm of auditors or company secretaries in practice or cost auditors of the company or its holding, subsidiary or associate company; or
  - ❖ any legal or a consulting firm that has or had any transaction with the company, its holding, subsidiary or associate company amounting to ten percent or more of the gross turnover of such firm.
- holds together with his relatives two percent or more of the total voting power of the company; or
- is a Chief Executive or director, by whatever name called, of any nonprofit organisation that receives twenty-five percent or more of its receipts from the company, any of its promoters, directors or its holding, subsidiary or associate company or that holds two percent or more of the total voting power of the company; or
- is a material supplier, service provider or customer or a lessor or lessee of the Company.

g) who possesses such other qualifications as may be prescribed.

h) who is not less than 21 years of age.

i) who is not a non-independent director of another company on the board of which any non-independent director of the listed entity is an independent director.

Size and Composition of Board

- Ensure the Board of Directors consists of individuals as Directors and has at least three directors at all times. The maximum number of Directors shall not exceed fifteen, unless approved by a Special Resolution.
- Recommend to the Board, its set up and composition ensuring an optimum mix of Executive, Non-Executive and Independent Directors, with not less than 50% the Board of Directors comprising of Non-Executive Directors.
- Ensure the Board of Directors has at least one Woman Director and at least one Director who has stayed in India for a total period of not less than 182 days in the previous calendar year.

- Ensure at least one-third of the Board of Directors are Independent Directors, when the Chairperson of the Company is a Non-Executive Director. If the Company does not have a regular Non-Executive Director as a Chairperson, at least half of the Board of Directors shall comprise of Independent Directors.
- Nominate candidates who bring diversity of background and opinion, having the ability to devote sufficient time to the affairs of the Company for the appointment on the Board.
- Ensure that the Company shall not appoint / re-appoint any person as a Managing Director or a Whole-time Director who has attained the age of seventy years and any person as a Non-Executive Director who has attained the age of seventy-five years. The term of the person holding this position may be extended beyond the age of seventy / seventy-five years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy / seventy-five years.
- Advice the Board in setting up, reviewing and reconstitution of various Committees of the Board.

Tenure

The NRC shall ensure all appointments / re-appointments are within the tenure as mentioned below:

- **Managing Director / Whole-time Director**

  The Managing Director and Whole-time Directors of the Company shall be appointed / re-appointed for a term not exceeding five years at a time. However, no re-appointment shall be made earlier than one year before the expiry of term.

- **Independent Director**

  Independent Directors shall be appointed for a term of not more than five years, and shall be eligible for re-appointment for a term of another five years subject to the approval of shareholders by way of Special Resolution and disclosure of such appointment in the Board's Report.

  Independent Directors shall not hold office for more than two consecutive terms; however, he/she shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.

Appointment of Independent Directors

The Nomination and Remuneration Committee shall recommend 1 (one) candidate for each vacancy or anticipated vacancy for the position of an Independent Director on the Board. The Board shall resolve, subject to the procedures required under the Code, whether to approve an appointment pursuant to such recommendation.

Further, an Independent Director who resigns or is removed from the Board shall be replaced by a new Independent Director by the Company at the earliest but not later than the immediate next meeting of the Board or 3 (three) months from the date of such vacancy, whichever is later.

An Independent Director shall not hold office for more than 2 (two) consecutive 5 (five) year terms. However, an Independent Director shall be eligible for appointment after the expiration of 3 (three) years of ceasing to become an Independent Director.

The Independent Directors shall hold at least 1 (one) meeting in a year, without the presence of non-Independent Directors and the Management Team, and all the Independent Directors shall strive to be present at such meeting.

The Independent Directors in the meeting shall, inter-alia:

(a) review the performance of non-Independent Directors and the Board as a whole;

(b) review the performance of the Chairman of the Board, taking into account the views of executive directors and non-executive Directors;

(c) assess the quality, quantity and timeliness of flow of information between the Management Team and the Board that is necessary for the Board to effectively and reasonably perform their duties.

No person shall be appointed or continue as an alternate director for an independent director of the Company.

Appointment of Key Managerial Personnel

It shall be mandatory for the Company to have the following whole-time Key Managerial Personnel: (i) Managing Director; (ii) Company Secretary; (iii) CFO; and (iv) CRO, subject to the provisions of this Code and the approval of the Board.

The Company may appoint a CEO, subject to the provisions of this Code and approval of the Board, who shall also be a Key Managerial Personnel.

The Managing Director, CEO and the CFO shall provide a compliance certificate to the Board on a quarterly basis, certifying that:

(a) They have reviewed financial statements and the cash flow statement for the year/ year till date and that to the best of their knowledge and belief:

(i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading; and

(ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations;

(b) There are, to the best of their knowledge and belief, no transactions entered into by the Company during the year/ year till date which are fraudulent, illegal or in violation of the Company's code of conduct;

(c) They accept responsibility for establishing and maintaining internal controls for financial reporting and that they have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which they are aware and the steps they have taken or propose to take to rectify these deficiencies;

(d) They have indicated to the auditors and the Audit Committee:

(i) significant changes in internal control over financial reporting during the year/ year till date;

(ii) significant changes in accounting policies during the year/year till date and that the same have been disclosed in the notes to the financial statements;

(iii) details pertaining to all related party transactions between Key Managerial Personnel and their Related Party(ies) on a periodic basis; and

(iv) instances of significant fraud of which they have become aware and the involvement therein, if any, of the Management Team or an Employee having a significant role in the Company's internal control system over financial reporting.

The Company shall not appoint or re-appoint any person as its Managing Director, Whole-time Director or CEO for a term exceeding 5 (five) years at a time. Additionally, no re-appointment shall be made earlier than 1 (one) year before the expiry of the term of such Managing Director, Whole-time Director or CEO.

The appointment and replacement of, the terms and conditions for the appointment of, and the remuneration payable to, the Managing Director and CEO shall be subject to approval by the Board and the shareholders at the next General Meeting in accordance with this Code.

The Company Secretary shall act as the secretary to all the Board Committees.

Retirement/ Resignation/ Removal of Director

The NRC shall recommend the Board on retirement, re-appointment, resignation and removal of Directors.

Retirement

- At least two-thirds of the total number of Directors, excluding Independent Directors, shall be liable to retire by rotation. Of the eligible rotational Directors, one-third Directors shall retire at every Annual General Meeting of the Company or if their number is neither three nor a multiple of three, then, the number nearest to one-third, shall retire from office. The Directors to retire by rotation shall be those who have been longest in office since their last appointment.

Resignation

- A Director may resign from his / her office, before the expiry of their tenure, by giving a notice in writing to the Board. The NRC and the Board shall take note of the same and also place the fact of such resignation in the report of directors laid in the immediately following general meeting by the Company. The resignation of a Director shall take effect from the date on which the notice is received by the Company or the date, if any, specified by the director in the notice, whichever is later.
- The director who has resigned, shall be liable for the offences which occurred during his tenure, even after his resignation.
- In case of resignation of an independent director of the Company, within seven days from the date of resignation, the following disclosures shall be made to the stock exchanges by the Company:

i. Detailed reasons for the resignation of independent director as given by the said director shall be disclosed by the Company to the stock exchanges.

ii. The independent director shall, along with the detailed reasons, also provide a confirmation that there is no other material reasons other than those provided.

iii. The confirmation as provided by the independent director above shall also be disclosed by the Company to the stock exchanges along with the detailed reasons.

Removal

- In case a Director of the Company becomes disqualified to hold their office pursuant to the provisions of Section 164 of the Act (refer Annexure II of the Policy), or a Director ceases to be an Independent director as per Section 149(6) of the Act (refer Annexure I of the Policy), it shall be the responsibility of the NRC to advise to the Board on removal of such Director.
- The Company shall, by an ordinary resolution remove a director, not being a Director appointed pursuant to Section 163 of the Act (refer Annexure V of the Policy), before the expiry of the period of his / her office after giving a reasonable opportunity of being heard.
- The Company shall send a special notice to pass a resolution for removing a director or to appoint somebody in place of the director being removed at the meeting at which he / she is being removed.
- An Independent Director who resigns or is removed from the Board of the company shall be replaced by a new Independent Director within a period of not more than 180 days from the date of such resignation or removal. Provided the company fulfils the requirement of Independent Directors in its Board even without filling the vacancy created by such resignation or removal, as the case may be, the requirement of replacement by a new independent director shall not apply.

Remuneration

The Company strives to adopt the highest standard of Corporate Governance and ensures that its remuneration practices are consistent with the best-recognized practices.

The Board shall approve, as recommended by the NRC, the quantum of Remuneration / Commission / Incentives etc. payable to the Directors and KMPs of the Company.

While formulating the Policy, the NRC has considered the following factors as laid down under Section 178(4) of the Act:

i. the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully;

ii. relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and

iii. remuneration to Directors, KMPs and Senior Management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.

Remuneration to Managing Director / Whole-time Directors / KMPs

- The Remuneration / Commission etc. to be paid to Director / Managing Director / KMP shall be within the limits prescribed under the provisions of Sections 197 (refer Annexure VI of the Policy), Section 198 (refer Annexure VII of the Policy) and Schedule V of the Act (refer Annexure VIII of the Policy), applicable rules made there under and any other enactment in force for the time being. However, the Company may authorize excess payment of remuneration with prior approval from the Shareholders or Central Government, as the case may be.
- The overall remuneration paid to the Directors and KMPs of the Company should be adequate to motivate and retain talented and qualified individuals required to meet the goals of the Company.

Remuneration to Non - Executive Directors / Independent Directors

- The Company shall pay its Independent Directors and Non-Executive Directors Commission and Sitting fees for attending the meetings of the Board and Committees, within the regulatory limits prescribed under the Act.
- On the basis of the evaluation of the performance of the Directors including Independent Directors, the NRC shall recommend to the Board all Commission / Remuneration comprising fixed and variable component and other perquisites.

Remuneration to Senior Employees / Other Employees

- The Remuneration to the senior employees and other employees will be such as to ensure that the relationship of remuneration to performance is clear and meets appropriate performance benchmarks.
- It will involve a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.
- The NRC shall recommend to the Board, all remuneration, in whatever form, payable to senior management.

Stock option

- Pursuant to the provisions of the Corporate Governance Code of the Company, the NRC shall formulate a policy for granting of variable and discretionary bonus / incentives to the KMP, Senior Employees and other Employees of the Company. The Managing Director shall be responsible for preparing the first draft of this policy for the review and approval of the NRC.

- The NRC shall also formulate and recommend to the Board for their approval, an Employee Stock Option Plan or a Sweat Equity Plan. No Independent Director shall be entitled to any Stock Options of the Company.
- The Company shall pay a certain percentage of the Annual Cost to Company as a bonus to the employees. This bonus shall be further segregated into Statutory Bonus and Variable Bonus.
- The statutory bonus shall be paid to the employees if the Company meets its targets for the year and the same shall be paid in accordance in with The Payments of Bonus Act, 1956 and the amendments thereafter.
- The variable bonus shall be paid to the employee if the individual targets are met.
- Company proposes to reserve a certain percentage equivalent of the overall capital pool for stock options allocation for its select employees.
- The NRC shall also formulate and recommend to the Board for their approval, an Employee Stock Option Plan or a Sweat Equity Plan
- The variable bonus of the employee shall be in accordance with certain parameters. The parameters of evaluation have been defined as per the 'Bonus/ Variable Pay Policy'.

Board Evaluation

The Company shall, pursuant to the provisions of the Act and SEBI (LODR) Regulations, carry out an annual evaluation of the performance of:

i. The Board as a whole;

ii. Individual Directors, including Independent Directors, CEO and Chairperson; and

iii. Various Committees of the Board.

The Company shall follow the criteria for evaluation recommended under the 'Board Evaluation Policy'.

Feedback and Action Plan

i. Feedback shall be sought from the Independent Directors on the assessment of the quality, quantity and timeliness of flow of information between the Company Management and the Board, necessary for the Board to effectively perform its duties.

ii. Based on the analysis of the responses received on the performance of Independent and Non-Independent Directors, the Board as a whole, and of the Chairman of the Company, the NRC shall recommend to the Board an Action Plan.

The Action Plan shall include areas of improvement training, development programmes and skill building, as may be required for the members of the Board.

Review of Policy

The Board of Directors reserves its right to review and amend this policy to ascertain its appropriateness as per the needs of the company. Review shall be carried out at least once a year. In the event of any conflict between the provisions of this Policy and the Act or any other statutory enactments, rules, the provisions of such Act or statutory enactments, rules shall prevail over this Policy.

The Board may, subject to applicable laws amend any provision(s) or substitute any of the provision(s) with the new provision(s) or replace the Policy entirely with a new Policy.

Annexure - III

Form No. MR-3

Secretarial Audit Report

FOR THE FINANCIAL YEAR ENDED 31st MARCH 2019

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,

The Members,
UGRO Capital Limited
(formerly known as Chokhani Securities Limited)
Equinox Business Park, Tower 3,
Fourth Floor, Off BKC, LBS Road,
Kurla, Mumbai - 400070

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **UGRO Capital Limited** (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the **UGRO Capital Limited** books, papers, minutes books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31st March, 2019 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter;

I have examined the books, papers, minute books, forms and returns filed and other records maintained by **UGRO Capital Limited** for the financial year ended on 31st March, 2019 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made thereunder to the extent applicable;

(ii) The Securities Contracts (regulation) Act, 1956 ('SCRA') and the rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iv) The Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

(a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

(b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009/ The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

(d) The Securities and Exchange Board of India (Share Based Employee Benefits) 2014;

(e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

(f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993;

(vi) The Reserve Bank of India Act, 1934.

(vii) All Master Directions, Master Circulars, Notifications, Guidelines issued by the Reserve Bank of India to the extent applicable to Systemically important non-deposit taking non-banking financial company

(viii) Prevention of Money Laundering Act, 2002

During the period under review, provisions of the following Act/ Regulations are not applicable to the Company:

a) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

b) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;

I have also examined compliance with the applicable clauses of the following:

a) Secretarial Standards issued by the Institute of Company Secretaries of India related to Board Meetings, General Meetings.

b) The SEBI (Listing Obligations Disclosure Requirements) Regulations, 2015 and the Listing Agreements entered into by the Company with BSE Limited. **(The Company has complied with the SEBI (Listing Obligations Disclosure Requirements) Regulations 2015 and Listing Agreement entered into by the Company with BSE Ltd. during the financial year.**

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

I further report that, the compliance by the Company of applicable financial laws, like Direct & Indirect Tax laws, has not been reviewed in this Audit since the same have been subject to review by Statutory Financial Auditor and other designated professionals.

I further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board Meetings and Committee Meetings are carried out by majority as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

I have examined the systems and processes of the Company in place to ensure the compliance with general laws like Labour Laws, Employees Provident Funds Act, Employees State Insurance Act, the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 considering and relying upon representations made by the Company and its Officers for systems and mechanisms formed by the Company for compliance under these laws and other applicable sector specific Acts, Laws, Rules and Regulations applicable to the Company and its observance by them.

I further report that there are proper systems and processes in the company commensurate with the size and operation of the company to monitor ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period apart from the instances mentioned hereunder, there were specific events / actions having major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, etc.,

i) The Company has allotted Compulsorily Convertible Debentures, Compulsorily Convertible Preference shares, Equity shares, Convertible Warrants to the Public Shareholders on preferential basis.

ii) The Company has allotted Equity shares under Qualified Institutional Placement.

iii) The Company has allotted Equity Shares upon conversion of Compulsorily Convertible Debentures and Compulsorily Convertible Preference shares.

For PANKAJ NIGAM & ASSOCIATES
Company Secretaries

(Pankaj Kumar Nigam)
Membership No. FCS-7343
Certificate of Practice No. 7979

Date: 05/08/2019
Place: Ghaziabad

Enc: Annexure

Annexure A

To,

The Members
UGRO Capital Limited
(formerly known as Chokhani Securities Limited)

My report of even date is to be read along with this supplementary testimony.

1. Maintenance of secretarial record is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, the company had followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Wherever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.,
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

For PANKAJ NIGAM & ASSOCIATES
Company Secretaries

(Pankaj Kumar Nigam)
Membership No. FCS-7343
Certificate of Practice No. 7979

Date: 05/08/2019
Place: Ghaziabad

Directors' Report

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,

The Members of
UGRO Capital Limited
(formerly known as Chokhani Securities Limited)
Equinox Business Park, Tower 3,
Fourth Floor, Off BKC, LBS Road,
Kurla, Mumbai - 400070

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of UGRO Capital Limited having CIN L67120MH1993PLC070739 and having registered office at Equinox Business Park, Tower 3, Fourth Floor, Off BKC, LBS Road, Kurla, Mumbai - 400070 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2019 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of Appointment in the Company
1	Abhijit Sen	00002593	05/07/2018
2	Navin Kumar Maini	00419921	05/07/2018
3	Shachindra Nath	00510618	22/06/2018
4	Satyananda Mishra	01807198	05/07/2018
5	Manoj Kumar Sehrawat	02224299	05/07/2018
6	Amit Gupta	02282600	05/07/2018
7	Ranjana Agarwal	03340032	05/07/2018
8	Karuppasamy Singam	03632212	05/07/2018
9	Chetan Kulbhushan Gupta	07704601	02/11/2018
10	Abhijit Ghosh	07935397	05/07/2018
11	Rajeev Krishnamuralilal Agarwal	07984221	05/07/2018

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For PANKAJ NIGAM & ASSOCIATES
Company Secretaries

(Pankaj Kumar Nigam)
Membership No. FCS-7343
Certificate of Practice No. 7979

Date: 05/08/2019
Place: Ghaziabad

Annexure - IV

Form No. MGT-9
Extract of Annual Return
as on the financial year ended on 31st March, 2019

[Pursuant to Section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

1	Corporate Identification Number (CIN)	L67120MH1993PLC070739
2	Registration Date	10th February, 1993
3	Name of the Company	UGRO Capital Limited (Earlier known as Chokhani Securities Limited)
4	Category / Sub-Category of the Company	Public Company Limited by Shares
5	Address of the Registered office and contact details	Equinox Business Park, Tower 3, 4th Floor, LBS Road, Kurla West, Mumbai- 400070
6	Whether listed company	Yes
7	Name, Address and Contact details of Registrar and Transfer Agent, if any	Link Intime India Private Limited Address: C 101, 247 Park, LBS Road, Surya Nagar, Gandhi Nagar, Vikhroli West, Mumbai, Maharashtra 400083. Telephone: 022 4918 6000. Website: https://linkintime.co.in/

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated:

Sr. No.	Name and description of main products / services	NIC Code of the product / service	% to total turnover of the Company
1	Financial Service Activities	64990	88%
2	Advertising	73100	12%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES: As on 31st March, 2019, the Company does not have any Holding, Subsidiary and associates company.

IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity):

i) Category-wise Shareholding:

Sr No	Category of Shareholders	Shareholding at the beginning of the year - 2018				Shareholding at the end of the year - 2019				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(A)	**Promoter and Promoter Group**									
[1]	**Indian**									
(a)	Individuals / Hindu Undivided Family	34,67,800	Nil	34,67,800	73.81	Nil	Nil	Nil	Nil	(73.80)
(b)	Central Government / State Government(s)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(c)	Bodies Corporate	Nil	Nil	Nil	Nil	30,19,817	Nil	30,19,817	12.94	12.94
(d)	Financial Institutions/ Banks	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(e)	Any Others	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	Sub Total (A)(1)	**34,67,800**	**Nil**	**34,67,800**	**73.81**	**30,19,817**	**Nil**	**30,19,817**	**12.94**	**(60.87)**
[2]	**Foreign**									
(a)	Individuals (Non-Resident Individuals / Foreign Individuals)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

(b)	Government	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(c)	Institutions	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(d)	Foreign Portfolio Investor	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(e)	Any Other (Specify)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	Sub Total (A)(2)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	Total Shareholding of Promoter and Promoter Group (A)	34,67,800	Nil	34,67,800	73.81	30,19,817	Nil	30,19,817	12.94	(60.87)
(B)	**Public Shareholding**									
[1]	Institutions									
(a)	Mutual Funds/UTI	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(b)	Financial Institutions / Banks	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(c)	Central Government / State Government(s)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(d)	Venture Capital Funds	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(e)	Insurance Companies	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(f)	Foreign Institutional Investors	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(g)	Foreign Venture Capital Investors	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(h)	Qualified Foreign Investors	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(i)	Foreign Portfolio Investors (Corporate)	Nil	Nil	Nil	Nil	38,10,785	Nil	38,10,785	16.33	16.33
(j)	Any Other (Alternate Investment Funds)	Nil	Nil	Nil	Nil	45,51,652	Nil	45,51,652	19.51	19.51
	Sub Total (B)(1)	Nil	Nil	Nil	Nil	83,62,437	Nil	83,62,437	35.84	35.84
(2)	**Non-Institutions**									
(a)	Bodies Corporate	9,236	1,800	11,036	0.24	40,04,450	800	40,05,250	17.17	16.93
(b)	Individuals -									
(i)	Individual shareholders holding nominal share capital upto ₹ 1 lakh.	1,40,830	68,120	2,08,950	4.45	3,07,790	54,320	3,62,110	1.55	(2.90)
(ii)	Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	88,762	25,300	1,14,062	2.43	42,64,004	Nil	42,64,004	18.28	15.85
(c)	Qualified Foreign Investors	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(d)	Any Other									
i.	Trusts	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
ii.	Foreign Companies	Nil	Nil	Nil	Nil	29,67,645	Nil	29,67,645	12.72	12.72
iii.	Clearing Members/ Clearing House	13,039	Nil	13,039	0.27	22,127	Nil	22,127	0.09	(0.18)
iv.	Hindu Undivided Family	3,146	Nil	3,146	0.07	3,26,005	Nil	3,26,005	1.40	1.33

v.	Non Resident Indians (Repat)	1,450	Nil	1,450	0.03	2,087	Nil	2,087	0.01	(0.02)
vi.	LLP	8,79,017	Nil	8,79,017	18.70	Nil	Nil	Nil	Nil	(18.70)
Sub-total (B) (2)		11,35,480	95,220	12,30,700	26.19	1,18,94,108	55,120	1,19,49,228	51.22	25.01
Total Public Shareholding (B) = (B)(1)+(B)(2)		11,35,480	95,220	12,30,700	26.19	2,02,56,545	55,120	2,03,11,665	87.06	60.87
TOTAL (A)+(B)		46,03,280	95,220	46,98,500	100.00	2,32,76,362	55,120	2,33,31,482	100.00	
C	**Shares held by Custodians and against which Depository Receipts have been issued**	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	
GRAND TOTAL (A)+(B)+(C)		46,03,280	95,220	46,98,500	100.00	2,32,76,362	55,120	2,33,31,482	100.00	

ii) Shareholding of Promoters (including Promoter Group):

Sr. No.	Promoters' Name	Shareholding at the beginning of the year 1st April, 2018			Shareholding at the end of the year 31st March, 2019			% change in shareholding during the year
		No. of shares	% of total shares of the Company	% of shares pledged/ encumbered to total shares	No. of shares	% of total shares of the Company	% of shares pledged/ encumbered to total shares	
1	Anand Ramakant Chokhani	32,77,10	6.97	Nil	Nil	Nil	Nil	(6.97)
2	Neelam R Chokhani	7,00,000	14.90	Nil	Nil	Nil	Nil	(14.90)
3	Ramakant R Chokhani HUF	6,33,600	13.49	Nil	Nil	Nil	Nil	(13.49)
4	Ramakant R Chokhani	18,06,490	38.45	Nil	Nil	Nil	Nil	(38.45)
5	Poshika Advisory Services LLP	Nil	Nil	Nil	30,19,817	12.94	Nil	12.94

iii) Change in Promoters' (including Promoter Group) Shareholding (please specify, if there is no change)

Sr. No.	Promoters' Name	Shareholding at the beginning of the year 1st April, 2018		Date	Reason	Increase/ Decrease in Shareholding	Cumulative shareholding during the year	
		No. of shares	% of total shares of the Company			No. of shares	No. of shares	% of total shares of the Company
1	Anand Ramakant Chokhani	3,27,710	6.97	N.A	N.A	(2,40,524)	87,186	0.37
2	Neelam R Chokhani	7,00,000	14.90	N.A	N.A	(6,70,500)	29,500	0.12
3	Ramakant R Chokhani HUF	6,33,600	13.49	N.A	N.A	(3,18,244)	3,15,356	1.35
4	Ramakant R Chokhani*	18,06,490	38.45	N.A	N.A	(15,91,055)	2,15,435	0.92
5	Poshika Advisory Services LLP**	Nil	Nil	22.03.2019	Transfer	30,19,817	30,19,817	12.94

* Mr. Ramakant R Chokhani, Mr. Anand R Chokhani, Ms. Neelam R Chokhani and Ramakant R Chokhani HUF existing Promoters of the Company re-classified from Promoter category to Public category during the FY 2018-19.

** Poshika Advisory Services LLP classified as Promoter of the Company during the FY 2018-19.

iv) Shareholding Pattern of top ten shareholders (other than Directors, Promoters and holder of GDRs and ADRs):

Sr. No.	Top Ten Shareholders*	Shareholding at the beginning of the year 1st April, 2018		Cumulative shareholding at end of the year 31st March, 2019	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1	Indgrowth Capital Fund I	Nil	Nil	34,88,372	14.95
2	Samena Special Situations Mauritius	Nil	Nil	33,21,500	14.23
3	Chhattisgarh Investments Limited	Nil	Nil	14,33,267	6.14
4	PNB Metlife India Insurance Company limited	Nil	Nil	14,28,600	6.12
5	Clearsky Investment Holdings PTE Limited	Nil	Nil	12,79,069	5.48
6	NewQuest Asia Investments III Limited	Nil	Nil	12,79,069	5.48
7	Abakkus Growth Fund-1	Nil	Nil	10,63,280	4.56
8	Rashmi Nayar	Nil	Nil	5,76,150	2.47
9	Navodhyam Holdings LLP	Nil	Nil	5,00,000	2.14
10	Resonance Opportunities Fund	Nil	Nil	4,89,285	2.10

* The shares of the Company are traded on daily basis and hence the date wise increase/decrease in shareholding is not indicated. Shareholding is consolidated based on permanent account number (PAN) of the shareholder.

v) Shareholding of Directors and Key Managerial Personnel:

Sr. No.	Name of Director & KMP	Shareholding at the beginning of the year 1st April, 2018		Shareholding at the end of the year 31st March, 2019	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1	Shachindra Nath	Nil	Nil	Nil	Nil
2	Abhijit Ghosh	Nil	Nil	Nil	Nil
3	Satyananda Mishra	Nil	Nil	Nil	Nil
4	Abhijit Sen	Nil	Nil	Nil	Nil
5	Karuppasamy Singam	Nil	Nil	Nil	Nil
6	Navin Kumar Maini	Nil	Nil	Nil	Nil
7	Ranjana Agarwal	Nil	Nil	Nil	Nil
8	Rajeev Kumar Agarwal	Nil	Nil	Nil	Nil
9	Manoj Kumar Sehrawat	Nil	Nil	Nil	Nil
10	Amit Gupta	Nil	Nil	Nil	Nil
11	Chetan Gupta	Nil	Nil	Nil	Nil
12	Kalpeshkumar Ojha (Chief Financial Officer)	Nil	Nil	Nil	Nil
13	Aniket Karandikar (Company Secretary)	Nil	Nil	Nil	Nil

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment: (₹ in Lacs)

	Secured loans excluding Deposits	Unsecured loans	Deposits	Total
Indebtedness at the beginning of the financial year 1st April, 2018				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	-	-	-
Change in Indebtedness during the financial year				
+Addition	1,000	1,384	-	2,384
-Reduction	-	-	-	-
Net Change	1,000	1,384	-	2,384
Indebtedness at the end of the financial year 31st March, 2019				
Principal Amount(i)	1,000	1,384	-	2,384
Interest due but not paid(ii)	-	-	-	-
Interest accrued but not due(iii)	0.64	0	-	0.64
Total (i+ii+iii)	1,000.64	1,384	-	2,384.64

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole Time Director (all figures in ₹)

Sr. No.	Particulars of Remuneration	Name of MD/WTD		Total Amount
		Mr. Shachindra Nath, Executive Chairman & Managing Director	Mr. Abhijit Ghosh, Whole Time Director & Chief Executive Officer	
1.	Gross Salary			
	(a) Salary as per provision contained in section 17 (1) of Income Tax Act, 1961	2,17,34,963.00	2,37,43,569.00	4,54,78,532.00
	(b) Value of perquisites u/s 17 (2) of Income Tax Act, 1961	0	0	0
	(c) Profits in lieu of salary under section 17 (3) of Income Tax Act, 1961	0	0	0
2.	Stock Option	0	0	0
3.	Sweat Equity	0	0	0
4.	Commission	0	0	0
	- As % profit	0	0	0
	- Others	0	0	0
5.	Others	0	85,88,710.00	85,88,710.00
	Contribution to Superannuation Fund	0	0	0
	Contribution to Provident Fund	16,200.00	16,200.00	32,400.00
	Contribution to NPS	0	0	0
	Performance Bonus/Incentive	0	0	0
	Total (A)	2,17,51,163.00	3,23,48,479.00	5,40,99,642.00
	Ceiling as per the Act			84,00,000.00*

* The Special Resolutions for the approval of remuneration is passed by the shareholders for the above Directors.

Remuneration to other directors:

I. Independent Director (all figures in ₹)

Particulars of Remuneration	Name of Directors								Total Amount
	Mr. Pravin Gupta*	Mr. Rajesh Chokhani*	Mr. Abhijit Sen**	Mr. Satyananda Mishra**	Mr. Navin Kumar Maini**	Mr. Karuppasamy Sigam**	Mr. Rajeev Agarwal**	Ms. Ranjana Agarwal**	
Fees for attending Board & Committee Meetings	Nil	Nil	14,00,000	13,00,000	15,00,000	14,00000	16,00,000	15,00,000	87,00,000
Commission	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Others	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

* Resigned w.e.f. 5th July, 2018
** Appointed w.e.f. 5th July, 2018

II. Other Non-Executive Directors (all figures in ₹)

Particulars of Remuneration	Name of Directors				Total Amount
	Mr. Ramakant Chokhani*	Ms. Jyoti Jain*	Mr. Manoj Sehrawat**	Mr. Chetan Gupta***	
Fees for attending Board & Committee Meetings	Nil	Nil	Nil	Nil	Nil
Commission	Nil	Nil	Nil	Nil	Nil
Others	Nil	Nil	Nil	Nil	Nil

* Resigned w.e.f. 5th July, 2018
** Appointed w.e.f. 5th July, 2018
*** Appointed w.e.f. 2nd November, 2018

B. Remuneration to Key Managerial Personnel other than MD/WTD/Manager

Sr. No.	Particulars of Remuneration	Name of KMP				Total Amount
		Mr. Kalpesh Kumar Ojha, Chief Financial Officer (appointed w.e.f. 2nd Nov. 2018)	Mr. Manish Parikh Chief Financial Officer (ceased w.e.f. 5th July, 2018) (Information to be provided till 1st November, 2018	Ms. Sweta, Company Secretary (Ceased w.e.f. 2nd Nov. 2018) (Information to be provided till 1st November, 2018)	Mr. Aniket Karandikar, Company Secretary (appointed w.e.f. 2nd Nov. 2018)	
1.	Gross Salary					
	(d) Salary as per provision contained in section 17 (1) of Income Tax Act, 1961	49,57,770.68	34,667.00	0	12,23,018.20	62,15,455.88
	(e) Value of perquisites u/s 17 (2) of Income Tax Act, 1961	0	0	0	0	0
	(f) Profits in lieu of salary under section 17 (3) of Income Tax Act, 1961	0	0	0	0	0
2.	Stock Option	0	0	0	0	0
3.	Sweat Equity	0	0	0	0	0
4.	Commission	0	0	0	0	0
	- As % profit	0	0	0	0	0
	- others	0	0	0	0	0
5.	Others	0	0	0	0	0
	Contribution to Superannuation Fund	0	0	0	0	
	Contribution to Provident Fund	9,000.00	0	0	61,665.00	70,665.00
	Contribution to NPS	0	0	0	0	0
	Performance Bonus/Incentive	0	0	0	0	0
	Total (A)	49,66,770.68	34,667.00	0	12,84,683.20	62,86,120.88

*appointed w.e.f. 2nd Nov. 2018
** ceased w.e.f. 5th July, 2018
*** Ceased w.e.f. 2nd November, 2018

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of Companies Act, 2013	Brief Description	Details of Penalty/ punishment/ Compounding fees imposed	Authority (RD/ NCLT/COURT)	Appeal made, if any
A. Company					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil
B. Directors					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil
C. Other Officers in Default					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil

Corporate Governance Reports

CORPORATE GOVERNANCE REPORT

Introduction

UGRO Capital Limited (earlier known as Chokhani Securities Ltd) strongly believes that establishing good corporate governance practices at each and every function of the organization leads to achieve sustainable growth and enhances long term value for all the stakeholders. The Company endeavors to carry its business operations in fair, transparent and ethical manner and also holds itself accountable and responsible to the society it belongs. The Company considers it imperative to abide by the laws and regulations of the land in letter and spirit and is committed to the highest standards of corporate behaviors. The Company believes that timely disclosures, transparent accounting policies and strong Board go a long way in protecting shareholders' trust while maximising long term corporate value. The Company is in compliance with the requirements stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") with regard to Corporate Governance, applicable for the financial year 2018-19.

UGRO's Governance structure broadly comprises of the Board of Directors and the Committees of the Board at the apex level and the Management structure at the operational level. This layered structure brings about a harmonious blend in governance as the Board sets the overall corporate objectives and gives direction and freedom to the Management to achieve these corporate objectives within a given framework, thereby bringing about an enabling environment for value creation through sustainable, profitable growth.

(I) Board of Directors ('Board')

The Board of Directors, along with its Committees, provides leadership and guidance to the management and directs and supervises the performance of the Company, thereby enhancing stakeholder value. The Board has a fiduciary relationship in ensuring that the rights of all stakeholders are protected. The Composition of the Board of Directors of the Company is governed by the provisions of Companies Act, 2013, ("Act") SEBI Listing Regulations and the provisions contained in the Articles of Association of the Company.

Composition of the Board

As on 31st March 2019, the Board comprises of 11 Directors which includes Executive Directors, Non-Executive Directors as well as Independent Directors. There is an optimum combination of Executive Directors, Non-Executive Directors and Independent Directors on the Board of the Company. Out of 11 Directors, 6 Directors are Independent Directors, 2 Directors are Executive Directors and 3 Directors are Non- Executive Directors. There is one Woman Director on the Board of Company. All Directors possess relevant qualification and experience in general corporate management, finance, taxation, marketing, micro and small enterprises, banking and other allied fields which enable them to effectively contribute in their capacity as Director. The composition of the Board is in conformity with Regulation 17 of the SEBI Listing Regulations read with section 149 of the Act. None of the Directors are related to any other Director or employee of the Company. They play a critical role in balancing the functioning of the Board by providing Independent judgments on various issues raised in the Board meetings like formulation of business strategies, monitoring of performances etc.

The Company believes in proving in appropriate representations on the Board to the large shareholders and proving participation in the proceedings of the Board and Committees. The Articles of Association of the Company allows each Large Shareholder the right to nominate a representative as non-executive director on the Board of the Company.

The Articles of Association of the Company has defined the term Large Shareholders as follows:

"**Large Shareholder**" means any shareholder of the Company holding at least 10% (ten percent) of the paid-up share capital of the Company on a Fully Diluted Basis, which securities were either subscribed by that shareholder consequent to an issuance of securities by way of a preferential allotment by the Company or were issued to such shareholder by the Company as consideration under a scheme of demerger approved by the National Company Law Tribunal directly involving the Company, (whether by itself or together with a "person acting in concert" with it as defined in the Takeover Regulations).

The Board has representation from Clearsky Investment Holdings Pte Ltd, NewQuest Asia Investments III Limited and Samena Special Situations Mauritius investors of the Company.

As per Regulation 26 of the SEBI Listing Regulations, the number of Committees (Audit Committee and Stakeholders Relationship Committee) of public limited companies in which a director is a member/ chairman is within the limits prescribed under the said regulation.

The Company believes that majority directors should be present in most of the meeting held during the year and hence the Articles of Association of the Company has prescribed greater number of quorum than what is mandated by the provisions of the Act.

Video / tele-conferencing facilities are also used to facilitate Directors travelling / residing abroad or at other locations to participate in the meetings.

All Independent Directors of the Company have been appointed as per the provisions of the Companies Act, 2013. Formal letters of appointment have been issued to the Independent Directors.

None of the Directors on the Board is a Member in more than 10 Committees and Chairman in more than 5 Committees across all the Companies in which he / she is a Director. The necessary disclosures regarding Committee positions have been made by all

the Directors. The Company has established systems and procedures to ensure that its Board is well informed and well equipped to discharge its overall responsibilities.

Independent Directors are Non-Executive Directors as defined under Regulation 16(1) (b) of the SEBI Listing Regulations read with section 149(6) of the Act. The maximum tenure of Independent Directors is in compliance with the Act. All the Independent Directors have confirmed that they meet the criteria as mentioned under Regulation 16(1) (b) of the SEBI Listing Regulations read with section 149(6) of the Act.

During the year, the Non-Executive Directors of the Company had no pecuniary relationship or transactions with the Company.

The composition of the Board of Directors as on March 31, 2019 is as under:

Name of the Director	Category	Total Number of Directorships in Indian Companies @	Position held in Committees of the Board of Other Companies #		Directorship in other listed entity (category of Directorship)
			As Chairman	As member	
Mr. Shachindra Nath (inducted w.e.f. 22nd June 2018 as Director and w.e.f. 2nd July 2018 as Chairman)	EC & MD	6	NIL	1	NIL
Mr. Abhijit Ghosh *(inducted w.e.f. 5th July, 2018)*	WTD & CEO	1	NIL	1	NIL
Mr. Manoj Kumar Sehrawat *(inducted w.e.f. 5th July, 2018)**	NE - NID	7	NIL	1	1. Amber Enterprises India Limited (Non-Executive - Non-Independent Director)
Mr. Amit Gupta* (inducted w.e.f. 5th July, 2018)	NE - NID	3	NIL	2	1. Ujjivan Financial Services Ltd (Non-Executive - Non-Independent Director)
Mr. Chetan Gupta* (inducted w.e.f. 2nd November 2018)	NE - NID	4	NIL	NIL	NIL
Mr. Abhijit Sen *(inducted w.e.f. 5th July, 2018)*	NE- ID	7	2	4	1. Trent Limited (Independent Director) 2. Kalyani Forge Limited (Independent Director)
Mr. Navin Kumar Maini *(inducted w.e.f. 5th July, 2018)*	NEID	4	1	3	NIL
Mr. Satyananda Mishra *(inducted w.e.f. 5th July, 2018)*	NE-ID	3	NIL	1	NIL
Ms. Ranjana Agarwal *(inducted w.e.f. 5th July, 2018)*	NE-ID	8	1	7	1. KDDL Limited (Independent Director) 2. Indo Rama Synthetics (India) Limited (Independent Director) 3. ICRA Limited (Independent Director
Mr. Karuppasamy Singam *(inducted w.e.f. 5th July, 2018)*	NE- ID	3	NIL	3	NIL
Mr. Rajeev Agarwal *(inducted w.e.f. 5th July, 2018)*	NE-ID	2	1	2	NIL

Note:

EC & MD : Executive Chairman & Managing Director
WTD & CEO : Whole Time Director & Chief Executive Officer
NE - NID : Non-Executive - Non-Independent Director
NE- ID : Non-Executive Independent Director

@ Comprises private limited companies and public limited companies incorporated in India but excludes foreign companies and Section 8 companies

 # Comprises only Audit Committee and Stakeholders Relationship Committee of Indian companies.

**Mr. Manoj Sehrawat represents Clearsky Investment Holdings Pte. Ltd, Mr. Amit Gupta represents NewQuest Asia Investments III Limited and Mr. Chetan Gupta represents Samena Special Situations Mauritius.*

Corporate Governance Reports

Brief Profile of the Directors

Sr. No	Name of the Director	Qualification	Field of Specialization
1	**Mr. Abhijit Sen**	B. Tech Hons - Indian Institute of Technology and P.G.D.M - Indian Institute of Management, Majors in Finance & Information Systems	Mr. Sen retired from Citi Bank in February 2015 after serving as the Chief Financial Officer - India Subcontinent for over 18 years. He was looking after various legal entities, covering Controllership, Corporate Treasury, Financial Planning, Product Control and Tax. Mr. Sen was also Chairman of Citicorp Services India Limited. As Chairman of the Board, he was responsible for providing governance oversight and ensuring performance of service delivery, while protecting regulatory standards. Post retirement from Citi Bank, Mr. Sen is associated with Ernst & Young from 3rd August, 2015, as a part-time Senior Advisor, to provide broad strategic support for their activities in the Banking and Financial Services Sector. He recently joined the Risk Committee of the National Stock Exchange. In the past, he has served on the Board of National Securities Depository Ltd, IDFC First Bank and has been an Advisor to General Atlantic.
2	**Mr. Abhijit Ghosh**	Science Graduate from University of Calcutta and an alumnus of Kellogg XLRI Jamshedpur, Executive Education	Mr. Ghosh brings more than two decades of experience to the company from his key roles across Banking & Financial Services, Consumer Appliances, Hospitality, Telecom & Healthcare. Prior to coming aboard, Mr. Ghosh served as the President and Chief Business Officer at Religare Finvest Limited. Mr Ghosh's result focused professionalism and broad business acumen was honed through his past work experiences at Andrew Yule, Whirlpool of India, ICICI Bank, Reliance Info comm, ABN Amro Bank, ICICI Securities Limited and Future Group. He is an passionate visionary leader who is all consumed with envisioning the future of lending and redefining it for U GRO.
3	**Mr. Amit Gupta**	B.Tech. from Regional Engineering College, Kurukshetra University And PGDM from Indian Institute of Management (IIM), Bengaluru	Mr. Gupta is a founding Partner of NewQuest Asia Investments III Limited and oversees the firm's India and Southeast Asia business as well as investments in the power and financial services sectors. Mr. Gupta has more than 17 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 India and United States.

Sr. No	Name of the Director	Qualification	Field of Specialization
4	**Mr. Chetan Gupta**	Chartered Financial Analyst (AIMR), Chartered Alternative Investment Analyst And Master's in management (Finance) from the University of Mumbai	Mr. Gupta is a Managing Director of Samena Special Situations, Mauritius, focusing on investments within the Special Situation Funds. Mr. Gupta is also a member of the Investment Committee of the Special Situations Funds. Prior to joining Samena Special Situations Mauritius Mr. Gupta was an equity research analyst at Tricolour India Funds and previously was part of the General Atlantic Financial Management Leadership Program
5	**Mr. Karuppasamy Singam**	M. A. in Economics, a Certified Associate (CAIIB); Honorary Fellow of Indian Institute of Banking & Finance and holds a Post Graduate Diploma in Bank Management (PGDBM) from National Institute of Bank Management (NIBM), Pune.	Mr. Singam served the Reserve Bank of India (RBI) for about 39 years and retired as Executive Director in January 2014. He was a Nominee Director on the Board of Indian Bank. During his tenure in the RBI, he headed Urban Co-operative Banks Department and the Department of Banking Supervision as Chief General Manager. He also held important positions as Regional Director for West Bengal and Sikkim (RBI Kolkata) and Regional Director for Tamil Nadu and Puducherry (RBI Chennai). He also headed the Reserve Bank Officers Training College at Chennai as Principal and was also associated with certain High-power Committees / Working Groups constituted by RBI. He chaired committee on Cross Border Supervision and Supervisory Co-ordination and Committee on Integrated System of Alert.
6	**Mr. Manoj Kumar Sehrawat**	Chartered Accountant (C.A.) from ICAI. and B.Com (Hons) from Delhi University.	Mr. Sehrawat has 22 years of experience in financial services sector across private equity investments, structured finance, distress debt acquisition & resolution, corporate and financial restructurings in India. Mr. Sehrawat was Vice President with JP Morgan's Asia Special Situations Group 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 Asset Reconstruction Company (India) Limited – India's largest asset reconstruction company, where he was responsible for acquisition of Non Performing Loans from Banks & Financial Institutions and evaluation & implementation of recovery strategies for Non Performing Loans acquired. Prior to that Mr. Sehrawat worked at Dimensions Consulting - a boutique sell side advisory firm where he led execution of several mandates covering business & financial restructuring for large corporates.

Sr. No	Name of the Director	Qualification	Field of Specialization
7	**Mr. Navin Kumar Maini**	B.SC (Honours); LL.B; PGD in International Trade from Indian Institute of Foreign Trade (IIFT) Delhi; Certified Associate from Indian Institute of Banking and Finance (IIBF) Delhi; PGD in Management from Management Development Institute (MDI) Gurgaon.	Mr. Maini retired as Deputy Managing Director from Small Industries Development Bank of India (SIDBI) in the year 2015. Mr. Maini has vast experience of about 38 years of commercial and development banking which includes 6 years each with UCO Bank and IDBI (when it was DFI) and more than 25 years with SIDBI. Mr Maini was Chairman of subsidiaries and associates of SIDBI and was also CEO of Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE) on a one year deputation.
8	**Mr. Shachindra Nath**	LLB from Banaras Hindu University (BHU)	Mr. Nath started out as a commercial trainee, spent many years in carpet industry before moving to financial services. He has expertise in financial services businesses spanning ranging from Insurance, Asset Management, Lending, Capital Market from scratch. He built global partnership, joint ventures across various geographies in the world.
9	**Mr. Satyananda Mishra**	M.A. in English literature from Utkal University; M.Sc. degree from the London School of Economics on Policy Planning for Developing Countries; Ravenshaw University in Odisha had conferred an honorary D. Litt on him for his contribution to public administration	Mr. Mishra a career civil servant having joined the IAS in 1973 has served for nearly a decade in the field jobs including more than four years as District Collector in two districts. Thereafter, he worked both in the State Secretariat as well as in the Central Government in a variety of jobs. He worked as Managing Director of MP Small Industries Corporation and also as the Development Commissioner of Small industries in the Government of India. In the latter capacity, he served as ex-officio Chairman of the Indo-German and Indo-Danish Tool Rooms. He held the post of Secretary Housing and Environment in MP for more than three years in a policy making role in the areas of environment management and town and country planning. He also held the posts of Principal Secretary of both Public Health Engineering and Public Works Departments of Madhya Pradesh, two of the key infrastructure areas. His last postings in the Central Government were in the Department of Personnel and Training, first as Establishment Officer and Secretary to the Appointments Committee of the Cabinet (ACC) and later as the Secretary to the Government in the same Department. Post retirement, he had been serving, from time to time, on a few company boards, as an Independent Director. These include MCX of India where he was also the Chairman of the Board and SIDBI. He is presently supervising the construction of a 2000 bed multi-specialty hospital in Faridabad for the Mata Amritanandamayi Math of Kerala, a charitable trust.

Sr. No	Name of the Director	Qualification	Field of Specialization
10	**Mr. Rajeev Agarwal**	B.E (Electronics & Comm.) from IIT Roorkee. Indian Revenue Service	Mr. Agarwal held the post of Whole Time Member - SEBI for 5 years from November 2011 to November 2016. During his tenure he made significant contribution to ensure strict enforcement of regulations in areas like Surveillance of Markets in terms of the technology as well as processes. Mr. Agarwal contributed to governments drive against Black Money. He also led organizational restructuring of SEBI on the basis of the study and recommendation of International Management Consultant M/s. Oliver Wyman. Mr. Agarwal also served on the Board of Governors of National Institute of Securities Markets (NISM) for from March 2012 to November 2016. He was member of Forward Market Commission (FMC) from 2005 to 2011. During the tenure with FMC as Member of the Commission he got a very wide exposure of commodity futures markets, physical commodity markets and warehousing and their regulation. During the period from 1983 - 2011 (28 years) in Indian Revenue Service (Tax Administration) he held various assignments including Investigation, Assessment and Administration from 1983 to 2005 at Mumbai, Agra, Kanpur and Lucknow and received several commendations for professional achievements. He was also associated with Indian Railway Service from January 1981 to October, 1983 for Signal & Telecom. He was also member of Indian Railway Service from January 1981 to October, 1983.
11	**Ms. Ranjana Agarwal**	Chartered Accountant (FCA) from ICAI; Bachelor of Arts (Economics) from LSR , Delhi University	Ms. Agarwal founder and managing partner of Vaish & Associates, Chartered Accountants has over 30 years of experience in audit, tax and related services including succession planning and business valuations. She was also a partner in CC Chokshi & Co. and Deloitte Haskins & Sells until 2000. Ms. Agarwal was the national president of the women wing of FICCI and currently chairs their 'FLO women directors' programme. Ms. Agarwal is on the governing body of number of various non-profit organisations

Board Meetings

Notice, Agenda and Minutes

The meetings of the Board of Directors are held in Mumbai where the registered office of the Company is situated. The Board meets at least once in every quarter, a minimum of four (4) meetings are held in a financial year to review financial results and other regular agendas. The Board also meets as and when necessary to address specific issues concerning the businesses of the Company.

Corporate Governance Reports

The Board Meetings are governed by a structured Agenda. The Agenda along with detailed explanatory notes and supporting material are circulated in advance before each meeting to all the Directors for facilitating effective discussion and decision making. The proceedings of each meeting of the Board and its Committees are conducted in accordance with the provisions of the Companies Act, 2013 and rules made there under.

The Companies Act, 2013 read with rules issued there under, allows conducting of meetings through audio-visual means or video-conferencing. Accordingly, the Directors are given an option to participate at the meetings through video conferencing mode.

In case of a special and urgent business need, the Board's approval is taken by passing resolutions by circulation, as permitted by the Act, which is confirmed in the next Board Meeting.

The Company Secretary is responsible for collation, review, preparation and distribution of the Agenda papers submitted to the Board and preparation of minutes. The Company Secretary attends all the meetings of the Board and its Committees. The Company Secretary acts as a mediator between the Board of Directors and other stakeholders to ensure proper flow of information for the smooth functioning of the business operations.

With a view to leverage on technology and as a Go Green initiative, the notice and agenda papers of Board and Committee meetings including presentations are circulated to the members and invitees in soft copy.

Number of Board Meetings held during FY 2018-19

During the year under review, eight (8) Board Meetings were held on the following dates as against the minimum requirement of four (4) meetings and the time gap between two successive Board meetings did not exceed more than 120 days.

24th May 2018, 29th May 2018, 14th June 2018, 2nd July 2018, 5th July 2018, 13th August 2018, 2nd November 2018 and 18th January 2019.

Attendance of Directors at Board Meetings and General Meetings

The attendance of Directors at the Company's Board Meetings held during the FY 2018-19 and at the last General Meetings are as follows:

Sr. No.	Name of the Directors	Board Meetings held during the tenure of the Director*	Board Meetings attended during the tenure*	Whether attended the last AGM held on 3rd July, 2018 (Yes/No)	Whether attended the EGM held on 28th July, 2018 (Yes/No)	Whether attended the EGM held on 18th September, 2018 (Yes/No)	Whether attended the EGM held on 25th March, 2019 (Yes/No)
1	Mr. Ramakant Chokhani**	5	5	Yes	Yes#	NA	NA
2	Mr. Pravin Gupta**	5	5	Yes	NA	NA	NA
3	Mr. Rajesh Chokhani**	5	5	No	NA	NA	NA
4	Ms. Jyoti Jain**	5	5	No	NA	NA	NA
5	Mr. Shachindra Nath	5	5	NA	No	Yes	Yes
6	Mr. Abhijit Ghosh	3	3	NA	No	Yes	Yes
7	Mr. Manoj Kumar Sehrawat	3	3	NA	No	No	No
8	Mr. Amit Gupta	3	2	NA	No	No	No
9	Mr. Chetan Gupta	1	1	NA	NA	NA	No
10	Mr. Abhijit Sen	3	3	NA	No	No	No
11	Mr. Navin Kumar Maini	3	3	NA	No	No	No
12	Mr. Satyananda Mishra	3	3	NA	No	No	No
13	Ms. Ranjana Agarwal	3	3	NA	No	No	No
14	Mr. Karuppasamy Singam	3	3	NA	No	No	No
15	Mr. Rajeev Agarwal	3	3	NA	No	No	No

NA - Not Applicable
**Includes meetings attended through Video Conferencing*
*** Resigned w.e.f. 5th July, 2018*
 # Attended as Member of the Company

(II) Code of Conduct for prohibition on Insider trading

Your Company has adopted a Code of Conduct as per SEBI (Prohibition of Insider Trading) Regulations, 2015. All Directors, Designated Employees who could have access to the Unpublished Price Sensitive information of the Company are governed by the Code. During the year under review, there has been due compliance with SEBI (Prohibition of Insider Trading) Regulations, 2015.

(III) Non-Executive Directors Compensation Disclosures

Details of Sitting Fees paid to Independent Directors of the Company during the year is as follows:

Sr.No	Name of the Director	Sitting Fees (INR)
1	Mr. Pravin Gupta	NIL
2	Mr. Rajesh Chokhani	NIL
3	Mr. Abhijit Sen	14,00,000
4	Mr. Karuppasamy Singam	14,00,000
5	Mr. Navin Kumar Maini	15,00,000
6	Mr. Rajeev Kumar Agarwal	16,00,000
7	Ms. Ranjana Agarwal	15,00,000
8	Mr. Satyananda Mishra	13,00,000

Non-Executive Director (other than Independent Director) are not entitled to receive sitting fee.

None of the Non-Executive Directors and Independent Director has any material pecuniary relationship or transactions with the Company, its promoters, its Directors, its senior management or its subsidiaries. None of the directors are inter-se related to each other.

Criteria for Determining Qualifications, Positive Attributes and Independence of a Director:

The Nomination and Remuneration Committee has formulated the criteria for determining qualifications, positive attributes and independence of Directors in terms of provisions of Section 178(3) of the Act and Regulation 19 read with Part D of the Schedule II of the SEBI Listing Regulations.

Independence: In accordance with the criteria above, a Director shall be considered as an 'Independent Director' if he/she meets the criteria for 'Independent Director' as laid down in the Act.

Qualifications: A transparent Board nomination process is in place that encourages diversity of thought, experience, knowledge, perspective, age and gender. It is also ensured that the Board has an appropriate blend of functional and Industry expertise. While recommending the appointment of Director, the Nomination and Remuneration Committee considers the manner in which the function and domain expertise of the individual will contribute to the over-all skill domain mix of the Board.

Positive Attributes: In addition to the duties prescribed under the Act, the Directors on the Board of the Company are also expected to demonstrate high standards of ethical behavior, strong interpersonal and communication skills and soundness of judgment. Independent Directors are also expected to abide by the 'Code of Conduct of Independent Directors' as outlined in the Schedule IV of the Act.

(IV) Committees of the Board of Directors

The Committees constituted by the Board play a very important role in the governance structure of the Company and they deal in specific areas/ activities that need closure or review. The Committees have been set up under the formal approval of the Board to carry out pre-defined roles and responsibilities. The terms of reference of these Committees are in line with the requirements of the Act and SEBI Listing Regulations. The minutes of all the Committee meetings are placed before the Board of Directors and the Chairman of each Committee briefs the Board on the important deliberations and decisions of the respective Committees.

The Board has constituted Eleven Committees namely Audit Committee, Nomination and Remuneration Committee, Stakeholders' Relationship Committee, Corporate Social Responsibility Committee, Risk Management Committee, Asset Liability Committee, Compliance Committee, Investment and Borrowing Committee, QIP Committee, Securities Allotment and Transfer Committee, IT Strategy Committee.

Corporate Governance Reports

A. Audit Committee

The Audit Committee assists the board of directors to fulfill its corporate governance and overseeing responsibilities in relation to an entity's financial reporting, internal control system, risk management system & internal and external audit functions. Its role is to provide advice and recommendations to the Board within the scope of its terms of reference.

The Committee monitors the Company's financial reporting process and appropriate disclosure of financial information to ensure that the financial statements are accurate and credible. The role of the Committee includes oversight of the financial reporting process, the audit process, the adequacy of internal controls, transactions with related parties and compliance with applicable laws and regulations.

The Committee reviews with the Management all the quarterly / half yearly / annual financial statements prior to recommending the same to the Board for approval.

The Audit Committee, in co-ordination with Internal and Statutory Auditors on regular intervals, reviews the adequacy of Internal Control Systems within the Company.

Composition

The composition of the Audit Committee is governed by the provisions of the Act and SEBI Listing Regulations.

The Committee consists of six (6) Independent Directors and two (2) Non-Independent Directors. All the members of the Committee are financially literate and have necessary accounting & financial management expertise/background.

Mr. Abhijit Sen, Independent Director is Chairman of the Committee

Number of Audit Committee Meetings held during FY 2018-19

During the year under review, four (4) Audit Committee Meetings were held on the following dates and the time gap between any two meetings was not more than 120 days.

29th May 2018, 13th August 2018, 2nd November 2018 and 18th January 2019.

Quorum

The quorum for an Audit Committee meeting shall either be 3 (three) members or three-fourths of the members of the Audit Committee, whichever is greater, with at least 2 (two) Independent Directors. Every resolution of the Audit Committee shall be passed with a vote of at least three-fourths of the members of the Audit Committee in attendance.

Attendance of Members

The composition of Committee and attendance of the Audit Committee Meetings held during the FY 2018-19 are as follows:

Name of the Member	Meetings held during the tenure	Number of Meetings attended
Mr. Pravin Gupta*	1	1
Mr. Ramakant Chokhani*	1	1
Mr. Rajesh Chokhani*	1	1
Ms. Jyoti Jain*	1	1
Mr. Abhijit Sen** - **Chairman**	3	3
Mr. Satyananda Mishra**	3	3
Mr. Rajeev Kumar Agarwal**	3	3
Ms. Ranjana Agarwal**	3	3
Mr. Navin Kumar Maini**	3	3
Mr. Karuppasamy Singam**	3	3
Mr. Shachindra Nath**	3	3
Mr. Amit Gupta**	3	2

**ceased to be member w.e.f. 5th July, 2018*
*** appointed as member w.e.f. 13th August, 2018*

During the FY 2018-19, there were no instances of any non-acceptance of recommendation(s) of the Audit Committee by the Board of Directors.

Terms of Reference

1. To ensure that an information system audit of the internal systems and processes of the Company is conducted.
2. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
3. Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
4. Approval of payment to Statutory Auditor and Internal Auditor for any other services rendered by the Statutory Auditor and Internal Auditor, respectively;
5. Reviewing, with the Management Team, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
   a) matters required to be included in the director's responsibility statement to be included in the Board's report;
   b) changes, if any, in accounting policies and practices and reasons for the same;
   c) major accounting entries involving estimates based on the exercise of judgment by the Management Team;
   d) significant adjustments made in the financial statements arising out of audit findings;
   e) compliance with listing and other legal requirements relating to financial statements;
   f) disclosure of any Related Party transactions; and
   g) modified opinion(s) in the draft audit report.
6. Reviewing, with the Management Team, the quarterly financial statements before submission to the Board for approval;
7. Reviewing, with the Management Team, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus/ notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
8. Reviewing and monitoring the auditor's independence and performance, and effectiveness of the audit process;
9. Approval or any subsequent modification of transactions of the Company with Related Parties;
10. Scrutiny of inter-corporate loans and investments;
11. Valuation of undertakings or assets of the Company, wherever it is necessary;
12. Evaluation of internal financial controls and risk management systems;
13. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
14. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
15. Discussion with internal auditors of any significant findings and following up thereon;
16. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
17. Discussion with the Statutory Auditor before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
18. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
19. To review the functioning of the whistle blower mechanism;
20. Approval of appointment of CFO after assessing the qualifications, experience and background, etc. of the candidate;
21. To review the IT security / data integrity / data security policies and processes of the Company;
22. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee; and
23. The Audit Committee shall mandatorily review the following information:

a) management discussion and analysis of financial condition and results of operations;

b) statement of significant Related Party transactions (as defined by the Audit Committee), submitted by the Management Team;

c) management letters/ letters of internal control weaknesses issued by the Statutory Auditor;

d) internal audit reports relating to internal control weaknesses;

e) the appointment, removal and terms of remuneration of the internal auditor shall be subject to review by the Audit Committee;

f) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s); and

g) annual statement of funds utilized for purposes other than those stated in the offer document/ prospectus/ notice.

B. Corporate Social Responsibility Committee

The purpose of the Committee is to formulate and recommend to the Board the CSR policy of the Company. It also assists in putting the annual CSR plan, and monitor the CSR activities and recommending it to the Board.

The Committee has been formed in line with provisions of section 135 of the Act and The Companies (Corporate Social Responsibility Policy) Rules, 2014. The Committee consists of three (3) Independent Directors and one (1) Non-Independent Director.

Mr. Satyananda Mishra, Independent Director is the Chairman of the Committee.

For FY 2019-20 our CSR policy has been designed with following objectives

- To design a program which is long term & sustainable.
- To be aligned to our broad sectoral focused approach.
- To be able to scale up or down as required.

Our CSR theme is “SIGHT” --- “SIGHT” stands for

School Education, **I**ndustry Ready Education Program, **G**ender Equality and Women Empowerment, **H**ealthcare, **T**eam SOS

To execute these CSR activities we collaborate with ‘SMILE FOUNDATION’. Smile Foundation is an Indian, development organisation directly benefitting over 400,000 children and families through more than 200 welfare projects in **Education, Health, Livelihood** and Woman empowerment spread across remote villages and slums in 25 states in India.

Number of Corporate Social Responsibility Committee Meetings held during FY 2018-19

During the year under review, three (3) Corporate Social Responsibility Committee Meetings were held on the following dates:

29th May 2018, 2nd November 2018 and 17th January 2019

Quorum

The quorum of the Committee is as per Section 135 of the Act i.e. 2 members or one third of the total members, whichever is higher.

Attendance of Members

The composition and attendance of Corporate Social Responsibility Committee meetings held during the FY 2018-19 are as follows:

Name of the Member	Meetings held during the tenure	Number of Meetings attended
Mr. Pravin Gupta *	1	1
Mr. Rajesh Chokhani*	1	1
Mr. Jyoti Jain*	1	1
Mr. Satyananda Mishra – **Chairman**	2	2
Ms. Ranjana Agarwal**	2	2
Mr. Navin Kumar Maini**	2	2
Mr. Shachindra Nath**	2	2

**ceased to be member w.e.f. 5th July, 2018*
*** appointed as member w.e.f. 13th August, 2018*

Terms of reference

The terms of reference of the CSR Committee broadly comprises of:

1. Formulating and recommending to the Board of Directors the CSR Policy and monitoring the same from time to time.
2. Review and evaluate the sustainability agenda, suggest modifications, discuss and recommend action plan to take the CSR activities forward.
3. Monitor the spend on CSR activities by the Company as well as ensure that the Company spends at least the minimum sum as may be prescribed from time to time pursuant to the Act and Companies (Corporate Social Responsibility Policy) Rules, 2014 or such higher sum as may be decided by the Board of Directors of the Company.
4. Review of Company's Business Responsibility Policy from time to time.
5. Approval of Business Responsibility Report for every financial year.
6. Any other matter as may be necessary for implementation of Business Responsibility Policy.

C. Nomination and Remuneration Committee

The Nomination and Remuneration Committee has been constituted by the Board as per the requirements of the provisions of section 178 of the Act and Regulation 19 read with Part D of the Schedule II of the SEBI Listing Regulations. The Committee identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall carry out evaluation of every Director's performance.

The Composition of the Nomination and Remuneration Committee is governed by the provisions of the Act and SEBI Listing Regulations.

The Committee consists of four (4) Independent Directors and Four (4) Non-Independent Director. Ms. Ranjana Agarwal, Independent Director is the Chairperson of the Committee.

Number of Nomination and Remuneration Committee Meetings held during FY 2018-19

During the FY 2018-19, three (3) Nomination and Remuneration Committee Meetings were held on the following dates:

29th May 2018, 2nd November 2018 and 18th January 2019.

Quorum

The quorum for a meeting of the Nomination and Remuneration Committee is presence of three-fourths of the members of the Nomination and Remuneration Committee. Every resolution of this committee shall require the vote of at least three-fourths of the members of the Nomination and Remuneration Committee present and voting.

Attendance of Members

The composition and attendance of Nomination and Remuneration Committee Meetings held during the FY 2018-19 are as follows:

Name of the Committee Member	Meetings held during the tenure of the Member	Number of Meetings attended
Mr. Pravin Gupta*	1	1
Mr. Rajesh Chokhani*	1	1
Mr. Jyoti Jain*	1	1
Ms. Ranjana Agarwal - **Chairperson****	2	2
Mr. Rajeev Agarwal**	2	2
Mr. Abhijit Sen**	2	2
Mr. Navin Kumar Maini**	6	2
Mr. Shachindra Nath**	2	2
Mr. Amit Gupta**	2	2
Mr. Manoj Sehrawat**	2	2
Mr. Chetan Gupta**	1	1

**ceased to be member w.e.f. 5th July, 2018*
*** appointed as member w.e.f. 13th August, 2018*

Terms of Reference

The terms of reference of the Nomination and Remuneration Committee, inter alia, include:

1. formulation and evaluation of the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy relating to the remuneration of the Directors, Key Managerial Personnel, Senior Employees and other Employees;
2. Formulation of criteria for evaluation of the performance of Independent Directors and the Board;
3. Devising a policy on diversity of the Board;
4. Identifying persons who are qualified to become Directors and who may be appointed to the Management Team in accordance with the criteria laid down by the Nomination and Remuneration Committee and recommending to the Board their appointment and removal;
5. Whether to extend or continue the term of appointment of the Independent Directors, on the basis of the report of performance evaluation of Independent Directors; and
6. Formulating any employee stock option plan or sweat equity plan.

Objectives of Remuneration Policy

Remuneration Policy

Pursuant to the provisions of Section 178 of the Companies Act, 2013, the Board has approved the remuneration policy as recommended by the Nomination & Remuneration Committee. The broad objectives are given below:-

The purpose of framing the Policy is to:

a) Identify prospective Directors and recommend to the Board the appointment and removal of Directors, KMPs and Senior Management.

b) Recommend a policy to the Board on remuneration payable to the Directors, KMPs and the Senior Management of the Company.

c) Establish standards of remuneration which shall include fixed and variable components, incentives and bonus. The same shall be developed in line with the applicable regulations and considering the best trends and practices prevailing in the industry.

d) Carry out the evaluation of the performance of every Director and review the terms of remuneration of the Director based on their performance and defined assessment criteria.

e) Formulate the criteria for evaluation of performance of the Independent Directors and determine whether to extend or continue the term of appointment of the Independent Director, basis of the report of performance evaluation.

D. Risk Management Committee

Composition

The Risk Management Committee consists of five (5) Independent and five (5) Non-Independent Directors. Mr. Navin Kumar Maini, Independent Director, is the Chairman of the Committee.

Quorum

The quorum for a meeting of the Risk Management Committee is presence of three-fourths of the members of the Risk Management Committee. Every resolution of this committee shall be passed with a vote of at least three-fourths of the members of the Risk Management Committee present and voting.

Attendance of Members

The composition and attendance of Risk Management Committee Meetings held during the FY 2018-19 are as follows:

Name of the Member	Meetings held during the tenure	Number of Meetings attended
Mr. Pravin Gupta*	0	0
Mr. Rajesh Chokhani*	0	0
Mr. Jyoti Jain*	0	0
Mr. Navin Kumar Maini** **- Chairman**	2	2
Mr. Satyananda Mishra**	2	2
Mr. Abhijit Sen**	2	2
Ms. Ranjana Agarwal**	2	2
Mr. Abhijit Ghosh**	2	2
Mr. Karuppasamy Singam**	2	2
Mr. Manoj Kumar Sehrawat**	2	2
Mr. Shachindra Nath**	2	2
Mr. Amit Gupta**	2	2
Mr. Chetan Gupta**	1	1

**ceased to be member w.e.f. 5th July, 2018*
*** appointed as member w.e.f. 13th August, 2018*

Terms of Reference

The role and responsibility of the Risk Management Committee, which shall include, but not be limited to, reviewing/ amending internal policies of the Company and monitoring compliance with such internal policies, and may delegate monitoring and reviewing of the risk management plan to the committee and such other functions as it may deem fit.

E. Stakeholders' Relationship Committee

The Stakeholders' Relationship Committee is responsible for the redressal of shareholder grievances. The scope and function of the Stakeholders' Relationship Committee is in accordance with the Act and SEBI Listing Regulations.

The Committee consists of two (2) Independent Director and one (1) Non-Independent Director. Mr. Rajeev Kumar Agarwal, Independent Director is the Chairman of the Committee.

During the year, three (3) Stakeholders' Relationship Committee Meetings were held on the following dates:

29th May 2018, 2nd November 2018 and 17th January 2019.

Quorum

The quorum of the Committee is as per Section 135 of the Act i.e. 2 members or one third of the total members, whichever is higher.

Attendance of Members

The composition and attendance of the Stakeholders' Relationship Committee meetings held during the FY 2018-19 are as follows:

Name of the Member	Meetings held during the tenure	Number of Meetings attended
Mr. Pravin Gupta*	1	1
Mr. Rajesh Chokhani*	1	1
Ms. Jyoti Jain*	1	1
Mr. Satyananda Mishra** **- Chairman**	2	2
Ms. Ranjana Agarwal**	2	2
Mr. Navin Kumar Maini**	2	2
Mr. Shachindra Nath**	2	2

**ceased to be member w.e.f. 5th July, 2018*
*** appointed as member w.e.f. 13th August, 2018*

Mr. Aniket Karandikar, Company Secretary acts as the Compliance Officer of the Company in accordance with the requirements of SEBI Listing Regulations.

The total number of complaints from shareholders at the beginning FY 2018- 19 was **NIL**.

The complaints were received during the FY 2018-19 was **NIL**.

No. of Complaints pending for as at March 31, 2019 was **NIL**.

Complaints not solved to the satisfaction of shareholders was **NIL**

Terms of Reference

The Stakeholders Relationship Committee shall consider and resolve the grievances of the security holders of the Company, including complaints related to the transfer of Shares, non-receipt of annual report and non-receipt of declared dividends.

The scope of Committee will also be as per SEBI Listing Regulations.

(V) Meeting of Independent Directors

The meeting of the Independent Directors as envisaged under Schedule IV of the Act was conducted on 17th January 2019. All the Independent Directors were present in the meeting. Mr. Abhijit Sen was elected as the Chairman of the meeting.

Independent Directors reviewed the performance of the non-independent Directors (including the Chairman) and the Committees of the Board and the Board as a whole as per the requirements of the Act.

Criteria of Selection of Non-Executive Directors

Non-Executive Independent Directors are expected to bring in objectivity and independency during the Board deliberations around the Company's strategic approach, performance and risk management. They must also ensure very high standards of financials probity and corporate governance.

The Independent Directors are also expected to commit and allocate sufficient time to meet the expectations of their role as Non-Executive Independent Directors, to satisfaction of the Board.

Conflict of Interest: The Independent Directors shall not involve themselves in situations which directly or indirectly may conflict with the interest of the Company. It is accepted and acknowledged that they may have business interests, other than those of the Company. As a pre-condition to their appointment as Independent Directors, they shall be required to declare any such conflicts to the Board, in writing in the prescribed format, at the time of their appointment.

Service Contracts, Notice Period, Severance Fees:

The Company has appointed Mr. Shachindra Nath, Executive Chairman and Managing Director for a period of Five years w.e.f. 22nd June 2018 to 21st June 2023 and his notice period for resignation is six months.

The Company has appointed Mr. Abhijit Ghosh, Whole Time Director and Chief Executive Officer w.e.f. 5th July 2018 to 4th July 2023, and his notice period for resignation is six months.

Details of Stock Option granted to Executive Directors

Name of Director	No. of Options granted	Grant Price	Grant Date
Abhijit Ghosh	7,24,615	130	13-08-2018

(VI) Annual Performance Evaluation by the Board

In terms of the provisions of the Act read with rules made there under, provisions of Articles of Association of the Company the Board of Directors on the recommendation of the Nomination and Remuneration Committee have evaluated the effectiveness of the Board. Accordingly, the performance evaluation of the Board, each Director (including Independent Director) and Committees was carried out for the financial year ending March 31 2019.

The performance evaluation of Independent Directors was carried out on parameters like Conduct of business/operations in line with highest ethical standards, fulfilment of responsibilities / obligations as per the Board or Law, appropriate qualification, competencies, experience, knowledge and rendering independent, unbiased opinion including key appointments & strategy formulation etc.

The evaluation was based on various aspects like level of participation in the Board meetings, expression of views and opinions on critical issues etc. A consolidated summary of the ratings as provided by the Directors was prepared by the Company Secretary. The Nomination and Remuneration Committee has further carried out evaluation of all Directors including Independent Directors. The report of performance evaluation so arrived was then noted and discussed by the Nomination and Remuneration Committee and the Board in their respective meetings.

Equity shares held by the Non- Executive Directors as on March 31, 2019: NIL

(VII) Recording of Minutes of Proceedings of Board / Committee Meetings:

The Minutes of the proceedings of each Board and Committee meetings are properly maintained by Company Secretary. The decisions and Action Taken reports are communicated to concerned departments for their necessary action. Action taken reports on decision or minutes of the previous meeting(s) are placed at the succeeding meeting of the Board or Committee for noting.

(VIII) Other Key Governance Practices

(a) Policies, Procedures and Compliance

The Company has put in places the following Board approved polices

1. Fair Practices Code
2. Pricing Policy
3. KYC and Money Laundering Policy
4. Outsourcing Policy
5. BCP Policy
6. Change Management Policy
7. Cyber Security Policy
8. Information Security Policy
9. Information Technology Policy
10. IT Operations Policy
11. Code of Conduct for Insider Trading
12. Policy for IT Services and Outsourcing
13. Policy for determining material Subsidiary
14. Policy for determining material Events
15. Manual for Familiarization programme for IDs
16. Grievance Redressal Policy
17. Gift and Entertainment Policy
18. Dividend Distribution Policy
19. Code of Conduct for Directors & Senior Management

(IX) Holding/Associates Company

The Company does not have any holding/associates Company as on 31st March, 2019.

(X) Disclosures

i) Your Company has not adopted any alternative accounting treatment prescribed differently from the Accounting Standards and has followed the Accounting Standards laid down by The Companies (Accounting Standards) Rules, 2006 in the preparation of its financial statements.

ii) Details of non-compliance by the Company, penalties, strictures imposed on the Company by the stock exchanges or the SEBI or any statutory authority, on any matter related to capital markets, during the last three years 2016-17, 2017-18 and 2018-19 respectively: **NIL**.

iii) The Company has also adopted Policy on Determination of Materiality for Disclosures, Policy on Archival of Documents and Policy for Preservation of Documents and the same policies have been hosted on the website of the Company.

Shareholder & General Information

A. Date, Time and Venue of 26th Annual General Meeting:

Date: Wednesday, 18th September, 2019
Time: 11:00 A.M.
Venue: Shanbaug Hall, Utkarsha Mandal, Vileparle, Utkarsha Mandal Chowk, Malavia Road, Vileparle (East), Mumbai-400057

B. Listing of Equity Shares on Stock Exchange

The Company has listed its equity shares on the following Stock Exchange:

Name and Address of the Stock Exchange	Stock Symbol / Scrip Code
BSE Limited ("BSE") (Equity) Phiroze Jeejebhoy Towers, Dalal Street, Mumbai- 400 001	**511742**

The Company has paid the annual listing fees for the FY 2019-20 to BSE where its equity shares are listed.

C. General Body Meetings

(a) The details of the last three Annual General Meetings and Special Resolutions passed thereat:

Financial Year	Date and Time	Venue	Business Transacted by Special Resolutions
2017-18	3rd July, 2018 Time: 11:00 A.M.	5A Maker Bhavan No. 2, Sir Vithaldas Thackersey Marg, New Marine Lines, Churchgate, Mumbai-400020	1. Appointment of Mr. Abhijit Ghosh as Whole Time Director and Chief Executive Officer 2. Appointment of Ms. Ranjana Agarwal as an Independent Director of the Company. 3. Appointment of Mr. S. Karuppasamy as an Independent Director of the Company. 4. Appointment of Mr. Satyananda Mishra as an Independent Director of the Company. 5. Appointment of Mr. Abhijit Sen as an Independent Director of the Company. 6. Appointment of Mr. Navin Kumar Maini as an Independent Director of the Company. 7. Appointment of Mr. Rajeev Kumar Agarwal as an Independent Director of the Company. 8. Appointment of Mr. Amit Gupta as a nominee director (investor nominee) of the Company. 9. Appointment of Mr. Manoj Sehrawat as a nominee director (investor nominee) of the Company.
2016-17	28th July, 2017 Time: 11:00 A.M.	5A Maker Bhavan No. 2, Sir Vithaldas Thackersey Marg, New Marine Lines, Churchgate, Mumbai-400020	NIL
2015-16	29th July, 2016 Time: 11:00 A.M.	5A Maker Bhavan No. 2, Sir Vithaldas Thackersey Marg, New Marine Lines, Churchgate, Mumbai-400020	NIL

(b) The details of Extraordinary General Meetings (EGMs) held in last three financial years and Special Resolutions passed thereat:

Date and Time	Venue	Business Transacted
28th July 2018 Time: 11:00 A.M	5A Maker Bhavan No. 2, Sir Vithaldas Thackersey Marg, New Marine Lines, Churchgate, Mumbai-400020	1. Investment(s), loans, guarantees and security in excess of limits specified under section 186 of companies act, 2013
18th September 2018 Time: 11:00 A.M.	5A Maker Bhavan No. 2, Sir Vithaldas Thackersey Marg, New Marine Lines, Churchgate, Mumbai-400020	1. To change the name of the Company from Chokhani Securities Limited to UGRO Capital Limited 2. To ratify the number of options under the 'CSL Employee stock option scheme 2017 3. To ratify the grant of options exceeding 1% of the issued capital of the company in any one year to any employee or Director of the Company under the 'CSL Employee Stock Option Scheme 2017
25th March, 2019 Time: 11:00 A.M.	Banquet Hall, Equinox Business Park, Tower 3, LBS Road, Kurla, Mumbai- 400 070	1. To approve for Scheme of Arrangement between Asia Pragati Capfin Private Limited and UGRO Capital Limited and their respective shareholders and creditors.

(c) Postal Ballot

Date of Postal Ballot Notice: 31st March, 2018 **Voting Period: 8th April, 2018 to 7th May, 2018**
Date of Declaration of Results: 9th May, 2018

Name of Resolution	Type of Resolution	No. of votes polled	Vote cast in favour		Vote cast against	
			No. of Votes	%	No. of Votes	%
Appointment and payment of Remuneration to of Mr. Shachindra Nath (DIN: 00510618) as Managing Director of the company.	Special Resolution	4,347,105	4,347,105	100	0	0
Increase in Authorized share capital of the company from ₹ 6,00,00,000/- to ₹64,00,00,000/- and consequent alteration to the Memorandum and Articles of Association of the Company.	Special Resolution	4,347,105	4,347,105	100	0	0
Issuance of the Equity shares on Preferential basis to the identified investors	Special Resolution	4,347,105	4,347,105	100	0	0
Issuance of the Compulsory Convertible Preference Shares (CCPs) on preferential basis to the identified investors	Special Resolution	4,347,105	4,347,105	100	0	0
Issuance of the Compulsory Convertible Debentures ("CCDs") on preferential basis to the identified investors	Special Resolution	4,347,105	4,347,105	100	0	0
Raising of Funds to the tune of ₹ 250 Crores (Indian rupees two hundred fifty Crores) by way of issuance of securities	Special Resolution	4,347,105	4,347,105	100	0	0
Alteration of objects of clause of Memorandum of Association of the Company	Special Resolution	4,347,105	4,347,105	100	0	0
Adoption of new Articles of Association of the Company in line with the Companies act, 2013 and Corporate Governance Code	Special Resolution	4,347,105	4,347,105	100	0	0
Approval "CSL employee stock option scheme 2017"	Special Resolution	4,347,105	4,347,105	100	0	0

Corporate Governance Reports

Date of Postal Ballot Notice: 24th May, 2018 **Voting Period: 27th May, 2018 to 25th June, 2018**
Date of Declaration of Results: 27th June, 2018

Name of Resolution	Type of Resolution	No. of votes polled	Vote cast in favour		Vote cast against	
			No. of Votes	%	No. of Votes	%
Increase in Authorized share capital of the Company from ₹ 64,00,00,000/- to ₹ 100,00,00,000/- and consequent alteration in Memorandum and Articles of Association of the Company	Ordinary Resolution	4,346,976	4,346,976	100	0	0
Issue of Compulsory Convertible Preference Shares (CCPs) on preferential basis to the identified investors.	Special Resolution	4,346,976	4,346,976	100	0	0
Issuance of Convertible Warrants on preferential basis to the Identified Investors.	Special Resolution	4,346,976	4,346,976	100	0	0

Procedure for postal ballot

In compliance with Sections 108 and 110 and other applicable provisions of the Act read with the related Rules, the Company provides electronic voting (e-voting) facility, in addition to physical ballot to all its members. For this purpose the Company had appointed M/s Pankaj Nigam & Associates, Company Secretaries as the scrutinizer for the Postal Ballot.

Postal ballot notices and forms are dispatched, along with postage-prepaid business reply envelopes to registered members / beneficiaries. The same notice is sent by email to members who have opted for receiving communication through the electronic mode. The Company also publishes a notice in the newspaper declaring the details and requirements as mandated by the Act and applicable rules.

Voting rights are reckoned on the paid-up value of the shares registered in the names of the members as on the cut-off date. Members who want to exercise their votes by physical postal ballot are requested to return the forms, duly completed and signed, to the scrutinizer on or before the close of the voting period. Those using the e-voting option are requested to vote before the close of business hours on the last date of e-voting.

The scrutinizer completes his scrutiny and submits his report to the Chairman, and the consolidated results of the voting are announced by the Chairman. The results are also displayed on the Company website besides being communicated to the Stock Exchange, Depository and Registrar and Share Transfer Agent. The last date for the receipt of postal ballot forms or e-voting shall be the date on which the resolution would be deemed to have been passed, if approved by the requisite majority.

Financial Year: 1st April 2018 to 31st March 2019

Dividend History

For the 1st time Company had declared an Interim Dividend on 14th June, 2018 and was paid at the rate of 35% i.e. ₹ 3.50/- (Rupee Three and Fifty Paise only) on the fully paid up equity shares of the face value ₹ 10/- of the Company for the financial year 2018-19.

D. Shareholding Pattern

The Shareholding pattern of the Company as at 31st March, 2019 is as follows:

Sr. No.	Name of Shareholders	No. of holders	No. of Equity Shares held	% of Shareholding
1	Indian Promoters	1	30,19,817	12.94
2	Clearing Members	15	22,127	0.10
3	Bodies Corporate	37	40,05,250	17.17
4	Foreign Company	3	29,67,645	12.72
5	Hindu Undivided Family	18	3,26,005	1.39
6	Non-Resident Indians	5	2087	0.01
7	Public	1,144	46,26,114	19.83
8	Foreign Portfolio Investors	2	38,10,785	16.33
9	Alternate Investment Funds	2	45,51,652	19.51
TOTAL		**1,227**	**2,33,31,482**	**100.00**

Distribution of shareholding of the Company as at 31st March, 2019 is as follows:

Sr. No.	Category	No. of Holders	% Total Shareholders	No. of shares	%
1	1 - 500	987	80.4401	1,12,173	0.48
2	501 - 1000	95	7.7425	77,745	0.33
3	1001 - 2000	36	2.9340	53,456	0.23
4	2001 - 3000	16	1.3040	40,954	0.18
5	3001 - 4000	6	0.4890	23,295	0.10
6	4001 - 5000	6	0.4890	28,748	0.12
7	5001 - 10000	12	0.9780	91,411	0.39
8	10001 and above	69	5.6235	2,29,03,700	98.17
	TOTAL	**1,227**	**100.00**	**2,33,31,482**	**100.00**

E. Dematerialisation of Company Shares, ISIN

Company's equity shares are regularly traded in dematerialised form on BSE Limited. As at 31st March, 2019, 99.76% equity shares of Company were held in dematerialized form.

The International Securities Identification Number (ISIN) allotted to Company's equity shares is INE583D01011

F. Registrar and Share Transfer Agent and Share Transfer System

The Company's Registrar and Share Transfer Agent is Link Intime India Private Limited. All shares transfers and related operations are conducted by:

Link Intime India Private Limited,
C 101, 247 Park,
L B S Marg, Vikhroli (W),
Mumbai - 400 083

Tel: +91 22 49186000
Fax: +91 22 49186060,
E-mail: www.linkintime.co.in

Share transfer in physical forms are processed and the share certificates are generally returned to the transferees within a period of fifteen days from the date of receipt of transfer provided the transfer documents lodged are complete in respect.

G. Address of correspondence

Registered Office & Corporate Office Address for Correspondence
UGRO Capital Limited
Equinox Business Park, Tower 3, 4th Floor,
LBS Road, Kurla (West),
Mumbai - 400 070

H. Credit Rating

Company has not received rating from any rating agency as at 31st March, 2019.

I. Means of Communication

It is the Company's belief that all stakeholders should have access to complete information regarding its position to enable them to accurately assess its future potential. The Company disseminates information on its operations and initiatives on a regular basis. The Company's website serves as a key awareness facility for all its stakeholders, allowing them to access information at their convenience. It provides comprehensive information on the Company's strategy, financial performance and operational performance.

All information which could have material bearing on the Company's share price is released through as per regulatory requirements. The information is also disseminated to the BSE Limited (BSE) from time to time. Other information's such as press-releases, stock exchange disclosures & presentations made to analyst/investors etc. are regularly displayed on Company's website.

The financial and other information and the various compliances as required/ prescribed under the SEBI Listing Regulations are filed electronically with BSE through BSE Listing Centre and are also available on BSE's website in addition to the Company's website.

The Company publishes its notice of the board meetings, notice of the Annual General Meeting and book closure, quarterly, half-yearly and annual financial results and also half-yearly statement of assets and liabilities in English Newspaper viz. Business Standard and in Marathi Newspaper viz. Mumbai Lakshadeep.

J. Stock Market Price Information

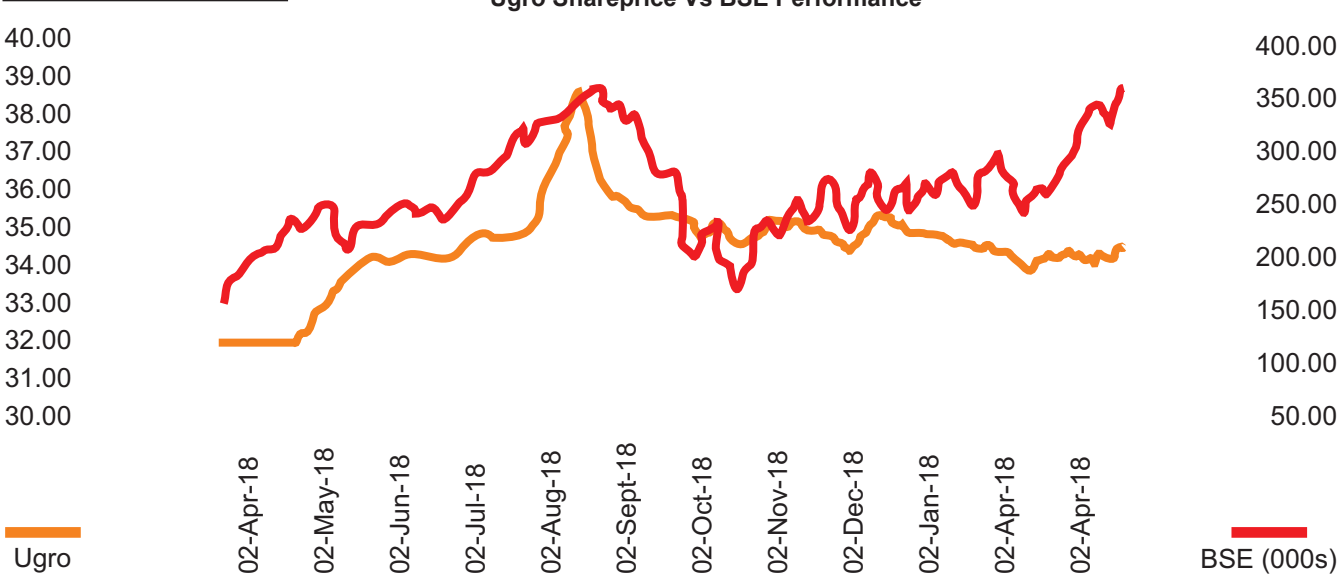
The equity shares of the Company are listed on BSE Limited

The reported high and low closing prices and volume of equity shares of the Company traded on BSE during each month in the period are set out in the following table:-

Month	High Price	Low Price	No. of Shares	No. of Trades	Total Turnover (₹)
April -18	76.4	76.4	459	4	35,067
May-18	171.45	80.2	73,193	350	1,16,80,313
June-18	175	160.65	6,40,374	527	10,93,12,407
July-18	198.5	169	30,367	263	57,37,150

Month	High Price	Low Price	No. of Shares	No. of Trades	Total Turnover (₹)
August-18	359.9	186	1,28,640	922	3,73,08,449
September-18	242.7	198	67,749	680	1,52,93,221
October-18	215.5	174.8	20,447	259	39,98,189
November-18	217	181	38,177	352	76,05,058
December-18	224.7	156.2	4,64,933	972	8,77,90,177
January-19	205	166.6	32,853	447	61,29,483
February-19	189.6	140	64,905	402	1,01,33,474
March-19	189	151	1,31,781	756	2,16,34,511

K. Share Price Performance



L. Unclaimed Suspense Accounts

Pursuant to Regulation 39 read with Part F of schedule V of Listing Regulations, details of unclaimed suspense provided by our Registrar and Transfer Agent are given below:

Sr.No.	Description	No. of shareholder	No. of shares
1	Aggregate Number of shareholders and the outstanding shares lying unclaimed as on date of Listing	Nil	Nil
2	Number of shareholders who approached listed entity for transfer of shares from suspense account during the year	Nil	Nil
3	Number of shareholders to whom shares were transferred from suspense account during the year	Nil	Nil
4	Aggregate Number of shareholders and the outstanding shares lying unclaimed as on March 31, 2019	Nil	Nil

M. Plant Locations

The branches of the Company are at Kolkata, Bangalore, Ahmedabad, Hyderabad, Jaipur, Chennai, & Delhi. However, there are no plants as the Company is not a manufacturing entity.

N. Commodity Price Risk or Foreign Exchange Risk and Hedging Activities

This is not applicable since the Company does not have any derivatives or liabilities denominated in foreign currency.

O. Outstanding GDRs / ADRs / Warrants or any convertible instruments, conversion date and likely impact on equity:

The Company has not issued any GDRs / ADRs as on 31st March, 2019. Company has issued convertible securities/warrants during the Financial year 2018-19. The details of the same are given below:

Sr. no.	Type of Instruments	Total no. of securities issued during FY	Total no. of Securities converted during FY	Conversion date	Outstanding for conversion as on 31st March, 2019	Impact on Equity
1	Warrants	87,83,785	Nil	Nil	Nil	The number of equity shares will increase after conversion of warrants.
2	Compulsory Convertible Preference Shares (CCPs)	1,83,34,297	44,97,087	3rd October 2018	1,38,37,210	The number of equity shares will increase after conversion of CCPs.
3	Compulsory Convertible Debentures (CCDs)	1,73,25,582	3488,372	18th January 2019	1,38,37,210	The number of equity shares will increase after conversion of CCDs.

P. Details of Compliance with Mandatory requirement and adoption of the non -mandatory requirements under SEBI (LODR) Regulation, 2015.

The details of these compliances have been given in the relevant sections of this report.

Among the non mandatory requirements of SEBI Listing Regulations, the company has complied with the following:

Separate posts of Chairperson and CEO- The Chairman and Chief Executive Officer are two separate persons.

Reporting Internal Auditor- The Internal Auditors reports directly to the Audit Committee.

Audit Qualification- The Company has unqualified financial statements.

Q. Other disclosures

1. The financial statements have been prepared in conformity with generally accepted accounting principles in India ('Indian GAAP') to comply in all material respects with the notified Accounting Standards ('AS') under section 133 of the Companies Act, 2013 ('the Act'), read with the Companies (Accounting Standards) Rules, 2006, as amended ("Accounting Standards") and the Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016 ('the NBFC Master Directions') issued by RBI. The financial statements have been prepared on an accrual basis and under the historical cost convention. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year and any deviation shall be disclosed separately. The complete financial statements have been prepared along with all disclosures.
2. The Company has complied with the applicable Secretarial Standards issued by The Institute of Company Secretaries of India, from time to time.
3. There are no materially significant related party transactions that may have potential conflict with the interest of the Company.
4. There were no instances during the financial year wherein recommendations of committee were not accepted by the Board of Directors.

5. No penalties or strictures have been imposed on the Company by the BSE, the Securities & Exchange Board of India (SEBI) or any other statutory authority, for any non-compliance on any matter relating to capital markets, during the last three years.

6. The policy for determining material subsidiary is available on website of the Company path of the same is : https://www.ugrocapital.com/investor-relations#policy-codes

7. Loans and advances to subsidiaries, associates and related entities:

R. Management Discussion and Analysis

Pursuant to SEBI Listing Regulations, the Annual Report has a separate chapter titled Management Discussion & Analysis

S. Certification by Managing Director and CEO & Chief Financial Officer

In terms of Listing Regulations, the certification by the Managing Director and CEO and the Chief Financial Officer is annexed to this Report.

Sd/-
Shachindra Nath
Executive Chairman & Managing Director
DIN: 00510618
Date: 7th August, 2019

Corporate Governance Reports

CERTIFICATE ON CORPORATE GOVERNANCE

To the Members of
UGRO Capital Limited
(formerly known as Chokhani Securities Limited)
Equinox Business Park, Tower 3,
Fourth Floor, Off BKC, LBS Road,
Kurla, Mumbai - 400070

We have examined the compliance of the conditions of Corporate Governance by Ugro Capital Limited ('the Company') for the year ended on March 31, 2019, as stipulated under Regulations 17 to 27, clauses (b) to (i) of sub regulation (2) of Regulation 46 and para C, D of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

The compliance of the conditions of Corporate Governance is the responsibility of the management of the Company. Our examination was limited to the review of procedures and implementation thereof, as adopted by the Company for ensuring compliance with conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, and the representations made by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations for the year ended on March 31, 2019.

We further state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For PANKAJ NIGAM & ASSOCIATES
Company Secretaries

(Pankaj Kumar Nigam)
Membership No. FCS-7343
Certificate of Practice No. 7979

Date: 05/08/2019
Place: Ghaziabad

MD/CEO & CFO CERTIFICATION

To,
The Board of Directors of UGRO Capital Limited

We have reviewed financial statements and the cash flow statement for the year/ year till date and that to the best of their knowledge and belief:

(a) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading; and

(b) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations;

(c) There are, to the best of their knowledge and belief, no transactions entered into by the Company during the year/ year till date which are fraudulent, illegal or violative of the Company's code of conduct;

(d) They accept responsibility for establishing and maintaining internal controls for financial reporting and that they have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and they have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which they are aware and the steps they have taken or propose to take to rectify these deficiencies;

(e) We have indicated to the auditors and the Audit Committee:

(i) significant changes in internal control over financial reporting during the year/ year till date;

(ii) significant changes in accounting policies during the year/ year till date and that the same have been disclosed in the notes to the financial statements;

(iii) details pertaining to all related party transactions between Key Managerial Personnel and their Related Party(ies) on a periodic basis; and

(iv) instances of significant fraud of which they have become aware and the involvement therein, if any, of the Management Team or an Employee having a significant role in the Company's internal control system over financial reporting.

Sd/-
Shachindra Nath
Executive Chairman & Managing Director
DIN: 00510618
Date: 2nd May, 2019

Sd/-
Abhijit Ghosh
Whole-time Director & Chief Executive Officer
DIN: 07935397
Date: 2nd May, 2019

Sd/-
Kalpeshkumar Ojha
Chief Financial Officer

Date: 2nd May, 2019

DECLARATION REGARDING CODE OF CONDUCT OF THE COMPANY BY THE BOARD OF DIRECTORS AND THE SENIOR MANAGEMENT PERSONAL

To members of UGRO Capital Ltd,

This is to confirmed that the Company has adopted code of conduct for the Board of Directors and Senior Management personnel of the Company, which is available at www.ugrocapital.com

I declare that the Board of Directors and senior management personnel have affirmed compliance with the code of conduct of the Company.

Sd/-
Abhijit Ghosh
Whole time Director & Chief Executive Officer
(DIN 007935397)

Place: Mumbai
Date: 2nd May, 2019

Independent Auditor's Report

To The Members of UGRO CAPITAL LIMITED
(formerly known as Chokhani Securities Limited)

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of UGRO CAPITAL LIMITED ("the Company"), which comprise the Balance Sheet as at 31 March 2019, and 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.

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 Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Accounting Standards prescribed under section 133 of the Act read with the Companies (Accounting Standards) Rules, 2006, as amended ("Accounting Standards") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2019, and its profit and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matter described below to be the key audit matter to be communicated in our report.

Sr. No.	Key Audit Matter	Auditor's Response
1	Accounting and valuation for Employee share based payments and disclosure thereon. The company has granted Employee stock options (ESOP's) during the year and elected to account for the options at fair value. The charge to the Profit and Loss account on account of Employee stock options was Rs. 3.00 crores for the year. The company engaged an independent fair value specialist (EFVS) to arrive at the fair value of the option. The fair value was arrived at using the Black Scholes Merton formula. Key inputs considered to determine the fair value which have been disclosed in Note 33 to the financial statements included: • Exercise price of the option • Life of the option • Current price of the underlying shares • Expected volatility of the underlying shares • Dividends expected on the shares • Risk free interest rate for the life of the option. Basis the fair value arrived at by EFVS the charge for the current period was computed by the company. In the case of certain ESOP's linked to meeting of certain performance conditions the management has estimated the expected vesting period based on the most likely outcome of the performance condition and accordingly not considered any cost on those options.	Principal audit procedures performed: We involved our internal experts to test the fair value of the options. The fair value specialist reviewed the estimates used by the EFVS for reasonableness and recomputed the fair value of the options and compared it to the fair value arrived at by the EFVS. We reviewed the key assumptions used by the EFVS to arrive at the fair value particularly the current price of the underlying shares, expected volatility, dividends expected, expected life of the option. We recomputed the charge to the current period noting no exceptions. We reviewed the management assessment of the vesting period for the performance linked ESOP's and basis review of the market data for similar comparable companies. We assessed the appropriateness of the related disclosures in note 33 of the financial statements.

Independent Auditor's Report

Information Other than the Financial Statements and Auditor's Report Thereon

- The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the financial statements and our auditor's report thereon. The Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information is expected to be made available to us after the date of this auditor's report.
- Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.
- In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
- When we read the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance as required under SA 720 'The Auditor's responsibilities Relating to Other 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 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 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 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 statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Independent Auditor's Report

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit 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 purposes 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.

   e) On the basis of the written representations received from the directors as on 31 March 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2019 from being appointed as a director in terms of 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 A". 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 the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

      The remuneration paid in excess of the limits specified by Sec 197 of the Act has been approved by the Shareholders vide a special resolution. The Board of Directors has represented that the remuneration for the Whole-time Director and CEO was approved by means of a special resolution in the Shareholders meeting held on 3 July 2018 and further confirms that the omission in the notice sent to the shareholders and the special resolution passed at the shareholders meeting due to no explicit mention of the approval of the remuneration will be rectified by seeking a ratification at the ensuing Annual general meeting.

   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, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

      i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements;

      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.

2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

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

Anjum A. Qazi
Partner
(Membership No.104968)

Mumbai
2 May 2019

Annexure A to the Independent Auditor's Report

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT
(Referred to in paragraph 1 (f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting 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 **UGRO CAPITAL LIMITED** ("the Company") as of 31 March 2019 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. 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.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting of the Company 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 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, in terms of their reports referred to in the Other Matters paragraph below, 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, to the best of our information, 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 2019, based on the criteria for internal financial control over financial reporting 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.

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

Anjum A. Qazi
Partner
(Membership No.104968)

Mumbai
2 May 2019

Annexure B to the Auditor's Report

ANNEXURE "B" TO THE AUDITOR'S REPORT
(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government in terms of Section 143(11) of the Companies Act, 2013 ('the Act') of UGRO CAPITAL LIMITED ('the Company')

(i) In respect of its fixed assets:

(a) The Company has maintained proper records showing full particulars, including quantitative details and situation of the fixed assets.

(b) The Company has a program of verification of fixed assets to cover all the items in a phased manner over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

(c) The Company does not have any immovable properties of freehold or leasehold land and building and hence reporting under clause (i) (c) of the CARO 2016 is not applicable.

(ii) The Company does not have any inventory and hence reporting under clause (ii) of the CARO 2016 is not applicable.

(iii) According to the information and explanations given to us, the Company has granted secured loans, to companies covered in the register maintained under section 189 of the Companies Act, 2013, in respect of which:

a) The terms and conditions of the grant of such loans are, in our opinion, prima facie, not prejudicial to the Company's interest.

b) The schedule of repayment of principal and payment of interest has been stipulated and receipts of principal amounts and interest have been regular as per stipulations.

c) There is no amount overdue for more than 90 days at the balance sheet date.

(iv) The provisions of section 185 and 186 of the Companies Act, 2013 is not applicable to the Company. Consequently, provisions of para 3(iv) of the Order is not applicable to the Company.

(v) According to the information and explanations given to us, the Company has not accepted any deposit during the year and does not have unclaimed deposits as at 31 March 2019 and therefore reporting under clause 3(v) of the Order is not applicable to the Company.

(vi) Having regard to the nature of the Company's business / activities, reporting under clause (vi) CARO 2016 is not applicable.

(vii) According to the information and explanations given to us in respect of statutory dues:

(a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Goods and Service tax, cess and other material statutory dues applicable to it to the appropriate authorities.

(b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, cess, Goods and Service tax and other material statutory dues in arrears as at 31 March 2019 for a period of more than six months from the date they became payable.

(c) There are no dues of Income-tax, cess and Goods and Service tax as on 31 March 2019 on account of any dispute.

(viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to financial institutions, banks and government and dues to debenture holders.

(ix) In our opinion and according to the information and explanations given to us, money raised by way of term loans have been applied by the Company during the year for the purposes for which they were raised, other than temporary deployment pending application of proceeds. The Company did not raise money by way of initial public offer (including debt instruments) during the year.

(x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.

Annexure B to the Auditor's Report

(xi) In our opinion and according to the information and explanations given to us, the Company has paid managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013. In respect of the remuneration to the whole-time director and CEO the Board of Directors has represented that the remuneration was approved by means of a special resolution in the Shareholders meeting held on July 3, 2018 and further confirmed that the omission in the notice sent to the shareholders and the special resolution passed at the shareholders meeting due to not having an explicit mention of the remuneration /approval of the remuneration will be rectified by seeking a ratification at the ensuing Annual general meeting.

(xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the CARO 2016 Order is not applicable.

(xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 188 and 177 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.

(xiv) According to the information and explanations given to us, the Company has made preferential allotment and private placement of shares and fully convertible debentures during the year under review.

In respect of the above issue, we further report that:

a) the requirement of Section 42 of the Companies Act, 2013, as applicable, have been complied with; and

b) the amounts raised have been applied by the Company during the year for the purposes for which the funds were raised, other than temporary deployment pending application.

(xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with him and hence provisions of section 192 of the Companies Act, 2013 are not applicable.

(xvi) The Company is required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and it has obtained the registration.

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

Anjum A. Qazi
Partner
(Membership No.104968)

Mumbai
2 May 2019

Balance Sheet as at 31st March, 2019

Particulars	Note No.	As at 31 March 2019 ₹	As at 31 March 2018 ₹
I. EQUITY AND LIABILITIES:			
(1) Shareholders' funds:			
(a) Share capital	3	**371,686,920**	46,985,000
(b) Reserves and surplus	4	**5,680,814,559**	323,363,148
(c) Money received against share warrants	3	**325,000,045**	-
		6,377,501,524	**370,348,148**
(2) Non-current liabilities:			
(a) Long-term borrowings	5	**69,444,442**	-
(b) Long- term provisions	6	**3,797,579**	-
(c) Other non current liabilities	7	**2,394,530**	-
		75,636,551	-
(3) Current liabilities:			
(a) Trade payables	8		
(i) total outstanding dues of micro enterprises and small enterprises		**-**	-
(ii) total outstanding dues of creditors other than micro,small and medium enterprises"		**59,176,241**	63,997
(b) Other current liabilities	9	**185,768,142**	10,000
(c) Short-term provisions	10	**6,282,985**	-
		251,227,368	73,997
TOTAL		**6,704,365,443**	370,422,145
II. ASSETS:			
(1) Non-current assets:			
(a) Property, plant and equipment	11	**39,112,531**	-
(b) Intangible assets under development		**108,657,687**	-
(c) Non-current investments	12	**-**	334,344,949
(d) Deferred tax assets (net)	13	**4,581,206**	-
(e) Long term loans and advances	14	**460,359,642**	-
(f) Other non current assets	15	**2,806,508**	-
		615,517,574	334,344,949
(2) Current assets:			
(a) Current investments	16	**1,067,042,131**	26,722,000
(b) Trade receivables	17	**23,200,000**	-
(c) Cash and bank balance	18	**4,541,268,963**	87,007
(d) Short-term loans and advances	19	**419,995,492**	1,124,524
(e) Other current assets	20	**37,341,283**	8,143,665
		6,088,847,869	36,077,196
TOTAL		**6,704,365,443**	370,422,145
See accompanying notes forming part of the financial statements	1 - 39		

In terms of our report attached

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants

Anjum A. Qazi
Partner
Mumbai
02 May 2019

For and on behalf of the Board of Directors of UGRO CAPITAL LIMITED

Sd/-
Shachindra Nath
Executive Chairman & MD
DIN : 00510618
Mumbai
02 May 2019

Sd/-
Abhijit Ghosh
Whole Time Director & CEO
DIN : 07935397
Mumbai
02 May 2019

Sd/-
Abhijit Sen
Director and Chairman - Audit Committee
DIN : 00002593
Mumbai
02 May 2019

Sd/-
Kalpeshkumar Ojha
Chief Financial Officer
Mumbai
02 May 2019

Sd/-
Aniket Karandikar
Company Secretary
Mumbai
02 May 2019

Statement of Profit and Loss for the year ended 31st March, 2019

Particulars	Note No.	For the Year Ended 31 March 2019 ₹	For the Year Ended 31 March 2018 ₹
Income			
Revenue from operations	21	**368,106,562**	35,155,573
Other income	22	**50,000,000**	-
Total Income (A)		**418,106,562**	35,155,573
Expenses			
Employee benefit expense	23	**247,480,460**	1,129,995
Finance cost	24	**110,163**	-
Depreciation and amortization expense	11	**1,139,441**	-
Other expenses	25	**121,760,501**	1,780,246
Total Expenses (B)		**370,490,565**	2,910,241
Profit before exceptional items (C) = (A) - (B)		**47,615,997**	32,245,332
Exceptional items (D)	26	**36,667,458**	-
Profit before tax (E) = (C) - (D)		**10,948,539**	32,245,332
Tax expense :			
(1) Current year		**974,720**	2,470,000
(2) Previous year		**-**	(17,905)
(3) Deferred tax	13	**(4,581,206)**	-
Net tax expense/(benefit) (F)		**(3,606,486)**	**2,452,095**
Profit for the year (E-F)		**14,555,025**	29,793,237
Earnings per share:	27		
Basic		**1.00**	6.34
Diluted		**0.39**	6.34
Face value per share		**10**	10
See accompanying notes forming part of the financial statements	*1 - 39*		

As per our report of even date attached

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants

Anjum A. Qazi
Partner
Mumbai
02 May 2019

For and on behalf of the Board of Directors of UGRO CAPITAL LIMITED

Sd/-
Shachindra Nath
Executive Chairman & MD
DIN : 00510618
Mumbai
02 May 2019

Sd/-
Abhijit Ghosh
Whole Time Director & CEO
DIN : 07935397
Mumbai
02 May 2019

Sd/-
Abhijit Sen
Director and Chairman - Audit Committee
DIN : 00002593
Mumbai
02 May 2019

Sd/-
Kalpeshkumar Ojha
Chief Financial Officer
Mumbai
02 May 2019

Sd/-
Aniket Karandikar
Company Secretary
Mumbai
02 May 2019

Cash Flow Statement for year ended 31st March, 2019

Particulars	For the Year Ended 31 March 2019 ₹	For the Year Ended 31 March 2018 ₹
Cash flows from operating activities		
Net profit before tax	**10,948,539**	32,245,332
Adjustments for:		
Depreciation and amortization	**1,139,441**	-
Investment written off	**6,915**	-
Employee stock option expense	**30,001,072**	-
Provision for contingencies	**3,193,205**	-
Profit on sale of investments	**(150,411,159)**	(14,772,511)
Operating profit before working capital changes	**(105,121,987)**	17,472,821
Adjustment for working capital changes:		
Increase/(Decrease) in trade payables	**59,112,244**	(44,500)
Increase/(Decrease) in other current liabilities	**16,678,037**	(15,100)
Increase in long term provision	**2,135,679**	-
Increase in other non current liabilities	**2,394,531**	-
Increase/(Decrease) in short term provision	**4,751,680**	(1,711,813)
Increase in non current assets	**(2,806,508)**	-
Increase in long-term loans and advances	**(439,494,687)**	-
Increase in trade receivable	**(23,200,000)**	-
Increase in short-term loans and advances	**(419,995,492)**	-
Increase in other current assets	**(29,197,618)**	(1,102,722)
Cash generated from operations	**(934,744,121)**	14,598,686
Income taxes paid	**(20,715,152)**	(2,500,100)
Net cash used in operating activities (A)	**(955,459,273)**	12,098,586
Cash flows from investing activities		
Capital expenditures towards Intangible assets under development	**(108,657,687)**	-
Capital expenditures towards purchase of Property, plant and equipment	**(40,251,972)**	-
Sale of non current investments	**326,113,569**	205,702,758
Purchase of non current investments	**-**	(552,071,978)
Sale of current investments	**12,227,271,162**	361,051,470
Purchase of current investments	**(13,108,955,668)**	(26,722,000)
Proceeds from maturity of fixed deposits	**3,500,000,000**	-
Investment in fixed deposits	**(4,850,500,000)**	-
Net cash generated from / (used in) investing activities (B)	**(2,054,980,596)**	(12,039,750)

Cash Flow Statement for year ended 31st March, 2019

Particulars		For the Year Ended 31 March 2019	For the Year Ended 31 March 2018
		₹	₹
Cash flows from financing activities			
Proceeds from issue of equity shares including premium		**1,462,513,702**	-
Proceeds from issue of compulsorily convertible preference shares including premium		**2,414,592,270**	-
Proceeds from issue of compulsorily convertible debentures including premium		**2,235,000,078**	-
Money received against share warrants		**325,000,045**	-
Interim Dividend		**(19,825,017)**	-
Expenses for issue of securities		**(316,311,699)**	-
Proceeds from long term borrowing		**100,000,000**	-
Net cash generated from financing activities (C)		**6,200,969,379**	-
Net increase in cash and cash equivalents (A+B+C)		**3,190,529,510**	58,836
Cash and cash equivalents at the beginning of the year		**87,007**	28,171
Cash and cash equivalents as at end of the year		**3,190,616,517**	87,007
Components of cash and cash equivalents (Refer Note 18)			
Cash on hand		**152,788**	5,260
Balance with banks in current accounts		**1,840,463,729**	81,747
Fixed Deposit (maturing within a period of three months)		**1,350,000,000**	-
Cash and cash equivalents as at end of the year		**3,190,616,517**	87,007
See accompanying notes forming part of the financial statements	1 - 39		

As per our report of even date attached

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants

Anjum A. Qazi
Partner
Mumbai
02 May 2019

For and on behalf of the Board of Directors of UGRO CAPITAL LIMITED

Sd/-
Shachindra Nath
Executive Chairman & MD
DIN : 00510618
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02 May 2019

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Director and Chairman - Audit Committee
DIN : 00002593
Mumbai
02 May 2019

Sd/-
Kalpeshkumar Ojha
Chief Financial Officer
Mumbai
02 May 2019

Sd/-
Aniket Karandikar
Company Secretary
Mumbai
02 May 2019

Notes to financial statements for year ended 31st March, 2019

1 Corporate Information

Ugro Capital Limited ('the Company') formerly known as Chokhani Securities Limited, is a public limited company domiciled in India and incorporated under the provisions of Companies Act, 2013. The Company is a non deposit taking Non Banking Financial Company ('NBFC') as defined under Section 45-IA of the Reserve Bank of India Act, 1934. The Company is registered with effect from March 5, 1998 having Registration No. A-13.00243. The Company is engaged in the business of lending and primarily deals in financing SME and MSME sector with focus on Healthcare, Education, Chemicals, Food Processing/FMCG, Hospitality, Electrical Equipment & Components, Auto Components and Light Engineering segments.

As per the Share Purchase and Transfer of Control Agreement dated December 31, 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 July 05, 2018 after receiving RBI approval which is effective from June 22, 2018. The Company focus is on business of extending term loans and working capital loans to small and medium sized companies.

2 Significant accounting policies

2.1 Basis of preparation

The financial statements have been prepared in conformity with generally accepted accounting principles in India ('Indian GAAP') to comply in all material respects with the notified Accounting Standards ('AS') under section 133 of the Companies Act, 2013 ('the Act'), read with the Companies (Accounting Standards) Rules, 2006, as amended ("Accounting Standards") and the Master Direction – Non-Banking Financial Company – Systemically Important Non-Deposit taking Company(Reserve Bank) Directions, 2016 ('the NBFC Master Directions') issued by RBI. The financial statements have been prepared on an accrual basis and under the historical cost convention.The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year and any deviation shall be disclosed separately. The complete financial statements have been prepared along with all disclosures.

2.2 Use of estimates

The preparation of financial statements are in conformity with Indian GAAP which requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities Although these estimates are based on management's knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amount of assets and liabilities in future periods.

2.3 Property, Plant and Equipment and Depreciation

a. Property,Plant and Equipment

Property, Plant and Equipment are stated at cost less accumulated depreciation and impairment , if any. The cost comprises purchase price, borrowing costs incurred to bring asset to its working condition for its intended use. Any subsequent expenditure incurred on asset is capitalized only when it increases the future economic benefits / functioning capability from / of such assets.

All other expenses, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the Statement of Profit and Loss.

Gains or losses arising from derecognition of property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the Statement of Profit and Loss when the asset is derecognized.

b. Depreciation

Depreciation is charged over the estimated useful life of the fixed assets on a written down value basis in the manner prescribed in schedule II of the Companies Act, 2013.

Depreciation on leasehold improvements is provided for on straight line method over the primary period of lease of premises.

Depreciation on addition / sale of assets during the year is being provided from the date such asset is added or sold, as the case may be.

Assets individually costing less than Rs 5,000/- are fully depreciated in the year of purchase.

The Company has estimated 5% residual value at the end of the useful life for all block of assets.

2.4 Intangible assets and Amortisation

Intangible assets are measured at cost. Costs relating to acquisition and development of computer software are capitalised in accordance with the AS-26. Following initial recognition, intangible assets are carried at cost less accumulated depreciation and impairment , if any. Softwares are ammrtised using the straight line method over a period of five years. Any expenses on such software for support and maintenance payable annually are charged to the statement of profit and loss.

2.5 Impairment of assets

The Company assesses at the balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset or the cash generating unit ("CGU"). If such recoverable amount of the asset or the recoverable amount of the CGU to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the statement of profit and loss. If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the revised recoverable amount, subject to maximum of the depreciated historical cost.

2.6 Investments

Investments are classified into current investments and long-term investments. Current investments are carried at lower of cost and fair value and long term investments are carried at cost. However, provision is made to recognize decline other than temporary in the carrying amount of long term investments. Unquoted investments in the units of Mutual Funds in nature of current investment are valued at lower of cost or Net Asset Value declared by Mutual Funds in respect of each particular scheme.

2.7 Borrowing costs

Borrowing costs include interest and other ancillary borrowing costs. Ancillary costs incurred for arrangement of borrowings such as loan processing fee, arranger fee, stamping expense and rating expense including annual survillence fees are period costs and amortized over the tenure of the borrowing. Interest and other related financial charges are recognized as an expense in the period for which they relate as specified in Accounting Standard (AS 16) on "Borrowing Costs".

2.8 Lease

a. Operating Lease

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognised as operating leases. Lease rentals under operating leases are recognised in the Statement of Profit and Loss on a straight-line basis over the lease term

2.9 Contingent Provision against standard assets, Provision for Non Performing Assets (NPA) & Doubtful Debts

a. Provision for Non Performing Assets (NPA) & Doubtful Debts

Loans and advances, receivables are identified as bad/ doubtful based on the duration of the delinquency. The duration is set at appropriate levels for each product. Contingent Provision against standard assets, Provision for Non-Performing Assets (NPA) & Doubtful Debts are made based on the management's assessment of the degree of impairment and the level of provisioning which meets the NBFC prudential norms prescribed by Reserve Bank of India.

b. Contingent Provisions against Standard Assets

Contingent provision against standard assets has been made @ 0.40% which is in accordance with Reserve Bank of India ('RBI') guidelines.

2.10 Foreign currency transactions

a. Initial recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

b. Conversion

Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction. Non-monetary items, which are measured at fair value or other similar valuation denominated in a foreign currency, shall be translated using the exchange rate at the date when such value was determined.

c. Exchange differences

Exchange differences arising on the settlement of monetary items or on reporting Company's monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognised as income or as expenses in the year in which they arise.

2.11 Revenue recognition

a. Interest income

Interest income is recognized on accrual basis except in case of non-performing assets where interest is recognized upon realization as per the RBI guidelines. Repayment of loans is by way of Equated Monthly Instalments (EMI) comprising principal and interest. Interest is calculated on monthly reducing balance in terms of financing scheme opted by the borrower. EMI commences once the entire loan is disbursed. Pending commencement of EMI, pre-EMI interest is charged every month and is accounted on an accrual basis.

b. Fee income

Processing fees are recovered and recognized upfront at the time of disbursement of loan.

Other charges such as cheque bounce charges, late payment charges, SOA charges, Foreclosure statement charges are recognized when there is no significant uncertainty as to determination and realization.

In case of non-performing asset, fees and other charges are recognized upon realisation as per the RBI guidelines.

c. Commission and brokerage income

Commission and brokerage income earned for the services rendered are recognised as and when they are due.

d. Dividend Income

Dividend income is recognised when the shareholders' right to receive payment is established by the balance sheet date. Dividend from the units of mutual funds is recognized on receipt basis in accordance with the RBI guidelines

e. Profit/ loss on sale of Investment

Profit/Loss from investments and disposals made shall be recognized as and when they occur. Gains/Losses occurring due to revaluation of current investments shall be covered as per AS 13 'Accounting of Investment'.

f. Other income

Other income is accounted on accrual basis and as per the terms of the contract when the right to receive is established and there is no significant uncertainty of the receipt.

2.12 Securities Issue Expenses

Security issue expenses related to issuance of equity and debt are debited against securities premium account in accordance with the provisions of Section 52 of the Companies Act, 2013

2.13 Employee benefits

Employee benefits include provident fund, employee state insurance scheme, gratuity and compensated absences.

A. Short Term Employee Benefits

a. "Short term employee benefits for services rendered by employees shall be recognized in the Statement of Profit and Loss during the period when the services are rendered. 'The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the year when the employees render the service. These benefits include performance incentive and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service.

The cost of short-term compensated absences is accounted as under :

(i) in case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and

(ii) in case of non-accumulating compensated absences, when the absences occur.

b. Compensatory Payments (Loss of Earned Bonus)

The company amortizes the compensatory payments over the period of twelve months, since amount is recoverable if an employee leaves the organisation withint a year.

B. Long Term Employee Benefits

a. Provident Fund

Defined Contribution Plans

The Company's contribution to provident fund and employee state insurance scheme are considered as defined contribution plans. All eligible employees of the Company are entitled to receive benefits under the provident fund, a defined contribution plan in which both the employee and the Company contribute monthly at a stipulated percentage of the covered employees' salary.The Company has no obligation, other than the contribution payable to the provident fund. The Company recognizes contribution payable to the provident fund scheme as an expenditure, when an employee renders the related service.

b. Gratuity

For defined benefit plans in the form of gratuity fund, the cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each balance sheet date. Actuarial gains and losses are recognised in the Statement of Profit and Loss in the period in which they occur. Past service cost is recognised immediately to the extent that the benefits are already vested and otherwise is amortised on a straight-line basis over the average period until the benefits become vested. The retirement benefit obligation recognised in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost.

c. Employee Stock Option Scheme ('ESOS')

Employees of the Company also receives remuneration in the form of share based payment transactions, whereby employees render services as consideration for equity instruments (equity-settled transactions). Measurement and disclosure of the Employee Share-based Payment plans is done in accordance with Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and the Guidance Note on Accounting for Employee Share-based Payments, issued by ICAI. The Company measures compensation cost relating to employee stock options using the fair value method. Compensation cost is amortised over the vesting period of the option on a straight line basis. The options which have lapsed are reversed by a credit to Employee compensation cost.

d. New Pension Scheme (NPS)

The company had introduced New Pension Scheme for the employees. Contribution upto limits as defined under Income Tax Act, 1961 is made under NPS.

2.14 Income tax

Income-tax expense comprises current tax (i.e. amount of tax for the period determined in accordance with the income-tax law) and deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the period).

a. Current Tax

Provision for current income-tax is recognized in accordance with the provisions of Income-tax Act, 1961 and is made annually based on the tax liability after taking credit for tax allowances and exemptions.

b. Deferred Tax

Deferred tax is recognized in respect of timing differences between taxable income and accounting income i.e. differences that originate in one period and are capable of reversal in one or more subsequent periods. The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognized using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets / liabilities are recognized only to the extent there is reasonable certainty that the assets / liabilities can be realised in future; however, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognized only if there is a virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realised. Deferred tax assets / liabilities are reviewed as at the each balance sheet date and written down or written-up to reflect the amount that is reasonably / virtually certain (as the case may be) to be realised.

2.15 Provisions,Contingent Liabilities and Contingent Assets

a. Provision

A provision is recognised when the Company has a present obligation as a result of past event and it is probable that outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the

balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

b. Contingent Liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

c. Contingent Assets

Contingent assets are neither recognized nor disclosed in the financial statements.

2.16 Earnings per share (EPS)

Basic earnings per share is calculated by dividing the net profit for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit for the year attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

2.17 Cash and Cash equivalent

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

2.18 Cash flow statement

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

Notes to financial statements for year ended 31st March, 2019

3 Share capital ₹

		As at 31 March 2019	As at 31 March 2018
3.1	**Authorised :**		
	8,15,00,000 Equity shares of ₹10 each (Previous Year : 60,00,000)	815,000,000	60,000,000
	2,05,00,000 Preference shares of ₹10 each (Previous Year : Nil)	205,000,000	-
		1,020,000,000	60,000,000
3.2	**Issued, Subscribed and Paid up :**		
	2,33,31,482 Equity shares of ₹10 each, fully paid up (Previous Year : 46,98,500)	233,314,820	46,985,000
	1,38,37,210 0% Compulsorily convertible preference shares of ₹ 10 each,fully paid up (Previous Year : Nil)	138,372,100	-
		371,686,920	46,985,000
	Notes:		
	During the current year, the authorised share capital of the Company was increased vide approval of equity shareholders from ₹ 6,00,00,000 to ₹ 1,02,00,00,000 divided into ₹ 81,50,00,000 of equity shares and ₹ 20,50,00,000 of preference shares.		
3.3	**Money received against Share Warrants**		
	8,783,785 Share Warrants of ₹10 each, partly paid up (Previous Year : Nil)	325,000,045	-
		325,000,045	-

Notes:

During the year, the Company has allotted 87,83,785 warrants at ₹ 148 per warrant and amount of ₹ 3,250 lakhs was received towards 25% of subscription amount. In the event the warrants are not converted into shares, the Company is eligible to forfeit the amounts received towards the warrants.

3.3	Money received against Share Warrants		
	8,783,785 Share Warrants of ₹10 each, partly paid up (Previous Year : Nil)	325,000,045	-
		325,000,045	-

During the year, the Company has allotted 87,83,785 warrants at ₹ 148 per warrant and amount of ₹ 3,250 lakhs was received towards 25% of subscription amount. In the event the warrants are not converted into shares, the Company is eligible to forfeit the amounts received towards the warrants.

3.4 Movement in share capital :

	As at 31 March 2019		As at 31 March 2018	
	No of shares	**Amount**	No of shares	Amount
Equity shares				
Outstanding at the beginning of the year	**4,698,500**	**46,985,000**	4,698,500	46,985,000
Add: Issued during the year *	**10,647,523**	**106,475,230**	-	-
Add : Converted during the year :				
From compulsorily convertible preference shares	**4,497,087**	**44,970,870**	-	-
From compulsorily convertible debentures**	**3,488,372**	**34,883,720**	-	-
Outstanding at the end of the year	**23,331,482**	**233,314,820**	4,698,500	46,985,000
Preference shares				
Outstanding at the beginning of the year	**-**	**-**	-	-
Add : Issued during the year	**18,334,297**	**183,342,970**	-	-
Less : Converted during the year	**(4,497,087)**	**(44,970,870)**	-	-
Outstanding at the end of the year	**13,837,210**	**138,372,100**	-	-

* During the year the Company has allotted 1,06,47,523 equity shares of ₹ 10 each for consideration of ₹ 14,625.14 lakhs on preferential basis.

**During the year the Company has allotted 1,73,25,582 compulsory convertible debenture's of ₹ 10 each for consideration of ₹ 22,350 lakhs on preferential basis . Out of which during the year, the Company has converted 34,88,372 compulsorily convertible debentures into equal numbers of equity shares.

Rights, Preferences and Restrictions attached to shares:

The Company has only one class of equity shares having a face value of ₹ 10 each. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the Company after distribution of all preferential amounts, in proportion to their holding.

The compulsorily convertible preference shares are convertible in to equal numbers of equity shares within period of 18 months from the date of issue on preferential basis.

The Board of Directors, at their meeting held on June 14, 2018 have declared an interim dividend of ₹ 3.5 per equity share aggregating to ₹ 1.98 crores inclusive of tax on dividend.

3.5 Details of shares held by shareholders holding more than 5% shares in the Company

	As at 31 March 2019		As at 31 March 2018	
	No of shares	**Amount**	No of shares	Amount
Newquest Asia Investments Iii Limited	1,279,069	5.48%	-	-
PNB Metlife India Insurance Company Limited	**1,428,600**	**6.12%**	-	-
Chhattisgarh Investments Limited	**1,433,267**	**6.14%**	-	-
Samena Special Situations Mauritius	**3,321,500**	**14.24%**	-	-
Indgrowth Capital Fund I	**3,488,372**	**14.95%**	-	-
Clearsky Investment Holding Pte Ltd	**1,279,069**	**5.48%**	-	-
Poshika Advisory Services LLP	**3,019,817**	**12.94%**	879,017	18.71%
Anand Ramakant Chokhani	**-**	**-**	327,710	6.97%
Ramakant R. Chokhani HUF	**-**	**-**	633,600	13.49%
Neelam R.Chokhani	**-**	**-**	700,000	14.90%
Ramakant R. Chokhani	**-**	**-**	1,806,490	38.45%
	15,249,694	**65.35%**	4,346,817	92.52%

Note : Refer note No.33 for disclosure relating to employee stock option scheme.

3.6 Shares reservation :

As at 31 March 2019 39,988,964 shares (As at 31 March 2018 Nil Shares) were reserved for issuance as follow :

i 35,30,759 shares of ₹ 10 each towards outstanding employee stock options granted (Refer Note 33)

ii 1,38,37,210 shares of ₹ 10 each towards outstanding compulsorily convertible preference shares.

iii 1,38,37,210 shares of ₹ 10 each towards outstanding compulsorily convertible debentures (Refer Note 5)

iv 87,83,785 shares of ₹ 10 each towards outstanding convertible warrants.

4 Reserves and surplus ₹

	As at 31 March 2019	As at 31 March 2018
Statutory reserve *		
Opening balance	**111,643,815**	-
Add: Additions during the year	**2,911,005**	111,643,815
Closing balance	**114,554,820**	111,643,815
Securities premium		
Opening balance	**-**	-
Add: Securities premium on shares, compulsorily convertible preference shares and compulsorily convertible debentures issued during the year**	**5,649,032,030**	-
Less: Utilized during the year(net of taxes)***	**(316,311,699)**	-
Closing balance	**5,332,720,331**	-
Employee Stock Options Scheme Outstanding		
Opening balance	**-**	-
Add: Addition during the year (Refer Note 33)	**30,001,072**	-
Closing balance	**30,001,072**	-
Surplus/(Deficit) Profit & Loss Account		
Opening balance	**211,719,333**	293,569,911
Add: Profit for the year	**14,555,025**	29,793,237
Less: Transfer to statutory reserve	**(2,911,005)**	(111,643,815)
Less: Dividend paid to equity shareholders	**(16,444,750)**	-
Less: Tax on dividend	**(3,380,267)**	-
Closing balance	**203,538,336**	211,719,333
	5,680,814,559	323,363,148

*Pursuant to the provision of section 45(IC) of Reserve Bank of India Act, 1934, the Company has transferred ₹ 29,11,005 (P Y : ₹ 11,16,43,815) towards statutory reserve fund.

**During the year, there has been an addition of ₹ 5,64,90,32,030 in the securities premium reserve on account of the following: a) Issue of 1,06,47,523 equity shares at a premium aggregating to ₹ 13,560.38 lakhs b) Issue of 1,83,34,297 compulsorily convertible preference shares at a premium aggregating to ₹ 22,312.49 lakhs c) Issue of 1,73,25,582 compulsory convertible debentures shares at a premium aggregating to ₹ 20,617.44 lakhs.

*** In accordance with Section 52 of the Companies Act 2013 during the year the Company has utilized securities premium account towards issue of shares and compulsory convertible debentures and preference shares amounting to ₹ 3,163.12 lakhs.

5 Long term borrowings

₹

	As at 31 March 2019	As at 31 March 2018
Secured		
Term loan from bank	**100,000,000**	-
Unsecured		
0% Compulsorily Convertible Debentures of face value of ₹ 10 each *	**138,372,100**	-
Total(a)	**238,372,100**	-
Less : Current Maturities of Long Term Borrowings		
Term loan from bank	**30,555,558**	-
Compulsorily Convertible Debentures	**138,372,100**	-
Total(b)	**168,927,658**	-
Total(a-b)	**69,444,442**	-

Security and other terms of debentures are as follows :
as at 31st March 2019

CCD holders	Units	In ₹	Security provided	Charge %
Clearsky Investment Holdings Pte. Ltd	13,837,210	138,372,100	-	-
Total	**13,837,210**	**138,372,100**	-	-

* During the year the Company has allotted 1,73,25,582 compulsory convertible debenture's sof ₹ 10 each for consideration of ₹ 22,350 lakhs on preferential basis . Out of which during the year, the Company has converted 34,88,372 compulsorily convertible debentures into equal numbers of equity shares. The issued debentures are compulsorily convertible debentures within 18 months from the date of issue of 5th July,2018.

as at 31st March 2019
Terms of repayment of term loan
Term loan from bank - secured by way of hypothecation of loan receivables

Maturity	0-3 years	3-5 years	>5 years	Total
Current rate of interest				
11.50% annually	97,222,230	2,777,770	-	100,000,000
Total	**97,222,230**	**2,777,770**	**-**	**100,000,000**

6 Long-term provisions

₹

	As at 31 March 2019	As at 31 March 2018
Provision for employee benefits		
Gratuity*	**2,135,679**	-
Other provisions		
(a) Provisions against standard assets**	**1,661,900**	-
	3,797,579	-

* Refer note 31
** Refer note 36(p)

Notes to financial statements for year ended 31st March, 2019

7 Other Non Current Liabilities

₹

	As at 31 March 2019	As at 31 March 2018
Deferred lease expense	**2,394,530**	-
	2,394,530	-

8 Trade payables

₹

	As at 31 March 2019	As at 31 March 2018
Creditors		
Due to Micro, Small and Medium Enterprises*	**-**	-
Due to others		
- Creditors	**9,050,124**	63,997
- Accrued employee benefits	**50,126,117**	-
	59,176,241	63,997

*Refer note 35

9 Other current liabilities

₹

	As at 31 March 2019	As at 31 March 2018
Current maturities of long term borrowings	**168,927,658**	-
Interest accrued but not due on borrowings	**63,889**	-
Statutory liabilities	**13,239,278**	10,000
Unclaimed Interim Dividend	**152,446**	-
Advances received from customers on DSRA	**384,871**	-
Collateral margin money	**3,000,000**	-
	185,768,142	10,000

10 Short-term provisions

₹

	As at 31 March 2019	As at 31 March 2018
Provision for employee benefits		
Gratuity*	**10,191**	-
Compensated absences	**4,741,489**	-
Other provisions		
Contingent Provision against standard assets **	**1,531,305**	-
	6,282,985	-

*Refer note 31

** Refer note 36(p)

11 Property, plant and equipment

₹

Particulars	Gross Block				Depreciation				Net Block	Net Block
	As at 1 April 2018	Additions For the year	Deductions For the year	As at 31 Mar 2019	As at 1 April 2018	Additions For the year	Deductions For the year	As at 31 Mar 2019	As at 31 Mar 2019	As at 31 Mar 2018
Computer	-	1,459,141	-	1,459,141	-	135,206	-	135,206	1,323,935	-
Furniture fixture and fittings	-	1,292,641	-	1,292,641	-	30,762	-	30,762	1,261,879	-
Office Equipments	-	8,274,980	-	8,274,980	-	182,098	-	182,098	8,092,882	-
Leasehold improvements	-	29,225,210	-	29,225,210	-	791,375	-	791,375	28,433,835	-
Total	-	40,251,972	-	40,251,972	-	1,139,441	-	1,139,441	39,112,531	-
Previous year	-	-	-	-	-	-	-	-	-	-

Notes to financial statements for year ended 31st March, 2019

12 Non Current Investment

₹

	Particulars		Quantity	As at 31 March 2019	Quantity	As at 31 March 2018
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
2	Equity Shares of Larsen & Toubro Limited of ₹ 2 each fully Paid up		-	-	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
5	Equity Shares of Sibar Software Services (India) Limited of ₹ 10 each fully Paid up		-	-	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
9	Equity Shares of Reliance Home Finance Limited of ₹ 10 each fully Paid up		-	-	20	-
10	Equity Shares of Reliance Industries Limited of ₹ 10 each fully Paid up		-	-	1,600	51,200
11	Equity Shares of ReliancePower Limited of ₹ 10 each fully Paid up		-	-	100	-
12	Equity Shares of Reliance Industrial Infra of ₹ 10 each fully Paid up		-	-	30	-
						61,315
(b)	**Investment in Mutual Fund**					
1	JM Arbitrage Advantage Fund - Bonus		-	-	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
4	IDFC Mutual Funds		-	-	927,383	12,114,206
5	Reliance Floating Rate - STP		-	-	131,998	2,500,000
6	Reliance Liquid Fund		-	-	534	2,256,081
7	Reliance Arbitrage Advantage Fund		-	-	2,425,592	30,713,611
8	HDFC Top 200 Fund		-	-	908	311,204
9	Axis Enhanced ARB Fund		-	-	1,845,832	20,201,851
10	SBI Arb Opp Fund		-	-	784,158	11,108,971
11	ICICI Prudential Equity Arbitrage Fund		-	-	509,258	7,458,452
						100,252,054
(c)	**Investment in Tax Free Bonds**					
1	7.19%	Power Finance Corporation	-	-	1,060	1,051,999
2	7.36%	Power Finance Corporation	-	-	1,800	1,694,659
3	8.20%	Power Finance Corporation	-	-	4,106	4,092,608
4	8.30%	Power Finance Corporation	-	-	18,380	18,983,515
5	8.79%	Power Finance Corporation	-	-	2,536	2,935,069
6	8.92%	Power Finance Corporation	-	-	650	792,394
7	7.35%	Power Finance Corporation	-	-	3,080	3,080,000
8	7.22%	Rural Electrification Corporation Limited	-	-	550	565,898
9	7.93%	Rural Electrification Corporation Limited	-	-	300	316,591
10	7.38%	Rural Electrification Corporation Limited	-	-	1,010	1,014,510
11	8.46%	Rural Electrification Corporation Limited	-	-	100	99,500
12	8.12%	Rural Electrification Corporation Limited	-	-	26,297	26,325,184
13	7.34%	Housing and Urban Development Corporation Limited	-	-	731	710,956
14	8.51%	Housing and Urban Development Corporation Limited	-	-	5,000	5,000,000
15	7.50%	Housing and Urban Development Corporation Limited	-	-	2,060	1,962,160

		Particulars	Quantity	As at 31 March 2019	Quantity	As at 31 March 2018
16	8.10%	Housing and Urban Development Corporation Limited	-	-	8,436	8,534,246
17	8.20%	Housing and Urban Development Corporation Limited	-	-	42,071	42,347,873
18	8.39%	Housing and Urban Development Corporation Limited	-	-	100	113,007
19	8.76%	Housing and Urban Development Corporation Limited	-	-	250	284,514
20	8.76%	Housing and Urban Development Corporation Limited	-	-	200	237,462
21	8.83%	Housing and Urban Development Corporation Limited	-	-	250	287,514
22	9.01%	Housing and Urban Development Corporation Limited	-	-	1,000	1,137,057
23	7.39%	Housing and Urban Development Corporation Limited	-	-	4,204	4,204,000
24	7.36%	Indian Infrastructure Finance Company Limited	-	-	2,000	1,969,551
25	8.66%	Indian Infrastructure Finance Company Limited	-	-	5,000	5,000,000
26	8.63%	Indian Infrastructure	-	-	1,000	1,105,055
27	7.49%	Indian Renewable Energy Development Agency	-	-	17,030	17,030,000
28	7.17%	Indian Renewable Energy Development Agency	-	-	10	10,003,000
29	7.28%	Indian Railway Finance Corporation Limited	-	-	22,039	22,039,000
30	7.35%	Indian Railway Finance Corporation Limited	-	-	2,939	2,939,000
31	8.10%	Indian Railway Finance Corporation Limited	-	-	5,511	5,571,954
32	8.63%	Indian Railway Finance Corporation Limited	-	-	5,000	5,000,000
33	7.40%	Indian Infrastructure Finance Company Limited	-	-	800	856,043
34	7.60%	National Highway Authority of India	-	-	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
37	8.65%	National Highway Bank	-	-	638	3,190,000
38	8.66%	National Thermal Power Corporation of India	-	-	12,666	12,666,000
39	8.91%	National Thermal Power Corporation of India	-	-	1,630	1,926,846
40	7.35%	National Bank for Agriculture & Rural Development	-	-	1,002	1,002,000
41	8.79%	NHPC	-	-	2,000	2,208,111
			-	**-**		**234,031,580**
		TOTAL	**-**	**-**		**334,344,949**
		Aggregate market value of listed and quoted investments				
		Investment in Equity Instruments	-	-		6,170,086
		Investment in Mutual Funds	-	-		112,592,606
		Investment in Tax Free Bonds	-	-		248,236,265

13 Deferred Tax Asset

₹

	As at 31 March 2019	As at 31 March 2018
A) Deferred tax asset		
On account of timing difference in:		
– Disallowance u/s 43B of the Income Tax Act, 1961	**1,319,082**	-
– Allowance u/s 35D of the Income Tax Act, 1961	**2,021,652**	-
– Provision for standard assets	**888,350**	-
– Others	**1,349,307**	-
Gross deferred tax asset Total (A)	**5,578,391**	-
B) Deferred tax liability		
On account of timing difference in:		
– Depreciation and amortization	**342,105**	-
– Unamortized commission	**655,080**	-
Gross deferred tax liability Total (B)	**997,185**	-
Total (A-B)	**4,581,206**	-

Notes to financial statements for year ended 31st March, 2019

14 Long-term loans and advances

₹

	As at 31 March 2019	As at 31 March 2018
Loan Portfolio		
Secured *		
Loans to others		
Standard assets (considered good)	**373,294,763**	-
Unsecured		
Standard assets (considered good)	**39,723,925**	-
Loan to staff (Unsecured, considered good)	**550,000**	-
Security deposit (Unsecured, considered good)	**25,925,999**	-
Advance taxes receivable (Net of Provision of ₹ 9,74,720 PY ₹ Nil)	**20,864,955**	-
	460,359,642	-

* secured against hypothecation of receivables and immovable properties.

15 Other non current assets

₹

	As at 31 March 2019	As at 31 March 2018
Unamortized borrowing cost	**1,073,685**	-
Unamortized commission	**1,732,823**	-
Total (A-B)	**2,806,508**	-

16 Current investments

₹

	As at 31st March 2019	As at 31st March 2018
Current investments (unquoted - at lower of cost or market value)		
Investments in mutual funds	**1,067,042,131**	-
Investments in bonds	**-**	26,722,000
	1,067,042,131	26,722,000

Details of current investments as at March 31 ,2019	**Nos. of units**	**Book value of unquoted investments**
Axis Liquid Fund - Direct - Daily Dividend Reinvest	**252,885.58**	**254,728,933**
Reliance Low Duration Fund-DIV Reinvestment	**510,638.83**	**514,468,620**
Baroda Daily Dividend Reinvestment Plan	**12,588.01**	**12,614,259**
BNP Paribas Liquid Fund Direct Plan Daily Dividend	**30,014.53**	**30,054,151**
Kotak Low Duration Fund Direct Plan Weekly Dividend	**212,834.56**	**255,176,168**
	1,018,961.51	**1,067,042,131**

Aggregate market value of unquoted investments		1,067,886,236

Details of current investments as at March 31, 2018	**Nos. of units**	**Book value of unquoted investments**
11.5% L&T Finance Tier I Perpetual Bond 2021	10	10,722,000
10.90% Punjab & Sind Bank Perpetual Bonds	160,000	16,000,000
	160,010	26,722,000

Aggregate market value of unquoted investments		26,722,000

17 Trade receivables

₹

	As at 31 March 2019	As at 31 March 2018
Unsecured, considered good		
Outstanding for a period less than six months	**23,200,000**	-
	23,200,000	-

18 Cash and bank balances

₹

	As at 31 March 2019	As at 31 March 2018
Cash and cash equivalents		
Balances with banks (current accounts)	**1,840,463,729**	81,747
Deposits having original maturity of less than 3 months	**1,350,000,000**	-
Cash on hand	**152,788**	5,260
	3,190,616,517	87,007
Other bank balances		
Deposits having original maturity between 3 to 12 months *	**1,350,500,000**	-
In Earmarked accounts		
Unclaimed dividend account	**152,446**	-
	4,541,268,963	87,007

* out of Fixed Deposit amounting to ₹ 500,000 has been held as margin money against bank guarantee.

19 Short-term loans and advances

₹

	As at 31 March 2019	As at 31 March 2018
Loan Portfolio		
Secured *		
Loans to others		
Standard assets (considered good)**	366,150,143	-
Unsecured		
Standard assets (considered good)	**16,555,986**	-
Unsecured, considered good		
Advance taxes receivable (Net of Provision of ₹ Nil PY ₹ 24,52,095)	**-**	1,124,524
Advance to employees	**25,000**	-
Loans to staff	**120,000**	-
Prepaid expenses	**12,704,610**	-
GST Credit receivable	**24,439,753**	-
	419,995,492	1,124,524

* secured against hypothecation of receivables and immovable properties.
** Include supply chain finance of ₹ 12,07,58,487.

20 Other current assets

₹

	As at 31 March 2019	As at 31 March 2018
Interest accrued but not due on loans	**608,778**	-
Interest accrued but not due on fixed deposits with banks	**32,927,823**	-
Interest accrued on bonds	**-**	8,143,665
Other receivable	**1,552,216**	-
Unamortized commission	**621,886**	-
Unamortized borrowing cost	**1,630,580**	-
	37,341,283	8,143,665

Notes to financial statements for year ended 31st March, 2019

21 Revenue from operations

₹

	For the year ended 31 March 2019	For the year ended 31 March 2018
Finance activities:		
Interest income on loans	**11,011,420**	-
Processing fees	**8,688,724**	-
Other finance income	**574,446**	-
Other operating revenue :		
Interest income on bonds and deposits	**192,377,427**	18,460,189
Profit on sale of investments	**150,411,159**	14,772,511
Dividend income on investments	**5,043,386**	1,922,873
	368,106,562	35,155,573

22 Other income

₹

	For the year ended 31 March 2019	For the year ended 31 March 2018
Web display fees	**50,000,000**	-
	50,000,000	-

23 Employee benefit expenses

₹

	For the year ended 31 March 2019	For the year ended 31 March 2018
Salaries, wages and bonus	**211,333,240**	1,051,925
Contribution to provident and other funds	**3,400,181**	-
Staff welfare expenses	**600,097**	78,070
Gratuity expense (Refer Note 31)	**2,145,870**	-
Employees Stock Option expenses (Refer Note 33)	**30,001,072**	-
	247,480,460	1,129,995

24 Finance costs

₹

	For the year ended 31 March 2019	For the year ended 31 March 2018
Interest on borrowings and OD accounts	**89,428**	-
Other borrowing costs	**20,735**	-
	110,163	-

25 Other expenses

₹

	For the year ended 31 March 2019	For the year ended 31 March 2018
Commission and brokerage	**2,879,918**	-
Rates & taxes	**8,408,145**	-
Rent	**23,826,524**	-
Insurance	**1,504,867**	-
Computer maintenance & software charges	**4,363,224**	-
Legal & professional charges	**44,184,157**	465,660
Remuneration to auditors**	**1,200,000**	59,000
Contingent Provision against standard assets (Refer Note 36(p))	**3,193,205**	-
Marketing & brand promotion expenses	**3,546,478**	-
Advertisement expenses	**383,824**	-
Printing & stationary	**1,263,235**	-
Power and fuel	**562,464**	-
Communication and data charges	**564,535**	-
Meeting and event expenses	**459,423**	-
Travelling, lodging and boarding expenses	**17,021,202**	-
Repairs & Maintenance	**4,591,418**	-
Miscellaneous expenses	**3,807,882**	1,255,586
	121,760,501	1,780,246

**Auditor's Remuneration includes the following:

Audit Fee		
Statutory audit	**615,000**	59,000
Limited review of quarterly results	**525,000**	-
In other capacity		
For other services	**60,000**	-
	1,200,000	59,000

26 Exceptional Expenses

₹

Particulars	As at 31 March 2019	As at 31 March 2018
Recruitment fees for appointment of Independent Directors	**14,039,200**	-
Compensatory payment to executives	**13,544,633**	-
Stamp duty and Fees for increase in authorised share capital	**9,083,625**	-
Total	**36,667,458**	-

27 Earnings per share

₹

In accordance with Accounting Standard 20 on Earnings per share, the computation of earnings per share is set out below:

Particulars	As at 31 March 2019	As at 31 March 2018
Profit available for equity share holders	14,555,025	29,793,237
Weighted average number of equity shares	14,603,658	4,698,500
Basic earnings per share (₹)	1.00	6.34
Profit available for equity share holders	14,555,025	29,793,237
Weighted average number of shares for basic earning per share	14,603,658	4,698,500
Dilutive effect of outstanding stock options and share warrants	22,257,178	-
Weighted average number of shares for diluted earning per share	36,860,836	4,698,500
Diluted earnings per share (₹)	0.39	6.34

28a Contingent liabilities:

₹

All tax related liabilities as on July 05, 2018 are covered by a deed of indemnity entered by existing promoters with erstwhile promoters (Refer note 1).

b. Commitments:

Particulars	As at 31 March 2019	As at 31 March 2018
Commitments not provided for :		
- Commitments related to loans sanction but undrawn	122,280,000	-
- Commitments related to loans sanction but partially undrawn	**26,029,626**	-
- Estimated amount of contracts remaining to be executed on capital account	**30,679,477**	-
	178,989,103	-

29 Segmental Reporting

The Company is mainly engaged in the business of lending, primarily dealing in financing SME and MSME sector and temporary investing of idle funds. Further, all activities are conducted within India and as such there is no separate reportable segment as specified in Accounting Standard (AS-17) on 'Segment Reporting', in terms of Companies (Accounts) Rules, 2014.

Notes to financial statements for year ended 31st March, 2019

30 Related parties

(A) List of Related Parties and their relationship :

(i) Key managerial personnel (KMP)

-	Executive Chairman & Managing Director (w.e.f. June 22, 2018)	Shachindra Nath
-	Whole Time Director & Chief Executive Officer (w.e.f. July 5, 2018)	Abhijit Ghosh
-	Chief Executive Officer (till July 5, 2018)	Sunil S. Sharma
-	Chief Financial Officer (till July 4, 2018)	Manish Chandrahas Parikh

(ii) Enterprises over which KMP has control

- Poshika Financial Ecosystem Private limited
- Poshika Advisory Services LLP

Transactions with related parties are as enumerated below: ₹

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Transaction during the year		
Expenses		
Poshika Financial Ecosystem Private limited		
Advisory and fund raising charges	**245,737,897**	-
Shachindra Nath		
Reimbursement of expenses	**1,262,644**	-
Abhijit Ghosh		
Reimbursement of expenses	**2,784,254**	-
Remuneration paid *		
Shachindra Nath	**21,751,163**	-
Abhijit Ghosh	**32,348,479**	-
Manish Chandrahas Parikh	**-**	340,104
Sunil S Sharma	**-**	445,250

*The above figures do not include provision for gratuity to the Managing Director and Chief Executive Officer respectively. Gratuity is actuarially determined for the Company as a whole and separate figure is not available.

31 Disclosure pursuant to Accounting Standard 15 (Revised) - Employee Benefits

A) Defined contribution plan : ₹

Particulars	As at 31 March 2019	As at 31 March 2018
Employer's contribution to provident fund	**3,398,833**	-
Total	**3,398,833**	-

B) Defined benefit plan : ₹

The details of the Company's post- retirement benefit plans for its employees are given below which is as certified by the actuary and relied upon by the auditors.

Principal actuarial assumptions at the balance sheet date %

	As at 31 March 2019	As at 31 March 2018
Interest / Discount Rate	**7.50%**	-
Rate of increase in compensation	**8.00%**	-
Employee attrition rate (Past Service) (PS)	**15.00%**	-
Expected average remaining service	**5.33**	-

Changes in the present value of the defined benefit obligation are as follows: ₹

Particulars	As at 31 March 2019	As at 31 March 2018
Present value of obligation at the beginning of the year	-	-
Current service cost	**2,166,786**	-
Past service cost	-	-
Interest cost	-	-
Benefit paid	-	-
Curtailment cost	-	-
Settlement cost	-	-
Net actuarial gain or loss recognized in the year	**(20,916)**	-
Present value of obligation at the end of the year	**2,145,870**	-

Fair value of plan assets ₹

Particulars	As at 31 March 2019	As at 31 March 2018
Present value of obligation at the beginning of the year	-	-
Actual return on plan assets	-	-
Contributions	-	-
Benefit paid	-	-
Fair value of plan assets at end of period	-	-
Funded status (including unrecognized past service cost)	**(2,145,870)**	-
Excess of actual over estimated return of plan assets	-	-

Note - The Company does not have any plan assets as at 31 March 2019 (31 March 2018: Rs. Nil)

Experience history ₹

Particulars	As at 31 March 2019	As at 31 March 2018
(Gain)/loss on obligation due to change in assumption	**(1,819,899)**	-
Experience (gain)/loss on obligation	**1,798,983**	-
Actuarial gain/(loss) on plan assets	-	-
Present value of obligation at the end of the year	**2,145,870**	-
Fair value of plan assets at end of period	-	-
Funded status	**(2,145,870)**	-
Unrecognized actuarial gain/(loss)	-	-
Unrecognized Past Service Cost - non vested benefits	-	-
Net assets/(liability) recognized in balance sheet	**2,145,870**	-

Expense recognized in the statement of profit and loss account ₹

Particulars	As at 31 March 2019	As at 31 March 2018
Current service cost	**2,166,786**	-
Interest cost	-	-
Past service cost (non vested benefits)	-	-
Past service cost (vested benefits)	-	-
Unrecognized past service cost - non vested benefits	-	-
Expected return on plan assets	-	-
Net actuarial gain/ (loss) recognized for the period	**(20,916)**	-
Expense recognized in the statement of profit and loss account	**2,145,870**	-

Movements in the liability recognized in balance sheet ₹

Particulars	As at 31 March 2019	As at 31 March 2018
Opening net liability	-	-
Expenses recognized	2,145,870	-
Employer's contributions	-	-
Closing net liability	2,145,870	-
Closing provisions at the end of the year	-	-
Current Liability	10,191	-
Non-Current Liability	2,135,679	-

Defined benefit plans ₹

Particulars	As at 31 March 2019	As at 31 March 2018
Defined benefit obligation	2,145,870	-
Plan assets	(2,145,870)	-
Experience adjustments :		
On plan liabilities	(20,916)	-
On plan assets	-	-

32 Expenditure in foreign currency ₹

Particulars	As at 31 March 2019	As at 31 March 2018
Conference expenses	57,642	-
Other expenses	41,782	-
Total	99,424	-

33 Disclosure relating to Employee stock option scheme

The Company has one stock option schemes:

CSL Employee Stock Option Scheme 2017 - Grant I

The Scheme was approved by Board of Directors on 13 August 2018 and by the shareholders in EGM dated 18 September 2018 for issue of 27,49,223 options representing 27,49,223 Equity shares of ₹ 10 each.

CSL Employee Stock Option Scheme 2017 - Grant II

The Scheme was approved by Board of Directors on 13 August 2018 and by the shareholders in EGM dated 18 September 2018 for issue of 2,89,229 options representing 2,89,229 Equity shares of ₹10 each.

CSL Employee Stock Option Scheme 2017 - Grant III

The Scheme was approved by Board of Directors on 13 August 2018 and by the shareholders in EGM dated 18 September 2018 for issue of 2,46,154 options representing 2,46,154 Equity shares of ₹ 10 each.

CSL Employee Stock Option Scheme 2017 - Grant IV

The Scheme was approved by Board of Directors on 13 August 2018 and by the shareholders in EGM dated 18 September 2018 for issue of 61,538 options representing 61,538 Equity shares of ₹ 10 each.

CSL Employee Stock Option Scheme 2017 - Grant V

The Scheme was approved by Board of Directors on 13 August 2018 and by the shareholders in EGM dated 18 September 2018 for issue of 184,615 options representing 184,615 Equity shares of ₹10 each.

The activity in the CSL Employee Stock Option Scheme 2017 during the year ended 31 March 2019 and 31 March 2018 is set below:

₹

Equity Shares	As at 31 March 2019 In Numbers	Weighted Average Exercise price	As at 31 March 2018 In Numbers	Weighted Average Exercise price
CSL Employee Stock Option Scheme 2017 - Grant I : (Face value of ₹ 10 each)				
Option outstanding at the beginning of the year.	-	-	-	-
Add: Granted	**2,749,223**	130	-	-
Less: Exercised	-	-	-	-
Less: Lapsed	-	-	-	-
Option outstanding, end of the year	**2,749,223**	130	-	-
Exercisable at the end of the year	**2,749,223**		-	-
CSL Employee Stock Option Scheme 2017 - Grant II : (Face value of ₹ 10 each)				
Option outstanding at the beginning of the year.	-	-	-	-
Add: Granted	**289,229**	130	-	-
Less: Exercised	-	-	-	-
Less: Lapsed	-	-	-	-
Option outstanding, end of the year	**289,229**	130	-	-
Exercisable at the end of the year	**289,229**		-	-
CSL Employee Stock Option Scheme 2017 - Grant III : (Face value of ₹ 10 each)				
Option outstanding at the beginning of the year.	-	-	-	-
Add: Granted	**246,154**	130	-	-
Less: Exercised	-	-	-	-
Less: Lapsed	-	-	-	-
Option outstanding, end of the year	**246,154**	130	-	-
Exercisable at the end of the year	**246,154**		-	-
Disclosure relating to Employee stock option scheme (Continued)				
CSL Employee Stock Option Scheme 2017 - Grant IV : (Face value of ₹10 each)				
Option outstanding at the beginning of the year.	-		-	-
Add: Granted	**61,538**	130	-	-
Less: Exercised	-	-	-	-
Less: Lapsed	-	-	-	-
Option outstanding, end of the year	**61,538**	130	-	-
Exercisable at the end of the year	**61,538**		-	-
CSL Employee Stock Option Scheme 2017 - Grant V : (Face value of ₹ 10 each)				
Option outstanding at the beginning of the year.	-		-	-
Add: Granted	**184,615**	130	-	-
Less: Exercised	-	-	-	-
Less: Lapsed	-	-	-	-
Option outstanding, end of the year	**184,615**	130	-	-
Exercisable at the end of the year	**184,615**		-	-

Notes to financial statements for year ended 31st March, 2019

Disclosure relating to Employee stock option scheme

The Company follows accounting policy of fair value method for ESOPs valuation. Accordingly accumulated expense of ₹ 30,001,072/- has been debited to the Statement of profit and loss of the year ended 31 March 2019.

Particulars	CSL Employee Stock Option Scheme 2017 - Grant I	CSL Employee Stock Option Scheme 2017 - Grant II	CSL Employee Stock Option Scheme 2017 - Grant III	CSL Employee Stock Option Scheme 2017 - Grant IV	CSL Employee Stock Option Scheme 2017 - Grant V
Date of grant	13 August 2018	26 September 2018	02 November 2018	14 November 2018	26 December 2018
Date of board approval	13 August 2018	13 August 2018	13 August 2018	13 August 2018	13 August 2018
Date of shareholders' approval	18 September 2018	18 September 2018	18 September 2018	18 September 2018	18 September 2018
Number of options granted	2,749,223	289,229	246,154	61,538	184,615
Method of settlement	Equity Shares	Equity Shares	Equity Shares	Equity Shares	Equity Shares
Vesting period	13/08/2019, 13/08/2020, 13/08/2021, 13/08/2022	26/09/2019, 26/09/2020, 26/09/2021, 26/09/2022	02/11/2019, 02/11/2020, 02/11/2021, 02/11/2022	14/11/2019, 14/11/2020, 14/11/2021, 14/11/2022	26/12/2019, 26/12/2020, 26/12/2021, 26/12/2022.
Vesting pattern	16.66:16.66:16.66:50	16.66:16.66:16.66:50	16.66:16.66:16.66:50	16.66:16.66:16.66:50	16.66:16.66:16.66:50
Weighted average remaining contractual life					
Granted but not vested	2.37 years	2.49 years	2.59 years	2.63 years	2.74 years
Vested but not exercised	NIL	NIL	NIL	NIL	NIL
Weighted average share price at the date of exercise for stock options exercised during the year	-	-	-	-	-
Exercise period	Within a period of 3 years from date of vesting	Within a period of 3 years from date of vesting	Within a period of 3 years from date of vesting	Within a period of 3 years from date of vesting	Within a period of 3 years from date of vesting
Vesting conditions	50 % of the Vesting of Options would be subject to continued employment with the Company and shall vest in equal installments over period of three years on the first, second and third anniversary of the grant date. 50 % of vesting of option would depend on pre detaermined parameters laid down in scheme i.e ROA and AUM alongwith passage of time of 3 years continous employement in the company	50 % of the Vesting of Options would be subject to continued employment with the Company and shall vest in equal installments over period of three years on the first, second and third anniversary of the grant date. 50 % of vesting of option would depend on pre detaermined parameters laid down in scheme i.e ROA and AUM alongwith passage of time of 3 years continous employement in the company	50 % of the Vesting of Options would be subject to continued employment with the Company and shall vest in equal installments over period of three years on the first, second and third anniversary of the grant date. 50 % of vesting of option would depend on pre detaermined parameters laid down in scheme i.e ROA and AUM alongwith passage of time of 3 years continous employement in the company	50 % of the Vesting of Options would be subject to continued employment with the Company and shall vest in equal installments over period of three years on the first, second and third anniversary of the grant date. 50 % of vesting of option would depend on pre detaermined parameters laid down in scheme i.e ROA and AUM alongwith passage of time of 3 years continous employement in the company	50 % of the Vesting of Options would be subject to continued employment with the Company and shall vest in equal installments over period of three years on the first, second and third anniversary of the grant date. 50 % of vesting of option would depend on pre detaermined parameters laid down in scheme i.e ROA and AUM alongwith passage of time of 3 years continous employement in the company
Weighted average fair value of options as on grant date in (₹)	61.91	63.69	62.92	77.34	62.54

Exercise pricing formula

The exercise pricing formula for CSL Employee Stock Option Scheme 2017 are as under:

The nomination and remuneration committee shall have the authority to determine the exercise price having regard to the valuation report of an independent valuer if any.

The said committee shall in its absolute discretion, have the authority to grant the options at such discount / premium as it may deem fit.

Fair Value Methodology:

The fair value of options have been estimated on the date of grant using Black-Scholes model as under:

The key assumptions used in Black-Scholes model for calculating fair value under CSL Employee Stock Option Scheme 2017 with respect to various grant :

Particulars	CSL Employee Stock Option Scheme 2017 - Grant I	CSL Employee Stock Option Scheme 2017 - Grant II	CSL Employee Stock Option Scheme 2017 - Grant III	CSL Employee Stock Option Scheme 2017 - Grant IV	CSL Employee Stock Option Scheme 2017 - Grant V
Risk-free interest rate	7.75%	8.02%	7.56%	7.48%	7.09%
Expected volatility of share price	39.71%	41.40%	41.56%	41.60%	42.28%
Time to maturity (in years)	3.98	3.98	3.97	3.98	3.97
Dividend yield	-	-	-	-	-
The price of equity share as on grant date considered for valuation in (₹) *	140	140	140	140	140

*The QIP issue price has been considered as the current market price for computing the fair value of ESOP since the market value on the date of grant of ESOP was not representative of the fair value of the share.

34 Operating leases

The Company has taken laptops and coffee machines under operating leases. Gross rental expenses charged for the year ended 31 March 2019 aggregated ₹ 19,63,354 (PY ₹ Nil) which has been included under the head other expenses - Rent in the Statement of Profit and Loss.

The Company has taken various offices on operating lease for the period which ranges from 12 months to 108 months with an option to renew the lease by mutual consent on mutually agreeable terms. Gross rental expenses charged for the year ended 31 March 2019 aggregated ₹ 2,18,63,170 /- (PY ₹ Nil) which has been included under the head other expenses - Rent in the Statement of Profit and Loss.

Expected future minimum commitments during the non-cancellable period under the lease arrangements are as follows:

Particulars	As at 31 March 2019	As at 31 March 2018
Within one year	**47,817,090**	-
Later than one year but not later than five years	**164,837,059**	-
Later than five years	**13,341,697**	-

35 Details of dues to micro, small and medium enterprises

The company has sent letters to suppliers to confirm whether they are covered under Micro, Small and Medium Enterprises Development Act 2006 (MSMED Act, 2006) as well as they have filled required memorandum with prescribed authorities. Out of the letters sent to the parties, some confirmation have been received till date of finalisation of Balance Sheet. Based on the confirmations received, the outstanding amounts payable to vendors covered under Micro, Small and Medium Enterprises Development Act 2006 are given below.

Particulars		As at 31 March 2019	As at 31 March 2018
1.	The principal amount remaining unpaid at the end of the year.	-	-
2.	The interest amount remaining unpaid at the end of the year.	-	-
3.	The amount of interest paid by the buyer under MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-
4.	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro Small and Medium Enterprise Development Act, 2006.	-	-
5.	The amount of interest due and payable for the period (where the principal has been paid but interest under the MSMED Act, 2006 not paid)	-	-
6.	The amount of interest accrued and remaining unpaid at the end of accounting year	-	-
7.	The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23.	-	-
The balance of MSMED parties as at the end of the year		-	-
The above information has been relied upon by the auditors.		-	-

36 Disclosures as required by the Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 issued by the Reserve Bank of India ("RBI") vide their Notification No. RBI/DNBR/2016-17/45 Master Direction DNBR. PD. 008/03.10.119/2016-17 dated September 1, 2016 (the "Notification"), as updated from time to time.

a. Capital to Risk Assets Ratio (CRAR)

Particulars		As at 31 March 2019	As at 31 March 2018
i)	CRAR (%)	**213.55**	100.31
ii)	CRAR - Tier I Capital (%)	**213.40**	100.31
iii)	CRAR - Tier II Capital (%)	**0.15**	-
iv)	Amount of subordinated debt raised as Tier-II capital	-	-
v)	Amount raised by issue of Perpetual Debt Instruments	-	-

b. Investments

Particulars				As at 31 March 2019	As at 31 March 2018
(1)	Value of Investments				
	(i)	Gross Value of Investments			
		(a)	In India	**1,067,042,131**	361,066,949
		(b)	Outside India,	-	-
	(ii)	Provisions for Depreciation			
		(a)	In India	-	-
		(b)	Outside India,	-	-
	(iii)	Net Value of Investments			
		(a)	In India	1,067,042,131	361,066,949
		(b)	Outside India.	-	-
(2)	Movement of provisions held towards depreciation on investments.				
	(i)	Opening balance		-	-
	(ii)	Add : Provisions made during the year		-	-
	(iii)	Less : Write-off / write-back of excess provisions during the year		-	-
	(iv)	Closing balance		-	-

c. Derivatives

During the current and previous year the Company has not entered into any derivative contract and at the year end there is no outstanding derivative contract. Therefore disclosures pertaining to derivatives are not applicable.

d. Details of Financial Assets Sold to Securitisation/ Reconstruction Company for Assets Reconstruction

During the current and previous year the Company has not entered into any sale or purchase of financial assets to or from any securitisation/ reconstuction company for assets reconstruction. Therefore disclosures pertaining to it are not applicable.

e. Asset Liabilities Management Maturity pattern of certain items of asset and liabilities (At Book Values) (₹ In crores) As at March 31, 2019.

Particulars	Up to 30/31 days	Over 1 month upto 2 Month	Over 2 months upto 3 months	Over 3 month & up to 6 month	Over 6 Month & up to 1 year	Over 1 year & up to 3 years	Over 3 years & up to 5 years	Over 5 years	Total
Assets									
Advances	1.95	7.06	8.33	6.75	14.18	30.30	2.89	8.11	79.57
Investments	106.70	-	-	-	-	-	-	-	106.70
	108.65	7.06	8.33	6.75	14.18	30.30	2.89	8.11	186.27
Liabilities									
Borrowings :									
Borrowings from Banks & Financial Institutions	-	0.28	0.28	0.83	1.67	6.66	0.28	-	10.00
Market borrowings	-	-	-	-	-	-	-	-	-
	-	0.28	0.28	0.83	1.67	6.66	0.28	-	10.00

Asset Liabilities Management Maturity pattern of certain items of asset and liabilities (At Book Values) (₹ In crores) As at March 31, 2018.

Particulars	Up to 30/31 days	Over 1 month upto 2 Month	Over 2 months upto 3 months	Over 3 month & up to 6 month	Over 6 Month & up to 1 year	Over 1 year & up to 3 years	Over 3 years & up to 5 years	Over 5 years	Total
Assets									
Advances	-	-	-	-	-	-	-	-	-
Investments	-	-	-	36.11	-	-	-	-	36.11
	-	-	-	36.11	-	-	-	-	36.11
Liabilities									
Borrowings :									
Borrowings from Banks & Financial Institutions	-	-	-	-	-	-	-	-	-
Market borrowings	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-

f Exposures (₹ in crores)

Category			**As at 31 March 2019**	**As at 31 March 2018**
a)	**Exposure to Real Estate Sector**			
	a) Direct Exposure			
	(i)	**Residential Mortgages -**		
		Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented	-	-
	(ii)	**Commercial Real Estate -**		

			Lending secured by mortgages on commercial real estates (office buildings, retail space, multi-purpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure shall also include non-fund based limits	14.05	-
	(iii)		**Investments in Mortgage BackedSecurities** (MBS) and other securitised exposures -		
		a.	Residential	-	-
		b.	Commercial Real Estate	-	-
			Total Exposure to Real Estate Sector	14.05	-
b)	**Exposure to Capital Market**				
	(i)		direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt;	-	-
	(ii)		advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds;	-	-
	(iii)		advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;	-	-
	(iv)		advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds 'does not fully cover the advances;	-	-
	(v)		secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	-	-
	(vi)		loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;	-	-
	(vii)		bridge loans to companies against expected equity flows / issues;	-	-
	(viii)		all exposures to Venture Capital Funds (both registered and unregistered)	-	-
			Total Exposure to Capital Market		-

g Details of financing of parent company products

There are no parent company products which are financed by the Company during the current and previous year.

h Details of Single Borrower Limit (SGL) / Group Borrower Limit (GBL) exceeded by the Company

Particulars	**As at 31 March 2019**	As at 31 March 2018
Single Borrower Limit (SGL) / Group Borrower Limit (GBL) exceeded by the Company	-	-

i Unsecured Advances

a) Details of unsecured advances the rights, licenses, authorisations, etc., charged to the applicable NBFCs as collateral in respect of projects (including infrastructure projects) financed by the Company.

Particulars	**As at 31 March 2019**	As at 31 March 2018
Advances against Securities of Intangible Assets	-	-

j Registration obtained from other financial sector regulators

Particulars	Type	Number Reference
-	-	-

k Disclosure of Penalties imposed by RBI and other regulators

During the current year and the previous year, there are no penalties imposed by RBI and other regulators.

l Related Party Transaction

Details of all material transactions with related parties has been given in Notes No 30 of the financial statements

m Ratings assigned by rating agencies and migration of ratings during the year

Rating Agency	Rating	Dated
-	-	-

The Company is in process of obtaining credit rating for bank loan facilities.

n Remuneration of Directors

Particulars	As at 31 March 2019	As at 31 March 2018
Transactions with the Non-Executive Directors Director Sitting Fees Non-Executive Directors	8,700,000	-

Refer note 30 for remuneration to Exeuctive Directors

o During the year there is no changes in the accounting policies and no prior period items

p Provisions and Contingencies

Particulars	As at 31 March 2019	As at 31 March 2018
Provisions for depreciation on Investment	-	-
Provision towards NPA	-	-
Provision made towards Income tax	974,720	-
Other Provision and Contengencies	-	-
Provision for Standard Assets	3,193,205	-

q Draw Down from Reserves

During the year, the Company has not drawn down any amount from Reserves.

Concentration of Deposits, Advances, Exposures and NPAs

r Concentration of advances

Particulars	As at 31 March 2019	As at 31 March 2018
Total Advance to twenty largest borrowers	701,914,292	-
Percentage of Advances to twenty largest borrowers to Total Advances of the Company	88.00%	-

s Concentration of exposures

Particulars	As at 31 March 2019	As at 31 March 2018
Total Advance to twenty largest borrowers	701,914,292	-
Percentage of Advances to twenty largest borrowers to Total Advances of the Company	88.00%	-

t Concentration of NPAs

Particulars	As at 31 March 2019	As at 31 March 2018
Total Exposure to top four NPA accounts	-	-

u Sector-wise NPAs

Sr. No.	Sector	Percentage of NPAs to Total Advances in that	
		As at 31 March 2019	As at 31 March 2018
1	Agriculture & allied activities	-	-
2	MSME	-	-
3	Corporate borrowers	-	-
4	Services	-	-
5	Unsecured personal loans	-	-
6	Auto loans	-	-
7	Other personal loans	-	-

v Movement of NPAs

Particulars			As at 31 March 2019	As at 31 March 2018
(i)	Net NPAs to Net Advances (%)		-	-
(ii)	Movement of NPAs (Gross)			
	(a)	Opening balance	-	-
	(b)	Additions during the year	-	-
	(c)	Reductions during the year	-	-
	(d)	Closing balance	-	-
(iii)	Movement of Net NPAs			
	(a)	Opening balance	-	-
	(b)	Additions during the year	-	-
	(c)	Reductions during the year	-	-
	(d)	Closing balance	-	-
(iv)	Movement of provisions for NPAs (excluding provisions on standard assets)			
	(a)	Opening balance	-	-
	(b)	Provisions made during the year	-	-
	(c)	Write-off / write-back of excess provisions	-	-
	(d)	Closing balance	-	-

w Overseas Assets (for those with joint Ventures and Subsidiaries abroad)

There are no Overseas Assets.

x Off- balance Sheet SPVs sponsored (which are required to be consolidated as per accounting norms)

There are no Off-balance Sheet SPVs sponsored by the Company which are required to be consolidated as per accounting norms.

y Customer Complaints

Sr. No.	Sector	Percentage of NPAs to Total Advances in that	
		As at 31 March 2019	As at 31 March 2018
(a)	No. of complaints pending at the beginning of the year	Nil	Nil
(b)	No. of complaints received during the year	Nil	Nil
(c)	No. of complaints redressed during the year	Nil	Nil
(d)	No. of complaints pending at the end of the year	Nil	Nil

z Revenue Recognition

There are no postponment of revenue due to pending resolution of significant uncertainties.

aa Restructured Accounts

There are no accounts that have been restructured during the current and previous year.

ab Schedule to the Balance Sheet of a NBFC

₹ In lakhs

Particulars			As at 31 March 2019		As at 31 March 2018	
			Amount	**Amount**	**Amount**	**Amount**
Liabilities side			**outstanding**	**overdue**	**outstanding**	**overdue**
1	Loans and advances availed by the non- banking financial company inclusive of interest accrued thereon but not paid :					
	a	Debentures :				
		Secured				
		Unsecured	1,383.72	-	-	-
		(other than falling within the meaning of public deposits)				
	b	Deferred credits	-	-	-	-
	c	Term Loans	1,000.00	-	-	-
	d	Inter -corporate loans and borrowings	-	-	-	-
	e	commercial paper	-	-	-	-
	f	Public deposits	-	-	-	-
	g	Other Loans	-	-	-	-
2	Break - up of (1) (f) above (outstanding public deposits inclusive of interest accrued thereon but not paid :					
	a	In the form of unsecured debentures	-	-	-	-
	b	In the form of partly secured debentures i.e. debentures where there is a shortfall in the value of security	-	-	-	-
	c	Other public deposits	-	-	-	-
Assets Side					**As at 31 March 2019**	**As at 31 March 2018**
3	Break - up of Loans and Advances including bills receivables (other than those included in (4) below) :					
	a	Secured			7,394.45	-
	b	Unsecured			562.80	-
4	Break - up of Leased assets and stock on hire and other assets counting towards asset financing activities					
	i	Lease assets including lease rentals under sundry debtors				
		a. Finance lease			-	-

Notes to financial statements for year ended 31st March, 2019

Assets Side					As at 31 March 2019	As at 31 March 2018
		b. Operating lease			-	-
	ii	Stock on hire including hire charges under sundry debtors				
		a. Assets on hire			-	-
		b. Repossessed assets			-	-
	iii	Other loans counting towards asset financing activities				
		a. Loans where assets have been repossessed			-	-
		b. Loans other than (a) above			-	-
5	Break - up of investments					
	Current Investments					
	1	Quoted				
		(i) Shares				
		a. Equity			-	-
		b. Preference			-	-
		(ii) Debentures and Bonds			-	-
		(iii) Units of mutual funds			-	-
		(iv) Government Securities			-	-
		(v) Others			-	-
	2	Unquoted				
		(i) Shares				
		a. Equity			-	-
		b. Preference			-	-
		(ii) Debentures and Bonds			-	267.22
		(iii) Units of mutual funds			10,670.42	-
		(iv) Government Securities			-	-
		(v) Others			-	-
	Long term investments					
	1	Quoted				
		(i) Shares				
		a. Equity			-	-
		b. Preference			-	-
		(ii) Debentures and Bonds			-	-
		(iii) Units of mutual funds			-	-
		(iv) Government Securities			-	-
		(v) Others			-	-
	2	Unquoted				
		(i) Shares				
		a. Equity			-	0.61
		b. Preference			-	-
		(ii) Debentures and Bonds			-	2,340.32
		(iii) Units of mutual funds			-	1,002.52
		(iv) Government Securities			-	-
		(v) Others			-	-

6	Borrower group wise classification of assets financed in (3) and (4) above	As at 31 March 2019		As at 31 March 2018	
	Category	Amount net of provisions			
		Secured	Unsecured	Secured	Unsecured
	1 Related parties **				
	a. Subsidiaries	-	-	-	-

Notes to financial statements for year ended 31st March, 2019

		b. Companies in the same group	-	-	-	-
		c. Other related parties	-	-	-	-
	2	Other than related parties	7,394.45	562.80	-	-
		Total	7,394.45	562.80	-	-
	** As per accounting standard issued by ICAI.					
7	Investor group wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted) :					
	Category					
	1	Related parties **				
		a. Subsidiaries			-	-
		b. Companies in the same group			-	-
		c. Other related parties			-	-
	2	Other than related parties			10,670.42	3,610.67
		Total			10,670.42	3,610.67
	** As per accounting standard issued by ICAI.					
8	Other information					
	i	Gross non performing assets				
		a. Related parties			-	-
		b. Other than related parties			-	-
	ii	Net non performing assets				
		a. Related parties			-	-
		b. Other than related parties			-	-
	iii	Assets acquired in satisfaction of debt			-	-

37 DBZ (Cyprus) Limited, a Company incorporated under the laws of Cyprus, would be issued 1,35,65,891 number of equity shares at ₹ 129 each (face value ₹ 10) at a premium of ₹ 119 per share aggregating to ₹ 17,499.99 lakhs in terms of a scheme of arrangement approved by the board of directors of the Company in its meeting held on December 31, 2017, under which the lending business of Asia Pragati Capfin Private Limited ("AP"), 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, together with all its assets and liabilities, (but excluding specifically retained assets liabilities, licenses, approvals etc., which are more appropriately stated in the scheme) shall be demerged from AP and stand transferred and vested in the Company w.e.f. the appointed date of April 1,2018 and the Company would issue the equity shares, as aforesaid, subject to the approval of scheme of arrangement stated above by National Company Law Tribunal (NCLT). The Company received requisite No Objection Certificate from BSE Limited through communication no. DCS/AMAL/SD/R37/1374/2018-19 dated January 4, 2019 and accordingly the Company has filed demerger scheme with NCLT, Mumbai Bench on January 10, 2019 for their approval. The shareholders have approved the scheme on March 25, 2019 and consequential issuances of securities referred above.

38 The financial statements of the Company for the year ended March 31, 2018 were audited by B.M. GATTANI & CO., Chartered Accountants, the predecessor auditor.

39 The Previous Year's figures have been regrouped / rearranged wherever necessary to make them comparable to current year.

For and on behalf of the Board of Directors of
UGRO CAPITAL LIMITED

Sd/-
Shachindra Nath
Executive Chairman & MD
DIN : 00510618
Mumbai
02 May 2019

Sd/-
Abhijit Ghosh
Whole Time Director & CEO
DIN : 07935397
Mumbai
02 May 2019

Sd/-
Abhijit Sen
Director and Chairman - Audit Committee
DIN : 00002593
Mumbai
02 May 2019

Sd/-
Kalpeshkumar Ojha
Chief Financial Officer
Mumbai
02 May 2019

Sd/-
Aniket Karandikar
Company Secretary
Mumbai
02 May 2019

ATTENDANCE SLIP

UGRO Capital Limited

Corporate Identification Number (CIN) : L67120MH1993PLC070739.
Registered Office: Equinox Business Park, Tower -3, 4th Floor, LBS Marg, Off BKC Road, Kurla (West), Mumbai 400070.
Tel: +91-22-48918686, Website : www.ugrocapital.com, E-mail : yougrow@ugrocapital.com

PLEASE FILL ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL

DP ID*	
Client ID*	

Folio No.	
No. of shares	

Name of the shareholder :
Address of the Shareholder :

We/I hereby record our/my presence at the **26th Annual General Meeting** of the Company held on Wednesday, 18th September, 2019 at 11.00 a.m. at Shanbaug Hall, Utkarsha Mandal, Vileparle, Utkarsha Mandal Chowk, Malavia Road, Vileparle (East), Mumbai-400057

*Applicable for investors holding shares in electronic form.

Signature of Member's / Proxy's

Note: Please fill up this attendance slip and hand it over at the entrance of the meeting hall. Members are requested to bring their copies of the Annual Report to the AGM.

UGRO Capital Limited

Proxy Form
Form No. MGT-11
[Pursuant to section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

CIN : L67120MH1993PLC070739
Name of the company : UGRO Capital Limited
Registered office : Equinox Business Park, Tower -3, 4th Floor, LBS Marg, Off BKC Road, Kurla (West), Mumbai 400070.
E-mail address: yougrow@ugrocapital.com. Website: www.ugrocapital.com
Name of the member (s) :
Registered address :
E-mail Id :
Folio No/ Client Id /DP Id :

I/We, being the member (s) of ……. shares of U GRO Capital Ltd. hereby appoint:

1.Name :……..... Address:…….....
E-mail Id:……..... Signature:……..... or failing him
2.Name :……..... Address:…….....
E-mail Id:……..... Signature:……..... or failing him
3.Name :……..... Address:…….....
E-mail Id:……..... Signature:…….....

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 26th Annual General Meeting of the Company, to be held on the Wednesday, 18th September, 2019 at 11:00 a.m. at Shanbaug Hall, Utkarsha Mandal, Vileparle, Utkarsha Mandal Chowk, Malavia Road, Vileparle (East), Mumbai-400057 and at any adjournment thereof in respect of such resolutions as are indicated below :

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as on 31st March, 2019 and Statement of Profit & Loss Account for the financial year ended 31st March, 2019 along with Directors' Report and Auditors' Report thereon.
2. To confirm the interim dividend paid by the Company as final dividend for the financial year ended 31st March, 2019.
3. To appoint a Director in place of Mr. Manoj Kumar Sehrawat (DIN: 02224299) who retires by rotation and being eligible offers himself for reappointment.

SPECIAL BUSINESS

4. To appoint Mr. Chetan Gupta (DIN: 07704601) as a Non-Executive Director of the Company.
5. To appoint Mr. Kanak Kapur (DIN: 03299278) as a Non-Executive Director of the Company.
6. To appoint Mr. Navin Puri (DIN: 08493643) as an Independent Director of the Company.
7. Authorization for Borrowing Money under Section 180 (1) (c) of the Companies Act, 2013.
8. Authorization to sell, lease, charge and/or mortgage etc. property of the Company under section 180 (1)(a) of the Companies Act, 2013.
9. To borrow funds by way of issuance of Non-Convertible Debentures and other instruments.
10. To approve the terms of appointment of Mr. Abhijit Ghosh (DIN: 07935397) as Whole Time Director & Chief Executive Officer.
11. To approve revision in remuneration of Mr. Shachindra Nath (DIN:00510618), Executive Chairman & Managing Director
12. To approve Alteration of Articles of Association of the Company.
13. To consider and approve raising of funds to the tune of INR 500 Crores (INR Five Hundred Crores) 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, and in compliance of applicable laws.

Signed this…… day of…… 2019.

Affix Re. 1/- Revenue Stamp

Signature of shareholder Signature of Proxy holder(s)

Note:

1. **This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.**
2. **Notwithstanding the above the Proxies can vote on such other items which may be tabled at the meeting by the shareholders present.**

www.ugrocapital.com

UGRO CAPITAL LIMITED
(formely known as Chokhani Securities Limited)

Registered Office Address: Equinox Business Park, Tower 3, 4th Floor,
LBS Road, Kurla (West), Mumbai - 400070

CIN: L67120MH1993PLC070739

Telephone: +91 22 48918686 | **E-mail:** customercare@ugrocapital.com