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**SUBHKIRAN CAPITAL LIMITED**  
(Corporate Identity Number: U65993TG1997PLC116971)  
**FORM NO PAS-4**  
**[see Rule 14(3)]**

**PART-A**  
**PRIVATE PLACEMENT OFFER CUM APPLICATION LETTER**

**1. GENERAL INFORMATION**

- i) Name, address, website and other contact details of the company indicating both registered office and corporate office;

**SUBHKIRAN CAPITAL LIMITED**

Registered Office:

Flat No. 407, Malik Chambers, Hyderguda,  
Hyderabad – 500029, Telangana.

Phone : 0484 2442590

Website : <http://subhkirancapital.com>

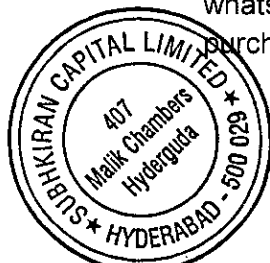
Fax : Nil

E-mail : [ck.renjan@subhkirancapital.com](mailto:ck.renjan@subhkirancapital.com)

- ii) Date of incorporation of the company: 6th May, 1997
- iii) Business carried on by the company and its subsidiaries with the details of branches or units, if any;

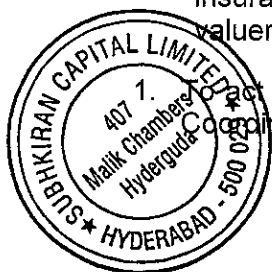
The Issuer Company's based in Hyderabad, Telangana, India with the objects:

1. To carry on and undertake in India & abroad finance business of all types like – general finance, housing finance, share finance, bill discounting, discounting of general finance documents and hire purchase documents, belonging to any individual, firm, association, body corporate, factoring, gold loans, consumer loans etc., investment business, hire-purchase business, leasing business and to do finance lease operations of all kinds, in respect of all kinds of movable and immovable property including plant and machinery, land and buildings, appliances, equipments, furniture and fixtures, computers and business machines, electronics, electrical and mechanical instruments, vehicles of all kinds, agricultural machinery, house hold equipments, and all types of plant, equipments, commercial, industrial and trading assets as the company may deem fit., to purchase, or otherwise acquire own, invest, sell, or otherwise acquire, hire or let on hire all kinds of immovable and movable property in any part of the country including agricultural and urban land, buildings, plant and machinery, equipment, gems, jewellery, metals of all kinds, ships, aircraft, automobiles, computers and all consumer, commercial and industrial items upon any terms whatsoever and to lease or otherwise deal with them in any manner whatsoever including resale thereof regardless of whether the property purchased and leased be new and/or used.



2. To carry on the business of promoting or assisting in promoting business enterprises including industrial, manufacturing, trading, financing or other enterprises by providing finance, whether by way of making loans or advances or placing deposits with, or subscribing to capital, debentures (convertible & nonconvertible), bonds or securities and to assist business concerns, including industrial, trading or financing concerns, whether new or existing as the company may deem fit, for creation, expansion and modernization etc., whether by subscription to capital, debentures (convertible & nonconvertible), bonds or securities, by granting financial accommodation by way of loans, advances or by placing deposits.
3. To carry on the business of an issue house and act as the managers to issue of shares, debentures, bonds of convertible or non-convertible nature or any other securities of companies, bodies corporate, institutions or Government and/or to underwrite or act as brokers, commission agents for new issues of shares, debentures and bonds of convertible nature or otherwise, Government securities including Government Bonds, loans, National Savings Certificates, Post office saving schemes, units of investment including units of all mutual funds, to act as agents or brokers to any individual, firm, association, body corporate, company, Government or any other person for procuring finance of any type, for buying or selling shares, stocks, debentures (of any sort), fixed deposits of any company or corporate body and to act as transfer agents for shares, debentures, fixed deposits and other securities, to subscribe for, absolutely or conditionally purchase or otherwise acquire and to hold, dispose off and trade in shares, stocks and securities of any other companies, whether Indian or foreign and whether listed or not, to act as trustees and managers of financial portfolios for individuals, association of persons, or bodies corporate, trusts and do all acts necessary in carrying on such activity and to provide executive, supervisory and consultancy services particularly in respect of finance, personnel, administration, accounts, planning, production and research and development for the benefit of any person including, individual, firm, society, trust, company, body corporate.
4. To carry on the business of purchase, own, acquire, take on lease or hire or rent, develop, construct, demolish, enlarge, rebuild, renovate, decorate, repair, maintain, transfer or otherwise disposed off, relinquish, exchange, trade lease or let on hire or rent pledge, mortgage or otherwise deal in lands, plots, estates, residential or commercial buildings, townships, colonies, holiday resorts, apartments, flats, markets, gardens, roads, dams, constructions, bridges, culverts, flyovers, structures, godowns, theatres, auditoriums, stadiums, easements or other interest/rights in immovable properties, amenities and conveniences thereof and construction or other material of every kind and description including sand, steel, cement, bricks, wood, sanitary and electrical materials, lime stones and products made thereof.
5. To carry on the business as insurance agent for of all kinds and classes insurance and to receive commission or remuneration of the insurance business so procured as insurance agent and / or insurance broker and / or writing agent for all classes of insurance business and business as insurance advisors, consultants, assessors, valuers and surveyors.

and to act as Recovery Agent, Credit Verification Agent, Business Facilitators, Business Coordinators of Banks



As on date of this Offer Letter, the Issuer has no subsidiaries.

iv) Brief particulars of the management of the company;

Board of Directors of the Company currently consists of Four (4) Directors and all management powers are vested with the Board. The details of Board of Directors can be found in point No. (v)

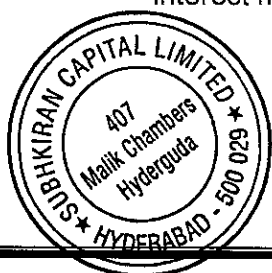
v) Names, addresses, DIN and occupations of the directors;

Sl. No	Name of the Director	Full Address	Designation	Date of Appointment	DIN	Occupation
1.	Prof. C.K. Renjan	Chandrasseril, Peruvaram, North Paravur P.O, Ernakulam 683513	Chairman & Managing Director	06/01/2016	03410956	Business
2.	P.C. Bhaskaran	Pullarkatt House, Paravoothara, North Paravoor PO, Ernakulam 683513	Whole-time Director	08/04/2016	03409109	Business
3.	P. Prakasan	Sindhu Sreeragam, Mampilly Pattanam, Vadakkekara P.O., Moothakunnam, Ernakulam 683516	Whole-time Director	06/01/2016	03410961	Business
4	T. Pradeep	Therambath House, Near Asan Road Bus Stop, Engandiyur PO, Thrissur 680615	Whole-time Director	08/04/2016	07319245	Business

vi) Management's perception of risk factors;

- 1. Our financial performance is particularly vulnerable to interest rate volatility. If we are unable to manage interest rate risk in the future it could have an adverse effect on our net interest margin, thereby adversely affecting business and financial condition of our company.***

Our results of operations are substantially dependent upon the level of our Net Interest Margins. Interest income from our financing activities is the largest component of our total income. We borrow and lend funds on both fixed and floating rates. Volatility in interest rates can materially and adversely affect our financial performance. In a rising interest rate environment, if the yield on our interest-earning assets does not increase simultaneously with or to the same extent as our cost of funds, or, in a declining interest rate environment, if our cost of funds does not decline simultaneously or to the same extent as the yield on our interest-earning assets, our net interest income and net interest margin would be adversely impacted.



Accordingly, our operations are susceptible to fluctuations in interest rates. Interest rates are highly sensitive and fluctuations thereof are dependent upon many factors which are beyond our control, including the monetary policies of the RBI, de-regulation of the financial services sector in India, domestic and international economic and political conditions, inflation and other factors. Rise in inflation, and consequent changes in bank rates, repo rates and reverse repo rates by the RBI have led to an increase in interest rates on loans provided by banks and financial institutions, and market interest rates in India have been volatile in recent periods.

We do not hedge our exposure to interest rate changes. We cannot assure you that we can adequately manage our interest rate risk in the future. Further, changes in interest rates could affect the interest rates charged on interest earning assets and the interest rates paid on interest bearing liabilities in different ways. Thus, our results of operations could be affected by changes in interest rates and the timing of any re-pricing of our liabilities compared with the re-pricing of our assets.

**2. Our business requires substantial capital, and any disruption in funding sources would have a material adverse effect on our liquidity and financial condition.**

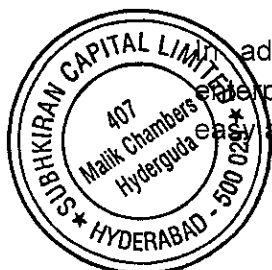
As an NBFC, our liquidity and on-going profitability are, in large part, dependent upon our timely access to, and the costs associated with, raising capital. Our funding requirements historically have been met from issuance of equity shares and unsecured loan from M/s. Subhakaran Assets LLP. Thus, our business depends and will continue to depend on our ability to access diversified funding sources. Our ability to raise funds on acceptable terms and at competitive rates continues to depend on various factors including our credit ratings, the regulatory environment and policy initiatives in India, investors' and/or lenders' perception of demand for debt and equity securities of NBFCs, and our current and future results of operations and financial condition. While our borrowing costs have been competitive in the past, if we are unable to access funds at an effective cost that is comparable to or lower than our competitors, we may not be able to offer competitive interest rates for our loans. This may adversely impact our business, prospects, cash flow, results of operations and financial condition.

Changes in economic and financial conditions or continuing lack of liquidity in the market could make it difficult for us to access funds at competitive rates. Such conditions may lead to a disruption in our primary funding sources at competitive costs and would have a material adverse effect on our liquidity and financial condition.

**3. High levels of customer defaults or delays in repayment of loans could adversely affect our business, financial condition and results of operations.**

Our business involves lending money and accordingly we are subject to customer default risks including default or delay in repayment of principal and/or interest on our loans. Customers may default on their obligations to us as a result of various factors including bankruptcy, lack of liquidity, lack of business and operational failure. If borrowers fail to repay loans in a timely manner or at all, our financial condition and results of operations will be adversely impacted.

In addition, our customer portfolio consists of individuals, small and medium enterprises and other group of the under banked community, who do not typically have easy access to financing from commercial banks or other organized lenders and often



have limited credit history. Such borrowers generally are less financially resilient than larger corporate borrowers, and, as a result, they can be more adversely affected by declining economic conditions. In addition, we may not receive updated information regarding any change in the financial condition of our customers or may receive inaccurate or incomplete information as a result of any fraudulent misrepresentation on the part of our customers. Furthermore, unlike several developed economies, a nationwide credit bureau has only recently become operational in India, so there is less financial information available about the creditworthiness of our customers. It is therefore difficult to carry out precise credit risk analyses on our clients.

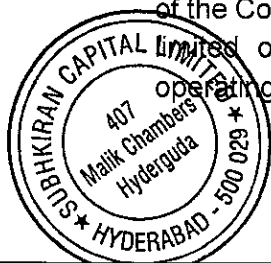
Our Company has in the past faced various instances of customers having defaulted and/or failed to repay dues in connection with loans and/or finance provided by our Company and has also initiated various legal proceedings in connection therewith. Further our Company also in certain cases restructured the terms and conditions of loans and/or finance provided by us, subject to applicable statutory and/or regulatory requirements. Further, another source of funding is repayment of loans by our customers. Any delays in repayment of loans by our customers in a timely manner or at all, could impact our funding plans. Customer defaults could also adversely affect our levels of NPAs and provisioning of the same, which could in turn adversely affect our operations, cash flows and profitability. Although we believe that our risk management controls are sufficient, we cannot be certain that they will continue to be sufficient or that additional risk management policies for individual borrowers will not be required. Failure to continuously monitor the loan contracts, could adversely affect our credit portfolio which could have a material and adverse effect on our results of operations and financial condition.

**4. If we are unable to manage the level of NPAs in our Loan Assets, our financial position and results of operations may suffer.**

We cannot be sure that we will be able to improve our collections and recoveries in relation to our NPAs or otherwise adequately control our level of NPAs in future. Moreover, as our loan portfolio matures, we may experience greater defaults in principal and/or interest repayments. Moreover, there also can be no assurance that there will be no further deterioration in our provisioning coverage as a percentage of Gross NPAs or otherwise, or that the percentage of NPAs that we will be able to recover will be similar to our past experience of recoveries of NPAs. In the event of any further deterioration in our NPA portfolio, there could be an even greater, adverse impact on our results of operations.

**5. We have limited operating history and evolving business make it difficult to evaluate our business and future operating results on the basis of our past performance, and our future results may not meet or exceed our past performance.**

The present management has acquired our Company in the year 2016 from the erstwhile management to start financial services. Subsequently, we started offering various products such as gold loan, personal loan and MSME loan. As per the strategy of the Company, we have recently forayed into microfinance lending. As a result of our limited operating history under the new management, there is limited historical operating information available to help prospective investors to evaluate our past



performance as an entity. Given we have limited operating history in the loan finance business, we may face significant challenges in developing and institutionalizing our procedures and policies for that business. The loan finance business would require extensive monitoring, strict compliance with KYC requirements and prudent risk management. Our growth plans will place significant demands on our operational, credit, financial and other internal risk controls, making our management of asset quality increasingly important.

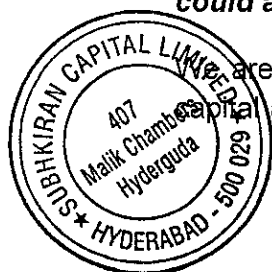
Our business in each sector and overall is growing and the results and amounts set forth in our financial statements may not provide a reliable indication of our future performance. Accordingly, you should evaluate our business and prospects in light of the risks, uncertainties and difficulties frequently encountered by both high growth companies and financial institutions that are in the early stages of development. Our failure to mitigate these risks and uncertainties successfully could materially adversely affect our business and operating results.

**6. We may not be able to recover, on a timely basis or at all, the full value of collateral or amounts which are sufficient to cover the outstanding amounts due under defaulted loans.**

Out of our Company's total gross loan portfolio of ₹ 3788.76 lakhs as at March 31, 2020, 29.83% of the aggregate gross value of our loan book i.e. ₹ 1130.13 lakhs is secured by collaterals and ₹ 2558.63 lakhs representing 67.53% of the aggregate gross value of our loan book is unsecured loans. The value of collaterals is dependent on various factors inter-alia including (i) prevailing market conditions, (ii) the general economic and political conditions in India, (iii) the real estate markets in the areas in which we operate, and (iv) in context to Gold loan business, the value of Gold, being the security, is dependent on the International Gold prices. The value of the security provided to us, may be subject to reduction in value on account of other extraneous reasons. Consequently, the realizable value of the security for the loans provided by us, when liquidated, may be lower than principal amount outstanding along with interest and other costs recoverable from such customers. Although we believe that we generally maintain a sufficient margin in the collateral value, if we have to enforce such pledges and if at the time of such enforcement, due to adverse market conditions, the market value of the pledged securities have fallen to a level where we are unable to recover the monies lent by us, along with interest accrued thereon and associated costs, the results of our operations would be adversely affected. In case of any shortfall in margins in connection with the securities pledged as collaterals, we typically call upon the relevant customer to provide further collateral to make up for the deficit in such margins. Furthermore, enforcing our legal rights by litigating against defaulting customers is generally a slow and potentially expensive process in India. Accordingly, it may be difficult for us to recover amounts owed by defaulting customers in a timely manner or at all.

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

are subject to the RBI's guidelines on financial regulation of NBFCs, including



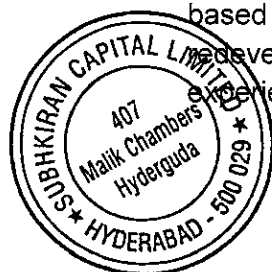
credit flow by banks to NBFCs and provides guidelines to commercial banks with respect to their investment and credit exposure norms for lending to NBFCs. Additionally, we are required to make various filings with the RBI, the Registrar of Companies and other relevant authorities pursuant to the provisions of RBI guidelines, the Companies Act and other regulations.

The laws and regulations governing the non-banking financial services industry in India have become increasingly complex and cover a wide variety of issues such as interest rates, liquidity, securitization, investments, ethical issues, money laundering and privacy. In some cases, there are overlapping regulations and enforcement authorities. Moreover, these laws and regulations can be amended, supplemented or changed at any time such that we may be required to restructure our activities and incur additional expenses to comply with such laws and regulations, which could materially and adversely affect our business and our financial performance. Compliance with many of the regulations applicable to our operations in India, including any restrictions on investments, lending and other activities currently being carried out by our Company, involves a number of risks, particularly in areas where applicable regulations may be subject to varying interpretations. If the interpretation of the regulators and authorities varies from our interpretation, we may be subject to penalties and our business could be adversely affected. We are also subject to changes in Indian laws, regulations and accounting principles and practices. There can be no assurance that the laws governing the Indian financial services sector will not change in the future or that such changes or the interpretation or enforcement of existing and future laws and rules by governmental and regulatory authorities will not adversely affect our business and future financial performance.

**8. Our loan book comprises of unsecured loans forming a part of our MSME loans. Our inability to recover the amounts due from customers in connection with such loans in a timely manner or at all and/or to comply with applicable statutory/regulatory requirements in connection with such loans could adversely affect our operations and profitability.**

Our loan book comprises of unsecured loans forming a part of our MSME loans. Since such loans are unsecured, in case of customer defaults in connection with such loans, our ability to realise the amounts due to us for such loans would be restricted to initiating legal proceedings for recovery, as we will not have the benefit of enforcing any security interest related to such loans. There can be no guarantee as to the time that would be taken for the final disposal of such legal proceedings and/or our ability to obtain favourable decisions in connection therewith.

Because of the unsecured nature of our MSME loans, it is essential that our products are appropriately priced, taking into account a possible high rate of interest and all other relevant factors. In making a decision whether to extend credit to prospective customers, and the terms on which we are willing to provide credit, including the price, we rely heavily on our credit scoring models, and our credit experience gained through monitoring the performance of customers over time. Our credit scoring models are based on previous historical experience. If our credit scoring models are not developed as required or if they do not perform up to target standards we may experience increasing defaults or higher customer acquisition costs.



Our inability to recover the amounts due from customers in connection with such loans in a timely manner or at all and/or to comply with applicable statutory statutory/regulatory requirements in connection with such loans could adversely affect our operations and profitability.

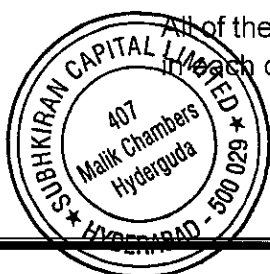
**9. Our business operations involve transactions with relatively high risk borrowers. Any default from our customers could adversely affect our business, results of operations and financial condition.**

We offer a wide range of financial products and services that address the specific financing requirements of low and middle income individuals as well as micro, small, and medium enterprises. Similarly, our loans are principally focused on first time users with limited access to capital through formal banking channels. A significant portion of our customer base is typically less economically stable than large corporates, and as a result, is usually adversely affected by declining economic conditions. Earning capacity of customers in these segments depends on various macro and micro economic factors that affect them from time to time. We have a greater risk of loan defaults and losses in the event there are adverse economic conditions which may have a negative effect on the ability of our borrowers to make timely payments of their loans. A significant portion of our target customers typically have limited access to credit with limited to no prior credit history. As a result, we are more vulnerable to customer default risks including delay in repayment of principal or interest on our loans. Although we have our own customised due diligence and credit analysis procedures, there can be no assurance that we will be able to ensure a lower delinquency rate. Our profitability depends on our ability to evaluate the right income levels of our customers, assess the credit risks and to price our loans accordingly. Our customers may default on their obligations as a result of various factors including bankruptcy, insolvency, lack of liquidity and/or failure of the business or commercial venture in relation to which such borrowings were sanctioned. Certain product segments and micro-enterprise loans in particular, are mostly unsecured and are susceptible to higher levels of credit risks. Failure to maintain sufficient credit assessment policies, particularly for small and medium enterprise borrowers, could adversely affect our credit portfolio which could have a material and adverse effect on our results of operations and financial condition.

**10. We face increasing competition in our business which may result in declining margins if we are unable to compete effectively.**

We face competition in all our lines of business. Our primary competitors are other NBFCs, public sector banks, private sector banks, co-operative banks, Nidhi Companies and foreign banks and the unorganized financiers who principally operate in the markets where we operate. Banks have access to low cost funds which enables them to enjoy higher margins and / or offer finance at lower rates. NBFCs do not have access to large quantities of low cost deposits, a factor which can render them less competitive. In addition, interest rate deregulation and other liberalization measures affecting the retail and small and medium enterprises finance sector, together with increased demand for capital by individuals as well as small and medium enterprises, have resulted in an increase in competition.

All of these factors have resulted in us facing increased competition from other lenders in each of our lines of businesses, including commercial banks and other NBFCs. Our





ability to compete effectively will depend, to some extent, on our ability to raise low-cost funding in the future. Furthermore, as a result of increased competition in the finance sector, finance products are becoming increasingly standardized and variable interest rate and payment terms and lower processing fees are becoming increasingly common in the finance sector in India. There can be no assurance that we will be able to react effectively to these or other market developments or compete effectively with new and existing players in the increasingly competitive finance industry.

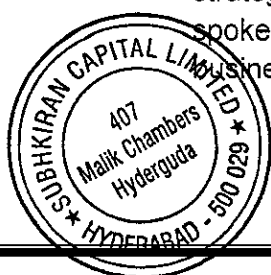
Increasing competition may have an adverse effect on our net interest margin, and, if we are unable to compete successfully, our market share may decline. If we are unable to compete effectively with other participants in the finance sector, our business and future financial performance may be adversely affected.

**11. We are exposed to operational risks, including employee negligence, petty theft, burglary and embezzlement and fraud by employees, customers or third parties, which could harm our results of operations and financial position.**

We also do cash collections to recover our dues. Such cash transactions expose us to the risk of theft, burglary and misappropriation or unauthorized transactions by our employees and fraud by employees, customers or third parties. Our insurance policies, security systems and measures undertaken to detect and prevent these risks may not be sufficient to prevent or deter such activities in all cases, which may adversely affect our operations and profitability. Further, we may be subject to regulatory or other proceedings in connection with any unauthorized transaction, fraud or misappropriation by our representatives and employees, which could adversely affect our goodwill.

**12. We may experience difficulties in expanding our business into new regions and markets in India and introducing our complete range of products in each of our branches.**

Historically, our operations are concentrated in Kerala. As part of our growth strategy, we continue to evaluate attractive growth opportunities to expand our business into new regions and markets in India. Factors such as competition, culture, regulatory regimes, business practices & customs and customer requirements in these new markets may differ from those in our current markets and our experience in our current markets may not be applicable to these new markets. In addition, as we enter new markets and geographical regions, we are likely to compete with other banks and financial institutions that already have a presence in those geographies and markets and are therefore more familiar with local regulations, business practices and customs and have stronger relationships with customers. Our business may be exposed to various additional challenges including obtaining necessary governmental approvals, identifying and collaborating with local business and partners with whom we may have no previous working relationship; successfully gauging market conditions in local markets with which we have no previous familiarity; attracting potential customers in a market in which we do not have significant experience or visibility; being susceptible to local taxation in additional geographical areas of India and adapting our marketing strategy and operations to different regions of India in which different languages are spoken. Our inability to expand our current operations may adversely affect our business prospects, financial conditions and results of operations.

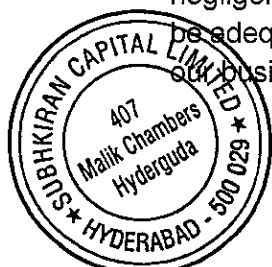


**13. System failures or inadequacy and security breaches in computer systems may adversely affect our business.**

Our business is increasingly dependent on our ability to process, on a daily basis, a large number of transactions. Our financial, accounting or other data processing systems may fail to operate adequately or become disabled as a result of events that are wholly or partially beyond our control including a disruption of electrical or communications services. Our ability to operate and remain competitive will depend in part on our ability to maintain and upgrade our information technology systems on a timely and cost-effective basis. The information available to and received by our management through our existing MIS systems may not be timely and sufficient to manage risks or to plan for and respond to changes in market conditions and other developments in our operations. We may experience difficulties in upgrading, developing and expanding our systems quickly enough to accommodate our growing customer base and range of products. Our operations also rely on the secure processing, storage and transmission of confidential and other information in our computer systems and networks. Our computer systems, software and networks may be vulnerable to unauthorized access, computer viruses or other malicious code and other events that could compromise data integrity and security. Any failure to effectively maintain or improve or upgrade our management information systems in a timely manner could materially and adversely affect our competitiveness, financial position and results of operations. Moreover, if any of these systems do not operate properly or are disabled or if there are other shortcomings or failures in our internal processes or systems, it could affect our operations or result in financial loss, disruption of our businesses, regulatory intervention or damage to our reputation. In addition, our ability to conduct business may be adversely impacted by a disruption in the infrastructure that supports our businesses and the localities in which we are located.

**14. We depend on the accuracy and completeness of information about customers and counterparties for certain key elements of our credit assessment and risk management process. Any misrepresentation, errors in or incompleteness of such information could adversely affect our business and financial performance.**

In deciding whether to extend credit or enter into other transactions with customers, for certain key elements of the credit assessment process, we rely on information furnished to us by or on behalf of customers (including in relation to their financial transactions and past credit history). We may also rely on certain representations from our customers as to the accuracy and completeness of that information. For ascertaining the creditworthiness and encumbrances on collateral we may depend on the respective registrars and sub-registrars of assurances, credit information companies or credit bureaus, and on independent valuers in relation to the value of the collateral, and our reliance on any misleading information given, may affect our judgement of credit worthiness of potential borrowers, and the value of and title to the collateral, which may affect our business, prospects, results of operations and financial condition. We may receive inaccurate or incomplete information as a result of negligence or fraudulent misrepresentation. Our risk management measures may not be adequate to prevent or deter such activities in all cases, which may adversely affect our business prospects, financial condition and results of operations.



**15. We are subjected to supervision and regulation by the RBI as a non - systemically important NBFC, and changes in RBI's regulations governing us could adversely affect our business**

We are subject to the RBI's Master Direction Non – Banking financial Company, Non-Systemically Important Non- deposit taking Company (Reserve Bank) Directions, 2016 ("Master Directions – Non-Systemically NBFC"). The Master Directions – Non-Systemically NBFC further provides directions to all non-systemically important-NBFCs on classification of assets, requirements for provisioning and disclosures to be made in the balance sheet on provisions for bad and doubtful debt and provisions for depreciation in investments.

There can be no assurance that the RBI and/or the Government will not implement regulations or policies, including policies or regulations or legal interpretations of existing regulations, relating to or affecting on classification of assets, requirements for provisioning and disclosures to be made in the balance sheet on provisions for bad and doubtful debt and provisions for depreciation in investments, or otherwise take action, that could have an adverse effect on non-systemically important-NBFCs. In addition, there can be no assurance that any changes in the laws and regulations relative to the Indian financial services industry will not adversely impact our business.

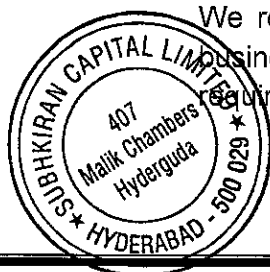
**16. Our success depends in large part upon our management team and key personnel and our ability to attract, train and retain such persons.**

Our ability to sustain our rate of growth depends significantly upon our ability to manage key issues such as selecting and retaining key operations personnel, developing managerial experience to address emerging challenges and ensuring a high standard of client service. In order to be successful, we must attract, train, motivate and retain highly skilled employees, especially branch managers and product executives. If we cannot hire additional qualified personnel or retain them, our ability to expand our business will be impaired and our revenue could decline. We will need to recruit new employees, who will have to be trained and integrated into our operations. We will also have to train existing employees to adhere properly to internal controls and risk management procedures. Failure to train and motivate our employees properly may result in an increase in employee attrition rates, divert management resources and subject us to incurring additional human resource related expenditure. Hiring and retaining qualified and skilled managers are critical to our future, as our business model depends on our credit-appraisal and asset valuation mechanism, which are personnel-driven operations.

Moreover, competition for experienced employees in the finance sector can be intense. Our inability to attract and retain talented professionals, or the resignation or loss of key operations personnel, may have an adverse impact on our business and future financial performance.

**17. We may not be able to obtain, renew or maintain our statutory and regulatory permits and approvals required to operate our business.**

We require certain statutory and regulatory permits and approvals to operate our business, including a certificate of registration as an NBFC from the RBI, which requires us to comply with certain terms and conditions to continue our NBFC



operations. The RBI conducts periodical inspection of our operations and records under the RBI Act. If we fail to comply with the RBI's observations in such inspections reports or in the event that we are unable to comply with any or all of these terms and conditions, or seek waivers or extensions of time for complying with these terms and conditions, it is possible that the RBI may revoke this licence or may place stringent restrictions on our operations. This may result in the interruption of all or some of our NBFC operations and have a material adverse effect on our business, financial condition and results of operations. We also obtain licenses and approvals to operate our various lines of business and in the future, we will be required to maintain such permits and approvals and obtain new permits and approvals for any proposed expansion strategy or diversification into additional business lines or new financial products. We may not be able to obtain such approval in a timely manner or at all.

In addition, our various offices are required to be registered under the relevant shops and establishments laws of the states. The shops and establishment laws regulate various employment conditions, including working hours, holidays and leave and overtime compensation. If we fail to obtain or retain any of these approvals or licenses, or renewals thereof, in a timely manner or at all, our business may be adversely affected. If we fail to comply, or a regulator claims we have not complied, with any of these conditions, our certificate of registration may be suspended or cancelled and we shall not be able to carry on such activities. We may also incur substantial costs related to litigation if we are subject to significant regulatory action, which may adversely affect our business, future financial performance and results of operations.

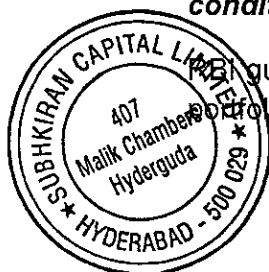
**18. Our insurance coverage may not be sufficient or may not adequately protect us against any or all hazards, which may adversely affect our business, results of operations, financial condition and cash flows.**

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

We cannot assure you that any claim under the insurance policies maintained by us will be honored fully, in part or on time, or that we have obtained sufficient insurance to cover all our losses. In addition, our insurance coverage expires from time to time. We apply for the renewal of our insurance coverage in the normal course of our business, but we cannot assure you that such renewals will be granted in a timely manner, or at acceptable cost, or at all.

**We may be subject to regulations in respect of provisioning for non-performing assets. If such provisions are not sufficient to provide adequate cover for loan losses that may occur, this could have an adverse effect on our financial condition, liquidity and results of operations.**

RBI guidelines prescribe the provisioning required in respect of our outstanding loan portfolio. These provisioning requirements may require us to reserve lower amounts



than the provisioning requirements applicable to financial institutions and banks in other countries. The provisioning requirements may also require the exercise of subjective judgments of management. The RBI vide the Master Directions provides for the regulatory framework governing NBFCs pertaining to provision for standard assets.

There are multiple factors that affect the level of NPAs in our Company. Various factors that are beyond our control, such as macro-economic factors (including a rise in unemployment, a sharp and sustained rise in interest rates, developments in the Indian economy, movements in global commodity markets and exchange rates), regulatory hurdles and global competition as well as customer specific factors such as wilful default and mismanagement of a customer's operations, may result in increasing NPA levels and may have an adverse impact on the quality of our loan portfolio. If we are unable to effectively control our NPA levels in the future, we will be required to increase our provisions, which may adversely affect our profitability and financial condition. The RBI regulates certain aspects of the recovery of non-performing loans, such as the use of recovery agents. Any limitation on our ability to recover, control and reduce non-performing loans under the applicable regulatory regime or otherwise could affect our collections and ability to foreclose on existing NPAs. The level of our provisions may not be adequate to cover further increases in the amount of our nonperforming assets or a decrease in the value of the underlying gold collateral. If we are unable to control the level of our NPAs in the future, quality of our loan portfolio could deteriorate, our credit ratings could be downgraded and our cost of funds could increase, any of which could have a material adverse effect on our financial condition and results of operations.

**19. All of our offices and branches are located in leased premises and non-renewal of lease agreements or their renewal on terms unfavorable to us could adversely affect our operations.**

As of September 30, 2019, all of our offices (including our Registered Office and Corporate Office) and branches are located in leased premises. Further, as we expand our branch network in line with our growth strategy, we expect the number of leased branches to increase significantly as all of our new branches are expected to open on leased premises. If any of the owners of these premises do not renew the agreements under which we occupy the premises, or if they seek to renew such agreements on terms and conditions unfavorable to us, or if they terminate the agreement we may suffer a disruption in our operations or increased costs, or both, which may adversely affect our business and results of operations.

All or any of the leases may not be renewed on similar terms or at all, or we may be evicted from all or a number of these premises and be required to pay damages to the landlord. This may adversely impact our business and financial condition.

**20. Our results of operations could be adversely affected as a result of any disputes with our employees.**

Our operations are personnel-driven, and we place a lot of emphasis on the effective training of our personnel in communication and service orientation skills. However, a failure to train and motivate our employees may lead to an increase in our employee attrition rates, erode the quality of customer service, divert management resources and



impose significant costs on us which may have an adverse impact on our business and future financial performance.

We employed two full-time employees as of September 30, 2019, and lay significant emphasis on our employees' overall welfare. However, there can be no assurance that there will not be any future disruptions in our operations due to any disputes with our employees, or that such disputes will not adversely affect our business and results of operations. We depend on our branch-level employees for sourcing, disbursements and collections and customer liaison, and significant attrition at any of our branches could adversely impact our operations. Further, in the event of a labour dispute, protracted negotiations and strike action may impair our ability to carry on our day-to-day operations, which could materially and adversely affect our business, future financial performance and results of operations.

**21. Our Company may raise further borrowings and charge its assets after receipt of necessary consents from its existing lenders. In such a scenario, the Debenture Holders holding NCDs will rank pari passu with other secured creditors and to that extent, may reduce the amounts recoverable by the Debenture Holders upon our Company's bankruptcy, winding up or liquidation**

Our Company may, subject to receipt of all necessary consents from its existing lenders and the Debenture Trustee to the Issue, raise further borrowings and charge its assets. Our Company is free to decide the nature of security that may be provided for future borrowings. In such a scenario, the Debenture Holders holding NCDs will rank pari passu with other creditors and to that extent, may reduce the amounts recoverable by the Debenture Holders upon our Company's bankruptcy, winding up or liquidation

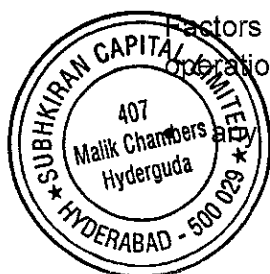
**22. Payments to be made on the NCDs are subordinated to certain taxes and other liabilities preferred by law. In the event of bankruptcy, liquidation or winding up, there may not be sufficient assets of our Company remaining, to pay amounts due on the NCDs.**

The NCDs will be subordinated to certain liabilities preferred by law such as the claims of the Government on account of taxes, and certain liabilities incurred in the ordinary course of our business. In particular, in the event of bankruptcy, liquidation or winding-up, our Company's assets will be available to pay obligations on the NCDs only after all of those liabilities that rank senior to the NCDs have been paid as per Section 327 of the Companies Act, 2013 or Section 53 of the Insolvency and Bankruptcy Code, 2016, as the case maybe. In the event of bankruptcy, liquidation or winding-up, there may not be sufficient assets remaining to pay amounts, due on the NCDs.

**23. Our business is affected by prevailing economic, political and other prevailing conditions in India and the markets we currently serve.**

Our Company is incorporated in India, and all of our assets and employees are located in India. As a result, we are dependent on prevailing economic conditions in India and our results of operations are affected by factors influencing the Indian economy. Factors that may adversely affect the Indian economy, and hence our results of operations, may include:

increase in Indian interest rates or inflation;



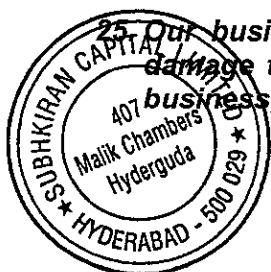
- any exchange rate fluctuations;
- any scarcity of credit or other financing in India, resulting in an adverse impact on economic conditions
- in India and scarcity of financing of our developments and expansions;
- volatility in, and actual or perceived trends in trading activity on, India's principal stock exchanges;
- changes in India's tax, trade, fiscal or monetary policies, like application of GST;
- political instability, terrorism or military conflict in India or in countries in the region or globally,
- including in India's various neighbouring countries;
- occurrence of natural or man-made disasters;
- infectious disease outbreaks or other serious public health concerns;
- prevailing regional or global economic conditions, including in India's principal export markets; and
- other significant regulatory or economic developments in or affecting India or its financial services sectors.

Any slowdown or perceived slowdown in the Indian economy, or in specific sectors of the Indian economy, could adversely impact our business, results of operations and financial condition. Our performance and the growth of our business depend on the performance of the Indian economy and the economies of the regional markets we currently serve. These economies could be adversely affected by various factors, such as political and regulatory changes including adverse changes in liberalization policies, social disturbances, religious or communal tensions, terrorist attacks and other acts of violence or war, natural calamities, interest rates, commodity and energy prices and various other factors. Any slowdown in these economies could adversely affect the ability of our customers to afford our services, which in turn would adversely impact our business and financial performance.

**24. The NCD Holders may not be able to recover, on a timely basis or at all, the full value of the outstanding amounts and/or the interest accrued thereon in connection with the NCDs. Failure or delay to recover the expected value from a sale or disposition of the assets charged as security in connection with the NCDs could expose the holders to a potential loss.**

Our ability to pay interest accrued on the NCDs and/or the principal amount outstanding from time to time in connection therewith would be subject to various factors inter-alia including our financial condition, profitability and the general economic conditions in India and in the global financial markets. We cannot assure you that we would be able to repay the principal amount outstanding from time to time on the NCDs and/or the interest accrued thereon in a timely manner or at all. Although our Company will create appropriate security in favour of the Debenture Trustee for the NCD Holders on the assets adequate to ensure 100.00% asset cover for the NCDs, which shall be free from any encumbrance, the realisable value of the assets charged as security, when liquidated, may be lower than the outstanding principal and/or interest accrued thereon in connection with the NCDs. A failure or delay to recover the expected value from a sale or disposition of the assets charged as security in connection with the NCDs could expose you to a potential loss.

**Our business is based on the trust and confidence of our customers; any damage to that trust and confidence may materially and adversely affect our business, future financial performance and results of operations.**



We are dedicated to earning and maintaining the trust and confidence of our customers and we believe that the good reputation created thereby and inherent in the "Subhkiran" brand name is essential to our business. The reputation of our Company and/or the "Subhkiran" brand could be adversely affected by any threatened and/or legal proceedings and/or any negative publicity or news articles in connection with our Company or the "Subhkiran" brand. As such, any damage to our reputation, or that of the "Subhkiran" brand name, could substantially impair our ability to maintain or grow our business. If we fail to maintain brand recognition with our target customers due to any issues with our product offerings, a deterioration in service quality, or otherwise, or if any premium in value attributed to our business or to the brands under which our services are provided declines, market perception and customer acceptance of our brands may also decline. Any negative news affecting us might also affect our reputation and brand value.

## **26. Risk relating to Covid-19 outbreak.**

The Indian economy is at risk due to Covid-19 outbreak and it is very unlikely to evaluate the normalcy of economy in the near future. Due to lock-down owing to Covid-19 outbreak, the business of the company may impact and there may be rise in NPAs.

vii) Details of default, if any, including therein the amount involved, duration of default and present status, in repayment of –

- i) statutory dues; **No default exists as on date**
- ii) debentures and interest thereon; **No default exists as on date**
- iii) deposits and interest thereon; **No default exists as on date**
- iv) Loan from any bank or financial institution and interest thereon; **No default exists as on date**

viii) Names, designation, address and phone number, email ID of the nodal/ compliance officer of the company, if any, for the private placement offer process;

Name : Prof. C K Renjan,  
Designation : Chairman & Managing Director  
Address : Daimond Plaza, Chendamanagalam JN,  
North Paravur, Ernakulam  
Phone No. : 0484 2442590  
Email id : ck.renjan@subhkirancapital.com

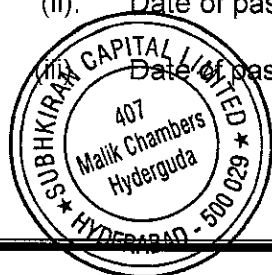
ix) Any default in Annual filing of the company under the Companies Act, 2013 or the rules made hereunder: **No.**

## **2. PARTICULARS OF THE OFFER**

(i). Financial position of the company for the last 3 financial years: **Attached as Annexure 1**

(ii). Date of passing of board resolution: 20<sup>th</sup> April, 2020

Date of passing of resolution in the general meeting, authorizing the offer of securities: **NA**





(iv). Kinds of securities offered (i.e. whether share or debenture) and class of security; **Secured Redeemable Non-Convertible Debentures.**

(v). price at which the security is being offered including the premium, if any, along with justification of the price;

**Secured Redeemable Non-Convertible Debentures are being offered at INR.1000/- each debenture.**

(vi). name and address of the valuer who performed valuation of the security offered:

**Not Applicable as the company is issuing Non-Convertible Debentures.**

(vii). Relevant date which reference to which the price has been arrived at:

**Not Applicable**

(viii). The class or classes of persons to whom the allotment is proposed to be made: **Indian Investors**

(ix). Intention of promoters, directors or key managerial personnel to subscribe to the offer:

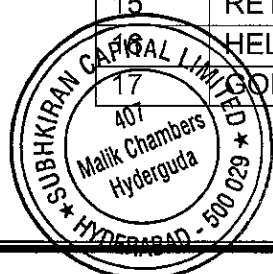
**There is no intention of promoters, directors or key managerial personnel to subscribe to the offer**

(x). Proposed time within which the allotment shall be completed:

**30 days from the date of this offer**

(xi). The names of the proposed allottees and the percentage of post preferential offer capital that may be held by them;

Sl. No	Name of the proposed allottees	% of post preferential offer capital
1	MARIA PHILIP	NA
2	VIJAYAKUAMR K	NA
3	NEENU SHAJI	NA
4	RAHUL M S	NA
5	VASUDEVAN O D	NA
6	SHAJI P G	NA
7	LUCIYAMMA V J	NA
8	JOJOSH K C	NA
9	RINOY K V	NA
10	JOHNSON VARGHESE	NA
11	VISALAKSHY VINISHA	NA
12	RAMYA LANEESH	NA
13	SATHY SUDHAKARAN	NA
14	REENA THEJUS	NA
15	RETTY JOBY	NA
16	HELME SHERIN	NA
17	GOKUL KRISHNA C B	NA



18	SRUTHY MOHAN	NA
19	PURANNARAN O A	NA
20	JAYADEEP V K	NA
21	GOLDA JUNU	NA
22	DIVYA V A	NA
23	RATHNA PAVITHRAN	NA
24	BABY JOHN	NA
25	VARGHESE JOSE	NA
26	SHAJI K	NA
27	SHAJITHA V P	NA
28	SANTHOSH KUMAR A T	NA
Total		NA

- (xii). The change in control, if any, in the company that would occur consequent to the preferential offer;

**The Directors do not envisage any change in the control of the Management by the proposed allotment of shares except change in the control due to majority of shareholding held by the investors in the equity shareholding.**

- (xiii). The number of persons to whom allotment on preferential basis have already been made during the year, in terms of number of securities as well as price;

**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 since the proposed allotment is for cash consideration.**

- (xv). Amount which the company intends to raise by way of securities;

**Rs.25,25,000/- (Twenty Five Lakhs Twenty Five Thousand only)**

- (xvi). Terms of raising of securities: Duration, if applicable, Rate of dividend or rate of interest, mode of payment and repayment;

**All monies payable towards subscription of securities shall be paid through cheque or demand draft or other banking channels but not by cash.**

- (xvii). Proposed time schedule for which the offer letter is valid; **30 days (Thirty days)**

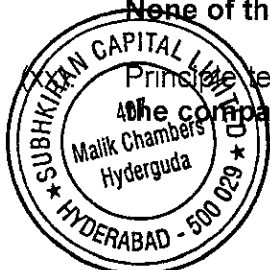
- (xviii). Purposes and objects of the offer;

**For On- lending activities.**

- (xix). contribution being made by the promoters or directors either as part of the offer or separately in furtherance of such objects;

**None of the promoters / directors are participating in this offer.**

Principal terms of assets charged as security, if applicable; **Secured by receivables of the company.**



- (xxi). The details of significant and material orders passed by the Regulators, courts and Tribunals impacting the going concern status of the company and its future operations;

**There are no such orders**

- (xxii). Terms of raising of securities:

a) Interest shall be payable @ 10.5% p.a. on monthly basis

b) Coupon Rate varies by tenure and interest payout.

One Year Monthly interest - 10.50%

One Year Yearly interest - 10.60%

Five Year Monthly interest - 10.65%

Five Year Yearly interest - 10.70%

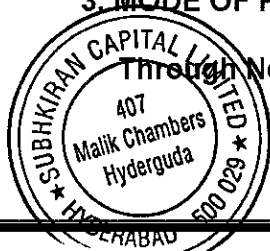
c) NCD will be redeemed at the option of the Company within five years from the date of issue. The tenure of the NCD is up to Five years.

- (xxiii). The pre-issue and post-issue shareholding pattern of the company;

Sr. No	Category	Pre- Issue		Post Issue	
		No. of shares Held	% of shareholding	No. of shares Held	% of shareholding
<b>A</b>	<b>Promoters Holding</b>				
1	Indian	--	--	--	--
	Individual	45,036	1.00%	45,036	1.00%
2	Bodies Corporate	44,58,564	--	44,58,564	--
	Sub Total	45,03,600	99.00%	45,03,600	99.00%
3	Foreign Promoters	--	--	--	--
	Sub Total (A)	45,03,600	100.00%	45,03,600	100.00%
<b>B</b>	<b>Non-Promoters Holding</b>				
1	Institutional Investors	--	--	--	--
2	Non- Institution Investors	--	--	--	--
3	Private Corporate Bodies	--	--	--	--
4	Directors and Relatives	--	--	--	--
5	Indian Public	--	--	--	--
6	Others (including NRIs).	--	--	-	-
	Sub Total(B)	--	--	-	-
	<b>GRAND TOTAL</b>	45,03,600	100.00%	45,03,600	100%

### 3. MODE OF PAYMENT FOR SUBSCRIPTION:

Through Normal 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

**No litigation exists**

- iii) Remuneration of directors (during the current year and last three financial years);

**The company has paid Rs 15.18 lakhs in the year 2017-18, Rs. 34.12 Lakhs in the year 2018-19 and Rs.39.51 Lakhs in the year 2019-2020 as remuneration to directors.**

- 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

**Related party transactions during the last three financial years can be found in the annual reports attached to this offer letter.**

- 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

**Not Applicable.**

- 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 subsidiaries

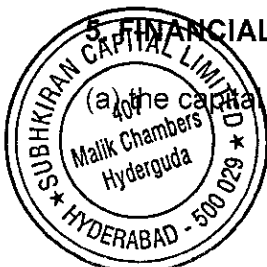
**No such inquiry, inspections or investigations initiated or conducted under the Companies Act**

- 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

**No such material frauds committed against the Company**

#### 5. FINANCIAL POSITION OF THE COMPANY

- (a) the capital structure of the company in the following manner in a tabular form-



(i) (A) the authorised, issued, subscribed and paid up capital (number of securities, description and aggregate nominal value);

(Amount in Rs.)

Description	Equity share amount in Rs.	Preference shares amount	Number of Securities / Equity shares	Total Amount in Rs.
Authorised Share Capital	6,00,00,000/-	-	6000000	6,00,00,000/-
Issued Share Capital	4,50,36,000/-	-	4503600	4,50,36,000/-
Subscribed Share Capital	4,50,36,000/-	-	4503600	4,50,36,000/-
Paid up Share Capital	4,50,36,000/-	-	4503600	4,50,36,000/-

(B) size of the present offer - **Rs. 25,25,000/- (Twenty Five Lakhs and Twenty Five Thousand only)**

(C) paid up capital :

(I) INR 4,50,36,000/- (There will no change in paid up capital of the company as issuer company proposes to issue Non-Convertible Debentures)

(II) after conversion of convertible instruments (if applicable) – **Not applicable**

(D) share premium account (before and after the offer) – Share premium account before and after the offer is as follows:

Share premium account - before the offer (in Rs.)	Share premium account - After the offer (in Rs.)
Nil	Nil

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

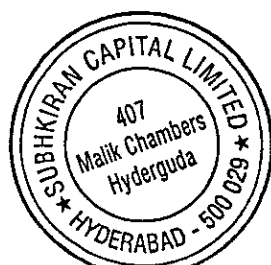
**The Existing equity share capital of the company is Rs. 4,50,36,000 divided into 45,03,600 equity shares of face value Rs.10/- each**

Provided that the issuer company shall also disclose the number and price at which each of the allotments were made in the last one year preceding the date of the offer letter separately indicating the allotments made for considerations other than cash and the details of the consideration in each case;

**No allotments are made for considerations other than cash.**

(b) Profits of the company, before and after making provision for tax, for the three financial years immediately preceding the date of circulation of offer letter;

FY	Loss Before Tax	Loss After Tax
2018	Rs.10.92 lakhs	Rs.12.30 lakhs
2019	Rs.100.07 lakhs	Rs.91.92 lakhs
2020	Rs. 108.21 lakhs	Rs. 78.12 lakhs



(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)

**There was no dividend declared in the last 3 financial years.**

(d) A summary of the financial position of the company as in the three audited balance sheets immediately preceding the date of circulation of offer letter; **Attached as Annexure I**

(e) Audited Cash Flow Statement for the three years immediately preceding the date of circulation of offer letter; **Attached as Annexure I**

(f) Any change in accounting policies during the last three years and their effect on the profits and the reserves of the company.

**There is no change in the accounting policies during the last 3 years.**

**6. DECLARATION FROM THE DIRECTOR ON THE FOLLOWING POINTS IS ATTACHED AS ANNEXURE-1**

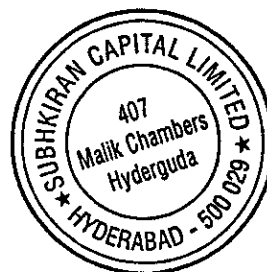
- a. the company has complied with the provisions of the Act and the rules made thereunder;
- b. the compliance with the Act and the rules does not imply that payment of dividend or interest or repayment of debentures, if applicable, is guaranteed by the Central Government;
- c. the monies received under the offer shall be used only for the purposes and objects indicated in the Offer letter;

I am authorized by the Board of Directors of the Company vide resolution number 1 dated 20th April, 2020 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.

For Subhkirán Capital Limited

  
C.K. Renjan  
Chairman & Managing Director  
(DIN: 03410956)



20-04-2020  
N Paravur

*Attachments:- (Annexure 1)*

- i) Audited Financial Statements for past 3 years (Annexure I)*
- ii) Copy of Board Resolution (Annexure II)*
- iii) Declaration (Annexure III)*