

**CHANAKYA OPPORTUNITIES FUND I**  
**SCHEME OF**  
**CHANAKYA FUND TRUST**  
**CATEGORY II AIF**  
**[SEBI Registration Number : IN/AIF2/22-23/1230]**

**Annual Report for the financial year ended March 31, 2024**

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## DISCLAIMER

*This report may contain forward looking statements. Due to various risks and uncertainties, actual events or results may differ materially from those contemplated in such forward looking statements.*

*The purpose of this report is to provide general information to prospective or current investors regarding the CHANAKYA OPPORTUNITIES FUND I Scheme of Chanakya Fund Trust (the "Fund"). It does not purport to contain all the information that a prospective or current investor may need or require. This report is intended for the use of current or prospective investors only to whom it is addressed and who is willing and eligible to invest in the Fund.*

*This report is for informational purposes only and should not be regarded as an official opinion of any kind or a recommendation. In considering the performance information contained herein, prospective investors should bear in mind the past performance is not necessarily indicative of future results and there can be no assurance that the Fund will achieve comparable results or that the Fund will be able to implement its investment strategy and investment approach or achieve its investment objective.*

*This report is not an offer to sell units/securities of any investment fund or a solicitation of offers to buy any such securities. Securities/units of the CHANAKYA OPPORTUNITIES FUND I are offered to selected investors only by means of a complete private placement memorandum/information memorandum and related subscription materials, which contain significant additional information about the terms of an investment in the Funds (such documents, the "Offering Documents"). Any decision to invest must be based solely upon the information set forth in the Offering Documents, regardless of any information investors may have been otherwise furnished, including this report.*

*An investment in any strategy, including the strategy described herein, involves a high degree of risk. Returns are dependent on prevalent market factors, liquidity and credit conditions. The aimed returns mentioned anywhere in this document are purely indicative and are not promised or guaranteed in any manner. Instrument returns depicted are in the current context and may be significantly different in the future. There is no guarantee that the investment objective will be achieved. Past performance of these strategies is not necessarily indicative of future results. There is possibility of loss and all investment involves risk including the loss of principal. Securities/units of the Fund are not registered with any regulatory authority, are offered pursuant to exemptions from such registration, and are subject to significant restrictions.*

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*There can be no guarantee that the position regarding taxation of the Fund and taxation of the investors of the Fund would be necessarily accepted by the concerned tax authorities. Prospective investors are urged to consult their own tax advisers in this regard.*

*The contents of this report should not be treated as advice relating to investment, legal or taxation matters. It is recommended that, prospective investors consult their stockbroker, banker, legal adviser and other professional adviser and the other professional advisers to understand the contents of this report. This report is qualified in its entirety by the private placement memorandum/information memorandum and other related documents, copies of which will be provided to prospective investors.*

*Each prospective investor is hereby invited to meet and/or ask questions to the representatives of the Manager concerning the terms and conditions of making investment and to request any additional information, which such representatives possess or can acquire without unreasonable effort or expense. Investment in the Fund will involve significant risks due to, among other things, the nature of the Fund's investments. All investors must read the detailed private placement memorandum/ information memorandum including the risk factors therein, before making any investment decision/ contribution to the Fund.*

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## FUND MANAGER'S MESSAGE

Dear Investor,

It is with great pleasure that we present to you the annual report of Chanakya Fund Trust for the year 2024. This year has been marked by resilience, adaptability, and above all, growth. As fund managers, we have remained committed to our mission of identifying and nurturing promising small and medium enterprises (SMEs) with the potential to make a significant impact on the market and society at large.

Investment opportunities in the SME (Small and Medium Enterprises) segment in India are diverse and promising.

SMEs can offer the potential for high returns and a chance to support emerging businesses and the broader economy. However, potential downsides also need to be considered before making any investment decisions.

Our investment philosophy centers around the belief that SMEs are the backbone of any economy, driving innovation, creating jobs, and fostering economic prosperity. With this guiding principle, we have meticulously curated a portfolio of dynamic SME companies across various sectors, each with its unique value proposition and growth trajectory.

SMEs often exhibit more significant growth potential compared to larger, more established companies. Smaller businesses can scale rapidly as they are more agile and better equipped to adapt to changing market conditions. For Limited Partners seeking high returns on investment, SMEs can offer a lucrative opportunity.

The Fund will endeavor to focus on sectors which have the unique combination of rapid growth and the potential for improved profitability of its market leaders.

In the pages that follow, you will find a comprehensive overview of our portfolio, highlighting the diversity and strength of the SMEs we have invested in. From emerging startups disrupting traditional industries to established businesses scaling new heights, our portfolio reflects our unwavering commitment to supporting entrepreneurial visionaries and fostering sustainable growth.

As we navigate the ever-evolving landscape of investments, we remain vigilant yet optimistic about the opportunities that lie ahead. Our dedication to rigorous due diligence, prudent risk management, and active portfolio management continues to be the cornerstone of our success.

We extend our heartfelt gratitude to our shareholders for their unwavering support and trust. It is your confidence in our vision that fuels our passion and drives us to achieve excellence in everything we do.

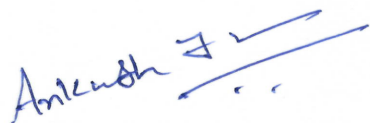
## CHANAKYA OPPORTUNITIES FUND I SCHEME OF CHANAKYA FUND TRUST CATEGORY II AIF

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Thank you for joining us on this remarkable journey of growth and innovation. Together, we are not just investing in SMEs; we are shaping the future of entrepreneurship and making a meaningful impact on the world. As always, our team remains available for any questions and queries you have on this report and otherwise. Thank you for all your support and understanding.

Regards,

For Chanakya Opportunities Fund I



Ankush Kumar Jain

Fund Manager

## CHANAKYA OPPORTUNITIES FUND I SCHEME OF CHANAKYA FUND TRUST CATEGORY II AIF

As per Regulation 22(g) read with regulation 22(h) of the SEBI (Alternative Investment Funds) Regulations, 2012 (SEBI AIF Regulations), an Alternative Investment Fund shall provide at least on an annual basis, reports to investors which reflect financial information of investee companies.

Accordingly, we have provided below the financial information of the investee companies for your reference. Since this is first year of investment by the Fund in the investee companies, comparison of the company's performance on year-to-year basis in absence of Investment Manager's involvement is purely based on the data received from the investee companies. As a next step, we have provided the standalone financial information of the investee companies as follows:

### 1. VINSYS IT SERVICES INDIA LIMITED

Particulars	FY23	H1FY24
Revenue from Operations	94.85	79.24
EBITDA	18.42	10.04
EBITDA Margin (%)	19.42%	12.67%
PAT	15.01	8.03
PAT Margin (%)	15.82%	10.13%

### 2. MEGASTAR FOOD LIMITED

Particulars	FY23	9MFY24
Revenue from Operations	304.4	193.5
EBITDA	21.8	13.00
EBITDA Margin (%)	7.16%	6.72%
PAT	10.1	5.50
PAT Margin (%)	3.32%	2.84%

### 3. Lancer Container Lines Ltd

Particulars	FY23	9MFY24
Revenue from Operations	845.6	491.7
EBITDA	98	93.40
EBITDA Margin (%)	11.59%	19.00%
PAT	53.7	42.40
PAT Margin (%)	6.35%	8.62%

### 4. Chavda Infra Ltd

Particulars	FY23	H1FY24
Revenue from Operations	162	103
EBITDA	27.2	15.00
EBITDA Margin (%)	16.79%	14.56%
PAT	12	7.00
PAT Margin (%)	7.41%	6.80%

### 5. SAR TELEVENTURE LIMITED

Particulars	FY23	H1FY24
Revenue from Operations	32.5	35.78
EBITDA	5.8	5.23
EBITDA Margin (%)	17.85%	14.62%
PAT	3.9	4.06
PAT Margin (%)	12.00%	11.35%

### 6. Transteel Seating Technologies Limited

Particulars	FY23	H1FY24
Revenue from Operations	59.6	35.78
EBITDA	15.7	5.23
EBITDA Margin (%)	26.34%	14.62%
PAT	9.1	4.06
PAT Margin (%)	15.27%	11.35%

**CHANAKYA OPPORTUNITIES FUND I SCHEME OF CHANAKYA FUND TRUST CATEGORY II AIF**

**7. TATA TECHNOLOGIES LIMITED**

Particulars	FY23	FY24
Revenue from Operations	4,501.90	5,232.80
EBITDA	908.7	1,056.80
EBITDA Margin (%)	20.18%	20.20%
PAT	624	679.4
PAT Margin (%)	13.86%	12.98%

**8. NETTLINX LTD**

Particulars	FY23	9MFY24
Revenue from Operations	21.64	20.88
EBITDA	2.34	8.11
EBITDA Margin (%)	10.81%	38.84%
PAT	-0.22	4.68
PAT Margin (%)	-1.02%	22.41%

**9. Fedbank Financial service Ltd**

Particulars	FY23	FY24
Revenue from Operations	1,214.70	1577.21
EBITDA	772.4	421.00
EBITDA Margin (%)	63.59%	26.69%
PAT	180.1	245.00
PAT Margin (%)	14.83%	15.53%

**10. Supreme Power Equipment Limited**

Particulars	FY23	Dec-23
Revenue from Operations	77.90	23.7
EBITDA	15.5	5.14
EBITDA Margin (%)	19.90%	21.69%
PAT	10.8	2.97
PAT Margin (%)	13.86%	12.53%

**11. SIYARAM RECYCLING INDUSTRIES LIMITED (SIYARAM)**

Particulars	FY23	H1FY24
Revenue from Operations	497.9	215
EBITDA	16.9	9.00
EBITDA Margin (%)	3.39%	4.19%
PAT	7.7	4.00
PAT Margin (%)	1.55%	1.86%

**12. S J Logistics India Limited**

Particulars	FY23	Dec-23
Revenue from Operations	108.4	43
EBITDA	6	4.40
EBITDA Margin (%)	5.54%	10.23%
PAT	2.4	2.70
PAT Margin (%)	2.21%	6.28%

**13. Trident Techlabs Limited**

Particulars	FY23	FY24
Revenue from Operations	67.35	72.62
EBITDA	11.05	16.35
EBITDA Margin (%)	16.41%	22.51%
PAT	5.55	9.37
PAT Margin (%)	8.24%	12.90%

**14. Maxposure Limited**

Particulars	FY23	H1FY24
Revenue from Operations	31.79	20.16
EBITDA	7.19	6.42
EBITDA Margin (%)	22.62%	31.85%
PAT	4.48	3.71
PAT Margin (%)	14.09%	18.40%



**CHANAKYA OPPORTUNITIES FUND I SCHEME OF CHANAKYA FUND TRUST CATEGORY II AIF**

**15. Delaplex Limited**

Particulars	FY23	H1FY24
Revenue from Operations	54	-
EBITDA	11.28	-
EBITDA Margin (%)	20.89%	-
PAT	7.91	-
PAT Margin (%)	14.65%	-

**16. Addictive Learning Technology Limited**

Particulars	FY23	H1FY24
Revenue from Operations	33.53	-
EBITDA	5.1	-
EBITDA Margin (%)	15.21%	-
PAT	2.47	-
PAT Margin (%)	7.37%	-

**17. Nova Agritech Limited**

Particulars	FY23	9MFY24
Revenue from Operations	210.9	146.77
EBITDA	39.1	27.33
EBITDA Margin (%)	18.54%	18.62%
PAT	20.5	16.58
PAT Margin (%)	9.72%	11.30%

**18. Himachal Futuristic Communications Limited**

Particulars	FY23	FY24
Revenue from Operations	4,445.10	4,174.70
EBITDA	516	586
EBITDA Margin (%)	11.61%	14.04%
PAT	254.6	309.7
PAT Margin (%)	5.73%	7.42%

**19. DEEM ROLL-TECH LIMITED**

Particulars	FY23	H1FY24
Revenue from Operations	104.5	50
EBITDA	13.2	7.00
EBITDA Margin (%)	12.63%	14.00%
PAT	6.9	4.00
PAT Margin (%)	6.60%	8.00%

**20. Alpex Solar Limited**

Particulars	FY23	H1FY24
Revenue from Operations	183.9	213
EBITDA	12.3	14.00
EBITDA Margin (%)	6.69%	6.57%
PAT	3.7	8.00
PAT Margin (%)	2.01%	3.76%

**21. ZENITH DRUGS LIMITED**

Particulars	FY23	H1FY24
Revenue from Operations	114	69
EBITDA	12	10.00
EBITDA Margin (%)	10.53%	14.49%
PAT	5	5.00
PAT Margin (%)	4.39%	7.25%

**22. Vibhor Steel Tubes Limited**

Particulars	FY23	Dec-23
Revenue from Operations	1,114.40	251.3
EBITDA	46.8	13.00
EBITDA Margin (%)	4.20%	5.17%
PAT	21.1	4.30
PAT Margin (%)	1.89%	1.71%

**23. Wise Travel India Limited**

Particulars	FY23	H1FY24
Revenue from Operations	250	190
EBITDA	19	22
EBITDA Margin (%)	7.60%	11.58%
PAT	10.3	11
PAT Margin (%)	4.12%	5.79%

**24. Thaaai Casting Limited**

Particulars	FY23	7MFY24
Revenue from Operations	49.1	28.89
EBITDA	12.4	9.22
EBITDA Margin (%)	25.25%	31.91%
PAT	5	5.57
PAT Margin (%)	10.18%	19.28%

**25. Esconet Technologies Limited**

Particulars	FY23	H1FY24
Revenue from Operations	96.59	71.42
EBITDA	6.73	5.24
EBITDA Margin (%)	6.97%	7.34%
PAT	3.18	3.05
PAT Margin (%)	3.29%	4.27%

**26. AARTECH SOLONICS LIMITED**

Particulars	FY23	H1FY24
Revenue from Operations	21.69	22.77
EBITDA	3.04	2.83
EBITDA Margin (%)	14.02%	12.43%
PAT	1.86	1.77
PAT Margin (%)	8.58%	7.77%

**27. Baweja Studios Limited**

Particulars	FY23	H1FY24
Revenue from Operations	73.79	38.66
EBITDA	11.51	6.31
EBITDA Margin (%)	15.60%	16.32%
PAT	7.97	4.35
PAT Margin (%)	10.80%	11.25%

**28. Sona Machinery Limited**

Particulars	FY23	H1FY24
Revenue from Operations	80.84	-
EBITDA	12	-
EBITDA Margin (%)	14.84%	-
PAT	7.71	-
PAT Margin (%)	9.54%	-

**29. Medico Remedies Limited**

Particulars	FY23	9MFY24
Revenue from Operations	144.4	103.6
EBITDA	13.6	9.80
EBITDA Margin (%)	9.42%	9.46%
PAT	7.2	5.20
PAT Margin (%)	4.99%	5.02%

**30. Veekayem Fash & App Ltd**

Particulars	FY23	H1FY24
Revenue from Operations	235.5	94
EBITDA	13.6	7.00
EBITDA Margin (%)	5.77%	7.45%
PAT	1.8	2.00
PAT Margin (%)	0.76%	2.13%

**CHANAKYA OPPORTUNITIES FUND I SCHEME OF CHANAKYA FUND TRUST CATEGORY II AIF**

**31. Trust Fintech Limited**

Particulars	FY23	H1FY24
Revenue from Operations	22.54	18.82
EBITDA	5.96	9.96
EBITDA Margin (%)	26.44%	52.92%
PAT	4.02	7.28
PAT Margin (%)	17.83%	38.68%

**33. Aditya Ultra Steel Limited**

Particulars	FY23	FY24
Revenue from Operations	531.58	588.6
EBITDA	11.01	18.81
EBITDA Margin (%)	2.07%	3.20%
PAT	3.7	7.69
PAT Margin (%)	0.70%	1.31%

**35. TRIDHYA TECH LIMITED**

Particulars	FY23	H1FY24
Revenue from Operations	23.7	17.46
EBITDA	8.2	-5.37
EBITDA Margin (%)	34.60%	30.76%
PAT	3.2	-7.71
PAT Margin (%)	13.50%	44.16%

**32. Naman In Store**

Particulars	FY23	H1FY24
Revenue from Operations	149.9	79
EBITDA	11.1	13.00
EBITDA Margin (%)	7.40%	16.46%
PAT	4.4	6.00
PAT Margin (%)	2.94%	7.59%

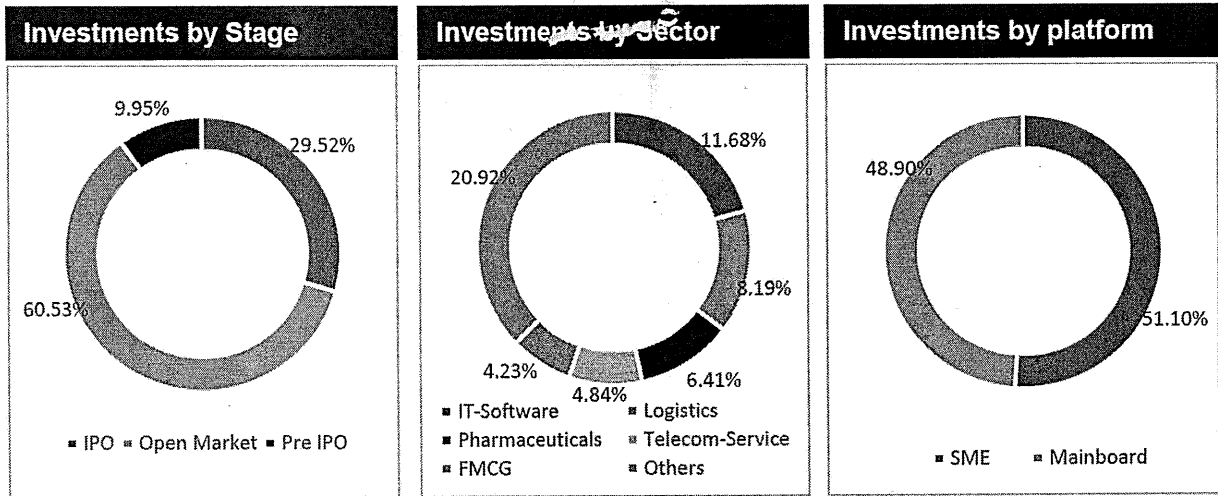
**34. Bulk Corp International Limited**

Particulars	FY23	FY24
Revenue from Operations	38.96	44.33
EBITDA	4.72	-
EBITDA Margin (%)	12.11%	-
PAT	3.01	4.38
PAT Margin (%)	7.73%	9.88%

**36. Chandra Bhagat Pharm**

Particulars	FY23	H1FY24
Revenue from Operations	119.67	119.26
EBITDA	4	2.01
EBITDA Margin (%)	3.34%	1.69%
PAT	0.91	0.64
PAT Margin (%)	0.76%	0.54%

**CHANAKYA OPPORTUNITIES FUND I SCHEME OF CHANAKYA FUND TRUST CATEGORY II AIF**



**PORTFOLIO ALLOCATIONS**

Portfolio Company	Invested Amount	Market Value	% Commitment
Deem Roll-Tech	1.47	1.25	1.91%
Aditya Ultra Steel	1.00	1.00	1.30%
Bulk Corp Intenational	1.00	1.00	1.30%
FnS International	0.25	0.25	0.32%
<b>Unlisted Allocations</b>	<b>3.72</b>	<b>3.50</b>	<b>4.83%</b>
Lancer Container Lines	4.94	4.26	6.42%
Tridhya Tech	3.51	2.22	4.56%
Nettlinx	3.22	3.48	4.18%
Medico Remedies	3.15	1.87	4.09%
Megastar Foods	2.81	2.64	3.65%
Other Investments	16.05	19.45	20.85%
<b>Listed Allocations</b>	<b>33.68</b>	<b>33.93</b>	<b>43.74%</b>
Cash & Cash Equivalent	29.07	29.07	37.75%
<b>Total</b>	<b>66.47</b>	<b>66.49</b>	<b>86.32%</b>

Disclaimer : Aforesaid allocation are based on strategy, however considering the realised/unrealised gains on listed allocation the % of AUM in listed might differ from the strategy in PPM.

**EXPOSURE TO VARIOUS RISKS AND ITS MANAGEMENT**

1. **Concentration Risk at fund level:** The Fund has not invested more than the regulatory limit of 25% in a single investee company as on 31 March 2024. Accordingly, the Fund has negligible concentration risk since it is at inception stage and has a long way to go and complete its term.
2. **Foreign exchange risk at fund level:** The Fund is India based domiciled focused fund. All the NRI investors transfers their Fund from NRI Account in india to the bank account of the Fund at the time of drawdown in Rupees. The Fund receives such funds and deploys in INR denominated securities. Thus, at the Fund level i.e. between the Fund and the investee company level, there is no transaction in foreign currency and therefore, there is no direct foreign exchange risk.
3. **Leverage risk at fund and investee company levels:** The Fund has not taken any leverage and therefore there is no leverage risk at the fund level.
4. **Realization risk (i.e. change in exit environment) at fund and investee company levels:** The Fund is a close ended Fund. The Fund invests in Unlisted and listed securities. The realization risk is not applicable at the current point in time as the Fund is still at deployment stage. Further, the Fund tends to minimize its realization risk by incorporating timeline driven exit clauses like enforcement of security interest, default interest rate etc. in the definitive documents. Even at the investee company levels, there has not been realisation risk in the past based on the past financials of the company. Also, the Investment Manager continues to monitor the investment and adequate action would be taken in case of such event.
5. **Strategy risk (i.e. change in or divergence from business strategy) at investee company level:**
  - a. **Market Volatility:** SMEs often operate in dynamic markets where demand, competition, and regulations can rapidly change. A risk arises when investee companies fail to adapt their strategies to mitigate the impact of market volatility, leading to revenue fluctuations and decreased profitability.
  - b. **Limited Resources:** SMEs typically have limited financial and human resources compared to larger corporations. This poses a risk as investee companies may struggle to scale operations, innovate, or withstand economic downturns without adequate resources.
  - c. **Competitive Pressures:** In crowded markets, SMEs face intense competition from both established players and new entrants. Failure to differentiate their products/services, build strong customer relationships, or innovate can result in market share erosion and diminished growth prospects.
  - d. **Operational Challenges:** SMEs may encounter operational hurdles such as supply chain disruptions, production inefficiencies, or regulatory compliance issues. Investee companies that fail to address these challenges promptly and effectively risk damaging their reputation and financial performance.
  - e. **Talent Acquisition and Retention:** SMEs often face difficulties in attracting and retaining top talent due to limited resources and competition from larger firms. This talent risk can impede innovation, hinder growth, and weaken the company's competitive position.
  - f. **Dependency on Key Individuals:** Many SMEs rely heavily on the expertise and leadership of key individuals, such as founders or key executives. A risk arises if investee companies lack succession plans or fail to mitigate the impact of key personnel departures on operations and strategic direction.

- g. **Financial Management:** Inadequate financial management practices, including poor cash flow management, high debt levels, or over-reliance on external funding, can expose investee companies to financial risks such as liquidity crises, bankruptcy, or inability to fund growth initiatives.
- h. **Technological Disruption:** Rapid advancements in technology can disrupt traditional business models and render existing products/services obsolete. SMEs that are slow to adopt or adapt to technological changes risk losing market relevance and being overtaken by more innovative competitors.
- i. **Regulatory and Compliance Risks:** SMEs must navigate a complex landscape of regulations and compliance requirements, which vary by industry and jurisdiction. Failure to stay abreast of regulatory changes or non-compliance with legal obligations can result in fines, legal disputes, and reputational damage.
- j. **External Shocks:** External factors such as natural disasters, geopolitical events, or global economic downturns can have a significant impact on SMEs' operations and financial stability. Investee companies that lack robust risk management strategies may struggle to weather external shocks and sustain long-term growth.

In light of the aforesaid strategy risks at investee level companies, there is no change or divergence from business strategy) at investee company level.

- 6. **Reputation risk at investee company level:** Chanakya's investment philosophy focuses on management track record especially in terms of corporate governance and promoter background of the investee company as a key parameter in selection of investee company. This mitigates the risk of an adverse event (which could create contingent liabilities) affecting the reputation of the investee company, as well as extra financial risk pertaining to the fund. The investee companies are not involved in any environment related matters (for example, production of chemical creating pollution) leading to impossibility of reputation loss due to environment related matters. We believe all the companies are well placed to not harm the society or Fund is not aware of any developments at Investee Company level which have any adverse impact on its investments.
- 7. **Extra-financial risks, including environmental, social and corporate governance risks, at fund and investee company level:** As part of internal governance framework at the parent company level, the Fund generally does not invest in company which have environmental, social and corporate governance related issues or risk.

## ADDITIONAL DISCLOSURES

### TEAM UPDATES

There were no changes to the investment team in the financial year 2023-24

### INVESTMENT MANAGER AND FUND DECLARATIONS

The Investment Manager confirms that there has been no change in control of the Investment Manager during the reporting period and that the Fund's Sponsor holds continuing interest in the Fund in accordance with the SEBI AIF regulations. The Fund has paid management fees due for the financial year 2023-24 to the Investment Manager in the reporting period.

During the reporting period, Chanakya Opportunities Fund - I has made Pre-IPO investment in Bulkcorp International Private Limited and Aditya Ultra Steel Limited.

Investors may please note that this investment is at arms basis in the best interest of the strategy of the fund. Stephead Advisors Private Limited, group company of Steptrade Share Services Private Limited (Investment Management Entity) was acting as advisor to the Company for its upcoming IPO.

We would like to inform you that Stephead Advisors Private Limited is no longer an Advisors to company and there is no conflict arising out the investment made by Chanakya Fund Trust. However, as part of good corporate governance we are disclosing the same to investors.

Apart from the aforesaid instances, there are no current or likely conflicts of interest that the Investment Manager or Chanakya Opportunities Fund I faced during the reporting period, nor has been there any inquiry or legal action that was initiated/pending by/at any legal or regulatory authority against the Investment Manager or Fund.

The Investment Manager has been in compliance with all restrictions in relation to borrowing of funds, and there has been no breach of provisions of the Fund documents or agreements with investors, as the case may be, during the reporting period. There has been no material change in information provided by the AIF to investors.

The Investment Manager has conducted a risk assessment exercise for the Fund and confirms that appropriate mitigants have been put in place to address all key material risks.