

PKF Finance Ltd.

Corporate Office: 'BALBIR TOWER', PKF-NAMDEV CHOWK, G.T. ROAD, JALANDHAR-144001, PUNJAB
 Regd. Office: 317, New Jawahar Nagar, Jalandhar
 Ph: 0181-2238611 Fax: 2236802 E-mail: info@pkffinance.com Website: www.pkffinance.com
 CIN: U65921PB1994PLC014314



WE VALUE YOUR TRUST

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 this offer letter cum Application is delivered and nobody
 else)

PKF FINANCE LIMITED

Registered Office - 317, New Jawahar Nagar, Jalandhar -144001, Punjab
 E-mail: cs@pkffinance.com; Tel.: (0181) 2238611-15
 Website: www.pkffinance.com; CIN - U65921PB1994PLC014314,
 [Contact Persons: Ms. Sonia Gaba, Company Secretary]

FORM PAS-4
 [See rule 14(3)]
 PART-A

PRIVATE PLACEMENT OFFER CUM APPLICATION LETTER

Dated: July 31, 2019

PRIVATE PLACEMENT OF 20,000 SECURED REDEEMABLE NON CONVERTIBLE DEBENTURES (SERIES-23) AT PRICE OF RS.1000 EACH FOR CASH AT PAR AGGREGATING TO RS.2,00,00,000/- (RUPEES TWO CRORES ONLY).

1. GENERAL INFORMATION

S.No	Name of the company	PKF FINANCE LIMITED
I.	Registered Office Address	317, New Jawahar Nagar, Jalandhar
	Corp. Office Address	Balbir Tower, G.T Road, Jalandhar
	Website	www.pkffinance.com
	Contact details (Phone No.):	(0181) 2238611-15
	E-mail ID	ho@pkffinance.com
VI.	Date of incorporation of the company	11/03/1994

For PKF Finance Ltd. *[Signature]*

III. BUSINESS CARRIED ON BY THE COMPANY AND ITS SUBSIDIARIES WITH THE DETAILS OF BRANCHES OR UNITS, IF ANY:

[Signature]
 Company Secretary

The Company was incorporated on March 11, 1994, under the provisions of the Companies Act, 1956. The company has obtained a registration to carry on the Business of Non Banking Financial institution from the Reserve Bank of India, registration number being 06.00104. The company is engaged in financing of Moveable assets, Commercial Vehicles, Passenger Vehicles, Plant and Machinery, Business Loan etc. in India. It aims to provide finance facilities to people to purchase assets for income generating activities and supporting economic growth. Company is being managed by qualified and experience staff. The company has excellent infrastructural facilities and is well equipped with the latest Technology. The Company is one of the major NBFC in Punjab State.

(a) Details of Branches of the Company:

The company has 10 (Ten) Branches as on the date of this offer letter, the details of which are as under:



JALANDHAR	NAWANSHAHAR	KAPURTHALA	MOGA	BATALA	LUDHIANA
19, G.T. Road, Ph. 0181-4625982	Rail Market, Chd. Rd. Ph. 01823-223513	OC Chowk, Bus Stand Rd. Ph. 01822-326016	'Basant Bhawan' Ferozepur Rd. Ph. 01836-229188	53, Dharam Singh Mkt. Ph. 01871-502311	Samraia-Chemma Chowk, Link Rd. Ph. 0181-4622213
BATHINDA	PATIALA	MOHALI	BILASPUR	GURGAON	DELHI
SCF-70, Phase-I, Model Town Ph. 97792-31266	A. B.N. Khajja School Mkt. Ph. 0175-5002528	SCF-80, Phase - 6 Ph. 0172-5094050	21-22 D- Darya Sector Ph. 01978-221599	Old Delhi-Gurgaon Rd. M. 85059-49192	104, Anupam Bhawan, Azadpur, Ph. 011-27882986

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Keep Environment Clean & Green

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Sr. No.	Branches	Address
1	Jalandhar Branch 1	19, G.T Road, Jalandhar
2	Jalandhar Branch 2	Balbir Tower, G.T Road, Jalandhar
3	New Delhi	Anupam Bhawan, Azadpur Complex, G.T Road, Delhi
4	Nawanshahr	Rai market, Chandigarh road, Nawanshahr
5	Kapurthala	DC Chowk, Jalandhar road, Kapurthala
6	Moga	Basant Bhawan, Ferozepur road, Moga
7	Batala	SCO-53, 1 st Floor, Dharam Singh Market, Batala.
8	Ludhiana	1712/1, Samrala-Cheema Chowk, Link Road, Ludhiana.
9	Bathinda	SCF-70, First Floor, Model Town Market, Phase -1, Bathinda.
10	Bilaspur (H.P)	21D-22D, Diara Sector, Nh-21

(IV) BRIEF PARTICULARS OF THE MANAGEMENT OF THE COMPANY:

The Company is professionally managed under the overall supervision, control and guidance of the Board of Directors. The day to day management of the Company is being carried out by Mr. Alok Sondhi, Mr. Vivek Sondhi, Mrs. Raj Mohini Sondhi, and Mr. Ashim Sondhi, Directors of the Company who are assisted by a team of professionals.

Name	Profile	Qualification
Mr. Alok Sondhi	<p>Mr. Alok Sondhi is the Managing Director of the Company since 1994. He is entrusted with overall responsibility of the Administration, Finance, Compliance and Business Development of the Company. He has experience of more than 31 years in the industry. Besides his active involvement in business, he is actively involved in Social and cultural activities. The brief particulars of his directorship in companies and association in Social and cultural societies is as under:</p> <p>Other Directorship: Punjab Kashmir Finance Ltd. , Reliable Agro. Engg. Services P. Ltd, Punjab Reliable Investments Pvt. Limited, PKF Securities P. Ltd, Jullundar Motor Agency Delhi Ltd, Growth properties Pvt. Ltd</p> <p>Secretary General- Punjab & Haryana Finance Co's Association.</p> <p>Co- Chairman- Finance Industry Development Council (FIDC)</p> <p>Secretary</p> <p>Kanya Maha Vidyalaya, Jalandhar (Estd. 1886).</p> <p>Doaba College, Jalandhar (Estd. 1945).</p> <p>Dev Raj Girls Sr. Sec. School.</p> <p>Jalandhar Model School.</p> <p>Sanskriti KMV School.</p> <p>Managing Trustee - Rai Saligram Sondhi Charitable Hospital,</p>	B.com

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	Jalandhar. Member: Manav Sehyog Society. Suvidha Centre(Punjab Govt. Help Initiative). Virsa Vihar, jalandhar- arts and cultural society.	
Mr. Vivek Sondhi	Mr. Vivek Sondhi is Joint Managing Director of the company. His overall responsibility in the Management includes lending, Recovery, Asset quality, Resource Mobilization, Information Technology, Internal Audit. He has experience of more than 31 years in the Industry. He is Director in many companies and also member of various social and cultural organizations. Other Directorship: Punjab Kashmir Finance Ltd. , Reliable Agro. Engg. Sevices P. Ltd, Punjab Reliable Investments Pvt. Limited PKF Securities P. Ltd, Growth properties Pvt. Ltd Managing Trustee- Savitri Loomba Charitable Trust. B.R.R.M. Sondhi Family Charitable Trust Executive Member Punjab & Haryana Finance Co's Association. Arya Shiksha Mandal (Handling Two colleges & three schools). Awarded "Kamal Patra" A National Award by Indian Junior Chamber in lieu of Professional and Social achievements President Jalandhar Jaycees (1989 & 90). National Coordinator Corporate Training, Indian Jaycees Member: Manav Sehyog Society.	B.com
Mrs. Raj mohini Sondhi	Mrs. Raj Mohini Sondhi is the Whole Time Director of the Company since 1994. She is also entrusted with responsibility of the Finance, Compliance and Business Development of the Company. She has experience of more than 31 years in the industry. Other Directorship: Punjab Kashmir Finance Ltd. , Reliable Agro. Engg. Sevices P. Ltd, Punjab Reliable Investments Pvt. Limited, PKF Securities P. Ltd, Growth properties Pvt. Ltd President: Inner Wheel Club of Jalandhar Chief Advisor: All India Women Conference Life Member: Manav Sehyog Society. Exceutive Member: Arya Samaj Model Town, Jal Lajwanti Manchanda Charitable Hospital Arya Shiska Mandal Trustee: B.R.R.M. Sondhi Family Charitable Trust, Rai Saligram Sondhi Charitable Hospital, Jalandhar.	FA.
Mr. Ashim Sondhi	Mr. Ashim Sondhi is appointed as an Additional director of the	B.Com., CA

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		company w.e.f 01 April, 2017. He has experience of more than 2 years in the industry. Other Directorship: Punjab Kashmir Finance Ltd. , Reliable Agro. Engg. Seviles P. Ltd, Punjab Reliable Investments Pvt. Limited, PKF Securities P. Ltd.	
Chetan Kalia	Kumar	Mr. Chetan Kumar Kalia is the Director of the company since 2001 and has been re-designated as Independent Director of the company on 24 February 2015. He has experience of more than 29 years in the industry. Other Directorship: Punjab Kashmir Finance Ltd. , Reliable Agro Engg. Services Private limited,.	MA
Baljit Singh		Mr. Baljit Singh is the Independent Director of the company. He has experience of more than 6 years in the industry. Other Directorship: Punjab Kashmir Finance Ltd., Reliable Agro Engg. Services Private Limited Member: Jalandhar Co- operative Cold Storage, Jalandhar	Graduate
Prof Ghuman	J.S	Prof. J.S Ghuman is the Director of the company since 1995. He has experience of more than 21 years in the industry. Member: life member of Indian national trust for art & cultural heritage Members Chandigarh admn. Advisory council (1995-1997) Past President, Institute of Town Planners of India (1990-91) Department , Govt. Of punjab (1979-1992) Chief Town Planner and Head of T& CP Professor of Physical Planning, GNDU, Amritsar (1992-1995)	

(V) NAMES, ADDRESSES, DIN AND OCCUPATIONS OF THE DIRECTORS:

Sr. No	Name & Occupation of Director	Address	DIN	Designation	Date of Appointment
1	Mr. Alok Sondhi S/o Lt. Sh. Balbir Raj Sondhi	16, Defence Colony Jalandhar (Business)	00583970	Managing Director	11/03/94
2	Mr. Vivek Sondhi S/o Lt. Sh. Balbir Raj Sondhi	317, New Jawahar Nagar Jalandhar	00154748	Joint Managing Director	11/03/1994
3	Mrs. Raj Mohini Sondhi W/o Lt. Sh. Balbir Raj Sondhi	317, New Jawahar Nagar Jalandhar (Business)	00154875	Director	11/03/1994

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4	Mr. Ashim Sondhi S/o Mr. Alok Sondhi	16, Defence Colony Jalandhar (Business)	07806310	Whole time Director	01/04/2017
5	Mr. Chetan Kumar Kalia	52, New Jawahar Nagar Jalandhar (Business)	00271646	Independent Director	31/07/2001
6	Mr. Baljit Singh	VPO.Reru, P.S.Sadar Jalandhar, (Business)	02833514	Independent Director	21/03/2015
7	Prof. J.S Ghuman	331, Sector-21A, Chandigarh-166002 (Rtd)	00050310	Director	09/10/1995

TRUSTEE FOR THE DEBENTURE HOLDERS

The Company has appointed Sh. Ashish Gupta S/o Sh. Janak Raj Gupta to act as Trustees for the Debenture holders ("Trustees"). The Debenture Trustee is an independent person to the company and the Directors. The company has received consent cum undertaking under the provisions of the Companies Act, 2013 and RBI guidelines to the effect that Trustee:

- (i) does not beneficially hold shares in the Company,
- (ii) is not a promoter, Director or Key Managerial Personnel or any other officer or an employee of the Company.
- (iii) is not beneficially entitled to moneys which are to be paid by the company otherwise than as remuneration payable to the debenture trustee,
- (iv) is not indebted to the Company,
- (v) has not furnished any guarantee in respect of the principal debts secured by the debentures or interest thereon,
- (vi) does not have any pecuniary relationship with the Company beyond the limits prescribed in the Act
- (vii) is not a relative of any promoter or any person who is in the employment of the Company as a Director or any key managerial personnel.

The Company and the Trustees has entered into a Trustee Agreement, inter alia, specifying the powers, authorities and obligations of the Trustees and the Company. The Debenture holder(s) shall, without further act or deed, be deemed to have irrevocably given their consent to the Trustees or any of their Agents or Authorized Officials to do all such acts, deeds, matters and things in respect of or relating to the Debentures as the Trustees may in their absolute discretion deem necessary or require to be done in the interest of the Debenture holder(s). Any payment made by the Company to the Trustees on behalf of the

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Debenture holder(s) shall discharge the Company pro-tantoto the Debenture holder(s). The Trustees will protect the interest of the Debenture holders in the event of default by the Company in regard to timely payment of interest and they will take necessary action at the cost of the Company.

(VI) MANAGEMENT'S PERCEPTION OF RISK FACTORS:

The Issuer believes that the following factors may affect its ability to fulfill its obligations under the Debentures issued under the Private Placement Offer Cum Application Letter (hereinafter referred to as PPOAL). All of these factors are contingencies which may or may not occur and the Issuer is not in a position to express a view on the likelihood of any such contingency occurring. In addition, certain factors which are material for the purpose of assessing the market risks associated with Debentures issued under the PPOAL are also described below.

The Issuer believes that the factors described below represent the principal risks inherent in investing in Debentures issued under the PPOAL, but the inability of the Issuer, as the case may be, to pay interest, or other amounts, if any, on or in connection with any Debentures may occur for other reasons and the Issuer does not represent that the statements below regarding the risks of holding any Debentures are exhaustive. Prospective investors should also read the detailed information set out elsewhere in this PPOAL and reach their own views prior to making any investment decision.

The Debentures are sophisticated instruments, can involve a high degree of risk and are intended for sale only to those Investors capable of understanding the risks entailed in such instruments. Investors are strongly recommended to consult with their financial, legal, tax and other professional advisors before making any investment decision.

The following are the risks envisaged by the management and Investors should consider the following risk factors carefully for evaluating the Company and its business before making any investment decision. Unless the context requires otherwise, the risk factors described below apply to the Company only. If any one of the following stated risks actually occur, the Company's business, financial conditions and results of operations could suffer.

Note: The risk factors herein are not exhaustive and unless specified or quantified in the relevant risk factors, the Company is not in a position to quantify the financial or other implications of any risk mentioned herein below:

PROSPECTIVE INVESTORS ARE ADVISED TO CAREFULLY READ THESE KEY RISKS ASSOCIATED WITH THE DEBENTURES. THESE RISKS ARE NOT, AND ARE NOT INTENDED TO BE, A COMPLETE LIST OF ALL RISKS AND CONSIDERATIONS RELEVANT TO THE DEBENTURES OR YOUR DECISION TO PURCHASE THE DEBENTURES. THIS PPOL IS NOT, AND DOES NOT PURPORT TO BE, INVESTMENT ADVICE.

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(a) Uncertain Trading Markets and liquidity risk

Presently the Debentures are not proposed to be listed on any stock exchange and such there is no liquidity of trading at any stock exchange. However, the Debentures are transferable as per the provisions of law. Investors should be prepared to hold the Debentures until maturity as Investors may not be able to liquidate or sell some or all of the Debentures as and when they require or at an amount equal to or more than the invested amount. There is currently no active or liquid secondary trading market for these Debentures. The Company cannot assure Debenture Holders that a trading market for their Debentures will ever develop or be maintained.

(b) Interest Rate Risk of the Debentures

Investors are exposed to the movement of interest rates whenever their Debentures are transferred prior to maturity. As interest rates move upwards, the value of the Debentures generally fall. Moreover, the longer the tenor of the Debentures, the more sensitive the Debentures will be to interest rate changes.

(c) Compounding of Risks

An investment in the Debentures involves multiple risks and such investment should only be made after assessing the direction, timing and magnitude of potential future changes in the value of the applicable interest rates, etc., the risks associated with such investments and the terms and conditions of the Debentures. More than one risk factor may have simultaneous effects with regard to the Debentures such that the effect of a particular risk factor may not be predictable. In addition, more than one risk factor may have a compounding effect, which may not be predictable. No assurance can be given as to the effect that any combination of risk factors may have on the value of the Debentures.

- (d) Credit Risk :** The Company carries the risk of default by borrowers and other counterparties. Any lending and investment activity is exposed to credit risk arising from the risk of repayment default by the borrowers and counterparties. The Company has institutionalized a systematic credit evaluation process monitoring the performance of its asset portfolio on a regular and continual basis to detect any material development, and also constantly evaluates the changes and developments in sectors to which it has substantial exposure.

- (e) Interest Rate Risk:** The Company's business is dependent on interest rate regime in the economy. Interest rates are highly sensitive to many factors beyond its control, including the policies of the RBI, deregulation of the financial sector in India, domestic and international economic and political conditions, inflation and other factors. Due to these factors, interest rates in India have historically experienced a relatively high degree of volatility.

- (f) Access to Capital Markets and Commercial Borrowings:** The Company's growth will depend on its continued ability to access funds at competitive rates. With the growth of its business, the Company is increasingly reliant on funding from the debt capital markets. The market for such funds is competitive and its ability to obtain funds at competitive rates will

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depend on various factors. If the company is unable to access funds at an effective cost that is comparable to or lower than its competitors, the Company may not be able to offer competitive interest rates for its loans. This may adversely impact its business, its future financial performance.

- (g) **Operational and Systems Risk:** The Issuer is faced with operational and systems risks, which may arise as a result of various factors viz. like improper authorisations, inappropriate documentation, failure in maintenance of proper security policies, frauds, inadequate training and employee errors, failure or malfunction beyond the control of the Company of any telecommunication or computer system including, computer hacking, unauthorised access to computer data and storage devices, computer crashes, data loss, breach of confidentiality, network security, etc.
- (h) **Credit Risk of Issuer:** While, the repayment of sums due at maturity is provided by the Issuer, Investors should be aware that the Debentures are unrated and receipt of any coupon payment and Principal Amount at maturity on the Debentures is subject to the credit risk of the Issuer. Investors assume the risk that the Company may not be able to satisfy their obligations under the Debentures and Investor may or may not recover all or part of the Principal Amount in case of default by the Issuer.
- (i) **Material Changes In Regulations:** NBFCs in India are subject to detailed supervision and regulation by the RBI. In addition, the Company is subject generally to changes in Indian law, as well as to changes in government regulations and policies and accounting principles. The RBI also requires the NBFCs to make provisions in respect of NPAs. The provision made is equal to or higher than that prescribed under the prudential norms. Any changes in the regulatory framework could adversely affect the profitability of the Company or its future financial performance, by requiring a restructuring of its activities, increasing costs or otherwise.
- (j) **Slowdown In Economic Growth In India Could Cause the Company's Business To Suffer:** The Company's performance and the quality and growth of its assets are necessarily dependent on the health of the overall Indian economy. A slowdown in the Indian economy could adversely affect its business, including its ability to grow its asset portfolio, the quality of its assets, and its ability to implement its strategy. India's economy could be adversely affected by a general rise in interest rates, or various other factors affecting the growth of industrial, manufacturing and services sector or general down trend in the economy.
- (k) **Social-Economic and Political scene:** Terrorist attacks and other acts of violence or war may negatively affect the Indian markets and may also adversely affect the worldwide financial markets. These acts may also result in a loss of business confidence. In addition, adverse social, economic and political events in India could have a negative impact on the Company. Such incidents could also create a greater perception that investment in Indian companies involves a higher degree of risk and could have an adverse impact on the Company's business.

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- (l) **Market Risk:** The Company is in the business of provision of financial services. The overall business of the company is linked to the macroeconomic parameters like GDP growth, capital markets and liquidity. Any adverse movement on these factors will have an adverse impact on the business of the Company. The performance may also be affected by political and economic developments and natural disasters like earthquakes, flood, drought, act of God, etc. These factors may affect the capital markets as well as reliability of the Issuer's assets. Interest rate volatility exposes the Issuer to market risks arising out of maturity rate/ interest rate mismatches, which may have an impact on its financial results.
- (m) **Legality of Purchase:** A prospective Investor of the Debentures will be responsible for the lawfulness of the acquisition of the Debentures, whether under the laws of the jurisdiction of its incorporation or the jurisdiction in which it operates or for compliance by that prospective Investor with any law, regulation or regulatory policy applicable to it.
- (n) **Taxation:** Each Debenture Holder will assume and be solely responsible for any and all taxes of any jurisdiction or governmental or regulatory authority, including, without limitation, any state or local taxes or other like assessment or charges that may be applicable to any payment to it in respect of the Debentures. The Issuer will not pay any additional amounts to Debenture Holders to reimburse them for any tax, assessment or charge required to be withheld or deducted by the Issuer from payments in respect of the Debentures.

(VII). DETAILS OF DEFAULT, IF ANY, INCLUDING THEREIN THE AMOUNT INVOLVED, DURATION OF DEFAULT AND PRESENT STATUS, IN REPAYMENT OF –

Particulars	Amount involved	Duration of default	Present Status
Statutory Dues	NIL	NIL	NIL
Debentures and interest thereon	NIL	NIL	NIL
Deposits and interest thereon	NIL	NIL	NIL
Loan from any bank or financial institution and interest thereon	NIL	NIL	NIL

(VIII) DETAILS OF COMPLIANCE OFFICER:

Name: Ms. Sonia Gaba
Designation: Company Secretary
Address: WS 128/129, Basti Sheikh, Jalandhar
Email: cs@pkffinance.com
Contact No. : (0181) 2238611 ext: 222

(IX) Any Default in Annual Filing of the Company under the Companies Act, 2013 or the Rules made thereunder: **NIL**

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2. PARTICULARS OF THE OFFER

(i)	Financial Position of the Company for the last 3 Financial Years	The Details of Financial Position of the Company for the last 3 Financial Years are mentioned at Point No. 5 of this Offer cum Application Letter.
(ii)	Date of passing Board Resolution	July 31, 2019
(iii)	Date of passing of resolution in the general meeting, authorising the offer of securities	September 08, 2018
(iv)	Kind of Securities offered (i.e. whether share or debenture) and class of security; The total number of shares or other securities to be issued	Secured Redeemable Non Convertible Debentures (Series-23) 20,000 Secured Redeemable Non Convertible Debentures (Series-23) At Price Of Rs.1000 Each For Cash At Par Aggregating To Rs.2,00,00,000/- (Rupees Two Crores Only).
(v)	Price at which the security is being offered including the premium, if any, along with justification of the price	Debenture are being issued at face value at Rs. 1000/- (Rupees One Thousand Only) for cash at par.
(vi)	Name and address of the valuer who performed valuation of the security offered, and basis on which the price has been arrived at along with report of the Registered Valuer.	As securities are not convertible into equity shares at any point of time, so Valuation is not applicable in case of Non-Convertible Debentures.
(VII)	Relevant date with reference to which the price has been arrived at;	Not Applicable
(VIII)	Class or classes of	Resident Indians, Body Corporates

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	persons to whom the allotment is proposed to be made			
(IX)	Intention of promoters, directors or key managerial personnel to subscribe to offer (applicable in case they intend to subscribe to the offer) [not required in case of issue of non-convertible debentures]	Not required in case of issue of Non-Convertible Debentures		
(X)	The proposed time within which the allotment shall be completed	As may be decided by the Board but within a maximum period of 60 days from the receipt of Application Money.		
(XI)	The names of the proposed allottees and the percentage of post private placement capital that may be held by them [not required in case of issue of non-convertible debentures]: Not Applicable			
(XII)	The change in control, if any, in the company that would occur consequent to the private placement: There shall be no change in management or control of the Company pursuant to the issue of Secured Redeemable Non-Convertible Debentures.			
(XIII)	The number of persons to whom allotment on preferential basis/private placement/rights issue has already been made during the year, in terms of number of securities as well as price: <i>NIL</i>			
	Date of Allotment	No. of persons	No. of Securities	Price of securities
	Nil	Nil	Nil	Nil
(XIV)	The justification for the allotment proposed to be made for consideration other than cash together with valuation report of the registered valuer	Not Applicable		
(XV)	Amount which the Company intends to	Rs 2,00,00,000 (Rupees Two Crore Only) by issue of 20,000 Secured Redeemable Non Convertible Debentures of Rs. 1000/- each		

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	raise by way of proposed offer of securities	
(XVI)	Terms of Raising of Securities	
	i. Duration, if applicable	As per the Scheme of Debentures
	ii. Rate of Dividend	Not Applicable

iii. Rate of Interest

A) Interest Rates of Debentures

Period	NORMAL			SENIOR CITIZEN #		
Years	Non-Cumulative	Cumulative		Non-Cumulative	Cumulative	
	Interest Payable	Interest	Yield	Interest Payable	Interest	Yield
	Monthly			Monthly		
3	8.05%	8.25% (Compounded Yearly)	8.95%	8.55%	8.75% (Compound ed Yearly)	9.54%

The Debentureholder will have the right to exercise Put option before the maturity period but not before 13 months and the interest Payable will be as under:-

1. Lock-in-period = 13 months.
2. 0.40% less than the agreed rate if withdrawn between 13 months to less than 24 months.
3. 0.25% less than the agreed rate if withdrawn between 24 months to less than 36 months.

iv. Mode of Payment	<p>All cheques/drafts should be in favour of “PKF Finance limited” and crossed ‘Account Payee Only’ payable at par at the centre where the same is deposited. The entire amount of Debenture is payable on application subject to minimum application size of 20 Debentures and in multiples of 1 Debenture thereafter.</p> <p>In case the payment is made by Real Time Gross Settlement (RTGS), the funds have to be credited to the Company’s RTGS account, the details of which are given below:</p> <p>Name of the Bank : Punjab National Bank</p> <p>Address of the Bank : G.T Road, Jalandhar</p> <p>Name of the Beneficiary : PKF Finance Limited</p> <p>Bank A/c No. : 3511002102850945</p> <p>IFSC : PUNB0351100</p>
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PKF FINANCE LIMITED

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E-mail: cs@pkffinance.com; Tel.: (0181) 2238611-15

Website: www.pkffinance.com; CIN - U65921PB1994PLC014314,

[Contact Persons: Ms. Sonia Gaba, Company Secretary]

	v. Repayment	<p>The Debentures will be redeemed at par on the date of Redemption.</p> <p>Payment on redemption will be made by Cheque(s)/ Demand Draft/ Electronic mode in the name of the Debenture holder whose name appears on the register of debenture-holders maintained by the Company as on the Record Date. On the Company dispatching the redemption amount to the beneficiary (ies) by registered post/speed post/courier/hand delivery/electronic means, the liability of the Company shall stand extinguished.</p> <p>The Debentures shall be taken as discharged on dispatch of redemption warrants by the Company on maturity to the list of debenture-holders.</p> <p>The Company's liability to the Debenture holders towards all their rights including for payment or otherwise shall cease and stand extinguished from the due date of redemption in all events. Further the Company will not be liable to pay any interest or compensation from the date of redemption.</p>													
(XVII)	Proposed Time Schedule for which the private placement offer cum application letter is valid	<p>Issue opens on : 01/08/2019 Issue close on: 31/08/2019</p> <p>The board may at its discretion allot the equity shares in one or more tranches and also may close the issue before or after the closing date/time mentioned above.</p>													
(XVIII)	Purposes and object of the offer	<p>The present issue of Debentures is being made pursuant to applicable regulations to meet our requirements relating to working capital, general corporate purposes and normal capital expenditure.</p>													
(XIX)	<p>Contribution proposed to be made by the promoters or directors in this offer separately in furtherance of such objects:</p> <table><tr><th>Sr. No</th><th>Name</th><th>Designation</th><th>No of shares proposed to be allotted</th><th>Amount of Shares</th></tr><tr><td>1.</td><td>Nil</td><td>Nil</td><td>Nil</td><td>Nil</td></tr></table>					Sr. No	Name	Designation	No of shares proposed to be allotted	Amount of Shares	1.	Nil	Nil	Nil	Nil
Sr. No	Name	Designation	No of shares proposed to be allotted	Amount of Shares											
1.	Nil	Nil	Nil	Nil											
	Principal Terms of Assets charged as security:	<p>The Company by way of first charge/mortgage in favor of the Trustee, the Companies' present and future movable properties of the company and such assets may include exclusive assets given on Hire purchase/Hypothecation, financial and other investments (excluding investments purchased for the purpose of Statutory Liquidity requirement) marketable and other securities including shares, rights relating to booking of Motor Vehicles, Book debts present and/or future rental receivables relating to loans and advances and other movable assets to be acquired or created out of the proceeds of this debenture issue but subject to prior charge.</p>													

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		created or to be created in favor of Company's bankers on the assets of the company in the ordinary course of business and subject to that all such assets/securities are acceptable under the agreement to the trustee and pledge of respective documents subject to minimum of 100% of the debenture issued.
(XX)	The details of any significant and material orders passed by the Regulators, courts and Tribunals impacting the going concern status of the company and its future operationsC	Nil

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(XXI) Pre issue and post issue shareholding pattern of the company in the following format-

S. N o.	Category	Pre-issue		Post-issue	
		No. of Equity Shares	Percentage	No. of Equity Shares	Percentage
A.	Promoters' holding:				
1	Indian :				
	Individual	6,94,700	13.90%	6,94,700	13.90
	Bodies Corporate	0	0.00%	0	0.00%
	Sub Total	6,94,700	13.90%	6,94,700	13.90
2	Foreign Promoters	0	0.00%	0	0.00%
	Sub Total (A)	0	0.00%	0	-
B	Non Promoters holding :				
	Institutional Investors	0	0.00%	0	-
	Non- Institution :				
	Private Corporate Bodies	0	0.00%	0	0.00%
	Directors and Relatives	1,40,033	2.80%	1,40,033	2.80
	Indian Public	11,68,067	23.36%	11,68,067	23.36
	Others (including NRIs)	0	0.00%	0	-
	Other than Promoters (Body Corp)	29,97,200	59.94%	29,97,200	59.94
	Sub Total (B)	43,05,300	0.00%	43,05,300	0.00%
	Grand Total	50,00,000	100.00%	50,00,000	100

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3.MODE OF PAYMENT FOR SUBSCRIPTION: Cheque/ Demand Draft/ Other Banking Channels.

4. DISCLOSURES WITH REGARD TO INTEREST OF DIRECTORS, LITIGATION ETC.

(i)	Any financial or other material interest of the directors, promoters or key managerial personnel in the offer and the effect of such interest in so far as it is different from the interests of other persons.	NIL
(ii)	details of any litigation or legal action pending or taken by any Ministry or Department of the Government or a statutory authority against any promoter of the offeree company during the last three years immediately preceding the year of the circulation of the offer letter and any direction issued by such Ministry or Department or statutory authority upon conclusion of such litigation or legal action shall be disclosed	NIL
(iii)	Remuneration of directors (during the current year and last three financial years)	As per annexure 1
(iv)	Related party transactions entered during the last three financial years immediately preceding the year of circulation of offer letter including with regard to loans made or, guarantees given or securities provided	As per Annexure 2
(v)	Summary of reservations or qualifications or adverse remarks of auditors in the last five financial years immediately preceding the year of circulation of offer letter and of their impact on the financial statements and financial position of the company and the corrective steps taken and proposed to be taken by the company for each of the said reservations or qualifications or adverse remark	NIL
(vi)	Details of any inquiry, inspections or investigations initiated or conducted under the Companies Act or any previous company law in the last three years immediately preceding the year of circulation of offer letter in the case of company and all of its subsidiaries. Also if there were any prosecutions filed (whether pending or not) fines imposed, compounding of offences in the last three years immediately preceding the year of the offer letter and if so, section-wise details thereof for the company and all of its	NIL

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	subsidiaries	
(vii)	Details of acts of material frauds committed against the company in the last three years, if any, and if so, the action taken by the company	NIL

5. FINANCIAL POSITION OF THE COMPANY

(a) CAPITAL STRUCTURE OF THE COMPANY

(i) Share Capital as on date is mentioned below:

A. Authorized Capital	Rs. 12,00,00,000/-
60,00,000 Equity Shares of 10 each	6,00,00,000/-
60,00,000 Preference Shares of 10 each	6,00,00,000/-
Issued, Subscribed and Paid up Capital	Rs. 8,33,86,350/-
50,00,000 Equity Shares of 10 each	Rs. 5,00,00,000/-
33,38,635 Preference Shares of 10 each	Rs. 3,33,86,350/-
B. Size of the present offer	
20,000 Secured Redeemable Non Convertible Debentures (Series-23) At Price Of Rs.1000 Each For Cash At Par Aggregating To Rs.2,00,00,000/- (Rupees Two Crores Only)	Rs. 2,00,00,000/-
C. Paid up Capital	Rs.8,33,86,350/-
i. Paid up Capital after the present issue	Rs.8,33,86,350/-
ii. after conversion of convertible instrument, if any	Nil
D. Share Premium Account (before and after the offer)	Nil

(ii) The details of the existing share capital of the issuer company in a tabular form, indicating therein with regard to each allotment, date of allotment, the number of shares allotted, the face value of shares allotted, the price and the form of consideration:

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Share Capital History of the Company

The Preference Share Capital of the Company as on March 31, 2008 was Rs. 2,74,00,000/- .
The following changes took place after March 31, 2008

DATE OF ALLOTMENT	NUMBER OF SHARES ALLOTTED	FACE VALUE OF THE SHARES (in Rs.)	PRICE (in Rs.)	FORM OF CONSIDERATION
31/03/08	963000	10	96,30,000	CASH
01/04/11	332235	10	33,22,350	shares have been allotted in lieu of premium on share

Share Allotments made in last one year preceding the date of offer letter:

DATE OF ALLOTMENT	NUMBER OF SHARES ALLOTTED	FACE VALUE OF THE SHARES (in Rs.)	PRICE (in Rs.)	FORM OF CONSIDERATION
29/03/2016	2170000	10	2,17,00,000	By Cheque

b. Profits of the company, before and after making provision for tax, for the three financial years immediately preceding the date of issue of private placement offer cum application letter:

Particulars	31/03/19	31/03/18	31/03/17
Net profit before tax	2,08,07,382	1,98,63,215	2,31,12,795
Tax expense	57,98,497	62,52,267	76,84,530
Net profit after tax	1,50,08,885	1,36,10,948	1,54,28,265

(c) Dividends declared by the company in respect of the said three financial years; interest coverage ratio for last three years (Cash profit after tax plus interest paid/interest paid):

Particulars	31/03/19	31/03/18	31/03/17
Dividend declared	95,54,640	96,89,876	0
Interest Coverage Ratio	1.26	1.28	1.35

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(d) A summary of the financial position of the company as in the three audited balance sheets immediately preceding the date of issue of private placement offer cum application letter:

AUDITED ANNUAL FINANCIAL RESULTS BALANCE SHEET

Particulars	March 31, 2019	March 31, 2018	March 31, 2017
I. Equity & Liabilities			
(1) Shareholder's Funds			
(a) Share Capital	8,33,86,350	8,33,86,350	8,33,86,350
(b) Reserves and Surplus	11,79,03,263	11,24,49,018	10,85,27,946
	<u>20,12,89,613</u>	<u>19,58,35,368</u>	<u>19,19,14,296</u>
(2) Non-Current Liabilities			
(a) Long-term borrowings	35,20,17,310	28,39,80,354	16,64,65,160
(b) Long-term provisions	3,58,65,994	2,43,39,432	1,53,16,542
	<u>38,78,83,304</u>	<u>30,83,19,786</u>	<u>18,17,81,702</u>
(3) Current Liabilities			
(a) Short-term borrowings	22,40,05,947	24,51,46,314	18,94,90,155
(c) Other current liabilities	21,84,96,817	21,95,66,116	25,87,89,166
(d) Short-term provisions	85,56,000	76,82,000	98,37,000
	<u>45,10,58,764</u>	<u>47,23,94,430</u>	<u>45,81,16,321</u>
Total (1+2+3)	104,02,31,681	97,65,49,584	83,18,12,319
II. Assets			
(1) Non-current assets			
(a) Fixed assets			
Tangible assets	1,90,13,426	1,89,02,053	1,62,39,479
(b) Non-current investments	4,80,02,968	5,61,50,968	4,78,29,868
(c) Deferred tax assets (net)	85,24,432	57,66,929	43,37,196
(d) Long term loans and advances	58,54,18,900	54,03,31,509	44,54,85,717
(e) other non current assets	16,45,398	6,99,863	3,27,349
	<u>66,26,05,124</u>	<u>62,18,51,322</u>	<u>51,42,19,609</u>
(2) Current assets			
(a) Cash and cash equivalents	1,75,55,018	1,26,64,384	1,57,20,278
(b) Short-term loans and advances	34,27,47,492	32,67,96,544	28,85,09,410
(c) other current assets	1,73,24,047	1,52,37,334	1,33,63,022
	<u>37,76,26,557</u>	<u>35,46,98,262</u>	<u>31,75,92,710</u>
Total (1+2)	104,02,31,681	97,65,49,584	83,18,12,319

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STATEMENT OF PROFIT AND LOSS:

PARTICULARS	FOR YEAR ENDED 31.03.2019	FOR YEAR ENDED 31.03.2018	FOR YEAR ENDED 31.03.2017
1. Revenue From Operations	15,31,48,636	13,25,63,215	12,18,53,415
2. Other Income	16,73,153	29,27,210	24,21,162
3. Total Income (1+2)	15,48,21,789	13,54,90,524	12,42,74,577
4. Expenses:			
Employee Benefit Expenses	3,15,63,850	2,90,84,325	2,31,51,677
Finance Cost	6,88,21,912	5,77,31,212	5,13,55,595
Depreciation And Amortization Expense	26,95,156	21,51,036	22,12,904
Other Expenses	1,54,02,174	1,42,62,034	1,31,94,659
Provisions And Write Off	1,55,31,315	1,23,98,603	1,12,46,947
Total Expenses	13,40,14,407	11,56,27,210	10,11,61,782
5. Profit Before Excpption And Extraordinary Items And Tax 3-4	2,08,07,382	1,98,63,215	2,31,12,795
6. Exceptional Items	0	0	0
7. Profit Before Extraordinary Items And Tax 5-6	2,08,07,382	1,98,63,215	2,31,12,795
8. Extraordinary Items	0	0	0
9. Profit Before Tax 7-8	2,08,07,382	1,98,63,215	2,31,12,795
10. Tax Expense			
Current Tax	-85,56,000	-76,82,000	-98,37,000
Deferred Tax	27,57,503	14,29,733	21,62,608
Income Tax Of Earlier Years	0	0	-10,138
	-57,98,497	-62,52,267	-76,84,530
11. Profit For The Period From Continuing Operations 9-10	1,50,08,885	1,36,10,948	-1,54,28,265
12. Profit From Discountinuing Operations	0	0	0
13 Tax Expense Of Discountinuing Operations	0	0	0
14. Profit From Discountinuing Operations (after Tax)	0	0	0
15. Profit For the Period (11- 14)	1,50,08,885	1,36,10,948	1,54,28,265
Earnings Per Equity Share			
(1) Basic	2.32	2.02	2.35
(2) Diluted	2.50	2.26	2.35

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(e) Audited Cash Flow Statement for the three years immediately preceding the date of issue of private placement offer cum application letter:

Cash Flow Statement for the year ended on		31/03/2019		31/03/2018		31/03/17
A) CASH FLOW FROM OPERATING EXPENSES						
Profit Before Tax	2,08,07,382		1,98,63,215		23,11,279	
Add Financial Expenses	6,88,21,912	8,96,29,294	5,77,31,212	7,75,94,427	5,13,55,595	7,44,68,390
Add Depreciation	26,95,156		21,51,036		22,12,904	
Add Premium on Investment written off	52,000		2,72,000		0	
Add Provision for NPA	1,13,87,199		82,24,496		72,64,760	
Add Provisions For Standard Assets	1,39,363	1,42,73,718	7,98,394	1,14,45,926	7,55,157	1,02,32,821
Less:						
Profit on sale of Fixed assets	-1,30,132		-1,19,405		0	
Dividend Received	-81,895		-81,995		-45,895	
Interest received on Government Securities	-42,93,099		-44,67,753		-45,58,470	
Tax Paid	-87,24,420	-1,32,29,546	-105,83,967	-1,52,53,120	73,28,838	1,19,33,203
Operating Profits Before Working Capital Changes		9,06,73,466		7,37,87,233		7,27,68,008
Working Capital Changes :						

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Change In Long Term Advances	-4,50,87,391		-	948,45,792	10,87,92,515	
Change in Non Current assets	-76,425		-9,000		0	
Change In Short Term Advances	-1,59,50,948		-	382,87,134	4,29,31,513	
Change In Other Current Assets	-19,65,403		-12,93,891		1,52,914	
Change In Current Liabilities	-1,16,79,979	-7,47,60,146	-	-17,20,73,883	8,85,32,849	-
		1,59,13,320		-9,82,86,650		97,29,743
Less: Financial Expenses		-5,82,11,232		-5,93,16,196		-
Cash Flow From Operating Activities		-4,22,97,912		-15,76,02,846		3,64,92,261
B) Cash Flow From Investing Activities						
Purchase Of Fixed Assets	-29,02,973		-52,74,920		14,65,325	
Change in investments	81,48,000		-87,90,068		1,19,90,000	
Dividend And Interest Received	43,74,994		45,49,748		46,04,365	
Sale of Fixed Assets	2,26,576		5,80,715		0	
Cash Flow From Investing Activities		98,46,597		-89,34,525		1,51,29,040
C) Cash Flow From Financing Activities						
Change In Long Term Borrowing	6,80,36,956		11,75,15,194		1,05,37,053	
Change In Short Term Borrowing	-2,11,40,367		5,56,56,159		4,57,27,780	

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Dividend And Dividend Tax Paid	-95,54,640		-96,89,876		-70,99,580	
Cash Flow From Financing Activities		3,73,41,949		16,34,81,477		2,80,91,147
Net Increase In Cash/ Cash Equivalents (A+B+C)		48,90,634		-30,55,894		67,27,926
Cash & Cash Equivalents At The Beginning of the Year		1,26,64,384		1,57,20,278		89,92,352
Cash & Cash Equivalents at the end of the Year		1,75,55,018		1,26,64,384		15720278

(f) CHANGE IN ACCOUNTING POLICIES DURING THE LAST THREE YEARS AND THERE EFFECT ON THE PROFITS AND RESERVES OF THE COMPANY:

There is no change in the accounting policies of the Company during the last three years.

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PART-B

(To be filed by the Applicant)

(i)	Name	
(ii)	Father's Name	
(iii)	Complete Address including Flat/ House Number, Street, Locality, Pin Code	
(iv)	Phone Number, if any	
(v)	Email Id, if any	
(vi)	PAN Number	
(vii)	Bank Account Details	
(viii)	Mode of Payment Details (Cheque/ Demand Draft/ Other Banking Channels)	
(ix)	No. of Shares Applied for(in Figures as well as in words)	
(x)	Total Amount(in Figures as well as in words)	
(xi)	Joint Holder's Name	
(xii)	Occupation (Agriculture/ Business/ Housewife/ Service/ Professional/ Retired/ Others (Please Specify)	
(xiii)	Category of sole first applicant (Individual/ Trust/ Corporate Bodies/ Partnership/ HUF/ Relative of Promoter or Director/ Shareholder (Folio No.)/ Associate of Promoter or Director	
(xiv)	Nominee Details	

Signature

Initial or the officer of the Company designated to keep the record

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6. DECLARATION BY BOARD OF DIRECTORS

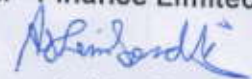
The Board of Directors of the Company hereby declares as under:-

- a) the company has complied with the provisions of the Act and the rules made there under;
- b) the compliance with the said Act and the rules made thereunder do not imply that payment of dividend or interest or repayment of preference shares or Debentures, if applicable, is guaranteed by the Central Government;
- c) the monies received under the offer shall be used only for the purposes and objects indicated in the Private Placement Offer cum Application Letter.

I am authorized by the Board of Directors of the Company vide Resolution No.05, July 31, 2019, to sign this form and declare that all the requirements of Companies Act, 2013 and the rules made there under in respect of the subject matter of this form and matters incidental thereto have been complied with. Whatever is stated in this form and in the attachments thereto is true, correct and complete and no information material to the subject matter of this form has been suppressed or concealed and is as per the original records maintained by the promoters subscribing to the Memorandum of Association and Articles of Association. It is further declared and verified that all the required attachments have been completely, correctly and legibly attached to this form.

Date: July 31, 2019
Place: Jalandhar

For and on Behalf of Board of
PKF Finance Limited



Ashim Sondhi
Whole Time Director
DIN: 07806310

16, Defence Colony, Jalandhar

Attachments: - 1. Copy of Board resolution
2. Copy of Shareholders resolution

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[Contact Persons: Ms. Sonia Gaba, Company Secretary]

Annexure 1: Remuneration of Directors (During the Current year and Last Three Financial Years)

Name	2019-20(April-July 2019)	2018-19	2017-18	2016-17
Mr. Alok Sondhi	Rs 5,50,000/-	Rs. 17,28,272/-	Rs.17,82,779/-	RS.12,61,529 /-
Mr. Vivek Sondhi	Rs. 3,26,202/-	Rs. 11,87,903/-	Rs.11,03,937/-	Rs. 8,28,896/-
Mr. Ashim Sondhi	Rs. 6,96,250/-	Rs. 16,44,957/-	Rs.12,19,299/-	N.A

Annexure 2:

a) Related Party Transaction for the year ended 31/03/2019

Nature of transaction	Key managerial personnel	Relatives of KMP	Associates	Total
Income				
Dividend	Nil	Nil	81,895	81,895
Expenses				
Remuneration	46,04,332	Nil	Nil	46,04,332
Interest	3,44,047	22,63,699	70,50,244	96,57,990
Director meeting fees	1,14,000	36,000	Nil	15,000
Service/ outsourcing fees	Nil	Nil	5,40,000	5,40,000
Dividend	7,37,525	1,97,700	30,93,169	40,28,394
Asset				
Preference shares	Nil	Nil	Nil	Nil
Liabilities				
Equity Shares	59,32,000	19,77,000	2,99,72,000	3,78,81,000
Preference Shares	14,50,000	Nil	Nil	14,50,000
Deposit	26,14,871	2,12,48,566	Nil	2,38,63,437

PKF FINANCE LIMITED

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b) Related Party Transaction for the year ended 31/03/2018

Nature of transaction	Key managerial personnel	Relatives of KMP	Associates	Total
Income				
Dividend	Nil	Nil	81,895	81,895
Expenses				
Remuneration	41,04,215	Nil	Nil	41,04,215
Interest	3,54,759	20,98,861	59,05,914	83,59,534
Director meeting fees	85,500	28,000	Nil	1,13,500
Rent	Nil	Nil	Nil	Nil
Dividend	7,41,325	1,96,700	30,93,169	40,31,194
Asset				
Preference shares	Nil	Nil	8,98,000	8,98,000
Liabilities				
Equity Shares	61,32,000	22,22,000	2,99,72,000	3,83,26,000
Preference Shares	14,50,000	Nil	10,62,850	25,12,850
Deposit	27,09,834	2,22,67,024	39,32,800	2,89,09,658

c) Related Party Transaction for the year ended 31/03/2017

Nature of transaction	Key managerial personnel	Relatives of KMP	Associates	Total
Income				
Dividend	Nil	Nil	45,895	45,895
Expenses				
Remuneration	19,18,022	2,10,841	Nil	21,28,863
Interest	1,30,069	25,85,077	61,05,898	88,21,044
Director meeting fees	Nil	28,000	Nil	28,000
Rent	Nil	Nil	4,80,000	4,80,000
Dividend	7,06,000	1,43,128	12,23,514	20,72,642
Asset				
Preference shares	Nil	Nil	8,98,000	8,98,000
Liabilities				
Equity Shares	58,20,000	24,94,000	2,99,72,000	3,82,86,000
Preference Shares	14,00,000	50,000	10,62,850	25,12,850
Deposit	5,24,600	1,72,80,360	27,07,506	2,05,12,466