



UGRO

CAPITAL



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ANNUAL REPORT 2019



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

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

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

About the Awards

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

BOARD MEMBERS



SHACHINDRA NATH
Executive Chairman & Managing Director



ABHIJIT GHOSH
Whole Time Director & CEO



ABHIJIT SEN
Independent Director



KARUPPASAMY SINGAM
Independent Director



NAVIN KUMAR MAINI
Independent Director



RAJEEV KUMAR AGARWAL
Independent Director



RANJANA AGARWAL
Independent Director



SATYANANDA MISHRA
Independent Director



AMIT GUPTA
Non-Executive Director



MANOJ KUMAR SEHRAWAT
Non-Executive Director



CHETAN GUPTA
Additional
(Non-Executive) Director



KANAK KAPUR
Additional
(Non-Executive) Director



NAVIN PURI
Additional (Independent) Director

MANAGEMENT TEAM



SHACHINDRA NATH
Executive Chairman & Managing Director



ABHIJIT GHOSH
Whole Time Director & CEO



ANUJ PANDEY
Chief Operating Officer



J. SATHIYAN
Chief Business Officer



KALPESHKUMAR OJHA
Chief Financial Officer



MANISH AGARWAL
Chief Risk Officer



RAJNI KHURANA
Chief Human Resources Officer



SANDEEP KAKAR
Chief Growth Officer

CHAIRMAN SPEECH



Dear Shareholder,

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

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

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

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

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

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

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

- Intermediary led: In a short span of 3 months, the company has started 7 branches, onboarded 80 channel partners who are operating at industry leading productivities
- Partnership led: The company has built a separate vertical headed by the Chief Growth Officer to build partnerships in prioritized segments and tap into the partners' network of distributors, dealers, suppliers through an ecosystem-based lending strategy.
- BFSI led: The company is in the process of creating a partner network of specialized NBFCs with a view of entering into co-origination/assignment partnerships with them
- Direct to Customer: The company is also planning on launching a direct-to-customer digital channel in the second half of FY20

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

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

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

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

Yours Sincerely,

Shachindra Nath
Executive Chairman & Managing Director
U GRO Capital Limited

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Notice

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

ORDINARY BUSINESS:

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

SPECIAL BUSINESS:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

RESOLVED FURTHER THAT in addition to the above annual compensation package/remuneration, Mr. Ghosh would further be entitled to performance bonus/variable pay as per policy approved by the Board of Directors and the Nomination and Remuneration Committee of the Company annually subject to the provisions of the Act.

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

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

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

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

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

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

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

RESOLVED FURTHER THAT in addition to the above annual compensation package/remuneration Mr. Nath would be further be entitled to performance bonus/variable pay as per policy approved by the Board of Directors and the Nomination and Remuneration Committee of the Company annually subject to the provisions of the Act.

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

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

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

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

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

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

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

- Deletion of the following clause 2 (vii) under the heading "Interpretation"
(vii) "Big Four Accounting Firms" means one of the big four audit firms (being, Price Waterhouse Coopers, Deloitte and Haskins, Ernst & Young and KPMG)
- Existing clause 2 (xxv) under the heading " Interpretation" to be replaced as follows:
(xxv) "Internal auditor" means Internal Auditor of the Company, appointed in accordance with the Paragraph 7.2 of this Articles and the Act.
- Existing clause 7.1, 7.2 and 7.3 under the heading "Appointment of Statutory Auditors and Internal Auditors" to be replaced as follows:

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

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

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