

FORM NO PAS - 4

PRIVATE PLACEMENT OFFER LETTER

[Pursuant to section 42 and rule 14(1) of Companies (Prospectus and Allotment of Securities) Rules, 2014]

1. GENEREAL INFORMATION

- a) **Name of the Company** : GENESIS FINANCE COMPANY LIMITED
Registered Office : 4MMTC/STC, Market Geetanjali Enclave, New Delhi-110017
Corporate office : 4MMTC/STC, Market Geetanjali Enclave, New Delhi-110017
E- Mail ID : gopalbishtgfcl@gmail.com
Website : www.genesisfinance.net

- b) **Incorporation Date** : 03/07/1990

- c) **Business carried on by the company and its subsidiaries with details of branches:**

S. No	Company's Name	Main Objects/Principal Activities
1	Genesis Finance Company Limited	To lend money with or without security, business as financiers, finance brokers.

- d) **Particulars of Company's Management**

S. No	Name of Directors	Designation	Father's Name/ Husband's Name	Date of Birth	Occupation
1.	Naresh Garg	Managing Director	Bishan. S. Garg	05/04/1961	Business
2.	Sangeeta Garg	Whole time Director	Prem Chand Aggarwal	06/01/1968	Business
3.	Kapil Berera	Director	Balram Berera	23/02/1964	Business
4.	Gopal Singh Bisht	Director	Padam Singh Bisht	30/06/1971	Business
5	Gopal Singh Bisht	Chief Finance Officer	Padam Singh Bisht	30/06/1971	Business
6	Umang Sarkar	Director	Rohit Sarkar	31/12/1980	Business
7	Aashish Ghai	Director	Vijay Ghai	08/06/1991	Business

e) Director Details

S. No	Name	Address	DIN	Occupation
1.	NARESH GARG	B-24, GF Geetanjali Enclave, New Delhi-110016	00916814	Business
2.	SANGEETA GARG	J-130, Saket, New Delhi-110017	01117956	Business
3.	AASHISH GHAI	1086, Phase-II, Urban Estate, DugriLudhiana, Punjab, India 141003	07276636	Business
4.	KAPIL BERERA	S -124Greater Kailash Part - 1 New DelhiDelhi India110048	00080085	Business
5.	GOPAL SINGH BISHT	4, MMTC/STC Geetanjali New Delhi India 110017	00597160	Business
6.	UMANG SARKAR	B-36B, Gangotri Enclave, AlaknandaNew Delhi India 110019	03172902	Business

f) Management's perception of risk factors:

Non-Banking Financial Companies (NBFC's) play a crucial role in broadening access to financial services, enhancing competition and diversification of financial sector. They are increasingly being recognized as complementary to the banking system, capable of absorbing shocks and spreading risks at times of financial distress.

The NBFC sector in India is represented by a mix of a few large companies with nationwide presence and a large number of small and medium sized companies with regional focus. The Reserve Bank of India regulates the operations of NBFCs.

Gradually, NBFCs are being recognized as complementary to the banking sector due to their customer-oriented services; simplified procedures; attractive rates of return on deposits; flexibility and timeliness in meeting the credit needs of specified sectors; etc.

The company has been among very few finance companies running successfully with a solid track record of 0% NPA in its entire period. The company is a non-deposit accepting NBFC. The Management considers that the Company faces risk from the

factors such as High cost of funds, slow industrial growth, and Stiff competition with NBFCs as well as with banking sector, Small balance sheet size resulting in high cost of fund and low asset profile and lastly Non-performing assets

g) Details of default, if any, including therein the amount involved, duration of default and present status, in repayment of the following:

- i) Statutory Dues: Yes, details in Annexure 3
- ii) Debentures and interest thereon: N/A
- iii) Deposits and interest thereon: N/A
- iv) Loan from any bank or financial institution and interest thereon: N/A

h) Compliance officer details: N/A

2. PARTICULARS OF THE OFFER

a) Board resolution date:12th September, 2016

b) General Meeting resolution date authorizing the offer: 11th October, 2016

c) Kind and class of security: 9,82,139 CCDs of Rs. 280/-

d) Valuer's details:

Name of Firm: P. K. Soni & Co.
Address: 14/14, Lower Ground Floor, Kalkaji, New Delhi-110019
Membership: 052849

e) Amount to be raised through CCDs: INR 27,49,98,920/- (Rupees Twenty Seven Crore Forty Nine Lakh Ninety Eight Thousand Nine Hundred and Twenty only)

f) Terms of raising of securities:

Particulars	Convertible Debentures
Duration	Maximum period is eighteen months (18 months)
Rate of Interest	7%
Mode of Payment/ repayment	Banking Channels

- g) **Time schedule for which offer letter is valid:** 30days
- h) **Purposes and objects of the offer:** Business Expansion
- i) **Contribution by promoters or Directors:** Yes, details given in the table below

Name of Promoters	Total Amount Received
Genesis Dream Merchants Pvt. Ltd.	16,49,99,520/-
Sahil Garg	2,74,99,920/-
Prateet Garg	4,49,99,640/-

- j) **Principle terms of assets charged as security:** N/A

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

- a) **Interest of Directors/promoters/KMP in the offer and its effect:** 3 of the proposed allottees i.e. M/s Genesis Dream Merchant private Limited, Mr. Sahil Garg and Mr. Prateet Garg are the promoters of the Company and are interested in the offer. However, such interest is not going to harm the Company because there will be no change in the control and management of the Company with such proposed issue. Also, the Company is issuing the security at a price which is higher than the price determined by the valuer.
- b) **Details of any litigation/legal action pending or taken (last 3 years):**Yes, details in Annexure 3

c) **Directors' remuneration (last three years)**

Year	Salary (in INR)
2013-14	38,40,000
2014-15	62,98,000
2015-16	75,00,000

d) **Related party transactions (last 3 years)**

2015-16 (Rs.)	2014-15 (Rs.)	2013-14 (Rs.)
9,86,35,000	NIL	NIL

- e) **Summary of reservations/qualifications of adverse remarks of auditors (last 5 years):**N/A

- f) Inquiry/investigation/inspections initiated or conducted against the company (last 3 years): N/A
- g) Details of material frauds committed against the company and its subsidiaries: N/A

4. FINANCIAL POSITION OF THE COMPANY

a) Capital structure of the company

S. No	Particulars			
1.	Capital	Number of securities	Description	Nominal value
(a)	Authorised capital	50,00,000 (Rs. 5,00,00,000)	50,00,000 Equity Share	10
(b)	Issued capital	48,17,500 (Rs. 4,81,75,000)	48,17,500 Equity Share Capital	10
(c)	Subscribed capital	48,17,500 (Rs. 4,81,75,000)	48,17,500 Equity Share Capital	10
(d)	Paid up capital	48,17,500 (Rs. 4,81,75,000)	48,17,500 Equity Share Capital	10
2.	Size of the present offer	Rs. 27,49,98,920/- (982,139@ Rs 280/-)		
3.	Paid up capital			
(a)	After the offer	48,17,500 (Forty Eight Lakh Seventeen Thousand And Five Hundred only) Shares @ INR 10/- per share aggregating to INR 4,81,75,000/- (Rupees Four Crore Eighty One Lakhs Seventy Five Thousand only)		
(b)	After conversion of convertible instruments	57,99,639 (Fifty Seven Lakh Ninety Nine Thousand Six Hundred and Thirty Nine only) shares @ Rs. 10/- per share		
(c)	Share Premium Account (before & after)	Before Allotment- Rs. 30,86,75,000 After Allotment- Rs. 30,86,75,000		

Allotment Details

Name of allottees	Number of securities allotted	Price and form of consideration
Kaizen Realtors Pvt. Ltd. Debenture Account	133,928	3,74,99,840/-
Genesis Dream Merchants Pvt. Ltd.	589,284	16,49,99,520/-

Prateet Garg	160,713	4,49,99,640/-
Sahil Garg	98,214	2,74,99,920/-
TOTAL	982,139	27,49,98,920/-

Whether any allotments were made in the last year: No

b) Profits of the company

Profits	2015-16 (Rs.)	2014-15 (Rs.)	2013-14 (Rs.)
Before tax	3,60,92,000	3,13,28,000	2,63,03,000
After Tax	2,32,47,000	2,07,67,000	177,32,000

c) **Dividends declared, interest coverage ratio (last 3 years):** NIL

d) **Summary of the financial position (last 3 balance sheets):**Annexure 3

e) **Audited cash flow statement (last 3 years):**Annexure 3

f) **Any change in accounting policies, their effect on profits & reserves (last 3 years):**
Annexure 3

5. DECLARATION BY THE DIRECTORS THAT

a) The Company has complied with the provisions of the Act and the rules made there under;

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 3dated 12th day of September 2016to 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

- f) Any change in accounting policies, their effect on profits & reserves (last 3 years):
Annexure 3

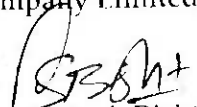
5. DECLARATION BY THE DIRECTORS THAT

- a) The Company has complied with the provisions of the Act and the rules made there under;
- 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 3 dated 12th day of September 2016 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 Genesis Finance Company Limited


Gopal Singh Bisht

Chief Financial Officer

PAN- ACSPB6246K

Date: 16/09/2016

Place: New Delhi

Attachments:-

- Copy of Board Resolution: Annexure No. 1
- Copy of Shareholders Resolution: Annexure No. 2
- Summary of the Financial Position (last 3 balance sheets): Annexure No. 3
- Registered Valuer's Certificate: Annexure No. 4