

**ADITYA ULTRA STEEL LIMITED**  
**CIN: U27100GJ2011PLC066552**

Our Company was originally incorporated as 'Aditya Ultra Steel Private Limited' under the provisions of the Companies Act, 1956 vide Certificate of Incorporation dated July 27, 2011 issued by the Registrar of Companies Gujarat, Dadra & Nagar Haveli ('RoC'). Subsequently, the name of our Company was changed to 'Aditya Ultra Steel Limited' pursuant to Special Resolution passed by Shareholders of the Company in the Extra Ordinary General Meeting held on June 25, 2018 and a fresh Certificate of Incorporation dated July 26, 2018, was issued by the Registrar of Companies, Gujarat, Ahmedabad. For further details of Incorporation, change of Name and Registered Office of our Company, please refer to chapter titled "General Information" and "Our History and Certain Other Corporate Matters" beginning on page 36 and page 105 of this Draft Red Herring Prospectus.

**Registered Office:** Survey No.888/807/810, FP-25,28,T 808-C, Pinnacle, Prahlad Nagar Area, Opp. Royal Arcade, AUDA Garden, Ahmedabad-380 015

**Contact Person:** Mr. Gandharv Khandelwal, Company Secretary and Compliance Officer

**Tel. No.:** 079 - 4890 1470, **E-Mail ID:** cs@adityaultrasteel.com, **Website:** www.adityaultrasteel.com

**PROMOTERS:** MR. VARUN MANOJKUMAR JAIN AND MRS. VARUNA VARUN JAIN

| THE ISSUE                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |  |
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| <p><b>PUBLIC ISSUE OF [●] EQUITY SHARES OF FACE VALUE OF ₹10 EACH OF ADITYA ULTRA STEEL LIMITED ("AUSL" OR THE "ISSUER COMPANY" OR THE "ISSUER") FOR CASH AT A PRICE OF ₹[●] PER EQUITY SHARE INCLUDING A SHARE PREMIUM OF ₹[●] PER EQUITY SHARE (THE "ISSUE PRICE") AGGREGATING TO ₹4500.00 LAKHS ("THE ISSUE"), OF WHICH [●] EQUITY SHARES OF FACE VALUE OF ₹10 EACH FOR CASH AT A PRICE OF ₹[●] PER EQUITY SHARE INCLUDING A SHARE PREMIUM OF ₹[●] PER EQUITY SHARE AGGREGATING TO ₹[●] LAKHS WILL BE RESERVED FOR SUBSCRIPTION BY MARKET MAKER TO THE ISSUE (THE "MARKET MAKER RESERVATION PORTION"). THE ISSUE LESS THE MARKET MAKER RESERVATION PORTION I.E. NET ISSUE OF [●] EQUITY SHARES OF FACE VALUE OF ₹10 EACH AT A PRICE OF ₹[●] PER EQUITY SHARE INCLUDING A SHARE PREMIUM OF ₹[●] PER EQUITY SHARE AGGREGATING TO ₹[●] LAKHS IS HEREINAFTER REFERRED TO AS THE "NET ISSUE". THE ISSUE AND THE NET ISSUE WILL CONSTITUTE [●] % AND [●] % RESPECTIVELY OF THE POST ISSUE PAID UP EQUITY SHARE CAPITAL OF OUR COMPANY.</b></p> <p>THE FACE VALUE OF THE EQUITY SHARES IS ₹10/- EACH. THE PRICE BAND WILL BE DECIDED BY OUR COMPANY IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGER ("BRLM") AND WILL BE ADVERTISED IN ALL EDITIONS OF THE ENGLISH NATIONAL NEWSPAPER, ALL EDITIONS OF THE HINDI NATIONAL NEWSPAPER AND REGIONAL NEWSPAPER, EACH WITH WIDE CIRCULATION, AT LEAST 5 (FIVE) WORKING DAYS PRIOR TO THE BID/ISSUE OPENING DATE WITH THE RELEVANT FINANCIAL RATIOS CALCULATED AT THE FLOOR PRICE AND THE CAP PRICE AND SHALL BE MADE AVAILABLE TO THE SME PLATFORM OF NATIONAL STOCK EXCHANGE OF INDIA LIMITED ("NSE EMERGE") FOR THE PURPOSE OF UPLOADING ON THEIR WEBSITE.</p> <p>In case of any revisions in the Price Band, the Bid/Issue Period will be extended by at least three additional Working Days after such revision of the Price Band, subject to the Bid/Issue Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bid/Issue Period, if applicable, will be widely disseminated by notification to the Stock Exchanges, by issuing a press release, and also by indicating the change on the website of the BRLM and the terminals of the Syndicate Members (defined herein below).</p> <p>All the potential investors applying in a public issue shall use only Application Supported by Blocked Amount (ASBA) facility for making payment providing details about the bank account which will be blocked by the Self Certified Syndicate Banks ("SCSBs") as per the SEBI circular CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015. For further details, please refer to section titled "Issue Procedure" beginning on page 193 of this Draft Red Herring Prospectus.</p> <p>In terms of Rule 19(2)(b)(i) of the Securities Contracts (Regulation) Rules, 1957, as amended (the "SCRR") the Issue is being made for at least 25% of the post-Issue paid-up Equity Share capital of our Company. The Issue is being made in accordance with Chapter XB of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended from time to time ("SEBI (ICDR) Regulations"). For further details please refer the section titled 'issue information' beginning on page 185 of this Draft Red Herring Prospectus.</p> |  |
| RISK IN RELATION TO THE FIRST ISSUE                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |  |
| <p>This being the first public Issue of our Company, there has been no formal market for the Equity Shares. The face value of the Equity Shares is ₹10 each. The Floor Price is [●] times the face value and the Cap Price is [●] times the face value. The Issue Price (determined and justified by our Company in consultation with the BRLM as stated in "Basis for Issue Price" on page 69 should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active or sustained trading in the Equity Shares or regarding the price at which the Equity Shares will be traded after listing.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |  |
| GENERAL RISKS                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |  |
| <p>Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in this offering. For taking an investment decision, investors must rely on their own examination of our Company and the Issue including the risks involved. The Equity Shares offered in the Issue have neither been recommended nor approved by Securities and Exchange Board of India nor does Securities and Exchange Board of India guarantee the accuracy or adequacy of this Draft Red Herring Prospectus. Specific attention of the investors is invited to the section titled "Risk Factors" beginning on page 14 of this Draft Red Herring Prospectus</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |  |
| ISSUER'S ABSOLUTE RESPONSIBILITY                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |  |
| <p>The Issuer, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Red Herring Prospectus contains all information with regard to our Company and the Issue, which is material in the context of the Issue, that the information contained in this Draft Red Herring Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Draft Red Herring Prospectus as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |  |
| LISTING                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |  |
| <p>The Equity Shares offered through the Draft Red Herring Prospectus are proposed to be listed on NSE EMERGE. In terms of the Chapter XB of the SEBI (ICDR) Regulations, 2009, as amended from time to time, our Company has received in-principle approval letter dated [●] from National Stock Exchange of India Limited ("NSE") for using its name in this offer document for listing our shares on the SME Platform of NSE. For the purpose of this Issue, the designated Stock Exchange will be NSE.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |  |

| BOOK RUNNING LEAD MANAGER |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | REGISTRAR TO THE ISSUE |                                                                                                                                                                                                                                                                                                                                                                                             |
|---------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                           | <p><b>MARK CORPORATE ADVISORS PRIVATE LIMITED</b><br/>CIN: U67190MH2008PTC181996<br/>404/1, The Summit Business Bay,<br/>Sant Janabai Road (Service Lane),<br/>Off W. E. Highway, Vile Parle (East), Mumbai-400 057.<br/><b>Contact Person:</b> Mr. Manish Gaur<br/><b>Tel. No.:</b> +91 22 2612 3207/08<br/><b>E-Mail ID:</b> smeipo@markcorporateadvisors.com<br/><b>SEBI Regn No.:</b> INM000012128<br/><b>Investor Grievance E-Mail ID:</b> compliance@markcorporateadvisors.com<br/><b>Website:</b> www.markcorporateadvisors.com</p> |                        | <p><b>CAMEO CORPORATE SERVICES LIMITED</b><br/>Subramanian Building, 1, Club House Road, Chennai-600 002<br/><b>Contact Person:</b> Mr. Prashant N. Sanil<br/><b>Tel No.:</b> +91 44 2846 0425<br/><b>E-Mail ID:</b> rdr@cameoindia.com<br/><b>Investor Grievance E-Mail ID:</b> investor1@cameoindia.com<br/><b>SEBI Regn No.:</b> INR000003753<br/><b>Website:</b> www.cameoindia.com</p> |
|                           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                        |                                                                                                                                                                                                                                                                                                                                                                                             |

| ISSUE PROGRAMME                 |                                 |
|---------------------------------|---------------------------------|
| <b>BID/ISSUE OPENED ON:</b> [●] | <b>BID/ISSUE CLOSED ON:</b> [●] |

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## SECTION 1-GENERAL INFORMATION

### DEFINITIONS AND ABBREVIATIONS

Unless the context otherwise indicates or implies, the following terms shall have the meanings provided below in this Draft Red Herring Prospectus, and references to any statute or regulations or policies will include any amendments or re-enactments thereto, from time to time. In case of any inconsistency between the definitions given below and the definitions contained in the General Information Document (as defined below), the definitions given below shall prevail.

The words and expressions used but not defined herein shall have the same meaning as is assigned to such terms under the SEBI (ICDR) Regulations, the Companies Act 1956/2013, the SCRA, the Depositories Act and the rules and regulations made thereunder.

#### General Terms:

| Term(s)                                        | Description                                                                                                                                                                                                                                    |
|------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| ‘Our Company’ or ‘The Company’ or ‘The Issuer’ | Aditya Ultra Steel Limited, a company incorporated under the Companies Act, 1956 and having its registered office at Survey No.888/807/810,FP-25,28,T 808-C, Pinnacle, Prahlad Nagar Area, opp. Royal Arcade, AUDA Garden, Ahmedabad – 380 015 |
| ‘we’, ‘us’ or ‘our’                            | Unless the context otherwise indicates or implies, refers to our Company together with its Subsidiaries                                                                                                                                        |

#### Company related Terms:

| Term(s)                                                                                                     | Description                                                                                                                                                                                                                                      |
|-------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Articles/Articles of Association/AOA                                                                        | Unless the context otherwise requires, refers to the Articles of Association of our Company, as amended from time to time.                                                                                                                       |
| Auditor/Statutory Auditor/ Statutory and Peer Review Auditor/ Peer Review Auditor                           | The Auditor Of The Company Being M/S. S.N. Shah and Associates., Chartered Accountants, Having Office At “10 B, Sapan House, Government Servant Society, Opp: Municipal Market, C G Road, Ahmedabad - 380009                                     |
| Bankers to Our Company                                                                                      | HDFC Bank Limited                                                                                                                                                                                                                                |
| Board/Board of Directors/Our Board                                                                          | The Board of Directors of our Company, as duly constituted from time to time, or committee(s) thereof                                                                                                                                            |
| Director(s)                                                                                                 | The Director(s) on the Board of Our Company as appointed from time to time, unless otherwise specified                                                                                                                                           |
| Equity Shares                                                                                               | Equity Shares of our Company of face value of ₹10 each                                                                                                                                                                                           |
| Equity Shareholders                                                                                         | The holders of Equity Shares of our Company                                                                                                                                                                                                      |
| Group Companies/Entities                                                                                    | Such companies/entities as covered under the applicable accounting standards and such other companies as considered material by the Board.<br><br>For details, please refer “Group Entities” on page no 122 of this Draft Red Herring Prospectus |
| Key Managerial Personnel/ KMP                                                                               | Key Managerial Personnel of our Company in terms of the SEBI (ICDR) Regulations, 2009 and Companies Act, 2013.<br><br>For details, please refer “Our Management” on page no 108 of this Draft Red Herring Prospectus                             |
| Aditya Ultra Steel Limited/ Aditya Ultra/ AUSL/ the Company/our Company/ we/ us/ our and the Issuer Company | Aditya Ultra Steel Limited, a Public Limited Company incorporated under the provisions of the Companies Act, 1956                                                                                                                                |
| Memorandum/Memorandum of Association/MOA                                                                    | The Memorandum of Association of our Company, as amended from time to time                                                                                                                                                                       |
| Non-Resident                                                                                                | A person resident outside India, as defined under FEMA Regulations                                                                                                                                                                               |
| Non-Resident Indian/NRI                                                                                     | A person resident outside India, who is a citizen of India or a Person of                                                                                                                                                                        |

| Term(s)                 | Description                                                                                                                                                                                                                                                   |
|-------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                         | Indian Origin as defined under FEMA Regulations, as amended                                                                                                                                                                                                   |
| Promoters/Our Promoters | Promoters of Our Company namely, Mr. Varun Manojkumar Jain and Mrs. Varuna Varun Jain<br>For details, please refer “Our Promoters and Promoter Group” on page no 118 of this Draft Red Herring Prospectus                                                     |
| Promoter Group          | Persons and entities constituting the Promoter Group of our Company in terms of Regulation 2(1)(zb) of the SEBI (ICDR) Regulations, 2009.<br>For details, please refer “Our Promoters and Promoter Group” on page no 118 of this Draft Red Herring Prospectus |
| Registered Office       | Survey No.888/807/810,FP-25,28,T 808-C,Pinnacle, Prahlad Nagar Area, opp. Royal Arcade, AUDA Garden, Ahmedabad - 380 015                                                                                                                                      |
| RoC/ ROC                | Registrar of Companies, Gujarat, Ahmedabad                                                                                                                                                                                                                    |

#### Issue Related Terms:

| Term(s)                                       | Description                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
|-----------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Allocation/Allocation of Equity Shares        | The Allocation of Equity Shares of our Company pursuant to Fresh Issue of Equity Shares to the successful Applicants                                                                                                                                                                                                                                                                                                                                                                                                                         |
| Allotment/Allot/Allotted                      | Issue an allotment of Equity Shares of our Company pursuant to Fresh Issue of the Equity Shares to the successful Applicants                                                                                                                                                                                                                                                                                                                                                                                                                 |
| Allottee(s)                                   | Successful Applicants to whom Equity Shares of our Company shall have been allotted                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| Applicant                                     | Any prospective investor who makes an application for Equity Shares of our Company in terms of this Draft Red Herring Prospectus                                                                                                                                                                                                                                                                                                                                                                                                             |
| Application Amount                            | The amount at which the Applicant makes an application for Equity Shares of our Company in terms of this Draft Red Herring Prospectus                                                                                                                                                                                                                                                                                                                                                                                                        |
| Application Form                              | The Form in terms of which the prospective investors shall apply for our Equity Shares in the Issue                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| Application Supported by Blocked Amount/ASBA  | The application (whether physical or electronic) by an Applicant to make an Application authorizing the relevant SCSB to block the Application Amount in the relevant ASBA Account Pursuant to SEBI Circular dated November 10, 2015 and bearing Reference No. CIR/CFD/POLICYCELL/11/2015 which shall be applicable for all public issues opening on or after January 01, 2016, all potential investors shall participate in the Issue only through ASBA process providing details about the bank account which will be blocked by the SCSBs |
| ASBA Account                                  | Account maintained with an SCSB and specified in the Application Form which will be blocked by such SCSB to the extent of the appropriate Application Amount in relation to an Application by an Applicant                                                                                                                                                                                                                                                                                                                                   |
| ASBA Application Location(s)/Specified Cities | Locations at which ASBA Applications can be uploaded by the SCSBs viz, Mumbai, New Delhi, Chennai, Kolkata, Ahmedabad, Rajkot, Bangalore, Hyderabad, Pune, Baroda and Surat                                                                                                                                                                                                                                                                                                                                                                  |
| ASBA Bid                                      | A Bid made by an ASBA Bidder                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| ASBA Investor/ASBA Applicant                  | Any prospective investor(s)/applicants(s) in this Issue who apply(ies) through the ASBA process in terms of this Draft Red Herring Prospectus                                                                                                                                                                                                                                                                                                                                                                                                |
| Banker(s) to the Issue/Escrow Collection Bank | The banks which are clearing members and registered with SEBI as Banker to an Issue with whom the Public Issue Account will be opened and in this case, being [•]                                                                                                                                                                                                                                                                                                                                                                            |
| Basis of Allotment                            | The basis on which Equity Shares will be Allotted to the successful Applicants under the Issue and which is described under chapter titled “Issue Procedure” beginning on page no 193 of this Draft Red Herring Prospectus                                                                                                                                                                                                                                                                                                                   |
| Bid                                           | An indication to make an offer during the Bid/Issue Period by a Bidder pursuant to submission of the Application Form, or during the Anchor Investor Bid/Issue Period by the Anchor Investors, to subscribe to or purchase the Equity Shares of our Company at a price within the Price Band, including all revisions and modifications thereto as permitted under the SEBI Regulations                                                                                                                                                      |
| Bid Amount                                    | Highest value of optional Bids indicated in the Application Form and payable                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |

| Term(s)                                    | Description                                                                                                                                                                                                                                                                                                                                                                                          |
|--------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                            | by the Bidder upon submission of the Bid                                                                                                                                                                                                                                                                                                                                                             |
| Bid Lot                                    | [●] Equity Shares                                                                                                                                                                                                                                                                                                                                                                                    |
| BRLM                                       | Manager to the Issue, in this case being Mark Corporate Advisors Private Limited, a SEBI Registered Merchant Banker                                                                                                                                                                                                                                                                                  |
| Broker Centre's                            | Broker Centre's notified by the Stock Exchanges, where the Applicants can submit the Application Forms to a Registered Broker.<br><br>The details of such Broker Centre's, along with the name and contact details of the Registered Brokers, are available on the website of the Stock Exchange                                                                                                     |
| Broker to the Issue                        | All recognized members of the stock exchange would be eligible to act as the Broker to the Issue                                                                                                                                                                                                                                                                                                     |
| CAN/Allotment advice                       | The note or advice or intimation of Allotment, sent to each successful Applicant who has been or is to be Allotted the Equity Shares after approval of the Basis of Allotment by the Designated Stock Exchange                                                                                                                                                                                       |
| Client ID                                  | Client identification number of the Applicant's beneficiary account                                                                                                                                                                                                                                                                                                                                  |
| Collecting Depository Participant/ CDP     | A depository participant as defined under the Depositories Act, 1996, registered with SEBI and who is eligible to procure Applications at the Designated CDP Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI                                                                                                                                    |
| Controlling Branches of the SCSBs          | Such branches of the SCSBs which co-ordinate applications under this Issue by the ASBA Applicants with the Book Running Lead Manager, Registrar to the Issue and the Stock Exchange and a list of which is available at <a href="http://www.sebi.gov.in">http://www.sebi.gov.in</a> , or at such other website as may be prescribed by SEBI from time to time                                        |
| Demographic Details                        | The demographic details of the Applicants such as their address, PAN, occupation and bank account details                                                                                                                                                                                                                                                                                            |
| Depository                                 | A Depository registered with SEBI under SEBI (Depositories and Participant) Regulations, 1996                                                                                                                                                                                                                                                                                                        |
| Depository Participant/DP                  | A Depository Participant as defined under the Depositories Act.                                                                                                                                                                                                                                                                                                                                      |
| Designated CDP Locations                   | Such locations of the CDPs where Applicants can submit the Application Forms to Collecting Depository Participants. The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept Application Forms are available on the website of the Stock Exchange i.e. <a href="http://www.nseindia.com">www.nseindia.com</a> |
| Designated SCSB Branches                   | Such branches of the SCSBs which shall collect the ASBA Forms from the ASBA Applicants and a list of which is available at <a href="http://www.sebi.gov.in">www.sebi.gov.in</a> , or at such other website as may be prescribed by SEBI from time to time                                                                                                                                            |
| Designated Date                            | The date on which funds are transferred from the amount blocked by the SCSBs is transferred from the ASBA Account to the Public Issue Account, as appropriate, after the Issue is closed, following which the Equity Shares shall be allotted/transfer to the successful Applicants                                                                                                                  |
| Designated Intermediaries/Collecting Agent | An SCSB with whom the bank account to be blocked, is maintained, a syndicate member(or sub-syndicate member), a Registered Broker, Designated CDP Locations for CDP, a registrar to an issue and Share Transfer Agent (RTA) (whose names is mentioned on website of the Stock Exchange as eligible for this activity)                                                                                |
| Designated Market Maker/Market Maker       | In our case, [●] having its Registered office at [●] and Corporate office at [●]                                                                                                                                                                                                                                                                                                                     |
| Designated RTA Locations                   | Such locations of the RTAs where Applicants can submit the Application Forms to RTAs. The details of such Designated RTA Locations, along with names and contact details of the RTAs eligible to accept Application Forms are available on the website of the Stock Exchange.                                                                                                                        |
| Designated Stock Exchange                  | NSE Emerge Platform of National Stock Exchange of India Limited                                                                                                                                                                                                                                                                                                                                      |
| Draft Red Herring Prospectus               | The Draft Red Herring Prospectus dated November 05, 2018 issued in accordance with Section 26 of the Companies Act, 2013 and filed with the NSE under SEBI (ICDR) Regulations, 2009                                                                                                                                                                                                                  |
| Eligible NRIs                              | NRIs from jurisdictions outside India where it is not unlawful to make an                                                                                                                                                                                                                                                                                                                            |

| Term(s)                                                                                     | Description                                                                                                                                                                                                                                                                                                                                                                                                                                               |
|---------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                                                             | issue or invitation under the Issue and in relation to whom this Draft Red Herring Prospectus constitutes an invitation to subscribe to the Equity Shares offered herein                                                                                                                                                                                                                                                                                  |
| Eligible QFIs                                                                               | Qualified Foreign Investors from such jurisdictions outside India where it is not unlawful to make an offer or invitation under the Issue and in relation to whom the Prospectus constitutes an invitation to purchase the Equity Shares offered thereby and who have opened dematerialized accounts with SEBI registered qualified depository participants as QFIs and are deemed as FPIs under the SEBI (Foreign Portfolio Investors) Regulations, 2014 |
| Public Issue Account(s)                                                                     | Account(s) opened with the Public Issue Bank/Banker for the Issue                                                                                                                                                                                                                                                                                                                                                                                         |
| Public Issue Account/ Agreement                                                             | Agreement entered into by our Company, the Registrar to the Issue, the Book Running Lead Manager, and the Public Issue Bank to the Issue for collection of the Application Amounts                                                                                                                                                                                                                                                                        |
| First/Sole Applicant                                                                        | The Applicant whose name appears first in the Application Form or Revision Form                                                                                                                                                                                                                                                                                                                                                                           |
| General Information Document/GID                                                            | The General Information Document for investing in public issues prepared and issued in accordance with the circulars (CIR/CFD/DIL/12/2013) dated October 23, 2013, notified by SEBI and updated pursuant to the circular (CIR/CFD/POLICYCELL/11/2015) dated November 10, 2015 and (SEBI/HO/CFD/DIL/CIR/P/2016/26) dated January 21, 2016 notified by the SEBI and included in “Issue Procedure” on page 193 of this Draft Red Herring Prospectus          |
| Issue/Issue Size/ Initial Public Offer/Initial Public Offering/Initial Public Offering/ IPO | Public Issue of [●] Equity Shares of face value of ₹10 each fully paid of Aditya Ultra Steel Limited for cash at a price of ₹ [●] per Equity Share (including a premium of ₹[●] per Equity Share) aggregating up to ₹4500 Lakhs.                                                                                                                                                                                                                          |
| Memorandum of Understanding/MoU                                                             | The MoU dated October 10, 2018 between our Company and the Book Running Lead Manager, pursuant to which certain arrangements are agreed to in relation to the Issue                                                                                                                                                                                                                                                                                       |
| Issue Opening Date                                                                          | The date on which Issue opens for subscription                                                                                                                                                                                                                                                                                                                                                                                                            |
| Issue Closing Date                                                                          | The date on which Issue closes for subscription                                                                                                                                                                                                                                                                                                                                                                                                           |
| Issue Period                                                                                | The period between the Issue Opening Date and the Issue Closing Date inclusive of both the days during which prospective Investors may submit their application                                                                                                                                                                                                                                                                                           |
| Issue Price                                                                                 | The price at which the Equity Shares are being issued by our Company under this Draft Red Herring Prospectus being [●] per Equity Share of face value of ₹10 each fully paid up                                                                                                                                                                                                                                                                           |
| Issue Proceeds                                                                              | Proceeds from the fresh Issue that will be available to our Company, being ₹[●] Lakhs                                                                                                                                                                                                                                                                                                                                                                     |
| Listing Agreement                                                                           | The Equity Listing Agreement to be signed between our Company and NSE Emerge                                                                                                                                                                                                                                                                                                                                                                              |
| Market Making Agreement                                                                     | Market Making Agreement dated [●] between Our Company, BRLM and Market Maker                                                                                                                                                                                                                                                                                                                                                                              |
| Market Maker                                                                                | Market Maker appointed by our Company, in this case being [●] who has agreed to receive or deliver the specified securities in the market making process for a period of three years from the date of listing of our Equity Shares or for any other period as may be notified by SEBI from time to time                                                                                                                                                   |
| Market Maker Reservation Portion                                                            | The Reserved Portion of [●] Equity Shares of face value of ₹10 each fully paid for cash at a price of ₹[●] per Equity Share aggregating ₹[●] Lakhs for the Market Maker in this Issue                                                                                                                                                                                                                                                                     |
| Mutual Fund(s)                                                                              | A mutual fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996, as amended from time to time                                                                                                                                                                                                                                                                                                                                          |
| Net Issue                                                                                   | The Issue excluding the Market Maker Reservation Portion of [●] Equity Shares of face value of ₹10 each fully paid for cash at a price of ₹[●] Equity Share aggregating ₹[●] Lakhs by our Company                                                                                                                                                                                                                                                         |
| Net Proceeds                                                                                | The Issue Proceeds, less the Issue related expenses, received by the Company. For further information about use of the Issue Proceeds and the                                                                                                                                                                                                                                                                                                             |

| Term(s)                                      | Description                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
|----------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                              | Issue expenses, please refer to the chapter titled “ <i>Objects of the Issue</i> ” beginning on page no 62 of this Draft Red Herring Prospectus                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| Non-Institutional Investors                  | All Applicants that are not Qualified Institutional Buyers or Retail Individual Investors and who have Applied for Equity Shares for an amount more than ₹2,00,000                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| OCB/Overseas Corporate Body                  | A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs, including overseas trusts in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly as defined under the Foreign Exchange Management (Deposit) Regulations, 2000, as amended from time to time. OCBs are not allowed to invest in this Issue                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| Payment through electronic transfer of funds | Payment through NECS, NEFT or Direct Credit, as applicable                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| Person/Persons                               | Any individual, sole proprietorship, unincorporated association, unincorporated organization, body corporate, corporation, company, partnership, limited liability company, joint venture, or trust or any other entity or organization validly constituted and/or incorporated in the jurisdiction in which it exists and operates, as the context requires                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| Prospectus                                   | The Prospectus to be filed with RoC containing, inter-alia, the issue opening and closing dates and other information                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| Public Issue Account                         | Account opened with the Banker to the Issue/Public Issue Bank i.e. [●] by our Company to receive monies from SCSBs from the bank accounts of the ASBA Applicants on the Designated Date                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| Qualified Institutional Buyers or QIBs       | QIBs, as defined under the SEBI ICDR Regulations, including public financial institutions as specified in Section 2(72) of the Companies Act, 2013 scheduled commercial banks, mutual fund registered with SEBI, FII and sub-account (other than a sub-account which is a foreign corporate or foreign individual) registered with SEBI, multilateral and bilateral development financial institution, venture capital fund registered with SEBI, foreign venture capital investor registered with SEBI, state industrial development corporation, insurance company registered with Insurance Regulatory and Development Authority, provident fund with minimum corpus of ₹2,500 Lakhs, pension fund with minimum corpus of ₹2,500 Lakhs, NIF, insurance funds set up and managed by army, navy or air force of the Union of India and insurance funds set up and managed by the Department of Posts, India |
| Refund Account (s)                           | Account(s) to which monies to be refunded to the Applicants shall be transferred from the Public Issue Account in case listing of the Equity Shares does not occur                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| Registered Brokers                           | Stock Brokers registered with the Stock Exchanges having nationwide terminals                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| Registrar/Registrar to the Issue             | Cameo Corporate Services Limited                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| Retail Individual Investor                   | Individual Applicants, or minors applying through their natural guardians, including HUFs (applying through their Karta) and ASBA Applicants, who apply for an amount less than or equal to ₹2,00,000                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| Revision Form                                | The form used by the Applicants to modify the quantity of Equity Shares in any of their Application Forms or any previous Revision Form(s)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| Self-Certified Syndicate Banker/ SCSB        | Shall mean a Banker to an Issue registered under SEBI (Bankers to an Issue) Regulations, 1994, as amended from time to time, and which offer the service of making Application/s Supported by Blocked Amount including blocking of bank account and a list of which is available on <a href="http://www.sebi.gov.in">www.sebi.gov.in</a> or at such other website as may be prescribed by SEBI from time to time                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| SME Platform of NSE/NSE EMERGE               | The SME Platform of NSE for listing of equity shares offered under Chapter XB of the SEBI (ICDR) Regulations.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| Underwriters                                 | [●]                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| Underwriting Agreement                       | The agreement dated [●] entered into between the Underwriters and our Company                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| Working Day                                  | Any day, other than 2 <sup>nd</sup> and 4 <sup>th</sup> Saturday of the month, Sundays or public                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |

| Term(s) | Description                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
|---------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|         | holidays, on which commercial banks in India are open for business, provided however, with reference to announcement of Price Band and Issue Period shall mean all days, excluding Saturday, Sundays and public holidays on which commercial banks in Mumbai are open for business and the time period between the Issue Closing Date and the listing of the Equity Shares on the Stock Exchanges, shall mean all trading days of Stock Exchanges, excluding Sundays and bank holidays, as per the SEBI Circular SEBI/HO/CFD/DIL/CIR/P/2016/26 dated January 21, 2016. |

#### **Technical and Industry Related Terms:**

| Term(s)    | Description                   |
|------------|-------------------------------|
| C.I Moulds | Cast Iron Moulds              |
| CRC        | Cold Rolled Coils             |
| CTD Bars   | Cold Twisted Deformed Bars    |
| GDP        | Gross Domestic Product        |
| HRC        | Hot Rolled Coil               |
| HSD Bars   | High Strength Deformed Bars   |
| IISC       | Indian Iron and Steel Company |
| MT         | Million Tons                  |
| SAIL       | Steel Authority Of India ltd  |
| TISCO      | Tata Iron And Steel Company   |
| TMT        | Thermo Mechanically Treated   |

#### **Conventional and General Terms or Abbreviations:**

| Term(s)          | Description                                                                                                                                                                            |
|------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| A/c              | Account                                                                                                                                                                                |
| Act              | The Companies Act, 2013                                                                                                                                                                |
| AGM              | Annual General Meeting                                                                                                                                                                 |
| Articles         | Articles of Association of the Company framed in pursuance of this Act                                                                                                                 |
| AS               | Accounting Standards as issued by the Institute of Chartered Accountants of India                                                                                                      |
| AY               | Assessment Year                                                                                                                                                                        |
| ASBA             | Applications Supported by Blocked Amount                                                                                                                                               |
| BIFR             | Board for Industrial and Financial Reconstruction                                                                                                                                      |
| CAGR             | Compounded Annual Growth Rate                                                                                                                                                          |
| CCI              | Competition Commission of India                                                                                                                                                        |
| CDSL             | Central Depository Services (India) Limited                                                                                                                                            |
| CESTAT           | Customs, Excise and Service Tax Appellate Tribunal                                                                                                                                     |
| CENVAT           | Central Value Added Tax                                                                                                                                                                |
| CIN              | Corporate Identification Number                                                                                                                                                        |
| CIT              | Commissioner of Income Tax                                                                                                                                                             |
| Companies Act    | Companies Act, 2013                                                                                                                                                                    |
| CSO              | Central Statistical Organization                                                                                                                                                       |
| Depositories     | NSDL and CDSL, Depositories registered with the SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996, as amended from time to time. |
| Depositories Act | The Depositories Act, 1996, as amended from time to time.                                                                                                                              |
| DIN              | Director Identification Number                                                                                                                                                         |
| DP               | Depository Participant                                                                                                                                                                 |
| DP ID            | Depository Participant's Identity                                                                                                                                                      |
| DB               | Designated Branch                                                                                                                                                                      |
| EBIDTA           | Earnings before Interest, Depreciation, Tax, Amortization and extraordinary items                                                                                                      |
| ECS              | Electronic Clearing Services                                                                                                                                                           |
| EGM              | Extraordinary General Meeting                                                                                                                                                          |

| Term(s)                                                    | Description                                                                                                                                                                                                                                                                           |
|------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| ESIC                                                       | Employee State Insurance Corporation                                                                                                                                                                                                                                                  |
| ESOP                                                       | Employee Stock Option Plan                                                                                                                                                                                                                                                            |
| EPS                                                        | Earnings per Share                                                                                                                                                                                                                                                                    |
| FDI                                                        | Foreign Direct Investment                                                                                                                                                                                                                                                             |
| FCNR Account                                               | Foreign Currency Non-Resident Account                                                                                                                                                                                                                                                 |
| FEMA                                                       | Foreign Exchange Management Act, as amended from time to time and the regulations framed there under                                                                                                                                                                                  |
| FEMA Regulations                                           | FEMA (Transfer or Issue of Security by Person Resident Outside India) Regulations, 2000 and amendments thereto.                                                                                                                                                                       |
| FII(s)                                                     | Foreign Institutional Investors                                                                                                                                                                                                                                                       |
| FIs                                                        | Financial Institutions                                                                                                                                                                                                                                                                |
| FV                                                         | Face Value                                                                                                                                                                                                                                                                            |
| FVCI                                                       | Foreign Venture Capital Investor registered under the Securities and Exchange Board of India (Foreign Venture Capital Investor) Regulations, 2000                                                                                                                                     |
| FY                                                         | Financial Year                                                                                                                                                                                                                                                                        |
| GAAP                                                       | Generally Accepted Accounting Principles                                                                                                                                                                                                                                              |
| GDP                                                        | Gross Domestic Product                                                                                                                                                                                                                                                                |
| GOI                                                        | Government of India.                                                                                                                                                                                                                                                                  |
| HNI                                                        | High Net Worth Individual                                                                                                                                                                                                                                                             |
| HUF                                                        | Hindu Undivided Family                                                                                                                                                                                                                                                                |
| ICDR Regulations/ SEBI Regulations/ SEBI (ICDR)Regulations | SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended from time to time                                                                                                                                                                                    |
| Indian GAAP                                                | Generally accepted accounting principles in India                                                                                                                                                                                                                                     |
| ICAI                                                       | Institute of Chartered Accountants of India                                                                                                                                                                                                                                           |
| ICSI                                                       | Institute of Company Secretaries of India                                                                                                                                                                                                                                             |
| IFRS                                                       | International financial reporting standards                                                                                                                                                                                                                                           |
| Ind AS                                                     | Indian Accounting Standards                                                                                                                                                                                                                                                           |
| IPC                                                        | Indian Penal Code                                                                                                                                                                                                                                                                     |
| IPO                                                        | Initial Public Offering                                                                                                                                                                                                                                                               |
| IPR                                                        | Intellectual Property Right                                                                                                                                                                                                                                                           |
| IT                                                         | Information Technology                                                                                                                                                                                                                                                                |
| ITAT                                                       | Income Tax Appellate Tribunal                                                                                                                                                                                                                                                         |
| IT Act                                                     | The Income-tax Act, 1961 as amended from time to time except as stated otherwise                                                                                                                                                                                                      |
| IT Rules                                                   | The Income-tax Rules, 1962, as amended from time to time                                                                                                                                                                                                                              |
| INR                                                        | Indian National Rupee                                                                                                                                                                                                                                                                 |
| JV                                                         | Joint venture                                                                                                                                                                                                                                                                         |
| KMP                                                        | The officers declared as a Key Managerial/Management Personnel and as mentioned in the chapter titled “Our Management” beginning on page 108 of this Draft Red Herring Prospectus                                                                                                     |
| Ltd.                                                       | Limited                                                                                                                                                                                                                                                                               |
| MBA                                                        | Master in Business Administration                                                                                                                                                                                                                                                     |
| M.Com                                                      | Master Degree in Commerce                                                                                                                                                                                                                                                             |
| MD                                                         | Managing Director                                                                                                                                                                                                                                                                     |
| MoU                                                        | Memorandum of Understanding                                                                                                                                                                                                                                                           |
| MNC                                                        | Multinational Corporation                                                                                                                                                                                                                                                             |
| N/A or NA                                                  | Not Applicable                                                                                                                                                                                                                                                                        |
| NAV                                                        | Net Asset Value                                                                                                                                                                                                                                                                       |
| NECS                                                       | National Electronic Clearing Services                                                                                                                                                                                                                                                 |
| NEFT                                                       | National Electronic Fund Transfer                                                                                                                                                                                                                                                     |
| Net Worth                                                  | The aggregate of the paid-up share capital, share premium account, and reserves and surplus (excluding revaluation reserve) as reduced by the aggregate of miscellaneous expenditure (to the extent not adjusted or written off) and the debit balance of the profit and loss account |
| NOC                                                        | No Objection Certificate                                                                                                                                                                                                                                                              |
| NPV                                                        | Net Present Value                                                                                                                                                                                                                                                                     |

| Term(s)                                                      | Description                                                                                                                                                                                                                                                           |
|--------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| NR                                                           | Non-Resident                                                                                                                                                                                                                                                          |
| NRE Account                                                  | Non-Resident External Account                                                                                                                                                                                                                                         |
| NRI                                                          | Non-Resident Indian, is a person resident outside India, who is a citizen of India or a person of Indian origin and shall have the same meaning as ascribed to such term in the Foreign Exchange Management (Deposit) Regulations, 2000, as amended from time to time |
| NRO Account                                                  | Non-Resident Ordinary Account                                                                                                                                                                                                                                         |
| NSDL                                                         | National Securities Depository Limited                                                                                                                                                                                                                                |
| p.a.                                                         | per annum                                                                                                                                                                                                                                                             |
| PAN                                                          | Permanent Account Number                                                                                                                                                                                                                                              |
| PAT                                                          | Profit After Tax                                                                                                                                                                                                                                                      |
| Pvt.                                                         | Private                                                                                                                                                                                                                                                               |
| PBT                                                          | Profit Before Tax                                                                                                                                                                                                                                                     |
| P/E Ratio                                                    | Price Earnings Ratio                                                                                                                                                                                                                                                  |
| POA                                                          | Power of Attorney                                                                                                                                                                                                                                                     |
| PIO                                                          | Persons of Indian Origin                                                                                                                                                                                                                                              |
| QIB                                                          | Qualified Institutional Buyer                                                                                                                                                                                                                                         |
| RBI                                                          | Reserve Bank of India                                                                                                                                                                                                                                                 |
| RBI Act                                                      | The Reserve Bank of India Act, 1934, as amended from time to time                                                                                                                                                                                                     |
| Ron                                                          | Return on Net Worth.                                                                                                                                                                                                                                                  |
| Rs./INR/`                                                    | Indian Rupees                                                                                                                                                                                                                                                         |
| RTGS                                                         | Real Time Gross Settlement                                                                                                                                                                                                                                            |
| SCRA                                                         | Securities Contracts (Regulation) Act, 1956                                                                                                                                                                                                                           |
| SCRR                                                         | Securities Contracts (Regulation) Rules, 1957                                                                                                                                                                                                                         |
| SCSB                                                         | Self-Certified Syndicate Bank                                                                                                                                                                                                                                         |
| SEBI                                                         | Securities and Exchange Board of India.                                                                                                                                                                                                                               |
| SEBI Act                                                     | Securities and Exchange Board of India Act, 1992, as amended from time to time.                                                                                                                                                                                       |
| SEBI Depository Regulations                                  | Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996                                                                                                                                                                              |
| SEBI ICDR Regulations                                        | Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009                                                                                                                                                               |
| SEBI LODR Regulations                                        | Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015                                                                                                                                                            |
| SEBI Insider Trading Regulations                             | The SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time, including instructions and clarifications issued by SEBI from time to time                                                                                                 |
| SEBI Takeover Regulations/Takeover Regulations/Takeover Code | Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended from time to time, including instructions and clarifications issued by SEBI from time to time                                                  |
| Sec                                                          | Section                                                                                                                                                                                                                                                               |
| SICA                                                         | Sick Industrial Companies (Special Provisions) Act, 1985, as amended from time to time                                                                                                                                                                                |
| SSI Undertaking                                              | Small Scale Industrial Undertaking                                                                                                                                                                                                                                    |
| Stock Exchange(s)                                            | NSE SME                                                                                                                                                                                                                                                               |
| Sq.                                                          | Square                                                                                                                                                                                                                                                                |
| Sq. Mtr.                                                     | Square Meter                                                                                                                                                                                                                                                          |
| TAN                                                          | Tax Deduction Account Number                                                                                                                                                                                                                                          |
| TRS                                                          | Transaction Registration Slip                                                                                                                                                                                                                                         |
| TIN                                                          | Taxpayers Identification Number                                                                                                                                                                                                                                       |
| TNW                                                          | Total Net Worth                                                                                                                                                                                                                                                       |
| u/s                                                          | Under Section                                                                                                                                                                                                                                                         |
| UIN                                                          | Unique Identification Number                                                                                                                                                                                                                                          |
| US/ U.S. / USA                                               | United States of America                                                                                                                                                                                                                                              |
| USD or US\$                                                  | United States Dollar                                                                                                                                                                                                                                                  |
| U.S. GAAP                                                    | Generally accepted accounting principles in the United States of America                                                                                                                                                                                              |

| Term(s)                        | Description                                                                                                                                                                       |
|--------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| UOI                            | Union of India                                                                                                                                                                    |
| Venture Capital Fund(s)/VCF(s) | Venture capital funds as defined and registered with SEBI under the Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996, as amended from time to time |
| WDV                            | Written Down Value                                                                                                                                                                |
| w.e.f.                         | With effect from                                                                                                                                                                  |
| YoY                            | Year over Year                                                                                                                                                                    |

*Notwithstanding the foregoing:*

- 1) In *‘Main Provisions of the Articles of Association’* beginning on page no 234 of this Draft Red Herring Prospectus, defined terms shall have the meaning given to such terms in that section.
- 2) In *‘Summary of Our Business’* and *‘Our Business’* on page no’s 30 and 80 respectively, of this Draft Red Herring Prospectus , defined terms shall have the meaning given to such terms in that section.
- 3) In *‘Risk Factors’* on page no 14 of this Draft Red Herring Prospectus , defined terms shall have the meaning given to such terms in that section.
- 4) In *‘Statement of Possible Special Tax Benefits’* on page no 71 of this Draft Red Herring Prospectus , defined terms shall have the meaning given to such terms in that section.
- 5) In *‘Management’s Discussion and Analysis of Financial Conditions and Results of Operations’* on page no 162 of this Draft Red Herring Prospectus , defined terms shall have the meaning given to such terms in that section.

## USE OF FINANCIAL INFORMATION AND MARKET DATA AND CURRENCY OF PRESENTATION

In this Draft Red Herring Prospectus, the terms “we”, “us”, “our”, the “Company”, “our Company”, “Aditya Ultra Steel Limited” and “AUSL”, unless the context otherwise indicates or implies, refers to Aditya Ultra Steel Limited.

### **Financial Data**

Unless stated otherwise, the financial data in this Draft Red Herring Prospectus is derived from our restated financial statements for the period ended July 31, 2018 and financial years ended March 31 2018, March 31 2017, March 31, 2016, March 31, 2015 and March 31, 2014 prepared in accordance with Indian GAAP, the Companies Act and restated in accordance with the SEBI (ICDR) Regulations and the Indian GAAP which are included in this Draft Red Herring Prospectus, and set out in ‘*Financial Statements*’ on page no. 129 of Draft Red Herring Prospectus.

Our Company’s financial year commences on April 1 of the immediately preceding calendar year and ends on March 31<sup>st</sup> of that particular calendar year, so all references to a particular financial year are to the 12 month period commencing on April 1 of the immediately preceding calendar year and ending on March 31 of that particular calendar year.

There are significant differences between the Indian GAAP, the International Financial Reporting Standards (the “IFRS”) and the Generally Accepted Accounting Principles in the United States of America (the “U.S. GAAP”). Accordingly, the degree to which the financial statements included in this Draft Red Herring Prospectus will provide meaningful information is entirely dependent on the reader’s level of familiarity with Indian accounting practices. Any reliance by persons not familiar with Indian accounting practices, the Indian GAAP, the Companies Act and the SEBI (ICDR) Regulations on the financial disclosures presented in this Draft Red Herring Prospectus should accordingly be limited. We have not attempted to quantify the impact of the IFRS or the U.S. GAAP on the financial data included in this Draft Red Herring Prospectus, nor do we provide a reconciliation of our financial statements to those under the U.S. GAAP or the IFRS and we urge you to consult your own advisors regarding such differences and their impact on our financial data.

Certain figures contained in this Draft Red Herring Prospectus, including financial information, have been subject to rounding adjustments. All decimals have been rounded off to two decimal points, except for figures in percentage. In certain instances, (i) the sum or percentage change of such numbers may not conform exactly to the total figure given; and (ii) the sum of the numbers in a column or row in certain tables may not conform exactly to the total figure given for that column or row. However, where any figures that may have been sourced from third-party industry sources are rounded off to other than two decimal points in their respective sources, such figures appear in this Draft Red Herring Prospectus as rounded off to such number of decimal points as provided in such respective sources.

### **Currency and units of Presentation**

In this Draft Red Herring Prospectus, unless the context otherwise requires, all references to (a) ‘Rupees’ or ‘₹’ or ‘Rs.’ or ‘INR’ are to Indian rupees, the official currency of the Republic of India; (b) ‘US Dollars’ or ‘US\$’ or ‘USD’ or ‘\$’ are to United States Dollars, the official currency of the United States of America. All references to the word ‘Lakh’ or ‘Lac’ or ‘Lacs’, means ‘One hundred thousand’ and the word ‘Million’ means ‘Ten lakhs’ and the word ‘Crore’ means ‘Ten Million’ and the word ‘Billion’ means ‘One thousand Million’.

Any percentage amounts, as set forth in "Risk Factors", "Our Business", "Management's Discussion and Analysis of Financial Conditions and Results of Operation" and elsewhere in this Draft Red Herring Prospectus, unless otherwise indicated, have been calculated based on our restated financial statement prepared in accordance with Indian GAAP.

### **Industry and Market Data**

Unless stated otherwise, industry and market data used throughout this Draft Red Herring Prospectus has been obtained or derived from internal Company reports and industry and government publications, publicly available information and sources. Industry publications generally state that the information contained in those publications has been obtained from sources believed to be reliable but that their accuracy and completeness are



not guaranteed and their reliability cannot be assured. Although, our Company believes that industry data used in this Draft Red Herring Prospectus is reliable, it has not been independently verified.

Further, the extent to which the industry and market data presented in this Draft Red Herring Prospectus is meaningful depends on the reader's familiarity with and understanding of, the methodologies used in compiling such data. There are no standard data gathering methodologies in the industry in which we conduct our business, and methodologies and assumptions may vary widely among different industry sources.

## FORWARD LOOKING STATEMENTS

All statements contained in this Draft Red Herring Prospectus that are not statements of historical facts constitute ‘forward-looking statements. All statements regarding our expected financial condition and results of operations, business, objectives, strategies, plans, goals and prospects are forward-looking statements. These forward-looking statements include statements as to our business strategy, our revenue and profitability, planned projects and other matters discussed in this Draft Red Herring Prospectus regarding matters that are not historical facts. These forward looking statements and any other projections contained in this Draft Red Herring Prospectus (whether made by us or any third party) are predictions and involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements or other projections.

These forward looking statements can generally be identified by words or phrases such as “will”, “aim”, “will likely result”, “believe”, “expect”, “will continue”, “anticipate”, “estimate”, “intend”, “plan”, “contemplate”, “seek to”, “future”, “objective”, “goal”, “project”, “should”, “will pursue” and similar expressions or variations of such expressions. Important factors that could cause actual results to differ materially from our expectations include but are not limited to:

- General economic and business conditions in the markets in which we operate and in the local, regional and national and international economies;
- Our ability to successfully implement strategy, growth and expansion plans and technological initiatives;
- Our ability to respond to technological changes;
- Our ability to attract and retain qualified personnel;
- The effect of wage pressures, seasonal hiring patterns and the time required to train and productively utilize new employees;
- General social and political conditions in India which have an impact on our business activities or investments;
- Potential mergers, acquisitions restructurings and increased competition;
- Occurrences of natural disasters or calamities affecting the areas in which we have operations;
- Market fluctuations and industry dynamics beyond our control;
- Changes in the competition landscape;
- Our ability to finance our business growth and obtain financing on favorable terms;
- Our ability to manage our growth effectively;
- Our ability to compete effectively, particularly in new markets and businesses;
- Changes in laws and regulations relating to the industry in which we operate changes in government policies and regulatory actions that apply to or affect our business;
- Developments affecting the Indian economy; and
- Inability to meet our obligations, including repayment, financial and other covenants under our debt financing arrangements.

For a further discussion of factors that could cause our current plans and expectations and actual results to differ, please refer ‘**Risk Factors**’, ‘**Our Business**’ and ‘**Management’s Discussion and Analysis of Financial Condition and Results of Operations**’ on page no’s 14, 80 and 161 respectively of this Draft Red Herring Prospectus .

Forward looking statements reflects views as of the date of this Draft Red Herring Prospectus and not a guarantee of future performance. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated. Neither our Company/our Directors nor the Book Running Lead Managers, nor any of its affiliates have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with SEBI requirements, our Company and the Book Running Lead Managers will ensure that investors in India are informed of material developments until such time as the listing and trading permission is granted by the Stock Exchange.

## SECTION II-RISK FACTORS

### RISK FACTORS

*An investment in Equity Shares involves a high degree of financial risk. You should carefully consider all information in this Draft Red Herring Prospectus, including the risks described below, before making an investment in our Equity Shares. The risk factors set forth below do not purport to be complete or comprehensive in terms of all the risk factors that may arise in connection with our business or any decision to purchase, own or dispose of the Equity Shares. This section addresses general risks associated with the industry in which we operate and specific risks associated with our Company. Any of the following risks, as well as the other risks and uncertainties discussed in this Draft Red Herring Prospectus, could have a material adverse effect on our business and could cause the trading price of our Equity Shares to decline and you may lose all or part of your investment. In addition, the risks set out in this Draft Red Herring Prospectus are not exhaustive. Additional risks and uncertainties, whether known or unknown, may in the future have material adverse effect on our business, financial condition and results of operations, or which we currently deem immaterial, may arise or become material in the future. To obtain a complete understanding of our Company, prospective investors should read this section in conjunction with the sections titled 'Our Business' and 'Management's Discussion and Analysis of Financial Condition and Results of Operations' on page 80 and 162 of this Draft Red Herring Prospectus respectively as well as other financial and statistical information contained in this Draft Red Herring Prospectus. Unless otherwise stated in the relevant risk factors set forth below, we are not in a position to specify or quantify the financial or other risks mentioned herein. This Draft Red Herring Prospectus also contains forward-looking statements that involve risks and uncertainties. Our results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including events described below and elsewhere in this Draft Red Herring Prospectus. Unless otherwise stated, the financial information used in this section is derived from and should be read in conjunction with restated financial information of our Company prepared in accordance with the Companies Act and restated in accordance with the SEBI (ICDR) Regulations, including the schedules, annexure and notes thereto.*

#### Materiality

The Risk factors have been determined and disclosed on the basis of their materiality. The following factors have been considered for determining the materiality:

1. Some events may have material impact quantitatively;
2. Some events may have material impact qualitatively instead of quantitatively;
3. Some events may not be material individually but may be found material collectively;
4. Some events may not be material at present but may be having material impact in future.

#### Internal Risk Factors

1. ***Our Company and Group Companies are involved in certain legal proceedings. Any adverse decision in such proceedings may render us liable to penalties which may adversely affect our business, financial condition and reputation.***

Our Company and Group Companies are currently involved in certain legal proceedings in India. These legal proceedings are pending at different levels of adjudication before various courts and tribunals. We can give no assurance that these legal proceedings will be decided in our favour. We may incur significant expenses and management time in such legal proceedings. If any adverse developments arise, for example, a change in Indian law or rulings against us by the appellate courts or tribunals, we may face losses and may have to make provisions in our financial statements, which could increase our expenses and our liabilities. Any adverse decision may render us liable to penalties and may have a material adverse effect on our reputation, business, financial condition and results of operations, which could adversely affect the trading price of our Equity Shares.

A classification of these legal and other proceedings is given in the following table:

| Sr. No. | Outstanding Litigations                  | Number of Cases | Financial implications to the extent quantifiable (₹ in lakhs) |
|---------|------------------------------------------|-----------------|----------------------------------------------------------------|
| 1)      | <b>Filed against our Company</b>         |                 |                                                                |
|         | Tax                                      |                 |                                                                |
|         | Direct Tax                               | 1               | -                                                              |
| 2)      | <b>Filed against our Group Companies</b> |                 |                                                                |
|         | Tax                                      |                 |                                                                |
|         | Direct Tax                               | 4               | -                                                              |
|         | Total                                    | 5               | -                                                              |

For further details regarding these legal proceedings, please refer to chapter titled '*Outstanding Litigations and Material Developments*' on page 167 of this Draft Red Herring Prospectus.

- We require certain approvals and licenses in the ordinary course of business and are required to comply with certain rules and regulations to operate our business, and the failure to obtain, retain and renew such approvals and licenses or comply with such rules and regulations and the failure to obtain or retain them in a timely manner or at all may adversely affect our operations.***

We require several statutory and regulatory permits, licenses and approvals to operate our business, some of which our Company has either received, applied for or is in the process of application. Many of these approvals are granted for fixed periods of time and need renewal from time to time. Non-renewal of the said permits and licenses would adversely affect our Company's operations, thereby having a material adverse effect on our business, results of operations and financial condition. There can be no assurance that the relevant authorities will issue any of such permits or approvals in the time-frame anticipated by us or at all. Further, some of our permits, licenses and approvals are subject to several conditions and we cannot provide any assurance that we will be able to continuously meet such conditions or be able to prove compliance with such conditions to the statutory authorities, which may lead to the cancellation, revocation or suspension of relevant permits, licenses or approvals. Any failure by us to apply in time, to renew, maintain or obtain the required permits, licenses or approvals, or the cancellation, suspension or revocation of any of the permits, licenses or approvals may result in the interruption of our operations and may have a material adverse effect on the business.

- We are subject to the restrictive covenants of banks in respect of the Loan/Credit Limit and other banking facilities availed from them.***

Our financing arrangements contain restrictive covenants whereby we are required to obtain approval from our lenders, regarding, among other things such as entering into borrowing arrangements with other banks and other parties, taking up new projects for large scale expansion, making investment in or giving loans to other parties, etc. There can be no assurance that such consents will be granted or that we will be able to comply with the financial covenants under our financing arrangements. In the event we breach any financial or other covenants contained in certain of our financing arrangements, we may be required under the terms of such financing arrangements to immediately repay our borrowings either in whole or in part, together with any related costs. This may adversely impact our results of operations and cash flows.

- Our Company has entered into certain related party transactions and may continue to do so in the future.***

Our Company has entered into related party transactions with our related parties aggregating to Rs. 4589.88 Lakhs for the period ended July 31, 2018. While our Company believes that all such transactions have been conducted on the arm's length basis, there can be no assurance that it could not have been achieved on more favourable terms had such transactions not been entered into with related parties. Furthermore, it is likely that our Company will continue to enter into related party transactions in the future. There can be no assurance that such transactions, individually or in the aggregate, will not have an adverse effect on our financial condition and results of operation. For details, please refer to 'Annexure

XXIX-Related Party Transactions' under section titled 'Financial Statements' on page 129 of this Draft Red Herring Prospectus.

**5. *Our Promoters have limited experience in the steel industry, which could have an adverse effect on the Company's results of operations and financial condition.***

The production of steel requires a high proportion of investment in fixed assets such as land, plant and machinery. Further, setting up of new capacities or expansion of existing capacities requires relevant experience and expertise in the steel industry. Our Promoters have limited experience in the steel industry, which could have adversely affect the quality and consequently the profitability of our business. The limited experience of our Promoters may also make it more difficult to attract and retain our customers. This could result in losses, which could have a material adverse effect on our business prospects and financial condition.

**6. *The steel industry is highly cyclical and a decrease in steel prices may have an adverse effect on the Company's results of operations and financial condition.***

Steel prices are volatile, reflecting the highly cyclical nature of the global steel industry. Steel prices fluctuate based on macroeconomic factors, including, amongst others, consumer confidence, employment rates, interest rates and inflation rates, in the economies in which the steel producers sell their products and are sensitive to the trends of particular industries, such as the automotive, construction, packaging, appliance, machinery, equipment and transportation industries, which are among the biggest consumers of steel products. When downturns occur in these economies or sectors, our Company may experience decreased demand for its products, which may lead to a decrease in steel prices.

**7. *The production of steel is capital intensive, with long gestation periods.***

The production of steel is capital intensive, with a high proportion of investment in fixed assets such as land, plant and machinery. If total capacity in the industry exceeds demand, there is a tendency for prices to fall sharply if supply is largely maintained. Conversely, if demand grows strongly, prices increase rapidly, as unutilized capacity cannot be brought on line as quickly. The result can be substantial price volatility. While we have taken steps to reduce operating costs, we may be negatively affected by significant price volatility, particularly in the event of excess production capacity in the global steel market and incur operating losses as a result.

**8. *Our existing manufacturing operation is geographically located at one place i.e. in Wankaner, Dist - Rajkot, Gujarat. Hence, we may face the risk of geographical non-diversification of manufacturing facilities.***

Although we exercise centralized control, being a single point manufacturing facility will prove to be disadvantageous at times because of any disruption on account of labour unrest, power failures, natural calamities, or civic unrest. Our operations will have to be stalled which will impact our production, delivery of goods and financial results.

**9. *Our business is dependent on our manufacturing facility. The loss of or shutdown of operations of our manufacturing facility may have a material adverse effect on our business, financial condition and results of operations.***

Our manufacturing facility is subject to operating risks, such as the breakdown or failure of equipment, power supply or processes, performance below expected levels of output or efficiency, obsolescence, labour disputes, strikes, lock-outs, earthquakes and other natural disasters, industrial accidents and the need to comply with the directives of relevant government authorities. The occurrence of any of these risks could significantly affect our operating results. We carry out planned shutdowns of our plant for maintenance. Although we take precautions to minimize the risk of any significant operational problems at

our facilities, our business, financial condition and results of operations may be adversely affected by any disruption of operations at our facilities, including due to any of the factors mentioned above.

- 10. *The Company has not entered into any agreements/contracts for the supply of raw material and other utilities. Risks related to shortfall or non-availability of raw material and other utilities may adversely affect our manufacturing processes and have an adverse impact on our operations and financial condition.***

We have not entered into any formal agreement with our suppliers, and hence we cannot be assured that all our raw material requirements will continue to be met by the suppliers. Our inability to obtain high quality raw materials in a timely and cost-effective manner would cause delays in our production and delivery schedules besides increasing cost of production, which may result in us losing some customers and hence could lead to reduction in revenues. Hence, we also face market risks for each of these products.

- 11. *Our business is dependent on single/few customers and the loss of any one or more may have a material adverse effect on our business.***

We are dependent on single/few customers for a significant portion of our revenues. Because our business is concentrated among relatively few significant customers, we could experience a reduction in our cash flows and liquidity if we lose one or more of these customers or the amount of business we obtain from them is reduced for any reason, including any factors impacting the industries in which our customers operate. The loss of a significant customer, or a number of significant customers or a decline of a particular industry could have a material adverse effect on our results of operations. We cannot assure you that we will be able to maintain the historic levels of business from these customers, or that we will be able to replace these customers should we lose any of them.

- 12. *Our steel-making operation is a hazardous process that can cause personal injury and loss of life, severe damage to and destruction of property and equipment and environmental damage, as a result of which we could suffer material liabilities, loss of revenues and increased expenses.***

Our steel-making operations are subject to various risks associated with the inherently hazardous production of steel. Hazards associated with our steel-making operations include accidents involving moving machinery, on-site transport, forklifts and overhead cranes; explosions, and resulting fires, in blast furnaces, coke ovens, steam generators and annealing ovens; fires in control rooms, electrical switch rooms, cable tunnels and vaults, transformers and lubricating oil rooms; fires caused by contact of molten metal in blast furnaces, open hearth furnaces; spills and spattering of molten materials; extreme temperatures, vibration and noise; and exposure to, through inhalation or contact with, hazardous chemicals including acids, ammonia, asbestos, carbon monoxide and various dusts such as coal dust and silica. These hazards may cause severe damage to and destruction of property and equipment, environmental damage and personal injury or even fatalities among our personnel. Any of these may result in temporary or lengthy interruptions of operations, damage to our business reputation and corporate image and the imposition of civil and criminal liabilities. Our employees, members of the public or government authorities may bring claims against us arising out of these hazardous production processes. Instances of fatal accidents among contract workers have arisen during the course of construction at the plant. In the event that it is determined by the appropriate authorities that provisions and measures for safety within our premises are inadequate, the licenses granted to us for operations at such premises may be revoked, thereby adversely affecting our business and results of operations. Although we have or are in the process of paying due compensation and ensuring that such accidents are duly investigated and avoided in future, we cannot assure you that our contractors or we shall not be subject to legal proceedings or liabilities pursuant thereto, in the future. Such events may also adversely affect public perception of our business and the perception of our suppliers, customers and employees, leading to an adverse effect on our business.

- 13. *Changes in technology may affect our business by making our equipment or products less competitive or obsolete.***

Our future success will depend in part on our ability to respond to technological advances and emerging steel Industry standards and practices on a cost-effective and timely basis. Changes in technology and product preferences may make newer steel units or equipment more competitive than ours or may require us to make additional capital expenditures to upgrade our facilities. If we are unable to adapt in a timely manner to changing market conditions, customer requirements or technological changes, our business, financial performance and the trading price of our Equity Shares could be adversely affected.

**14. *Our insurance policies do not cover all risks, specifically risks like loss of profits, terrorism, etc. In the event of the occurrence of such events, our insurance coverage may not adequately protect us against possible risk of loss.***

Our Company has obtained insurance coverage in respect of certain risks. Our significant insurance policies consist of, among others, Standard Fire and Special Perils Policy, Employees Compensation Insurance Policy, etc. While we believe that we maintain insurance coverage in adequate amounts consistent with the size of our business, our insurance policies do not cover all risks, specifically risks like loss of profits, terrorism, etc. There can be no assurance that our insurance policies will be adequate to cover the losses in respect of which the insurance has been availed. If we suffer a significant uninsured loss or if insurance claim in respect of the subject-matter of insurance is not accepted or any insured loss suffered by us significantly exceeds our insurance coverage, our business, financial condition and results of operations may be materially and adversely affected. For further details, please refer to chapter titled ‘Our Business’ beginning on page 80 of the Draft Red Herring Prospectus.

**15. *There is no monitoring agency appointed by our Company and the deployment of funds are at the discretion of our Management and our Board of Directors, though it shall be monitored by our Audit Committee.***

As per SEBI (ICDR) Regulations as amended, appointment of monitoring agency is required only for Issue size above Rs.10,000.00 Lakhs. Hence, we have not appointed any monitoring agency to monitor the utilization of Issue proceeds. However, the audit committee of our Board will monitor the utilization of Issue proceeds in terms of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Further, our Company shall inform about material deviations in the utilization of Issue proceeds to the stock exchange and shall also simultaneously make the material deviations / adverse comments of the audit committee public.

**16. *Our lenders have charge over our movable and immovable properties in respect of finance availed by us.***

We have secured our lenders by creating charge over our movable and immovable properties. In the event we default in repayment of the loans availed by us and any interest thereof, our properties may be forfeited by lenders. For further information on the financing and loan agreements along with the total amounts outstanding, please refer to section titled — Financial Statements of our Company on page 129 of this Draft Red Herring Prospectus.

**17. *We have incurred substantial indebtedness which exposes us to various risks which may have an adverse effect on our business and results of operations***

As of July 31, 2018, we have Rs. 2735.59 Lakhs of outstanding debt as per restated financials of the Company.

Our level of indebtedness has important consequences to us, such as:

- Increasing our vulnerability to general adverse economic, industry and competitive conditions;
- Limiting our flexibility in planning for, or reacting to, changes in our business and the industry;
- affecting our credit rating;
- limiting our ability to borrow more money both now and in the future; and

- Increasing our interest expenditure and adversely affecting our profitability, since almost all of our debt bears interest at floating rates.

If any of these risks were to materialize, our business and results of operations may be adversely affected.

**18. Our Promoters will continue to retain majority shareholding in our Company after this Issue which will allow it to exercise significant influence over us.**

Our Promoters have control over our Company in terms of their shareholding, through operational control. Accordingly, our promoters will continue to exercise significant influence over our business policies and affairs and all matters requiring shareholders' approval, including the composition of our Board of Directors, the approval of mergers, strategic acquisitions or joint ventures or the sales of substantially all of our assets, and the policies for dividends, lending, investments and capital expenditure. This concentration of ownership may also delay, defer or even prevent a change in control of our Company and may make the completion of certain transactions more difficult or impossible without the support of these shareholders. We also cannot control the actions of our Promoters, including any non-performance, default by or bankruptcy. In order to establish or preserve relationships with our Promoter, we may agree to assume risks and contribute resources that are proportionately greater than the returns we expect to receive in such transactions. Such agreements may reduce our income and returns on these investments compared to what we would have received if our assumed risks and contributed resources were proportionate to our returns. Any of these factors could potentially materially and adversely affect our operations and profitability.

**19. Our Company does not have any agreements for the major portion of our Registered Office.**

Our Company is in occupation of a larger area of office space for which we do not have any formal executed agreements. Our Company has entered into an agreement for lease in respect of a portion admeasuring 480 sq. feet of office No. 808/C Pinnacle Business Park, Corporate Road, Prahlad Nagar, Ahmedabad 380015. The said area of the registered office belongs to VMS Industries Limited. In the event that VMS Industries Limited requests our Company to vacate or make a claim over the area, the same may have an adverse impact on our business and operations. There can be no assurance that the arrangement with VMS Industries Limited in relation to the above mentioned area of our registered office will be continued in the future and in the event the same is terminated, we may be required to vacate our office and identify alternative premises and for that purpose enter into fresh rental/ lease or leave and license arrangements. Such a situation may adversely affect our operations.

**20. Our Company has reported certain negative cash flows from its operating activity and financing activity, details of which are given below. Sustained negative cash flow could impact our growth and business**

Our Company had reported certain negative cash flows from our operating activities and financing activities in the previous years as per the restated financial statements and the same are summarized as under:

| Particulars                         | For the period ended July 31,<br>2018 | For the year ended March 31,<br>(₹ in Lakhs) |          |
|-------------------------------------|---------------------------------------|----------------------------------------------|----------|
|                                     |                                       | 2018                                         | 2017     |
| Cash flow from Operating activities | 788.10                                | (602.99)                                     | 436.84   |
| Cash flow from Financing Activities | (550.61)                              | 780.40                                       | (207.87) |
| Cash Flow from Investing Activities | (77.33)                               | (138.72)                                     | (259.52) |

Cash flow of a company is a key indicator to show the extent of cash generated from operations to meet capital expenditure, pay dividends, repay loans and make new investments without raising finance from external resources. If our Company is not able to generate sufficient cash flows, it may adversely affect our business and financial operations.

**21. Some of our Group Companies have incurred losses during the last three fiscal years.**

As set forth below, some of our Group Companies have incurred losses during last three fiscal years (as per their respective audited standalone financial statements):

(₹ in Lakhs)

| Sr. No. | Particulars                    | As on March 31, 2018 | As on March 31, 2017 | As on March 31, 2016 |
|---------|--------------------------------|----------------------|----------------------|----------------------|
| 1)      | Hubilo Softech Private Limited | 165.26               | (32.57)              | (1.80)               |

**22. Our Company has unsecured loans, which may be recalled at any time. Any recall of such loans may have an adverse effect on our business, prospects, financial condition and results of operations**

Our Company have availed unsecured loans, some of which may be recalled at any time at the option of the lender. If such unsecured loans are recalled at any time, our financial condition may be adversely affected. As of July 31, 2018 the total amount of unsecured loans was Rs. 770.79 Lakhs and availed and outstanding by our Company was Rs. 770.79 Lakhs. For details of our unsecured loans, please see “Financial Indebtedness” on page 161

**23. Certain agreements may be inadequately stamped or may not have been registered as a result of which our operations may be adversely affected.**

Some of the agreements to which the Company is a party may not be adequately stamped or registered. The effect of inadequate stamping is that the document is not admissible as evidence in legal proceedings and parties to that agreement may not be able to legally enforce the same, except after paying differential stamp duty and/or penalty for inadequate stamping. The effect of non-registration of an instrument is that the title to the property does not transfer in favor of the transferee and therefore, making the instrument unenforceable. Any potential dispute due to non-compliance of local laws relating to stamp duty and registration may adversely impact the operations of our Company.

**24. There have been certain discrepancies in statutory filings and records made by our Company with the RoC under applicable law.**

The Company had not registered the transfer of shares of two person in its annual return filed in Form MGT-7 for the financial year ended March 31, 2015. Accordingly, in relation to disclosures on this matter, we have relied on other documents, including statutory registers of members, share certificates and share transfer deeds, as applicable. We cannot assure you that we will not be subject to any penalty imposed by the competent regulatory authority in this respect.

**25. We may require additional financing for our business operations and the failure to obtain additional financing on terms commercially acceptable to us may adversely affect our ability to grow and our future profitability. Further, fluctuations in interest rates could adversely affect our results of operations**

We may require additional capital for our business operations. Our ability to obtain additional financing on favourable terms, if at all, will depend on a number of factors including our financial condition, results of operations and cash flows, the amount and terms of our existing indebtedness, security, our track record of compliance of the covenants contained in our financial agreements, general market conditions and market conditions for financing activities and the economic, political and other conditions in the markets where we operate. We cannot assure that we will be able to raise additional financing on acceptable terms in a timely manner or at all. Our failure to renew arrangements for existing funding or obtain additional financing on acceptable terms and in a timely manner could adversely impact our ability to incur capital expenditure, our business, results of operations and financial condition.

Further, an increase in the interest rates on our existing or future debt will increase the cost of servicing such debt. An increase in interest expense may have an adverse effect on our business prospects, expense may have an adverse effect on our business prospects, financial condition and results of operations.

For further details regarding our management and key managerial personnel refer chapter titled ‘Our Management’ on page 108 of this Draft Red Herring Prospectus

**RISK FACTORS RELATED TO EQUITY SHARES**

1. ***Any further issuance of Equity Shares by our Company or sales of Equity Shares by any significant shareholders may adversely affect the trading price of the Equity Shares.***

Any future issuance of Equity Shares by our Company could dilute the investors' shareholding. Any such future issuance of Equity Shares or sales of Equity Shares by any of our significant shareholders may also adversely affect the trading price of the Equity Shares and could impact our ability to raise capital through an offering of securities. In addition, any perception by investors that such issuances or sales might occur could also affect the trading price of the Equity Shares.

2. ***Investors may be subject to Indian taxes arising out of capital gains on the sale of the Equity Shares.***

Capital gains arising from the sale of equity shares in an Indian company are generally taxable in India. Any gain realized on the sale of listed equity shares on a stock exchange held for more than 12 months will not be subject to capital gains tax in India if STT has been paid on the transaction. STT will be levied on and collected by an Indian stock exchange on which the Equity Shares are sold. As such, any gain realized on the sale of the Equity Shares held for more than 12 months by an Indian resident, which are sold other than on a recognized stock exchange and as a result of which no STT has been paid, will be subject to capital gains tax in India. Further, any gain realized on the sale of the Equity Shares held for a period of 12 months or less will be subject to capital gains tax in India. Capital gains arising from the sale of the Equity Shares will be exempt from taxation in India in cases where an exemption is provided under a treaty between India and the country of which the seller is a resident. Generally, Indian tax treaties do not limit India's ability to impose tax on capital gains. As a result, residents of other countries may be liable for tax in India as well as in their own jurisdictions on gains arising from a sale of Equity Shares.

Additionally, in terms of the Finance Bill, 2018, tabled before the Parliament, the exemption on long term capital gains tax has been withdrawn and such tax become payable in the hands of investors. The tax payable by an assessee on the capital gains arising from transfer of long term capital assets (to be introduced as section 112A of the Income-Tax Act, 1961) shall be calculated on such long-term capital gains at the rate of 10%, where the long term capital gains exceed ₹ 100,000, subject to certain exceptions in case of a resident individual and HUF. As such, the implementation of the same may have an impact on our business and operations or on the industry in which we operate.

3. ***Our ability to pay dividends in the future may be affected by any material adverse effect on our future earnings, financial condition or cash flows.***

Our ability to pay dividends in future will depend on our earnings, financial condition and capital requirements, and that of our Subsidiary and the dividends they distribute to us. Our business is working capital intensive. We may be unable to pay dividends in the near or medium term, and our future dividend policy will depend on our capital requirements and financing arrangements in respect of our operations, financial condition and results of operations.

## **EXTERNAL RISK FACTORS**

1. ***Our business is dependent on economic growth in India.***

Our performance is dependent on the health of the overall Indian economy. There have been periods of slowdown in the economic growth of India. India economic growth is affected by various factors including domestic consumption and savings, balance of trade movements primarily resulting from export demand and movements in key imports, such as oil and oil products, and annual rainfall, which affect agricultural production. In the past, economic slowdowns have harmed industries and industrial development in the country. Any future slowdown in the Indian economy could harm our business, financial condition and results of operations.

2. ***If the rate of Indian price inflation increases, our results of operations and financial condition may be adversely affected.***

In recent years, India's wholesale price inflation index has indicated an increasing inflation trend compared to prior periods. An increase in inflation in India could cause a rise in the price of transportation, wages, raw materials or any other expenses. In particular, the prices of raw materials required for

fabrication of our products are subject to increase due to a variety of factors beyond our control, including global commodities prices and economic conditions. If this trend continues, we may be unable to reduce our costs or pass our increased costs on to our customers and our results of operations and financial condition may be materially and adversely affected.

3. ***The extent and reliability of India's infrastructure could adversely impact our results of operations and financial conditions. Any disruption in the supply of power, raw materials and telecommunication or other services could disrupt our business process or subject us to additional costs.***

India's physical infrastructure is still developing. Any congestion or disruption with its port, rail and road networks, electricity grid, communication systems or any other public facility could disrupt our normal business activity. Any deterioration of India's physical infrastructure would harm the national economy, disrupt the transportation of goods and supplies, and add costs to doing business in India. Disruption in basic infrastructure could negatively impact our business since we may not be able to procure raw materials on time, dispatch of finished goods as per schedule and provide timely and adequate operation and maintenance and other services to our clients. We do not maintain business interruption insurance and may not be covered for any claims or damages if the supply of power, raw materials and telecommunication or other services are disrupted. This may result in the loss of customer, impose additional costs on us and have an adverse effect on our business, financial condition and results of operations.

4. ***Significant differences exist between Indian GAAP/ Ind-AS and other accounting principles, such as IFRS, which may be material to investors' assessment of our financial condition.***

The financial data included in this Draft Red Herring Prospectus has been prepared in accordance with Indian GAAP/ Ind-AS. There are significant differences between Indian GAAP/ Ind-AS and IFRS. We have not attempted to explain those differences or quantify their impact on the financial data included herein and we urge you to consult your own advisors regarding such differences and their impact on our financial data. Accordingly, the degree to which the Indian GAAP/ Ind-AS financial statements included in this Draft Red Herring Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting practices. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Draft Red Herring Prospectus should accordingly be limited.

5. ***Our performance is linked to the stability of policies and the political situation in India.***

The Government of India has traditionally exercised, and continues to exercise, a significant influence over many aspects of the economy. Our business, and the market price and liquidity of our Equity Shares, may be affected by interest rates, changes in government policy, taxation, social and civil unrest and other political, economic or other developments in or affecting India. Since 1991, successive Indian governments have pursued policies of economic liberalization and financial sector reforms. The current Government has announced its general intention to continue India's current economic and financial sector liberalization and deregulation policies. However, there can be no assurance that such policies will be continued and a significant change in the government's policies in the future could affect business and economic conditions in India and could also adversely affect our business, prospects, financial condition and results of operations.

6. ***Any downgrading of India's debt rating by a domestic or international rating agency could have a negative impact on our business.***

India's sovereign debt rating could be downgraded due to various factors, including changes in tax or fiscal policy or a decline in India's foreign exchange reserves, which are outside our control. Any adverse revisions to India's credit ratings for domestic and international debt by domestic or international rating agencies may adversely impact our ability to raise additional financing, and the interest rates and other commercial terms at which such additional financing is available. This could have a material adverse effect on our business and financial performance, ability to obtain financing for capital expenditures and the price of our Equity Shares.

7. ***Financial instability in Indian financial markets could materially and adversely affect our results of operations and financial condition.***

The Indian financial market and the Indian economy are influenced by economic and market conditions in other countries, particularly in emerging market in Asian countries. Financial turmoil in Asia, Europe, the United States and elsewhere in the world in recent years has affected the Indian economy. Although economic conditions are different in each country, investors' reactions to developments in one country can have adverse effects on the securities of companies in other countries, including India. A loss in investor confidence in the financial systems of other emerging markets may cause increased volatility in Indian financial markets and, indirectly, in the Indian economy in general. Any worldwide financial instability, including further deterioration of credit conditions in the U.S. market, could also have a negative impact on the Indian economy. Financial disruptions may occur again and could harm our results of operations and financial condition.

**8. Any changes in the regulatory framework could adversely affect our operations and growth prospects.**

Our Company is subject to various regulations and policies. For details see section titled '**Key Industry Regulations and Policies**' beginning on page no. 96 of this Draft Red Herring Prospectus. Our business and prospects could be materially adversely affected by changes in any of these regulations and policies, including the introduction of new laws, policies or regulations or changes in the interpretation or application of existing laws, policies and regulations. There can be no assurance that our Company will succeed in obtaining all requisite regulatory approvals in the future for our operations or that compliance issues will not be raised in respect of our operations, either of which could have a material adverse effect on our business, financial condition and results of operations.

**9. Terrorist attacks, civil unrest and other acts of violence or war involving India and other countries could adversely affect the financial markets and our business.**

Terrorist attacks and other acts of violence or war may negatively affect the Indian markets on which our Equity Shares will trade and also adversely affect the worldwide financial markets. These acts may also result in a loss of business confidence, impede travel and other services and ultimately adversely affect our business. In addition, any deterioration in relations between India and Pakistan might result in investor concern about stability in the region, which could adversely affect the price of our Equity Shares.

India has also witnessed civil disturbances in recent years and it is possible that future civil unrest as well as other adverse social, economic and political events in India could have a negative impact on the value of share prices generally as well as the price of our Equity Shares. Such incidents could also create a greater perception that investment in Indian companies involves a higher degree of risk and could have an adverse impact on our business and the price of our Equity Shares.

**PROMINENT NOTES:**

1. Investors are free to contact the Book Running Lead Manager for any clarification, complaint or information pertaining to the Issue. The Book Running Lead Manager and our Company shall make all information available to the public and investors at large and no selective or additional information would be made available for a section of the investors in any manner whatsoever.
2. The Net Worth of our Company is ₹1226.86 Lakhs for the period ended July 31, 2018 and the book value of each Equity Share was ₹10.06 as of July 31, 2018 as per our Restated Financial Statements. For more information, please refer the Section titled '**Financial Statements**' beginning on page no. 129 of this Draft Red Herring Prospectus.
3. The Net Asset Value per Equity Share as at July 31, 2018 was ₹10.06 and as on March 31, 2018 was ₹6.66

This is a Public Issue of [●] Equity Shares of ₹10/- each at a price of ₹[●]/- per Equity Share aggregating to ₹4500.00 Lakhs.

The average cost of acquisition per Equity Share by our Promoters is set forth in the table below:

| Name of the Promoter      | Number of Equity Shares Held | Average cost of Acquisition (in ₹.) |
|---------------------------|------------------------------|-------------------------------------|
| Mr. Varun Manojkumar Jain | 10,435,000                   | 6.48                                |
| Mrs. Varuna Varun Jain    | 1,760,000                    | 6.99                                |

4. Investors may contact the Book Running Lead Manager for any complaint pertaining to the Issue. All grievances relating to ASBA may be addressed to the Registrar to the Issue, with a copy to the relevant SCSBs, giving full details such as name, address of the Applicant, number of Equity Shares for which the applied, Application Amounts blocked, ASBA Account number and the Designated Branch of the SCSBs where the ASBA Form has been submitted by the ASBA Applicant.
5. Except as disclosed in the chapter titled “Capital Structure” beginning on page 42 of this Draft Red Herring Prospectus, we have not issued any Equity Shares for consideration other than cash.
6. Investors are advised to refer to the chapter titled ‘**Basis for Issue Price**’ beginning on page no. 69 of this Draft Red Herring Prospectus.
7. The details of transactions by our Company with our Group Companies or subsidiary during the last year are disclosed under ‘[Annexure XXIX] - **Related Party Transactions**’ on page no. 127 of this Draft Red Herring Prospectus.
8. There are no financing arrangements whereby the Promoter Group, the Directors of our Company who are the Promoters of our Company, the Directors of our Company and their relatives have financed the purchase by any other person of securities of our Company during the period of 6 (six) months immediately preceding the date of this Draft Red Herring Prospectus.
9. Our Company, its Promoters / Directors, Company whereby the Promoter Group, the Directors on prohibited from accessing the Capital Market under any order or direction passed by SEBI. The Promoters, their relatives, Company, group companies, associate companies are not declared as willful defaulters by RBI / Government authorities and there are no violations of securities laws committed in the past or pending against them.
10. The Book Running Lead Manager and our Company shall update this Draft Red Herring Prospectus and keep the investors / public informed of any material changes till listing of the Equity Shares offered in terms of this Prospectus and commencement of trading.
11. No loans and advances have been made to any person(s) / companies in which Directors are interested except as stated in the Auditors Report. For details please refer to *Financial Information* beginning on page 129 of this Draft Red Herring Prospectus.
12. Our Company does not have any contingent liabilities outstanding as on July 31, 2018, except as stated in the Auditors Report. For details please refer to “*Financial Information beginning* on page 129 of this Draft Red Herring Prospectus.

## SECTION III-INTRODUCTION

### SUMMARY OF OUR INDUSTRY

#### AN OVERVIEW OF STEEL SECTOR

##### Global Scenario

In 2016, the world crude steel production reached 1630 million tonnes (mt) and showed a growth of 0.6% over 2015. China remained world's largest crude steel producer in 2016 (808 mt) followed by Japan (105 mt), India (96 mt) and the USA (79 mt). World Steel Association has projected Indian steel demand to grow by 6.1% in 2017 and by 7.1% in 2018 while globally, steel demand has been projected to grow by 1.3% in 2017 and by 0.9% in 2018. Chinese steel use is projected to show nil growth in 2017 and decline by 2% in 2018. Per capita finished steel consumption in 2016 is placed at 208 kg for world and 493 kg for China by World Steel Association.

(Source: World Steel Association report, World Steel in Figures, 2017)

Major Steel Producing Countries in the World in 2017, the top 10 Steel producing countries (including EU) accounted for around 91.1 per cent of global steel production in 2017 and the details are as under:

| Country           | MT    | Country        | MT   |
|-------------------|-------|----------------|------|
| 1. China          | 831.7 | 6. Russia      | 71.3 |
| 2. European Union | 168.1 | 7. South Korea | 71.0 |
| 3. Japan          | 104.7 | 8. Turkey      | 37.5 |
| 4. India          | 101.4 | 9. Brazil      | 34.4 |
| 5. United States  | 81.6  | 10. Ukraine    | 22.7 |

Source: World Steel Association

([https://rbsa.in/archives\\_of\\_research\\_reports/RBSA\\_Indian\\_Steel\\_Industry\\_Analysis.pdf](https://rbsa.in/archives_of_research_reports/RBSA_Indian_Steel_Industry_Analysis.pdf))

##### Domestic Scenario

- The Indian steel industry has entered into a new development stage, post de-regulation, riding high on the resurgent economy and rising demand for steel.
- Rapid rise in production has resulted in India becoming the 3rd largest producer of crude steel in 2015 as well as in 2016. The country was the largest producer of sponge iron or DRI in the world during the period 2003-2015 and emerged as the 2nd largest global producer of DRI in 2016 (after Iran). India is also the 3rd largest finished steel consumer in the world and maintained this status in 2016. Such rankings are based on provisional data released by the World Steel Association for the above year.
- In a de-regulated, liberalized economic/market scenario like India the Government's role is that of a facilitator which lays down the policy guidelines and establishes the institutional mechanism/structure for creating conducive environment for improving efficiency and performance of the steel sector.
- In this role, the Government has released the National Steel Policy 2017, which has laid down the broad roadmap for encouraging long term growth for the Indian steel industry, both on demand and supply sides, by 2030-31.
- The said Policy is an updated version of National Steel Policy 2005 which was released earlier and provided a long-term growth perspective for the domestic iron and steel industry by 2019-20.
- The Government has also announced a policy for providing preference to domestically manufactured Iron & Steel products in Government procurement. This policy seeks to accomplish PM's vision of 'Make in India' with objective of nation building and encourage domestic manufacturing and is applicable on all government tenders where price bid is yet to be opened. Further, the Policy provides a minimum value addition of 15% in notified steel products which are covered under preferential procurement. In order to provide flexibility, Ministry of Steel may review specified steel products and the minimum value addition criterion.

India is the 3<sup>rd</sup> largest consumer of crude steel in the world after China and United States. India's finished steel consumption has grown 1.6 times between 2007-2017 to 83.5 MT in 2017 growing at a CAGR of 5.5 per cent in the period. The increase in consumption is a consequence of the infrastructural spends and growth in the automobile sector. Although India is the 3<sup>rd</sup> largest consumer of steel in the world countries in per capita consumption. The per capita Consumption of steel has grown by a factor of 1.5 times from 43.6 kilograms in 2007 to 63.1 kilograms (rural consumption 10.0 kilograms per capital) in 2017 at a CAGR of 4.2 per cent. Even with the huge infrastructure expenditures envisioned, India is estimated that it will take several years for India to catch up to the world average of per capita consumption. The New Steel Policy, 2017, has envisaged increasing in the per capita consumption from the present 63.1 kilograms to 160 kilograms by 2030. Exports & Imports of Steel India's Exports and Imports can be classified as Alloyed Steel, Non-Alloyed Steel and Other Steel (includes Pig Iron, Sponge Iron, Steel Scrap, Fittings, and Other Items). India's Total Steel Exports stood at 10.0 MT in FY2017 growing at a CAGR of 9.9 per cent between FY2014-FY2017. Non-Alloyed Steel accounted for 88.1 per cent of the exports, Alloyed Steel accounted for 6.7 per cent of the exports while the balance 5.2 per cent related to the exports of pig iron and sponge iron. Based on the steel shapes, Flat Finished Steel (Alloy and Non-Alloy) accounted for 72.1 per cent of the exports, Non-Flat Finished Steel (Alloy and Non-Alloy) accounted for 10.7 per cent of the exports while 12.0 per cent was exports of semi-finished steel. Exports of Hot Rolled Coils/Sheets (41.1 per cent), Cold Rolled Coils/Sheets (19.4 per cent) and Galvanized Products (23.9 per cent) accounted for 84.4 per cent of Flat Finished Steel Exports which has grown at a CAGR of 12.0 per cent between FY2014-FY2015. India's Total Steel Imports stood at 15.7 MT in FY2017 growing at a CAGR of 2.7 per cent between FY2014-FY2017. Non-Alloyed Steel accounted for 30.7 per cent of the imports, Alloyed Steel accounted for 11.9 per cent of the imports while the balance 49.4 per cent related to the imports of other items (primarily steel scrap - 49.2 per cent), pig iron and sponge iron. Based on the steel shapes, Flat Finished Steel (Alloy and Non-Alloy) accounted for 39.6 per cent of the imports, Non-Flat Finished Steel (Alloy and Non-Alloy) accounted for 6.3 per cent of the imports while 4.8 per cent was imports of semi-finished steel. Excluding Scrap Steel Imports India was a net exporter in FY2017.

- World Steel Association has projected Indian steel demand to grow by 6.1% in 2017 and by 7.1% in 2018 while globally steel demand has been projected to grow by 1.3% in 2017 and by 0.9% in 2018. Chinese steel use is projected to show nil growth in 2017 and decline by 2% in 2018.
- In FY17, crude steel production in India was 97.42 MT, with the total crude steel production growing at a CAGR of 5.49 percent over the last 6 years.
- The steel sector contributes over 2 per cent to the GDP of the nation and provides 20 lakh jobs in the country.
- During April 2017-February 2018, crude steel and finished steel production for sale in India stood at 93.183 MT and 95.319 MT respectively.
- As of March 2017, the capacity utilization of steel producers is set to increase with strong export demand and signs of revival in domestic sales.
- Steel manufacturing output of India is expected to increase to 128.6 MT by 2021, accelerating the country's share of global steel production from 5.4 per cent in 2017 to 7.7 percent by 2021. 96
- India's steel output is expected to grow at a CAGR of 8.9 percent during 2017-21 and India is expected to become top global steel producer.
- JPC: updated in July 2017

### Potential growth constraints

**Demand-side constraints:** - The growth in the steel market is expected to be muted in the short term on account of poor growth in core consumer sectors such as infrastructure and construction. The demand is expected to rebound in the latter half of 2015 with growth in infrastructure as announced in the Twelfth Five-year Plan. Growth in the automobile and consumer durable sectors will also support demand growth in the long term.

**Supply-side constraints:** - The large steel players and new entrants have announced capacity addition of about 71 MTPA till 2017. Regulatory hurdles and land acquisition challenges remain the largest supply-side constraint

for the Indian steel market. Mining bans in Karnataka and Goa and delays in the execution of announced capital projects can further constrain supplies.

## Production

- Steel industry was de-licensed and de-controlled in 1991 & 1992 respectively. India is currently the 3rd largest producer of crude steel in the world. In 2016-17 (prov.), production for sale of total finished steel (alloy + non alloy) was 100.74 mt, a growth of 10.7% over 2015-16. Production for sale of Pig Iron in 2016-17 (prov.) was 9.39 mt, a growth of 1.8% over 2015-16. India was the largest producer of sponge iron in the world during the period 2003-201 and was the 2<sup>nd</sup> largest producer in 2016 (after Iran) . The coal based route accounted for 79% of total sponge iron production in the country in 2016-17 (prov).
- Data on production / production for sale of pig iron, sponge iron and total finished steel (Alloy/stainless + non-alloy) are given below for last five years and April-May 2017:

### Indian Steel industry:

(In million tonnes)

| Category                                                               | 2012-13 | 2013-14 | 2014-15 | 2015-16 | 2016-17* | April-May 2017* |
|------------------------------------------------------------------------|---------|---------|---------|---------|----------|-----------------|
| Pig Iron Production for sale                                           | 6.870   | 7.950   | 9.694   | 9.228   | 9.391    | 1.53            |
| Sponge Iron Production                                                 | 23.01   | 22.87   | 24.24   | 22.43   | 24.39    | 4.23            |
| Total Finished Steel Production for sale (alloy/stainless + non alloy) | 81.68   | 87.67   | 92.16   | 90.98   | 100.74   | 17.48           |

Source: Joint Plant Committee; \*prov.

## Demand-Availability

Industry dynamics including demand – availability of iron and steel in the country are largely determined by market forces and gaps in demand-availability are met mostly through imports. Interface with consumers exists by way of meeting of the Steel Consumers' Council, which is conducted on regular basis. Interface helps in redressing availability problems, complaints related to quality.

## Steel Prices

- Price regulation of iron & steel was abolished on 16.1.1992. Since then steel prices are determined by the interplay of market forces. Domestic steel prices are influenced by trends in raw material prices, demand – supply conditions in the market, international price trends among others. An Inter-Ministerial Group (IMG) is functioning in the Ministry of Steel, under the Chairmanship of Secretary (Steel) to monitor and coordinate major steel investments in the country.
- As a facilitator, the Government monitors the steel market conditions and adopts fiscal and other policy measures based on its assessment. Currently, GST of 18% is applicable on steel and there is no export duty on steel items. The government has also imposed export duty of 30% on all forms of iron ore except low grade (below Fe 58%) iron ore lump & fines and iron ore pellets both of which have nil export duty.
- In view of rising imports, the Government had earlier raised import duty on most steel items twice, each time by 2.5% and imposed a gamut of measures including anti-dumping and safeguard duties on a host of applicable iron and steel items. In a further move to curb steel imports, the Indian government banned the production and sale of steel products that does not meet Bureau of Indian Standard (BIS) approval and to check the sale of defective and sub-standard stainless steel products used for making utensils and various kitchen appliances, it issued the Stainless Steel (Quality Control) Order, 2016 for products used in making utensils and kitchen appliances, that will help filter imports of the metal. Again, in February 2016, the Indian Government had imposed the Minimum Import Price (MIP) condition on 173 steel products. The MIP was extended thrice and ceased to be effective in February 2017. Currently, a mix of anti-dumping /safeguard and other measures are in place on a range of steel items to control the inflow of cheap steel. Further, a Steel Price Monitoring Committee has been constituted by the Government with the aim to monitor price rationalization, analyze price fluctuations and advise all concerned regarding any irrational price behavior of steel commodity.

## Imports

- Iron & steel are freely importable as per the extant policy.
- Data on import of total finished steel (alloy/stainless + non alloy) is given below for last five years and April-May 2017:  
Indian steel industry: Imports (in million tonnes)

| Category                                           | 2012-13 | 2013-14 | 2014-15 | 2015-16 | 2016-17* | April-May 2017* |
|----------------------------------------------------|---------|---------|---------|---------|----------|-----------------|
| Total Finished Steel (alloy/stainless + non alloy) | 7.93    | 5.45    | 9.32    | 11.71   | 7.23     | 1.06            |
| Source: Joint Plant Committee; *prov.              |         |         |         |         |          |                 |

## Exports

- Iron & steel are freely exportable. India emerged as a net exporter of total finished steel in 2016-17 (prov.)
- Data on export of total finished steel (alloy/stainless + non alloy) is given below for last five years and April-May 2017:  
Indian steel industry: Exports

| (in million tonnes)                              |         |         |         |         |          |                 |
|--------------------------------------------------|---------|---------|---------|---------|----------|-----------------|
| Category                                         | 2012-13 | 2013-14 | 2014-15 | 2015-16 | 2016-17* | April-May 2017* |
| Total Finished Steel (alloy/stainless non alloy) | 5.37    | 5.99    | 5.59    | 4.08    | 8.24     | 1.38            |
| Source: Joint Plant Committee; *prov             |         |         |         |         |          |                 |

## Levies on Iron & Steel

This was a levy started for funding modernization, expansion and development of steel sector. The Fund, inter-alia, supports:

- Capital expenditure for modernization, rehabilitation, diversification, renewal & replacement of Integrated Steel Plants.
- Research & Development
- Rebates to SSI Corporations
- Expenditure on ERU of JPC

## Opportunities for growth of Iron and Steel in Private Sector

### The New Industrial Policy Regime

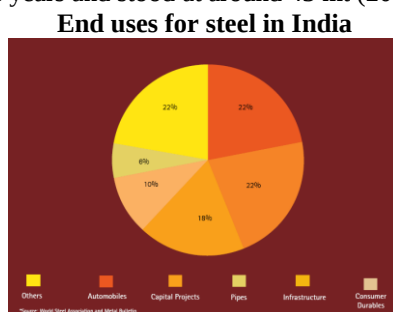
The New Industrial policy opened up the Indian iron and steel industry for private investment by (a) removing it from the list of industries reserved for public sector and (b) exempting it from compulsory licensing. Imports of foreign technology as well as foreign direct investment are now freely permitted up to certain limits under an automatic route. Ministry of Steel plays the role of a facilitator, providing broad directions and assistance to new and existing steel plants, in the liberalized scenario.

### The Growth Profile

- Steel** : The liberalization of industrial policy and other initiatives taken by the Government have given a definite impetus for entry, participation and growth of the private sector in the steel industry. While the existing units are being modernized/expanded, a large number of new steel plants have also come up in different parts of the country based on modern, cost effective, state-of-the-art technologies. In the last few years, the rapid and stable growth of the demand side has also prompted domestic entrepreneurs to set up fresh greenfield projects in different states of the country. Crude steel capacity was 126.33 mt in 2016-17 (prov.), up by 3.6% over 2015-16 and India, which emerged as the 3rd largest producer of crude steel in the world in 2016 as per provisional ranking released by the World Steel Association, has to its credit, the

capability to produce a variety of grades and that too, of international quality standards. The country is expected to become the 2nd largest producer of crude steel in the world soon.

- **Pig Iron:** India is also an important producer of pig iron. Post-liberalization, with setting up several units in the private sector, not only imports have drastically reduced but also India has turned out to be a net exporter of pig iron. The private sector accounted for 92% of total production for sale of pig iron in the country in 2016-17 (prov.). The production for sale of pig iron has increased from 1.6 mt in 1991-92 to 9.39 mt in 2016-17 (prov.).
- **Sponge Iron:** India, world's 2nd largest producer of sponge iron (2016, prov.), has a host of coal based units located in the mineral-rich states of the country. Over the years, the coal based route has emerged as a key contributor and accounted for 79% of total sponge iron production in the country. Capacity in sponge iron making too has increased over the years and stood at around 43 mt (2015-16).



Construction is one of the most important steel-using industries, accounting for more than 50% of world steel production. Buildings - from houses to car-parks to schools and skyscrapers - rely on steel for their strength. Steel is also used on roofs and as cladding for exterior walls.

The world's population is projected to increase by slightly more than one billion people over the next 13 years, reaching 8.6 billion in 2030, and to increase further to 9.8 billion in 2050 and 11.2 billion by 2100 (World Population Prospects the 2017 Revision, United Nations). This will be accompanied by rapid urbanisation. As the need for buildings and infrastructure continues to grow worldwide, reducing consumption of natural resources and associated emissions is crucial for future sustainability.

Steelmakers around the world are increasingly providing construction solutions that enable energy-efficient and low-carbon-neutral buildings. These solutions reduce the environmental impact over the structures' life cycle and help to extend their life span through design for disassembly and reuse.

Steel can provide the solutions to infrastructure and construction needs in developing countries and in climate resilient cities by enabling protective coastal and wind-resistant designs. While buildings currently account for about 20% of global greenhouse gas emissions, they also present many opportunities for reducing emissions and mitigating climate change.

Not only is steel affordable, readily available and safer, its intrinsic properties, such as strength, versatility, durability and 100% recyclability allow for improved environmental performance across the entire life cycle of buildings.

The advanced high-strength steels used in steel-plate applications also find uses in a number of related industries. Offshore oil rigs, bridges, civil engineering and construction machines, rail carriages, tanks and pressure vessels, nuclear, thermal and hydroelectric plants – all these applications benefit from the attributes of modern steels.

(Source: <https://www.worldsteel.org/steel-by-topic/steel-markets/buildings-and-infrastructure.html>)

## SUMMARY OF OUR BUSINESS

Our Company was incorporated as Aditya Ultra Steel Private Limited on July 27, 2011 with the Registrar of Companies, Gujarat, Dadra and Nagar Haveli, as a Private Limited company under the provisions of the Companies Act, 1956. Subsequently our Company was converted into a Public Limited Company 'Aditya Ultra Steel Limited'. A fresh certificate of incorporation consequent upon conversion to public limited Company was issued by the Registrar of Companies, Ahmedabad on July 26, 2018. The Corporate Identification of our Company is U27100GJ2011PLC066552.

Our Company was originally incorporated as Aditya Ultra Steel Private Limited on 27<sup>th</sup> July, 2011 under the provisions of Companies Act, 1956 in the State of Gujarat by Mr. Dipen Rameshbhai Faldu, Pramodkumar Madhavjibhai Makadia, Yogesh Premjibhai Suvarya and Mr. Chirga Lakhani. During the year 2016 - 2017 Mr. Varun Manojkumar Jain and Mrs. Varuna Jain acquired all the equity shares of the company from existing shareholders and the control over the company.

Our Company is an ISO 9001:2015 certified Company issued by Bureau Veritas. Our Company is engaged in the business of manufacturing of superior quality TMT bars. Within a short span of time, our Company has carved a niche for itself in the Steel Industry, which is witnessed by growth in Operational Revenue from Rs. 58 crore in Financial Year 2016 - 2017 to 145 crore in Financial Year 2017 - 2018.

Our Company is promoted by team of young entrepreneurs and experienced veterans with proven track records. At present we have an integrated production capacity of 1,00,000 MT for TMT Bars.

In order to expand our business and customer base, we have entered into the following Agreements:

| Sr. No. | Particulars                                                                             | Purpose                                            |
|---------|-----------------------------------------------------------------------------------------|----------------------------------------------------|
| 1.      | Retail License Agreement* (RLA) dated September 27, 2018 with Kamdhenu Limited          | Manufacturing and Trading of Kamdhenu NXT TMT Bars |
| 2.      | Retail License Agreement** (RLA) dated September 28, 2018 with Kamdhenu Concast Limited | Manufacturing and Trading of KAY2 TMT Bars.        |

## OUR PRODUCTS:

We Produce only one product i.e TMT Bars, The various size of the TMT Bars and their usage are as under:-

| PRODUCT                                                                                          | USAGE                                                                                                                                                                                                                                                   |
|--------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|  <b>8 MM</b>  | 8 MM TMT Bar is mainly use in construction. It is used for making ring which are attached or fitted in pillar structure and linter structure. It helps in providing the support to pillar structure or Linter Structure in the process of construction. |
|  <b>10 MM</b> | 10 MM & 12 MM TMT Bars which are used for building up of roof top in RCC slab which is recommended for carrying heavy Loads. in many RCC structure such as Columns, Beams, Slabs, Cantilever etc.                                                       |
|  <b>12 MM</b> |                                                                                                                                                                                                                                                         |

|                                                                                                                                                                                                                                                                                               |                                                                                                                                                                                                                                                              |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|  <p>16 MM</p>                                                                                                                                                                                                | <p>16 MM TMT Bar is mainly used for constructions that is Ground Floor plus one and above. For Such type of construction, 16mm TMT bars are recommended in order to bear the load of upper Floors.</p>                                                       |
|  <p>20 MM</p>  <p>25 MM</p>  <p>32 MM</p> | <p>20MM, 25 MM &amp; 32 MM TMT bars are advised for bringing up the Foundational work stronger, the thickness of such rods provides more grip and which sustains the load of the Upper Floors. Such bars are taken up for construction of huge projects.</p> |

#### **GRADES OF TMT BARS:**

The grades of TMT bars are nothing but the various compositions. The TMT bars made of these compositions determine the various characteristics of TMT bars such as malleability, hardness, etc.

The chemistry of the steel used for the production of TMT bars are as under:

| Parameter            | Fe415 | Fe500 | Fe550 | Fe415D | Fe500D |
|----------------------|-------|-------|-------|--------|--------|
| Carbon               | 0.30  | 0.30  | 0.30  | 0.25   | 0.25   |
| Sulphur              | 0.060 | 0.055 | 0.055 | 0.045  | 0.040  |
| Phosphorus           | 0.060 | 0.055 | 0.055 | 0.045  | 0.040  |
| Sulphur & Phosphorus | 0.110 | 0.105 | 0.100 | 0.085  | 0.075  |
| CE                   | 0.42  | 0.42  | 0.42  | 0.42   | 0.42   |

## SUMMARY OF OUR FINANCIAL STATEMENTS

The following summary of financial statements have been prepared in accordance with Indian GAAP, the companies Act and the SEBI (ICDR) Regulations 2009 and restated as described in the Peer Review Auditor's Report in the chapter titled '*Financial Statements*' beginning on page no 129 of this Draft Red Herring Prospectus. The summary financial information presented below should be read in conjunction with our restated financial statements for the period ended July 31, 2018 and financial year ended March 31, 2018, March 31 2017, March 31 2016, March 31 2015 and March 31 2014 including the notes thereto and the chapter titled '*Management's Discussion and Analysis of Financial Condition and Results of Operations*' on page no 162of this Draft Red Herring Prospectus.

### ANNEXURE I

#### STATEMENT OF ASSETS AND LIABILITIES AS RESTATED

(Rs. In lakhs)

| Particulars                    | As at<br>July<br>31,2018 | As at March 31, |                 |                 |                 |                 |
|--------------------------------|--------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|
|                                |                          | 2018            | 2017            | 2016            | 2015            | 2014            |
| <b>EQUITY AND LIABILITIES</b>  |                          |                 |                 |                 |                 |                 |
| <b>Shareholders' Funds</b>     |                          |                 |                 |                 |                 |                 |
| a. Share Capital               | 1,220.00                 | 1,220.00        | 1,220.00        | 1,220.00        | 1,220.00        | 720.00          |
| b. Reserves & Surplus          | 1,100.81                 | 685.97          | 218.01          | (1,077.15)      | (757.21)        | (625.69)        |
| <b>Non-Current Liabilities</b> |                          |                 |                 |                 |                 |                 |
| a. Long Term Borrowings        | 895.97                   | 1,364.96        | 1,596.61        | 1,440.62        | 1,549.04        | 1,387.13        |
| b. Deferred Tax Liabilities    | 137.59                   | 113.00          | -6.96           | -48.66          | -77.92          | -60.23          |
| <b>Current Liabilities</b>     |                          |                 |                 |                 |                 |                 |
| a. Short Term Borrowings       | 1,696.80                 | 1,767.85        | 590.06          | 809.78          | 817.33          | 820.44          |
| b. Trade Payables              | 3,375.28                 | 1,031.46        | 1,650.69        | 40.15           | 342.18          | 175.79          |
| c. Other Current Liabilities   | 165.67                   | 192.19          | 235.16          | 147.42          | 24.77           | 2.49            |
| d. Short Term Provisions       | 197.47                   | 52.95           | -               | -               | -               | 5.24            |
| <b>T O T A L</b>               | <b>8,789.58</b>          | <b>6,428.38</b> | <b>5,503.57</b> | <b>2,532.16</b> | <b>3,118.19</b> | <b>2,425.17</b> |
| <b>ASSETS</b>                  |                          |                 |                 |                 |                 |                 |
| <b>Non-Current Assets</b>      |                          |                 |                 |                 |                 |                 |
| a. Fixed Assets                |                          |                 |                 |                 |                 |                 |
| i. Tangible Assets             | 3,238.41                 | 3,156.19        | 2,964.06        | 1,603.38        | 1,563.42        | 1,529.92        |
| Less: Accumulated Depreciation | 426.09                   | 398.01          | 316.43          | 246.89          | 185.59          | 101.21          |
| ii. Intangible Assets (Net)    | -                        | -               | -               | -               | -               | -               |
| iii Capital Work in Progress   | -                        | -               | -               | -               | -               | -               |
| <b>Net Block</b>               | <b>2,812.32</b>          | <b>2,758.18</b> | <b>2,647.62</b> | <b>1,356.49</b> | <b>1,377.83</b> | <b>1,428.71</b> |
| a. Long Term Loans & Advances  | 1.65                     | 0.23            | 0.23            | 0.23            | 0.23            | 0.05            |
| b. Other Non-Current Assets    | 0.20                     | 0.20            | 0.20            | 0.20            | 0.20            | 0.20            |
| <b>Current Assets</b>          |                          |                 |                 |                 |                 |                 |
| a. Inventories                 | 3,058.94                 | 1,969.30        | 1,636.04        | 971.19          | 1,290.64        | 577.34          |
| b. Trade Receivables           | 2,233.62                 | 1,378.91        | 467.40          | 55.40           | 265.37          | 249.56          |
| c. Cash and Cash Equivalents   | 224.86                   | 64.70           | 26.01           | 56.56           | 49.26           | 64.60           |
| d. Short Term Loans & Advances | 451.22                   | 247.35          | 682.55          | 12.58           | 100.73          | 70.81           |
| e. Other Current Assets        | 6.77                     | 9.51            | 43.51           | 79.50           | 33.93           | 33.89           |
| <b>T O T A L</b>               | <b>8,789.58</b>          | <b>6,428.38</b> | <b>5,503.57</b> | <b>2,532.16</b> | <b>3,118.19</b> | <b>2,425.17</b> |

**ANNEXURE II**
**STATEMENT OF PROFIT AND LOSS AS RESTATED**
**(Rs. In lakhs)**

| Particulars                                        | As at July<br>31,2018 | For the year ended March 31, |                 |                 |                 |                 |
|----------------------------------------------------|-----------------------|------------------------------|-----------------|-----------------|-----------------|-----------------|
|                                                    |                       | 2018                         | 2017            | 2016            | 2015            | 2014            |
| <b>INCOME</b>                                      |                       |                              |                 |                 |                 |                 |
| Revenue from Operations                            | 11,471.39             | 14,578.04                    | 5,804.68        | 2,747.18        | 5,280.40        | 3,993.88        |
| Other Income                                       | 38.13                 | 158.12                       | 59.10           | 104.12          | 35.81           | 110.79          |
| <b>Total Income (A)</b>                            | <b>11,509.52</b>      | <b>14,736.16</b>             | <b>5,863.78</b> | <b>2,851.30</b> | <b>5,316.21</b> | <b>4,104.67</b> |
| <b>EXPENDITURE</b>                                 |                       |                              |                 |                 |                 |                 |
| Cost of materials consumed                         | 12,321.59             | 12,192.52                    | 5,507.70        | 2,214.40        | 4,798.16        | 3,260.27        |
| Changes in inventories of Goods Traded             | (2,240.79)            | 384.53                       | (641.33)        | 332.88          | (178.51)        | 290.93          |
| Employee benefit expenses                          | 76.59                 | 164.67                       | 101.86          | 40.15           | 68.82           | 111.27          |
| Finance costs                                      | 43.57                 | 269.64                       | 144.14          | 195.41          | 204.48          | 154.25          |
| Depreciation and Amortization expense              | 28.08                 | 81.58                        | 69.54           | 61.30           | 84.38           | 59.13           |
| Other Expenses                                     | 668.85                | 1,055.13                     | 438.95          | 297.85          | 484.99          | 469.72          |
| <b>Total Expenses (B)</b>                          | <b>10,897.88</b>      | <b>14,148.07</b>             | <b>5,620.87</b> | <b>3,141.98</b> | <b>5,462.33</b> | <b>4,345.57</b> |
| <b>Profit before exceptional items and tax (C)</b> | <b>611.63</b>         | <b>588.09</b>                | <b>242.91</b>   | <b>(290.68)</b> | <b>(146.11)</b> | <b>(240.90)</b> |
| Exceptional Items                                  | -                     | -                            | -               | -               | -               | -               |
| <b>Profit before tax (D)</b>                       | <b>611.63</b>         | <b>588.09</b>                | <b>242.91</b>   | <b>(290.68)</b> | <b>(146.11)</b> | <b>(240.90)</b> |
| <i>Tax expense :</i>                               | -                     | -                            | -               | -               | -               | -               |
| (i) Current tax                                    | 131.80                | 52.95                        | -               | -               | -               | -               |
| (ii) MAT Credit                                    | 40.41                 | (52.78)                      | -               | -               | -               | -               |
| (iii) Deferred tax                                 | 24.59                 | 119.96                       | 41.70           | 29.26           | (17.69)         | (60.23)         |
| <b>Total Tax Expense (E)</b>                       | <b>196.80</b>         | <b>120.13</b>                | <b>41.70</b>    | <b>29.26</b>    | <b>(17.69)</b>  | <b>(60.23)</b>  |
| <b>Profit for the year (D-E)</b>                   | <b>414.84</b>         | <b>467.96</b>                | <b>201.21</b>   | <b>(319.94)</b> | <b>(128.43)</b> | <b>(180.66)</b> |

**ANNEXURE III**
**STATEMENT OF CASH FLOW AS RESTATED**
**(Rs. In lakhs)**

| Particulars                                                           | As at July<br>31, 2018 | For the year ended March 31, |                 |                 |                 |                 |
|-----------------------------------------------------------------------|------------------------|------------------------------|-----------------|-----------------|-----------------|-----------------|
|                                                                       |                        | 2018                         | 2017            | 2016            | 2015            | 2014            |
| <b><u>Cash flow from operating activities:</u></b>                    |                        |                              |                 |                 |                 |                 |
| Net Profit before tax as per P & L A/C                                | 611.63                 | 588.09                       | 242.91          | (290.68)        | (146.11)        | (240.90)        |
| Adjusted for:                                                         |                        |                              |                 |                 |                 |                 |
| Prior Period Expenses                                                 | -                      | -                            | -               | -               | -               | (1.30)          |
| Depreciation Added Back                                               | -                      | -                            | -               | -               | (3.09)          | (78.41)         |
| Profit on sale of Fixed Assets                                        | -                      | -                            | -               | -               | -               | -               |
| Loss on sale of Fixed Assets                                          | -                      | -                            | -               | -               | -               | -               |
| Depreciation & Amortisation                                           | 28.08                  | 81.58                        | 69.54           | 61.30           | 84.38           | 59.13           |
| Income Tax Expenses                                                   | (172.20)               | (0.17)                       | -               | -               | -               | -               |
| Interest & Finance Cost                                               | 43.57                  | 269.64                       | 144.14          | 195.41          | 204.48          | 154.25          |
| Security Deposit W/off                                                | (33.00)                | (103.90)                     | -               | -               | -               | -               |
| Interest income                                                       | (4.89)                 | (53.42)                      | (7.21)          | (5.46)          | (1.42)          | (5.46)          |
| <b>Operating Profit Before Working Capital Changes</b>                | <b>473.19</b>          | <b>781.82</b>                | <b>449.39</b>   | <b>(39.44)</b>  | <b>138.24</b>   | <b>(112.69)</b> |
| Adjusted for (Increase)/ Decrease:                                    |                        |                              |                 |                 |                 |                 |
| Trade Receivables                                                     | (854.71)               | (911.50)                     | (412.00)        | 209.97          | (15.80)         | (38.55)         |
| Inventories                                                           | (1,089.64)             | (333.26)                     | (664.84)        | 319.45          | (713.30)        | 283.11          |
| Long Term Loans and Advances                                          | (1.42)                 | -                            | -               | -               | (0.18)          | (0.05)          |
| Short Term Loans and Advances                                         | (203.87)               | 435.20                       | (669.97)        | 88.15           | (29.92)         | 276.17          |
| Trade payables                                                        | 2,343.82               | (619.23)                     | 1,610.54        | (302.03)        | 166.39          | (194.31)        |
| Provisions                                                            | 144.52                 | 52.95                        | -               | -               | (5.24)          | (8.89)          |
| Current Liabilities                                                   | (26.53)                | (42.97)                      | 87.74           | 122.65          | 22.29           | 2.49            |
| Other Current Assets                                                  | 2.73                   | 34.01                        | 35.99           | (45.57)         | (0.04)          | (33.89)         |
| Other Non-Current Assets                                              | -                      | -                            | -               | -               | -               | -               |
| <b>Cash Generated From Operations Before Extra-Ordinary Items</b>     | <b>788.10</b>          | <b>(602.99)</b>              | <b>436.84</b>   | <b>353.18</b>   | <b>(437.58)</b> | <b>173.40</b>   |
| Add:- Extra-Ordinary Items                                            | -                      | -                            | -               | -               | -               | -               |
| <b>Cash Generated From Operations</b>                                 | <b>788.10</b>          | <b>(602.99)</b>              | <b>436.84</b>   | <b>353.18</b>   | <b>(437.58)</b> | <b>173.40</b>   |
| Direct Tax Paid                                                       | -                      | -                            | -               | -               | -               | -               |
| <b>Net Cash Flow from/(used in) Operating Activities: (A)</b>         | <b>788.10</b>          | <b>(602.99)</b>              | <b>436.84</b>   | <b>353.18</b>   | <b>(437.58)</b> | <b>173.40</b>   |
| <b><u>Cash Flow From Investing Activities:</u></b>                    |                        |                              |                 |                 |                 |                 |
| Purchase of Fixed Assets                                              | (82.22)                | (192.14)                     | (266.72)        | (39.96)         | (44.20)         | (15.20)         |
| Sale of Fixed Asset/Reversal of Fixed Assets                          | -                      | -                            | -               | -               | 10.71           | -               |
| Interest Income                                                       | 4.89                   | 53.42                        | 7.21            | 5.46            | 1.42            | 5.46            |
| <b>Net Cash Flow from/(used in) Investing Activities: (B)</b>         | <b>(77.33)</b>         | <b>(138.72)</b>              | <b>(259.52)</b> | <b>(34.50)</b>  | <b>(32.08)</b>  | <b>(9.74)</b>   |
| <b><u>Cash Flow from Financing Activities:</u></b>                    |                        |                              |                 |                 |                 |                 |
| Proceeds From Share Capital                                           |                        |                              |                 |                 | 500.00          |                 |
| Increase/(Decrease) Long Term Borrowing                               | (435.99)               | (127.75)                     | 155.99          | (108.42)        | 161.90          | (86.19)         |
| Increase/ (Decrease) in Short Term Borrowing                          | (71.05)                | 1,177.79                     | (219.73)        | (7.55)          | (3.11)          | 16.37           |
| Interest & Financial Charges                                          | (43.57)                | (269.64)                     | (144.14)        | (195.41)        | (204.48)        | (154.25)        |
| <b>Net Cash Flow from/(used in) Financing Activities: (C)</b>         | <b>(550.61)</b>        | <b>780.40</b>                | <b>(207.87)</b> | <b>(311.38)</b> | <b>454.31</b>   | <b>(224.06)</b> |
| <b>Net Increase/(Decrease) in Cash &amp; Cash Equivalents (A+B+C)</b> | <b>160.16</b>          | <b>38.69</b>                 | <b>(30.55)</b>  | <b>7.30</b>     | <b>(15.34)</b>  | <b>(60.41)</b>  |
| <b>Cash &amp; Cash Equivalents As At Beginning of the Year</b>        | <b>64.70</b>           | <b>26.01</b>                 | <b>56.56</b>    | <b>49.26</b>    | <b>64.60</b>    | <b>125.01</b>   |
| <b>Cash &amp; Cash Equivalents As At End of the Year</b>              | <b>224.86</b>          | <b>64.70</b>                 | <b>26.01</b>    | <b>56.56</b>    | <b>49.26</b>    | <b>64.60</b>    |

## THE ISSUE

| Particulars                                  | Details of Equity Shares                                                                                                                                                                                                                   |
|----------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Issue of Equity Shares                       | Upto [●] Equity Shares of face value of ₹10 each fully paid of the Company for cash at price of ₹[●] per Equity Share aggregating ₹4500 Lakhs.                                                                                             |
| <i>of which:</i>                             |                                                                                                                                                                                                                                            |
| Market Maker Reservation Portion             | Upto [●] Equity Shares of face value of ₹10 each fully paid of the Company for cash at price of ₹[●] per Equity Share aggregating ₹[●] Lakhs                                                                                               |
| Net Issue to the Public                      | Upto [●] Equity Shares of face value of ₹10 each fully paid of the Company for cash at price of ₹[●] per Equity Share aggregating ₹[●] Lakhs                                                                                               |
| <i>Of which:</i>                             |                                                                                                                                                                                                                                            |
| Non-Retail Portion                           | [●] Equity Shares of face value of ₹10 each fully paid of the Company for cash at price of ₹[●] per Equity Share aggregating ₹[●] lakhs will be available for allocation to investors above ₹2.00 Lakhs                                    |
| Retail Portion                               | [●] Equity Shares of face value of ₹10 each fully paid of the Company for cash at price of ₹[●] per Equity Share aggregating ₹[●] Lakhs will be available for allocation for allotment to Retail Individual Investors of up to ₹2.00 Lakhs |
| <b>Pre and Post Issue Equity Shares</b>      |                                                                                                                                                                                                                                            |
| Equity Shares outstanding prior to the Issue | [●] Equity Shares                                                                                                                                                                                                                          |
| Equity Shares outstanding after the Issue    | [●] Equity Shares                                                                                                                                                                                                                          |
| Use of Proceeds (Objects of the Issue)       | For further details please refer chapter titled “ <i>Objects of the Issue</i> ” beginning on page 62 of this Draft Prospectus                                                                                                              |

### **Notes:**

The Issue has been authorized by the Board of Directors vide a resolution passed at its meeting held on August 03, 2018 and by the shareholders of our Company vide a special resolution passed pursuant to section 62(1)(c) of the Companies Act, 2013 at the Extra-Ordinary General Meeting held on August 27, 2018.

This Issue is being made in terms of Chapter XB of the SEBI (ICDR) Regulations, 2009, as amended from time to time.

Further details please refer to section titled “Issue Related Information” beginning on page 185 of this Prospectus.

## GENERAL INFORMATION

Our Company was incorporated as ‘Aditya Ultra Steel Private Limited’ on July 27, 2011 with the Registrar of Companies, Gujarat, Dadra and Nagar Haveli as a Private Limited company under the provisions of the Companies Act, 1956. Subsequently our Company was converted into a Public Limited Company ‘Aditya Ultra Steel Limited’. A fresh certificate of incorporation consequent upon conversion to public limited Company was issued by the Registrar of Companies, Gujarat, Ahmedabad on July 26, 2018. The Corporate Identification of our Company is U27100GJ2011PLC066552.

For further details of our Company, please refer “General Information” and “History and Certain Other Corporate Matter” on page no 36 and 105, respectively, of this Draft Red Herring Prospectus.

### Registered Office

**Address** : Survey No.888/807/810,FP-25,28,T 808-C,Pinnacle, Prahlad Nagar Area Opp. Royal Arcade, AUDA Garden, Ahmedabad - 380 015  
**Tel No.** : 079 - 4890 1470  
**E-mail** : [finance@adityaultrasteel.com](mailto:finance@adityaultrasteel.com)  
**Website** : [www.adityaultrasteel.com](http://www.adityaultrasteel.com)

### Manufacturing Facility

**Address** : Wankaner Boundry, Survey No-48, National Highway, 8-A, Bhagam, Wankaner, Rajkot - 363621  
**Tel No.** : +91 99740 01245  
**E-mail** : [finance@adityaultrasteel.com](mailto:finance@adityaultrasteel.com)

### Registrar of Companies

**Name** : ROC, Gujarat, Ahmedabad  
**Address** : ROC Bhavan, Opp Rupal Park Society, Behind Ankur Bus Stop, Naranpura, Ahmedabad- 380 013  
**Tel No.** : +91 79-27438531  
**Fax** : +91 79-27438371  
**Website** : [www.mca.gov.in](http://www.mca.gov.in)

### Board of Directors

The following table sets out the details regarding out Board of Directors as on the date of this Draft Red Herring Prospectus:

| Name                        | Designation          | DIN      | Residential Address                                                                                    |
|-----------------------------|----------------------|----------|--------------------------------------------------------------------------------------------------------|
| Mr. Varun ManojKumar Jain   | Managing Director    | 03502561 | B/404, Ashavari Tower, B/H Fun Republic, S G Highway, Ahmedabad, Gujarat- 380 015                      |
| Mrs. Varuna Varun Jain      | Whole Time Director  | 07547363 | B/404, Ashavari Tower, B/H Fun Republic, S G Highway, Ahmedabad, Gujarat- 380 015                      |
| Mr. Manas Rajivbhai Shah    | Independent Director | 08160833 | 5, Sagun Flat, T-11, Shantinagar Society, Usmanpura, Naranpura, Vistar, Ahmedabad, Gujarat- 380 013    |
| Mr. Vinod Kanubhai Rana     | Independent Director | 08160972 | 1-526-1, Gandhiwada, Near Khodiyar Mandir, Dholka, Ahmedabad, Gujarat- 387 810                         |
| Mr. Kunjal Jayantkumar Soni | Independent Director | 08160838 | 1636, Dhanasuthar's Pole Naka, Near Gulabbai Hospital, Relief Road, Kalupur, Ahmedabad Gujarat-380 001 |

For further details of Management of our Company, please refer to section titled “Our Management” beginning on page no 108 of this Draft Red Herring Prospectus.

### Chief Financial Officer

**Name** : Mr. Mayur Kumar Chhotalal Patel  
**Address** : Survey No.888/807/810,FP-25,28,T 808-C,Pinnacle, Prahlad Nagar Area, Opp. Royal Arcade, AUDA Garden, Ahmedabad - 380 015  
**Tel No.** : 079 – 4890 1470  
**E-Mail** : finance@adityaultrasteel.com

### Company Secretary & Compliance Officer

**Name** : Mr. Gandharv Khandelwal  
**Address** : Survey No.888/807/810,FP-25,28,T 808-C,Pinnacle, Prahlad Nagar Area, Opp. Royal Arcade, AUDA Garden, Ahmedabad - 380 015  
**Tel No.** : 079 – 4890 1470  
**E-Mail** : cs@adityaultrasteel.com

Investors may contact the Compliance Officer and/or the Registrar to the Issue and/or the Book Running Lead Manager to the Issue in case of any Pre-Issue or Post-Issue related matter such as non-receipt of letters of Allotment, credit of allotted Equity Shares in the respective beneficiary account, unblocking of amount in ASBA etc.

All grievances relating to the ASBA process may be addressed to the Registrar to the Issue, with a copy to the concerned SCSB, giving full details such as name, address of the applicant, number of Equity Shares applied for, amount blocked, ASBA Account number and the Designated Branch of the SCSB where the ASBA Application Form was submitted by the ASBA Applicant.

For all Issue, related queries and for redressal of complaints, Applicants may also write to the Book Running Lead Manager. All complaints, queries or comments received by Stock Exchange/SEBI shall be forwarded to the Book Running Lead Manager, who shall respond to the same.

### Book Running Lead Manager to the Issue

**Name** : Mark Corporate Advisors Private Limited  
**Address** : 404/1, The Summit Business Bay, Sant Janabai Road (Service Lane), Off W. E. Highway, Vile Parle (East), Mumbai-400 057.  
**Tel No.** : +91 22 2612 3207/08  
**Contact Person** : Mr. Manish Gaur  
**E-Mail ID** : smeipo@markcorporatedvisors.com  
**SEBI Reg. No.** : INM000012128  
**Investor Grievance E-Mail ID** : investorgrievance@markcorporateadvisors.com  
**Website** : www.markcorporateadvisors.com

### Legal Advisor to the Issue

**Name** : Alliance Law  
**Address** : 801, 8<sup>th</sup> Floor, Raheja Centre, Free Press Journal Marg, Nariman Point, Mumbai- 400 021.  
**Tel No.** : +91 22-2204 0822  
**E-Mail ID** : info@alliancelaw.in

### Registrar & Share Transfer Agent

**Name** : Cameo Corporate Services Limited  
**SEBI Reg. No.** : INR000003753  
**Address** : Subramanian Building, No. 1 Club House Road, Chennai-600 002  
**Contact Person** : Mr. Prashant N. Sanil  
**Tel No.** : +91 44 2846 0390  
**E-Mail ID** : cameo@cameoindia.com  
**Website** : www.cameoindia.com

### **Designated Stock Exchange**

**Name** : National Stock Exchange of India Limited (NSE Emerge)  
**Address** : Exchange Plaza, Plot No. C/1, G Block, Bandra Kurla Complex, Bandra East, Mumbai - 400 051

### **Statutory Auditor and Peer Review Auditor**

**Name** : S.N. Shah & Associates, Chartered Accountants  
**Firm Reg. No.** : 109782W  
**Address** : “Sapan House” 10-B Government Servant Co-operative Society, Opp. Municipal Market, C.G. Road, Ahmedabad-380 009  
**Contact Person** : Mr. Firoj G. Bodla  
**Tel No.** : +91 79-40098280  
**E-Mail ID** : snshah\_asso@hotmail.com

### **Bankers to the Company**

**Name of the Bank** : HDFC Bank Limited  
**Address** : Ground Floor, Galaxy Mall, Opp., Jhansi Rani Statue, Nehru Nagar, Shivranjani, Cross Road, Ahmedabad - 380015  
**Contact Name** : Nishant Shah  
**Contact No.** : 079-26761161  
**E-Mail ID** : Nishantb.shah@hdfcbank.com

### **Self-Certified Syndicate Banks (SCSB's)**

The list of banks that have been notified by SEBI to act as the SCSBs for the ASBA process is provided on the website of SEBI at <http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>. For details of the Designated Branches which shall collect Application Forms, please refer to the above-mentioned link.

### **Registered Brokers**

In accordance with SEBI Circular No. CIR/CFD/14/2012 dated October 04, 2012 and CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015, Applicants can submit Application Forms with the Registered Brokers at the Broker Centers, CDPs at Designated CDP Locations or the RTAs at the Designated RTA Locations, respective lists of which, including details such as address and telephone numbers, are available at the websites of the NSE at [www.nseindia.com](http://www.nseindia.com), respectively, as updated from time to time.

### **Registrar and Share Transfer Agents**

The list of the RTAs eligible to accept ASBA Forms at the Designated RTA Locations, including details such as address, telephone number and e-mail address, are provided on the websites of Stock Exchange at <http://www.nseindia.com/Static/Markets/PublicIssues/RtaDp.aspx?expandable=6>, as updated from time to time.

### **Collecting Depository Participants**

The list of the CDPs eligible to accept ASBA Forms at the Designated CDP Locations, including details such as name and contact details, are provided on the websites of Stock Exchanges

### **Credit Rating**

This being an issue of Equity Shares, there is no requirement of credit rating for the Issue.

### **Trustees**

This being an issue of Equity shares, the appointment of Trustees is not mandatory.

### **IPO Grading**



Since the Issue is being made in terms of Chapter XB of the SEBI (ICDR) Regulations, there is no requirement of appointing an IPO Grading agency.

### Appraisal and Monitoring Agency

As per Regulation 16(1) of the SEBI (ICDR) Regulations, 2009 the requirement of Monitoring Agency is not mandatory if the Issue size is below ₹10,000 Lakhs. Since the Issue size is less than ₹10,000 Lakhs, our Company has not appointed any monitoring agency for this Issue. However, as per the Regulation 18 (3) read with part C of schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Audit Committee of our Company would be monitoring the utilization of the proceeds of the Issue.

### Details of the Appraising Authority

The objects of the Issue and deployment of funds are not appraised by any independent agency/ bank/ financial institution.

### Inter-Se Allocation of Responsibilities

Since, Mark Corporate Advisors Private Limited is the sole Book Running Lead Manager to this offer, all the issue related Activities will be managed by them.

### Expert Opinion

Except the report of Statutory Auditor of our Company on statement of tax benefits included in the Draft Red Herring Prospectus, our Company has not obtained any other expert opinion.

### Underwriting

This Issue is 100% Underwritten. The Underwriting Agreement is dated [●]. Pursuant to the terms of the Underwriting Agreement, the obligations of the Underwriter are several and subject to certain conditions specified therein.

The underwriter has indicated its intention to underwrite the following number of specified securities being offered through this Issue.

| Name and Address of the Underwriter                                                                                                                                      | Indicative Number of Equity shares to be Underwritten | Amount Underwritten (Rs. in Lakhs) | % of the Total Issue Size Underwritten |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------|------------------------------------|----------------------------------------|
| <b>Mark Corporate Advisors Private Limited</b><br>404/1, The Summit Business Bay, Sant Janabai Road (Service Lane), Off W. E. Highway, Vile Parle (East), Mumbai-400 057 | [●]                                                   | [●]                                | 100%                                   |
| <b>Total</b>                                                                                                                                                             | [●]                                                   | [●]                                | <b>100%</b>                            |

In the opinion of the Board of Directors of the Company, the resources of the above-mentioned underwriter are sufficient to enable them to discharge their respective underwriting obligations in full.

### Details of The Market Making Arrangement

Our Company has entered into Market Making Agreement dated [●], with the Book Running Lead Manager and Market Maker, duly registered with NSE to fulfill the obligations of Market Making:

|                       |   |     |
|-----------------------|---|-----|
| <b>Name</b>           | : | [●] |
| <b>Address</b>        | : | [●] |
| <b>Tel No.</b>        | : | [●] |
| <b>Fax</b>            | : | [●] |
| <b>Email</b>          | : | [●] |
| <b>Contact Person</b> | : | [●] |
| <b>SEBI Reg. No.</b>  | : | [●] |

[●], registered with NSE will act as the Market Maker and has agreed to receive or deliver the specified securities in the market making process for a period of three years from the date of listing of our Equity Shares or for a period as may be notified by amendment to SEBI (ICDR) Regulations.

The Market Maker shall fulfill the applicable obligations and conditions as specified in the SEBI (ICDR) Regulations, as amended from time to time and the circulars issued by the NSE and SEBI in this matter from time to time.

**Following is a summary of the key details pertaining to the Market Making arrangement:**

- 1) The Market Maker(s) (individually or jointly) shall be required to provide a 2-way quote for 75% of the time in a day. The same shall be monitored by the Stock Exchange. Further, the Market Maker(s) shall inform the Exchange in advance for each and every black out period when the quotes are not being offered by the Market Maker(s).
- 2) The minimum depth of the quote shall be ₹1,00,000. However, the investors with holdings of value less than ₹1,00,000 shall be allowed to offer their holding to the Market Maker(s) (individually or jointly) in that scrip provided that he sells his entire holding in that scrip in one lot along with a declaration to the effect to the selling broker.
- 3) After a period of three (3) years from the market making period, the market maker would be exempted to provide quote if the Shares of market maker in our Company reaches to 25 % of Issue Size (including the [●] Equity Shares to be allotted under this Issue.) Any Equity Shares allotted to Market Maker under this Issue over and above [●] Equity Shares would not be taken in to consideration of computing the threshold of 25% of Issue Size. As soon as the Shares of market maker in our Company reduce to 24% of Issue Size, the market maker will resume providing 2-way quotes.
- 4) There shall be no exemption/threshold on downside. However, in the event the market maker exhausts his inventory through market making process, the concerned stock exchange may intimate the same to SEBI after due verification.
- 5) Execution of the order at the quoted price and quantity must be guaranteed by the Market Maker(s), for the quotes given by him.
- 6) There would not be more than five Market Makers for a script at any point of time and the Market Makers may compete with other Market Makers for better quotes to the investors. At this stage, [●] is acting as the sole Market Maker.
- 7) On the first day of the listing, there will be pre-opening session (call auction) and there after the trading will happen as per the equity market hours. The circuits will apply from the first day of the listing on the discovered price during the pre-open call auction.
- 8) The Market Maker may also be present in the opening call auction, but there is no obligation on him to do so.
- 9) There will be special circumstances under which the Market Maker may be allowed to withdraw temporarily/fully from the market – for instance due to system problems, any other problems. All controllable reasons require prior approval from the Exchange, while force-majeure will be applicable for non- controllable reasons. The decision of the Exchange for deciding controllable and non-controllable reasons would be final.
- 10) The Market Maker(s) shall have the right to terminate said arrangement by giving one month notice or on mutually acceptable terms to the Merchant Banker, who shall then be responsible to appoint a replacement Market Maker(s).

In case of termination of the above mentioned Market Making agreement prior to the completion of the compulsory Market Making period, it shall be the responsibility of the Book Running Lead Manager to arrange for another Market Maker(s) in replacement during the term of the notice period being served by the Market Maker but prior to the date of releasing the existing Market Maker from its duties in order to ensure compliance with the requirements of regulation 106V of the SEBI (ICDR) Regulations, 2009.

Further the Company and the Book Running Lead Manager reserve the right to appoint other Market Maker(s) either as a replacement of the current Market Maker or as an additional Market Maker subject to the total number of Designated Market Makers does not exceed 5 (five) or as specified by the relevant laws and regulations applicable at that particular point of time. The Market Making Agreement is available for inspection at our Registered Office from 11.00 a.m. to 5.00 p.m. on working days.

- 11) NSE Emerge will have all margins which are applicable on the NSE Main Board viz., Mark-to-Market, Value-At-Risk (VAR) Margin, Extreme Loss Margin, Special Margins and Base Minimum Capital etc. "NSE EMERGE" can impose any other margins as deemed necessary from time-to-time.
- 12) NSE Emerge will monitor the obligations on a real time basis and punitive action will be initiated for any exceptions and/or non-compliances. Penalties / fines may be imposed by the Exchange on the Market Maker, in case he is not able to provide the desired liquidity in a particular security as per the specified guidelines. These penalties / fines will be set by the Exchange from time to time. The Exchange will impose a penalty on the Market Maker(s) in case he is not present in the market (offering two way quotes) for at least 75% of the time. The nature of the penalty will be monetary as well as suspension in market making activities/trading membership.
- 13) The Department of Surveillance and Supervision of the Exchange would decide and publish the penalties/ fines/ suspension for any type of misconduct/ manipulation/ other irregularities by the Market Maker from time to time
- 14) The price band shall be 20% and the market maker spread (difference between the sell and the buy quote) shall be within 10% or as intimated by Exchange from time to time.

All the above mentioned conditions and systems regarding the Market Making Arrangement are subject to change based on changes or additional regulations and guidelines from SEBI and Stock Exchange from time to time.

## CAPITAL STRUCTURE

The Share Capital of our Company as of the date of this Draft Red Herring Prospectus before and after the issue is set forth below:

(` In Lakhs)

| Sr. No.   | Particulars                                                                                                                                                            | Aggregate Value at |             |
|-----------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------|-------------|
|           |                                                                                                                                                                        | Face Value         | Issue Price |
| <b>A.</b> | <b>AUTHORISED SHARE CAPITAL</b>                                                                                                                                        |                    |             |
|           | 2,00,00,000 Equity Shares of face value of ₹10 each                                                                                                                    | 2000.00            |             |
| <b>B.</b> | <b>ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL</b>                                                                                                                    |                    |             |
|           | 1,22,00,000 fully paid up Equity Shares of face value of ₹10 each                                                                                                      | 1220.00            |             |
| <b>C.</b> | <b>PRESENT ISSUE IN TERMS OF PROSPECTUS*</b>                                                                                                                           |                    |             |
|           | [•] Equity Shares of face value of ₹10 each at a price of ₹[•] per Equity Share                                                                                        | [•]                | [•]         |
|           | Which comprises of:                                                                                                                                                    |                    |             |
|           | [•] Equity Shares of face value of ₹10 each at a price of ₹[•] per Equity Share reserved as Market Maker portion                                                       | [•]                | [•]         |
|           | Net Issue to Public of [•] Equity Shares of face value of ₹10 each at a price of ₹[•] per Equity Share to the Public                                                   | [•]                | [•]         |
|           | Of which:                                                                                                                                                              |                    |             |
|           | <b>Retail Portion:</b><br>[•] Equity Shares of face value of ₹10 each at a price of ₹[•] per Equity Share will be available for allocation to Investors up to [•]      | [•]                | [•]         |
|           | <b>Non- Retail Portion:</b><br>[•] Equity Shares of face value of ₹10 each at a price of ₹[•] per Equity Share will be available for allocation to Investors above [•] | [•]                | [•]         |
| <b>D.</b> | <b>ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL AFTER THE ISSUE</b>                                                                                                    |                    |             |
|           | [•] Equity Shares of face value of ₹10 each                                                                                                                            | [•]                | -           |
| <b>E.</b> | <b>SECURITIES PREMIUM ACCOUNT</b>                                                                                                                                      |                    |             |
|           | Before the Issue                                                                                                                                                       |                    | [•]         |
|           | After the Issue                                                                                                                                                        |                    | [•]         |

\* The Issue has been authorized pursuant to a resolution of our Board under section 179(3)(c) & 62(1)(c) dated August 03, 2018 and a Special Resolution passed under Section 23 and Section 62(1)(c) of the Companies Act, 2013 at an EGM of our shareholders held on August 27, 2018.

### Classes of Shares

The Company has only one class of Share Capital i.e. Equity Shares of face value of ₹10 each only. All Equity Shares issued are fully paid-up as on date of this Draft Red Herring Prospectus.

Our Company has no outstanding convertible instruments as on the date of this Prospectus.

### History of change in Authorized Equity Share Capital of Our Company:

| Sr. No. | Particulars of Change                                        |                                                              | Date of Shareholders Meeting | AGM/EGM |
|---------|--------------------------------------------------------------|--------------------------------------------------------------|------------------------------|---------|
|         | From                                                         | To                                                           |                              |         |
| 1)      | Rs. 1,00,00,000/- (10,00,000 Equity Shares of Rs.10 each)    |                                                              | On Incorporation             | N.A.    |
| 2)      | Rs. 1,00,00,000/- (10,00,000 Equity Shares of Rs.10 each)    | Rs. 8,00,00,000/- (80,00,000 Equity Shares of Rs.10 each)    | 29.02.2012                   | EGM     |
| 3)      | Rs. 8,00,00,000/- (80,00,000 Equity Shares of Rs.10 each)    | Rs. 12,50,00,000/- (1,25,00,000 Equity Shares of Rs.10 each) | 10.07.2014                   | EGM     |
| 4)      | Rs. 12,50,00,000/- (1,25,00,000 Equity Shares of Rs.10 each) | Rs. 20,00,00,000/- (2,00,00,000 Equity Shares of Rs.10 each) | 25.06.2018                   | EGM     |

## NOTES TO THE CAPITAL STRUCTURE:

### Equity Share Capital History of our Company as on date

| Date of Allotment of Equity Shares | No. of Equity Shares Issued | Face Value (₹) | Issue Price (₹) | Nature of Consideration | Nature of Allotment                                              | Cumulative No. of Equity Shares | Cumulative paid-up share capital (₹) |
|------------------------------------|-----------------------------|----------------|-----------------|-------------------------|------------------------------------------------------------------|---------------------------------|--------------------------------------|
| Incorporation                      | 10,000                      | 10             | 10              | Cash                    | Subscription to MOA <sup>(i)</sup>                               | 10,000                          | 1,00,000                             |
| 29.06.2012                         | 71,90,000                   | 10             | 10              | Cash                    | Allotment of shares by way of Private Placement <sup>(ii)</sup>  | 72,00,000                       | 7,20,00,000                          |
| 20.09.2014                         | 50,00,000                   | 10             | 10              | Cash                    | Allotment of shares by way of Private Placement <sup>(iii)</sup> | 1,22,00,000                     | 12,20,00,000                         |

### Initial subscribers to the Memorandum of Association of our Company:

| Sr. No.      | Name of the Person      | No. of Shares Allotted |
|--------------|-------------------------|------------------------|
| 1)           | Mr. Dipanbhai Faldu     | 3,500                  |
| 2)           | Mr. Chiragbhai Lakhani  | 2,000                  |
| 3)           | Mr. Pramodbhai Mankadia | 3,500                  |
| 4)           | Mr. Yogeshbhai Suvariya | 1,000                  |
| <b>Total</b> |                         | <b>10,000</b>          |

### Allotment of 71,90,000 equity shares by way of Private Placement:

| Sr. No.      | Name of the Person          | No. of Shares Allotted |
|--------------|-----------------------------|------------------------|
| 1            | Dipen R. Faldu              | 1,196,500              |
| 2            | Swati Dipen Faldu           | 640,000                |
| 3            | Jeet Pramodbhai Makadia     | 759,050                |
| 4            | Vibhaben Pramodbhai Makadia | 757,450                |
| 5            | Harishbhai Lakhani          | 720,000                |
| 6            | Chirag H. Lakhani           | 238,000                |
| 7            | Darshan H. Lakhani          | 160,000                |
| 8            | Meenaben H. Lakhani         | 400,000                |
| 9            | Bharatlal S. Pandey         | 200,000                |
| 10           | Sanjay H. Vyas              | 160,000                |
| 11           | Mita S. Vyas                | 160,000                |
| 12           | Rameshbhai C. Panchani      | 280,000                |
| 13           | Priyank R. Panchani         | 280,000                |
| 14           | Anjuben B. Makadia          | 80,000                 |
| 15           | Ilaben R. Makadia           | 80,000                 |
| 16           | Pannaben N. Panchani        | 80,000                 |
| 17           | Mahindrabhai Makadia        | 239,500                |
| 18           | Punit M. Makadia            | 80,000                 |
| 19           | Anand M. Makadia            | 80,000                 |
| 20           | Vinodbhai Savsani           | 399,500                |
| 21           | Sushma B. Pandey            | 200,000                |
| <b>Total</b> |                             | <b>71,90,000</b>       |

**Allotment of 50,00,000 equity shares by way of Private Placement:**

| Sr. No.      | Name of the Person                  | No. of Shares Allotted |
|--------------|-------------------------------------|------------------------|
| 1.           | Kishorchnadra Laljibhai Patel (HUF) | 40,000                 |
| 2.           | Kamlaben Bhailalbhahi Patel         | 5,000                  |
| 3.           | Neeta Amrutlal Patel                | 5,000                  |
| 4.           | Mitaben Kishorbhai Patel            | 5,000                  |
| 5.           | Bhailal Laljibhai Patel HUF         | 10,000                 |
| 6.           | Hitesh Bhavanlal Patel              | 15,000                 |
| 7.           | Gitaben Bhavanbhahi Patel           | 17,500                 |
| 8.           | Nishant Bhailalbhahi Patel          | 35,000                 |
| 9.           | Amrutlal Laljibhai Patel HUF        | 10,000                 |
| 10.          | Hetal Bhavanlal Patel               | 10,000                 |
| 11.          | Maganlal P Patel                    | 20,000                 |
| 12.          | Maniben M Patel                     | 50,000                 |
| 13.          | Amrutlal M Patel                    | 30,000                 |
| 14.          | Mahendra M Patel                    | 13,500                 |
| 15.          | Sunita A Patel                      | 50,000                 |
| 16.          | Phushpa M Patel                     | 50,000                 |
| 17.          | Kantilal Somjibhai Patel            | 66,000                 |
| 18.          | Jayaben Kantilal Patel              | 50,000                 |
| 19.          | Mukesh Kantilal Patel               | 1,00,000               |
| 20.          | Archna Mukesh Patel                 | 50,000                 |
| 21.          | Ketan Kantilal Patel                | 1,00,000               |
| 22.          | Gopalbhai Bhanjibhai Patel          | 2,04,000               |
| 23.          | Dharmshibhai Bhanjibhai Patel       | 2,04,000               |
| 24.          | Bhanjibhai Khimjibhai Patel HUF     | 1,00,000               |
| 25.          | Valjibhai Premjibhai Patel HUF      | 35,500                 |
| 26.          | Bhanjibhai Valjibhai Patel          | 50,000                 |
| 27.          | Gangaben Bhanjibhai Patel           | 50,000                 |
| 28.          | Ashokbhai Bhanjibhai Patel          | 50,000                 |
| 29.          | Naynaben Ashokbhai Patel            | 50,000                 |
| 30.          | Kamlesh Bhanjibhai Patel            | 50,000                 |
| 31.          | Rekhaben Kamleshbhai Patel          | 50,000                 |
| 32.          | Nitin M Patel                       | 75,000                 |
| 33.          | Mamta N patel                       | 75,000                 |
| 34.          | Mahesh M Patel                      | 90,000                 |
| 35.          | Joshna M Patel                      | 90,000                 |
| 36.          | Manjibhai K Patel                   | 2,74,750               |
| 37.          | Vimlaben M Patel                    | 1,83,250               |
| 38.          | Rameshbhai Valjibhai Patel HUF      | 60,000                 |
| 39.          | Mohanlal Valjibhai Patel HUF        | 1,26,500               |
| 40.          | Rameshbhai Valjibhai Patel          | 50,000                 |
| 41.          | Komal Parimal Patel                 | 30,000                 |
| 42.          | Chetna Dipak Patel                  | 20,000                 |
| 43.          | Parimal Ramesh Patel                | 20,000                 |
| 44.          | Bhavesb karamshibhai Patel          | 200000                 |
| 45.          | Muljibhai karamshibhai Patel        | 1,80,000               |
| 46.          | Dipen Rameshbhai Patel              | 10,64,450              |
| 47.          | Chirag Harishbhai Lakhani           | 4,55,950               |
| 48.          | Meenaben Harishbhai Lakhani         | 3,43,250               |
| 49.          | Vibhagauri Pramodbhai Patel         | 86,350                 |
| <b>Total</b> |                                     | <b>50,00,000</b>       |

### 1) Issue of Equity Shares for Consideration other than Cash

| Sr. No. | Date of Allotment | No of Equity Shares | Face Value (₹) | Issue Price (₹) | Consideration | Nature of Allotment | Benefits accrued to our Company |
|---------|-------------------|---------------------|----------------|-----------------|---------------|---------------------|---------------------------------|
| NIL     |                   |                     |                |                 |               |                     |                                 |

- 2) We have not issued any Equity Shares out of revaluation reserves or in terms of any scheme approved under Sections 391- 394 of the Companies Act, 1956 and/or Sections 230-233 of the Companies Act, 2013.
- 3) We have not issued any equity shares in last one year at price below the Issue Price immediately from the date of filing of this Draft Red Herring Prospectus.

### 4) Capital built-up of our Promoters:

| MR. VARUN MANOJKUMAR JAIN   |               |                                                |                      |            |                          |                                       |                                        |
|-----------------------------|---------------|------------------------------------------------|----------------------|------------|--------------------------|---------------------------------------|----------------------------------------|
| Date of Allotment/ Transfer | Consideration | Nature of the issue                            | No. of equity shares | Face Value | Issue/ acquisition Price | % of Pre-Issue Paid up Equity capital | % of Post Issue Paid up Equity capital |
| 7/6/2016                    | Cash          | Transferred From Kishorchandra Laljibhai Patel | 40,000               | 10         | 1.00                     | 3.28%                                 | ●                                      |
| 7/6/2016                    | Cash          | Transferred From Kamlaben Bhailalbhahi Patel   | 5,000                | 10         | 1.00                     | 0.41%                                 | ●                                      |
| 7/6/2016                    | Cash          | Transferred From Neeta Amrutlal Patel          | 5,000                | 10         | 1.00                     | 0.41%                                 | ●                                      |
| 7/6/2016                    | Cash          | Transferred From Mitaben Kishorbhai Patel      | 5,000                | 10         | 1.00                     | 0.41%                                 | ●                                      |
| 7/6/2016                    | Cash          | Transferred From Bhailal Laljibhai Patel HUF   | 10,000               | 10         | 1.00                     | 0.82%                                 | ●                                      |
| 7/6/2016                    | Cash          | Transferred From Hitesh Bhavanlal Patel        | 15,000               | 10         | 1.00                     | 1.23%                                 | ●                                      |
| 7/6/2016                    | Cash          | Transferred From Gitaben Bhavanbhai Patel      | 17,500               | 10         | 1.00                     | 1.43%                                 | ●                                      |
| 7/6/2016                    | Cash          | Transferred From Nishant Bhailalbhahi Patel    | 35,000               | 10         | 1.00                     | 2.87%                                 | ●                                      |
| 7/6/2016                    | Cash          | Transferred From Amrutlal Laljibhai Patel HUF  | 10,000               | 10         | 1.00                     | 0.82%                                 | ●                                      |
| 7/6/2016                    | Cash          | Transferred From Hetal Bhavanlal Patel         | 10,000               | 10         | 1.00                     | 0.82%                                 | ●                                      |
| 7/6/2016                    | Cash          | Transferred From Maganlal P Patel              | 20,000               | 10         | 1.00                     | 1.64%                                 | ●                                      |
| 7/6/2016                    | Cash          | Transferred From Maniben M. Patel              | 50,000               | 10         | 1.00                     | 4.10%                                 | ●                                      |
| 7/6/2016                    | Cash          | Transferred From Amrutlal M. Patel             | 30,000               | 10         | 1.00                     | 2.46%                                 | ●                                      |
| 7/6/2016                    | Cash          | Mahendra M. Patel                              | 13,500               | 10         | 1.00                     | 1.11%                                 | ●                                      |

| MR. VARUN MANOJKUMAR JAIN   |               |                                                 |                      |            |                          |                                       |                                        |
|-----------------------------|---------------|-------------------------------------------------|----------------------|------------|--------------------------|---------------------------------------|----------------------------------------|
| Date of Allotment/ Transfer | Consideration | Nature of the issue                             | No. of equity shares | Face Value | Issue/ acquisition Price | % of Pre-Issue Paid up Equity capital | % of Post Issue Paid up Equity capital |
| 7/6/2016                    | Cash          | Transferred From Sunita A. Patel                | 50,000               | 10         | 1.00                     | 4.10%                                 | ●                                      |
| 7/6/2016                    | Cash          | Transferred From Phushpa M. Patel               | 50,000               | 10         | 1.00                     | 4.10%                                 | ●                                      |
| 7/6/2016                    | Cash          | Transferred From Kantilal Somjibhai Patel       | 66,000               | 10         | 1.00                     | 5.41%                                 | ●                                      |
| 7/6/2016                    | Cash          | Transferred From Jayaben Kantilal Patel         | 50,000               | 10         | 1.00                     | 4.10%                                 | ●                                      |
| 7/6/2016                    | Cash          | Transferred From Mukesh Kantilal Patel          | 100,000              | 10         | 1.00                     | 8.20%                                 | ●                                      |
| 7/6/2016                    | Cash          | Transferred From Archna Mukesh Patel            | 50,000               | 10         | 1.00                     | 4.10%                                 | ●                                      |
| 7/6/2016                    | Cash          | Transferred From Ketan Kantilal Patel           | 100,000              | 10         | 1.00                     | 8.20%                                 | ●                                      |
| 7/6/2016                    | Cash          | Transferred From Valjibhai Premjibhai Patel HUF | 35,500               | 10         | 1.00                     | 2.91%                                 | ●                                      |
| 7/6/2016                    | Cash          | Transferred From Bhanjibhai Valjibhai Patel     | 50,000               | 10         | 1.00                     | 4.10%                                 | ●                                      |
| 7/6/2016                    | Cash          | Transferred From Gangaben Bhanjibhai Patel      | 50,000               | 10         | 1.00                     | 4.10%                                 | ●                                      |
| 7/6/2016                    | Cash          | Transferred From Ashokbhai Bhanjibhai Patel     | 50,000               | 10         | 1.00                     | 4.10%                                 | ●                                      |
| 7/6/2016                    | Cash          | Transferred From Naynaben Ashokbhai Patel       | 50,000               | 10         | 1.00                     | 4.10%                                 | ●                                      |
| 7/6/2016                    | Cash          | Transferred From Kamlesh BhanjiBhai Patel       | 50,000               | 10         | 1.00                     | 4.10%                                 | ●                                      |
| 7/6/2016                    | Cash          | Transferred From Rekhaben KamleshBhai Patel     | 50,000               | 10         | 1.00                     | 4.10%                                 | ●                                      |
| 7/6/2016                    | Cash          | Transferred From Nitin M. Patel                 | 75,000               | 10         | 1.00                     | 6.15%                                 | ●                                      |
| 7/6/2016                    | Cash          | Transferred From Mamta N. Patel                 | 75,000               | 10         | 1.00                     | 6.15%                                 | ●                                      |
| 7/6/2016                    | Cash          | Transferred From Mahesh M. Patel                | 90,000               | 10         | 1.00                     | 7.38%                                 | ●                                      |
| 7/6/2016                    | Cash          | Transferred From Joshna M. Patel                | 90,000               | 10         | 1.00                     | 7.38%                                 | ●                                      |
| 7/6/2016                    | Cash          | Transferred From Manjibhai K. Patel             | 274,750              | 10         | 1.00                     | 22.52%                                | ●                                      |
| 7/6/2016                    | Cash          | Transferred From Vimlaben M. Patel              | 183,250              | 10         | 1.00                     | 15.02%                                | ●                                      |

| MR. VARUN MANOJKUMAR JAIN   |               |                                                  |                      |            |                          |                                       |                                        |
|-----------------------------|---------------|--------------------------------------------------|----------------------|------------|--------------------------|---------------------------------------|----------------------------------------|
| Date of Allotment/ Transfer | Consideration | Nature of the issue                              | No. of equity shares | Face Value | Issue/ acquisition Price | % of Pre-Issue Paid up Equity capital | % of Post Issue Paid up Equity capital |
| 7/6/2016                    | Cash          | Transferred From Rameshbhai Valjibhai Patel HUF  | 60,000               | 10         | 1.00                     | 4.92%                                 | [●]                                    |
| 7/6/2016                    | Cash          | Transferred From Mohanlal Valjibhai Patel HUF    | 126,500              | 10         | 1.00                     | 10.37%                                | [●]                                    |
| 7/6/2016                    | Cash          | Transferred From Rameshbhai Valjibhai Patel      | 50,000               | 10         | 1.00                     | 4.10%                                 | [●]                                    |
| 7/6/2016                    | Cash          | Transferred From Komal Parimal Patel             | 30,000               | 10         | 1.00                     | 2.46%                                 | [●]                                    |
| 7/6/2016                    | Cash          | Transferred From Chetna Dipak Patel              | 20,000               | 10         | 1.00                     | 1.64%                                 | [●]                                    |
| 7/6/2016                    | Cash          | Transferred From Parimal Ramesh Patel            | 20,000               | 10         | 1.00                     | 1.64%                                 | [●]                                    |
| 7/6/2016                    | Cash          | Transferred From Bhavesh Karamshibhai Patel      | 200,000              | 10         | 1.00                     | 16.39%                                | [●]                                    |
| 7/6/2016                    | Cash          | Transferred From Muljibhai Karamshibhai Patel    | 180,000              | 10         | 1.00                     | 14.75%                                | [●]                                    |
| 24/06/2016                  | Cash          | Transferred From Harshad Manjibhai Parmar        | 200,000              | 10         | 1.00                     | 16.39%                                | [●]                                    |
| 24/06/2016                  | Cash          | Transferred From Kanhey Lal Shankarlal Carpenter | 50,000               | 10         | 1.00                     | 4.10%                                 | [●]                                    |
| 24/06/2016                  | Cash          | Transferred From Sapna Jitenkumar Ahir           | 54,000               | 10         | 1.00                     | 4.43%                                 | [●]                                    |
| 24/06/2016                  | Cash          | Transferred From Akash Pradipkumar Pinagwala     | 100,000              | 10         | 1.00                     | 8.20%                                 | [●]                                    |
| 24/06/2016                  | Cash          | Transferred From Pradip Mansukhlal Pinagwala     | 104,000              | 10         | 1.00                     | 8.52%                                 | [●]                                    |
| 22/07/2016                  | Cash          | Transferred From Darshan Lakhani                 | 160,000              | 10         | 8.75                     | 13.11%                                | [●]                                    |
| 22/07/2016                  | Cash          | Transferred From Chirag Lakhani                  | 695,950              | 10         | 8.75                     | 57.05%                                | [●]                                    |
| 2/8/2016                    | Cash          | Transferred From Harishbhai Lakhani              | 720,000              | 10         | 8.75                     | 59.02%                                | [●]                                    |
| 5/8/2016                    | Cash          | Transferred From Jeet P Makadia                  | 760,000              | 10         | 8.75                     | 62.30%                                | [●]                                    |
| 5/8/2016                    | Cash          | Transferred From Vibhaben P Makadia              | 846,350              | 10         | 8.75                     | 69.37%                                | [●]                                    |
| 25/09/2016                  | Cash          | Transferred From Dipen R. Faluda                 | 2,264,450            | 10         | 8.75                     | 185.61 %                              | [●]                                    |

| MR. VARUN MANOJKUMAR JAIN   |               |                                         |                      |            |                          |                                       |                                        |
|-----------------------------|---------------|-----------------------------------------|----------------------|------------|--------------------------|---------------------------------------|----------------------------------------|
| Date of Allotment/ Transfer | Consideration | Nature of the issue                     | No. of equity shares | Face Value | Issue/ acquisition Price | % of Pre-Issue Paid up Equity capital | % of Post Issue Paid up Equity capital |
| 25/09/2016                  | Cash          | Transferred From Meenaben Lakhani       | 743,250              | 10         | 8.75                     | 60.92%                                | [●]                                    |
| 25/09/2016                  | Cash          | Transferred From Bhartlal S. Pandey     | 200,000              | 10         | 8.75                     | 16.39%                                | [●]                                    |
| 25/09/2016                  | Cash          | Transferred From Priyank R. Panchani    | 280,000              | 10         | 8.75                     | 22.95%                                | [●]                                    |
| 25/09/2016                  | Cash          | Transferred From Pannaben Panchani      | 80,000               | 10         | 8.75                     | 6.56%                                 | [●]                                    |
| 25/09/2016                  | Cash          | Transferred From Rameshbhai C. Panchani | 280,000              | 10         | 8.75                     | 22.95%                                | [●]                                    |
| 25/09/2016                  | Cash          | Transferred From Sushma B Pandey        | 200,000              | 10         | 8.75                     | 16.39%                                | [●]                                    |
| 25/09/2016                  | Cash          | Transferred From Anjuben Makadia        | 80,000               | 10         | 8.75                     | 6.56%                                 | [●]                                    |
| 25/09/2016                  | Cash          | Transferred From Ilaben R. Makadia      | 80,000               | 10         | 8.75                     | 6.56%                                 | [●]                                    |
| 6/6/2018                    | Cash          | Transferred to Mr. Manojkumar Jain      | (1,000)              | 10         | 10.00                    | 0.08%                                 | [●]                                    |
| 6/6/2018                    | Cash          | Transferred to Mrs. Sangeeta Jain       | (1,000)              | 10         | 10.00                    | 0.08%                                 | [●]                                    |
| 6/6/2018                    | Cash          | Transferred to Mr. Vaibhav M Jain       | (1,000)              | 10         | 10.00                    | 0.08%                                 | [●]                                    |
| 6/6/2018                    | Cash          | Transferred to Mr. Hemal Patel          | (1,000)              | 10         | 10.00                    | 0.08%                                 | [●]                                    |
| 6/6/2018                    | Cash          | Transferred to Mr. Kaushik Thakar       | (1,000)              | 10         | 10.00                    | 0.08%                                 | [●]                                    |
| <b>Total</b>                |               |                                         | <b>10,435,000</b>    |            |                          |                                       | [●]                                    |

| MRS. VARUNA VARUN JAIN |               |                                       |                      |            |                          |                                       |                                        |
|------------------------|---------------|---------------------------------------|----------------------|------------|--------------------------|---------------------------------------|----------------------------------------|
| Date of Allotment      | Consideration | Nature of the issue                   | No. Of equity shares | Face Value | Issue/ Acquisition Price | % of Pre-Issue Paid up Equity capital | % of Post Issue Paid up Equity capital |
| 21/09/2016             | Cash          | Transferred From Swati Dipen Faldu    | 640,000              | 10         | 8.75                     | 5.25%                                 | [●]                                    |
| 21/09/2016             | Cash          | Transferred From Mahindrabhai Makadia | 240,000              | 10         | 1.00                     | 1.97%                                 | [●]                                    |
| 25/09/2016             | Cash          | Transferred From Sanjay Vyas          | 160,000              | 10         | 8.75                     | 1.31%                                 | [●]                                    |
| 25/09/2016             | Cash          | Transferred From Mita S. Vyas         | 160,000              | 10         | 8.75                     | 1.31%                                 | [●]                                    |
| 25/09/2016             | Cash          | Transferred From Punit Makadia        | 80,000               | 10         | 1.00                     | 0.66%                                 | [●]                                    |
| 25/09/2016             | Cash          | Transferred                           | 80,000               | 10         | 1.00                     | 0.66%                                 | [●]                                    |

| <b>MRS. VARUNA VARUN JAIN</b> |               |                                    |                      |            |                          |                                       |                                        |
|-------------------------------|---------------|------------------------------------|----------------------|------------|--------------------------|---------------------------------------|----------------------------------------|
| Date of Allotment             | Consideration | Nature of the issue                | No. Of equity shares | Face Value | Issue/ Acquisition Price | % of Pre-Issue Paid up Equity capital | % of Post Issue Paid up Equity capital |
|                               |               | From Anand M Makadia               |                      |            |                          |                                       |                                        |
| 25/09/2016                    | Cash          | Transferred From Vinodbhai savsani | 400,000              | 10         | 8.75                     | 3.28%                                 | [●]                                    |
| <b>Total</b>                  |               |                                    | <b>1,760,000</b>     |            |                          | <b>14.43%</b>                         | <b>[●]</b>                             |

#### 1) Details of Promoter's Contribution locked in for three years:

Pursuant to Regulation 32 and 36 of SEBI (ICDR) Regulations an aggregate of 20% of the post-issue capital, held by our Promoters shall be considered as Promoter's Contribution ("Promoter's Contribution") and locked-in for a period of three years from the date of allotment. The lock-in of the Promoter's Contribution would be created as per applicable law and procedure and details of the same shall also be provided to the Stock Exchange before listing of the Equity Shares.

Our Promoter(s) Mr. Varun Manojkumar Jain and Mrs. Varuna Varun Jain have granted their consent to include such number of Equity Shares held by them as may constitute 20% of the post-issue Equity Share Capital of our Company as Promoter's Contribution and have agreed not to sell or transfer or pledge or otherwise dispose of in any manner, the Promoter's Contribution from the date of filing of this Draft Red Herring Prospectus until the completion of the lock-in period specified above. The details of such equity shares are as under:

| <b>Mr. Varun Manojkumar Jain</b> |            |                     |                      |             |                                       |                                        |
|----------------------------------|------------|---------------------|----------------------|-------------|---------------------------------------|----------------------------------------|
| Date of allotment                | Face Value | Nature of the issue | No. of equity shares | Issue Price | % of Pre-Issue Paid up Equity capital | % of Post Issue Paid up Equity capital |
| [●]                              | [●]        | [●]                 | [●]                  | [●]         | [●]                                   | [●]                                    |
| <b>Total</b>                     |            |                     | [●]                  | [●]         | [●]                                   | [●]                                    |
| <b>Mrs. Varuna Varun Jain</b>    |            |                     |                      |             |                                       |                                        |
| Date of allotment                | Face Value | Nature of the issue | No. of equity shares | Issue Price | % of Pre-Issue Paid up Equity capital | % of Post Issue Paid up Equity capital |
| [●]                              | [●]        | [●]                 | [●]                  | [●]         | [●]                                   | [●]                                    |
| <b>Total</b>                     |            |                     | [●]                  | [●]         | [●]                                   | [●]                                    |
| <b>Grand Total</b>               |            |                     | [●]                  | [●]         | [●]                                   | [●]                                    |

We further confirm that the aforesaid minimum Promoter's Contribution of 20.00% which is subject to lock-in for three years does not consist of:

- Equity Shares acquired during the preceding three years for consideration other than cash and out of revaluation of assets or capitalization of intangible assets or bonus shares out of revaluation reserves or reserves without accrual of cash resources.
- The Equity Shares held by the Promoters and offered for minimum Promoter's Contribution are not subject to any pledge.
- Equity Shares for which specific written consent has not been obtained from the shareholders for inclusion of their subscription in the minimum Promoter's Contribution subject to lock-in.
- Equity shares issued to our Promoters on conversion of partnership firm into Private limited company during the preceding one year, at a price lower than the price at which Equity Shares are being offered to public in the Initial Public Offer.

The Promoter's Contribution may be pledged only with a scheduled commercial bank or public financial institution as collateral security for loans granted by such banks or financial institutions, in the event the pledge of the Equity Shares is one of the terms of the sanction of the loan. The Promoter's Contribution may be pledged only if in addition to the above stated, the loan has been granted by such banks or financial institutions for the purpose of financing one or more of the objects of this Issue and pledge of specified securities is one of the terms of the sanction of loan.

The Equity Shares held by our Promoters may be transferred to and among the Promoter Group or to new Promoter or persons in control of our Company, subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with the Takeover Regulations, as applicable.

#### **1) Details of share capital locked in for one year:**

In addition to minimum 20.00% of the Post-Issue shareholding of our Company held by the Promoters (locked in for three years as specified above), in accordance with regulation 36 of SEBI (ICDR) Regulations, the entire pre-issue share capital of our Company shall be locked in for a period of one year from the date of Allotment in this Issue.

The Equity Shares held by persons other than our Promoters and locked-in for a period of one year from the date of Allotment, in accordance with regulation 37 of SEBI (ICDR) Regulations, in the Issue may be transferred to any other person holding Equity Shares which are locked-in, subject to the continuation of the lock-in in the hands of transferees for the remaining period and compliance with the Takeover Regulations.

Our Promoters have confirmed to the Company and the Book Running Lead Manager that the Equity Shares held by our Promoters have been financed from their personal funds or their internal accruals, as the case may be, and no loans or financial assistance from any bank or financial institution has been availed by them for this purpose.

There are no financing arrangements whereby the Promoter Group, the Directors of our Company and their relatives have financed the purchase by any other person of securities of the issuer other than in the normal course of the business of the financing entity during the period of six months immediately preceding the date of filing offer document with the Stock Exchange.

1) Shareholding pattern of our company:

A. The table below represents the current Shareholding pattern of our Company as per Regulation 31 of the SEBI (LODR) Regulations, 2015:

| Cat<br>ego<br>ry<br>(I) | Category<br>of<br>sharehold<br>er (II) | No.<br>of shar<br>ehol<br>ders<br>(III) | No of fully<br>paid-up<br>equity<br>shares held<br>(IV) | No of<br>Partly<br>paid-up<br>equity<br>shares<br>held (V) | No of<br>shares<br>underlyi<br>ng<br>Deposito<br>ry<br>Receipts<br>(VI) | Total nos.<br>shares<br>held (VII)<br>=<br>(IV)+(V)+<br>(VI) | Share<br>holdi<br>ng as<br>a %<br>of<br>total<br>no. of<br>share<br>s(cal<br>culate<br>d as<br>per<br>SCR<br>R,<br>1957)<br>(VIII)<br>) As a<br>% of<br>(A+B<br>+C2) | Number of Voting Rights held in<br>each class of securities (IX) |              |            |                                          | No of<br>share<br>s<br>Unde<br>rlyin<br>g<br>Outst<br>andin<br>g<br>conve<br>rtible<br>secur<br>ities<br>(Incl<br>uding<br>Warr<br>ants)<br>(X) | Shareh<br>olding ,<br>as a %<br>assumi<br>ng full<br>convers<br>ion of<br>convert<br>ible<br>securiti<br>es (as a<br>percent<br>age of<br>diluted<br>share<br>capital)<br>(XI)=(V<br>II)+(X)<br>As a %<br>of<br>(A+B+<br>C2) | Number of<br>Locked in<br>shares (XII) |                                                 | Number of<br>shares<br>pledged<br>or<br>otherwis<br>e<br>encumbe<br>red<br>(XIII) |                                                               | Number of<br>equity<br>shares<br>held in<br>dematerial<br>ized form<br>(XIV) |
|-------------------------|----------------------------------------|-----------------------------------------|---------------------------------------------------------|------------------------------------------------------------|-------------------------------------------------------------------------|--------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------|--------------|------------|------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------|-------------------------------------------------|-----------------------------------------------------------------------------------|---------------------------------------------------------------|------------------------------------------------------------------------------|
|                         |                                        |                                         |                                                         |                                                            |                                                                         |                                                              |                                                                                                                                                                      | No. of voting rights                                             |              |            | Tota<br>l as<br>a %<br>of<br>(A+B+C<br>) |                                                                                                                                                 |                                                                                                                                                                                                                              | No.<br>(a)                             | As a<br>% of<br>total<br>share<br>s held<br>(b) | N<br>o.(<br>a)                                                                    | As<br>a<br>% of<br>tot<br>al<br>sha<br>res<br>hel<br>d<br>(b) |                                                                              |
|                         |                                        |                                         |                                                         |                                                            |                                                                         |                                                              |                                                                                                                                                                      | Class : X                                                        | Class<br>: Y | Total      |                                          |                                                                                                                                                 |                                                                                                                                                                                                                              |                                        |                                                 |                                                                                   |                                                               |                                                                              |
| 1                       | Promoter<br>&<br>Promoter<br>Group     | 5                                       | 12,198,000                                              | 0                                                          | 0                                                                       | 12,198,000                                                   | 99.98<br>%                                                                                                                                                           | 12,198,000                                                       | 0            | 12,198,000 | 99.98%                                   | 0                                                                                                                                               | 99.98%                                                                                                                                                                                                                       | 0                                      | 0                                               | 0                                                                                 | 0                                                             | 12,198,000                                                                   |
| 2                       | Public                                 | 2                                       | 2000                                                    | 0                                                          | 0                                                                       | 2000                                                         | 0.02<br>%                                                                                                                                                            | 2000                                                             | 0            | 2000       | 0.02<br>%                                | 0                                                                                                                                               | 0.02%                                                                                                                                                                                                                        | 0                                      | 0                                               | 0                                                                                 | 0                                                             | 2000                                                                         |
| 3                       | Non<br>Promoter-<br>Non<br>Public      | -                                       | -                                                       | -                                                          | -                                                                       | -                                                            | -                                                                                                                                                                    | -                                                                | -            | -          | -                                        | -                                                                                                                                               | -                                                                                                                                                                                                                            | -                                      | -                                               | -                                                                                 | -                                                             | -                                                                            |
| 4                       | Shares                                 | -                                       | -                                                       | -                                                          | -                                                                       | -                                                            | -                                                                                                                                                                    | -                                                                | -            | -          | -                                        | -                                                                                                                                               | -                                                                                                                                                                                                                            | -                                      | -                                               | -                                                                                 | -                                                             | -                                                                            |



|   |                                         |          |                 |   |   |                 |             |                 |          |                      |                  |   |             |   |   |                 |
|---|-----------------------------------------|----------|-----------------|---|---|-----------------|-------------|-----------------|----------|----------------------|------------------|---|-------------|---|---|-----------------|
|   | Underlyin<br>g DRs                      |          |                 |   |   |                 |             |                 |          |                      |                  |   |             |   |   |                 |
| 5 | Shares<br>held by<br>Employee<br>Trusts | -        | -               | - | - | -               | -           | -               | -        | -                    | -                | - | -           | - | - | -               |
|   | <b>TOTAL</b>                            | <b>7</b> | <b>12200000</b> | - | - | <b>12200000</b> | <b>100%</b> | <b>12200000</b> | <b>0</b> | <b>122000<br/>00</b> | <b>100<br/>%</b> | - | <b>100%</b> | - | - | <b>12200000</b> |

*Note: The term “Encumbrance” has the same meaning as assigned under regulation 28(3) of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.*

(a) Our Company will file the shareholding pattern of our Company in the form prescribed under Regulation 31 of SEBI (LODR) Regulations, one day prior to the listing of the Equity Shares. The shareholding pattern will be uploaded on the website of NSE before commencement of trading of our Equity Shares.

(b) There are no Equity Shares against which depository receipts have been issued.

(c) Other than the Equity Shares, there is no other class of securities issued by our Company.

**Shareholding Pattern of the Promoter and Promoter Group:**

| Category (I) | Category of shareholder (II) | No. of shareholders (III) | No of fully paid-up equity shares held (IV) | No of Partly paid-up equity shares held (V) | No of shares underlying Depository Receipts (VI) | Total nos. shares held (VII) = (IV)+(V)+(VI) | Shareholding as a % of total no. of shares(calculated as per SCRR, 1957) (VIII) As a % of (A+B+C) | Number of Voting Rights held in each class of securities (IX) |                         | No of shares Underlying Outstanding convertible securities (Including Warrants) (X) | Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)=(VI I)+(X) As a % of (A+B+C 2) | Number of Locked in shares (XII) |                                 | Number of shares pledged or otherwise encumbered (XIII) |                                 | Number of equity shares held in dematerialized form (XIV) |
|--------------|------------------------------|---------------------------|---------------------------------------------|---------------------------------------------|--------------------------------------------------|----------------------------------------------|---------------------------------------------------------------------------------------------------|---------------------------------------------------------------|-------------------------|-------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------|---------------------------------|---------------------------------------------------------|---------------------------------|-----------------------------------------------------------|
|              |                              |                           |                                             |                                             |                                                  |                                              |                                                                                                   | No. of voting rights                                          | Total as a % of (A+B+C) |                                                                                     |                                                                                                                                                        | No . (a)                         | As a % of total shares held (b) | No . (a)                                                | As a % of total shares held (b) |                                                           |
| <b>1)</b>    | <b>Indian</b>                |                           |                                             |                                             |                                                  |                                              |                                                                                                   |                                                               |                         |                                                                                     |                                                                                                                                                        |                                  |                                 |                                                         |                                 |                                                           |
| (a)          | Individuals/ HUF             | 5                         | 12,198,000                                  | 0                                           | 0                                                | 12,198,000                                   | 99.98%                                                                                            | 12,198,000                                                    | 99.98%                  | 0                                                                                   | 99.98%                                                                                                                                                 | 0                                | 0                               | 0                                                       | 0                               | 12,198,000                                                |
| 1.           | Mr. Varun Manojkumar Jain    |                           | 10,435,000                                  | 0                                           | 0                                                | 10,435,000                                   | 85.53%                                                                                            | 10,435,000                                                    | 85.53%                  | 0                                                                                   | 85.53%                                                                                                                                                 | 0                                | 0                               | 0                                                       | 0                               | 10,435,000                                                |
| 2.           | Mrs. Varuna Varun Jain       |                           | 1,760,000                                   | 0                                           | 0                                                | 1,760,000                                    | 14.43%                                                                                            | 1,760,000                                                     | 14.43%                  | 0                                                                                   | 14.43%                                                                                                                                                 | 0                                | 0                               | 0                                                       | 0                               | 1,760,000                                                 |
| 3.           | Mr. Manojkumar Jain          |                           | 1,000                                       | 0                                           | 0                                                | 1,000                                        | 0.01%                                                                                             | 1,000                                                         | 0.01%                   | 0                                                                                   | 0.01%                                                                                                                                                  | 0                                | 0                               | 0                                                       | 0                               | 1,000                                                     |

|                          |                                                                            |          |                   |          |          |                   |               |                   |                |          |               |          |          |          |          |                   |
|--------------------------|----------------------------------------------------------------------------|----------|-------------------|----------|----------|-------------------|---------------|-------------------|----------------|----------|---------------|----------|----------|----------|----------|-------------------|
| 4.                       | Mrs. Sangeeta Jain                                                         |          | 1,000             | 0        | 0        | 1,000             | 0.01%         | 1,000             | 0.01%          | 0        | 0.01%         | 0        | 0        | 0        | 0        | 1,000             |
| 5.                       | Mr. Vaibhav M Jain                                                         |          | 1,000             | 0        | 0        | 1,000             | 0.01%         | 1,000             | 0.01%          | 0        | 0.01%         | 0        | 0        | 0        | 0        | 1,000             |
| <b>Sub- Total (A)(1)</b> |                                                                            | <b>5</b> | <b>12,198,000</b> | <b>0</b> | <b>0</b> | <b>12,198,000</b> | <b>99.98%</b> | <b>12,198,000</b> | <b>99.98 %</b> | <b>0</b> | <b>99.98%</b> | <b>0</b> | <b>0</b> | <b>0</b> | <b>0</b> | <b>12,198,000</b> |
| <b>2)</b>                | <b>Foreign</b>                                                             |          |                   |          |          |                   |               |                   |                |          |               |          |          |          |          |                   |
| <b>(a)</b>               | Individuals (Non-Resident Individuals/ Foreign Individuals)                | 0        | 0                 | 0        | 0        | 0                 | 0             | 0                 | 0              | 0        | 0             | 0        | 0        | 0        | 0        | 0                 |
| <b>(b)</b>               | Government                                                                 | 0        | 0                 | 0        | 0        | 0                 | 0             | 0                 | 0              | 0        | 0             | 0        | 0        | 0        | 0        | 0                 |
| <b>(c)</b>               | Institutions                                                               | 0        | 0                 | 0        | 0        | 0                 | 0             | 0                 | 0              | 0        | 0             | 0        | 0        | 0        | 0        | 0                 |
| <b>(d)</b>               | Foreign Portfolio Investor                                                 | 0        | 0                 | 0        | 0        | 0                 | 0             | 0                 | 0              | 0        | 0             | 0        | 0        | 0        | 0        | 0                 |
| <b>(e)</b>               | Any Other (Specify)                                                        | 0        | 0                 | 0        | 0        | 0                 | 0             | 0                 | 0              | 0        | 0             | 0        | 0        | 0        | 0        | 0                 |
|                          | <b>Sub-Total (A)(2)</b>                                                    | 0        | 0                 | 0        | 0        | 0                 | 0             | 0                 | 0              | 0        | 0             | 0        | 0        | 0        | 0        | 0                 |
|                          | <b>Total Shareholding of Promoter and Promoter Group (A)=(A)(1)+(A)(2)</b> | <b>5</b> | <b>12,198,000</b> | <b>0</b> | <b>0</b> | <b>12,198,000</b> | <b>99.98%</b> | <b>12,198,000</b> | <b>99.98 %</b> | <b>0</b> | <b>99.98%</b> | <b>0</b> | <b>0</b> | <b>0</b> | <b>0</b> | <b>12,198,000</b> |

### iii. Shareholding Pattern of our Public Shareholders

| Category (I) | Category of shareholder (II) | No. of shareholders (III) | No of fully paid-up equity shares held (IV) | No of Partly paid-up equity shares held (V) | No of shares underlying Depository Receipts (VI) | Total nos. shares held (VII) = (IV)+(V)+(VI) | Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2) | Number of Voting Rights held in each class of securities (IX) |                         | No of shares Underlying Outstanding convertible securities (Including Warrants) (X) | Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)=(VII)+(X) As a % of (A+B+C2) | Number of Locked in shares (XII) |                                 | Number of shares pledged or otherwise encumbered (XIII) |                                 | Number of equity shares held in dematerialized form (XIV) |
|--------------|------------------------------|---------------------------|---------------------------------------------|---------------------------------------------|--------------------------------------------------|----------------------------------------------|-----------------------------------------------------------------------------------------------------|---------------------------------------------------------------|-------------------------|-------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------|---------------------------------|---------------------------------------------------------|---------------------------------|-----------------------------------------------------------|
|              |                              |                           |                                             |                                             |                                                  |                                              |                                                                                                     | No. of voting rights                                          | Total as a % of (A+B+C) |                                                                                     |                                                                                                                                                      | No. (a)                          | As a % of total shares held (b) | No. (a)                                                 | As a % of total shares held (b) |                                                           |
| 1)           | Institutions                 | 0                         | 0                                           | 0                                           | 0                                                | 0                                            | 0                                                                                                   | 0                                                             | 0                       | 0                                                                                   | 0                                                                                                                                                    | 0                                | 0                               | 0                                                       | 0                               | 0                                                         |
| (a)          | Mutual Funds / UTI           | 0                         | 0                                           | 0                                           | 0                                                | 0                                            | 0                                                                                                   | 0                                                             | 0                       | 0                                                                                   | 0                                                                                                                                                    | 0                                | 0                               | 0                                                       | 0                               | 0                                                         |
| (b)          | Venture Capital Funds        | 0                         | 0                                           | 0                                           | 0                                                | 0                                            | 0                                                                                                   | 0                                                             | 0                       | 0                                                                                   | 0                                                                                                                                                    | 0                                | 0                               | 0                                                       | 0                               | 0                                                         |
| (c)          | Alternate Investment Funds   | 0                         | 0                                           | 0                                           | 0                                                | 0                                            | 0                                                                                                   | 0                                                             | 0                       | 0                                                                                   | 0                                                                                                                                                    | 0                                | 0                               | 0                                                       | 0                               | 0                                                         |
| (d)          | Foreign Venture Capital      | 0                         | 0                                           | 0                                           | 0                                                | 0                                            | 0                                                                                                   | 0                                                             | 0                       | 0                                                                                   | 0                                                                                                                                                    | 0                                | 0                               | 0                                                       | 0                               | 0                                                         |

|     |                                                                                          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |
|-----|------------------------------------------------------------------------------------------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|
|     | Investors                                                                                |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |
| (e) | Foreign Portfolio Investors                                                              | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        |
| (f) | Financial Institutions Banks                                                             | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        |
| (g) | Insurance Companies                                                                      | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        |
| (h) | Provident Funds/Pension Funds                                                            | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        |
| (i) | Any Other (Specify)                                                                      | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        |
|     | <b>Sub- Total (B)(1)</b>                                                                 | <b>0</b> | <b>0</b> | <b>0</b> | <b>0</b> | <b>0</b> | <b>0</b> | <b>0</b> | <b>0</b> | <b>0</b> | <b>0</b> | <b>0</b> | <b>0</b> | <b>0</b> | <b>0</b> | <b>0</b> |
| 2)  | <b>Central Government/State Government(s)/President of India</b>                         | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        |
|     | <b>Sub- Total (B)(2)</b>                                                                 | <b>0</b> | <b>0</b> | <b>0</b> | <b>0</b> | <b>0</b> | <b>0</b> | <b>0</b> | <b>0</b> | <b>0</b> | <b>0</b> | <b>0</b> | <b>0</b> | <b>0</b> | <b>0</b> | <b>0</b> |
| 3)  | <b>Non Institutions</b>                                                                  |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |
| (a) | Individuals - i. Individual shareholders holding nominal share capital up to Rs.2 lakhs. | 2        | 2,000    | 0        | 0        | 2,000    | 0.02%    | 2,000    | 0.02%    | 0        | 0.02%    | 0        | 0        | 0        | 0        | 2,000    |
|     | ii. Individual shareholders                                                              | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        |

|     |                                                             |   |       |   |   |       |       |       |       |   |       |   |   |   |   |       |
|-----|-------------------------------------------------------------|---|-------|---|---|-------|-------|-------|-------|---|-------|---|---|---|---|-------|
|     | holding nominal share capital in excess of Rs.2 lakhs.      |   |       |   |   |       |       |       |       |   |       |   |   |   |   |       |
| (b) | NBFCs registered with RBI                                   | 0 | 0     | 0 | 0 | 0     | 0     | 0     | 0     | 0 | 0     | 0 | 0 | 0 | 0 | 0     |
| (c) | Employee Trust                                              | 0 | 0     | 0 | 0 | 0     | 0     | 0     | 0     | 0 | 0     | 0 | 0 | 0 | 0 | 0     |
| (d) | Overseas Depositories (holding DRs) (balancing figure)      | 0 | 0     | 0 | 0 | 0     | 0     | 0     | 0     | 0 | 0     | 0 | 0 | 0 | 0 | 0     |
| (e) | Any other (Specify)                                         | 0 | 0     | 0 | 0 | 0     | 0     | 0     | 0     | 0 | 0     | 0 | 0 | 0 | 0 | 0     |
| (f) | <b>Sub- Total (B)(3)</b>                                    | 2 | 2,000 | 0 | 0 | 2,000 | 0.02% | 2,000 | 0.02% | 0 | 0.02% | 0 | 0 | 0 | 0 | 2,000 |
|     | <b>Total Public Shareholding (B) = (B)(1)+(B)(2)+(B)(3)</b> | 2 | 2,000 | 0 | 0 | 2,000 | 0.02% | 2,000 | 0.02% | 0 | 0.02% | 0 | 0 | 0 | 0 | 2,000 |

**iv. Statement showing shareholding pattern of the Non Promoter-Non Public Shareholder**

| Cat<br>ego<br>ry<br>(I) | Category<br>of<br>shareholde<br>r (II) | No. of<br>sharehol<br>ders<br>(III) | No of<br>fully<br>paid-up<br>equity<br>shares<br>held (IV) | No of<br>Partly<br>paid-up<br>equity<br>shares<br>held (V) | No of<br>shares<br>underly<br>ing<br>Deposit<br>ory<br>Receipt<br>s (VI) | Total<br>nos.<br>shares<br>held<br>(VII) =<br>(IV)+(V<br>)+(VI) | Shareh<br>olding<br>as a %<br>of total<br>no. of<br>shares(<br>calculat<br>ed as | Number of Voting Rights<br>held in each class of<br>securities (IX) | No of<br>shares<br>Underlyi<br>ng<br>Outstan<br>ding<br>converti<br>ble | Sharehol<br>ding , as a<br>%<br>assuming<br>full<br>conversio<br>n of<br>convertib | Number<br>of Locked<br>in shares<br>(XII) | Numbe<br>r of<br>shares<br>pledged<br>or<br>otherwi<br>se<br>encumb | Numbe<br>r of<br>equity<br>shares<br>held in<br>demate<br>rialized<br>form |
|-------------------------|----------------------------------------|-------------------------------------|------------------------------------------------------------|------------------------------------------------------------|--------------------------------------------------------------------------|-----------------------------------------------------------------|----------------------------------------------------------------------------------|---------------------------------------------------------------------|-------------------------------------------------------------------------|------------------------------------------------------------------------------------|-------------------------------------------|---------------------------------------------------------------------|----------------------------------------------------------------------------|
|-------------------------|----------------------------------------|-------------------------------------|------------------------------------------------------------|------------------------------------------------------------|--------------------------------------------------------------------------|-----------------------------------------------------------------|----------------------------------------------------------------------------------|---------------------------------------------------------------------|-------------------------------------------------------------------------|------------------------------------------------------------------------------------|-------------------------------------------|---------------------------------------------------------------------|----------------------------------------------------------------------------|

|    |                                                                                                                      |          |          |          |          |          | per<br>SCRR,<br>1957)<br>(VIII)<br>As a %<br>of<br>(A+B+C2) |                         |                                  | securities<br>(Including<br>Warrants)<br>(X) | le<br>securities<br>(as a<br>percentage<br>of<br>diluted<br>share<br>capital)<br>(XI)=(VII<br>)+(X) As<br>a % of<br>(A+B+C2<br>) |            |                                                      | ered<br>(XIII) |                                                      | (XIV)    |
|----|----------------------------------------------------------------------------------------------------------------------|----------|----------|----------|----------|----------|-------------------------------------------------------------|-------------------------|----------------------------------|----------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------|------------|------------------------------------------------------|----------------|------------------------------------------------------|----------|
|    |                                                                                                                      |          |          |          |          |          |                                                             | No. of voting<br>rights | Total<br>as a %<br>of<br>(A+B+C) |                                              |                                                                                                                                  | No.<br>(a) | As<br>a<br>%<br>of<br>total<br>shares<br>held<br>(b) | No.<br>(a)     | As<br>a<br>%<br>of<br>total<br>shares<br>held<br>(b) |          |
| 1) | Custodian/<br>DR Holder                                                                                              |          |          |          |          |          |                                                             |                         |                                  |                                              |                                                                                                                                  |            |                                                      |                |                                                      |          |
|    | Name of<br>DR Holder<br>(If<br>available)                                                                            | 0        | 0        | 0        | 0        | 0        | 0                                                           | 0                       | 0                                | 0                                            | 0                                                                                                                                | 0          | 0                                                    | 0              | 0                                                    | 0        |
|    | <b>Subtotal<br/>(C) (1)</b>                                                                                          | <b>0</b> | <b>0</b> | <b>0</b> | <b>0</b> | <b>0</b> | <b>0</b>                                                    | <b>0</b>                | <b>0</b>                         | <b>0</b>                                     | <b>0</b>                                                                                                                         | <b>0</b>   | <b>0</b>                                             | <b>0</b>       | <b>0</b>                                             | <b>0</b> |
| 2) | Employee<br>Benefit<br>Trust<br>(Under<br>SEBI<br>(Share<br>based<br>Employee<br>Benefit )<br>Regulation<br>s, 2014) | 0        | 0        | 0        | 0        | 0        | 0                                                           | 0                       | 0                                | 0                                            | 0                                                                                                                                | 0          | 0                                                    | 0              | 0                                                    | 0        |

**Notes:**

- (i) The term 'Encumbrance' has the same meaning as assigned under regulation 28(3) of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.
- (ii) Our Company will file the shareholding pattern of our Company in the form prescribed under Regulation 31 of SEBI (LODR) Regulations, one day prior to the listing of the Equity Shares. The shareholding pattern will be uploaded on the website of NSE before commencement of trading of our Equity Shares.
- (iii) There are no Equity Shares against which depository receipts have been issued.
- (iv) Other than the Equity Shares, there is no other class of securities issued by our Company.

**B. Shareholding Pattern of Promoters and Promoter Group:**

| Sr. No.            | Name of the Shareholder   | Pre-Issue            |                                | Post-Issue           |                                | Shares pledged or otherwise encumbered |        |                                                         |
|--------------------|---------------------------|----------------------|--------------------------------|----------------------|--------------------------------|----------------------------------------|--------|---------------------------------------------------------|
|                    |                           | No. of Equity Shares | As a % of Issued Share Capital | No. of equity shares | As a % of Issued Share Capital | Number                                 | As a % | As a % of grand total (a)+(b)+ (c) of Sub-clause (i)(a) |
| (A)                | <b>Promoters:</b>         |                      |                                |                      |                                |                                        |        |                                                         |
| 1.                 | Mr. Varun Manojkumar Jain | 10,435,000           | 85.53%                         | 10,435,000           | [●]                            | -                                      | -      | -                                                       |
| 2.                 | Mrs. Varuna Varun Jain    | 1,760,000            | 14.43%                         | 1,760,000            | [●]                            | -                                      | -      | -                                                       |
| <b>Total (A)</b>   |                           | <b>12,195,000</b>    | <b>99.96%</b>                  | <b>12,195,000</b>    |                                | -                                      | -      | -                                                       |
| (B)                | <b>Promoter Group:</b>    |                      |                                |                      | [●]                            | -                                      | -      | -                                                       |
| 1.                 | Mr. Manojkumar Jain       | 1,000                | 0.01%                          | 1,000                | [●]                            | -                                      | -      | -                                                       |
| 2.                 | Mrs. Sangeeta Jain        | 1,000                | 0.01%                          | 1,000                | [●]                            | -                                      | -      | -                                                       |
| 3.                 | Mr. Vaibhav M Jain        | 1,000                | 0.01%                          | 1,000                | [●]                            | -                                      | -      | -                                                       |
| <b>Total (B)</b>   |                           | <b>3000</b>          | <b>0.03%</b>                   | <b>3000</b>          | [●]                            | -                                      | -      | -                                                       |
| <b>Total (A+B)</b> |                           | <b>12,198,000</b>    | <b>99.98%</b>                  | <b>12,198,000</b>    | [●]                            | -                                      | -      | -                                                       |

**C. Shareholding Pattern of the persons belonging to the category "Public":**

| Sr. No.      | Name of the Shareholder | Pre-Issue            |                                | Post-Issue           |                                | Shares pledged or otherwise encumbered |        |                                                         |
|--------------|-------------------------|----------------------|--------------------------------|----------------------|--------------------------------|----------------------------------------|--------|---------------------------------------------------------|
|              |                         | No. of Equity Shares | As a % of Issued Share Capital | No. of equity shares | As a % of Issued Share Capital | Number                                 | As a % | As a % of grand total (a)+(b)+ (c) of Sub-clause (i)(a) |
| 1.           | Mr. Hemal Patel         | 1,000                | 0.01%                          | 1,000                | [●]                            | -                                      | -      | -                                                       |
| 2.           | Mr. Kaushik Thakar      | 1,000                | 0.01%                          | 1,000                | [●]                            | -                                      | -      | -                                                       |
| <b>Total</b> |                         | <b>2,000</b>         | <b>0.02%</b>                   | <b>2,000</b>         | [●]                            | -                                      | -      | -                                                       |

**D. Except as mentioned below, there was no shares purchased/ sold by the Promoters/ Promoter Group, Directors and their immediate relatives during last six months.**

| Sr. No. | Date of Transfer | Name of Transferor        | Name of the Transferee | No. of Shares | Consideration Received (In Rs.) |
|---------|------------------|---------------------------|------------------------|---------------|---------------------------------|
| 1.      | 06.06.2018       | Mr. Varun Manojkumar Jain | Mr. Manojkumar Jain    | 1,000         | 10,000                          |
| 2.      | 06.06.2018       | Mr. Varun Manojkumar Jain | Mrs. Sangeeta Jain     | 1,000         | 10,000                          |
| 3.      | 06.06.2018       | Mr. Varun Manojkumar Jain | Mr. Vaibhav M Jain     | 1,000         | 10,000                          |
| 4.      | 06.06.2018       | Mr. Varun Manojkumar Jain | Mr. Hemal Patel        | 1,000         | 10,000                          |
| 5.      | 06.06.2018       | Mr. Varun Manojkumar Jain | Mr. Kaushik Thakar     | 1,000         | 10,000                          |

- 2) The average cost of acquisition of or subscription to Equity Shares by our Promoters is set forth in the table below:

| Sr. No. | Name of the Promoters     | No of Shares held | Average cost of Acquisition (in ₹) |
|---------|---------------------------|-------------------|------------------------------------|
| 1.      | Mr. Varun Manojkumar Jain | 10,435,000        | 6.48                               |
| 2.      | Mrs. Varuna Varun Jain    | 1,760,000         | 6.99                               |

- 3) Except Mr. Varun Manojkumar Jain, (Managing Director) who holds 10,435,000 Equity Shares and Mrs. Varuna Varun Jain, (Whole Time Director) who holds 1,760,000 Equity Shares of our Company, none of our Directors or Key Managerial Personnel hold equity shares in our Company.

#### 4) Equity Shares held by top ten shareholders

- A. Particulars of the top ten shareholders as on the date of filing this Draft Red Herring Prospectus are as under:

| Sr. No.      | Name of Shareholder       | No. of Shares     | % age of Pre-Issue capital |
|--------------|---------------------------|-------------------|----------------------------|
| 1)           | Mr. Varun Manojkumar Jain | 10,435,000        | 85.53%                     |
| 2)           | Mrs. Varuna Varun Jain    | 1,760,000         | 14.43%                     |
| 3)           | Mr. Manojkumar Jain       | 1,000             | 0.01%                      |
| 4)           | Mrs. Sangeeta Jain        | 1,000             | 0.01%                      |
| 5)           | Mr. Vaibhav M Jain        | 1,000             | 0.01%                      |
| 6)           | Mr. Hemal Patel           | 1,000             | 0.01%                      |
| 7)           | Mr. Kaushik Thakar        | 1,000             | 0.01%                      |
| <b>TOTAL</b> |                           | <b>12,200,000</b> | <b>100.00%</b>             |

- B. Particulars of the top ten shareholders ten days prior to this Draft Red Herring Prospectus are as under:

| Sr. No.      | Name of Shareholder       | No. of Shares     | % age of Pre-Issue capital |
|--------------|---------------------------|-------------------|----------------------------|
| 1)           | Mr. Varun Manojkumar Jain | 10,435,000        | 85.53%                     |
| 2)           | Mrs. Varuna Varun Jain    | 1,760,000         | 14.43%                     |
| 3)           | Mr. Manojkumar Jain       | 1,000             | 0.01%                      |
| 4)           | Mrs. Sangeeta Jain        | 1,000             | 0.01%                      |
| 5)           | Mr. Vaibhav M Jain        | 1,000             | 0.01%                      |
| 6)           | Mr. Hemal Patel           | 1,000             | 0.01%                      |
| 7)           | Mr. Kaushik Thakar        | 1,000             | 0.01%                      |
| <b>TOTAL</b> |                           | <b>12,200,000</b> | <b>100.00%</b>             |

- C. Particulars of the top ten shareholders two years prior to this Draft Red Herring Prospectus are as under:

| Sr. No.      | Name of shareholder       | No. of Shares     | % age of Pre-issue capital |
|--------------|---------------------------|-------------------|----------------------------|
| 1)           | Mr. Varun Manojkumar Jain | 1,04,40,000       | 85.57%                     |
| 2)           | Mrs. Varuna Varun Jain    | 17,60,000         | 14.43%                     |
| <b>TOTAL</b> |                           | <b>12,200,000</b> | <b>100.00%</b>             |

Note: The above mentioned Equity Shares are at Face Value of ₹10/-.

- 5) There is no "Buyback", "Standby", or similar arrangement for the purchase of Equity Shares by our Company/Promoters/Directors/Book Running Lead Manager for purchase of Equity Shares offered through this Draft Red Herring Prospectus.
- 6) The Equity Shares, which are subject to lock-in, shall carry the inscription "non-transferable" and the non-transferability details shall be informed to the depository. The details of lock-in shall also be provided to the Stock Exchange before the listing of the Equity Shares.

- 7) As on the date of this Draft Red Herring Prospectus, none of the shares held by our Promoters/ Promoter Group are pledged with any financial institutions or banks or any third party as security for repayment of loans.
- 8) We have not raised any bridge loans against the proceeds of the Issue.
- 9) Investors may note that in case of over-subscription, allotment will be on proportionate basis as detailed in heading on "Basis of Allotment" beginning on page no 198 of this Draft Red Herring Prospectus
- 10) The Equity Shares Issued pursuant to this Issue shall be fully paid-up at the time of Allotment, failing which no allotment shall be made.
- 11) Our Company has not issued any Equity Shares at a price less than the Issue Price in the last one year preceding the date of filing of this Draft Red Herring Prospectus.
- 12) In case of over-subscription in all categories the allocation in the Issue shall be as per the requirements of Regulation 43 (4) of SEBI (ICDR) Regulations, as amended from time to time.
- 13) Under subscription, if any, in any category, shall be met with spill-over from any other category or combination of categories at the discretion of our Company, in consultation with the Book Running Lead Manager and the designated stock exchange.
- 14) An over-subscription to the extent of 10% of the Issue can be retained for the purpose of rounding off while finalizing the basis of allotment to the nearest integer during finalizing the allotment, subject to minimum allotment lot. Consequently, the actual allotment may go up by a maximum of 10% of the Issue, as a result of which, the post issue paid up capital after the Issue would also increase by the excess amount of allotment so made. In such an event, the Equity Shares held by the Promoters and subject to lock-in shall be suitably increased to ensure that 20% of the post issue paid-up capital is locked-in.
- 15) The Issue is being made through Book Built Issue.
- 16) As on date of filing of this Draft Red Herring Prospectus with Stock Exchange, the entire issued share capital of our Company is fully paid-up. The Equity Shares offered through this Public Issue will be fully paid up.
- 17) On the date of filing of this Draft Red Herring Prospectus with Stock Exchange, there are no outstanding financial instruments or any other rights that would entitle the existing Promoters or shareholders or any other person any option to receive Equity Shares after the Issue.
- 18) Our Company has not issued any Equity Shares out of revaluation reserves and not issued any bonus shares out of capitalization of revaluation reserves.
- 19) Book Running Lead Manager to the Issue viz. Mark Corporate Advisors Private Limited and its associates do not hold any Equity Shares of our Company.
- 20) Our Company has revalued its assets since incorporation.
- 21) Our Company has not made any Public Issue of any kind or class of securities since its incorporation.
- 22) There will be only one denomination of the Equity Shares of our Company unless otherwise permitted by law.
- 23) Our Company shall comply with such disclosure, and accounting norms as may be specified by SEBI from time to time.
- 24) There will be no further issue of capital whether by way of issue of bonus shares, preferential allotment, and rights issue or in any other manner during the period commencing from submission of this Prospectus with Stock Exchange until the Equity Shares to be issued pursuant to the Issue have been listed.

- 25) Except as disclosed in this Draft Red Herring Prospectus, our Company presently does not have any intention or proposal to alter its capital structure for a period of six (6) months from the date of opening of the Issue, by way of split/consolidation of the denomination of Equity Shares or further issue of Equity Shares (including issue of securities convertible into Equity Shares) whether preferential or otherwise. However, during such period or a later date, it may issue Equity Shares or securities linked to Equity Shares to finance an acquisition, merger or joint venture or for regulatory compliance or such other scheme of arrangement if an opportunity of such nature is determined by its Board of Directors to be in the interest of our Company.
- 26) Our Company does not have any ESOS/ESPS scheme for our employees and we do not intend to allot any shares to our employees under ESOS/ESPS scheme from the proposed Issue. As and when, options are granted to our employees under the ESOP scheme, our Company shall comply with the SEBI (Share Based Employee Benefits) Regulation, 2014.
- 27) An investor cannot make an application for more than the number of Equity Shares offered in this Issue, subject to the maximum limit of investment prescribed under relevant laws applicable to each category of investor.
- 28) No payment, direct, indirect in the nature of discount, commission, and allowance, or otherwise shall be made either by us or by our Promoters to the persons who receive allotments, if any, in this Issue.
- 29) Our Company has Seven (7) Shareholders as on the date of filing of this Draft Red Herring Prospectus.

## SECTION IV-PARTICULARS OF THE ISSUE

### OBJECTS OF THE ISSUE

The Objects of the Issue are to finance our expansion plans and achieve the benefits of listing on the Emerge platform of NSE. We believe that listing will enhance our corporate image and brand name of our Company.

**The Objects of the Issue are as stated below:**

- 1.) To meet Capital Expenditure
- 2.) To meet Working Capital Requirements
- 3.) General Corporate Purposes
- 4.) To meet the Issue Expenses

We believe that the listing of our Equity Shares will enhance our visibility and brand name and enable us to avail of future growth opportunities.

The main Objects Clause of our Memorandum of Association permits us to undertake our existing activities and the activities for which the funds are being raised by us, through the present Issue. The details of the proceeds of the Issue are summarized in the table below:

| (₹ in Lakhs)        |                              |                |
|---------------------|------------------------------|----------------|
| Sr. No.             | Particulars                  | Amount         |
| 1)                  | Gross Proceeds for the issue | 4500.00        |
| 2)                  | Less: Issue Expenses         | 300.00         |
| <b>Net Proceeds</b> |                              | <b>4200.00</b> |

### Requirements of Funds:

The Funds required are proposed to be used in accordance with the details provided in the following table:

| (₹ in Lakhs) |                                      |                |
|--------------|--------------------------------------|----------------|
| Sr. No.      | Particulars                          | Amount         |
| 1)           | To meet Capital Expenditure          | 200.00         |
| 2)           | To meet Working Capital requirements | 3400.00        |
| 3)           | General Corporate Purposes           | 600.00         |
| <b>Total</b> |                                      | <b>4200.00</b> |

Since the entire fund requirement are to be funded from the proceeds of the Issue, there is no requirement to make firm arrangements of finance under Regulation 4(2) (g) of the SEBI ICDR Regulations through verifiable means towards at least 75% of the stated means of finance, excluding the amounts to be raised through the proposed Issue.

The fund requirement and deployment is based on internal management estimates and have not been appraised by any bank or financial institution. These are based on current conditions and are subject to change in the light of changes in external circumstances or costs or other financial conditions and other external factors.

In case of any increase in the actual utilization of funds earmarked for the Objects, such additional funds for a particular activity will be met by way of means available to our Company, including from internal accruals. If the actual utilization towards any of the Objects is lower than the proposed deployment such balance will be used for future growth opportunities including funding existing objects, if required. In case of delays in raising funds from the Issue, our Company may deploy certain amounts towards any of the abovementioned Objects through a combination of Internal Accruals or Unsecured Loans (Bridge Financing) and in such case the Funds raised shall be utilized towards repayment of such Unsecured Loans or recouping of Internal Accruals. However, we confirm that no bridge financing has been availed as on date, which is subject to being repaid from the Issue Proceeds.

We further confirm that no part proceed of the Issue shall be utilized for repayment of any Part of unsecured loan outstanding as on date of Draft Red Herring Prospectus.

As we operate in competitive environment, our Company may have to revise its business plan from time to time and consequently our fund requirements may also change. Our Company's historical expenditure may not be reflective of our future expenditure plans. Our Company may have to revise its estimated costs, fund allocation and fund requirements owing to various factors such as economic and business conditions, increased competition and other external factors which may not be within the control of our management. This may entail rescheduling or revising the planned expenditure and funding requirements, including the expenditure for a particular purpose at the discretion of the Company's management.

For further details on the risks involved in our business plans and executing our business strategies, please see the section titled "**Risk Factors**" beginning on page 14 of the Prospectus.

#### **Details of Utilization of Net Proceeds:**

The details of utilization of the Net Proceeds are set forth herein below:

#### **1.) Part financing for expansion of production capacity:**

The details of the estimated cost are as under: -

| Sr. No. | Particulars                               | Name of Suppliers                                                                         | No. of Units | Total Estimated Cost | Date of Quotation | Validity  |
|---------|-------------------------------------------|-------------------------------------------------------------------------------------------|--------------|----------------------|-------------------|-----------|
| 1       | Cold Shearing                             | Pushkar Ispat Udyog Talw, Punjabara Road, opp INOX AIR Products, Mandi Gobindgarh, Punjab | 1            | 1,200,000            | 13.10.2018        | 06 Months |
| 2       | Roller Conveyor of Cold Shearing          | ---DO---                                                                                  | 8            | 1,058,000            | 13.10.2018        | 06 Months |
| 3       | Bar Transfer System For Cold Shearing     | ---DO---                                                                                  | 3000         | 390,000              | 13.10.2018        | 06 Months |
| 4       | Chain 2" Pitch                            | ---DO---                                                                                  | 300          | 705,000              | 13.10.2018        | 06 Months |
| 5       | Redution Gear                             | ---DO---                                                                                  | 1            | 150,000              | 13.10.2018        | 06 Months |
| 6       | Kick Off System With Pneumatic            | ---DO---                                                                                  | 1            | 260,000              | 13.10.2018        | 06 Months |
| 7       | Billet Shearing Machine                   | ---DO---                                                                                  | 1            | 3,500,000            | 13.10.2018        | 06 Months |
| 8       | Billet Shearing Coneyor & Discharge Table | ---DO---                                                                                  | 1            | 600,000              | 13.10.2018        | 06 Months |
| 9       | MC Panel                                  | ---DO---                                                                                  | 1            | 200,000              | 13.10.2018        | 06 Months |
| 10      | Motor 20 HP                               | ---DO---                                                                                  | 2            | 225,000              | 13.10.2018        | 06 Months |
| 11      | Motor 10 HP                               | ---DO---                                                                                  | 6            |                      | 13.10.2018        | 06 Months |
| 12      | Shed Incease of Cooling Bed               | ---DO---                                                                                  | 1            | 2,500,000            | 13.10.2018        | 06 Months |
| 13      | Finish Good Tmt Shed to Increase For      | ---DO---                                                                                  | 1            | 2,000,000            | 13.10.2018        | 06 Months |

| Sr. No.      | Particulars                                | Name of Suppliers | No. of Units | Total Estimated Cost | Date of Quotation | Validity  |
|--------------|--------------------------------------------|-------------------|--------------|----------------------|-------------------|-----------|
|              | Shifting of Cut TMT                        |                   |              |                      |                   |           |
| 14           | Plate Form                                 | ---DO---          | 1            | 300,000              | 13.10.2018        | 06 Months |
| 15           | Foundation of Machine/ Shed and Civil Work | ---DO---          | 1            | 400,000              | 13.10.2018        | 06 Months |
| 16           | Electricals/ Cable/ Panel / Motor          | ---DO---          |              |                      | 13.10.2018        | 06 Months |
| 17           | Foundation of Machine/ Shed and Civil Work | ---DO---          | 1            | 300,000              | 13.10.2018        | 06 Months |
| 18           | Labour Caloney for Staff                   | ---DO---          | 11 ROOMS     | 1,900,800            | 13.10.2018        | 06 Months |
| 19           | Labour Caloney For Staff                   | ---DO---          | 22 ROOMS     | 2,534,400            | 13.10.2018        | 06 Months |
| 20           | Inside Road Blocks                         | ---DO---          |              | 405,000              | 13.10.2018        | 06 Months |
| 21           | TMT Cutting & Bending Machine              | ---DO---          | 4            | 800,000              | 13.10.2018        | 06 Months |
| 22           | Shed For TMT Bending Cutting/ Stock        | ---DO---          | 1            | 2,000,000            | 13.10.2018        | 06 Months |
| <b>TOTAL</b> |                                            |                   |              | <b>21,428,200</b>    |                   |           |

The above cost estimates are based on the quotations received from the said domestic suppliers / vendors. We have considered the quotations for the budgetary estimate purpose and have not placed orders for any of the aforesaid plant and machinery. The actual expenditure incurred and actual supplier / vendor may vary from ones indicated above based on the time and cost, or tax or duty implications, involved in actual procurement. None of the suppliers /vendors is related to Our Company and our Promoters. All the above quotations are valid as on the date of this Draft Red Herring Prospectus.

## 2.) To meet the Working Capital Requirements:

The details of our Company's expected working capital requirements for the Financial Years and funding of the same are as set out in the table below:

(Rs in lacs)

| Particulars                     | As on March 31 <sup>st</sup> |                      |
|---------------------------------|------------------------------|----------------------|
|                                 | 31.03.2018 Audited           | 31.03.2019 Estimated |
| <b>Current Assets</b>           |                              |                      |
| Inventories                     | 1,969.29                     | 4430.00              |
| Trade Receivables               | 1,378.91                     | 3032.00              |
| Cash and Cash Equivalents       | 48.6                         | 77.00                |
| Short Term Loans & Advances     | 187.8                        | 800.00               |
| Other than Long Term Investment | 0                            | 0                    |

| Particulars                                            | As on March 31 <sup>st</sup> |                         |
|--------------------------------------------------------|------------------------------|-------------------------|
|                                                        | 31.03.2018<br>Audited        | 31.03.2019<br>Estimated |
| Other Current Assets                                   | 55.68                        | 55.00                   |
| <b>Total Current Assets (A)</b>                        | <b>3640.28</b>               | <b>8394.00</b>          |
| <b>Current Liabilities</b>                             |                              |                         |
| Trade Payables                                         | 860.1                        | 689.00                  |
| Bank Borrowing (CC Limit)*                             | 1767.85                      | 2500.00                 |
| Other Current Liabilities                              | 363.40                       | 295.00                  |
| Short-Term Provisions                                  | 52.99                        | 589.00                  |
| <b>Total Current Liabilities (B)</b>                   | <b>3044.34</b>               | <b>4073.00</b>          |
| <b>Net Working Capital Gap (A-B)</b>                   | <b>595.94</b>                | <b>4321.00</b>          |
| <b>Incremental Working Capital Gap</b>                 |                              | <b>3725.06</b>          |
| <b>Rounded Off to</b>                                  |                              | <b>3725.00</b>          |
| <b>Less:- Internal Accruals</b>                        |                              | 325.00                  |
| <b>Net Working Capital Gap to be met from this IPO</b> |                              | <b>3400.00</b>          |

\*The present sanctioned limit with HDFC bank, Ahmedabad branch is of ₹2500.00 lacs as on 30<sup>th</sup> September, 2018.

The details of our Company's expected working capital requirements for the Financial Years 2019 and funding of the same have not been audited or reviewed by the Statutory Auditor, M/s S. N. Shah & Associates. However, the same have been certified by the management of the company vide a certificate dated November 02, 2018.

#### Assumption for working capital requirements

| Assets – Current Assets  |                                                                                         |
|--------------------------|-----------------------------------------------------------------------------------------|
| <b>Inventories</b>       | The period of Inventory holding is of 53 days for FY 2017-18 and 54 days for FY 2018-19 |
| <b>Trade receivables</b> | Holding period of the Receivable is 35 days for FY 2017-18 and 34 days for FY 2018-19   |

#### General Corporate Expenses

We intend to use approximately ₹ 600.00 Lacs from the Proceeds of the Issue towards General Corporate Expenses as decided by our Board from time to time, including but not restricted to acquire business premises, investment in business venture, strategic alignment, strategic initiatives, expansion into new geographies, brand building exercises, and other project related investments and commitments and execution capabilities in order to strengthen our operations. Further, we confirm that the amount for general corporate purposes, as mentioned in this Prospectus, will not exceed 25% of the amount raised by our Company through this Issue.

#### Issue Related Expenses

The total estimated issue expenses are Rs. 300.00 Lacs which is 6.67% of the issue size. The details of issue expenses are tabulated below:

| Sr. No. | Particulars                                                                                                                                                                                 | ₹ in Lacs | % of Total Expenses | % of Total Issue Size |
|---------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|---------------------|-----------------------|
| 1.      | Issue management fees including fees selling commissions, brokerages, and payment to other intermediaries such as Legal Advisors, Registrars, Underwriter and other out of pocket expenses. | [●]       | [●]                 | [●]                   |

| Sr. No.      | Particulars                                       | ₹ in Lacs     | % of Total Expenses | % of Total Issue Size |
|--------------|---------------------------------------------------|---------------|---------------------|-----------------------|
| 2.           | Printing & Stationery, Distribution, Postage, etc | [●]           | [●]                 | [●]                   |
| 3.           | Advertisement & Marketing Expenses                | [●]           | [●]                 | [●]                   |
| 4.           | Regulatory & other expenses                       | [●]           | [●]                 | [●]                   |
| <b>Total</b> |                                                   | <b>300.00</b> | <b>100.00%</b>      | <b>6.67%</b>          |

### Deployment of Funds

The funds deployed upto March 31, 2018 and proposed to be deployed in FY 2018-19 and 2019 - 2020 as certified by the auditor of the company M/s S. N. Shah & Associates., Chartered Accountants, vide certificate dated November 02, 2018 is as under:

(₹ In Lakhs)

| Particulars                                            | Already Incurred | FY 2018-2019   | FY 2019-2020  | Total          |
|--------------------------------------------------------|------------------|----------------|---------------|----------------|
| To Meet Capital Expenditure                            |                  |                | 200.00        | 200.00         |
| To meet the working capital requirement of the Company |                  | 3400.00        |               | 3400.00        |
| General Corporate Purpose                              |                  |                | 600.00        | 600.00         |
| Issue Expenses*                                        | 20.81            | 279.19         |               | 300.00         |
| <b>Total</b>                                           | <b>20.81</b>     | <b>3679.19</b> | <b>800.00</b> | <b>4500.00</b> |

\* The said expenses have been funded by the company through Internal Accruals and the same will be adjusted against the issue proceeds.

### Appraisal by Appraising Agency

None of the objects have been appraised by any bank or financial institution or any other independent third party organization. The funding requirements of our Company and the deployment of the proceeds of the Issue are currently based on quotations received by us and management estimates. The funding requirements of our Company are dependent on a number of factors which may not be in the control of our management, including variations in interest rate structures, changes in our financial condition and current commercial conditions and are subject to change in light of changes in external circumstances or in our financial condition, business or strategy.

### Bridge Financing Facilities

We have currently not raised any bridge loans against the proceeds of the issue. However, depending on our requirement, we might consider raising bridge financing facilities, pending receipt of the proceeds of the issue.

### Shortfall of Funds

Any shortfall in meeting the Objects of the issue will be met by way of internal accruals.

### Interim Use of Funds

Our Company, in accordance with the policies established by the Board from time to time, will have flexibility to deploy the issue proceeds. The issue proceeds of the issue pending utilization for the purposes stated in this section, shall be deposited only in scheduled commercial banks included in the Second Schedule of Reserve Bank of India Act, 1934. In accordance with Section 26 of the Companies Act, 2013, our Company confirms that it shall not use the issue proceeds of the issue for any investment in the equity markets.

### Monitoring of Utilization of Funds

There is no requirement for a monitoring agency as the Issue size is less than ₹10,000 Lacs. Pursuant to Regulation 32(3) of the SEBI Listing Regulations, our Company shall on a half yearly basis disclose to the Audit Committee the uses and application of the issue proceeds. Until such time as any part of the issue proceeds remains unutilized, our

Company will disclose the utilization of the issue proceeds under separate heads in our Company's balance sheet(s) clearly specifying the amount of and purpose for which issue proceeds have been utilized so far, and details of amounts out of the issue proceeds that have not been utilized so far, also indicating interim investments, if any, of such unutilized issue proceeds. In the event that our Company is unable to utilize the entire amount that we have currently estimated for use out of the issue proceeds in a fiscal year, we will utilize such unutilized amount in the next fiscal year.

Further, in accordance with Regulation 32(1)(a) of the SEBI Listing Regulations, our Company shall furnish to the Stock Exchange on a half yearly basis, a statement indicating material deviations, if any, in the utilization of the issue proceeds for the objects stated in this Prospectus.

### **Variation in Object Clause**

In accordance with Section 27 of the Companies Act 2013, our Company shall not vary object of the Issue without our Company being authorized to do so by our shareholders in relation to the passing of such special resolution shall specify the prescribed details as required under the Companies Act and shall be published in accordance with the Companies Act and the rules thereunder. As per the current provisions of the Companies Act, our Promoters or controlling shareholders would be required to provide an exit opportunity to such shareholders who do not agree to the proposal to vary the objects, at such price, and in such manner as may be prescribed by SEBI in this regard.

### **Other Confirmations**

There is no material existing or anticipated transactions with our Promoter, our Directors, our Company's key Managerial personnel and Group Entities, in relation to the utilisation of the proceeds of the Issue. No part of the proceeds of the Issue will be paid by us as consideration to our Promoter, our Directors or key managerial personnel or our Group Entities, except in the normal course of business and in compliance with the applicable laws

## BASIC TERMS OF THE ISSUE

The Equity Shares, now being issued, are subject to the terms and conditions of this Draft Red Herring Prospectus, Application form, Confirmation of Allocation Note (CAN), the Memorandum and Articles of Association of our Company, the guidelines for listing of securities issued by the Government of India and SEBI (ICDR) Regulations, 2009, the Depositories Act, Stock Exchange, RBI, ROC and/or other authorities as in force on the date of the Issue and to the extent applicable. In addition, the Equity Shares shall also be subject to such other conditions as may be incorporated in the Share Certificates, as per the SEBI (ICDR) Regulations, 2009 notifications and other regulations for the issue of capital and listing of securities laid down from time to time by the Government of India and/or other authorities and other documents that maybe executed in respect of the Equity Shares. This Issue has been authorized by the Board of Directors pursuant to a Board Resolution August 03, 2018 and by the Shareholders of our Company pursuant to a special resolution dated August 27, 2018 passed at the EGM of Shareholders under Section 62 (1)(c) of the Companies Act, 2013.

|                                     |   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
|-------------------------------------|---|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Face Value</b>                   | : | Equity Share shall have the face value of ₹10.00 each                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| <b>Issue Price</b>                  | : | Equity Share is being issued at a price of ₹[●] each and is at [●] times of Face Value                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| <b>Market Lot &amp; Trading Lot</b> | : | The Market lot and Trading lot for the Equity Share is [●] and the multiple of [●], subject to a minimum allotment of [●] Equity Shares to the successful applicants.                                                                                                                                                                                                                                                                                                                                                                            |
| <b>Terms of Payment</b>             | : | 100% of the issue price of ₹[●] each shall be payable on Application. For more details please refer “ <i>Issue Procedure</i> ” on page no 193 of this Draft Red Herring Prospectus                                                                                                                                                                                                                                                                                                                                                               |
| <b>Ranking of the Equity Shares</b> | : | The Equity Shares shall be subject to the Memorandum and Articles of Association of the Company and shall rank pari-passu in all respects including dividends with the existing Equity Shares of the Company. The Allottees in receipt of Allotment of Equity Shares under this Issue will be entitled to dividends and other corporate benefits, if any, declared by the Company after the date of Allotment. For further details, please see “ <i>Main Provisions of Articles of Association</i> ” on [●] of this Draft Red Herring Prospectus |

### Minimum Subscription

This Issue is not restricted to any minimum subscription level. This Issue is 100% underwritten. If the Issuer does not receive the subscription of 100% of the Issue through this offer document including devolvement of Underwriters within sixty days from the date of closure of the Issue, the Issuer shall forthwith refund the entire subscription amount received. If there is a delay beyond prescribed time after the Issuer becomes liable to pay the amount, the Issuer shall pay interest prescribed under section 40 of the Companies Act, 2013.

For further details, please refer to section titled “*Terms of the Issue*” beginning on page no 185 of this Draft Red Herring Prospectus.

## BASIS FOR ISSUE PRICE

The Issue Price of ₹[●] per Equity Share will be determined by the Company in consultation with the BRLM on the basis of an assessment of market demand for the Equity Shares through the Book Building Process and on the basis of the following qualitative and quantitative factors. The face value of the Equity Shares of our Company is Rs.10 each and the Issue Price is [●] times of the face value at the lower end of the Price Band and [●] times the face value at the higher end of the Price Band.

### Qualitative Factors

Some of the qualitative factors, which form the basis for computing the price, are:

- 1) Track Record of the Company
- 2) Stringent quality control
- 3) Leveraging the experience of our Promoter
- 4) Experienced management team and a motivated and efficient work force
- 5) Scalable Business Model

For further details, refer sections entitled “Risk Factors”, “Our Business”, and “Financial Statements” on page no’s 14, 80 and 129, respectively, to make an informed investment decision.

### Quantitative Factors

The information presented below relating to the Company is based on the Restated Financial Statements of the Company for Financial Year 2017-18, 2016-17 and 2015-16 prepared in accordance with Indian GAAP and the Companies Act and restated in accordance with the SEBI Regulations. Some of the quantitative factors, which form the basis for computing the price, are as follows:

#### 1) Basic and Diluted Earnings per Share (EPS):

| Year Ended              | EPS (₹)     | Weight |
|-------------------------|-------------|--------|
| March 31, 2016          | (2.62)*     |        |
| March 31, 2017          | 1.65        | 1      |
| March 31, 2018          | 3.84        | 2      |
| <b>Weighted Average</b> | <b>3.11</b> |        |

*Note:*

- (i) Basic EPS (₹) has been calculated by dividing the Net Profit as restated by Restated Weighted Average number of Equity Shares outstanding during the year.
- (ii) The face value of each Equity Share is ₹10.

\*Since the EPS of year ended March 31, 2016 is negative, therefore it has been excluded from calculation of Weighted Average.

#### 2) Price to Earnings (P/E) ratio in relation to Issue Price of [●] per Equity Share of face value of ₹10 each:

| Particulars                                              | P/E Ratio |
|----------------------------------------------------------|-----------|
| Based on Basic & Diluted EPS, as restated for FY 2017-18 | [●]       |
| <b>Industry P/E*</b>                                     |           |
| Highest                                                  | 33.9      |
| Lowest                                                   | 3.9       |
| Industry Average                                         | 9.5       |

\* Source: Capital Market Oct 22 – Nov, 04, 2018

**3) Return on Net worth (RoNW) for the preceding three years as per restated financial statements:**

| Year Ended              | RoNW (%)     | Weight |
|-------------------------|--------------|--------|
| March 31, 2016          | (223.98%)*   |        |
| March 31, 2017          | 58.48%       | 1      |
| March 31, 2018          | 57.63%       | 2      |
| <b>Weighted Average</b> | <b>57.91</b> |        |

**Note:**

- (i) The RoNW has been computed by dividing net profit after tax as restated, by Net Worth as at the end of the year excluding miscellaneous expenditure to the extent not written off.

\*Since the EPS of year ended March 31, 2016 is negative, therefore it has been excluded from calculation of Weighted Average.

- 4) Minimum Return on Total Net Worth after Issue needed to maintain Pre-Issue EPS for the year ended March 31, 2018 is [●]

**5) Net Asset Value (NAV):**

| Particulars                                           | Amount (₹) |
|-------------------------------------------------------|------------|
| Net Asset Value per Equity Share as of March 31, 2018 | 6.66       |
| Net Asset Value per Equity Share after the Issue      | [●]        |
| Issue Price per equity share                          | [●]        |

\* The Face Value of the Equity Shares ₹10. However, the same has been considered as face value of ₹10 per Equity Share.

**Note:**

- (i) The Face Value of the Equity Shares ₹10.  
(ii) NAV per Equity Share has been calculated as Net Worth as divided by number of Equity Shares.

**6) Comparison with other listed companies/Industry peers:**

| Companies          | Face Value (₹) | RoNW (%) | EPS (₹) (as on March 31,2018) | P/E Ratio |
|--------------------|----------------|----------|-------------------------------|-----------|
| Aditya Ispat Ltd   | 10             | 5.35     | 0.89                          | 6.89      |
| Rathi Bars Limited | 10             | 1.79     | 0.86                          | 11.90     |
| Kamdhenu Limited   | 10             | 10.91    | 6.70                          | 22.77     |

(Source: Audited Financial Results for the year ending March 31, 2018 as available on [www.bseindia.com](http://www.bseindia.com))

**Note:**

- (i) The figures of Our Company are based on the restated results for the FY ended March 31, 2018.  
(ii) The figures for the Peer group are based on Standalone Audited Results for the FY ended March 31, 2018.
- 7) The Company in consultation with the Book Running Lead Manager believes that the issue price of ₹[●] per Equity Share for the Public Issue is justified in view of the above parameters. The investors may also want to peruse the “Risk Factors” beginning on page no. 14 of this Draft Red Herring Prospectus and Financials of the company as set out in the “Financial Statements” beginning on page no 129 of this Draft Red Herring Prospectus to have more informed view about the investment proposition. The Face Value of the Equity Shares is ₹10 per Equity Share and the Issue Price is [●] times of the face value i.e. ₹[●] per Equity Share.

## STATEMENT OF TAX BENEFITS

To  
**The Board of Directors,**  
**Aditya Ultra Steel Limited**  
T 808-C, Pinnacle,  
Opp.Royal Arcade,  
Prahladnagar,  
Ahmedabad - 380015

Dear Sir,

**Sub: Statement of possible tax benefits available to the Company and its shareholders on proposed Public Issue of Shares under the existing tax laws**

We hereby confirm that the enclosed annexure, prepared by the Management of Aditya Ultra Steel Limited ('the Company'), states the possible tax benefits available to the Company and the shareholders of the Company under the Income - Tax Act, 1961 ('Act'), presently in force in India. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant tax laws. Hence, the ability of the Company or its shareholders to derive the tax benefits is dependent upon fulfilling such conditions which, based on business imperatives which the Company may face in the future, the Company may or may not fulfill.

The benefits discussed in the enclosed statement are not exhaustive. This statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. A shareholder is advised to consult his/ her/ its own tax consultant with respect to the tax implications arising out of his/her/its participation in the proposed issue, particularly in view of ever changing tax laws in India.

We do not express any opinion or provide any assurance as to whether:

- The Company or its shareholders will continue to obtain these benefits in future; or
- The conditions prescribed for availing the benefits have been/would be met. The contents of this annexure are based on information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company and the provisions of the tax laws. The same shall be subject to notes to this annexure.

No assurance is given that the revenue authorities / courts will concur with the views expressed herein. The views are based on the existing provisions of law and its interpretation, which are subject to change from time to time. We would not assume responsibility to update the view, consequence to such change.

We shall not be liable to Aditya Ultra Steel Limited for any claims, liabilities or expenses relating to this assignment except to the extent of fees relating to this assignment, as finally judicially determined to have resulted primarily from bad faith of intentional misconduct.

**For S. N. Shah & Associates**  
**Chartered Accountants**  
**Firm Registration No.:109782W**

**CA Priyam Shah**  
**Partner**  
**Membership No. 144892**  
**Place: Ahmedabad**  
**Date: 15<sup>th</sup> September, 2018**

## **Annexure-A**

### **ANNEXURE TO THE STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS AVAILABLE TO THE COMPANY AND ITS SHAREHOLDERS**

The information provided below sets out the possible special tax benefits available to the Company and the Equity Shareholder under the Income Tax Act 1961 presently in force in India. It is not exhaustive or comprehensive and is not intended to be a substitute for professional advice. Investors are advised to consult their own tax consultant with respect to the tax implications of an investment in the Equity Shares particularly in view of the fact that certain recently enacted legislation may not have a direct legal precedent or may have a different interpretation on the benefits, which an investor can avail.

#### **A. SPECIAL TAX BENEFITS TO THE COMPANY UNDER THE INCOME TAX ACT, 1961 (THE “ACT”)**

The Company is not entitled to any special tax benefits under the Act.

#### **B. SPECIAL TAX BENEFITS TO THE SHAREHOLDERS UNDER THE INCOME TAX ACT, 1961 (THE “ACT”)**

The Shareholders of the Company are not entitled to any special tax benefits under the Act.

**For S. N. Shah & Associates**

**Chartered Accountants  
Priyam Shah  
Partner  
Firm Registration No.:109782W  
Membership No. 144892**

**Place: Ahmedabad  
Date: 15<sup>th</sup> September, 2018**

## SECTION V-ABOUT OUR COMPANY

### OUR INDUSTRY

#### AN OVERVIEW OF STEEL SECTOR

##### Global Scenario

- In 2016, the world crude steel production reached 1630 million tonnes (mt) and showed a growth of 0.6% over 2015.
- China remained world's largest crude steel producer in 2016 (808 mt) followed by Japan (105 mt), India (96 mt) and the USA (79 mt).
- World Steel Association has projected Indian steel demand to grow by 6.1% in 2017 and by 7.1% in 2018 while globally, steel demand has been projected to grow by 1.3% in 2017 and by 0.9% in 2018. Chinese steel use is projected to show nil growth in 2017 and decline by 2% in 2018.
- Per capita finished steel consumption in 2016 is placed at 208 kg for world and 493 kg for China by World Steel Association.

**Note:** Data for the year 2016 is provisional (source: World Steel Association report, World Steel in Figures, 2017)  
Major Steel Producing Countries in the World in 2017, the top 10 Steel producing countries (including EU) accounted for around 91.1 per cent of global steel production in 2017.

| Country           | MT    | Country        | MT   |
|-------------------|-------|----------------|------|
| 1. China          | 831.7 | 6. Russia      | 71.3 |
| 2. European Union | 168.1 | 7. South Korea | 71.0 |
| 3. Japan          | 104.7 | 8. Turkey      | 37.5 |
| 4. India          | 101.4 | 9. Brazil      | 34.4 |
| 5. United States  | 81.6  | 10. Ukraine    | 22.7 |

Source: World Steel Association

([https://rbsa.in/archives\\_of\\_research\\_reports/RBSA\\_Indian\\_Steel\\_Industry\\_Analysis.pdf](https://rbsa.in/archives_of_research_reports/RBSA_Indian_Steel_Industry_Analysis.pdf))

##### Domestic Scenario

- The Indian steel industry has entered into a new development stage, post de-regulation, riding high on the resurgent economy and rising demand for steel.
- Rapid rise in production has resulted in India becoming the 3rd largest producer of crude steel in 2015 as well as in 2016. The country was the largest producer of sponge iron or DRI in the world during the period 2003-2015 and emerged as the 2nd largest global producer of DRI in 2016 (after Iran). India is also the 3rd largest finished steel consumer in the world and maintained this status in 2016. Such rankings are based on provisional data released by the World Steel Association for the above year.
- In a de-regulated, liberalized economic/market scenario like India the Government's role is that of a facilitator which lays down the policy guidelines and establishes the institutional mechanism/structure for creating conducive environment for improving efficiency and performance of the steel sector.
- In this role, the Government has released the National Steel Policy 2017, which has laid down the broad roadmap for encouraging long term growth for the Indian steel industry, both on demand and supply sides, by 2030-31.
- The said Policy is an updated version of National Steel Policy 2005 which was released earlier and provided a long-term growth perspective for the domestic iron and steel industry by 2019-20.
- The Government has also announced a policy for providing preference to domestically manufactured Iron & Steel products in Government procurement. This policy seeks to accomplish PM's vision of 'Make in India' with objective of nation building and encourage domestic manufacturing and is applicable on all government tenders where price bid is yet to be opened. Further, the Policy provides a minimum value addition of 15% in notified steel products which are covered under preferential procurement. In order to provide flexibility, Ministry of Steel may review specified steel products and the minimum value addition criterion.

India is the 3<sup>rd</sup> largest consumer of crude steel in the world after China and United States. India's finished steel consumption has grown 1.6 times between 2007-2017 to 83.5 MT in 2017 growing at a CAGR of 5.5 per cent in the period. The increase in consumption is a consequence of the infrastructural spends and growth in the automobile sector. Although India is the 3<sup>rd</sup> largest consumer of steel in the world countries in per capita consumption. The per capita Consumption of steel has grown by a factor of 1.5 times from 43.6 kilograms in 2007 to 63.1 kilograms (rural consumption 10.0 kilograms per capital) in 2017 at a CAGR of 4.2 per cent. Even with the huge infrastructure expenditures envisioned, India is estimated that it will take several years for India to catch up to the world average of per capita consumption. The New Steel Policy, 2017, has envisaged increasing in the per capita consumption from the present 63.1 kilograms to 160 kilograms by 2030. Exports & Imports of Steel India's Exports and Imports can be classified as Alloyed Steel, Non-Alloyed Steel and Other Steel (includes Pig Iron, Sponge Iron, Steel Scrap, Fittings, and Other Items). India's Total Steel Exports stood at 10.0 MT in FY2017 growing at a CAGR of 9.9 per cent between FY2014-FY2017. Non-Alloyed Steel accounted for 88.1 per cent of the exports, Alloyed Steel accounted for 6.7 per cent of the exports while the balance 5.2 per cent related to the exports of pig iron and sponge iron. Based on the steel shapes, Flat Finished Steel (Alloy and Non-Alloy) accounted for 72.1 per cent of the exports, Non-Flat Finished Steel (Alloy and Non-Alloy) accounted for 10.7 per cent of the exports while 12.0 per cent was exports of semi-finished steel. Exports of Hot Rolled Coils/Sheets (41.1 per cent), Cold Rolled Coils/Sheets (19.4 per cent) and Galvanized Products (23.9 per cent) accounted for 84.4 per cent of Flat Finished Steel Exports which has grown at a CAGR of 12.0 per cent between FY2014-FY2015. India's Total Steel Imports stood at 15.7 MT in FY2017 growing at a CAGR of 2.7 per cent between FY2014-FY2017. Non-Alloyed Steel accounted for 30.7 per cent of the imports, Alloyed Steel accounted for 11.9 per cent of the imports while the balance 49.4 per cent related to the imports of other items (primarily steel scrap - 49.2 per cent), pig iron and sponge iron. Based on the steel shapes, Flat Finished Steel (Alloy and Non-Alloy) accounted for 39.6 per cent of the imports, Non-Flat Finished Steel (Alloy and Non-Alloy) accounted for 6.3 per cent of the imports while 4.8 per cent was imports of semi-finished steel. Excluding Scrap Steel Imports India was a net exporter in FY2017.

- World Steel Association has projected Indian steel demand to grow by 6.1% in 2017 and by 7.1% in 2018 while globally steel demand has been projected to grow by 1.3% in 2017 and by 0.9% in 2018. Chinese steel use is projected to show nil growth in 2017 and decline by 2% in 2018.

In FY17, crude steel production in India was 97.42 MT, with the total crude steel production growing at a CAGR of 5.49 percent over the last 6 years.

- The steel sector contributes over 2 per cent to the GDP of the nation and provides 20 lakh jobs in the country.
- During April 2017-February 2018, crude steel and finished steel production for sale in India stood at 93.183 MT and 95.319 MT respectively.
- As of March 2017, the capacity utilization of steel producers is set to increase with strong export demand and signs of revival in domestic sales.
- Steel manufacturing output of India is expected to increase to 128.6 MT by 2021, accelerating the country's share of global steel production from 5.4 per cent in 2017 to 7.7 percent by 2021. 96 |
- India's steel output is expected to grow at a CAGR of 8.9 percent during 2017-21 and India is expected to become top global steel producer.

#### ***JPC: updated in July 2017***

- Infrastructure, oil and gas and automotives would drive the growth of the industry
- Steel production in India is forecast to double by 2031, with growth rate expected to go above 10 per cent in FY18
- To achieve steel capacity build-up of 300 million tonnes per annum (MTPA) by 2030, India would need to invest US\$ 156.08 billion by 2030-31.
- Ministry of Steel plans to set up Steel Research and Technology Mission in India to promote R&D activities in the sector
- As of 2017, India is the world's 3rd largest producer of crude steel (up from 8th in 2003). India's steel production in 2017 stood at 101.4 MT.

- National Steel Policy (NSP) implemented to encourage the industry to reach global benchmarks

## STEEL MARKETS

As nations around the world seek to improve their standards of living and lift populations out of poverty, it is inevitable that the demand for steel will increase.

Even as it addresses the needs and challenges of today's economic environment, the steel industry is looking ahead at the challenges that are just over the horizon. Materials that are stronger and meet higher environmental standards will be needed. New generations of steel continue to be developed that make it possible for manufacturers and builders to implement durable, lightweight designs.

Steel is critical simply because no other material has the same unique combination of strength, formability and versatility. Without being aware of it, society now depends on steel. Humankind's future success in meeting challenges such as climate change, poverty, population growth, water distribution and energy limited by a lower carbon world depends on applications of steel.

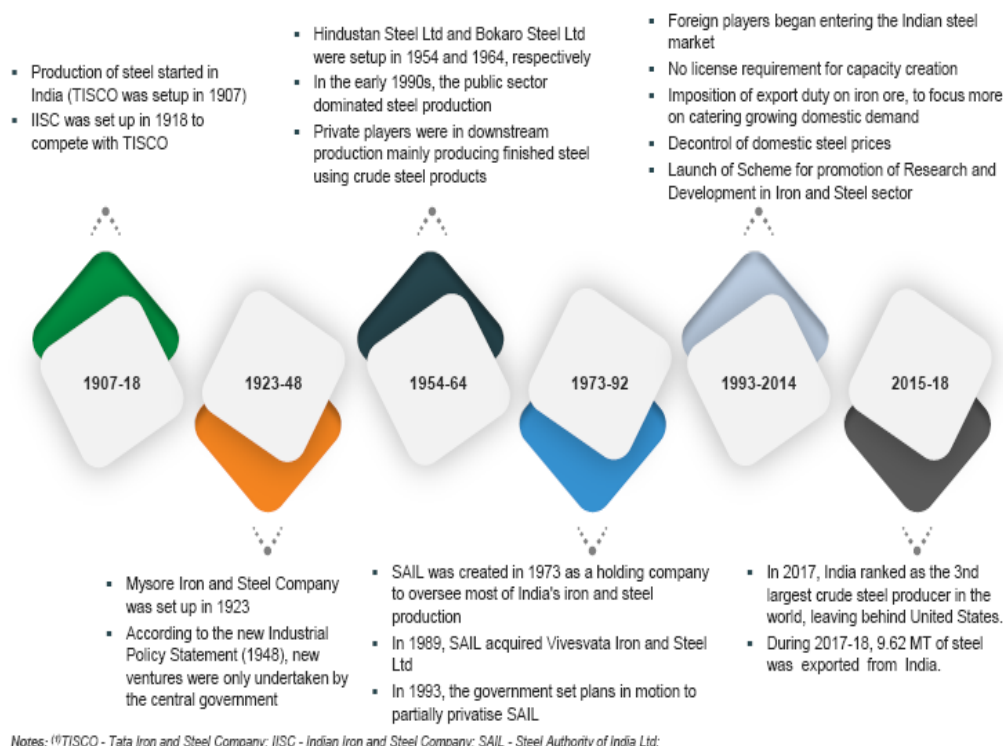
Steel plays a critical role in virtually every phase in our lives. The rails, roads and vehicles that make up our transport systems use steel. Steel provides a strong framework and connections in the buildings where we work, learn and live. It protects and delivers our water and food supply. It is a basic component in technologies that generate and transmit energy.

## BUILDINGS AND INFRASTRUCTURE

More than half of the steel produced worldwide goes into steel buildings and infrastructure. The population will increase by another 2.7 billion people by 2050 and this will be accompanied by rapid urbanization. The need for buildings and infrastructure will continue to grow worldwide in years to come. Steelmakers around the world are increasingly providing construction solutions that enable energy-efficient and low-carbon-neutral buildings. These solutions are highly material efficient and recyclable. 2018 brings with it renewed hope

| 2000-2008                                                                                           | 2008-2015                                                            | 2015                                                                                | 2016                                                                                                                                                                                      | 2017                                                                                                                                       | 2018                                                                      |
|-----------------------------------------------------------------------------------------------------|----------------------------------------------------------------------|-------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------|
| Global demand of steel grows at CAGR of 9% • Indian demand for steel grew at 11 percent during 2003 | Global Financial Crisis in 2008, followed by Eurozone crisis in 2011 | India surpasses USA to become the third largest producer of the world               | By March 2016, the total exposure of the steel sector to banks was over Rs. 3.1 lakh crores. Of this, 48% is estimated to be in the stressed category (37% as NPAs & 11% as restructured) | Recovery in the steel sector begins to show courtesy the effects of safeguard duties, minimum import price & other trade remedial measures | India overtakes Japan to become the second largest producer in the world  |
| Global demand of steel grows at CAGR of 9% • Indian demand for steel grew at 11 percent during 2003 | Global demand of steel grows at CAGR 5%                              | India hit with a surge in imports at low prices arising from global excess capacity | China begins the process of cutting its excess capacity                                                                                                                                   | Start of NCLT proceedings against debt ridden steel companies                                                                              | Resolution process taking shape, leading to consolidation in the Industry |
| Global demand of steel grows at CAGR of 9% • Indian demand for steel grew at 11 percent during 2003 | Supply glut begins to hit profitability of steel companies globally  | By 2015, China's steel capacity is 11 times that of India's                         |                                                                                                                                                                                           |                                                                                                                                            | Profitability returns to industry, after several years of distress.       |

Source: Indian Steel Association



| DEMAND FORECAST OF STEEL REBARS |               |
|---------------------------------|---------------|
| FINANCIAL YEAR                  | QUANTITY (MT) |
| 2011-12                         | 21.77         |
| 2012-13                         | 22.04         |
| 2013-14                         | 23.91         |
| 2014-15                         | 25.90         |
| 2015-16                         | 28.05         |
| 2016-17                         | 30.39         |
| 2017-18                         | 32.91         |
| 2018-19                         | 35.65         |
| 2019-20                         | 38.61         |
| 2020-21                         | 41.82         |

### Potential growth constraints

**Demand-side constraints:** - The growth in the steel market is expected to be muted in the short term on account of poor growth in core consumer sectors such as infrastructure and construction. The demand is expected to rebound in the latter half of 2015 with growth in infrastructure as announced in the Twelfth Five-year Plan. Growth in the automobile and consumer durable sectors will also support demand growth in the long term.

**Supply-side constraints:** - The large steel players and new entrants have announced capacity addition of about 71 MTPA till 2017. Regulatory hurdles and land acquisition challenges remain the largest supply-side constraint for the Indian steel market. Mining bans in Karnataka and Goa and delays in the execution of announced capital projects can further constrain supply.

### Production

- Steel industry was de-licensed and de-controlled in 1991 & 1992 respectively.
- India is currently the 3rd largest producer of crude steel in the world.
- In 2016-17 (prov.), production for sale of total finished steel (alloy + non alloy) was 100.74 mt, a growth of 10.7% over 2015-16.
- Production for sale of Pig Iron in 2016-17 (prov.) was 9.39 mt, a growth of 1.8% over 2015-16.

- India was the largest producer of sponge iron in the world during the period 2003-201 and was the 2nd largest producer in 2016 (after Iran) . The coal based route accounted for 79% of total sponge iron production in the country in 2016-17 (prov).
- Data on production / production for sale of pig iron, sponge iron and total finished steel (Alloy/stainless + non-alloy) are given below for last five years and April-May 2017:

| <b>Indian steel industry :(in million tonnes)</b>                      |                |                |                |                |                 |                        |
|------------------------------------------------------------------------|----------------|----------------|----------------|----------------|-----------------|------------------------|
| <b>Category</b>                                                        | <b>2012-13</b> | <b>2013-14</b> | <b>2014-15</b> | <b>2015-16</b> | <b>2016-17*</b> | <b>April-May 2017*</b> |
| Pig Iron Production for sale                                           | 6.870          | 7.950          | 9.694          | 9.228          | 9.391           | 1.53                   |
| Sponge Iron Production                                                 | 23.01          | 22.87          | 24.24          | 22.43          | 24.39           | 4.23                   |
| Total Finished Steel Production for sale (alloy/stainless + non alloy) | 81.68          | 87.67          | 92.16          | 90.98          | 100.74          | 17.48                  |
| Source: Joint Plant Committee; *prov.                                  |                |                |                |                |                 |                        |

### **Demand – Availability**

- Industry dynamics including demand – availability of iron and steel in the country are largely determined by market forces and gaps in demand-availability are met mostly through imports.
- Interface with consumers exists by way of meeting of the Steel Consumers’ Council, which is conducted on regular basis.
- Interface helps in redressing availability problems, complaints related to quality.

### **Steel Prices**

- Price regulation of iron & steel was abolished on 16.1.1992. Since then steel prices are determined by the interplay of market forces.
- Domestic steel prices are influenced by trends in raw material prices, demand – supply conditions in the market, international price trends among others.
- An Inter-Ministerial Group (IMG) is functioning in the Ministry of Steel, under the Chairmanship of Secretary (Steel) to monitor and coordinate major steel investments in the country.
- As a facilitator, the Government monitors the steel market conditions and adopts fiscal and other policy measures based on its assessment. Currently, GST of 18% is applicable on steel and there is no export duty on steel items. The government has also imposed export duty of 30% on all forms of iron ore except low grade (below Fe 58%) iron ore lump & fines and iron ore pellets both of which have nil export duty.
- In view of rising imports, the Government had earlier raised import duty on most steel items twice, each time by 2.5% and imposed a gamut of measures including anti-dumping and safeguard duties on a host of applicable iron and steel items. In a further move to curb steel imports, the Indian government banned the production and sale of steel products that does not meet Bureau of Indian Standard (BIS) approval and to check the sale of defective and sub-standard stainless steel products used for making utensils and various kitchen appliances, it issued the Stainless Steel (Quality Control) Order, 2016 for products used in making utensils and kitchen appliances, that will help filter imports of the metal. Again, in February 2016, the Indian Government had imposed the Minimum Import Price (MIP) condition on 173 steel products. The MIP was extended thrice and ceased to be effective in February 2017. Currently, a mix of anti-dumping /safeguard and other measures are in place on a range of steel items to control the inflow of cheap steel. Further, a Steel Price Monitoring Committee has been constituted by the Government with the aim to monitor price rationalization, analyze price fluctuations and advise all concerned regarding any irrational price behavior of steel commodity.

### **Imports**

- Iron & steel are freely importable as per the extant policy.
- Data on import of total finished steel (alloy/stainless + non alloy) is given below for last five years and April-May 2017:

| <b>Indian steel industry : Imports (in million tonnes)</b> |                |                |                |                |                 |                        |
|------------------------------------------------------------|----------------|----------------|----------------|----------------|-----------------|------------------------|
| <b>Category</b>                                            | <b>2012-13</b> | <b>2013-14</b> | <b>2014-15</b> | <b>2015-16</b> | <b>2016-17*</b> | <b>April-May 2017*</b> |
| Total Finished Steel (alloy/stainless + non alloy)         | 7.93           | 5.45           | 9.32           | 11.71          | 7.23            | 1.06                   |
| Source: Joint Plant Committee; *prov.                      |                |                |                |                |                 |                        |

## Exports

- Iron & steel are freely exportable.
- India emerged as a net exporter of total finished steel in 2016-17 (prov.)
- Data on export of total finished steel (alloy/stainless + non alloy) is given below for last five years and April-May 2017:

| <b>Indian steel industry : Exports (in million tonnes)</b> |                |                |                |                |                 |                        |
|------------------------------------------------------------|----------------|----------------|----------------|----------------|-----------------|------------------------|
| <b>Category</b>                                            | <b>2012-13</b> | <b>2013-14</b> | <b>2014-15</b> | <b>2015-16</b> | <b>2016-17*</b> | <b>April-May 2017*</b> |
| <b>Total Finished Steel (alloy/stainless + non alloy)</b>  | 5.37           | 5.99           | 5.59           | 4.08           | 8.24            | 1.38                   |
| Source: Joint Plant Committee; *prov                       |                |                |                |                |                 |                        |

## Levies on Iron & Steel

- This was a levy started for funding modernization, expansion and development of steel sector. The Fund, inter-alia, supports :
  1. Capital expenditure for modernization, rehabilitation, diversification, renewal & replacement of Integrated Steel Plants.
  2. Research & Development
  3. Rebates to SSI Corporations
  4. Expenditure on ERU of JPC
- The SDF levy was abolished on 21.4.94
- Cabinet decided that corpus could be recycled for loans to Main Producers
- Interest on loans to Main Producers is set aside for promotion of R&D on steel etc.
- An Empowered Committee has been set up to guide the R&D effort in this sector.
- EGEAF – Was a levy started for reimbursing the price differential cost of inputs used for engineering exporters. Fund was discontinued on 19.2.96.

## Opportunities for growth of Iron and Steel in Private Sector

### The New Industrial Policy Regime

The New Industrial policy opened up the Indian iron and steel industry for private investment by (a) removing it from the list of industries reserved for public sector and (b) exempting it from compulsory licensing. Imports of foreign technology as well as foreign direct investment are now freely permitted up to certain limits under an automatic route. Ministry of Steel plays the role of a facilitator, providing broad directions and assistance to new and existing steel plants, in the liberalized scenario.

### The Growth Profile

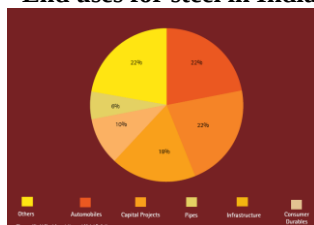
**Steel :** The liberalization of industrial policy and other initiatives taken by the Government have given a definite impetus for entry, participation and growth of the private sector in the steel industry. While the existing units are being modernized/expanded, a large number of new steel plants have also come up in different parts of the country

based on modern, cost effective, state of-the-art technologies. In the last few years, the rapid and stable growth of the demand side has also prompted domestic entrepreneurs to set up fresh greenfield projects in different states of the country. Crude steel capacity was 126.33 mt in 2016-17 (prov.), up by 3.6% over 2015-16 and India, which emerged as the 3rd largest producer of crude steel in the world in 2016 as per provisional ranking released by the World Steel Association, has to its credit, the capability to produce a variety of grades and that too, of international quality standards. The country is expected to become the 2nd largest producer of crude steel in the world soon.

**Pig Iron:** India is also an important producer of pig iron. Post-liberalization, with setting up several units in the private sector, not only imports have drastically reduced but also India has turned out to be a net exporter of pig iron. The private sector accounted for 92% of total production for sale of pig iron in the country in 2016-17 (prov.). The production for sale of pig iron has increased from 1.6 mt in 1991-92 to 9.39 mt in 2016-17 (prov.).

**Sponge Iron:** India, world's 2nd largest producer of sponge iron (2016, prov.), has a host of coal based units located in the mineral-rich states of the country. Over the years, the coal based route has emerged as a key contributor and accounted for 79% of total sponge iron production in the country. Capacity in sponge iron making too has increased over the years and stood at around 43 mt (2015-16).

**End uses for steel in India**



Construction is one of the most important steel-using industries, accounting for more than 50% of world steel production. Buildings - from houses to car-parks to schools and skyscrapers - rely on steel for their strength. Steel is also used on roofs and as cladding for exterior walls.

The world's population is projected to increase by slightly more than one billion people over the next 13 years, reaching 8.6 billion in 2030, and to increase further to 9.8 billion in 2050 and 11.2 billion by 2100 (World Population Prospects the 2017 Revision, United Nations). This will be accompanied by rapid urbanisation. As the need for buildings and infrastructure continues to grow worldwide, reducing consumption of natural resources and associated emissions is crucial for future sustainability.

Steelmakers around the world are increasingly providing construction solutions that enable energy-efficient and low-carbon-neutral buildings. These solutions reduce the environmental impact over the structures' life cycle and help to extend their life span through design for disassembly and reuse.

Steel can provide the solutions to infrastructure and construction needs in developing countries and in climate resilient cities by enabling protective coastal and wind-resistant designs. While buildings currently account for about 20% of global greenhouse gas emissions, they also present many opportunities for reducing emissions and mitigating climate change.

Not only is steel affordable, readily available and safer, its intrinsic properties, such as strength, versatility, durability and 100% recyclability allow for improved environmental performance across the entire life cycle of buildings.

The advanced high-strength steels used in steel-plate applications also find uses in a number of related industries. Offshore oil rigs, bridges, civil engineering and construction machines, rail carriages, tanks and pressure vessels, nuclear, thermal and hydroelectric plants – all these applications benefit from the attributes of modern steels.

(Source: <https://www.worldsteel.org/steel-by-topic/steel-markets/buildings-and-infrastructure.html>)

## OUR BUSINESS

Some of the information contained in the following discussion, including information with respect to our business plans and strategies, contain forward-looking statements that involve risks and uncertainties. You should read the chapter titled “Forward-Looking Statements” beginning on page 13 of this Draft Prospectus, for a discussion of the risks and uncertainties related to those statements and also the section “Risk Factors” beginning on page 14 for a discussion of certain factors that may affect our business, financial condition or results of operations. Our actual results may differ materially from those expressed in or implied by these forward-looking statements. Our financial year ends on March 31 of each year, so all references to a particular financial year are to the twelve-month period ended March 31 of that year.

The financial information used in this section, unless otherwise stated, is derived from our Financial Information, as restated prepared in accordance with Indian GAAP, Companies Act and SEBI Regulations. The following information is qualified in its entirety by, and should be read together with, the more detailed financial and other information included in this Draft Prospectus, including the information contained in the sections titled “Risk Factors” and “Financial Information” beginning on pages 14 and 129, respectively.

### OVERVIEW

Our Company was originally incorporated as Aditya Ultra Steel Private Limited on 27<sup>th</sup> July, 2011 under the provisions of Companies Act, 1956 in the State of Gujarat by Mr. Dipen Rameshbhai Faldu, Pramodkumar Madhavjibhai Makadia, Yogesh Premjibhai Suvariya and Mr. Chirga Lakhani. During the year 2016 -2017 Mr. Varun Manojkumar Jain and Mrs. Varuna Jain acquired all the equity shares of the company from existing shareholders and the control over the company. Subsequently, our Company was converted into a Public Limited Company and the name was changed to “Aditya Ultra Steel Limited” vide fresh Certificate of Incorporation dated 26<sup>th</sup> July, 2018 issued by the Registrar of Companies, Gujarat, Ahmedabad. The Corporate Identification Number of Our Company is U27100GJ2011PLC066552.

Our Company is an ISO 9001:2015 certified Company issued by Bureau Veritas. Our Company is engaged in the business of manufacturing of superior quality TMT bars. Within a short span of time, our Company has carved a niche for itself in the Steel Industry, which is witnessed by growth in Operational Revenue from Rs. 58 crore in fiscal 2017 to 145 crore in fiscal 2018.

Our Company is promoted by team of young entrepreneurs and experienced veterans with proven track records. At present we have an integrated production capacity of 1,00,000 MT for TMT Bars.

In order to expand our business and customer base, we have entered into the following Agreements:

| Sr. No. | Particulars                                                                            | Purpose                                            |
|---------|----------------------------------------------------------------------------------------|----------------------------------------------------|
| 1.      | Retail License Agreement** (RLA) dated September 27, 2018 with Kamdhenu Limited        | Manufacturing and Trading of Kamdhenu NXT TMT Bars |
| 2.      | Retail License Agreement* (RLA) dated September 28, 2018 with Kamdhenu Concast Limited | Manufacturing and Trading of KAY2 TMT Bars.        |

### \*The Salient Features of the Agreement are as under:

- KAMDHENU DREAMZ, a duly registered Partnership Firm having principal place of business at B-619, Sushant Lok, Phase 1, Gurgaon-122002, Haryana is the owner and proprietor of Trademarks (i) KAY2 duly registered no. 2337969 in Class 06 (ii) KAY2 STEEL LABEL duly registered under no. 2585903 in Class 06 and (iii) KAY2 500SD Label applied for registration under no. 3286414 in Class 06 and Copyright duly registered vide number A-114339/2015 alongwith the respective artistic work of the trademarks being protected as copyright both under statutory law and common law [ hereinafter referred to as intellectual Property Rights] and its having exclusive rights, title, interests, users, goodwill and all benefits in the said intellectual Property Right.

- B. The Kamdhenu Concast Limited is engaged in maintaining, marketing, branding, protecting, developing, promoting, quality control, sales and marketing of Steel Products including but not limited to TMT Bars, Structural Steel.
- C. The said partnership firm, KAMDHENU DREAMZ, in order to maintain, market, protect, develop and promote its said intellectual Property Rights in effective manner entered into an Agreement for Promotion and Protection of intellectual Property Rights with the Kamdhenu Concast Limited.
- D. The Kamdhenu Concast Limited by virtue of said Agreement for Promotion and Protection of intellectual Property Rights is entitled to maintain, market, protect, develop and promote the said intellectual Property Rights and enter into Sub-License and/or Retail License Agreement with others for the said purposes.
- E. The Kamdhenu Concast Limited in agreement and association with KAMDHENU DREAMZ has developed a comprehensive market visibility and immense reputation of its corporation image under the said intellectual Property Rights.
- F. The Kamdhenu Concast Limited and AUSL both acknowledge the proprietary rights of KAMDHENU DREAMZ in the said intellectual Property Rights.
- G. The AUSL is desirous of using the Trade Mark KAY2 [hereinafter to as the Trade Mark] on its TMT bars [hereinafter referred to as the “Product”] under the license/sub-license from the Kamdhenu Concast Limited to which the Kamdhenu Concast Limited has agreed on terms and conditions incorporated in this agreement.
- H. The relationship between the Kamdhenu Concast Limited and AUSL hereto is purely commercial and contractual and they are all separate legal entities and are not related to each other.

**Others Terms and condition of the Agreement are:-**

- 1. The AUSL shall use the Trade Mark in relation to the sale of Product only in the state of Gujarat hereto and which may be changed/extended from time to time as may be mutually agreed to by the Parties.
- 2. The AUSL hereby acknowledge and agrees that any goodwill created by the AUSL’s use of the Trade Mark in the territory shall inure to the sole and exclusive benefit of the KAMDHENU DREAMZ who is the owner and proprietor of the Trademark & intellectual Property Rights.
- 3. The AUSL hereby agrees that the Trade Mark shall not be used by the AUSL along with any other trade mark, logo, trade names and trading style etc. in the event that the AUSL wishes to use the Trade along with any other trade mark, logo, trade names and trading style etc. prior written approval of the Kamdhenu Concast Limited shall be obtained by the AUSL.
- 4. If the Kamdhenu Concast Limited finds the short supply of the Product in the permitted area of the AUSL, the Kamdhenu Concast Limited has right to appoint any other/ new unit for manufacturing/ trading/ dealing the Product under the Trade Mark.
- 5. The AUSL shall get a BIS Certificate for the production and manufacture of the Product as its own costs and efforts and only thereafter the said Product shall be manufactured, sold and/or otherwise dealt in the course of trade by the AUSL under the Trade Mark. The AUSL shall manufacture and trade in the said Product under the Trade Mark only and prominently stamp the whole materials with Trade Mark.
- 6. The AUSL shall include in its advertisement in the press and elsewhere and shall to the extent requested by the Kamdhenu Concast Limited place on all its invoices, quotations and other documents, and on goods sold under or by reference to the Trade Mark used in connection with the sale of the Product, a statement to be approved by the Kamdhenu Concast Limited

- a. stating that the Trade Mark is the Trade Mark of the Kamdhenu Concast Limited,
  - b. naming the Kamdhenu Concast Limited
  - c. naming the AUSL and stating the place of manufacture of the Product, subject to compliance with the labeling requirements under the Applicable Laws.
7. The AUSL shall pay a royalty to the Kamdhenu Concast Limited for the use of the Trade Mark as per the terms set out in Annexure hereto and which may be varied from time to time as may be mutually agreed upon by the parties hereto in writing.
  8. The AUSL shall furnish in writing a monthly statement of Production and bill wise sales of the Product, inter alia in both quantity and value under the Trade Mark to the Kamdhenu Concast Limited within two days of the Close of the Month for assessing and maintaining proper and fair accounts inter alia towards the royalty payable to the Kamdhenu Concast Limited and for the purpose ascertaining the adherence of the AUSL to the terms of the Agreement.
  9. The AUSL shall collect all payments and settle all dues against the product under the Trade mark through distributor and dealers network from its own sources and efforts and Kamdhenu Concast Limited shall have no concern or responsibility towards the same.
  10. The Kamdhenu Concast Limited shall authorize the AUSL to use the logo of the Trade Mark on the stationery / printed material only in relation to the working of this Agreement.
  11. The AUSL or any other manufacturer or trader shall be responsible to pay their own Excise Duty / Service Tax/ sale Tax/ VAT/ GST/ other Taxes, penalties and liabilities, if any, in respect of the goods manufactured / sold or to be manufactured / to be sold by each of them respectively and the Kamdhenu Concast Limited shall not in any way be responsible for any such liability or consequences of the other.
  12. The Kamdhenu Concast Limited will be entitled to terminate this Agreement immediately, if the AUSL is misusing the Trade Mark or not following the terms and conditions of this Agreement as to quality of the said Product or delay in payment of Royalty to the Kamdhenu Concast Limited or defamation of the Trade Mark.
  13. In case the AUSL is not in position to continue with the Agreement on account of breach in terms of this Agreement by the Kamdhenu Concast Limited or of problems of non-feasibility/viability/ any other unforeseen reasons, they will give one month advance notice to the Kamdhenu Concast Limited to terminate this Agreement.
  14. In case the AUSL terminate the Agreement without assigning any genuine reason or with the intension to promote any other brand of the similar Product, the AUSL shall be liable to pay compensation of rupees one crore to the Kamdhenu Concast Limited.

**\*\*The Salient Features of the Agreement are as under:**

- A. The Kamdhenu Limited is proprietor and beneficial owner of the Trade KAMDHENU and KAMDHENU formative trademarks and uses the Trade Mark KAMDHENU as word per se in various artistic labels and logos wherein KAMDHENU word forms essential part, in relation to a wide specification of goods and business including steel and steel bars, structural steel, binding wires, building construction materials and related goods .
- B. The trademark KAMDHENU and KAMDHENU formative trademarks of the Kamdhenu Limited are duly registered in favour of the licensor no under The Trademark Act, 1999 with various numbers and class including class 6 beside other which are pending registration under various numbers and classes.
- C. The trademarks KAMDHENU has been declared as well known Trademark of the national by The trademark registry.

- D. The word / mark KAMDHENU forms an essential and material parts of the trade corporate names of the licensor now and the licensor no is the proprietor of the beneficial owner of the Said trade name KAMDHENU.
- E. The Kamdhenu Limited is also proprietor and beneficial owner of the Copyright in the artwork of KAMDHENU, KAMDHENU SS 10000, KAMDHENU GROUP and other KAMDHENU formative trademarks under the Copyright Act, 1957 with various registration number besides other which are pending registration (hereinafter referred to as the “ Copyrights”).
- F. The Kamdhenu Limited is proprietor and beneficial owner of the original double rib design duly registered under the Design Act, 2000 in class 25-01 (hereinafter referred to as the “Double Rib Design”).
- G. The AUSL acknowledges the proprietary right of the Licensor in the Trade Mark KAMDHENU and KAMDHENU formative trademark, copyrights, and the Double Rib Design applied on the TMT Bars (hereinafter collectively referred to as the “ Intellectual Property Rights”) of the Licensor.
- H. The Kamdhenu Limited has evolved and launched KAMDHENU NXT, Double Rib TMT Bar, Next Generation interlock steel under Trademark KAMDHENU NXT (hereinafter referred to as “Trade Mark”).
- I. The Kamdhenu Limited has developed a comprehensive market visibility and immense reputation of its corporate image under its Trade marks KAMDHENU, KAMDHENU NXT and the said intellectual property Rights.
- J. The AUSL is desirous of using the Trademark KAMDHENU NXT on its TMT bars (hereinafter referred to as the “Product”) under the license from the Licensor to which the Licensor has agreed on terms and conditions incorporated in this agreement.
- K. The Relationship between the Kamdhenu Limited and AUSL hereto is purely commercial and contractual and they are all separate legal entities and are not related to each other.

**Others Terms and Conditions are as follows :**

- 1. The AUSL shall use the Trade Mark in relation to the Product only in the areas and territories as mentioned in Annexure-I hereto and which may be changed/ extended from time to time as may be mutually agreed to by the Parties
- 2. The AUSL hereby acknowledges and agrees that any goodwill created by the Licensee’s use of the Trademark in the territory shall inure to the sole and exclusive benefit of Licensor
- 3. he Licensee shall use the Trademark KAMDHENU NXT on its TMT Bar under the Double Rib Design only
- 4. The AUSL hereby agree that the Trade Mark shall not be used by the Licensee along with any other trade Mark, logo, Trade names and trading style etc. In the event that the Licensee wishes to use the Trade Mark along with any other Trade mark, logo, Trade names, Trading style etc. prior written approval of the Licensor shall be obtained by the Licensee.
- 5. If the Kamdhenu Limited finds the short supply of the Product in the permitted area of the Licensee, the Licensor has right to appoint any other/ new unit for manufacturing / trading / dealing the Product under the Trade Marks.

6. The AUSL shall get a BIS Certificate for the production and manufacture of the Product as its own costs and efforts and only thereafter the said Product shall be manufactured, sold and/or otherwise dealt in the course of trade by the Licensee under the Trade Mark. The Licensee shall manufacture and trade in the said Product under the Trade Mark only and prominently stamp the whole materials with Trade Mark.
7. The AUSL shall include in its advertisement in the press and elsewhere and shall to the extent requested by the Licensor place on all its invoices, quotations and other documents, and on goods sold under or by reference to the Trade Mark used in connection with the sale of the Product, a statement to be approved by the Licensor (a) stating that the Trade Mark is the Trade Mark of the Licensor, (b) naming the Licensor (c) naming the licensee and stating the place of manufacture of the Product, subject to compliance with the labeling requirements under the Applicable Laws.
8. The AUSL shall pay a royalty to the licensor for the use of the Trade Mark as per the terms set out in Annexure hereto and which may be varied from time to time as may be mutually agreed upon by the parties hereto in writing.
9. The AUSL shall furnish in writing a monthly statement of Production and bill wise sales of the Product, inter alia in both quantity and value under the Trade Mark to the Licensor within two days of the Close of the Month for assessing and maintaining proper and fair accounts inter alia towards the royalty payable to the Kamdhenu Limited and for the purpose ascertaining the adherence of the Licensee to the terms of the Agreement.
10. The AUSL shall collect all payments and settle all dues against the product under the Trade mark through distributor and dealers network from its own sources and efforts and Licensor shall have no concern or responsibility towards the same.
11. The Kamdhenu Limited shall authorize the Licensee to use the logo of the Trade Mark on the stationery / printed material only in relation to the working of this Agreement.
12. The AUSL or any other manufacturer or trader shall be responsible to pay their own Excise Duty / Service Tax/ sale Tax/ VAT/ GST/ other Taxes, penalties and liabilities, if any, in respect of the goods manufactured / sold or to be manufactured / to be sold by each of them respectively and the Licensor shall not in any way be responsible for any such liability or consequences of the other.
13. The Kamdhenu Limited will be entitled to terminate this Agreement immediately, if the Licensee is misusing the Trade Mark or not following the terms and conditions of this Agreement as to quality of the said Product or delay in payment of Royalty to the Licensor or defamation of the Trade Mark
14. In case the AUSL is not in position to continue with the Agreement on account of breach in terms of this Agreement by the Licensor or of problems of non-feasibility/viability/ any other unforeseen reasons, they will give one month advance notice to the Licensor to terminate this Agreement.
15. In case the AUSL terminate the Agreement without assigning any genuine reason or with the intension to promote any other brand of the similar Product, the Licensee shall be liable to pay compensation of rupees one crore to the Kamdhenu Limited.

Our Company has tied up with a leading TMT bar Manufactures i.e. Kamdhenu, which had agreed to sell the Company's TMT bars under their own brand name for a royalty fee. We believe in manufacturing and delivering "Quality". Qualitative production has always been emphasized at Aditya Ultra Steel Limited. Our products conform to BIS standard of steel.

Additionally, our Company manufactures and supplies TMT Bars to other industrial customers (other than Kamdhenu) as well.

#### ADVANTAGES OF TMT BARS:

- **Better Safety of structures** – This is because of higher strength combined with higher ductility.
- **Easy working at site** – This is owing to better ductility and bendability. Pre-welded meshes can be made to eliminate manual binding at site. It reduces construction and fabrication time.
- **Resists fire** – Unlike TOR steel/ CTD Reinforcement bars, TMT bars have high thermal stability. They are the preferred choice when elevated temperatures of 400-600° C may be encountered (Chimneys, fires).
- **Resists corrosion** – The TMT process gives the bar superior strength and anti-corrosive properties. Controlled water-cooling prevents the formation of coarse carbides, which has been cited as the main cause for the corrosive nature of common bar. Another reason for better corrosion resistance is the absence of surface stresses caused by the cold twisting process.
- **Formability** – Due to very high elongation values and consistent properties throughout the length of the bar, TMT bars have excellent workability and bendability.
- **Earthquake resistance** – The soft ferrite-pearlite core enables the bar to bear dynamic and seismic loading. TMT bars have high fatigue resistance to Dynamic/ Seismic loads due to their higher ductility quality. This makes them most suitable for use in earthquake prone areas.
- **Malleability** – TMT bars are most preferred because of their flexible nature.
- **Fine welding features:** TMT rebars (having low carbon content) can be used for weld joints without reduction in strength at the weld joints.
- **Bonding strength** – External ribs running across the entire length of the TMT bar give superior bonding strength between the bar and the concrete. It fulfills bond requirements as per IS: 456/78 and IS: 1786/85.
- **Cost-effective** – A high tensile strength and better elongation value gives great savings and reduced transportation costs.

#### TMT BARS FIND WIDE APPLICATIONS IN DIFFERENT SPHERES:

- General purpose concrete re-enforcement structures
- Bridges, Flyovers
- Dams
- High rise buildings
- Industrial structures
- Concrete roads
- Underground structures
- 

#### OUR REVENUES AND PROFITABILITY FOR THE LAST THREE YEARS IS DEPICTED BELOW:

| (₹ in Lakhs)             |           |           |           |
|--------------------------|-----------|-----------|-----------|
| Particulars              | 2017 – 18 | 2016 – 17 | 2015 - 16 |
| Revenues from operations | 14,578.04 | 5,804.68  | 2,747.18  |
| EBIDTA                   | 588.09    | 242.91    | (290.68)  |
| Profit after tax         | 467.96    | 201.21    | (319.94)  |

## GEOGRAPHICAL SALES FOR THE FY 2017-18:

As of today, we sell our entire products in the state of Gujarat through distributors of Kamdhenu.

## OUR PRODUCTS:

We Produce only one product i.e TMT Bars, The various size of the TMT Bars and their usage are as under:-

| PRODUCT                                                                                                                                                                                        | USAGE                                                                                                                                                                                                                                                          |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|  <p>8 MM</p>                                                                                                  | <p>8 MM TMT Bar is mainly use in construction. It is used for making ring which are attached or fitted in pillar structure and linter structure. It helps in providing the support to pillar structure or Linter Structure in the process of construction.</p> |
|  <p>10 MM</p>  <p>12 MM</p> | <p>10 MM &amp; 12 MM TMT Bars which are used for building up of roof top in RCC slab which is recommended for carrying heavy Loads. in many RCC structure such as Columns, Beams, Slabs, Cantilever etc.</p>                                                   |
|  <p>16 MM</p>                                                                                               | <p>16 MM TMT Bar is mainly used for constructions that is Ground Floor plus one and above. For Such type of construction, 16mm TMT bars are recommended in order to bear the load of upper Floors.</p>                                                         |

|                                                                                                       |                                                                                                                                                                                                                                                              |
|-------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|  <p><b>20 MM</b></p> |                                                                                                                                                                                                                                                              |
|  <p><b>25 MM</b></p> |                                                                                                                                                                                                                                                              |
|  <p><b>32 MM</b></p> | <p>20MM, 25 MM &amp; 32 MM TMT bars are advised for bringing up the Foundational work stronger, the thickness of such rods provides more grip and which sustains the load of the Upper Floors. Such bars are taken up for construction of huge projects.</p> |

#### CUT LENGTH BARS

Against the specific requirement of particular Length of bars, we can also supply the cut length bars which saves time and wastage. We can supply the cut length bars of any dia. ranging 8mm to 32mm.

#### GRADES OF TMT BARS:

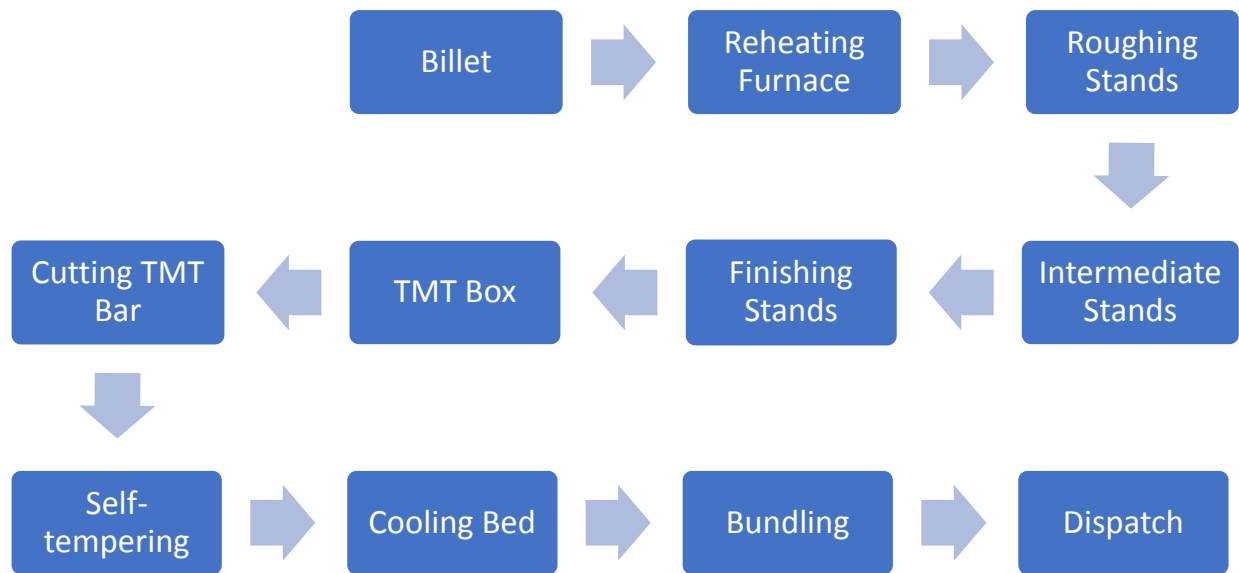
The grades of TMT bars are nothing but the various compositions. The TMT bars made of these compositions determine the various characteristics of TMT bars such as malleability, hardness, etc.

The chemistry of the steel used for the production of TMT bars are as under:

| Parameter            | Fe415 | Fe500 | Fe550 | Fe415D | Fe500D |
|----------------------|-------|-------|-------|--------|--------|
| Carbon               | 0.30  | 0.30  | 0.30  | 0.25   | 0.25   |
| Sulphur              | 0.060 | 0.055 | 0.055 | 0.045  | 0.040  |
| Phosphorus           | 0.060 | 0.055 | 0.055 | 0.045  | 0.040  |
| Sulphur & Phosphorus | 0.110 | 0.105 | 0.100 | 0.085  | 0.075  |
| CE                   | 0.42  | 0.42  | 0.42  | 0.42   | 0.42   |

#### MANUFACTURING PROCESS

TMT (Thermo Mechanical Treatment) Bars can be described as new generation-high strength steel having superior properties such as weld ability, strength, ductility and tensile strength, which meet the highest international quality standards. The 6 meter billets cut in 3 mm size and heat in coal fire Furnace. They are fire resistant and can withstand temperature up to 600°C and can retain significant strength even at higher temperatures. They are corrosion resistant and are very useful for humid climate. Due to their soft ferrite - pearlite core, they can withstand significant load. One of the special features of these bars is the ability to withstand bending without losing strength. Their weldability and bonding strength is very high and thus, being cost effective, they are widely used and preferred.

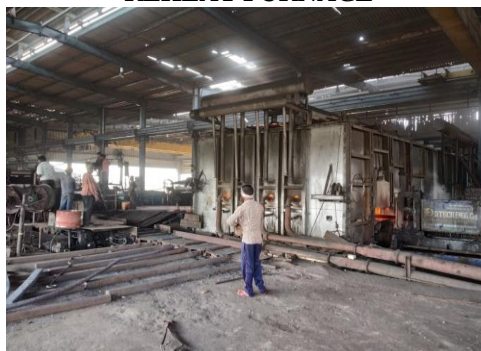


#### BILLET YARD



In this process 6 meter billets comes and unload in the billet yard with the help of crane and then cut as per the required size into furnace and push up with the help of a crane.

#### REHEAT FURNACE



The heating process in a reheating furnace is a continuous process where the steel stock is charged at the furnace entrance, heated in the furnace upto 600 degree Celsius and discharge at the furnace exit.

## ROUGHING, INTERMEDIATE AND FINISHING STANDS



**Roughing Mill**



**Inter Rolling Mill**



**Finish Stand of Mill**

The steel roughing rolling mill stands are used to reduce the thickness of the steel while at the same time extending the overall length.

## TMT Box/Quenching Box



One of the most important parts of the plant is the TMT box where all finished stand TMT pass through. When the hot reinforced bar leaves the final rolling mill stand, it is instantaneously quenched – a type of heat treatment where the rebars are rapidly cooled by water in a quenching box to obtain certain material properties. Quenching prevents the occurrence of undesired processes such as phase transformations. It accomplishes this by reducing the time frame during which these undesired reactions have a higher chance of occurring. Also, the sudden drastic change in temperature toughens the outer layer of the steel bar, thus enhancing its tensile strength and durability. This is because quenching converts the outer surface of the reinforced bar to Martensite, a hard form of steel and causes it to shrink, which in turn pressurizes the core, thus helping to form the correct crystal structures. As a result of this process, the surface of the quenched bar becomes cold and hardened, while the core still remains hot.

## TMT BAR CUTTING



TMT bars forming is generally divided into: shearing, bending and threading. The steel bar cutting production line adopts the computer control technology, which can realize the steel bar auto-sizing. After cutting off by flying shear, the steel bar can be moved to the designated storage rack and stored according to the specifications.

### **COLLING BED**



After the self-tempering process, the bars are subjected to atmospheric cooling to equalize the temperature difference between the soft inner core and the hardened exterior. Once the bars are completely cooled down, the austenitic core gets transformed into a ductile ferrite-pearlite structure.

### **SELF TEMPERING**



After leaving the quenching box, a temperature gradient is formed through the cross-section of the quenched bar. As a result, heat flows from the core, as it is at a relatively higher temperature to the outer surface. This causes the correct tempering of the outer martensitic layer into a structure called Tempered Martensite and the formation of an intermediate ring of Martensite and Bainite (a plate-like microstructure). The core still stays in the austenitic (a typical cubical crystalline structure, commonly called as gamma-phase iron) state at this stage.

### **BUNDLING TMT**



In bundling TMT, all bar bundled in different size and weight and stock in factory shed.

## DISPATCH



After stacking all the TMT bar is dispatch to the distributors / Customers

### OUR COMPETITIVE STRENGTHS

#### 1. Qualified and experienced management team

Our Company is managed by a team of professionals led by our Managing Director – Mr. Varun Manojkumar Jain. We believe that the leadership and vision of our Promoters have been instrumental in driving our growth and implementing our business strategies. Our management team has the requisite experience to manage the current scale of business as well as the expansion plans for the future. We believe that we have achieved a measure of success in attracting an experienced senior management team with operational and technical capabilities, management skills, business development experience and financial management skills.

#### 2. Skilled and dedicated manpower

Our Company is managed by a team of experienced personnel. We believe that our management team's experience and their understanding of the industry enable us to continue to take advantage of both current and future market opportunities. We take pride in relating our success to our employees for their consistent efforts and dedication they have shown towards the Company. We require application of high levels of technology at key stages of design and manufacturing processes.

#### 3. Existing customer relationship

We believe that we constantly try to address customer needs which help us to maintain a long term working relationship with our customers and improve our customer retention strategy. We believe that our existing relationship with our customers represents a competitive advantage in gaining new customers and increasing our business.

#### 4. Cordial relationship between management and labour

Our management has successfully maintained harmonious relations with our workforce. Our management has been able to match the goals and objectives of the company with the goals and expectations of the workforce. There has been no union of our employees. Further, we have not faced any strikes, lock – outs or any other labour protests in our organization since the inception of our business.

## OUR STRATEGIES

### 1. Brand image :

We intend to build our brand primarily through continued investment in product innovation supported by research and development initiatives, marketing activities and the establishment of long – term relationships with our clients. In the face of increased competition, we believe that it is critical that we maintain the advantages that our products offer over the products of our competitors. We are highly conscious about our brand image and intend to continue our brand building exercise by providing excellent products as per the client's requirements.

### 2. Augment our working capital base in order to better utilize our installed capacity:

Our manufacturing of TMT bar is working capital intensive. We need to maintain sufficient inventory for the production process and also maintain a balance between debtors and creditors cycle. Since, we are not fully utilising our installed capacities, our growth depends on our ability to increase our utilization over the next few years and also adding new capacity subsequently. This expansion needs access to a larger amount of liquid funds and sufficient working capital. The same are proposed to be funded from the IPO proceeds and from Banking Facilities.

### 3. Focus on consistently meeting quality standards

Our Company intends to focus on adhering to the quality standards of the products and services. This is necessary so as to make sure that we get repeat orders from our customers. Quality of the product and services is very important for the company from both customer point of view and regulatory point of view. Providing the desired and quality products help us in enhancing our reputation and maintaining long term relationships with customers.

### 4. Optimal Utilization of Resources and Incentives

Our Company constantly endeavours to improve production process, skill up-gradation of workers, modernization of machineries to optimize the utilization of resources. We regularly analyze our existing raw material procurement and manufacturing processes to identify the areas of bottlenecks and correct the same. All such efforts and initiatives helps the Company in improving its efficiency and productivity. Over the years we have developed cordial relationship with our suppliers as well as clients. This has helped us being well recognized in specialized steel wire. We intend to invest in developing and enhancing our reputation, through building efforts, communication and promotional initiatives. This is a continuous exercise which would result in an increase of sales and profitability.

## SWOT ANALYSIS

| Strengths                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | Weaknesses                                                                                                                                                                                                                                                   |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <ol style="list-style-type: none"> <li>1. Experience of our promoters.</li> <li>2. Cordial relations with customers.</li> <li>3. The Company has tied up with branded TMT bar Manufacturers, who have agreed to sell the Company's TMT bars under their own brand name for a royalty fee.</li> <li>4. The Company's location has strategic advantage in term of infrastructural facilities like uninterrupted power supply, water etc.</li> <li>5. Established manufacturing facility.</li> <li>6. Quality control is highest priority.</li> </ol> | <ol style="list-style-type: none"> <li>1. Intense competition from several unorganized players.</li> <li>2. Demand of TMT bars depends on infrastructure growth and economic growth.</li> <li>3. No Control on price fluctuations of raw material</li> </ol> |
| Opportunities                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | Threats                                                                                                                                                                                                                                                      |
| <ol style="list-style-type: none"> <li>1. Growing domestic market</li> <li>2. Huge Infrastructure demand</li> </ol>                                                                                                                                                                                                                                                                                                                                                                                                                                | <ol style="list-style-type: none"> <li>1. There are no entry barriers in our industry, which puts us to the threat of competition from new entrants.</li> <li>2. Slow growth in infrastructure development</li> </ol>                                        |

## INSTALLED CAPACITY

| Particulars                       | Present Capacity |            |            | Proposed Capacity |            |            |
|-----------------------------------|------------------|------------|------------|-------------------|------------|------------|
|                                   | FY 2015-16       | FY 2016-17 | FY 2017-18 | FY 2018-19        | FY 2019-20 | FY 2020-21 |
| <b>Installed Capacity (in MT)</b> | 100,000          | 100,000    | 100,000    | 100,000           | 100,000    | 100,000    |
| <b>Actual Production (in MT)</b>  | 9011             | 19,104     | 36,856     | 78,000            | 88,000     | 90,000     |
| <b>Capacity Utilization (%)</b>   | 9.01%            | 19.10%     | 36.86%     | 78.00%            | 88.00%     | 90.00%     |

## COLLABORATIONS

As on the date of this DRHP, our Company has not entered into any technical or other collaboration/ Tie-ups/ Joint Ventures.

## EXPORT OBLIGATION

As on the date of this DRHP, our Company do not have any export related obligations.

## SALES AND MARKETING STRATEGY

Our success lies in the strength of our relationship with our customers who have been associated with our Company for a long period. We have experienced & skill management team to motivate the sub-ordinates & staff to step towards their achievements & organizational goals. With their efficient management skills & co-ordination with sub-ordinate, they are always working as a catalyst to encourage the entire team for the development & nourishment of the organization. Our team through their vast experience and good rapport with clients owing to timely and quality delivery of service plays an instrumental role in creating and expanding a work platform for our Company.

Our Company is focusing on expanding our existing range of products in line with this vision our strategy is to add new products to the existing product range and comes out with new business ideas.

## RAW MATERIAL

All our TMT Bars are manufactured using Billets. In our country, Ingots are a popular and cheap replacement for billets in production of TMT Bars. However, TMT Bars produced from Ingots suffer from deficiency in tensile strength and elongation. Thus we avoid the use of Ingots. Further we have integrated process plant, we are able to control the chemical properties of billets to suit the requirement of TMT Bars resulting into superior quality of TMT Bars, which is not feasible with the use of INGOTS.

## UTILITIES

### Power:

The total power requirement for our current manufacturing facility is 2500 KVA which is met by power connection sanction load of 2500 KVA from paschim Gujarat Vij Company Limited.

The requirement of power works out to about 100 units per MT for production of TMT

### Water:

Water is required in the manufacturing process, both in the Induction Furnace and in the Rolling Mill as detailed below:

The TMT bar is rapidly cooled/ quenched in high pressure water jacket/ spray system as it emerges from the finishing stand of the Rolling Mill.

The production process involves recycling of water. Hence, only minimum make-up water is required for the manufacturing process. In addition, water is required for washing, cleaning, drinking and sanitation purposes. The average make-up water required for the project would be 20 KL per day per bore well.

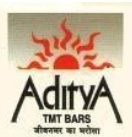
There were three existing bore wells at the site at the time of purchase.

#### Manpower:

#### Department wise employee breakup of permanent employees

| Department                                                      | Number of Employees |
|-----------------------------------------------------------------|---------------------|
| Management of Company (Managing Director & Whole Time Director) | 2                   |
| Production                                                      | 53                  |
| Human Resource and General Administration                       | 2                   |
| Maintenance                                                     | --                  |
| Accounts, Finance & Secretarial                                 | 4                   |
| Quality Assurance and Quality Control                           | 6                   |
| Store Purchase and Sale                                         | 7                   |
| <b>Total</b>                                                    | <b>74</b>           |

#### INTELLECTUAL PROPERTY

| Sr. No. | Trademark                                                                           | Class of Trademark | Registration No. | Date of Grant of Registration | Validity          |
|---------|-------------------------------------------------------------------------------------|--------------------|------------------|-------------------------------|-------------------|
| 1.      |  | 6                  | 2255538          | September 9, 2016             | December 23, 2021 |
| 2.      | ADITYA ISPAT                                                                        | 6                  | 2255539          | September 9, 2016             | December 23, 2021 |
| 3.      |  | 6                  | 2284509          | July 14, 2017                 | February 16, 2022 |
| 4.      |  | 6                  | 2352608          | September 23, 2016            | June 22, 2022     |

## PROPERTY

### Leasehold/Rental Properties:

| Sr. No. | Licensor of Agreement   | Nature of Agreement | Description of Property                                                      | Consideration | Period of Agreement                | Purpose           |
|---------|-------------------------|---------------------|------------------------------------------------------------------------------|---------------|------------------------------------|-------------------|
| 1       | M/s. VMS Industries Ltd | Lease Agreement     | 808/C Pinnacle Business Park, Corporate Road, Prahladnagar, Ahmedabad-380015 | 5000/-        | 3 years from the date of Agreement | Registered office |

### Owned Properties

| Sr. No. | Party Name                  | Nature of Agreement | Description of Property                                                                      | Purpose |
|---------|-----------------------------|---------------------|----------------------------------------------------------------------------------------------|---------|
| 1       | M/s. Aditya Ultra Steel Ltd | N.A.                | Near Wankaner Boundary, N. H. 8-B, Bhalgam, Taluka Wankaner, Dist - Rajkot, Gujarat - 363621 | Factory |

## INSURANCES

The Insurance Policies covered by the Company are:

|                                    |                                                                                                 |
|------------------------------------|-------------------------------------------------------------------------------------------------|
| <b>Coverage</b>                    | Standard Fire & Specials Perils Policy                                                          |
| <b>Policy No.</b>                  | PFS/I2512755/22/03/005646                                                                       |
| <b>Agency</b>                      | Bharti AXA General Ins. Co. Ltd.                                                                |
| <b>Location and assets covered</b> | Building- Superstructure<br>Plant<br>Earthquake (Fire and Shock) (STFI covered)<br>STFI covered |
| <b>Sum insured</b>                 | 4950.00 lacs                                                                                    |
| <b>Total premium</b>               | 65711.00                                                                                        |
| <b>From</b>                        | March 05, 2018                                                                                  |
| <b>Valid up to</b>                 | March 04, 2019                                                                                  |

## KEY INDUSTRY REGULATIONS AND POLICIES

*The following description is a summary of the relevant regulations and policies as prescribed by the Government of India and other regulatory bodies that are applicable to the Company. The information detailed in this chapter has been obtained from various legislations, including rules and regulations promulgated by the regulatory bodies that are available in the public domain. The regulations and policies set out below may not be exhaustive and are only intended to provide general information to the investors and are neither designed nor intended to be a substitute for professional advice. The Company may be required to obtain licenses and approvals depending upon the prevailing laws and regulations as applicable. For details of such approvals, please see chapter on “Government and Other Approvals” on page 172 of this Draft Red Herring Prospectus.*

### **A. INDUSTRY RELATED REGULATIONS**

The following is an indicative list of industry related laws that are applicable to our Company:

#### ***Micro, Small and Medium Enterprises Development Act, 2006 (“The MSMED Act”)***

The MSMED Act (as amended from time to time) seeks to facilitate the development of micro, small and medium enterprises. The MSMED Act provides for the memorandum of micro, small and medium enterprises to be submitted by the relevant enterprises to the prescribed authority. While it is compulsory for medium enterprises engaged in manufacturing to submit the memorandum, the submission of the memorandum by micro and small enterprises engaged in manufacturing is optional. The MSMED Act defines a supplier to mean a micro or small enterprise that has filed a memorandum with the concerned authorities. The MSMED Act ensures that the buyer of goods makes payment for the goods supplied to him immediately or before the date agreed upon between the buyer and supplier. The MSMED Act provides that the agreed period cannot exceed forty-five days from the day of acceptance of goods. The MSMED Act also stipulates that in case the buyer fails to make payment to the supplier within the agreed period, then the buyer will be liable to pay compound interest at three times of the bank rate notified by the Reserve Bank of India from the date immediately following the date agreed upon. The MSMED Act also provides for the establishment of the Micro and Small Enterprises Facilitation Council (‘Council’). The Council has jurisdiction to act as an arbitrator or conciliator in a dispute between the supplier located within its jurisdiction and a buyer located anywhere in India.

#### ***The Factories Act, 1948***

This Act came into force on April 01, 1949 and extends to the whole of India, including Jammu and Kashmir. It has been enacted to regulate working conditions in factories and to ensure the provision of the basic minimum requirements for safety, health and welfare of the workers as well as to regulate the working hours, leave, holidays, employment of children, women, etc. It ensures annual leaves with wages, provides additional protection from hazardous processes, additional protection to women workers and prohibition of employment of children. The Factories Act defines a factory to cover any premises which employs ten (10) or more workers and in which the manufacturing process is carried on with the aid of power and any premises where there are at least twenty (20) workers even though there is no electricity aided manufacturing process being carried on. It was enacted primarily with the object of protecting workers from industrial and occupational hazards. Under this statute, an approval must be granted prior to the setting up of the factory and a license must be granted post the setting up of the same, by the Chief Inspector of Factories. In case of contravention of any provision of the Factories Act or rules framed there under, the occupier and the manager of a factory may be punished with the imprisonment for a term of up to two (2) years or with a fine of up to Rs. 100,000 or with both, and in case of a contravention continuing after conviction, with a fine.

#### ***The Bureau of Indian Standards Act, 2016***

The Bureau of Indian Standards Act, 1986 replaced by the new Bureau of Indian standards (BIS) Act 2016 which was notified on 22<sup>nd</sup> March 2016 and has been brought into force with effect from 12th October 2017 for the harmonious development of the activities of standardization, marking and quality certification of goods and for matters connected therewith or incidental thereto. The Act provides for the establishment of bureau for the standardization, marking and quality certification of goods. Functions of the bureau include, inter-alia, (a)

recognizing as an Indian standard, any standard established for any article or process by any other institution in India or elsewhere; (b) specifying a standard mark which shall be of such design and contain such particulars as may be prescribed to represent a particular Indian standard; and (c) conducting such inspection and taking such samples of any material or substance as may be necessary to see whether any article or process in relation to which the standard mark has been used conforms to the Indian Standard or whether the standard mark has been improperly used in relation to any article or process with or without a license.

The new Act also allows multiple type of simplified conformity assessment schemes including self-declaration of conformity against a standard which will give simplified options to manufacturers to adhere to the standards and get certificate of conformity. The Act enables the Central Government to appoint any authority/agency, in addition to the BIS, to verify the conformity of products and services to a standard and issue certificate of conformity.

### ***The Legal Metrology Act, 2009 (“L.M. Act”)***

L.M. Act governs the standards/units/denominations used for weights and measures as well as for goods which are sold or distributed by weight, measure or number. It also states that any transaction/contract relating to goods/class of goods shall be as per the weight/measurement/numbers prescribed by the L.M. Act. Moreover, the L.M. Act prohibits any person from quoting any price, issuing a price list, cash memo or other document, in relation to goods or things, otherwise than in accordance with the provisions of the L.M. Act. The specifications with respect to the exact denomination of the weight of goods to be considered in transactions are contained in the Rules made by each State. Accordingly, Legal Metrology (General) Rules, 2011 is also applicable to the Company.

## **B. LABOUR RELATED REGULATIONS**

The following is an indicative list of labour related laws that are applicable to our Company:

### ***Industrial Disputes Act, 1947 (“ID Act”)***

The ID Act provides the machinery and procedure for the investigation and settlement of industrial disputes. It also provides certain safeguards to workers and aims to improve the service conditions of industrial labour. When a dispute exists or is apprehended, the appropriate government is empowered to refer the dispute to an authority mentioned under the ID Act in order to prevent the occurrence or continuance of the dispute. Reference may be made to a labour court, tribunal or arbitrator to prevent a strike or lock-out while a proceeding is pending. Wide powers have been given to the labour courts and tribunals under the ID Act while adjudicating a dispute to grant appropriate relief such as modification of contract of employment or to reinstate workmen with ancillary relief.

### ***Employees Provident Fund and Miscellaneous Provisions Act, 1952 (“EPF Act”)***

Under the EPF Act, compulsory provident fund, family pension fund and deposit linked insurance are payable to employees in factories and other establishments. The legislation provides that an establishment employing more than 20 (twenty) persons, either directly or indirectly, in any capacity whatsoever, is either required to constitute its own provident fund or subscribe to the statutory employee’s provident fund. The employer of such establishment is required to make a monthly contribution to the provident fund equivalent to the amount of the employee’s contribution to the provident fund. There is also a requirement to maintain prescribed records and registers and filing of forms with the concerned authorities. The EPF Act also prescribes penalties for avoiding payments required to be made under the abovementioned schemes.

### ***The Payment of Bonus Act, 1965 (“POB Act”)***

The POB Act provides for payment of minimum bonus to factory employees and every other establishment in which 20 or more persons are employed and requires maintenance of certain books and registers and filing of monthly returns showing computation of allocable surplus, set on and set off of allocable surplus and bonus due.

### ***Payment of Gratuity Act, 1972***

Under the Payment of Gratuity Act, 1972 an employee in a factory is deemed to be in 'continuous service' for a period notwithstanding that his service has been interrupted during that period by sickness, accident, leave, absence without leave, lay-off, strike, lock out or cessation of work not due to the fault of the employee, or the employee has worked at least two hundred and forty (240) days in a period of twelve (12) months or one hundred and twenty (120) days in a period of six (6) months immediately preceding the date of reckoning. An employee, who after having completed at least five (5) continuous years of service in an establishment resigns, retires, or is disabled due to an accident or disease, is eligible to receive gratuity. To meet this liability, employers of all establishments to which the legislation applies are liable to contribute towards gratuity.

### ***Minimum Wages Act, 1948 ("MW Act") read with the Gujarat Minimum Wages Rules, 1961***

The Minimum Wages Act, 1948 came into force with an objective to provide for the fixation of a minimum wage payable by the employer to the employee. Every employer is mandated to pay the minimum wages to all employees engaged to do any work skilled, unskilled, and manual or clerical (including out-workers) in any employment listed in the schedule. Variable Dearness Allowance is fixed based on Consumer Price Index of the previous calendar year under this Act. Gujarat Government has enacted the Gujarat Minimum Wages Rules, 1961 for the effective administration and monitoring of Minimum Wages Act, 1948. In Gujarat minimum wages are fixed on the advice of the State Level Minimum Wages Advisory Board.

### ***The Workmen Compensation Act, 1923 ("WCA") read with the Gujarat Workmen's Compensation Rules, 1967***

The WCA has been enacted with the objective to provide for the payment of compensation to workmen by employers for injuries by accident arising out of and in the course of employment, and for occupational diseases resulting in death or disablement. The WCA makes every employer liable to pay compensation in accordance with the WCA if a personal injury/ disablement/ loss of life is caused to a workman (including those employed through a contractor) by accident arising out of and in the course of his employment. In case the employer fails to pay compensation due under the WCA within one month from the date it falls due, the commissioner appointed under the WCA may direct the employer to pay the compensation amount along with interest and may also impose a penalty.

The Gujarat Workmen's Compensation Rules, 1967 are applicable to the Company. The Rules provide revisions governing deposit of compensation, medical examinations of workers along with notice, statements and reports on accidents among other procedures.

### ***The Maternity Benefit Act, 1961***

The purpose of the Maternity Benefit Act, 1961 is to regulate the employment of pregnant women in certain establishments for certain periods and to ensure that they get paid leave for a specified period before and after childbirth, or miscarriage or medical termination of pregnancy. It inter alia provides for payment of maternity benefits, medical bonus and prohibits the dismissal of and reduction of wages paid to pregnant women.

### ***The Equal Remuneration Act, 1976 and Equal Remuneration Rules, 1976***

The Constitution of India provides for equal pay for equal work for both men and women. To give effect to this provision, the Equal Remuneration Act, 1976 was implemented. The Act provides for payment of equal wages for equal work of equal nature to male or female workers and for not making discrimination against female employees in the matters of transfers, training and promotion etc.

### ***The Employees Compensation Act, 1923 ("EC Act")***

EC Act provides for payment of compensation to injured employees or workmen by certain classes of employers for personal injuries caused due to an accident arising out of and during the course of employment. Under the EC Act, the amount of compensation to be paid depends on the nature and severity of the injury. There are separate methods of calculation or estimation of compensation for injury sustained by the employee. The employer is required to

submit to the Commissioner for Employees' Compensation a report regarding any fatal or serious bodily injury suffered by an employee within seven days of receiving a notice.

#### ***The Trade Unions Act, 1926 ("TU Act")***

The TU Act, 1926 was enacted to provide for the registration of trade unions and for defining the law in relation to trade unions. This legislation sets out the procedure for registration of trade unions and also provides the rights and liabilities of registered trade unions. The statute also provides immunity to registered trade unions from civil suits in certain cases. This legislation is of great significance for those organizations whose workers have organized and formed registered trade unions.

#### ***The Payment of Wages Act, 1936***

The Payment of Wages Act, 1936 is a central legislation which applies to the persons employed in the factories and to persons employed in industrial or other establishments specified in sub-clauses (a) to (g) of clause (ii) of section 2 of the Act. This Act does not apply on workers whose wages payable in respect of a wage period average Rs. 1,600 a month or more. The Act has been enacted with the intention of ensuring timely payment of wages to the workers and for payment of wages without unauthorized deductions. A worker, who either has not been paid wages in time or an unauthorized deductions have been made from his/her wages, can file a claim either directly or through a Trade Union or through an Inspector under this Act, before with the Authority appointed under the Payment of Wages Act.

#### ***Child Labour (Prohibition and Regulation) Act, 1986 ("CLPR Act")***

CLPR Act provides for prohibiting engagement of children below 14 years in factories, mines and hazardous employments and regulates the conditions of their employment in certain other employments. The CLPR Act aims to regulate the number of hours, period of work and holidays to be given to child laborers. It specifies that the employer has to mandatorily furnish certain information regarding employment of child labour to the inspector and maintain a register which would contain details regarding the child laborers. The CLPR Act also provides for health and safety measures to be complied with by the employer.

#### ***The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 ("SHWW Act")***

SHWW Act provides for the protection of women at work place and prevention of sexual harassment at work place. The SHWW Act also provides for a redressal mechanism to manage complaints in this regard. Sexual harassment includes one or more of the following acts or behavior namely, physical contact and advances or a demand or request for sexual favors or making sexually colored remarks, showing pornography or any other unwelcome physical, verbal or nonverbal conduct of sexual nature. The SHWW Act makes it mandatory for every employer of a workplace to constitute an Internal Complaints Committee which shall always be presided upon by a woman. It also provides for the manner and time period within which a complaint shall be made to the Internal Complaints Committee i.e. a written complaint is to be made within a period of 3 (three) months from the date of the last incident. If the establishment has less than 10 (ten) employees, then the complaints from employees of such establishments as also complaints made against the employer himself shall be received by the Local Complaints Committee.

### **C. TAX RELATED LEGISLATIONS**

The following is an indicative list of tax related laws that are applicable to our Company:

#### ***Income Tax Act, 1961***

Income Tax Act, 1961 is applicable to every Domestic / Foreign Company whose income is taxable under the provisions of this Act or Rules made under it depending upon its residential status and type of income involved. Under Section 139(1) every Company is required to file its Income Tax Return for every Previous Year by 30th

September of the Assessment Year. Other compliances like those relating to Tax Deduction at Source, Fringe Benefit Tax, Advance Tax, Minimum Alternative Tax and like are also required to be complied by every Company.

#### ***The Central Goods and Service Tax Act, 2017***

Goods and Services Tax (GST) is a comprehensive indirect tax on manufacture, sale and consumption of goods and services throughout India to replace taxes levied by the central and state governments. It was introduced as The Constitution (One Hundred and First Amendment) Act 2016, following the passage of Constitution 101st Amendment Bill. GST-registered businesses are allowed to claim tax credit to the value of GST they paid on purchase of goods or services as part of their normal commercial activity. Administrative responsibility rests with a single authority to levy tax on goods and services. Exports would be considered as zero-rated supply and imports would be levied the same taxes as domestic goods and services adhering to the destination principle in addition to the Customs Duty which will not be subsumed in the GST.

Introduction of Goods and Services Tax (GST) is a significant step in the reform of indirect taxation in India. Amalgamating several Central and State taxes into a single tax mitigates cascading or double taxation, facilitating a common national market. The simplicity of the tax leads to easier administration and enforcement.

#### **D. STATE RELATED LAWS**

The following is an indicative list of environmental related laws that are applicable to our Company:

##### ***The Gujarat Shops and Establishments Act, 1948***

The Establishments are required to be registered under the provisions of local shops and establishment's legislation applicable in the relevant states. The objective of the act, irrespective of the state, is to regulate the working and employment conditions of worker employed in shops and establishments including commercial establishments. The act provides for fixation of working hours, rest interval, overtime, holidays, leave, termination of service, maintenance of shops and establishments and other rights and obligations of the employers and employees. The Gujarat Shops and Establishments Act, 1948 govern the Company's shops and establishment in Gujarat.

##### ***Gujarat Goods and Services Tax Act, 2017 and the Gujarat Goods and Services Tax Rules, 2017***

Gujarat Goods and Services Tax Act, 2017 came into force w.e.f. June 09, 2017 which provides for the levy of GST on intra-state and interstate supply of goods or services or both. It was introduced as The Constitution (One Hundred and First Amendment) Act 2016, following the passage of Constitution 101st Amendment Bill. GST-registered businesses are allowed to claim tax credit to the value of GST they paid on purchase of goods or services as part of their normal commercial activity. Administrative responsibility rests with a single authority to levy tax on goods and services. The Gujarat Goods and Services Tax Rules, 2017 came into force w.e.f. June 22, 2017 which provides for the procedures relating to composite Levy and Registration for various categories of taxable person and the formats of the various forms to be submitted with the GST authority in prescribed time limit.

#### **E. ENVIRONMENTAL RELATED LAWS**

The following is an indicative list of environmental related laws that are applicable to our Company:

##### ***Environment (Protection) Act, 1986 & Environment Protection Rules***

The Central Government has been vested with powers to lay down standards for the quality of environment in its various aspects, standards for emission or discharge of environmental pollutants from various sources and to restrict areas in which operations or processes cannot be carried out or shall be carried out subject to certain safeguards. In case of offences by companies, the person who was in charge at the time of the commission of the offence shall be deemed to be guilty

### ***Water (Prevention and Control of Pollution) Act, 1981***

The Water (Prevention and Control of Pollution) Act, 1981 (Water Act) prohibits the use of any stream or well for disposal of polluting matter, in violation of standards set down by the State Pollution Control Board (SPCB). The Water Act also provides that the consent of the SPCB must be obtained prior to opening of any new outlets or discharges, which is likely to discharge sewage or effluent.

### ***Air (Prevention and Control of Pollution) Act, 1981***

Air (Prevention and Control of Pollution) Act, 1981 (Air Act) under which any individual, industry or institution responsible for emitting smoke or gases by way of use as fuel or chemical reactions must apply in a prescribed form and obtain consent from the state pollution control board prior to commencing any mining activity. The SPCB is required to grant consent within four months of receipt of the application. The consent may contain conditions relating to specifications of pollution control equipment to be installed.

### ***The Noise Pollution (Regulation & Control) Rules, 2000 ("The Noise Regulation Rules")***

The Noise Regulation Rules regulate noise levels in industrial (75 decibels), commercial (65 decibels) and residential zones (55 decibels). The Noise Regulation Rules also establish zones of silence of not less than 100 meters near schools, courts, hospitals, etc. The Rules also assign regulatory authority for these standards to the local district courts. Penalty for non-compliance with the Noise Regulation Rules shall be under the provisions of the Environment (Protection) Act, 1986.

### ***Hazardous Wastes (Management, Handling and Transboundary Movement) Rules, 2016 ("Hazardous Waste Rules")***

The Hazardous Waste Rules regulate the management, treatment, storage and disposal of hazardous waste by imposing an obligation on every occupier and operator of a facility generating hazardous waste to dispose of such waste without harming the environment. Every occupier and operator of a facility generating hazardous waste must obtain approval from the relevant state pollution control board. The occupier is liable for damages caused to the environment resulting from the improper handling and disposal of hazardous waste and must pay any financial penalty that may be levied by the respective state pollution control board.

### ***Public Liability Insurance Act, 1991 ("Public Liability Act")***

The Public Liability Act as amended imposes liability on the owner or controller of hazardous substances for any damage arising out of an accident involving such hazardous substances. A list of hazardous substances covered by the legislation has been enumerated by the Government by way of a notification. The owner or handler is also required to take out an insurance policy insuring against liability under the legislation. The rules made under the Public Liability Act mandates that the employer has to contribute towards the Environment Relief Fund, a sum equal to the premium paid on the insurance policies. The amount is payable by the issuer.

## **F. OTHER REGULATIONS**

The following is an indicative list of other regulatory related laws that are applicable to our Company:

### ***Property related laws***

The Company is required to comply with central and state laws in respect of property. Central Laws that may be applicable to our Company's operations include the Land Acquisition Act, 1894, the Transfer of Property Act, 1882, Registration Act, 1908, Indian Stamp Act, 1899, and Indian Easements Act, 1882.

In addition, regulations relating to classification of land may be applicable. Usually, land is broadly classified under one or more categories such as residential, commercial or agricultural. Land classified under a specified category is permitted to be used only for such specified purpose. Where the land is originally classified as agricultural land, in order to use the land for any other purpose the classification of the land is required to be converted into commercial

or industrial purpose, by making an application to the relevant municipal or town and country planning authorities. In addition, some State Governments have imposed various restrictions, which vary from state to state, on the transfer of property within such states. Land use planning and its regulation including the formulation of regulations for building construction, form a vital part of the urban planning process.

Various enactments, rules and regulations have been made by the Central Government, concerned State Governments and other authorized agencies and bodies such as the Ministry of Urban Development, State land development and/or planning boards, local municipal or village authorities, which deal with the acquisition, ownership, possession, development, zoning, planning of land and real estate. Each state and city has its own set of laws, which govern planned development and rules for construction (such as floor area ratio or floor space index limits). The various authorities that govern building activities in states are the town and country planning department, municipal corporations and the urban arts commission.

### ***Indian Contract Act, 1872***

Indian Contract Act codifies the way we enter into a contract, execute a contract, implement provisions of a contract and effects of breach of a contract. The Act consists of limiting factors subject to which contract may be entered into, executed and breach enforced. It only provides a framework of rules and regulations which govern formation and performance of contract. The rights and duties of parties and terms of agreement are decided by the contracting parties themselves. The court of law acts to enforce agreement, in case of non-performance.

### ***The Transfer of Property Act, 1882 (the “TP Act”)***

The TP Act establishes the general principles relating to transfer of property in India. It deals with the various methods in which transfer of property including transfer of immovable property or any interest in relation to that property, between individuals, firms and companies takes place. The TP Act stipulates the general principles relating to the transfer of property including among other things identifying the categories of property that are capable of being transferred, the persons competent to transfer property, the validity of restrictions and conditions imposed on the transfer and the creation of contingent and vested interest in the property. The TP Act also provides for the rights and liabilities of the vendor and purchaser, and the lessor and lessee in a transaction of sale or lease of land, as the case may be. The TP Act also covers provisions with respect to mortgage of property.

### ***The Indian Registration Act, 1908***

The Indian Registration Act, 1908 (the “Registration Act”) details the formalities for registering an instrument. Section 17 of the Registration Act identifies documents for which registration is compulsory and includes, inter alia, any non-testamentary instrument which purports or operates to create, declare, assign, limit or extinguish, whether in the present or in future, any right, title or interest, whether vested or contingent, in immovable property of the value of Rs.100/- or more, and a lease of immovable property for any term exceeding one year or reserving a yearly rent. The Registration Act also stipulates the time for registration, the place for registration and the persons who may present documents for registration. Any document which is required to be compulsorily registered but is not registered will not affect the subject property, nor be received as evidence of any transaction affecting such property (except as evidence of a contract in a suit for specific performance or as evidence of part performance of a contract under the TP Act or as evidence of any collateral transaction not required to be effected by registered instrument), unless it has been registered.

### ***Indian Stamp Act, 1899***

Stamp duty is payable on all instruments/ documents evidencing a transfer or creation or extinguishment of any right, title or interest in immoveable property. The Stamp Act provides for the imposition of stamp duty at the specified rates on instruments listed in Schedule I of the Stamp Act. However, under the Constitution of India, the states are also empowered to prescribe or alter the stamp duty payable on such documents executed within the state. Instruments chargeable to duty under the Stamp Act but which have not been duly stamped, are incapable of being admitted in court as evidence of the transaction contained therein. The Stamp Act also provides for impounding of instruments by certain specified authorities and bodies and imposition of penalties, for instruments which are not sufficiently stamped or not stamped at all. Instruments which have not been properly stamped instruments can be validated by paying a penalty of up to 10 times of the total duty payable on such instruments.

## ***Anti-Trust Laws***

### ***Competition Act, 2002***

An act to prevent practices having adverse effect on competition, to promote and sustain competition in markets, to protect interest of consumer and to ensure freedom of trade in India. The act deals with prohibition of agreements and Anti-competitive agreements. No enterprise or group shall abuse its dominant position in various circumstances as mentioned under the Act.

The prima facie duty of the commission is to eliminate practices having adverse effect on competition, promote and sustain competition, protect interest of consumer and ensure freedom of trade. The commission shall issue notice to show cause to the parties to combination calling upon them to respond within 30 days in case it is of the opinion that there has been an appreciable adverse effect on competition in India. In case a person fails to comply with the directions of the Commission and Director General he shall be punishable with a fine which may exceed to Rs. 1 lakh for each day during such failure subject to maximum of Rupees One Crore.

## **G. INTELLECTUAL PROPERTY RELATED LAWS**

The following is an indicative list of intellectual property related laws that are applicable to our Company:

### ***The Trademarks Act, 1999 (“Trademarks Act”)***

Under the Trademarks Act, a trademark is a mark capable of being represented graphically and which is capable of distinguishing the goods or services of one person from those of others used in relation to goods and services to indicate a connection in the course of trade between the goods and some person having the right as proprietor to use the mark. A ‘mark’ may consist of a device, brand, heading, label, ticket, name signature, word, letter, numeral, shape of goods, packaging or combination of colors or any combination thereof. Section 18 of the Trademarks Act requires that any person claiming to be the proprietor of a trade mark used or proposed to be used by him, must apply for registration in writing to the registrar of trademarks. The trademark, once applied for and which is accepted by the Registrar of Trademarks (“the Registrar”), is to be advertised in the trademarks journal by the Registrar. Oppositions, if any, are invited and, after satisfactory adjudications of the same, a certificate of registration is issued by the Registrar. The right to use the mark can be exercised either by the registered proprietor or a registered user. The present term of registration of a trademark is 10 (ten) years, which may be renewed for similar periods on payment of a prescribed renewal fee.

## **H. FEMA REGULATIONS**

As laid down by the FEMA Regulations, no prior consents and approvals are required from the Reserve Bank of India, for Foreign Direct Investment under the automatic route within the specified sectoral caps. In respect of all industries not specified as FDI under the automatic route, and in respect of investment in excess of the specified sectoral limits under the automatic route, approval may be required from the FIPB and/or the RBI. The RBI, in exercise of its power under the FEMA, has notified the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2017 (“FEMA Regulations”) to prohibit, restrict or regulate, transfer by or issue security to a person resident outside India. Foreign investment in India is governed primarily by the provisions of the FEMA which relates to regulation primarily by the RBI and the rules, regulations and notifications there under, and the policy prescribed by the Department of Industrial Policy and Promotion, Ministry of Commerce & Industry, Government of India.

### **Foreign Trade (Development and Regulation) Act, 1992**

The Development and Regulation of foreign trade by facilitating imports and exports from and to India. The Import-Export Code number and licence to import or export includes a customs clearance permit and any other permission issued or granted under this act. The Export and Import policy, provision for development and regulation of foreign trade shall be made by the Central Government by publishing an order. The Central Government may also appoint Director General of Foreign Trade (DGFT) for the purpose of Export-Import Policy formulation.

If any person makes any contravention to any law or commits economic offence or imports/exports in a manner prejudicial to the trade relations of India or to the interest of other person engaged in imports or exports then there shall be no Import Export Code number granted by Director-General to such person and if in case granted shall stand cancelled or suspended. Provision of search and seizure of Code of Criminal Procedure, 1973 shall apply to every search and seizure made under this Act. In case of appeals in a case the order made by the appellate authority shall be considered to be final. The powers of all the civil court under Code of Civil Procedure, 1908 shall vest in him.

The EXIM Policy is a set of guidelines and instructions established by the DGFT in matters related to the export and import of goods in India. This policy is regulated under the said act. Director General of Foreign Trade (herein after referred to as DGFT) is the main governing body in matters related to the EXIM Policy. The Act shall provide development and regulation of foreign trade by facilitating imports into, and augmenting exports from India. Trade Policy is prepared and announced by the Central Government (Ministry of Commerce).

## OUR HISTORY AND OTHER CORPORATE MATTERS

Our Company was incorporated as Aditya Ultra Steel Private Limited on July 27, 2011 with the Registrar of Companies, Gujarat, Dadra and Nagar Haveli as a Private Limited company under the provisions of the Companies Act, 1956. Subsequently our Company was converted into a Public Limited Company 'Aditya Ultra Steel Limited'. A fresh certificate of incorporation consequent upon conversion to public limited Company was issued by the Registrar of Companies, Gujarat, Ahmedabad on July 26, 2018. The Corporate Identification of our Company is U27100GJ2011PLC066552.

The promoters of our Company are Mr Varun Manojkumar Jain and Mrs Varuna Varun Jain

### Changes in our Registered Office:

Our Company's Registered Office is currently situated at 808-C, Pinnacle Business Park, Survey No.888/807/810, FB-25, T.P. 28, Opp. Royal Arcade, AUDA Garden, Prahlad Nagar, Ahmedabad – 380 015.

Details of changes in the address of the Registered Office of our Company are set forth as under:

| Date of Change                                     | From                                                                             | To                                                                                                                                                |
|----------------------------------------------------|----------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------|
| As on the date of Incorporation<br>i.e. 27-07-2011 | -                                                                                | King's Plaza Office No. 1004, 10 <sup>th</sup> Floor, Astron Circle, Rajkot-360 001 (Gujarat)                                                     |
| 12-09-2016                                         | King's Plaza Office No. 1004, 10th Floor Astron Circle, Rajkot- 360001 (Gujarat) | 808-C, Pinnacle Business Park, Survey No.888/807/810, FB-25, T.P. 28, Opp. Royal Arcade, AUDA Garden, Prahlad Nagar Ahmedabad - 380 015 (Gujarat) |

### Main Objects of our Company

1. Manufacturing of all types of TMT Bar, Angles, Channels, Circles, Round Bar, Square Bar, Guddars, MS Plates, Rods, Bars, Flats in all kind and forms of Steel including alloys steel and all other special steels, iron ferrous and Non ferrous metal and all types of Steel related products and power/energy related products.
2. To carry on in India or elsewhere the business of Exporter, Importer, Traders, Distributors, Resellers, Processors, Converters, Dealers, Franchisers, C & F Agents, Marketers of TMT Bar, Angles Bars and all types of Steel products.
3. To carry on all or any of the Business of Engineering/Melting/Foundry/Casting/Forgings/iron and steel converters, smiths, metal moulders/ Job work.

### Changes in the Memorandum of Association

The following changes have been made in the Memorandum of Association of our Company since incorporation:

| Date of shareholders resolution | Particulars                                                                                                                                                                |
|---------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 29-02-2012                      | Change in Authorized Equity Share Capital from Rs 1,00,00,000/- (10,00,000 Equity Shares of Rs.10 each) to Rs. 8,00,00,000/- (80,00,000 Equity Shares of Rs.10 each)       |
| 10-07-2014                      | Change in Authorized Equity Share Capital from Rs 8,00,00,000/- (80,00,000 Equity Shares of Rs.10 each) to Rs. 12,25,00,000/- (1,22,50,000 Equity Shares of Rs.10 each)    |
| 25-06-2018                      | Change in Authorized Equity Share Capital from Rs 12,25,00,000/- (1,22,50,000 Equity Shares of Rs.10 each) to Rs. 20,00,00,000/- (2,00,00,000 Equity Shares of Rs.10 each) |
| 25.06.2018                      | Conversion of company from Private limited to Public limited                                                                                                               |

## Major Events and Milestones

| Year    | Particulars                                                                                                                                                                    |
|---------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 2011-12 | Incorporation of the Company on 27 <sup>th</sup> July, 2011 by Mr. Dipen Rameshbhai Faldu, Pramodkumar Madhavjibhai Makadia, Yogesh Premjibhai Suvariya and Mr. Chirga Lakhani |
| 2012-13 | Commencement of Commercial Production                                                                                                                                          |
| 2016-17 | Change in Management- Mr. Varun Manojkumar Jain and Mrs. Varuna Varun Jain purchased all the equity shares from existing shareholder and Appointed as Director of the Company  |
| 2017-18 | Retail License Agreement executed with Kamdhenu Concast Limited for manufacturing of KAY2TMT and Kamdhenu NXT TMT Bars for 3 (Three years).                                    |

## Corporate Profile of our Company

For details regarding the description of our activities, including details of our business, geographical presence, growth, competition, products, technology, and managerial competence, please see sections entitled “*Our Business*”, “*Our Management*” and “*Industry Overview*” beginning on pages 80, 105 and 73 respectively.

## Revaluation of Assets

Our Company has revalued its assets till date.

## Holding Company of our Company

Our Company has no holding company as on the date of filing of this Draft Red Herring Prospectus.

## Subsidiary of our Company

There is no subsidiary of our Company as on the date of filing of this Draft Red Herring Prospectus.

## Injunctions or Restraining Orders

There are no injunctions/ restraining orders that have been passed against our Company as on the date of filling of this Draft Red Herring Prospectus.

## Details regarding Acquisition of Business/Undertakings, Mergers, Amalgamation etc.

There are no mergers, amalgamation, etc. with respect to our Company and we have not acquired any business/undertakings as on the date of this Draft Red Herring Prospectus.

## Capital raising activities through Equity or Debt

For details of the equity capital raised by our Company, please refer to the chapter titled “*Capital Structure*” beginning on page 42 of this Draft Red Herring Prospectus. Our Company has not carried out any debt issuances or raised any long term debt except as describe in financial statements since incorporation till date of filling of this Draft Red Herring Prospectus .

## Changes in the Management

For details of change in Management Please refer to “*Our Management*” on page 108 of this Draft Red Herring Prospectus.

## Shareholders Agreements

Our Company has not entered into any shareholder’s agreement as on date of filing of this Draft Red Herring Prospectus.

### **Strikes and Lock-Outs**

Our Company has, since incorporation, not been involved in any labour disputes or disturbances including strikes and lock-outs till date. As on the date of this Draft Red Herring Prospectus, our employees are not unionized.

### **Other Agreements**

Our Company has not entered into any specific or special agreements except that have been entered into in ordinary course of business as on the date of filing of this Draft Red Herring Prospectus.

### **Collaboration**

Our Company has not entered into any collaboration with any third party as per regulation (VIII) B (1) (c) of part A Schedule VIII of SEBI (ICDR) Regulations, 2009, as on the date of filing of this Draft Red Herring Prospectus .

### **Strategic Partner**

Our Company does not have any strategic partner as on the date of filing of this Draft Red Herring Prospectus.

### **Financial Partner**

Our Company does not have any financial partner as on the date of filing of this Draft Red Herring Prospectus.

### **Defaults or Rescheduling of Borrowings with Financial Institutions or Banks**

There have been no defaults or rescheduling of borrowings with financial institutions or banks as on the date of this Draft Red Herring Prospectus.

### **Number of Shareholders**

Our Company has 7 shareholders as on date of this Draft Red Herring Prospectus.

### **Time and Cost overruns**

Our Company has implemented projects but has not, experienced any time or cost overrun in relation thereto.

### **Guarantees provided by our Promoters**

Our Promoters have given guarantees to bank that are outstanding as on the date of filing of this Draft Red Herring Prospectus.

## OUR MANAGEMENT

### Board of Directors

As per the Articles of Association, our Company is required to have not less than three (3) Directors and not more than Fifteen (15) Directors. Our Company currently has Four (5) Directors on Board.

The following table sets forth current details regarding our Board of Directors:

| Name, Father's Name, Address, Occupation, Nationality, Term & DIN                                                                                                                                                                                                                                                                                                                                                      | Age | Other Directorships            |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----|--------------------------------|
| <b>Name:</b> Varun Manojkumar Jain<br><b>Father's Name:</b> Manojkumar Jain<br><b>Designation:</b> Managing Director<br><b>Date of Appointment:</b> 30.05.2016<br><b>Term:</b> 5 years<br><b>Address:</b> B/404, Ashavari Tower, B/H Fun Republic, S. G. Highway, Ahmedabad – 380 015<br><b>Occupation:</b> Business<br><b>PAN:</b> AIFPJ2196R<br><b>Nationality:</b> Indian<br><b>DIN:</b> 03502561                   | 29  | Hubilo Softech Private Limited |
| <b>Name:</b> Varuna Varun Jain<br><b>Father's Name:</b> Bimal Dugar<br><b>Designation:</b> Director<br><b>Date of Appointment:</b> 28.06.2016<br><b>Term:</b> 5 years<br><b>Address:</b> B/404 Ashavari Tower, B/H Fun Republic, S G Highway, Ahmedabad – 380 015<br><b>Occupation:</b> Business<br><b>PAN:</b> AFXPD9468F<br><b>Nationality:</b> Indian<br><b>DIN:</b> 07547363                                       | 30  | NIL                            |
| <b>Name:</b> Manas Shah<br><b>Father's Name:</b> Rajiv Shah<br><b>Designation:</b> Independent Director<br><b>Date of Appointment:</b> 20.06.2018<br><b>Term:</b> 5 years<br><b>Address:</b> 5, Sagun Flat, T-11, Shantinagar Society, Usman Pura, Naranpura, Vistar, Ahmedabad – 380 013<br><b>Occupation:</b> Business<br><b>PAN:</b> GAGPS1612N<br><b>Nationality:</b> Indian<br><b>DIN:</b> 08160833               | 26  | NIL                            |
| <b>Name:</b> Kunjal Soni<br><b>Father's Name:</b> Jayant Kumar Soni<br><b>Designation:</b> Independent Director<br><b>Date of Appointment:</b> 20.06.2018<br><b>Term:</b> 5 years<br><b>Address:</b> 1636, Dhanasuthar's Pole Naka, Near Gulabbai Hospital, Relief Road, Kalupur, Ahmedabad – 380 001<br><b>Occupation:</b> Employment<br><b>PAN:</b> CTOPS1830F<br><b>Nationality:</b> Indian<br><b>DIN:</b> 08160838 | 27  | NIL                            |

| Name, Father's Name, Address, Occupation, Nationality, Term & DIN                                                                                                                                                                                                                                                                                                                         | Age | Other Directorships |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----|---------------------|
| <b>Name:</b> Vinod Rana<br><b>Father's Name:</b> Kanubhai Rana<br><b>Designation:</b> Independent Director<br><b>Date of Appointment:</b> 20.06.2018<br><b>Term:</b> 5 years<br><b>Address:</b> 1-526-1, Gandhiwada, Near Khodiyar Mandir, Dholka<br>Ahmedabad – 387 810<br><b>Occupation:</b> Employment<br><b>PAN:</b> BRUPR9959P<br><b>Nationality:</b> Indian<br><b>DIN:</b> 08160972 | 27  | NIL                 |

**Note:**

As on the date of this Draft Red Herring Prospectus:

- 1) None of the above mentioned Directors are on the RBI List of willful defaulters.
- 2) Further, none of our Directors are or were directors of any company whose shares were (a) suspended from trading by stock exchange(s) during the five years prior to the date of filing this Draft Red Herring Prospectus or (b) delisted from the stock exchanges.
- 3) None of the Promoters, Persons forming part of our Promoter Group, Directors or persons in control of our Company, has been or is involved as a promoter, director or person in control of any other company, which is debarred from accessing the capital market under any order or directions made by SEBI or any other regulatory authority.

**Brief Biographies of our Directors**

**Mr. Varun Manojkumar Jain**

Mr. Varun Manojkumar Jain, aged about 29 years, is the Managing Director of the Company. Mr. Varun Jain holds degrees in Bachelors of Commerce from H. L. College of Commerce, Ahmedabad, University of Gujarat and Master's degree in Business Administration from Indian School of Business (ISB), Hyderabad to further sharpen those business skills which were inculcated in him from birth and passed Integrated Professional Competence Course from Institute of Chartered Accountants of India. He is the young generation leader of the company. Within a short span of his independent business involvement, he has created a position for himself in the business fraternity. He heads marketing, business development and expansion projects of the company. Presently he is looking after the project implementation of proposed 120000 MTPA TMT Manufacturing plant under direct hot charging technology. Under his dynamic leadership, the company is all set to increase its operations by forward integration. His visions have enlarged the visions of the company which is now prepared to mark its presence in the steel industry. He has been associated with the Company since 2016 as a Director.

**Mrs. Varuna Varun Jain**

Mrs. Varuna Varun Jain, aged 30 years, is the Whole Time Director of our Company. She holds a Degree in Bachelors of Commerce and also completed her Graphic designing. With her entry into business, the company found one more leader to rely upon. The company was enriched with fresh ideas and immense confidence with Mrs. Varuna Varun Jain entry into the business clan of the family. She leads the business development and marketing functions of the company and has high spirits to take her family business to new highs. She has been associated with our Company since 2016 as Director of our Company.

**Mr. Kunjal Jayantkumar Soni**

Mr. Kunjal Jayantkumar Soni, aged about 27 years, is the Independent Director of the Company. Mr. Kunjal Soni holds Degrees in Bachelors of Commerce from H. L. College of Commerce, Ahmedabad, University of Gujarat and

Company Secretary from Institute of Company Secretaries of India and Bachelors of Law from Motilal Nehru Law College, University of Gujarat and Diploma in Business Management with E-Commerce from H. L. Centre for Professional Education, Ahmedabad University. He has good knowledge in the fields of Legal and Finance. He is a Whole Time Company Secretary and Compliance officer of Shree Jagdamba Polymers Limited situated at Ahmedabad.

#### **Mr. Vinod Kanubhai Rana**

Mr. Vinod Kanubhai Rana aged about 27 years, is the Independent Director of the Company. Mr. Vinod Rana holds degrees in Bachelors of Commerce from R. D. V. D. Shah Arts & Commerce College, University of Gujarat and Company Secretary from Institute of Company Secretaries of India. He is a whole Time Company Secretary and Compliance officer of Premier Synthetics Limited situated at Ahmedabad.

#### **Mr. Manas Rajivbhai Shah**

Mr. Manas Rajivbhai Shah, aged about 26 years, is the Independent Director of the Company. Mr. Manas Shah holds degree in bachelor of Medicine and bachelor of Surgery (M.B.B.S.) from S.B.K.S. Medical Institute & Research Centre, Waghodiya, Vadodara, University of Sumandeep Vidyapeeth, Vadodara. He was the Tutor – Department of Pharmacology of Dr. M. K. Shah Medical College and Research Centre.

#### **Confirmations**

There are no arrangements or understanding with major shareholders, customers, suppliers or any other entity, pursuant to which any of the Directors or Key Management Personnel were selected as a Director or member of the senior management.

The Directors of our Company have not entered into any service contracts with our Company which provides for benefits upon termination of employment.

None of the Directors is or was a director of any listed company during the last five years preceding the date of filing of this Draft Red Herring Prospectus, whose shares have been or were suspended from being traded on the BSE or the NSE, during the term of their directorship in any such Company.

None of the Directors is or was a director of any listed company which has been or was delisted from any recognized stock exchange in India during the term of their directorship in such Company.

#### **Nature of Family Relationship among Directors**

Except, Mr. Varun Manojkumar Jain and Mrs. Varuna Varun Jain who are related to each other as Husband – Wife, none of our Director of our Company are related to each other within the meaning of section 2(77) of the Companies Act, 2013.

#### **Borrowing Powers of the Board**

In accordance with the Articles of Association and pursuant to the EGM of our Company held on 27<sup>th</sup> August, 2018, the Board is authorized to borrow money, mortgage, hypothecate and/or charge all of our Company's immovable and movable properties, present and future, in such sum form or manner as the Board may think fit for securing loans already obtained or that may be obtained from our Company's banker or any other banks, financial institution or any other lending institutions or persons, provided that the total amount of money or monies so borrowed (apart from temporary loans obtained or to be obtained from our Company's bankers in the ordinary course of business), by our Company shall not, at any time, exceed the Rs. 200 Crores.

## Remuneration to our Directors

Details of remuneration paid to our Directors during Financial Year 2018 are set for the in the table below:

| Sr. No. | Name of Director         | Remuneration (In ₹) |
|---------|--------------------------|---------------------|
| 1.)     | Mr Varun Manojkumar Jain | 4,00,000.00         |
| 2.)     | Mrs Varuna Varun Jain    | 4,00,000.00         |

## Terms of Appointment of our Directors

### Executive Directors

|                     |                                |
|---------------------|--------------------------------|
| <b>Name</b>         | Mr. Varun Manojkumar Jain      |
| <b>Designation</b>  | Managing Director              |
| <b>Term</b>         | 5 years w.e.f. August 03, 2018 |
| <b>Remuneration</b> | Rs. 4,00,000/- per month       |

|                     |                                |
|---------------------|--------------------------------|
| <b>Name</b>         | Mrs. Varuna Varun Jain         |
| <b>Designation</b>  | Whole Time Director            |
| <b>Term</b>         | 5 years w.e.f. August 03, 2018 |
| <b>Remuneration</b> | Rs. 4,00,000/- per month       |

There is a service agreement that has been entered into between our Company and the directors in relation to their appointment.

| Sr. No. | Type of Agreement | Purpose                                                         | Validity                       |
|---------|-------------------|-----------------------------------------------------------------|--------------------------------|
| 1.      | Service Agreement | Appointment of Mr. Varun Manojkumar Jain as a Managing Director | 5 years w.e.f. August 03, 2018 |
| 2.      | Service Agreement | Appointment of Mrs. Varuna Varun Jain as a Whole Time Director  | 5 years w.e.f. August 03, 2018 |

### Non-Executive Directors

Currently, non-executive Directors are not being paid any remuneration apart from payment of sitting fees, if any. We also confirm that no remuneration being paid to Independent Directors apart from payment of sitting fees.

## Shareholding of Directors in our Company

Other than the following, none of our Directors holds any Equity Shares as of the date of filing this Draft Red Herring Prospectus:

| Name of Director          | Number of Equity Shares held | Percentage of pre-Issue capital |
|---------------------------|------------------------------|---------------------------------|
| Mr. Varun Manojkumar Jain | 1,04,35,000                  | 85.53%                          |
| Mrs. Varuna Varun Jain    | 17,60,000                    | 14.43%                          |

Our Directors do not hold any outstanding vested options, pursuant to the employee stock option scheme implemented by our Company.

Our Articles of Association do not require our Directors to hold any qualification shares.

## Interest of Directors

Our Directors may be deemed to be interested to the extent of remuneration paid to them for services rendered as a Director of our Company and reimbursement of expenses, if any, payable to them. For details of remuneration paid to our Directors, please refer “Remuneration to our Directors” above.

Our Directors may also be regarded as interested to the extent of Equity Shares held by them in our Company, if any, details of which have been disclosed above under the heading “*Shareholding of Directors in our Company*”. All of our Directors may also be deemed to be interested to the extent of any dividend payable to them and other distributions in respect of the Equity Shares.

Our Directors may also be interested to the extent of Equity Shares, if any, held by them or held by the entities in which they are associated as promoters, directors, partners, proprietors or trustees or held by their relatives or that may be subscribed by or allotted to the companies, firms, ventures, trusts in which they are interested as promoters, directors, partners, proprietors, members or trustees, pursuant to this Issue.

Except as stated in the chapter titled “*Related Party Transactions*” on page 127 of this Draft Red Herring Prospectus, our Directors do not have any other interest in the business of our Company.

#### **Bonus or Profit Sharing Plan for our Directors**

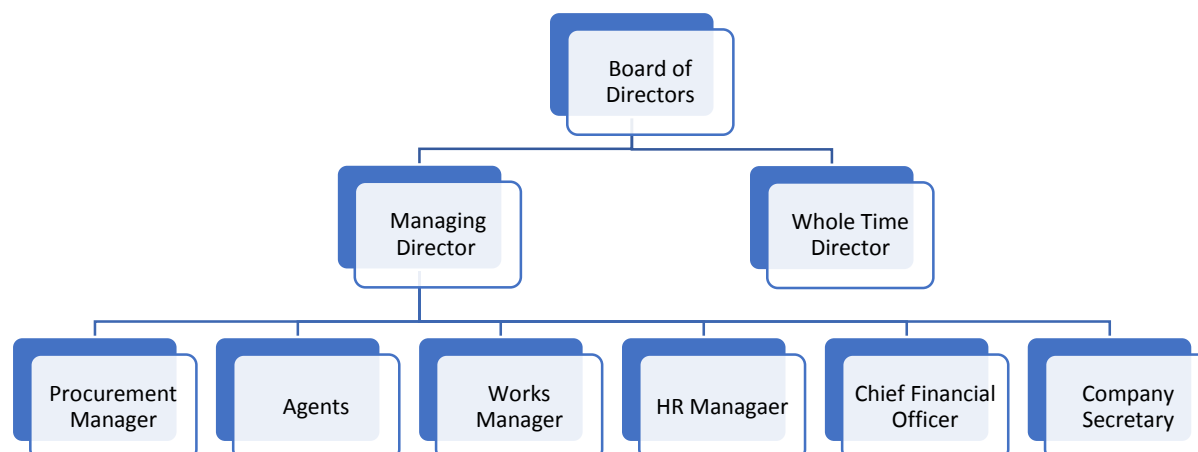
None of our Directors are a party to any bonus or profit sharing plan.

#### **Changes in our Board of Directors during the last three (3) years**

The changes in the Directors during last three (3) years are as follows:

| <b>Name</b>                         | <b>Date of appointment/<br/>change/ cessation</b> | <b>Reason</b>                                                                           |
|-------------------------------------|---------------------------------------------------|-----------------------------------------------------------------------------------------|
| Mr. Sandipkumar Karamshibhai Patel  | 17/03/2016                                        | Cessation due to personal reason                                                        |
| Mr. Bhaveshkumar Karamshibhai Patel | 17/03/2016                                        | Cessation due to personal reason                                                        |
| Mr. Muljibhai Karamshibhai Patel    | 17/03/2016                                        | Cessation due to personal reason                                                        |
| Mr. Varun Manojkumar Jain           | 30/05/2016                                        | Appointed as an Additional Director subsequently appointed as Director w,e,f 30.09.2016 |
| Mrs. Varuna Varun Jain              | 28/06/2016                                        | Appointed as an Additional Director subsequently appointed as Director w,e,f 30.09.2016 |
| Mr. Gopalbhai Bhanmjibhai Patel     | 06/08/2016                                        | Cessation due to personal reason                                                        |
| Mr. Kantilal Somjibhai Patel        | 06/08/2016                                        | Cessation due to personal reason                                                        |
| Mr. Bhanjibhai Valjibhai Patel      | 06/08/2016                                        | Cessation due to personal reason                                                        |
| Mr. Rameshbhai Valji Patel          | 06/08/2016                                        | Cessation due to personal reason                                                        |
| Mr. Vinod Rana                      | 20/06/2018                                        | Appointment to broad base the Board                                                     |
| Mr. Manas Shah                      | 20/06/2018                                        | Appointment to broad base the Board                                                     |
| Mr. Kunjal Soni                     | 20/06/2018                                        | Appointment to broad base the Board                                                     |

## Management Organization Structure



## Corporate Governance

The provisions of the Listing Regulations with respect to corporate governance will also be applicable to us immediately upon the listing of our Equity Shares with the Stock Exchange. We are in compliance with the requirements of the applicable regulations, including the SEBI (LODR) Regulations, the SEBI (ICDR) Regulations and the Companies Act, 2013 in respect of corporate governance including constitution of the Board and committees thereof.

Our Board has been constituted in compliance with the Companies Act and SEBI (LODR) Regulations, to the extent applicable. Our Board functions either as a full board or through various committees constituted to oversee specific functions. In compliance with the requirements of the Companies Act and the SEBI (LODR) Regulations, to the extent applicable our Board of Directors consists of Six Directors (including one woman Director).

## Committees of our Board

Our Board has constituted following committees in accordance with the requirements of the Companies Act and SEBI Listing Regulations:

- 1.) Audit Committee;
- 2.) Nomination and Remuneration Committee;
- 3.) Stakeholders' Relationship Committee;
- 4.) Corporate Social Responsibility Committee;

Details of each of these committees are as follows:

### 1.) Audit Committee;

Our Audit Committee was constituted pursuant to resolution of our Board dated 1<sup>st</sup> October, 2018. The Audit Committee comprises of the following:

| Sr. No. | Name of the Director       | Status      | Nature of Directorship |
|---------|----------------------------|-------------|------------------------|
| 1.      | Mr Vinod Kanubhai Rana     | Chairperson | Independent Director   |
| 2.      | Mr Kunjal Jayantkumar Soni | Member      | Independent Director   |
| 3.      | Mr Varun Manojkumar Jain   | Member      | Managing Director      |

The Company Secretary shall act as the secretary of the Audit Committee.

The scope, functions and the terms of reference of the Audit Committee is in accordance with the Section 177 of the Companies Act, 2013 and Regulation 18 (3) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Schedule II Part C SEBI (LODR) Regulations, 2015.

The role of the audit committee shall include the following:

- (a) oversight of the listed entity's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- (b) recommendation for appointment, remuneration and terms of appointment of auditors of the listed entity;
- (c) approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- (d) reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
  - (i) matters required to be included in the director's responsibility statement to be included in the board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
  - (ii) changes, if any, in accounting policies and practices and reasons for the same;
  - (iii) major accounting entries involving estimates based on the exercise of judgment by management;
  - (iv) significant adjustments made in the financial statements arising out of audit findings;
  - (v) compliance with listing and other legal requirements relating to financial statements;
  - (vi) disclosure of any related party transactions;
  - (vii) modified opinion(s) in the draft audit report;
- (e) reviewing, with the management, the quarterly financial statements before submission to the board for approval;
- (f) reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter;
- (g) reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
- (h) approval or any subsequent modification of transactions of the listed entity with related parties;
- (i) scrutiny of inter-corporate loans and investments;
- (j) valuation of undertakings or assets of the listed entity, wherever it is necessary;
- (k) evaluation of internal financial controls and risk management systems;
- (l) reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- (m) reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- (n) discussion with internal auditors of any significant findings and follow up there on;
- (o) reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
- (p) discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- (q) to look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- (r) to review the functioning of the whistle blower mechanism;
- (s) approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;
- (t) Carrying out any other function as is mentioned in the terms of reference of the audit committee.

The audit committee shall mandatorily review the following information:

- (a) management discussion and analysis of financial condition and results of operations;
- (b) statement of significant related party transactions (as defined by the audit committee), submitted by management;
- (c) management letters / letters of internal control weaknesses issued by the statutory auditors;
- (d) internal audit reports relating to internal control weaknesses; and

- (e) the appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee.
- (f) statement of deviations: (a) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1). (b) annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7)

## 2.) Nomination and Remuneration Committee

The Nomination and Remuneration committee was Re-constituted by a resolution of our Board dated 1<sup>st</sup> October, 2018. The constitution of the Nomination and Remuneration committee presently is as follows:

| Sr. No. | Name of the Director       | Status      | Nature of Directorship |
|---------|----------------------------|-------------|------------------------|
| 1.      | Mr Kunjal Jayantkumar Soni | Chairperson | Independent Director   |
| 2.      | Mr Vinod Kanubhai Rana     | Member      | Independent Director   |
| 3.      | Mr Manas Rajivbhai Shah    | Member      | Independent Director   |

The Company Secretary shall act as the secretary of the Nomination and Remuneration Committee.

The scope, functions and the terms of reference of the Nomination and Remuneration Committees in accordance with the Section 178 of the Companies Act, 2013 read with Regulation 19 of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The terms of reference of Nomination and Remuneration Committee shall include the following:

- (a.) Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;
- (b.) Formulation of criteria for evaluation of performance of independent directors and the board of directors;
- (c.) Devising a policy on diversity of board of directors;
- (d.) Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal.
- (e.) Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.

## 3.) Stakeholders' Relationship Committee

The Stakeholders' Relationship Committee was constituted by a resolution of our Board dated 1<sup>st</sup> October, 2018. The constitution of the Stakeholders' Relationship committee is as follows:

| Sr. No. | Name of the Director       | Status      | Nature of Directorship |
|---------|----------------------------|-------------|------------------------|
| 1.      | Mr Manas Rajivbhai Shah    | Chairperson | Independent Director   |
| 2.      | Mr Kunjal Jayantkumar Soni | Member      | Independent Director   |
| 3.      | Mr Varun Manojkumar Jain   | Member      | Executive Director     |

The Company Secretary shall act as the secretary of the Stakeholders' Relationship Committee.

This Committee is responsible for the redressal of the grievances of the security holders including complaints relate to transfer of shares, non-receipt of annual report and non-receipt of dividend. The scope and function of the Stakeholders' Relationship Committee is in accordance with Section 178 of the Companies Act, 2013 read with Regulation 20 of the Listing Regulations.

Our Company has adopted the following policies:

1. Evaluation of Performance of Board of Directors

2. Materiality Policy
3. Policy for preservation of Records
4. Policy for Prevention of Sexual Harassment
5. Whistle Blower Policy & Vigil Mechanism
6. Archival Policy
7. Code for independent Directors
8. Code of Conduct for insider trading
9. Code of conduct of practices & procedure for fair disclosure of unpublished price sensitive information
10. Related Party Transactions (RTP) Policy

### **Our Key Managerial Personnel**

Our Company is managed by its Board of Directors, assisted by qualified professionals, in the respective field of administration / finance / distribution / marketing and corporate laws.

In addition to our Managing Director Mr. Varun Manojkumar Jain and Whole Time Director Mrs. Varuna Varun Jain, following key personnel assist the management of our Company:

### **Brief Profile of Key Managerial Personnel:**

#### **Mr. Mayurkumar Patel (Chief Financial Officer)**

Mr. Mayurkumar Chhotatal Patel, aged about 40 years, is the Chief Financial Officer of the Company. He holds degree in bachelor of Commerce and Master of Commerce from North Gujarat University, Kalol, Gandhinagar. He has over a decade of experience in the field of Accounts, Income tax Laws and finance thereby brings in expert knowledge and ideas, enhancing the growth trajectory of the company. He has abilities of guiding and directing an enterprise through various processes that are applicable to an enterprise and has been operating as the lead point of contact of any and all matters specific to our accounts.

#### **Mr. Gandharv Khandelwal (Company Secretary and Compliance officer)**

Mr. Gandharv Khandelwal, aged about 25 years, is the Company Secretary and Compliance officer of our Company. He holds a degree in bachelors of Commerce from Pune University and bachelors of Law from Sinhgad Law College Pune and is a qualified Company Secretary. He has been associated with our Company since June 20, 2018.

*For details of our Directors please refer chapter "Our Management" on page 108 of this Draft Red Herring Prospectus.*

### **Status of Key Managerial Personnel**

All our Key managerial personnel are permanent employees of our Company.

### **Family Relationship between Key Managerial Personnel**

As on date, Our Promoter is having family relation with each other.

### **Arrangements and Understanding with major Shareholders**

None of our key managerial personnel have been appointed on our Board pursuant to any arrangement with our major shareholders, customers, suppliers or others.

### **Shareholding of the Key Managerial Personnel**

Except Mr. Varun Manojkumar Jain, Managing Director & Mrs. Varuna Varun Jain, Whole Time Director of our Company holding 1,04,35,000 Shares and 17,60,000 Equity Shares respectively, as on date, none of the key managerial persons are holding Equity Shares of our Company.

### **Bonus or Profit Sharing Plan for the Key Managerial Personnel**

There is no profit sharing plan for the key managerial personnel. Our Company makes bonus payments to the employees based on their performances, which is as per their terms of appointment.

### **Loans to Key Managerial Personnel**

There is no loan outstanding against key managerial personnel as on date of this Draft Red Herring Prospectus .

### **Interest of Key Managerial Personnel**

The Key Management Personnel do not have any interest in our Company other than to the extent of the remuneration or benefits to which they are entitled to as per their terms of appointment and reimbursement of expenses incurred by them during the ordinary course of business. Our Key Management Personnel may also be interested to the extent of Equity Shares, if any, held by them or held by the entities in which they are associated as promoters, directors, partners, proprietors or trustees or held by their relatives or that may be subscribed by or allotted to the companies, firms, ventures, trusts in which they are interested as promoters, directors, partners, proprietors, members or trustees, pursuant to the Issue.

### **Changes in Key Managerial Personnel of our Company during the Last Three (3) Years**

For details of changes regarding our Promoter and Managing Director during last three years please refer chapter titled “Our Management” on page 108 of this Draft Red Herring Prospectus.

Set forth below are the changes in the key managerial personnel of our Company during the last three (3) years.

| <b>Name</b>                                                                | <b>Date of appointment</b> | <b>Date of cessation</b> | <b>Reason</b> |
|----------------------------------------------------------------------------|----------------------------|--------------------------|---------------|
| Mr. Mayur Patel<br><i>Chief Financial Officer</i>                          | 20/06/2018                 | -                        | -             |
| Mr. Gandharv Khandelwal<br><i>Company Secretary and Compliance Officer</i> | 20/06/2018                 | -                        | -             |

### **Employees Stock Option Scheme**

Our Company does not have any Employee Stock Option Scheme/ Employee Stock Purchase Scheme as on the date of filing of this Draft Red Herring Prospectus.

### **Payment or Benefit to our Officers**

Except for the payment of normal remuneration for the services rendered in their capacity as employees of our Company, no other amount or benefit has been paid or given within the two (2) preceding years or intended to be paid or given to any of them.

### **Employees**

The details about our employees appear under the Paragraph titled “Our Business” beginning on page 80 of this Draft Red Herring Prospectus.

## OUR PROMOTERS/PROMOTER GROUP

Mr. Varun Jain and Mrs. Varuna Jain are the Promoter of our Company. Our Promoter Currently hold a total of 12,195,000 Equity Shares equivalent to 99.95 % of the pre-Issued, Subscribed and Paid up Equity Share Capital.

The Promoters of our Company are:

### Mr. Varun Manojkumar Jain

|                                                                                   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
|-----------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|  | <p>Mr. Varun Jain, aged about 29 years, is the Managing Director of the Company. Mr. Varun Jain holds degrees in Bachelors of Commerce from H. L. College of Commerce, Ahmedabad, University of Gujarat and Master's degree in Business Administration from Indian School of Business (ISB), Hyderabad to further sharpen those business skills which were inculcated in him from birth and passed Integrated Professional Competence Course from Institute of Chartered Accountants of India. He is the young generation leader of the company. Within a short span of his independent business involvement, he has created a position for himself in the business fraternity. He heads marketing, business development and expansion projects of the company. Presently he is looking after the project implementation of proposed 120000 MTPA TMT Manufacturing plant under direct hot charging technology. Under his dynamic leadership, the company is all set to increase its operations by forward integration. His visions have enlarged the visions of the company which is now prepared to mark its presence in the steel industry. He has been associated with the Company since 2016 as a Director.</p> |
| <b>Address</b>                                                                    | 404-B, Ashwari Tower, B/H Fun Republic, S G Highway, Ahmedabad - 380 015                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| <b>Permanent Account Number</b>                                                   | AIFPJ2196R                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| <b>Passport Number</b>                                                            | M4491129                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| <b>Driving License Number</b>                                                     | GJ04 20070024172                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| <b>Voter ID No.</b>                                                               | -                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| <b>Aadhar Card Number</b>                                                         | 5702 3332 9078                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |

### Mrs. Varuna Varun Jain

|                                                                                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
|-------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|  | <p>Mrs. Varuna Varun Jain, aged 30 years, is the Whole Time Director of our Company. She holds a Degree in Bachelors of Commerce and also completed her Graphic designing. With her entry into business, the company found one more leader to rely upon. The company was enriched with fresh ideas and immense confidence with Mrs. Varuna Varun Jain entry into the business clan of the family. She leads the business development and marketing functions of the company and has high spirits to take her family business to new highs. She has been associated with our Company since 2016 as Director of our Company.</p> |
| <b>Address</b>                                                                      | 404-B, Ashwari Tower, B/H Fun Republic, S G Highway, Ahmedabad - 380 015                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| <b>Permanent Account Number</b>                                                     | AFXPD9468F                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| <b>Passport Number</b>                                                              | H8756102                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| <b>Driving License Number</b>                                                       | --                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| <b>Voter ID No.</b>                                                                 | --                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| <b>Aadhar Card Number</b>                                                           | 9033 2203 5340                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |

### **Other Undertakings and Confirmations**

Our Company undertakes that the details of Permanent Account Number, Bank account number and Passport number of the Promoters will be submitted to the Stock Exchange, where the equity shares of our Company are proposed to be listed at the time of submission of this Draft Red Herring Prospectus.

### **Common Pursuits of our Promoters**

Our Promoter has not promoted any entity which is engaged in the line of similar to our Company as on the date of this Draft Red Herring Prospectus.

For more details please refer to our chapter titled “*Our Promoters and Promoter Group*” & “*Group Companies/Entities*” on page 118 & 122 of this Draft Red Herring Prospectus respectively. We shall adopt the necessary procedures and practices as permitted by law to address any conflicting situations, as and when they may arise.

### **Interest of the Promoters**

Our promoters are interested in our Company to the extent of their shareholding, for which they are entitled to receive the dividend declared, and other distribution in respect of Equity Shares if any, by our Company. For details on shareholding of our Promoter in our Company, please refer sections “*Capital Structure*” and “*Our Management*” on pages 42 and 108 respectively of this Draft Red Herring Prospectus.

Further, our Promoters who are also our Directors may be deemed to be interested to the extent of fees, remuneration and/or reimbursement of expenses payable to them for services rendered to us in accordance with the provisions of the Companies Act, 2013, terms of the Articles and their terms of appointment.

Except as stated herein and as stated in “Annexure XXIX of *Related Party Transactions*” appearing under section titled “*Financial Information*” of the Company beginning on page 129 of this Draft Red Herring Prospectus, we have not entered into any contract, agreements or arrangements during the preceding two years from the date of this Draft Red Herring Prospectus in which the Promoters are directly or indirectly interested and no payments have been made to them in respect of these contracts, agreements or arrangements which are proposed to be made to them.

### **Interest in the property of Our Company**

Our Promoters have no interest in any property acquired or proposed to be acquired by our Company within the two years from the date of this Draft Red Herring Prospectus.

### **Payment amounts or benefit to our Promoters during the last two years**

Except as stated in “*Financial Information*” on page 129 of this Draft Red Herring Prospectus, no amount or benefit has been paid by our company to our promoters or the member of our promoter group since the incorporation of the company.

### **Other ventures of our Promoters**

Save and except as disclosed in the chapter titled “*Our Promoters and Promoter Group*” and “*Group Companies / Entities*” beginning on page 118 & 122 respectively of this Draft Red Herring Prospectus, there are no ventures promoted by our Promoters in which they have any business interests/ other interests.

### **Litigation details pertaining to our Promoters**

For details on litigations and disputes pending against the Promoters and defaults made by the Promoters, please refer to the section titled “*Outstanding Litigations and Material Developments*” on page 167 of this Draft Red Herring Prospectus.

### Shareholding of the Promoters and Promoter Group in our Company

Except as disclosed in chapter titled “*Capital Structure*”, none of the members of our Promoter Group hold any Equity Shares as on the date of filing of this Draft Red Herring Prospectus.

### Related Party Transactions

For the transactions with our Promoter Group entities, please refer to chapter titled “*Related Party Transactions*” on page 127 of this Prospectus.

Except as stated in “*Related Party Transactions*” on page 127 of this Draft Red Herring Prospectus, and as stated therein, our Promoters or any of the Promoter Group Entities do not have any other interest in our business.

### Companies with which the Promoters are disassociated in the last three years

Except as disclosed in the chapter titled ‘Risk Factor’ and ‘Outstanding Litigation and Other Material development’ beginning on page 14 and 167 provided below, our Promoters have not disassociated themselves from any companies during the three years preceding the date of this Draft Red Herring Prospectus .

| Sr. No. | Name of the disassociated entity | Reasons and circumstances leading to the disassociation and terms of disassociation | Date of Disassociation/Resignation |
|---------|----------------------------------|-------------------------------------------------------------------------------------|------------------------------------|
| 1.)     | VMS TMT Private Limited          | Due to personal Reason                                                              | 27.06.2016                         |

### Our Promoter Group

In addition to the Promoters of our Company, the following individuals and entities form a part of the Promoter Group.

#### 1.) Individuals forming part of Promoter Group

In terms of SEBI (ICDR) Regulations, the following immediate relatives, due to their relationship with our Promoters are part of our Promoter Group in terms of Regulation 2(1) (zb) (ii) of SEBI (ICDR) Regulations:

| Promoter/Promoter Group | Mr. Varun Jain    | Mrs. Varuna Jain  |
|-------------------------|-------------------|-------------------|
| Father                  | Manoj Kumar Jain  | Bimal Dugar       |
| Mother                  | Sangeeta Jain     | Nirmal Devi Dugar |
| Spouse / Husband        | Varuna Jain       | Varun Jain        |
| Brother(s)              | Vaibhav Jain      | Rishabh Dugar     |
| Sister(s)               | -                 | -                 |
| Son                     | Yohaana Jain      | Yohaana Jain      |
| Daughter(s)             | -                 | -                 |
| Spouse Father           | Bimal Dugar       | Manoj Kumar Jain  |
| Spouse Mother           | Nirmal Devi Dugar | Sangeeta Jain     |
| Spouse Brother(s)       | Rishabh Dugar     | Vaibhav M Jain    |
| Spouse Sister(s)        | -                 | -                 |

#### 2.) Companies, Proprietary concerns, HUF’s related to our promoters

| Nature of Relationship                                                                                                                                                                                                               | Entity |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------|
| Any Body Corporate in which ten percent or more of the equity share capital is held by promoter or an immediate relative of the promoter or a firm or HUF in which promoter or any one or more of his immediate relative is a member | *      |
| Any Body corporate in which Body Corporate as provided above holds ten percent or more of the equity share capital.                                                                                                                  | *      |
| Any Hindu Undivided Family or firm in which the aggregate shareholding of the promoter and his immediate relatives is equal to or more than ten percent.                                                                             | *      |

\*For details on our Promoter Group refer Chapter Titled “Our Group Companies/Entities” beginning on page 122 of this Prospectus.

### 3.) Payment of benefits to Promoter Group

No payment has been made or benefit given to our Promoter Group in the two years preceding the date of this Draft Red Herring Prospectus except as mentioned / referred to in this chapter and in the chapter titled “*Our Management*”, “*Financial Information*” and “*Capital Structure*” on page nos. 108, 129 and 42 respectively of this Draft Red Herring Prospectus

#### Group Companies/Entities

Pursuant to the requirement of SEBI ICDR Regulations, the Group Companies includes entities covered under the applicable accounting standards, being AS 18 (as identified under the Restated Financial Statements) and also other entities as considered material by the Board of the Company.

As per Materiality Policy on Group Companies approved in the meeting of the Board of Directors of our company held on 01<sup>st</sup> September 2018, the Group Company shall be considered material for the purpose of disclosure in this Draft Red Herring Prospectus of the Company if such Company /Entity is included in the list of related parties under AS 18 (as identified under the restated financial statements) and such Company/entity is part of Promoter Group in terms of Regulation 2(1) (zb) (iv) of SEBI (ICDR) Regulations.

| Sr. No. | Name of Entity                 | Status           |
|---------|--------------------------------|------------------|
| 1.      | VMS Industries Limited         | Public Listed    |
| 2.      | VMS TMT Private Limited        | Private Company  |
| 3.      | Hubilo Softech Private Limited | Private Company  |
| 4.      | M/s. Eternal Automobiles       | Partnership Firm |
| 5.      | M/s. Yohaana Enterprises       | Partnership Firm |

## GROUP ENTITIES

In accordance with the provisions of the SEBI (ICDR) Regulations, for the purpose of identification of Group Companies, our Company has considered companies as covered under the applicable accounting standards, i.e. Accounting Standard 18 issued by the Institute of Chartered Accountant of India. Our Board vide a policy of materiality has resolved that except as mentioned in the list of related parties prepared in accordance with Accounting Standard 18 no other Company is material in nature.

### **Listed Companies within our Promoter Group:**

- VMS Industries Limited

### **Unlisted Companies within our Promoter Group:**

- VMS TMT Private Limited
- Hubilo Softech Private Limited

### **Partnership Firm:**

- M/s. Eternal Automobiles
- M/s. Yohaam Enterprises

Following are the details of our listed Group Companies:

### **VMS INDUSTRIES LIMITED**

#### *Corporate Information:*

VMS Industries Limited was incorporated on December 2, 1991 as a public limited company. Currently, the Company is engaged in business of Ship Breaking as well as trading in Ferrous and Non-Ferrous Metals. The CIN of VMS Industries Limited is L74140GJ1991PLC016714. The equity shares of Company are listed on BSE Limited.

#### **Board of Directors:**

| Sr. No. | Name of the Director             | Designation                        |
|---------|----------------------------------|------------------------------------|
| 1)      | Mr. Manoj Kumar Jain             | Managing Director                  |
| 2)      | Mrs. Sangeeta Jain               | Whole time Director                |
| 3)      | Mr. Ajit kumar Bhajanlal Jain    | Director                           |
| 4)      | Mr. Bakul Kishanlal Mehta        | Non-Executive Independent Director |
| 5)      | Mr. Pranavkumar Vinaykant Parikh | Non-Executive Independent Director |
| 6)      | Mr. Hitesh Loonia                | Non-Executive Independent Director |

#### **Shareholding as on date of this Draft Red Herring Prospectus:**

| Sr. No.      | Particulars                 | No of Shares held  | % of total Paid-up Capital |
|--------------|-----------------------------|--------------------|----------------------------|
| 1.           | Promoter and Promoter Group | 96,15,164          | 58.37%                     |
| 3.           | Public                      | 68,58,227          | 41.63 %                    |
| <b>TOTAL</b> |                             | <b>1,64,73,391</b> | <b>100.00 %</b>            |

#### **Audited financial information:**

(Rs. in Lakhs)

| Particulars                                                                                   | 2017-18  | 2016-17  | 2015-16  |
|-----------------------------------------------------------------------------------------------|----------|----------|----------|
| Equity shares capital                                                                         | 1647.34  | 1647.34  | 1647.34  |
| Reserves and surplus                                                                          | 3704.40  | 3579.29  | 3578.96  |
| Sales/Turnover (including, revenue from Integrated Skill Development Scheme and other income) | 12076.75 | 11774.20 | 10604.04 |
| Profit after Tax                                                                              | 140.65   | 99.07    | 95.21    |

| Particulars               | 2017-18 | 2016-17 | 2015-16 |
|---------------------------|---------|---------|---------|
| Earnings per Share        | 0.85    | 0.60    | 0.58    |
| Net asset value per share | 32.48   | 31.72   | 31.72   |

#### **Nature and Extent of Interest of Promoters as on 31<sup>st</sup> March, 2018**

Our Promoter, Varun Jain holds 6,24,800 Equity Shares of Rs. 10/- aggregating to 3.79% of the issued and paid up share capital of VMS Industries Limited.

#### **Mechanism for investor redressal grievance**

All shares related matters namely transfer, transmission, transposition, nomination, dividend, change of name, address and signature, registration of mandate and power of attorney, replacement, split, consolidation dematerialization of shares, and issue of duplicate certificates, etc. are handled by Registrars and Transfer Agent, Cameo Corporate Services Limited.

There are no investor complaints pending as on the date of filing of this Draft Red Herring Prospectus.

#### **Share price Information:**

The details of the monthly high and low prices on the BSE during the preceding six months are as follows:

| Month Year      | Monthly Low | Monthly High |
|-----------------|-------------|--------------|
| September, 2018 | 14.55       | 18.00        |
| August, 2018    | 15.45       | 18.80        |
| July, 2018      | 11.25       | 15.89        |
| June, 2018      | 10.39       | 12.05        |
| May, 2018       | 12.05       | 13.85        |
| April, 2018     | 14.05       | 15.90        |

#### **VMS TMT Private Limited**

#### **Corporate Information:**

The company was incorporated on April 09, 2013 as a VMS TMT Private Limited under the provisions of the Companies Act 1956. The company is engaged in the business of sale of scrap of Iron and Steel. The Company is a subsidiary of VMS Industries Limited Holding 81.71% of Equity Shares of VMS TMT Private Limited CIN of the Company is U27204GJ2013PTC074403.

#### **Board of Directors:**

| Sr. No. | Name of the Director | Designation |
|---------|----------------------|-------------|
| 1)      | Mrs. Sangeeta Jain   | Director    |
| 2)      | Mr. Manojkumar Jain  | Director    |

#### **Shareholding as on date of this Draft Red Herring Prospectus:**

| Sr. No. | Particulars                 | No of Shares held | % of total Paid-up Capital |
|---------|-----------------------------|-------------------|----------------------------|
|         | Promoter and Promoter Group |                   |                            |
| 1.      | VMS Industries Limited      | 51,73,000         | 81.71%                     |
| 2.      | Manoj Kumar Jain            | 11,39,510         | 10.10%                     |
| 3.      | Sangeeta Jain               | 18,510            | 08.19%                     |
|         | <b>TOTAL</b>                | <b>63,31,020</b>  | <b>100.00 %</b>            |

**Audited financial information:**

(Rs. in Lakhs)

| Particulars                                                                                   | 2017-18 | 2016-17 | 2015-16 |
|-----------------------------------------------------------------------------------------------|---------|---------|---------|
| Equity shares capital                                                                         | 633.10  | 633.10  | 633.10  |
| Reserves and surplus                                                                          | 27.15   | 2.01    | -       |
| Sales/Turnover (including, revenue from Integrated Skill Development Scheme and other income) | 2621.04 | 103.44  | -       |
| Profit after Tax                                                                              | 25.13   | 2.01    | -       |
| Earnings per Share                                                                            | 0.40    | 0.03    | -       |
| Net asset value per share                                                                     | 10.42   | 10.03   |         |

**Hubilo Softech Private Limited**

**Corporate Information:**

The company was incorporated on June 12, 2015 as a Hubilo Softech Private Limited under the provisions of the Companies Act 1956,. The company is engaged in the business of software engineers, software developers, software programmers, branding services for software such as mobile software, games software, screen saver software, mobile wall paper software, mobile application software, android application development etc. The CIN of Hubilo Softech Private Limited is U72200GJ2015PTC083513.

**Board of Directors:**

| Sr. No. | Name of the Director        | Designation |
|---------|-----------------------------|-------------|
| 1)      | Mr. Varun Manojkumar Jain   | Director    |
| 2)      | Mr. Vaibhav Manojkumar Jain | Director    |
| 3)      | Mr. Mayank Agarwal Deepak   | Director    |

**Shareholding as on date of this Draft Red Herring Prospectus:**

| Sr. No.      | Particulars                 | No of Shares held | % of total Paid-up Capital |
|--------------|-----------------------------|-------------------|----------------------------|
| 1.           | Promoter and Promoter Group | 5999              | 51.45%                     |
| 2.           | Public                      | 5660              | 48.55%                     |
| <b>TOTAL</b> |                             | <b>11659</b>      | <b>100.00 %</b>            |

**Audited financial information:**

(Rs. in Lakhs)

| Particulars                                                                                   | 2017-18 | 2016-17  | 2015-16 |
|-----------------------------------------------------------------------------------------------|---------|----------|---------|
| Equity shares capital                                                                         | 1.16    | 1.16     | 1.00    |
| Reserves and surplus                                                                          | 202.77  | 41.51    | (1.80)  |
| Sales/Turnover (including, revenue from Integrated Skill Development Scheme and other income) | 417.10  | 26.19    | 0.68    |
| Profit after Tax                                                                              | 165.26  | (32.57)  | (1.80)  |
| Earnings per Share                                                                            | 1417.92 | (304.88) | (24.04) |

**PARTNERSHIP:**

**M/s. Eternal Automobiles**

Eternal Automobiles is a partnership firm formed under a partnership deed dated October 31, 2013 entered into and by and between Manoj Kumar Jain, Sangeeta Jain, VMS Industries Limited, Kaushik Shah, Nikhil Gandhi, Jay Kumar Mehta, Chirag Shah and Harish Joshi The registered office of Eternal Automobiles is situated at Plot No.

B/1, Jain House, Nilam Baug, Opp., Vitthal Wadi, Bhavnagar – 364 003. Eternal Automobiles is presently engaged in the business of trading and dealership in automobiles and its allied activities

**Name of Partner and Profit Sharing:**

| Sr. No.      | Particulars            | % of Profit Sharing |
|--------------|------------------------|---------------------|
| 1.           | VMS Industries Limited | 10%                 |
| 2.           | Manoj Kumar Jain       | 15%                 |
| 3.           | Sangeeta Jain          | 15%                 |
| 4.           | Kaushik Shah           | 30%                 |
| 5.           | Nikhil Gandhi          | 15%                 |
| 6.           | Jay Kumar Mehta        | 07%                 |
| 7.           | Chirag Shah            | 04%                 |
| 8.           | Harish Joshi           | 04%                 |
| <b>TOTAL</b> |                        | <b>100.00 %</b>     |

**Financial information (Audited):**

(Rs. in Lakhs)

| Particulars      | 2017-18 | 2016-17 | 2015-16 |
|------------------|---------|---------|---------|
| Capital Account  | 983.22  | 618.51  | 413.77  |
| Sales/ Turnover  | 4270.02 | 5078.13 | 5649.26 |
| Profit after Tax | 12.25   | 7.34    | 19.52   |

**M/s. Yohaana Enterprises**

Yohan Enterprises is a partnership firm formed under a partnership deed dated July 7, 2018 entered into and by and between Manoj Kumar Jain, Sangeeta Jain, Varun Jain and Varuna Jain The registered office of Yohan Enterprises is situated at Office No. 808/C, Pinnacle Business Park, Corporate Road, Prahladnagar, Ahmedabad-380015 Gujarat. Yohan Enterprises is presently engaged in the business of trading of Iron & scrap, ferro-non ferro alloys and other allied products.

**Name of Partner and Profit Sharing:**

| Sr. No. | Particulars          | % of Profit Sharing |
|---------|----------------------|---------------------|
| 1.      | Shri Manojkumar Jain | 25%                 |
| 2.      | Smt. Sangeeta Jain   | 25%                 |
| 3.      | Shri Varun Jain      | 25%                 |
| 4.      | Smt. Varuna Jain     | 25%                 |
|         | <b>Total</b>         | <b>100.00%</b>      |

**Related Party Transactions**

For details on related party transactions please refer to ‘Financial Statements, as Restated-Annexure-XXVI-Restated Statement of Related Parties Transactions’ on page 127 of this Draft Red Herring Prospectus.

**Defunct /Struck-off Company:**

None of our Group Companies have remained defunct and no application has been made to the Registrar of Companies for striking off the name of any of our Group Companies during the five years preceding the date of filing the Draft Red Herring Prospectus with Stock Exchange.

**Other Disclosures:**

- 1) None of our Group Companies are under any winding up proceedings.

- 2) None of our Group Companies have negative Net Worth as per the last audited financial statements mentioned herein.
- 3) None of our Group Companies have any interest in the promotion of our Company.

#### **Related Business Transactions within the Group Companies and Significance on the Financial Performance of our Company**

For details, please see '*Financial Statements, as restated- Annexure XXVI-Restated Statement of Related Parties Transactions*' on page 127 of this Draft Red Herring Prospectus.

## **RELATED PARTY TRANSACTIONS**

For details on Related Party Transactions of our Company, please refer to Annexure XXIX of Restated Financial Statement under the section titled '*Financial Statements*' beginning on page 129 of this Draft Red Herring Prospectus.

## **DIVIDEND POLICY**

Under the Companies Act, our Company can pay dividends upon a recommendation by our Board of Directors and approval by a majority of the shareholders at the General Meeting. The Shareholders of our Company have the right to decrease not to increase the amount of dividend recommended by the Board of Directors. The Dividends may be paid out of profits of our Company in the year in which the dividend is declared or out of the undistributed profits or reserves of previous financial years or out of both. The Articles of Association of our Company also gives the discretion to our Board of Directors to declare and pay interim dividends.

Our Company does not have any formal dividend policy for the Equity Shares. The declaration and payment of dividend will be recommended by our Board of Directors and approved by the shareholders of our Company at their discretion and will depend on a number of factors, including the results of operations, earnings, capital requirements and surplus, general financial conditions, applicable Indian legal restrictions and other factors considered relevant by our Board of Directors.

## SECTION VI-FINANCIAL INFORMATION

### FINANCIAL STATEMENTS

To,  
**The Board of Directors,**  
**ADITYA ULTRA STEEL LIMITED**  
T 808-C, Pinnacle,  
Opp. Royal Arcade,  
Prahlad Nagar,  
Ahmedabad - 380015.

Dear Sirs,

#### **Re.: Proposed Public Issue of Equity Shares of ADITYA ULTRA STEEL LIMITED**

1. We have examined the attached Restated Summary Statement of Assets and Liabilities of **ADITYA ULTRA STEEL LIMITED**, (hereinafter referred to as “**the Company**”) as at July 31, 2018, March 31, 2018, 2017, 2016, 2015 and 2014, Restated Summary Statement of Profit and Loss and Restated Summary Statement of Cash Flow for the financial year ended on July 31, 2018, March 31, 2018, 2017, 2016, 2015 and 2014 (collectively referred to as the “**Restated Summary Statements**” or “**Restated Financial Statements**”) annexed to this report and initialed by us for identification purposes. These Restated Financial Statements have been prepared by the Company and approved by the Board of Directors of the company in connection with the Initial Public Offering (IPO) on SME Platform of National Stock Exchange of India Limited (“**NSE**”).
2. These Restated Summary Statements have been prepared in accordance with the requirements of:
  - (i) Part I of Chapter III to the Companies Act, 2013 (“**the Act**”) read with Companies (Prospectus and Allotment of Securities) Rules 2014;
  - (ii) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2009 (“**ICDR Regulations**”) issued by the Securities and Exchange Board of India (“**SEBI**”) in pursuance to Section 11 of the Securities and Exchange Board of India Act, 1992 and related amendments / clarifications from time to time;
  - (iii) The Guidance Note on Reports in Company Prospectus (Revised) issued by the Institute of Chartered Accountants of India (“**Guidance Note**”).
3. The Restated Financial Statements of the Company have been extracted by the management from the Audited Financial Statements of the Company for the year ended on July 31, 2018, March 31, 2018, 2017, 2016, 2015 and 2014 which have been approved by the Board of Directors.
4. In accordance with the requirements of the Act, ICDR Regulations and Guidance Note we report that:
  - (i) The “**Restated Statement of Asset and Liabilities**” as set out in **Annexure I** to this report, of the Company as at July 31, 2018, March 31, 2018, 2017, 2016, 2015 and 2014 are prepared by the Company and approved by the Board of Directors. These Statement of Asset and Liabilities, as restated have been arrived at after making such adjustments and regroupings to the individual financial statements of the Company, as in our opinion were appropriate and more fully described in Significant Accounting Policies and Notes to the Restated Summary Statements as set out in **Annexure IV** to this Report.
  - (ii) The “**Restated Statement of Profit and Loss**” as set out in **Annexure II** to this report, of the Company for the financial year ended on July 31, 2018, March 31, 2018, 2017, 2016, 2015 and 2014 are prepared by the Company and approved by the Board of Directors. These Statement of Profit and Loss, as restated have been arrived at after making such adjustments and regroupings to the individual

financial statements of the Company, as in our opinion were appropriate and more fully described in Significant Accounting Policies and Notes to the Restated Summary Statements as set out in **Annexure IV** to this Report.

- (iii) The "**Restated Statement of Cash Flow**" as set out in **Annexure III** to this report, of the Company for the financial year ended on July 31, 2018, March 31, 2018, 2017, 2016, 2015 and 2014 are prepared by the Company and approved by the Board of Directors. These Statement of Cash Flow, as restated have been arrived at after making such adjustments and regroupings to the individual financial statements of the Company, as in our opinion were appropriate and more fully described in Significant Accounting Policies and Notes to Restated Summary Statements as set out in **Annexure IV** to this Report.
5. Based on our examination and audited financial statements, we report that the Restated Financial Statements have been made after incorporating:
- a) Adjustments for the changes in accounting policies retrospectively in respective financial years to reflect the same accounting treatment as per the changed accounting policy for all reporting periods.
  - b) Adjustments for prior period and other material amounts in the respective financial years to which they relate and there are no qualifications which require adjustments.
  - c) There are no extra-ordinary items that need to be disclosed separately in the accounts and requiring adjustments.
  - d) There are no audit qualifications in the Audit Reports issued by the Statutory Auditors for the financial year ended on July 31, 2018, March 31, 2018, 2017, 2016, 2015 and 2014 which would require adjustments in this Restated Financial Statements of the Company.
  - e) These Profits and Losses have been arrived at after charging all expenses including depreciation and after making such adjustments/restatements and regroupings as in our opinion are appropriate and are to be read in accordance with the Significant Accounting Policies and Notes to Restated Summary Statements as set out in **Annexure IV** to this report.
  - f) There was a revaluation reserve created during the FY 2016-17 on account of revaluation of land in the name of company, which has been disclosed separately in the Restated Financial Statements in the respective financial years.
6. For the purpose of our examination, we have relied on:
- a. Auditor's report issued by S.N. Shah & Associates, Chartered Accountants, dated September 1, 2018, August 31, 2018, June 1, 2017, and September 1, 2016, respectively, on the financial statements of the Company as at July 31, 2018, March 31, 2018, March 31, 2017, March 31, 2016 and Auditor's report issued by H.B. Dhamelia & Company, Chartered Accountants, dated August 26, 2015, and July 12, 2014 respectively, on the financial statements of the Company as at March 31, 2015 and March 31, 2014.
7. We have also examined the following other financial information relating to the Company prepared by the Management and as approved by the Board of Directors of the Company and annexed to this report relating to the Company for the financial year ended on July 31, 2018, March 31, 2018, 2017, 2016, 2015 and 2014 proposed to be included in the Draft Prospectus / Prospectus ("**Offer Document**").
8. The report should not in any way be construed as a re-issuance or re-dating of any of the previous audit reports issued by any other Firm of Chartered Accountants nor should this report be construed as a new opinion on any of the financial statements referred to therein.
9. We have no responsibility to update our report for events and circumstances occurring after the date of the report.

10. In our opinion, the above financial information contained in Annexure I to XXXII of this report read with the respective Significant Accounting Policies and Notes to Restated Summary Statements as set out in Annexure IV are prepared after making adjustments and regrouping as considered appropriate and have been prepared in accordance with the Act, SEBI ICDR Regulations and Guidance Note.
11. Our report is intended solely for use of the management and for inclusion in the Offer Document in connection with the SME IPO. Our report should not be used, referred to or adjusted for any other purpose except with our consent in writing.

**For S. N. Shah & Associates**

**Chartered Accountants**

**Priyam Shah**

**Partner**

**Firm Registration No.:109782W**

**Membership No. 144892**

**Place: Ahmedabad**

**Date: 15-09-2018**

**Annexure of Restated Financial Statements of the Company:**

| <b>Sr. No.</b> | <b>Particular</b>                                             | <b>Annexure</b> |
|----------------|---------------------------------------------------------------|-----------------|
| 1.             | Summary Statement of Assets and Liabilities, as restated      | Annexure I      |
| 2.             | Summary Statement of Profit and Loss, as restated             | Annexure II     |
| 3.             | Summary Statement of Cash Flow, as restated                   | Annexure III    |
| 4.             | Significant Accounting Policies and Notes to Accounts         | Annexure IV     |
| 5.             | Details of Share Capital as Restated                          | Annexure V      |
| 6.             | Details of Reserves and Surplus as Restated                   | Annexure VI     |
| 7.             | Details of Long Term Borrowings as Restated                   | Annexure VII    |
| 8.             | Details of Deferred Tax Liabilities as Restated               | Annexure VIII   |
| 9.             | Details of Short Term Borrowings as Restated                  | Annexure IX     |
| 10.            | Details of Trade Payables as Restated                         | Annexure X      |
| 11.            | Details of Other Current Liabilities as Restated              | Annexure XI     |
| 12.            | Details of Short Term Provisions as Restated                  | Annexure XII    |
| 13.            | Details of Fixed Assets as Restated                           | Annexure XIII   |
| 14.            | Details of Long Term Loans & Advances as Restated             | Annexure XIV    |
| 15.            | Details of Other Non-Current Assets as Restated               | Annexure XV     |
| 16.            | Details of Inventories as Restated                            | Annexure XVI    |
| 17.            | Details of Trade Receivables as Restated                      | Annexure XVII   |
| 18.            | Details of Cash and Cash Equivalents as Restated              | Annexure XVIII  |
| 19.            | Details of Short Term Loans & Advances as                     | Annexure XIX    |
| 20.            | Details of Other Current Assets as Restated                   | Annexure XX     |
| 21.            | Details of Revenue from Operations                            | Annexure XXI    |
| 22.            | Details of Cost of Material Consumed as Restated              | Annexure XXII   |
| 23.            | Details of Other Income as Restated                           | Annexure XXIII  |
| 24.            | Details of Changes in Inventories of Goods Traded as Restated | Annexure XXIV   |
| 25.            | Details of Employee Benefit Expenses as Restated              | Annexure XXV    |
| 26.            | Details of Finance Costs as Restated                          | Annexure XXVI   |
| 27.            | Details of Depreciation and Amortization as Restated          | Annexure XXVII  |
| 28.            | Details of Other Expenses as Restated                         | Annexure XXVIII |
| 29.            | Details of Related Parties Transactions as Restated           | Annexure XXIX   |
| 30.            | Details of Significant Accounting Ratios as Restated          | Annexure XXX    |
| 31.            | Capitalization Statement as Restated as at July 31, 2018      | Annexure XXXI   |
| 32.            | Statement of Tax Shelters as Restated                         | Annexure XXXII  |

**ANNEXURE I**  
**STATEMENT OF ASSETS AND LIABILITIES AS RESTATED**

(Rs. In lakhs)

| Particulars                    | As at<br>July<br>31,2018 | As at March 31, |                 |                 |                 |                 |
|--------------------------------|--------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|
|                                |                          | 2018            | 2017            | 2016            | 2015            | 2014            |
| <b>EQUITY AND LIABILITIES</b>  |                          |                 |                 |                 |                 |                 |
| <b>Shareholders' Funds</b>     |                          |                 |                 |                 |                 |                 |
| a. Share Capital               | 1,220.00                 | 1,220.00        | 1,220.00        | 1,220.00        | 1,220.00        | 720.00          |
| b. Reserves & Surplus          | 1,100.81                 | 685.97          | 218.01          | (1,077.15)      | (757.21)        | (625.69)        |
| <b>Non-Current Liabilities</b> |                          |                 |                 |                 |                 |                 |
| a. Long Term Borrowings        | 895.97                   | 1,364.96        | 1,596.61        | 1,440.62        | 1,549.04        | 1,387.13        |
| b. Deferred Tax Liabilities    | 137.59                   | 113.00          | -6.96           | -48.66          | -77.92          | -60.23          |
| <b>Current Liabilities</b>     |                          |                 |                 |                 |                 |                 |
| a. Short Term Borrowings       | 1,696.80                 | 1,767.85        | 590.06          | 809.78          | 817.33          | 820.44          |
| b. Trade Payables              | 3,375.28                 | 1,031.46        | 1,650.69        | 40.15           | 342.18          | 175.79          |
| c. Other Current Liabilities   | 165.67                   | 192.19          | 235.16          | 147.42          | 24.77           | 2.49            |
| d. Short Term Provisions       | 197.47                   | 52.95           | -               | -               | -               | 5.24            |
| <b>T O T A L</b>               | <b>8789.58</b>           | <b>6,428.38</b> | <b>5,503.57</b> | <b>2,532.16</b> | <b>3,118.19</b> | <b>2,425.17</b> |
| <b>ASSETS</b>                  |                          |                 |                 |                 |                 |                 |
| <b>Non-Current Assets</b>      |                          |                 |                 |                 |                 |                 |
| a. Fixed Assets                |                          |                 |                 |                 |                 |                 |
| i. Tangible Assets             | 3,238.41                 | 3,156.19        | 2,964.06        | 1,603.38        | 1,563.42        | 1,529.92        |
| Less: Accumulated Depreciation | 426.09                   | 398.01          | 316.43          | 246.89          | 185.59          | 101.21          |
| ii. Intangible Assets (Net)    | -                        | -               | -               | -               | -               | -               |
| iii Capital Work in Progress   | -                        | -               | -               | -               | -               | -               |
| <b>Net Block</b>               | <b>2,812.32</b>          | <b>2,758.18</b> | <b>2,647.62</b> | <b>1,356.49</b> | <b>1,377.83</b> | <b>1,428.71</b> |
| a. Long Term Loans & Advances  | 1.65                     | 0.23            | 0.23            | 0.23            | 0.23            | 0.05            |
| b. Other Non-Current Assets    | 0.20                     | 0.20            | 0.20            | 0.20            | 0.20            | 0.20            |
| <b>Current Assets</b>          |                          |                 |                 |                 |                 |                 |
| a. Inventories                 | 3,058.94                 | 1,969.30        | 1,636.04        | 971.19          | 1,290.64        | 577.34          |
| b. Trade Receivables           | 2,233.62                 | 1,378.91        | 467.40          | 55.40           | 265.37          | 249.56          |
| c. Cash and Cash Equivalents   | 224.86                   | 64.70           | 26.01           | 56.56           | 49.26           | 64.60           |
| d. Short Term Loans & Advances | 451.22                   | 247.35          | 682.55          | 12.58           | 100.73          | 70.81           |
| e. Other Current Assets        | 6.77                     | 9.51            | 43.51           | 79.50           | 33.93           | 33.89           |
| <b>T O T A L</b>               | <b>8,789.58</b>          | <b>6,428.38</b> | <b>5,503.57</b> | <b>2,532.16</b> | <b>3,118.19</b> | <b>2,425.17</b> |

**ANNEXURE II**  
**STATEMENT OF PROFIT AND LOSS AS RESTATED**

(Rs. In lakhs)

| Particulars                                        | As at July<br>31,2018 | For the year ended March 31, |                 |                 |                 |                 |
|----------------------------------------------------|-----------------------|------------------------------|-----------------|-----------------|-----------------|-----------------|
|                                                    |                       | 2018                         | 2017            | 2016            | 2015            | 2014            |
| <b>INCOME</b>                                      |                       |                              |                 |                 |                 |                 |
| Revenue from Operations                            | 11,471.39             | 14,578.04                    | 5,804.68        | 2,747.18        | 5,280.40        | 3,993.88        |
| Other Income                                       | 38.13                 | 158.12                       | 59.10           | 104.12          | 35.81           | 110.79          |
| <b>Total Income (A)</b>                            | <b>11,509.52</b>      | <b>14,736.16</b>             | <b>5,863.78</b> | <b>2,851.30</b> | <b>5,316.21</b> | <b>4,104.67</b> |
| <b>EXPENDITURE</b>                                 |                       |                              |                 |                 |                 |                 |
| Cost of materials consumed                         | 12,321.59             | 12,192.52                    | 5,507.70        | 2,214.40        | 4,798.16        | 3,260.27        |
| Changes in inventories of Goods Traded             | (2,240.79)            | 384.53                       | (641.33)        | 332.88          | (178.51)        | 290.93          |
| Employee benefit expenses                          | 76.59                 | 164.67                       | 101.86          | 40.15           | 68.82           | 111.27          |
| Finance costs                                      | 43.57                 | 269.64                       | 144.14          | 195.41          | 204.48          | 154.25          |
| Depreciation and Amortisation expense              | 28.08                 | 81.58                        | 69.54           | 61.30           | 84.38           | 59.13           |
| Other Expenses                                     | 668.85                | 1,055.13                     | 438.95          | 297.85          | 484.99          | 469.72          |
| <b>Total Expenses (B)</b>                          | <b>10,897.88</b>      | <b>14,148.07</b>             | <b>5,620.87</b> | <b>3,141.98</b> | <b>5,462.33</b> | <b>4,345.57</b> |
| <b>Profit before exceptional items and tax (C)</b> | <b>611.63</b>         | <b>588.09</b>                | <b>242.91</b>   | <b>(290.68)</b> | <b>(146.11)</b> | <b>(240.90)</b> |
| Exceptional Items                                  | -                     | -                            | -               | -               | -               | -               |
| <b>Profit before tax (D)</b>                       | <b>611.63</b>         | <b>588.09</b>                | <b>242.91</b>   | <b>(290.68)</b> | <b>(146.11)</b> | <b>(240.90)</b> |
| <i>Tax expense :</i>                               | -                     | -                            | -               | -               | -               | -               |
| (i) Current tax                                    | 131.80                | 52.95                        | -               | -               | -               | -               |
| (ii) MAT Credit                                    | 40.41                 | (52.78)                      | -               | -               | -               | -               |
| (iii) Deferred tax                                 | 24.59                 | 119.96                       | 41.70           | 29.26           | (17.69)         | (60.23)         |
| <b>Total Tax Expense (E)</b>                       | <b>196.80</b>         | <b>120.13</b>                | <b>41.70</b>    | <b>29.26</b>    | <b>(17.69)</b>  | <b>(60.23)</b>  |
| <b>Profit for the year (D-E)</b>                   | <b>414.84</b>         | <b>467.96</b>                | <b>201.21</b>   | <b>(319.94)</b> | <b>(128.43)</b> | <b>(180.66)</b> |

**ANNEXURE III**  
**STATEMENT OF CASH FLOW AS RESTATED**

(Rs. In lakhs)

| Particulars                                                       | As at July<br>31,2018 | For the year ended March 31, |                 |                |                 |                 |
|-------------------------------------------------------------------|-----------------------|------------------------------|-----------------|----------------|-----------------|-----------------|
|                                                                   |                       | 2018                         | 2017            | 2016           | 2015            | 2014            |
| <b><u>Cash flow from operating activities:</u></b>                |                       |                              |                 |                |                 |                 |
| Net Profit before tax as per Profit And Loss A/c                  | 611.63                | 588.09                       | 242.91          | (290.68)       | (146.11)        | (240.90)        |
| Adjusted for:                                                     |                       |                              |                 |                |                 |                 |
| Prior Period Expenses                                             | -                     | -                            | -               | -              | -               | (1.30)          |
| Depreciation Added Back                                           | -                     | -                            | -               | -              | (3.09)          | (78.41)         |
| Profit on sale of Fixed Assets                                    | -                     | -                            | -               | -              | -               | -               |
| Loss on sale of Fixed Assets                                      | -                     | -                            | -               | -              | -               | -               |
| Depreciation & Amortisation                                       | 28.08                 | 81.58                        | 69.54           | 61.30          | 84.38           | 59.13           |
| Income Tax Expenses                                               | (172.20)              | (0.17)                       | -               | -              | -               | -               |
| Interest & Finance Cost                                           | 43.57                 | 269.64                       | 144.14          | 195.41         | 204.48          | 154.25          |
| Security Deposit W/off                                            | (33.00)               | (103.90)                     | -               | -              | -               | -               |
| Interest income                                                   | (4.89)                | (53.42)                      | (7.21)          | (5.46)         | (1.42)          | (5.46)          |
| <b>Operating Profit Before Working Capital Changes</b>            | <b>473.19</b>         | <b>781.82</b>                | <b>449.39</b>   | <b>(39.44)</b> | <b>138.24</b>   | <b>(112.69)</b> |
| Adjusted for (Increase)/ Decrease:                                |                       |                              |                 |                |                 |                 |
| Trade Receivables                                                 | (854.71)              | (911.50)                     | (412.00)        | 209.97         | (15.80)         | (38.55)         |
| Inventories                                                       | (1,089.64)            | (333.26)                     | (664.84)        | 319.45         | (713.30)        | 283.11          |
| Long Term Loans and Advances                                      | (1.42)                | -                            | -               | -              | (0.18)          | (0.05)          |
| Short Term Loans and Advances                                     | (203.87)              | 435.20                       | (669.97)        | 88.15          | (29.92)         | 276.17          |
| Trade payables                                                    | 2,343.82              | (619.23)                     | 1,610.54        | (302.03)       | 166.39          | (194.31)        |
| Provisions                                                        | 144.52                | 52.95                        | -               | -              | (5.24)          | (8.89)          |
| Current Liabilities                                               | (26.53)               | (42.97)                      | 87.74           | 122.65         | 22.29           | 2.49            |
| Other Current Assets                                              | 2.73                  | 34.01                        | 35.99           | (45.57)        | (0.04)          | (33.89)         |
| Other Non-Current Assets                                          | -                     | -                            | -               | -              | -               | -               |
| <b>Cash Generated From Operations Before Extra-Ordinary Items</b> | <b>788.10</b>         | <b>(602.99)</b>              | <b>436.84</b>   | <b>353.18</b>  | <b>(437.58)</b> | <b>173.40</b>   |
| Add:- Extra-Ordinary Items                                        | -                     | -                            | -               | -              | -               | -               |
| <b>Cash Generated From Operations</b>                             | <b>788.10</b>         | <b>(602.99)</b>              | <b>436.84</b>   | <b>353.18</b>  | <b>(437.58)</b> | <b>173.40</b>   |
| Direct Tax Paid                                                   | -                     | -                            | -               | -              | -               | -               |
| <b>Net Cash Flow from/(used in) Operating Activities: (A)</b>     | <b>788.10</b>         | <b>(602.99)</b>              | <b>436.84</b>   | <b>353.18</b>  | <b>(437.58)</b> | <b>173.40</b>   |
| <b><u>Cash Flow From Investing Activities:</u></b>                |                       |                              |                 |                |                 |                 |
| Purchase of Fixed Assets                                          | (82.22)               | (192.14)                     | (266.72)        | (39.96)        | (44.20)         | (15.20)         |
| Sale of Fixed Asset/Reversal of Fixed Assets                      | -                     | -                            | -               | -              | 10.71           | -               |
| Interest Income                                                   | 4.89                  | 53.42                        | 7.21            | 5.46           | 1.42            | 5.46            |
| <b>Net Cash Flow from/(used in) Investing Activities: (B)</b>     | <b>(77.33)</b>        | <b>(138.72)</b>              | <b>(259.52)</b> | <b>(34.50)</b> | <b>(32.08)</b>  | <b>(9.74)</b>   |
| <b><u>Cash Flow from Financing Activities:</u></b>                |                       |                              |                 |                |                 |                 |
| Proceeds From Share Capital                                       |                       |                              |                 |                | 500.00          |                 |
| Increase/(Decrease) Long Term Borrowing                           | (435.99)              | (127.75)                     | 155.99          | (108.42)       | 161.90          | (86.19)         |
| Increase/ (Decrease) in Short Term Borrowing                      | (71.05)               | 1,177.79                     | (219.73)        | (7.55)         | (3.11)          | 16.37           |
| Interest & Financial Charges                                      | (43.57)               | (269.64)                     | (144.14)        | (195.41)       | (204.48)        | (154.25)        |

| Particulars                                                           | As at July<br>31,2018 | For the year ended March 31, |                 |                 |                |                 |
|-----------------------------------------------------------------------|-----------------------|------------------------------|-----------------|-----------------|----------------|-----------------|
|                                                                       |                       | 2018                         | 2017            | 2016            | 2015           | 2014            |
| <b>Net Cash Flow from/(used in) Financing Activities ( C )</b>        | <b>(550.61)</b>       | <b>780.40</b>                | <b>(207.87)</b> | <b>(311.38)</b> | <b>454.31</b>  | <b>(224.06)</b> |
| <b>Net Increase/(Decrease) in Cash &amp; Cash Equivalents (A+B+C)</b> | <b>160.16</b>         | <b>38.69</b>                 | <b>(30.55)</b>  | <b>7.30</b>     | <b>(15.34)</b> | <b>(60.41)</b>  |
| <b>Cash &amp; Cash Equivalents As At Beginning of the Year</b>        | <b>64.70</b>          | <b>26.01</b>                 | <b>56.56</b>    | <b>49.26</b>    | <b>64.60</b>   | <b>125.01</b>   |
| <b>Cash &amp; Cash Equivalents As At End of the Year</b>              | <b>224.86</b>         | <b>64.70</b>                 | <b>26.01</b>    | <b>56.56</b>    | <b>49.26</b>   | <b>64.60</b>    |

**Notes:**

1. The above statement should be read with the notes to restated summary financial statements of assets and liabilities, profits and losses and cash flows as appearing in Annexure and with the notes on adjustments for the Restated Statement of the Assets and Liabilities, the Restated Statement of Profit and Loss and the Restated of Cash Flows.

**ANNEXURE – IV**

**RESTATED SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS:**

**A. SIGNIFICANT ACCOUNTING POLICIES:**

**1. Corporate information:**

ADITYA ULTRA STEEL LIMITED is a limited company domiciled in India and incorporated under the provisions of the Companies Act, 1956. The Company's operations comprises of manufacturing and trading of textile products.

**2. Basis of preparation of Financial Statements:**

The restated summary statement of assets and liabilities of the Company as at July 31, 2018, March 31, 2018, 2017, 2016, 2015 and 2014 and the related restated summary statement of profits and loss and cash flows for the years ended July 31, 2018, March 31, 2018, 2017, 2016, 2015 and 2014 (herein collectively referred to as ('Restated Summary Statements')) have been compiled by the management from the audited financial statements of the Company for the years ended on July 31, 2018, March 31, 2018, 2017, 2016, 2015 and 2014, approved by the Board of Directors of the Company. Restated Summary Statements have been prepared to comply in all material respects with the provisions of Part I of Chapter III of the Companies Act, 2013 read with Companies (Prospectus and Allotment of Securities) Rules, 2014, Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 ("the SEBI Guidelines") issued by SEBI and Guidance note on Reports in Companies Prospectus (Revised). The Restated Summary Statements have been prepared specifically for inclusion in the offer document to be filed by the Company with the SME Platform of NSE in connection with its proposed Initial Public Offering of equity shares. The Company's management has recast the financial statements in the form required by Schedule III of the Companies Act, 2013 for the purpose of Restated Summary Statements.

**3. Accounting Conventions:**

The Financial Statements of the Company are prepared under the historical cost convention on accrual basis of accounting and in accordance with the mandatory accounting standards issued by the Institute of Chartered Accountants of India and referred to in section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 except in case of leave salary, gratuity & other retirement employee benefits including

statutory if any applicable and generally accepted accounting principles in India. The accounting policies not referred to otherwise have been consistently applied by the Company during the year.

#### **4. Use of estimates:**

The preparation of financial statements in accordance with the GAAP requires management to make estimates and assumptions that may affect the reported amount of assets and liabilities, classification of assets and liabilities into non-current and current and disclosures relating to contingent liabilities as at the date of financial statements and the reported amounts of income and expenses during the reporting period. Although the financial statements have been prepared based on the management's best knowledge of current events and procedures/actions, the actual results may differ on the final outcome of the matter/transaction to which the estimates relates

#### **5. Fixed Assets:**

Fixed Assets are stated at cost of acquisition/construction (less Accumulated Depreciation, if any). The cost of Fixed Assets comprises of their purchase price, including freight, duties, taxes or levies and directly attributable cost of bringing the assets to their working conditions for their intended use. Subsequent expenditures on Fixed Assets have been capitalized only if such expenditures increase the future benefits from the existing assets beyond their previously assessed standard of performance.

#### **6. Depreciation: In respect of Financial Years 2014-15, 2015-16, 2016-17, 2017-18 and 01-04-18 to 31-07-18**

Depreciation of Fixed Assets is provided on original cost of the asset on written down value method and in the manner prescribed in Schedule II of the Companies Act, 2013. Accordingly the unamortized carrying value is being depreciated over remaining useful life by Written down value method

Except for some class of asset whose useful lives were more than the life prescribed in schedule II of the act, the useful life in respect of such class of asset were derived based on technical evaluations out by the management with consultation from chartered engineer.

#### **In respect of Financial Years 2013-14**

The Company is showing depreciation as per the rates specified in the Companies Act, 1956 as per Straight line method. The Company has calculated depreciation as per complete Day-to-Day/month Base System

#### **7. Inventories:**

The inventories of intermediate finished goods and finished goods have been valued at cost or net realizable value whichever is lower. The Costs in respect of all items of inventories have been computed on FIFO basis. The cost of inventories comprises of the purchase price including duties and taxes, freight inwards and other expenditure directly attributable to the acquisition. The purchase price does not include CENVAT/VAT/GST credit availed of by the Company during the year.

#### **8. Revenue Recognition:**

All income and expenses are accounted on accrual basis. The Company recognised Sale of Goods when it had transferred the property in Goods to the buyer for a price or all significant risks and rewards of ownership had been transferred to the buyer and no significant uncertainty existed as to the amount of consideration that would be derived from such sale. The recognition event is usually the dispatch of goods to the buyer such that the Company retains no effective control over the goods dispatched. The revenue in respect of service contract is recognized based on order/contract with the parties.

#### **9. Foreign Currency Transactions:**

The transactions in foreign currency have been recorded using the rate of exchange prevailing on the date of transactions. The difference arising on the settlement/restatement of the foreign currency denominated Current

Assets/Current Liabilities into Indian rupees has been recognized as expenses/income (net) of the year and carried to the statement of profit and loss.

#### **10. Employee Benefit:**

Contribution due / payable during the year towards provident fund is recognized in the profit and loss account. The management is of the opinion that the Gratuity, payment of Pension Act and Employees State Insurance Act is not applicable to the Company.

#### **11. Borrowing Costs:**

Borrowing cost attributable to acquisition of qualifying assets for the period such asset is put to its commercial use, is capitalized as part of the cost of such assets. A qualifying asset is one that takes substantial period of time to get ready for intended use. All other borrowing costs are charged to profit and loss account.

#### **12. Taxes on Income and Deferred Tax:**

Taxes on income comprises of current tax and deferred tax. Taxes on income have been determined based on the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Deferred income taxes are determined for future consequences attributable to timing differences between financial determination of income and income chargeable to tax as per the provisions of Income Tax Act, 1961. Deferred tax liability has been worked out using the tax rate and tax laws that were in force as on the date of balance sheet and has not been discounted to its present value after giving effects of carried forward balances of unabsorbed depreciation, unabsorbed business losses as per the Income Tax Act, 1961 and other timing differences as at the Balance Sheet date.

The MAT Credit available as per the Income Tax Act, 1961 has been recognized as assets where there is convincing evidence that the asset can realized in future for adjustment against the income tax liabilities are being reviewed as at each Balance Sheet date for reasonableness of its realization.

#### **13. Impairment of Assets:**

As at each balance sheet date, the carrying values of assets are reviewed for impairment if any indication of impairment exists.

#### **14. Provisions, Contingent Liabilities and Contingent Assets:**

The Company recognizes a provision when there is a present obligation as a result of a past event that probably requires an outflow of the Company's resources embodying economic benefits and a reliable estimate can be made of the amount of the obligation. A disclosure of contingent liabilities is made when there is a possible obligation that may, but probably will not, require an outflow of resources. As a measure of prudence, the contingent assets are not recognized.

#### **15. Cash and Cash Equivalents-For the Purpose of Cash Flow Statements:**

For the purpose of Cash Flow Statements, cash and cash equivalents include Cash on Hand and Balances with Banks in the Current Account as well as Fixed Deposits account.

#### **16. Operating Cycle:**

Based on the activities of the company and normal time between incurring of liabilities and their settlement in cash or cash equivalents and acquisition/right to assets and their realization in cash or cash equivalents, the company has considered its operating cycle as 12 months for the purpose of classification of its liabilities and assets as current and non-current.

## 17. Earnings Per Share:

The earnings per share as per AS-20 “Earning Per Share” has been computed on the basis of net profit after tax divided by the weighted average number of shares outstanding during the year.

18. Accounting policies not specifically referred to otherwise are consistent with generally accepted accounting principles

## NOTES TO ACCOUNTS ON RESTATED FINANCIAL STATEMENTS:

### 1. Reconciliation of Restated Profits:

The summary of the material adjustments made to audited financial statements of the respective years and their impact on the restated summary statement of profit and loss have been given as under:

(Rs. In lakhs)

| Particulars                                                                    | For the Period ended July, 31 2018 | For the Year ended March, 31 2018 | For the Year ended March, 31 2017 | For the Year ended March, 31 2016 | For the Year ended March, 31 2015 | For the Year ended March, 31 2014 |
|--------------------------------------------------------------------------------|------------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|
| <b>I. Net profit/(Loss) after Tax as per Audited Profit &amp; Loss Account</b> | <b>464.69</b>                      | <b>506.99</b>                     | <b>138.13</b>                     | <b>(249.55)</b>                   | <b>(149.20)</b>                   | <b>(244.50)</b>                   |
| <b>II. Adjustments for:</b>                                                    |                                    |                                   |                                   |                                   |                                   |                                   |
| Preliminary Expense (Refer to Note 1 Below)                                    | (6.39)                             | -                                 | -                                 | -                                 | -                                 | -                                 |
| Prior Period Expense                                                           | -                                  | (0.10)                            | -                                 | -                                 | -                                 | 3.60                              |
| Depreciation Adjusted during the year                                          | -                                  | -                                 | -                                 | -                                 | 3.09                              | -                                 |
| Service Tax and Excise Expense                                                 | -                                  | -                                 | -                                 | (1.66)                            | -                                 | -                                 |
| Tax Provision                                                                  | (43.46)                            | (38.92)                           | 63.08                             | (68.73)                           | 17.69                             | 60.23                             |
| <b>III. Net Profit/ (Loss) After Tax as Restated</b>                           | <b>414.84</b>                      | <b>467.96</b>                     | <b>201.21</b>                     | <b>(319.94)</b>                   | <b>(128.43)</b>                   | <b>(180.66)</b>                   |

### Notes:

- The company had policy to charge 1/5<sup>th</sup> of preliminary expenses incurred in form of expenses relating to incorporation and raising of capital to the statement of profit & loss in the year in which such expenses were incurred and balance had been carried forward for charging 1/5<sup>th</sup> of the expenses to the statement of profit & loss for the subsequent four financial years. In the restated summary financial statements, such expenses have been debited to the statement of profit & loss for the period in which such expenses were incurred.
- The company had policy not to consider section 43B payments as per Income tax Act, 1961 as being not material for computing the deferred taxes. The deferred tax liabilities/(assets) were hitherto rounded to the nearest thousand rupees. The adjustments to the deferred tax liabilities/(assets) represent effect of change in the depreciation as per restated financial statements, change in unabsorbed losses, consideration of section 43B payments for computing deferred tax and non-rounding of deferred tax liabilities/(assets) to the nearest thousand rupees.
- Effect of prior period expense as well as service tax and excise expense has been given in the year to which the expense is related.
- Company has calculated depreciation on fixed assets as per Companies act, 1956, which have been now reworked and considered depreciation as per Companies Act, 2013 and same is provided in the Restated Financial Statements.
- Provision for Taxation**-We have reworked Income Tax Liability for all the 5 years considering effects of the above restatements and the same has been provided in the Restated Financial Statements.(See Annexure – Statement of Tax Shelters for reference of Income Tax Liability)

6. **Adjustment for Deferred Tax**-We have reworked Income Tax Liability for all the 5 years considering effects of the Depreciation and the same has been provided in the Restated Financial Statements.

7. **Material regroupings:**

Appropriate adjustments have been made in the restated summary Statements of Assets and Liabilities, Profits and Losses and Cash flows, wherever required, by reclassification of the corresponding items of income, expenses, assets and liabilities, in order to bring them in line with the regroupings as per the audited financials of the Company for the period ended 31 July 2018, prepared in accordance with Revised schedule VI to the Companies Act, 1956 or the Companies Act, 2013, and the requirements of the Securities and Exchange Board of India (Issue of Capital & Disclosure Requirements) Regulations, 2009 (as amended)

8. **Managerial Remuneration:**

(Rs. In lakhs)

| Particulars           | For the Period ended July, 31 2018 | For the Year ended March, 31 2018 | For the Year ended March, 31 2017 | For the Year ended March, 31 2016 | For the Year ended March, 31 2015 | For the Year ended March, 31 2014 |
|-----------------------|------------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|
| Varun Manojkumar Jain | 16.00                              | 44.00                             | 22.50                             | -                                 | -                                 | -                                 |
| Varuna Varun Jain     | 16.00                              | 36.00                             | 12.50                             | -                                 | -                                 | -                                 |
| <b>TOTAL</b>          | <b>32.00</b>                       | <b>80.00</b>                      | <b>35.00</b>                      | -                                 | -                                 | -                                 |

9. **Auditors Remuneration include:**

(Rs. In Lakhs)

| Particulars         | For the Period ended July, 31 2018 | For the Year ended March, 31 2018 | For the Year ended March, 31 2017 | For the Year ended March, 31 2016 | For the Year ended March, 31 2015 | For the Year ended March, 31 2014 |
|---------------------|------------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|
| For Statutory Audit | 0.15                               | 0.40                              | 0.55                              | 0.55                              | 0.75                              | 0.75                              |
| For Tax Audit       | -                                  | 0.20                              | 0.20                              | 0.20                              | -                                 | -                                 |
| Service Tax Amount  |                                    |                                   | -                                 | 0.11                              | -                                 | -                                 |
| <b>TOTAL</b>        | <b>0.15</b>                        | <b>0.60</b>                       | <b>0.75</b>                       | <b>0.86</b>                       | <b>0.75</b>                       | <b>0.75</b>                       |

10. The company has initiated the process of obtaining confirmations from the suppliers as to their status as Micro, Small or Medium Enterprise registered under the applicable category as per the provisions of the Micro, Small and Medium Enterprises (Development) Act, 2006 (MSMED Act, 2006). However, the company is yet to receive confirmations from suppliers as to their as Micro, Small and Medium Enterprises and hence interest due to them if any as per the provision of the Micro, Small and Medium Enterprises (Development) Act, 2006 (MSMED Act, 2006) could not be determined or provided.

**ANNEXURE - V**  
**DETAILS OF SHARE CAPITAL AS RESTATED**  
**(i) Details of Share Capital as Restated**

(Rs. In lakhs, except No. of shares)

| Particulars                                         | As at July 31, 2018 | As at March 31, 2018 | As at March 31, 2017 | As at March 31, 2016 | As at March 31, 2015 | As at March 31, 2014 |
|-----------------------------------------------------|---------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| <b>Equity Share Capital</b>                         |                     |                      |                      |                      |                      |                      |
| <b>Authorised Share capital</b>                     |                     |                      |                      |                      |                      |                      |
| <b>2013-14 to July 31, 2018</b>                     |                     |                      |                      |                      |                      |                      |
| 80,00,000 Equity Shares of Rs. 10/- each            | -                   | -                    | -                    | -                    | -                    | 800.00               |
| 1,25,00,000 Equity Shares of Rs. 10/- each          | -                   | 1,250.00             | 1,250.00             | 1,250.00             | 1,250.00             | -                    |
| 2,00,00,000 Equity Shares of Rs. 10/- each          | 2,000.00            | -                    | -                    | -                    | -                    | -                    |
| <b>T O T A L</b>                                    | <b>2,000.00</b>     | <b>1,250.00</b>      | <b>1,250.00</b>      | <b>1,250.00</b>      | <b>1,250.00</b>      | <b>800.00</b>        |
| <b>Issued, Subscribed and Paid Up Share Capital</b> |                     |                      |                      |                      |                      |                      |
| <b>Issued and Subscribed Share Capital</b>          |                     |                      |                      |                      |                      |                      |
| <b>2013-14</b>                                      |                     |                      |                      |                      |                      |                      |
| 72,00,000 Equity Shares of Rs. 10/= each            | -                   | -                    | -                    | -                    | -                    | 720.00               |
| <b>2014-15 to July 31, 2018</b>                     |                     |                      |                      |                      |                      |                      |
| 1,22,00,000 Equity Shares of Rs. 10/= each          | 1,220.00            | 1,220.00             | 1,220.00             | 1,220.00             | 1,220.00             | -                    |
| <b>T O T A L</b>                                    | <b>1,220.00</b>     | <b>1,220.00</b>      | <b>1,220.00</b>      | <b>1,220.00</b>      | <b>1,220.00</b>      | <b>720.00</b>        |

**(ii) Reconciliation of number of shares outstanding at the end of year**

| Particulars                                 | As at July 31, 2018 | As at March 31, 2018 | As at March 31, 2017 | As at March 31, 2016 | As at March 31, 2015 | As at March 31, 2014 |
|---------------------------------------------|---------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| <b>Equity Shares of Rs 10/- each</b>        |                     |                      |                      |                      |                      |                      |
| Equity shares at the beginning of the year  | 12,200,000          | 12,200,000           | 12,200,000           | 12,200,000           | 7,200,000            | 7,200,000            |
| Add: Shares Allotted during the year        | -                   | -                    | -                    | -                    | 5,000,000            | -                    |
| Add: Bonus Shares issued during the year    | -                   | -                    | -                    | -                    | -                    | -                    |
| <b>Equity Shares at the end of the year</b> | <b>12,200,000</b>   | <b>12,200,000</b>    | <b>12,200,000</b>    | <b>12,200,000</b>    | <b>12,200,000</b>    | <b>7,200,000</b>     |

**(iii) Details of shareholders holding more than 5% of the aggregate shares in the company**

(No. of shares in lakhs)

| Name of Shareholder   | As at 31st July, 2018 |        | As at 31st March, 2018 |        | As at 31st March, 2017 |        | As at 31st March, 2016 |       | As at 31st March, 2015 |       | As at 31st March, 2014 |       |
|-----------------------|-----------------------|--------|------------------------|--------|------------------------|--------|------------------------|-------|------------------------|-------|------------------------|-------|
|                       | No. Of Shares         | %      | No. Of Shares          | %      | No. Of Shares          | %      | No. Of Shares          | %     | No. Of Shares          | %     | No. Of Shares          | %     |
| Varun Manojkumar Jain | 104.40                | 85.57% | 104.40                 | 85.57% | 104.40                 | 85.57% | -                      | 0.00% | -                      | 0.00% | -                      | 0.00% |
| Varuna Varun Jain     | 17.60                 | 14.43% | 17.60                  | 14.43% | 17.60                  | 14.43% | -                      | 0.00% | -                      | 0.00% | -                      | 0.00% |

|                     |   |        |   |        |   |        |       |         |       |         |       |         |
|---------------------|---|--------|---|--------|---|--------|-------|---------|-------|---------|-------|---------|
| Dipen R. Faldu      | - | 0.00 % | - | 0.00 % | - | 0.00 % | 22.64 | 18.56 % | 22.64 | 18.56 % | 12.00 | 16.67 % |
| Swati D. Faldu      | - | 0.00 % | - | 0.00 % | - | 0.00 % | 6.40  | 5.25 %  | 6.40  | 5.25 %  | 6.40  | 8.89 %  |
| Vibhaben P. Makadia | - | 0.00 % | - | 0.00 % | - | 0.00 % | 7.57  | 6.21 %  | 7.57  | 6.21 %  | 7.57  | 10.52 % |
| HarishbhaiLakhani   | - | 0.00 % | - | 0.00 % | - | 0.00 % | 7.20  | 5.90 %  | 7.20  | 5.90 %  | 7.20  | 10.00 % |
| Meenaben H. Lakhani | - | 0.00 % | - | 0.00 % | - | 0.00 % | 7.43  | 6.09 %  | 7.43  | 6.09 %  | 4.00  | 5.56 %  |
| VinodbhaiSavsa ni   | - | 0.00 % | - | 0.00 % | - | 0.00 % | 4.00  | 3.27 %  | 4.00  | 3.27 %  | 4.00  | 5.55 %  |
| Jeet P. Makadia     | - | 0.00 % | - | 0.00 % | - | 0.00 % | 7.59  | 6.22 %  | 7.59  | 6.22 %  | 7.59  | 10.54 % |
| ChiragLakhani       | - | 0.00 % | - | 0.00 % | - | 0.00 % | 6.96  | 5.70 %  | 6.96  | 5.70 %  | 2.40  | 3.33 %  |

#### ANNEXURE – VI

##### DETAILS OF RESERVES AND SURPLUS AS RESTATED

(Rs. In lakhs)

| Particulars                                       | As at July 31, 2018 | As at March 31, 2018 | As at March 31, 2017 | As at March 31, 2016 | As at March 31, 2015 | As at March 31, 2014 |
|---------------------------------------------------|---------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| <b><u>Surplus (Profit &amp; Loss Account)</u></b> |                     |                      |                      |                      |                      |                      |
| Opening Balance                                   | (407.98)            | (875.94)             | (1,077.15)           | (757.21)             | (625.69)             | (443.73)             |
| Add: Profit for the year                          | 414.84              | 467.96               | 201.21               | (319.94)             | (128.43)             | (180.66)             |
| Less: Value of Assets W/off                       | -                   | -                    | -                    | -                    | (3.09)               | -                    |
| Less: Prior Period Expense                        | -                   | -                    | -                    | -                    | -                    | (1.10)               |
| Less: Earlier Year Income Tax                     | -                   | -                    | -                    | -                    | (0.00)               | (0.20)               |
| <b>T O T A L (A)</b>                              | <b>6.86</b>         | <b>(407.98)</b>      | <b>(875.94)</b>      | <b>(1,077.15)</b>    | <b>(757.21)</b>      | <b>(625.69)</b>      |
| <b><u>Revaluation Reserve</u></b>                 |                     |                      |                      |                      |                      |                      |
| Opening Balance                                   | 1,093.95            | 1,093.95             | -                    | -                    | -                    | -                    |
| Add: Transfer from Profit & Loss                  | -                   | -                    | -                    | -                    | -                    | -                    |
| Add: Additions During the Year                    | -                   | -                    | 1,093.95             | -                    | -                    | -                    |
| Closing Balance                                   | 1,093.95            | 1,093.95             | 1,093.95             | -                    | -                    | -                    |
| <b>T O T A L</b>                                  | <b>1101.81</b>      | <b>685.97</b>        | <b>218.01</b>        | <b>(1,077.15)</b>    | <b>(757.21)</b>      | <b>(625.69)</b>      |

#### ANNEXURE - VII

##### DETAILS OF LONG TERM BORROWINGS AS RESTATED

(Rs. In lakhs)

| Particulars           | As at July 31, 2018 | As at March 31, 2018 | As at March 31, 2017 | As at March 31, 2016 | As at March 31, 2015 | As at March 31, 2014 |
|-----------------------|---------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| <b><u>Secured</u></b> |                     |                      |                      |                      |                      |                      |
| From Banks:           |                     |                      |                      |                      |                      |                      |
| Term Loan             | -                   | 29.79                | 117.58               | 262.28               | 486.15               | 600.19               |
| Vehicle Loan          | 121.72              | 99.60                | 67.65                | -                    | -                    | -                    |
| From NBFC             | 3.45                | 4.78                 | 8.60                 | -                    | -                    | -                    |

| Particulars                        | As at July 31, 2018 | As at March 31, 2018 | As at March 31, 2017 | As at March 31, 2016 | As at March 31, 2015 | As at March 31, 2014 |
|------------------------------------|---------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| <b>Unsecured</b>                   |                     |                      |                      |                      |                      |                      |
| Loan from Directors & Shareholders | -                   | -                    | 294.69               | 1,178.34             | 1,062.89             | 786.95               |
| Inter Corporate Deposit            | 618.00              | 1,040.00             | 1,108.09             | -                    | -                    | -                    |
| Other Long Term Liability          | 152.79              | 190.79               | -                    | -                    | -                    | -                    |
| <b>TOTAL</b>                       | <b>895.97</b>       | <b>1,364.96</b>      | <b>1,596.61</b>      | <b>1,440.62</b>      | <b>1,549.04</b>      | <b>1,387.13</b>      |

List of persons/entities classified as 'Promoters' and 'Promoter Group Companies' has been determined by the Management and relied upon by the Auditors. The Auditors have not performed any procedure to determine whether the list is accurate and complete.

#### NATURE OF SECURITY AND TERMS OF REPAYMENT FOR LONG TERM BORROWINGS

| From Banks     | Nature of Security                                                                                                                                                                                          | Terms of Repayment                                                                                                                    | Guarantee                                  |
|----------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------|
| Term Loan      | Secured by Equitable Mortgage of Land & Building situated at R/S No 48 Paiki 1,2,3,4,5, NH 8A, Bhalgam, Ta: Wankaner, Rajkot and Hypothecation of all Plant & Machinery Owned by Aditya Ultrasteel Limited. | 2018-19 - Rs.112.46 lacs, 2019-20- Rs.29.79 lacs                                                                                      | Personel guarantee of both the directors.. |
| Vehicle Loan   | Secured by way of hypothecation of Trucks.                                                                                                                                                                  | New Truck Loans From Bank to be repaid in 60 Monthly Installments of Rs. 26220/- Each, and 36 Monthly Instalments of Rs. 31560- Each. |                                            |
| Loan from NBFC | Secured by way of hypothecation of Hydra Crane.                                                                                                                                                             | Repayable in 36 Monthly Instalments of Rs. 40,800/- Each.                                                                             |                                            |

#### ANNEXURE - VIII

##### DETAILS OF DEFERRED TAX LIABILITIES AS RESTATED

(Rs. In lakhs)

| Particulars                   | As at July 31, 2018 | As at March 31, 2018 | As at March 31, 2017 | As at March 31, 2016 | As at March 31, 2015 | As at March 31, 2014 |
|-------------------------------|---------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Opening Balance               | 113.00              | (6.96)               | (48.66)              | (77.92)              | (60.23)              | -                    |
| Add: Deferred Tax Liabilities | 24.59               | 119.96               | 41.70                | 29.26                | -                    | -                    |
| Less: Deferred Tax Assets     | -                   | -                    | -                    | -                    | (17.69)              | (60.23)              |
| <b>TOTAL</b>                  | <b>137.59</b>       | <b>113.00</b>        | <b>(6.96)</b>        | <b>(48.66)</b>       | <b>(77.92)</b>       | <b>(60.23)</b>       |

#### ANNEXURE - IX

##### DETAILS OF SHORT TERM BORROWINGS AS RESTATED

(Rs. In lakhs)

| Particulars    | As at July 31, 2018 | As at March 31, 2018 | As at March 31, 2017 | As at March 31, 2016 | As at March 31, 2015 | As at March 31, 2014 |
|----------------|---------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| <b>Secured</b> |                     |                      |                      |                      |                      |                      |
| Cash Credit    | 1,696.80            | 1,767.85             | 590.06               | 809.78               | 817.33               | 820.44               |
| <b>TOTAL</b>   | <b>1,696.80</b>     | <b>1,767.85</b>      | <b>590.06</b>        | <b>809.78</b>        | <b>817.33</b>        | <b>820.44</b>        |

## NATURE OF SECURITY AND TERMS OF REPAYMENT FOR SHORT TERM BORROWINGS

| From Banks  | Nature of Security                                                                                                                                                                                                                            | Terms of Repayment     | Guarantee                                 |
|-------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------|-------------------------------------------|
| Cash Credit | Secured by way of, Hypothecation on stock, debtors, and other current assets as well as mortgage of factory land & building and further secured by mortgage of residential premises of director and personal guarantee of both the directors. | To be Repaid on Demand | Personal guarantee of both the directors. |

## ANNEXURE - X

### DETAILS OF TRADE PAYABLES AS RESTATED

(Rs. In lakhs)

| Particulars                       | As at July 31, 2018 | As at March 31, 2018 | As at March 31, 2017 | As at March 31, 2016 | As at March 31, 2015 | As at March 31, 2014 |
|-----------------------------------|---------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| <b>Unsecured, considered good</b> |                     |                      |                      |                      |                      |                      |
| For Goods ,Expenses & Others      | 3,375.28            | 1,031.46             | 1,650.69             | 40.15                | 342.18               | 175.79               |
| <b>T O T A L</b>                  | <b>3,375.28</b>     | <b>1,031.46</b>      | <b>1,650.69</b>      | <b>40.15</b>         | <b>342.18</b>        | <b>175.79</b>        |

### Details of Trade Payables to Related Parties:

(Rs. In lakhs)

| Particulars                                    | As at July 31, 2018 | As at March 31, 2018 | As at March 31, 2017 | As at March 31, 2016 | As at March 31, 2015 | As at March 31, 2014 |
|------------------------------------------------|---------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Due to Directors, their relatives & Associates | 2,166.42            | 477.97               | 1,512.77             | -                    | -                    | -                    |
| <b>T O T A L</b>                               | <b>2,166.42</b>     | <b>477.97</b>        | <b>1,512.77</b>      | <b>-</b>             | <b>-</b>             | <b>-</b>             |

## ANNEXURE - XI

### DETAILS OF OTHER CURRENT LIABILITIES AS RESTATED

(Rs. In lakhs)

| Particulars                                 | As at July 31, 2018 | As at March 31, 2018 | As at March 31, 2017 | As at March 31, 2016 | As at March 31, 2015 | As at March 31, 2014 |
|---------------------------------------------|---------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| <b>Current maturities of long term debt</b> |                     |                      |                      |                      |                      |                      |
| Term Loan                                   | 105.92              | 112.46               | 112.00               | 112.00               | -                    | -                    |
| Vehicle Loan                                | 33.20               | 30.31                | 22.57                | -                    | -                    | -                    |
| Loan From NBFC                              | 3.70                | 3.70                 | 3.70                 | -                    | -                    | -                    |
| <b>Other payables</b>                       |                     |                      |                      |                      |                      |                      |
| Statutory dues                              | 8.57                | 45.71                | 93.46                | 35.42                | 0.32                 | 2.49                 |
| Advances from Customers                     | 14.27               | -                    | 3.43                 | -                    | 24.45                | -                    |
| <b>T O T A L</b>                            | <b>165.67</b>       | <b>192.19</b>        | <b>235.16</b>        | <b>147.42</b>        | <b>24.77</b>         | <b>2.49</b>          |

## ANNEXURE – XII

### DETAILS OF SHORT TERM PROVISIONS AS RESTATED

(Rs. In lakhs)

| Particulars              | As at July 31, 2018 | As at March 31, 2018 | As at March 31, 2017 | As at March 31, 2016 | As at March 31, 2015 | As at March 31, 2014 |
|--------------------------|---------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Provision for Income Tax | 184.74              | 52.95                | -                    | -                    | -                    | -                    |
| Provision for Expenses   | 12.73               | -                    | -                    | -                    | -                    | 5.24                 |
| <b>T O T A L</b>         | <b>197.47</b>       | <b>52.95</b>         | <b>-</b>             | <b>-</b>             | <b>-</b>             | <b>5.24</b>          |

**ANNEXURE – XIII**  
**RESTATED STATEMENT OF FIXED ASSETS**

(Rs. In Lakhs)

| DESCRIPTION OF<br>FIXED ASSETS      | GROSS BLOCK               |               |                |                            | DEPRECIATION           |              |                |                |                            | NET BLOCK                  |                            |
|-------------------------------------|---------------------------|---------------|----------------|----------------------------|------------------------|--------------|----------------|----------------|----------------------------|----------------------------|----------------------------|
|                                     | As At<br>April 1,<br>2013 | Addi<br>tions | Deductio<br>ns | As At<br>March 31,<br>2014 | As At April<br>1, 2013 | Additions    | Deduc<br>tions | Adjustments    | As At<br>March<br>31, 2014 | As At<br>March 31,<br>2014 | As At<br>March 31,<br>2013 |
| <b>I. TANGIBLE<br/>ASSETS-OWNED</b> |                           |               |                |                            |                        |              |                |                |                            |                            |                            |
| Land                                | 214.06                    | 0.75          | -              | 214.81                     | -                      | -            | -              | -              | -                          | 214.81                     | 214.06                     |
| Building                            | 264.41                    | 0.48          | -              | 264.89                     | 15.77                  | 7.53         | -              | (10.52)        | 12.78                      | 252.11                     | 248.63                     |
| Plant & Machinery                   | 999.88                    | 13.05         | -              | 1,012.93                   | 99.75                  | 47.61        | -              | (65.68)        | 81.67                      | 931.25                     | 900.13                     |
| Computer, Printer, Fax<br>Scanner   | 6.16                      | 0.91          | -              | 7.07                       | 1.52                   | 1.00         | -              | -              | 2.52                       | 4.55                       | 4.64                       |
| Furniture and Fixtures              | 9.37                      | -             | -              | 9.37                       | 0.32                   | 0.59         | -              | (0.20)         | 0.71                       | 8.66                       | 9.05                       |
| Office Equipments                   | 3.62                      | -             | -              | 3.62                       | 0.04                   | 0.17         | -              | (0.04)         | 0.17                       | 3.44                       | 3.58                       |
| Vehicles                            | 17.24                     | -             | -              | 17.24                      | 3.10                   | 2.22         | -              | (1.96)         | 3.36                       | 13.88                      | 14.14                      |
| <b>TOTAL</b>                        | <b>1,514.73</b>           | <b>15.20</b>  | <b>-</b>       | <b>1,529.92</b>            | <b>120.50</b>          | <b>59.13</b> | <b>-</b>       | <b>(78.41)</b> | <b>101.21</b>              | <b>1,428.71</b>            | <b>1,394.23</b>            |

(Rs. In Lakhs)

| DESCRIPTION OF<br>FIXED ASSETS      | GROSS BLOCK               |               |                |                            | DEPRECIATION           |              |                |                 |                            | NET BLOCK               |                            |
|-------------------------------------|---------------------------|---------------|----------------|----------------------------|------------------------|--------------|----------------|-----------------|----------------------------|-------------------------|----------------------------|
|                                     | As At<br>April 1,<br>2014 | Addi<br>tions | Deductio<br>ns | As At<br>March 31,<br>2015 | As At April 1,<br>2014 | Additions    | Deduc<br>tions | Adjust<br>ments | As At<br>March 31,<br>2015 | As At March<br>31, 2015 | As At<br>March<br>31, 2014 |
| <b>I. TANGIBLE<br/>ASSETS-OWNED</b> |                           |               |                |                            |                        |              |                |                 |                            |                         |                            |
| Land                                | 214.81                    | -             | -              | 214.81                     | -                      | -            | -              | -               | -                          | 214.81                  | 214.81                     |
| Building                            | 264.89                    | 0.65          | -              | 265.53                     | 12.78                  | 17.91        | -              | -               | 30.68                      | 234.85                  | 252.11                     |
| Plant & Machinery                   | 1,012.93                  | 42.44         | -              | 1,055.36                   | 81.67                  | 66.16        | -              | -               | 147.83                     | 907.53                  | 931.25                     |
| Computer, Printer,<br>Fax Scanner   | 7.07                      | 0.02          | (0.01)         | 7.08                       | 2.52                   | 0.65         | -              | -               | 3.17                       | 3.91                    | 4.55                       |
| Furniture and Fixtures              | 9.37                      | -             | -              | 9.37                       | 0.71                   | 0.93         | -              | -               | 1.64                       | 7.73                    | 8.66                       |
| Office Equipments                   | 3.62                      | 0.38          | -              | 4.00                       | 0.17                   | 0.23         | -              | -               | 0.41                       | 3.59                    | 3.44                       |
| Vehicles                            | 17.24                     | 0.71          | (10.70)        | 7.26                       | 3.36                   | 1.59         | -              | (3.09)          | 1.86                       | 5.40                    | 13.88                      |
| <b>TOTAL</b>                        | <b>1,529.92</b>           | <b>44.20</b>  | <b>(10.71)</b> | <b>1,563.42</b>            | <b>101.21</b>          | <b>87.47</b> | <b>-</b>       | <b>(3.09)</b>   | <b>185.59</b>              | <b>1,377.83</b>         | <b>1,428.71</b>            |

(Rs. In Lakhs)

| DESCRIPTION OF<br>FIXED ASSETS      | GROSS BLOCK               |               |            |                         | DEPRECIATION              |              |                |                     |                            | NET BLOCK               |                            |
|-------------------------------------|---------------------------|---------------|------------|-------------------------|---------------------------|--------------|----------------|---------------------|----------------------------|-------------------------|----------------------------|
|                                     | As At<br>April 1,<br>2015 | Addi<br>tions | Deductions | As At March<br>31, 2016 | As At<br>April 1,<br>2015 | Additions    | Deductio<br>ns | Adju<br>stme<br>nts | As At<br>March 31,<br>2016 | As At March<br>31, 2016 | As At<br>March 31,<br>2015 |
| <b>I. TANGIBLE<br/>ASSETS-OWNED</b> |                           |               |            |                         |                           |              |                |                     |                            |                         |                            |
| Land                                | 214.81                    | -             | -          | 214.81                  | -                         | -            | -              | -                   | -                          | 214.81                  | 214.81                     |
| Building                            | 265.53                    | -             | -          | 265.53                  | 30.68                     | 7.21         | -              | -                   | 37.90                      | 227.64                  | 234.85                     |
| Plant & Machinery                   | 1,059.36                  | 39.96         | -          | 1,099.33                | 148.24                    | 51.79        | -              | -                   | 200.03                     | 899.30                  | 907.53                     |
| Computer, Printer, Fax<br>Scanner   | 7.08                      | -             | -          | 7.08                    | 3.17                      | 0.58         | -              | -                   | 3.75                       | 3.33                    | 3.91                       |
| Furniture and Fixtures              | 9.37                      | -             | -          | 9.37                    | 1.64                      | 1.04         | -              | -                   | 2.67                       | 6.70                    | 7.73                       |
| Office Equipments                   | -                         | -             | -          | -                       | -                         | -            | -              | -                   | -                          | -                       | 3.59                       |
| Vehicles                            | 7.26                      | -             | -          | 7.26                    | 1.86                      | 0.68         | -              | -                   | 2.54                       | 4.72                    | 5.40                       |
| <b>TOTAL</b>                        | <b>1,563.42</b>           | <b>39.96</b>  | <b>-</b>   | <b>1,603.38</b>         | <b>185.59</b>             | <b>61.30</b> | <b>-</b>       | <b>-</b>            | <b>246.89</b>              | <b>1,356.49</b>         | <b>1,377.83</b>            |

(Rs. In Lakhs)

| DESCRIPTION OF<br>FIXED ASSETS      | GROSS BLOCK               |                 |            |                         | As At April<br>1, 2016 | DEPRECIATION  |                |                     |                            | NET BLOCK                  |                            |
|-------------------------------------|---------------------------|-----------------|------------|-------------------------|------------------------|---------------|----------------|---------------------|----------------------------|----------------------------|----------------------------|
|                                     | As At<br>April 1,<br>2016 | Additio<br>ns   | Deductions | As At March<br>31, 2017 |                        | Additio<br>ns | Deductio<br>ns | Adju<br>stme<br>nts | As At<br>March 31,<br>2017 | As At<br>March 31,<br>2017 | As At<br>March 31,<br>2016 |
| <b>I. TANGIBLE<br/>ASSETS-OWNED</b> |                           |                 |            |                         |                        |               |                |                     |                            |                            |                            |
| Land                                | 214.81                    | -               | -          | 214.81                  | -                      | -             | -              | -                   | -                          | 214.81                     | 214.81                     |
| Land Revaluation                    | -                         | 1,093.95        | -          | 1,093.95                | -                      | -             | -              | -                   | -                          | 1,093.95                   | -                          |
| Building                            | 265.53                    | -               | -          | 265.53                  | 37.90                  | 7.21          | -              | -                   | 45.11                      | 220.42                     | 227.64                     |
| Factory Godown                      | -                         | 72.23           | -          | 72.23                   | -                      | 1.81          | -              | -                   | 1.81                       | 70.42                      | -                          |
| Plant & Machinery                   | 1,099.33                  | 93.08           | -          | 1,192.41                | 200.03                 | 53.12         | -              | -                   | 253.15                     | 939.25                     | 899.30                     |
| Computer, Printer, Fax<br>Scanner   | 7.08                      | 0.72            | -          | 7.81                    | 3.75                   | 0.05          | -              | -                   | 3.80                       | 4.00                       | 3.33                       |
| Furniture and Fixtures              | 9.37                      | 0.07            | -          | 9.44                    | 2.67                   | 1.04          | -              | -                   | 3.71                       | 5.72                       | 6.70                       |
| Vehicles                            | 7.26                      | 100.62          | -          | 107.88                  | 2.54                   | 6.31          | -              | -                   | 8.84                       | 99.04                      | 4.72                       |
| <b>TOTAL</b>                        | <b>1,603.38</b>           | <b>1,360.67</b> | <b>-</b>   | <b>2,964.06</b>         | <b>246.89</b>          | <b>69.54</b>  | <b>-</b>       | <b>-</b>            | <b>316.43</b>              | <b>2,647.62</b>            | <b>1,356.49</b>            |

(Rs. In Lakhs)

| DESCRIPTION OF<br>FIXED ASSETS      | GROSS BLOCK               |               |            |                         | DEPRECIATION           |              |            |             | NET BLOCK                  |                            |                            |
|-------------------------------------|---------------------------|---------------|------------|-------------------------|------------------------|--------------|------------|-------------|----------------------------|----------------------------|----------------------------|
|                                     | As At<br>April 1,<br>2017 | Additions     | Deductions | As At March<br>31, 2018 | As At April<br>1, 2017 | Additions    | Deductions | Adjustments | As At<br>March 31,<br>2018 | As At<br>March 31,<br>2018 | As At<br>March 31,<br>2017 |
| <b>I. TANGIBLE<br/>ASSETS-OWNED</b> |                           |               |            |                         |                        |              |            |             |                            |                            |                            |
| Land                                | 214.81                    | -             | -          | 214.81                  | -                      | -            | -          | -           | -                          | 214.81                     | 214.81                     |
| Land Revaluation                    | 1,093.95                  | -             | -          | 1,093.95                | -                      | -            | -          | -           | -                          | 1,093.95                   | 1,093.95                   |
| Building                            | 265.53                    | 30.96         | -          | 296.49                  | 45.11                  | 7.35         | -          | -           | 52.46                      | 244.03                     | 220.42                     |
| Factory Godown                      | 72.23                     | -             | -          | 72.23                   | 1.81                   | 2.29         | -          | -           | 4.10                       | 68.14                      | 70.42                      |
| Plant & Machinery                   | 1,192.41                  | 106.10        | -          | 1,298.50                | 253.15                 | 57.64        | -          | -           | 310.79                     | 987.71                     | 939.25                     |
| Computer, Printer, Fax<br>Scanner   | 7.81                      | 0.09          | -          | 7.90                    | 3.80                   | 0.09         | -          | -           | 3.90                       | 4.00                       | 4.00                       |
| Furniture and Fixtures              | 9.44                      | -             | -          | 9.44                    | 3.71                   | 1.04         | -          | -           | 4.76                       | 4.68                       | 5.72                       |
| Office Equipments                   | -                         | 4.19          | -          | 4.19                    | -                      | 0.15         | -          | -           | 0.15                       | 4.04                       | -                          |
| Vehicles                            | 107.88                    | 50.80         | -          | 158.68                  | 8.84                   | 13.01        | -          | -           | 21.85                      | 136.83                     | 99.04                      |
| <b>TOTAL</b>                        | <b>2,964.06</b>           | <b>192.14</b> | <b>-</b>   | <b>3,156.19</b>         | <b>316.43</b>          | <b>81.58</b> | <b>-</b>   | <b>-</b>    | <b>398.01</b>              | <b>2,758.18</b>            | <b>2,432.81</b>            |

(Rs. In Lakhs)

| DESCRIPTION OF<br>FIXED ASSETS      | GROSS BLOCK               |              |            |                        | DEPRECIATION           |              |            |             | NET BLOCK                 |                        |                            |
|-------------------------------------|---------------------------|--------------|------------|------------------------|------------------------|--------------|------------|-------------|---------------------------|------------------------|----------------------------|
|                                     | As At<br>April 1,<br>2018 | Additions    | Deductions | As At July 31,<br>2018 | As At April<br>1, 2018 | Additions    | Deductions | Adjustments | As At<br>July 31,<br>2018 | As At July<br>31, 2018 | As At<br>March 31,<br>2018 |
| <b>I. TANGIBLE<br/>ASSETS-OWNED</b> |                           |              |            |                        |                        |              |            |             |                           |                        |                            |
| Land                                | 214.81                    | -            | -          | 214.81                 | -                      | -            | -          | -           | -                         | 214.81                 | 214.81                     |
| Land Revaluation                    | 1,093.95                  | -            | -          | 1,093.95               | -                      | -            | -          | -           | -                         | 1,093.95               | 1,093.95                   |
| Building                            | 296.49                    | 27.15        | -          | 323.64                 | 52.46                  | 2.60         | -          | -           | 55.06                     | 268.57                 | 244.03                     |
| Factory Godown                      | 72.23                     | -            | -          | 72.23                  | 4.10                   | 0.76         | -          | -           | 4.86                      | 67.37                  | 68.14                      |
| Plant & Machinery                   | 1,298.50                  | 25.35        | -          | 1,323.85               | 310.79                 | 19.15        | -          | -           | 329.94                    | 993.91                 | 987.71                     |
| Computer & Printer                  | 7.90                      | 1.18         | -          | 9.08                   | 3.90                   | 0.14         | -          | -           | 4.04                      | 5.04                   | 4.00                       |
| Furniture and Fixtures              | 9.44                      | 0.21         | -          | 9.65                   | 4.76                   | 0.35         | -          | -           | 5.11                      | 4.54                   | 4.68                       |
| Office Equipments                   | 4.19                      | 2.38         | -          | 6.57                   | 0.15                   | 0.13         | -          | -           | 0.29                      | 6.28                   | 4.04                       |
| Vehicles                            | 158.68                    | 25.95        | -          | 184.63                 | 21.85                  | 4.94         | -          | -           | 26.79                     | 157.84                 | 136.83                     |
| <b>TOTAL</b>                        | <b>3,156.19</b>           | <b>82.22</b> | <b>-</b>   | <b>3,238.41</b>        | <b>398.01</b>          | <b>28.08</b> | <b>-</b>   | <b>-</b>    | <b>426.09</b>             | <b>2,812.32</b>        | <b>2,543.38</b>            |

**ANNEXURE – XIV**  
**DETAILS OF LONG TERM LOANS & ADVANCES**

(Rs. In lakhs)

| Particulars                                      | As at<br>July 31,<br>2018 | As at<br>March<br>31, 2018 | As at<br>March<br>31, 2017 | As at<br>March<br>31, 2016 | As at<br>March<br>31, 2015 | As at<br>March<br>31, 2014 |
|--------------------------------------------------|---------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
| <b>Unsecured but Considered Good</b>             |                           |                            |                            |                            |                            |                            |
| Due By Directors, Their Relatives and Associates | -                         | -                          | -                          | -                          | -                          | -                          |
| Security Deposits                                | 1.65                      | 0.23                       | 0.23                       | 0.23                       | 0.23                       | 0.05                       |
| <b>T O T A L</b>                                 | <b>1.65</b>               | <b>0.23</b>                | <b>0.23</b>                | <b>0.23</b>                | <b>0.23</b>                | <b>0.05</b>                |

**ANNEXURE – XV**  
**DETAILS OF OTHER NON-CURRENT ASSETS AS RESTATED**

(Rs. In lakhs)

| Particulars                            | As at<br>July 31,<br>2018 | As at<br>March<br>31, 2018 | As at<br>March<br>31, 2017 | As at<br>March<br>31, 2016 | As at<br>March<br>31, 2015 | As at<br>March<br>31, 2014 |
|----------------------------------------|---------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
| Investment with Government Authorities | 0.20                      | 0.20                       | 0.20                       | 0.20                       | 0.20                       | 0.20                       |
| <b>T O T A L</b>                       | <b>0.20</b>               | <b>0.20</b>                | <b>0.20</b>                | <b>0.20</b>                | <b>0.20</b>                | <b>0.20</b>                |

**ANNEXURE – XVI**  
**DETAILS OF INVENTORIES AS RESTATED**

(Rs. In lakhs)

| Particulars                           | As at<br>July 31,<br>2018 | As at<br>March<br>31, 2018 | As at<br>March<br>31, 2017 | As at<br>March<br>31, 2016 | As at<br>March<br>31, 2015 | As at<br>March<br>31, 2014 |
|---------------------------------------|---------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
| <b><u>Closing Inventory</u></b>       |                           |                            |                            |                            |                            |                            |
| <b>1.Raw Material</b>                 |                           |                            |                            |                            |                            |                            |
| M.S. Billet/Ingot                     | 217.12                    | 1,355.64                   | 680.88                     | 607.32                     | 604.07                     | 96.01                      |
| <b>2.Finished Goods/Trading Goods</b> |                           |                            |                            |                            |                            |                            |
| TMT Bar                               | 2,758.66                  | 541.03                     | 921.20                     | 204.07                     | 517.42                     | 373.54                     |
| Scrap                                 | 23.82                     | 0.65                       | 5.01                       | 80.81                      | 84.77                      | 65.71                      |
| <b>3.Closing Stock S.I.P</b>          |                           |                            |                            |                            |                            |                            |
| TMT Bars                              | -                         | -                          | -                          | -                          | 15.57                      | -                          |
| <b>4. Consumables</b>                 |                           |                            |                            |                            |                            |                            |
| Coal                                  | 1.87                      | 21.14                      | 5.12                       | 72.88                      | 61.00                      | 27.07                      |
| <b>5.Stores and Spares</b>            |                           |                            |                            |                            |                            |                            |
| Stores and Spares Stock               | 57.48                     | 50.83                      | 23.82                      | 6.11                       | 7.80                       | 15.00                      |
| <b>T O T A L</b>                      | <b>3,058.94</b>           | <b>1,969.30</b>            | <b>1,636.04</b>            | <b>971.19</b>              | <b>1,290.64</b>            | <b>577.34</b>              |

**ANNEXURE – XVII**  
**DETAILS OF TRADE RECEIVABLES AS RESTATED**

(Rs. In lakhs)

| Particulars                              | As at<br>July 31,<br>2018 | As at<br>March<br>31, 2018 | As at<br>March<br>31, 2017 | As at<br>March<br>31, 2016 | As at<br>March<br>31, 2015 | As at<br>March<br>31, 2014 |
|------------------------------------------|---------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
| <b><u>Unsecured, considered good</u></b> |                           |                            |                            |                            |                            |                            |
| Less than six months                     | 2,233.62                  | 1,378.91                   | 447.88                     | 6.40                       | 159.21                     | 220.04                     |
| More than six months                     | -                         | -                          | 19.53                      | 49.00                      | 106.16                     | 29.53                      |
| <b>T O T A L</b>                         | <b>2,233.62</b>           | <b>1,378.91</b>            | <b>467.40</b>              | <b>55.40</b>               | <b>265.37</b>              | <b>249.56</b>              |

#### Details of Trade Receivables from Related Parties

(Rs. In lakhs)

| Particulars                        | As at<br>July 31,<br>2018 | As at<br>March<br>31, 2018 | As at<br>March<br>31, 2017 | As at<br>March<br>31, 2016 | As at<br>March<br>31, 2015 | As at<br>March 31,<br>2014 |
|------------------------------------|---------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
| <b>From</b>                        |                           |                            |                            |                            |                            |                            |
| Key Management Persons             | -                         | -                          | -                          | -                          | -                          | -                          |
| Relative of Key Management Persons | -                         | -                          | -                          | -                          | -                          | -                          |
| Associate Concerns                 | -                         | -                          | -                          | 4.24                       | -                          | -                          |
| <b>TOTAL</b>                       | -                         | -                          | -                          | <b>4.24</b>                | -                          | -                          |

#### ANNEXURE - XVIII

##### DETAILS OF CASH AND CASH EQUIVALENTS AS RESTATED

(Rs. In lakhs)

| Particulars           | As at<br>July 31,<br>2018 | As at<br>March<br>31, 2018 | As at<br>March<br>31, 2017 | As at<br>March<br>31, 2016 | As at<br>March<br>31, 2015 | As at<br>March<br>31, 2014 |
|-----------------------|---------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
| Balance with Banks    |                           |                            |                            |                            |                            |                            |
| - In Current Accounts | 188.40                    | 31.56                      | 0.75                       | 0.43                       | 0.10                       | 30.11                      |
| - Bank FD             | 16.42                     | 16.06                      | 16.89                      | 45.27                      | 40.68                      | 34.42                      |
| Cash On Hand          | 20.04                     | 17.08                      | 8.36                       | 10.86                      | 8.49                       | 0.07                       |
| <b>TOTAL</b>          | <b>224.86</b>             | <b>64.70</b>               | <b>26.01</b>               | <b>56.56</b>               | <b>49.26</b>               | <b>64.60</b>               |

#### ANNEXURE - XIX

##### DETAILS OF SHORT TERM LOANS AND ADVANCES AS RESTATED

(Rs. In lakhs)

| Particulars                          | As at<br>July 31,<br>2018 | As at<br>March<br>31, 2018 | As at<br>March<br>31, 2017 | As at<br>March<br>31, 2016 | As at<br>March<br>31, 2015 | As at<br>March<br>31, 2014 |
|--------------------------------------|---------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
| Advance to supplier                  | 17.18                     | 0.17                       | 5.25                       | -                          | 8.50                       | 4.66                       |
| Balances with Government Authorities | 136.68                    | 95.75                      | 101.92                     | 11.36                      | 74.65                      | 64.55                      |
| Advance to Staff                     | -                         | -                          | -                          | -                          | 2.79                       | 0.73                       |
| Advance to Others                    | 296.91                    | 148.53                     | 571.64                     | 0.45                       | 14.78                      | -                          |
| Prepaid Expenses                     | 0.45                      | 2.90                       | 3.75                       | 0.78                       | 0.01                       | 0.87                       |
| <b>TOTAL</b>                         | <b>451.22</b>             | <b>247.35</b>              | <b>682.55</b>              | <b>12.58</b>               | <b>100.73</b>              | <b>70.81</b>               |

#### ANNEXURE - XX

##### DETAILS OF OTHER CURRENT ASSETS AS RESTATED

(Rs. In lakhs)

| Particulars    | As at<br>July 31,<br>2018 | As at<br>March<br>31, 2018 | As at<br>March<br>31, 2017 | As at<br>March<br>31, 2016 | As at<br>March<br>31, 2015 | As at<br>March<br>31, 2014 |
|----------------|---------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
| Accrued Income | 6.77                      | 9.51                       | 43.51                      | 79.50                      | 33.93                      | 33.89                      |
| <b>TOTAL</b>   | <b>6.77</b>               | <b>9.51</b>                | <b>43.51</b>               | <b>79.50</b>               | <b>33.93</b>               | <b>33.89</b>               |

#### ANNEXURE - XXI

##### DETAILS OF REVENUE FROM OPERATIONS AS RESTATED

(Rs. In lakhs)

| Particulars | For the<br>Period<br>ended | For the<br>Year<br>ended | For the<br>Year<br>ended | For the<br>Year<br>ended | For the<br>Year<br>ended | For the<br>Year<br>ended |
|-------------|----------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
|             |                            |                          |                          |                          |                          |                          |

|                                 | July<br>31, 2018 | March<br>31, 2018 | March<br>31, 2017 | March<br>31, 2016 | March<br>31, 2015 | March<br>31, 2014 |
|---------------------------------|------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| <b>A. Sales</b>                 |                  |                   |                   |                   |                   |                   |
| -TMT Bar Sales                  | 11,471.39        | 14,499.87         | 6,407.39          | 3,096.30          | 5,281.91          | 4,027.79          |
| <b>B. Service Charge Income</b> |                  |                   |                   |                   |                   |                   |
| Other Operating Income          | -                | 78.17             | -                 | -                 | -                 | -                 |
| <b>T O T A L</b>                | <b>11,471.39</b> | <b>14,578.04</b>  | <b>6,407.39</b>   | <b>3,096.30</b>   | <b>5,281.91</b>   | <b>4,027.79</b>   |

**ANNEXURE - XXII**  
**DETAILS OF OTHER INCOME AS RESTATED**

(Rs. In lakhs)

| Particulars                       | For the<br>Period<br>ended July<br>31, 2018 | For the<br>Year ended<br>March 31,<br>2018 | For the Year<br>ended<br>March 31,<br>2017 | For the<br>Year<br>ended<br>March<br>31, 2016 | For the<br>Year<br>ended<br>March<br>31, 2015 | For the<br>Year<br>ended<br>March<br>31, 2014 |
|-----------------------------------|---------------------------------------------|--------------------------------------------|--------------------------------------------|-----------------------------------------------|-----------------------------------------------|-----------------------------------------------|
| Other income                      | 38.13                                       | 158.12                                     | 59.10                                      | 104.12                                        | 35.81                                         | 110.79                                        |
| Net Profit Before Tax as Restated | 611.63                                      | 588.09                                     | 242.91                                     | (290.68)                                      | (146.11)                                      | (240.90)                                      |
| <b>Percentage</b>                 | <b>6.23%</b>                                | <b>26.89%</b>                              | <b>24.33%</b>                              | <b>-35.82%</b>                                | <b>-24.51%</b>                                | <b>-45.99%</b>                                |

**Source of Other Income**

| Particulars                                        | For the<br>Period<br>ended<br>March 31,<br>2018 | For the<br>Year<br>ended<br>March<br>31, 2018 | For the<br>Year<br>ended<br>March<br>31, 2017 | For the<br>Year<br>ended<br>March 31,<br>2016 | For the<br>Year<br>ended<br>March 31,<br>2015 | For the<br>Year<br>ended<br>March 31,<br>2014 |                                                          |
|----------------------------------------------------|-------------------------------------------------|-----------------------------------------------|-----------------------------------------------|-----------------------------------------------|-----------------------------------------------|-----------------------------------------------|----------------------------------------------------------|
| Depreciation<br>Added Back<br>(F.Y. 2012-<br>2013) | -                                               | -                                             | -                                             | -                                             | 0.71                                          | 79.31                                         | Non-Recurring and<br>related to business<br>activity     |
| Electricity Duty<br>Refund                         | -                                               | -                                             | -                                             | -                                             | -                                             | 25.28                                         | Non-recurring and<br>related to business<br>activity     |
| Miscellaneous<br>Income                            | -                                               | -                                             | -                                             | 1.48                                          | -                                             | -                                             | Non- Recurring<br>and related to<br>business activity    |
| Discount                                           | 0.24                                            | 0.80                                          | 1.23                                          | 0.88                                          | -                                             | 0.74                                          | Recurring and<br>related to business<br>activity         |
| Interest Income                                    | 4.89                                            | 53.42                                         | 7.19                                          | 5.46                                          | 1.31                                          | 5.46                                          | Recurring and not<br>related to business<br>activity     |
| Interest Income<br>on IT Refund                    | -                                               | -                                             | 0.01                                          | -                                             | 0.11                                          | -                                             | Non-Recurring and<br>not related to<br>business activity |
| Late Payment<br>Charge                             | -                                               | -                                             | 0.55                                          | -                                             | 0.41                                          | -                                             | Recurring and<br>related to business<br>activity         |
| Freight Income                                     | -                                               | -                                             | 50.12                                         | -                                             | 2.11                                          | -                                             | Recurring and<br>related to business                     |

| Particulars                                     | For the Period ended March 31, 2018 | For the Year ended March 31, 2018 | For the Year ended March 31, 2017 | For the Year ended March 31, 2016 | For the Year ended March 31, 2015 | For the Year ended March 31, 2014 |                                                |
|-------------------------------------------------|-------------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|------------------------------------------------|
|                                                 |                                     |                                   |                                   |                                   |                                   |                                   | activity                                       |
| Sundry Balances Written Off                     | 33.00                               | 103.90                            | -                                 | 45.22                             | 31.15                             | -                                 | Recurring and not related to business activity |
| Interest Subsidy on term loan                   | -                                   | -                                 | -                                 | 45.53                             | -                                 | -                                 | Recurring and related to business activity     |
| Service Tax Expense on freight - Transportation | -                                   | -                                 | -                                 | 5.55                              | -                                 | -                                 | Non-Recurring and related to business activity |
| <b>Total Other income</b>                       | <b>38.13</b>                        | <b>158.12</b>                     | <b>59.10</b>                      | <b>104.12</b>                     | <b>35.81</b>                      | <b>110.79</b>                     |                                                |

#### ANNEXURE – XXIII

##### DETAILS OF COST OF MATERIAL CONSUMED AS RESTATED

(Rs. In lakhs)

| Particulars          | For the Period ended July, 31 2018 | For the Year ended March 31, 2018 | For the Year ended March 31, 2017 | For the Year ended March 31, 2016 | For the Year ended March 31, 2015 | For the Year ended March 31, 2014 |
|----------------------|------------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|
| Opening Stock        | 1,355.64                           | 680.88                            | 607.32                            | 604.07                            | 96.01                             | 99.94                             |
| Add : Purchases      | 11,183.07                          | 12,867.28                         | 5,562.68                          | 2,212.33                          | 5,289.68                          | 3,224.83                          |
| Less : Closing Stock | (217.12)                           | (1,355.64)                        | (680.88)                          | (607.32)                          | (604.07)                          | (96.01)                           |
| Less: VAT Subsidy    | -                                  | -                                 | -                                 | -                                 | -                                 | -                                 |
| <b>T O T A L</b>     | <b>12,321.59</b>                   | <b>12,192.52</b>                  | <b>5,489.12</b>                   | <b>2,209.08</b>                   | <b>4,781.62</b>                   | <b>3,228.76</b>                   |

#### ANNEXURE – XXIV

##### DETAILS OF CHANGES IN INVENTORIES OF FINISHED GOODS, ANDTRADED AS RESTATED

(Rs. In lakhs)

| Particulars         | For the Period ended July 31, 2018 | For the Year ended March 31, 2018 | For the Year ended March 31, 2017 | For the Year ended March 31, 2016 | For the Year ended March 31, 2015 | For the Year ended March 31, 2014 |
|---------------------|------------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|
| Opening Stock       | 541.68                             | 926.22                            | 284.89                            | 617.76                            | 439.26                            | 730.19                            |
| Less: Closing Stock | 2,782.47                           | 541.68                            | 926.22                            | 284.89                            | 617.76                            | 439.26                            |
| <b>T O T A L</b>    | <b>(2,240.79)</b>                  | <b>384.53</b>                     | <b>(641.33)</b>                   | <b>332.88</b>                     | <b>(178.51)</b>                   | <b>290.93</b>                     |

**ANNEXURE – XXV**  
**DETAILS OF EMPLOYEE BENEFIT EXPENSES AS RESTATED**

(Rs. In lakhs)

| Particulars                                     | For the Period ended July, 31 2018 | For the Year ended March 31, 2018 | For the Year ended March 31, 2017 | For the Year ended March 31, 2016 | For the Year ended March 31, 2015 | For the Year ended March 31, 2014 |
|-------------------------------------------------|------------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|
| Salary & Wages                                  | 43.69                              | 91.15                             | 65.31                             | 39.62                             | 67.82                             | 105.97                            |
| Directors' Remuneration                         | 32.00                              | 72.00                             | 35.00                             | -                                 | -                                 | -                                 |
| Contribution to Provident & Pension/Other Funds | 0.90                               | 1.51                              | 1.35                              | 0.38                              | 0.33                              | 1.40                              |
| Staff Welfare Expenses                          | -                                  | 0.01                              | 0.20                              | 0.15                              | 0.67                              | 3.90                              |
| <b>T O T A L</b>                                | <b>76.59</b>                       | <b>164.67</b>                     | <b>101.86</b>                     | <b>40.15</b>                      | <b>68.82</b>                      | <b>111.27</b>                     |

**ANNEXURE – XXVI**  
**DETAILS OF FINANCE COSTS AS RESTATED**

(Rs. In lakhs)

| Particulars           | For the Period ended July, 31 2018 | For the Year ended March 31, 2018 | For the Year ended March 31, 2017 | For the Year ended March 31, 2016 | For the Year ended March 31, 2015 | For the Year ended March 31, 2014 |
|-----------------------|------------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|
| Interest to Banks     | 32.07                              | 83.23                             | 90.66                             | 114.55                            | 114.89                            | 96.58                             |
| Interest to Others    | 0.08                               | 114.32                            | 29.78                             | 4.85                              | 0.21                              | 0.70                              |
| Interest on Term Loan | 7.88                               | 31.27                             | 19.58                             | 61.59                             | 79.12                             | 50.04                             |
| Bank Charges          | 3.54                               | 40.82                             | 4.13                              | 14.41                             | 10.26                             | 6.92                              |
| <b>T O T A L</b>      | <b>43.57</b>                       | <b>269.64</b>                     | <b>144.14</b>                     | <b>195.41</b>                     | <b>204.48</b>                     | <b>154.25</b>                     |

**NNEXURE – XXVII**

**DETAILS OF DEPRECIATION AND AMORTISATION AS RESTATED**

(Rs. In lakhs)

| Particulars                 | For the Period ended July, 31 2018 | For the Year ended March 31, 2017 | For the Year ended March 31, 2016 | For the Year ended March 31, 2015 | For the Year ended March 31, 2014 | For the Year ended March 31, 2013 |
|-----------------------------|------------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|
| Depreciation & Amortization | 28.08                              | 81.58                             | 69.54                             | 61.30                             | 84.38                             | 59.13                             |
| <b>T O T A L</b>            | <b>28.08</b>                       | <b>81.58</b>                      | <b>69.54</b>                      | <b>61.30</b>                      | <b>84.38</b>                      | <b>59.13</b>                      |

**ANNEXURE – XXVIII**  
**DETAILS OF OTHER EXPENSES AS RESTATED**

(Rs. In lakhs)

| Particulars                      | For the Period ended July, 31 2018 | For the Year ended March 31, 2018 | For the Year ended March 31, 2017 | For the Year ended March 31, 2016 | For the Year ended March 31, 2015 | For the Year ended March 31, 2014 |
|----------------------------------|------------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|
| <b>I. DIRECT EXPENSES</b>        |                                    |                                   |                                   |                                   |                                   |                                   |
| Consumable Stores                | 23.80                              | 59.37                             | 32.34                             | 23.89                             | 46.86                             | 17.68                             |
| Labour Charges                   | -                                  | -                                 | -                                 | -                                 | 0.54                              | -                                 |
| Coal and Gas Consumption         | 134.54                             | 207.16                            | 87.39                             | 32.15                             | 181.46                            | 179.23                            |
| Packing and Forwarding Charges   | -                                  | 15.08                             | -                                 | 0.02                              | 0.93                              | 13.56                             |
| Excise Payable on Finished Goods | -                                  | -                                 | 46.52                             | 31.65                             | -                                 | -                                 |

| Particulars                                             | For the Period ended July, 31 2018 | For the Year ended March 31, 2018 | For the Year ended March 31, 2017 | For the Year ended March 31, 2016 | For the Year ended March 31, 2015 | For the Year ended March 31, 2014 |
|---------------------------------------------------------|------------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|
| Rates & Taxes                                           | -                                  | 6.26                              | -                                 | 0.33                              | 0.34                              | -                                 |
| Power & Fuel                                            | 284.00                             | 454.69                            | 180.48                            | 163.58                            | 212.92                            | 215.52                            |
| <b>Total</b>                                            | <b>442.34</b>                      | <b>742.56</b>                     | <b>346.73</b>                     | <b>251.62</b>                     | <b>443.07</b>                     | <b>426.00</b>                     |
| <b>II. ADMINISTRATIVE, SELLING &amp; OTHER EXPENSES</b> |                                    |                                   |                                   |                                   |                                   |                                   |
| Auditor's Remuneration                                  | 0.15                               | 0.60                              | 0.75                              | 0.86                              | 0.75                              | 0.75                              |
| Computer Expenses                                       | -                                  | -                                 | -                                 | 0.03                              | 0.20                              | 0.13                              |
| Conveyance Expenses                                     | -                                  | -                                 | -                                 | -                                 | 0.03                              | 2.27                              |
| CST/VAT Expenses                                        | -                                  | 4.24                              | 8.33                              | 1.61                              | 8.21                              | 12.94                             |
| Insurance Expenses                                      | 2.77                               | 4.84                              | 3.17                              | 0.66                              | 4.38                              | 5.50                              |
| Legal & Professional Fees                               | 0.54                               | 3.86                              | 6.41                              | 0.74                              | 1.15                              | 2.45                              |
| License Fees ISI                                        | 3.60                               | 1.24                              | -                                 | -                                 | -                                 | 0.72                              |
| Loss on Sale of Vehicle                                 | -                                  | -                                 | -                                 | -                                 | 1.40                              | -                                 |
| Office Expenses                                         | -                                  | -                                 | 0.21                              | -                                 | 0.02                              | 0.35                              |
| OTHER EXPENSES                                          | 0.04                               | 0.30                              | 0.10                              | 0.72                              | 10.14                             | 1.80                              |
| Panchayat Tax                                           | -                                  | 0.31                              | -                                 | -                                 | -                                 | -                                 |
| Penalty on Service Tax                                  | -                                  | -                                 | -                                 | 1.03                              | -                                 | -                                 |
| Postage & Courier                                       | 0.18                               | 0.96                              | 0.62                              | 0.28                              | 0.31                              | 0.11                              |
| Preliminary Expenses Written off                        | 6.85                               | -                                 | -                                 | -                                 | -                                 | -                                 |
| Printing & Stationary                                   | 0.72                               | 0.72                              | 0.09                              | 0.03                              | 0.16                              | 0.64                              |
| Prior Period Expense                                    | -                                  | -                                 | -                                 | 1.66                              | -                                 | -                                 |
| Rebate & Discount/Kasar                                 | -                                  | 0.37                              | -                                 | -                                 | 1.14                              | 5.15                              |
| Rent & Filing Fees                                      | -                                  | 2.11                              | 6.31                              | -                                 | 4.45                              | 0.18                              |
| Repairs & Maintenance                                   | 1.45                               | 56.62                             | 3.27                              | 0.24                              | 0.90                              | 0.23                              |
| Royalty Expense                                         | 94.13                              | 89.55                             | 8.44                              | 0.63                              | -                                 | 0.84                              |
| Sales Promotion Expenses                                | -                                  | 8.72                              | 7.54                              | 0.13                              | 0.41                              | -                                 |
| Service Tax Expense                                     | -                                  | 7.74                              | 4.07                              | 0.00                              | 5.48                              | 0.84                              |
| Software Installation                                   | -                                  | -                                 | -                                 | -                                 | 0.17                              | -                                 |
| Sundry Balance Written off                              | -                                  | -                                 | -                                 | 32.24                             | -                                 | -                                 |
| Telephone & Mobile Expenses                             | 0.27                               | 0.99                              | 1.24                              | 1.88                              | 2.50                              | 4.06                              |
| Testing Expenses                                        | -                                  | -                                 | -                                 | 0.29                              | -                                 | 0.28                              |
| Transport Charges-Outward                               | 115.25                             | 128.68                            | 41.21                             | 3.19                              | -                                 | 0.45                              |
| Travelling Expenses                                     | 0.54                               | 0.71                              | 0.46                              | -                                 | 0.11                              | 4.03                              |
| <b>TOTAL</b>                                            | <b>226.50</b>                      | <b>312.57</b>                     | <b>92.22</b>                      | <b>46.23</b>                      | <b>41.92</b>                      | <b>43.72</b>                      |

## ANNEXURE – XXIX

### DETAILS OF RELATED PARTY TRANSACTIONS AS RESTATED

| Name of Relative                            | Nature of Relation |
|---------------------------------------------|--------------------|
| <b><u>Key Management Personnel</u></b>      |                    |
| Varun M. Jain (Appointed from 30/05/2016)   | Director           |
| Varuna V. Jain (Appointed from 28/06/2016)  | Director           |
| Bhanjibhai V Patel (Resigned on 06/08/2016) | Director           |
| Kantilal S Patel (Resigned on 06/08/2016)   | Director           |
| Rameshbhai V Patel (Resigned on 06/08/2016) | Director           |
| Gopalbhai B Patel (Resigned on 06/08/2016)  | Director           |

| Name of Relative                                                      |                                               | Nature of Relation              |  |
|-----------------------------------------------------------------------|-----------------------------------------------|---------------------------------|--|
| Bhaveshkumar K Patel                                                  |                                               | KMP upto FY 2015-16             |  |
| Muljibhai K Patel                                                     |                                               | KMP upto FY 2015-16             |  |
| Sandipkumar K Patel                                                   |                                               | KMP upto FY 2015-16             |  |
| <b><u>Relatives of Key Management Personnel</u></b>                   |                                               |                                 |  |
| Rameshbhai Patel HUF ( Entity in which resigning director interested) |                                               | HUF of Key Managerial Personnel |  |
| Gopalbhai Patel HUF ( Entity in which resigning director interested)  |                                               | HUF of Key Management Personnel |  |
| <b><u>Associate Concerns</u></b>                                      |                                               |                                 |  |
| VMS Industries Ltd.                                                   | Entity in which Appointed director interested |                                 |  |
| VMS TMT P. Ltd.                                                       | Entity in which Appointed director interested |                                 |  |
| AksharPursottam Saw Mill                                              | Firm in Which Mavjibhai Patel is Interested   |                                 |  |
| Prabhat Timber Mart                                                   | Entity in which resigning director interested |                                 |  |

# DETAILS OF TRANSACTIONS AND OUTSTANDING BALANCES

(Rs. In lakhs)

| Name of the Related Party | Nature of Transactions | 31 <sup>st</sup> July 18          |                              | 2017-18                           |                              | 2016-17                           |                              | 2015-16                           |                              | 2014-15                           |                              | 2013-14                           |                              |
|---------------------------|------------------------|-----------------------------------|------------------------------|-----------------------------------|------------------------------|-----------------------------------|------------------------------|-----------------------------------|------------------------------|-----------------------------------|------------------------------|-----------------------------------|------------------------------|
|                           |                        | Amount of Transaction             | Amount Receivable/ (Payable) | Amount of Transaction             | Amount Receivable/ (Payable) | Amount of Transaction             | Amount Receivable/ (Payable) | Amount of Transaction             | Amount Receivable/ (Payable) | Amount of Transaction             | Amount Receivable/ (Payable) | Amount of Transaction             | Amount Receivable/ (Payable) |
|                           |                        | For the year Ended March 31, 2018 | As At March 31, 2018         | For the year Ended March 31, 2018 | As At March 31, 2018         | For the year Ended March 31, 2017 | As At March 31, 2017         | For the year Ended March 31, 2016 | As At March 31, 2016         | For the year Ended March 31, 2015 | As At March 31, 2015         | For the year Ended March 31, 2014 | As At March 31, 2014         |
| Rameshbhai Patel          | Loan Taken             | -                                 | -                            | -                                 | -                            | -                                 | (3.80)                       | 3.00                              | (58.00)                      | 62.00                             | (55.00)                      | -                                 | -                            |
|                           | Loan Repaid            | -                                 | -                            | -                                 | -                            | 54.20                             | -                            | -                                 | -                            | 7.00                              | -                            | -                                 | -                            |
| Gopalbhai B. Patel        | Loan Taken             | -                                 | -                            | -                                 | -                            | -                                 | -                            | -                                 | -                            | 143.20                            | (116.20)                     | -                                 | -                            |
|                           | Loan Repaid            | -                                 | -                            | -                                 | -                            | -                                 | -                            | -                                 | -                            | 27.00                             | -                            | -                                 | -                            |
| Rameshbhai Patel HUF      | Loan Taken             | -                                 | -                            | -                                 | -                            | -                                 | -                            | 6.45                              | (16.45)                      | 18.00                             | (10.00)                      | -                                 | -                            |
|                           | Loan Repaid            | -                                 | -                            | -                                 | -                            | 16.45                             | -                            | -                                 | -                            | 8.00                              | -                            | -                                 | -                            |
| Gopalbhai Patel HUF       | Loan Taken             | -                                 | -                            | -                                 | -                            | -                                 | -                            | -                                 | -                            | 10.00                             | (10.00)                      | -                                 | -                            |
|                           | Loan Repaid            | -                                 | -                            | -                                 | -                            | -                                 | -                            | -                                 | -                            | -                                 | -                            | -                                 | -                            |
| Bhanjibhai V Patel        | Loan Taken             | -                                 | -                            | -                                 | -                            | -                                 | -                            | -                                 | -                            | 159.95                            | (112.95)                     | -                                 | -                            |
|                           | Loan Repaid            | -                                 | -                            | -                                 | -                            | 112.95                            | -                            | -                                 | -                            | 47.00                             | -                            | -                                 | -                            |
| Kantilal S Patel          | Loan Taken             | -                                 | -                            | -                                 | -                            | -                                 | -                            | -                                 | -                            | 192.15                            | (192.15)                     | -                                 | -                            |
|                           | Loan Repaid            | -                                 | -                            | -                                 | -                            | 192.15                            | -                            | -                                 | -                            | -                                 | -                            | -                                 | -                            |
| Bhaveshkumar K Patel      | Loan Taken             | -                                 | -                            | -                                 | -                            | -                                 | -                            | -                                 | -                            | 42.66                             | (42.66)                      | -                                 | -                            |
|                           | Loan Repaid            | -                                 | -                            | -                                 | -                            | -                                 | -                            | -                                 | -                            | -                                 | -                            | -                                 | -                            |
| Muljibhai K. Patel        | Loan Taken             | -                                 | -                            | -                                 | -                            | -                                 | -                            | -                                 | -                            | 172.33                            | (72.33)                      | -                                 | -                            |
|                           | Loan Repaid            | -                                 | -                            | -                                 | -                            | -                                 | -                            | -                                 | -                            | 100.00                            | -                            | -                                 | -                            |
| Sandipkumar K. Patel      | Loan Taken             | -                                 | -                            | -                                 | -                            | -                                 | -                            | -                                 | -                            | 100.67                            | (44.00)                      | -                                 | -                            |
|                           | Loan Repaid            | -                                 | -                            | -                                 | -                            | -                                 | -                            | -                                 | -                            | 56.67                             | -                            | -                                 | -                            |

| Name of the Related Party | Nature of Transactions    | 31 <sup>st</sup> July18           |                              | 2017-18                           |                              | 2016-17                           |                              | 2015-16                           |                              | 2014-15                           |                              | 2013-14                           |                              |
|---------------------------|---------------------------|-----------------------------------|------------------------------|-----------------------------------|------------------------------|-----------------------------------|------------------------------|-----------------------------------|------------------------------|-----------------------------------|------------------------------|-----------------------------------|------------------------------|
|                           |                           | Amount of Transaction             | Amount Receivable/ (Payable) | Amount of Transaction             | Amount Receivable/ (Payable) | Amount of Transaction             | Amount Receivable/ (Payable) | Amount of Transaction             | Amount Receivable/ (Payable) | Amount of Transaction             | Amount Receivable/ (Payable) | Amount of Transaction             | Amount Receivable/ (Payable) |
|                           |                           | For the year Ended March 31, 2018 | As At March 31, 2018         | For the year Ended March 31, 2018 | As At March 31, 2018         | For the year Ended March 31, 2017 | As At March 31, 2017         | For the year Ended March 31, 2016 | As At March 31, 2016         | For the year Ended March 31, 2015 | As At March 31, 2015         | For the year Ended March 31, 2014 | As At March 31, 2014         |
| Prabhat Timber Mart       | Loan Taken                | -                                 | -                            | -                                 | -                            | 3.81                              | -                            | 34.00                             | (54.50)                      | 95.00                             | (32.50)                      | -                                 | -                            |
|                           | Loan Repaid               | -                                 | -                            | -                                 | -                            | 58.31                             | -                            | 12.00                             | -                            | 62.50                             | -                            | -                                 | -                            |
|                           | Sale of Goods             | -                                 | -                            | -                                 | -                            | -                                 | -                            | 4.24                              | -                            | -                                 | -                            | -                                 | -                            |
| Akshar Pursottam Saw Mill | Sale of Goods             | -                                 | -                            | -                                 | -                            | -                                 | -                            | 3.47                              | -                            | -                                 | -                            | -                                 | -                            |
|                           | Loan Repaid by the Party  | -                                 | -                            | -                                 | -                            | -                                 | -                            | -                                 | -                            | -                                 | -                            | -                                 | -                            |
| Varun M. Jain             | Loan Taken                | -                                 | -                            | -                                 | -                            | -                                 | -                            | -                                 | -                            | -                                 | -                            | -                                 | -                            |
|                           | Loan Repaid               | -                                 | -                            | -                                 | -                            | -                                 | -                            | -                                 | -                            | -                                 | -                            | -                                 | -                            |
|                           | Directors Remuneration    | 16.00                             | -                            | 44.00                             | -                            | 22.50                             | -                            | -                                 | -                            | -                                 | -                            | -                                 | -                            |
| Varuna V. Jain            | Loan Taken                | -                                 | -                            | -                                 | -                            | -                                 | -                            | -                                 | -                            | -                                 | -                            | -                                 | -                            |
|                           | Loan Repaid               | -                                 | -                            | -                                 | -                            | -                                 | -                            | -                                 | -                            | -                                 | -                            | -                                 | -                            |
|                           | Directors Remuneration    | 16.00                             | -                            | 36.00                             | -                            | 12.50                             | -                            | -                                 | -                            | -                                 | -                            | -                                 | -                            |
| VMS Industries Ltd.       | Loan Taken                | -                                 | (540.00)                     | 475.70                            | (1,040.00)                   | 2,665.24                          | (1,108.09)                   | -                                 | -                            | -                                 | -                            | -                                 | -                            |
|                           | Loan Repaid               | 500.00                            | -                            | 610.57                            | -                            | 1,581.08                          | -                            | -                                 | -                            | -                                 | -                            | -                                 | -                            |
|                           | Interest Paid             | -                                 | -                            | 66.78                             | -                            | 29.77                             | -                            | -                                 | -                            | -                                 | -                            | -                                 | -                            |
|                           | Purchase of Capital Goods | -                                 | -                            | 3.63                              | -                            | 23.06                             | -                            | -                                 | -                            | -                                 | -                            | -                                 | -                            |

| Name of the Related Party | Nature of Transactions    | 31 <sup>st</sup> July 18          |                              | 2017-18                           |                              | 2016-17                           |                              | 2015-16                           |                              | 2014-15                           |                              | 2013-14                           |                              |
|---------------------------|---------------------------|-----------------------------------|------------------------------|-----------------------------------|------------------------------|-----------------------------------|------------------------------|-----------------------------------|------------------------------|-----------------------------------|------------------------------|-----------------------------------|------------------------------|
|                           |                           | Amount of Transaction             | Amount Receivable/ (Payable) | Amount of Transaction             | Amount Receivable/ (Payable) | Amount of Transaction             | Amount Receivable/ (Payable) | Amount of Transaction             | Amount Receivable/ (Payable) | Amount of Transaction             | Amount Receivable/ (Payable) | Amount of Transaction             | Amount Receivable/ (Payable) |
|                           |                           | For the year Ended March 31, 2018 | As At March 31, 2018         | For the year Ended March 31, 2018 | As At March 31, 2018         | For the year Ended March 31, 2017 | As At March 31, 2017         | For the year Ended March 31, 2016 | As At March 31, 2016         | For the year Ended March 31, 2015 | As At March 31, 2015         | For the year Ended March 31, 2014 | As At March 31, 2014         |
|                           | Purchase of Goods         | 775.89                            | (370.84)                     | 2,878.60                          | -                            | 2,119.09                          | (1,507.25)                   | -                                 | -                            | -                                 | -                            | -                                 | -                            |
|                           | Sale of Goods             | 0.05                              | -                            | 5.75                              | -                            | 4.06                              | -                            | -                                 | -                            | -                                 | -                            | -                                 | -                            |
|                           |                           |                                   |                              |                                   |                              |                                   |                              |                                   |                              |                                   |                              |                                   |                              |
| VMS TMT P. Ltd.           | Loan Taken                | -                                 | -                            | 1,478.50                          | -                            | -                                 | -                            | -                                 | -                            | -                                 | -                            | -                                 | -                            |
|                           | Loan Repaid               | -                                 | -                            | 1,517.78                          | -                            | -                                 | -                            | -                                 | -                            | -                                 | -                            | -                                 | -                            |
|                           | Interest Paid             | -                                 | -                            | 39.28                             | -                            | -                                 | -                            | -                                 | -                            | -                                 | -                            | -                                 | -                            |
|                           | Purchase of Goods         | 3,281.94                          | (1,795.57)                   | 1,446.41                          | (477.97)                     | -                                 | -                            | -                                 | -                            | -                                 | -                            | -                                 | -                            |
|                           | Purchase of Capital Goods | -                                 | -                            | 8.62                              | -                            | 65.28                             | (5.52)                       | -                                 | -                            | -                                 | -                            | -                                 | -                            |
|                           | Sale of Goods             | -                                 | -                            | 332.11                            | -                            | -                                 | -                            | -                                 | -                            | -                                 | -                            | -                                 | -                            |

**ANNEXURE - XXX**
**DETAILS OF SIGNIFICANT ACCOUNTING RATIOS AS RESTATED**
**(Rs. In lakhs, except No. of shares data)**

| Ratios                                                          | For the Period ended July 31, 2018 | For the Year ended March 31, 2018 | For the Year ended March 31, 2017 | For the Year ended March 31, 2016 | For the Year ended March 31, 2015 | For the Year ended March 31, 2014 |
|-----------------------------------------------------------------|------------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|
| Restated PAT as per P& L Account                                | 414.84                             | 467.96                            | 201.21                            | (319.94)                          | (128.43)                          | (180.66)                          |
| Weighted Average Number of Equity Shares at the end of the Year | 12,200,000                         | 12,200,000                        | 12,200,000                        | 12,200,000                        | 9,802,740                         | 7,200,000                         |
| No. of shares outstanding at the end of the year                | 12,200,000                         | 12,200,000                        | 12,200,000                        | 12,200,000                        | 12,200,000                        | 7,200,000                         |
| Net Worth                                                       | 1,226.86                           | 812.02                            | 344.06                            | 142.85                            | 462.79                            | 94.31                             |
| <b>Earnings Per Share</b>                                       |                                    |                                   |                                   |                                   |                                   |                                   |
| Basic & Diluted (Pre-Bonus Issue)                               | 3.40                               | 3.84                              | 1.65                              | (2.62)                            | (1.31)                            | (2.51)                            |
| <b>Return on Net Worth (%)</b>                                  | 33.81%                             | 57.63%                            | 58.48%                            | -223.98%                          | -27.75%                           | -191.57%                          |
| <b>Net Asset Value Per Share (Rs)</b>                           | 10.06                              | 6.66                              | 2.82                              | 1.17                              | 3.79                              | 1.31                              |
| Nominal Value per Equity share (Rs.)*                           | 10.00                              | 10.00                             | 10.00                             | 10.00                             | 10.00                             | 10.00                             |

1. The Ratios have been computed on the basis of the Restated Summary Financial Statements.
2. The Ratio have been computed as per the following formulas:

| Sr. No. | Particulars                      | Formula                                                                                                                                                                    |
|---------|----------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| a.      | Basic Earnings Per Share (Rs.)   | $\frac{\text{Restated Profit/(Loss) After Tax For the Year Attributable to Equity Shareholders}}{\text{Weighted Average Number of Equity Shares Outstanding During Year}}$ |
| b.      | Diluted Earnings Per Share (Rs.) | $\frac{\text{Restated Profit after Tax available to equity Shareholders}}{\text{Weighted Average Number of Equity Shares at the end of the year}}$                         |
| c.      | Return on Net Worth (%)          | $\frac{\text{Restated Profit after Tax available to equity Shareholders}}{\text{Restated Net Worth of Equity Shareholders}}$                                               |
| d.      | Net Assets Value Per Share (Rs.) | $\frac{\text{Net Worth As At The End Of The Year}}{\text{No. of shares outstanding at the end of the year}}$                                                               |

3. Weighted average number of equity shares is the number of equity shares outstanding at the beginning of the year, adjusted by the number of equity shares issued during the year multiplied by the time-weighting factor. The time-weighting factor is the number of days for which the specific shares are outstanding as a proportion of the total number of days during the year.
4. Net worth for ratios mentioned represents sum of share capital and reserves and surplus (surplus in the statement of profit and loss) but does not include revaluation reserve.
5. The above statement should be read with the notes to restated summary financial statements of assets and liabilities, profits and losses and cash flows as appearing in Annexure IV and V.

**ANNEXURE - XXXI**  
**CAPITALISATION STATEMENT AS AT JULY 31, 2018**

(Rs. In lakhs)

| Particulars                                | Pre Issue | Post Issue |
|--------------------------------------------|-----------|------------|
| <b>Borrowings</b>                          |           |            |
| Short term debt (A)                        | 1,696.80  | [•]        |
| Long Term Debt (B)                         | 895.97    | [•]        |
| <b>Total debts (C=A+B)</b>                 | 2,592.77  | [•]        |
| <b>Shareholders' funds</b>                 |           |            |
| Equity share capital (D)*/^                | 1,220.00  | [•]        |
| Reserve and surplus - as restated (E )     | 1100.81   | [•]        |
| <b>Total shareholders' funds (F=D+E)</b>   | 2320.81   | [•]        |
| <b>Long term debt / shareholders funds</b> | 0.39      | [•]        |
| <b>Total debt / shareholders funds</b>     | 1.12      | [•]        |

- The above statement should be read with the notes to restated summary financial statements of assets and liabilities, profits and losses and cash flows as appearing in Annexure IV and V.
- The corresponding figures (As adjusted for issue) are not determinable at this stage pending the completion of the book building process and hence have not been furnished.
- A short term debt represents borrowings due within 12 months from the date of balance sheet.
- A long term debt represents borrowings due after 12 months from the date of balance sheet and includes current maturities of long term debts.
- Long Term Debts/Equity has been computed as: Long Term Debts  
Total Shareholders' Fund
- Total Debts/Equity has been computed as: Total Debts  
Total Shareholders' Fund

**ANNEXURE - XXXII**  
**STATEMENT OF TAX SHELTERS**

(Rs. In lakhs)

| Particulars                                            | For the Period ended July 31, 2018 | For the Year ended March 31, 2018 | For the Year ended March 31, 2017 | For the Year ended March 31, 2016 | For the Year ended March 31, 2015 | For the Year ended March 31, 2014 |
|--------------------------------------------------------|------------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|
| <b>Restated Profit before tax as per books (A)</b>     | <b>611.63</b>                      | <b>588.09</b>                     | <b>242.91</b>                     | <b>(290.68)</b>                   | <b>(146.11)</b>                   | <b>(240.90)</b>                   |
| <b>Tax Rates</b>                                       |                                    |                                   |                                   |                                   |                                   |                                   |
| Income Tax Rate (%)                                    | 29.12%                             | 27.55%                            | 33.06%                            | 30.90%                            | 30.90%                            | 30.90%                            |
| Minimum Alternate Tax Rate (%)                         | 21.55%                             | 20.39%                            | 20.39%                            | 19.06%                            | 19.06%                            | 19.06%                            |
| <b>Adjustments :</b>                                   |                                    |                                   |                                   |                                   |                                   |                                   |
| <b>Income considered separately</b>                    |                                    |                                   |                                   |                                   |                                   |                                   |
| <b>Total Income considered separately (B)</b>          |                                    |                                   |                                   |                                   |                                   |                                   |
| <b>Timing/Permanent Differences (C)</b>                |                                    |                                   |                                   |                                   |                                   |                                   |
| Book Depreciation                                      | 28.08                              | 81.58                             | 69.54                             | 61.30                             | 84.38                             | 59.13                             |
| Effects of Other Allowance/Disallowance                | 0.23                               | 0.76                              | 0.42                              | 33.83                             | -                                 | -                                 |
| Prior Period Expense Disallowed                        | -                                  | -                                 | -                                 | 1.66                              | -                                 | -                                 |
| Expenses disallowed on account of Non-Deduction of TDS |                                    | 0.11                              |                                   | 11.70                             |                                   |                                   |
| Preliminary Expense Disallowed                         | 6.39                               |                                   |                                   |                                   |                                   |                                   |
| Preliminary Expense Allowed                            | (0.46)                             | -                                 | -                                 | -                                 | -                                 | -                                 |
| Unpaid Gratuity                                        | -                                  | -                                 | -                                 | -                                 | -                                 | -                                 |
| Unabsorbed Depreciation of Earlier Year Set-off        | -                                  | (511.46)                          | (163.42)                          | -                                 | -                                 | -                                 |
| Income Tax Depreciation Allowance                      | (54.52)                            | (158.46)                          | (149.45)                          | (127.56)                          | (130.26)                          | (144.63)                          |
| <b>Total Timing/Permanent</b>                          | <b>(20.28)</b>                     | <b>(587.47)</b>                   | <b>(242.91)</b>                   | <b>(19.06)</b>                    | <b>(45.87)</b>                    | <b>(85.50)</b>                    |

| Particulars                                 | For the<br>Period<br>ended<br>July<br>31, 2018 | For the<br>Year<br>ended<br>March 31,<br>2018 | For the<br>Year<br>ended<br>March<br>31, 2017 | For the<br>Year<br>ended<br>March<br>31, 2016 | For the<br>Year<br>ended<br>March<br>31, 2015 | For the<br>Year<br>ended<br>March<br>31, 2014 |
|---------------------------------------------|------------------------------------------------|-----------------------------------------------|-----------------------------------------------|-----------------------------------------------|-----------------------------------------------|-----------------------------------------------|
| <b>Differences (C)</b>                      |                                                |                                               |                                               |                                               |                                               |                                               |
| <b>Net Adjustments D = (B+C)</b>            | <b>(20.28)</b>                                 | <b>(587.47)</b>                               | <b>(242.91)</b>                               | <b>(19.06)</b>                                | <b>(45.87)</b>                                | <b>(85.50)</b>                                |
| <b>Tax expense / (saving) thereon</b>       | <b>(5.91)</b>                                  | <b>(161.85)</b>                               | <b>(80.31)</b>                                | <b>(5.89)</b>                                 | <b>(14.18)</b>                                | <b>(26.42)</b>                                |
| Taxable Income/(Loss) (A+D+E+F)             | 591.35                                         | 0.62                                          | 0.00                                          | (309.75)                                      | (191.99)                                      | (326.40)                                      |
| <b>Income Tax on above</b>                  | <b>172.20</b>                                  | <b>0.17</b>                                   | <b>0.00</b>                                   | <b>(95.71)</b>                                | <b>(59.32)</b>                                | <b>(100.86)</b>                               |
| VIII. Book Profit                           |                                                |                                               |                                               |                                               |                                               |                                               |
| Profit/(Loss) Before Tax As Restated        | <b>611.63</b>                                  | <b>588.09</b>                                 | <b>242.91</b>                                 | <b>(290.68)</b>                               | <b>(146.11)</b>                               | <b>(240.90)</b>                               |
| Add: Income Tax Expense                     | -                                              | -                                             | -                                             | -                                             |                                               |                                               |
| Deductions:                                 |                                                |                                               |                                               |                                               |                                               |                                               |
| Unabsorbed Depreciation and Business Loss   | -                                              | (328.39)                                      | (242.91)                                      | -                                             | -                                             | -                                             |
| Net Adjustments (H)                         | -                                              | (328.39)                                      | (242.91)                                      | -                                             | -                                             | -                                             |
| Restated Profit/(Loss) As Per Section 115JB | <b>611.63</b>                                  | <b>259.70</b>                                 | <b>0.00</b>                                   | <b>(290.68)</b>                               | <b>(146.11)</b>                               | <b>(240.90)</b>                               |
| <b>MAT on Book Profit</b>                   | <b>131.80</b>                                  | <b>52.95</b>                                  | <b>0.00</b>                                   | <b>(55.40)</b>                                | <b>(27.85)</b>                                | <b>(45.92)</b>                                |
| Tax paid as per normal or MAT               |                                                | Normal                                        | MAT                                           | MAT                                           | MAT                                           | Normal                                        |
| <b><u>Tax Expense</u></b>                   |                                                |                                               |                                               |                                               |                                               |                                               |
| a. Current Tax Rounded                      | 131.80                                         | 52.95                                         | -                                             | -                                             | -                                             | -                                             |
| b. MAT Credit                               | 40.41                                          | 52.78                                         | -                                             | -                                             | -                                             | -                                             |
| c. Deferred Tax                             | 24.59                                          | 119.96                                        | 41.70                                         | 29.26                                         | (17.69)                                       | (60.23)                                       |
| <b>Total</b>                                | <b>196.80</b>                                  | <b>225.68</b>                                 | <b>41.70</b>                                  | <b>29.26</b>                                  | <b>(17.69)</b>                                | <b>(60.23)</b>                                |

**Notes:**

1. The Permanent and Timing Differences and other adjustments have been computed based on the return of income filed by the company for the respective years as adjusted for restatement effects.
2. The Tax Rates include basic rate, applicable surcharge, education cess and secondary & higher secondary education cess as applicable for respective years.
3. The above statement should be read with the notes to restated summary financial statements of assets and liabilities, profits and losses and cash flows as appearing in Annexure IV and V.

## FINANCIAL INDEBTEDNESS



### Secured Borrowings

(Rs. In Lacs)

| Sr. No. | Name of Bank           | Facility Type    | Facility Key Terms |                  |                         | Outstanding as on October 31, 2018 |
|---------|------------------------|------------------|--------------------|------------------|-------------------------|------------------------------------|
|         |                        |                  | Loan Amount        | Rate of Interest | Tenure/ Repayment Terms |                                    |
| 1.      | HDFC Bank Ltd (Note 1) | C.C.             | 2500.00            | 9.85             | 12 MONTHS<br>15/11/2019 | 2062.02                            |
| 2       | HDFC Bank Ltd (Note 2) | Term Loan        | 160.00             | 9.35             | Residual Tenor          | 77.93                              |
| 3       | HDFC Bank Ltd (Note 3) | Loan For 4 Truck | 6.60               | 8.65             | 54 Months               | 6.09                               |
|         |                        | Loan For 2 Truck | 4.00               | 8.78             | 60 Months               | 3.78                               |
|         |                        | Loan For 4 Truck | 51.11              | 8.51             | 60 Months               | 46.20                              |
|         |                        | Loan For 2 Truck | 25.53              | 8.76             | 60 Months               | 24.15                              |
|         |                        | Loan for 8 Truck | 78.80              | 9.52             | 36 Months               | 67.17                              |
| 4       | Cholla Mandal (Note 4) | Crane Finance    | 12.31              | 11.07            | 36 Months               | 6.13                               |

### PRINCIPAL TERMS OF THE SECURED BORROWING

#### Primary Security:

Note:

1. Hypothecation of all inventory and book debts.
2. Hypothecation of all Plant & Machinery.
3. Hypothecation of Trucks.
4. Hypothecation of Crane.

#### Collateral Security:

For Sr. No. 1 and 2 : Secured by Equitable Mortgage of Land & Building situated at R/S No. 48 Paiki 1,2,3,4,5, NH 8A, Bhalgam, Ta: Wankaner, Rajkot Owned by Aditya Ultrasteel Private Limited.

#### Personal Guarantee:

1. Mr. Varun M. Jain and
2. Mrs. Varuna V. Jain

**Unsecured Borrowings: Rs. 202.79 Lacs**

**We have certified the above on the basis of information and explanations given to us by the company.**

## MANAGEMENTS DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATION

| Particulars                                                  | 31.07.18         | %             | 31.03.18         | %             | 31.03.17        | %              | 31.03.16        | %              |
|--------------------------------------------------------------|------------------|---------------|------------------|---------------|-----------------|----------------|-----------------|----------------|
| <b>Income</b>                                                |                  |               |                  |               |                 |                |                 |                |
| Revenue from Operations                                      | 11,471.39        | 99.67%        | 14,578.04        | 98.93%        | 5,804.68        | 98.99%         | 2,747.18        | 96.35%         |
| Other Income                                                 | 38.13            | 0.33%         | 158.12           | 1.07%         | 59.10           | 1.01%          | 104.12          | 3.65%          |
| <b>Total</b>                                                 | <b>11,509.52</b> | <b>100.0%</b> | <b>14,736.16</b> | <b>100.0%</b> | <b>5,863.78</b> | <b>100.00%</b> | <b>2,851.30</b> | <b>100.00%</b> |
| <b>Expenditure</b>                                           |                  |               |                  |               |                 |                |                 |                |
| Cost of Materials Consumed                                   | 12,321.59        | 107.00%       | 12,192.52        | 82.74%        | 5,507.70        | 93.93%         | 2,214.40        | 77.66%         |
| Decrease/(Increase) in Stock                                 | (2,240.79)       | (19.47%)      | 384.53           | 2.61%         | (641.33)        | 10.94%         | 332.88          | 11.67%         |
| Employees Costs                                              | 76.59            | 0.67%         | 164.67           | 1.12%         | 101.86          | 1.74%          | 40.15           | 1.41%          |
| Operating, Administrative, Selling and Other Expenses        | 668.85           | 5.81%         | 1,055.13         | 7.16%         | 438.95          | 7.49%          | 297.85          | 10.45%         |
| Depreciation & Amortization                                  | 28.08            | 0.24%         | 81.58            | 0.55%         | 69.54           | 1.19%          | 61.30           | 2.15%          |
| Interest & Finance Charges                                   | 43.57            | 0.38%         | 269.64           | 1.83%         | 144.14          | 2.46%          | 195.41          | 6.85%          |
| Exceptional Items                                            |                  |               |                  |               | -               |                | -               |                |
| <b>Total</b>                                                 | <b>10,897.88</b> | <b>94.69%</b> | <b>14,148.07</b> | <b>96.01%</b> | <b>5,620.87</b> | <b>95.86%</b>  | <b>3,141.98</b> | <b>110.19%</b> |
| <b>Net Profit before Tax</b>                                 | <b>611.63</b>    | <b>5.31%</b>  | <b>588.09</b>    | <b>3.99%</b>  | <b>242.91</b>   | <b>4.14%</b>   | <b>-290.68</b>  | <b>-10.19%</b> |
| Less: Provision for Taxes:                                   |                  |               |                  |               |                 |                |                 |                |
| Current Tax                                                  | 131.80           | 1.15%         | 52.95            | 0.36%         | 0               | 0.00%          | 0               | 0.00%          |
| Deferred tax                                                 | 24.59            | 0.21%         | 119.96           | 0.81%         | 41.70           | 0.71%          | 29.26           | 1.03%          |
| Earlier Year Taxes                                           | -                |               |                  |               | -               |                | -               |                |
| MAT Credit Entitlement                                       | 40.41            | 0.35%         | (52.78)          | -0.36%        | 0               | 0.00%          |                 |                |
| <b>Net Profit After Tax &amp; Before Extraordinary Items</b> | <b>414.84</b>    | <b>3.60%</b>  | <b>467.96</b>    | <b>3.18%</b>  | <b>201.21</b>   | <b>3.43%</b>   | <b>(319.94)</b> | <b>11.22%</b>  |
| Extra Ordinary Items                                         |                  |               |                  |               |                 |                |                 |                |
| <b>Net Profit</b>                                            | <b>414.84</b>    | <b>3.60%</b>  | <b>467.96</b>    | <b>3.18%</b>  | <b>201.21</b>   | <b>3.43%</b>   | <b>(319.94)</b> | <b>11.22%</b>  |

## COMPARISON OF FINANCIAL YEAR ENDED MARCH 31, 2018 WITH FINANCIAL YEAR ENDED MARCH 31, 2017

### INCOME

#### Income from Operations

The operating income of the Company for the year ending March 31, 2018 is ₹14578.04 Lakhs as compared to ₹5804.68 Lakhs for the year ending March 31, 2017, showing increase of 151.14% and such increase due to increase in operational working period.

#### **Other Income**

Our other income increased from Rs.59.10 Lakhs to ₹158.12 Lakhs. This was primarily due to write off of unsecured loans received in earlier years and is not repayable.

#### **Cost of Materials Consumed**

There was an increase in cost of materials consumed from ₹5507.70 Lakhs to ₹12192.52 Lakhs, which was due to increase in quantity of production.

#### **Operating Cost**

There is an increase in operating cost by 140.37% in the financial year 2017-18 from ₹438.95 Lakhs to ₹1055.13 Lakhs due to increase in power cost and freight charges since quantity of turnover increased.

#### **Employee Benefits Cost**

There is an increase in Employee Benefit Cost by 61.66% in the financial year 2017-18 from ₹101.86 Lakhs to ₹164.67 Lakhs due to increase in number of employees.

#### **Depreciation and Amortisation**

There has been an increase in Depreciation Cost in the financial year 2017-18 due to addition in fixed assets during FY 2017-18.

#### **Finance Charges**

Our finance cost which consists of interest, processing fees and charges increased from ₹144.14 Lakhs to ₹269.64 Lakhs due to interest on borrowings from parties other than bank borrowings.

#### **Profit Before Tax**

Profit before tax increased by 142.10 from ₹242.91 Lakhs in financial year 2016-17 to ₹588.09 lakh in financial year 2017-18 due to increase in production, turnover and margins.

#### **Provision for taxes and Profit After Tax.**

Our profit after tax increased by 132.57% ) from 201.21 Lakhs in financial year 2016-17 to ₹467.96 Lakhs in financial year 2017-18 due to increase in production, turnover and margins.

## COMPARISON OF FINANCIAL YEAR ENDED MARCH 31, 2017 WITH FINANCIAL YEAR ENDED MARCH 31, 2016

### INCOME

#### Income from Operations



The operating income of the Company for the year ending March 31, 2017 is ₹ 5804.68 Lakhs as compared to ₹ 2747.18 lakhs for the year ending March 31, 2016, showing increase of 111.30% and such increase is due to increase in operational working period.

#### **Other Income**

Our other income decreased from ₹ 104.12 to ₹59.10 lakhs. This was primarily due to reduction in interest subsidy and reduction in balances written off.

#### **Cost of Materials Consumed**

There was an increase in cost of materials consumed from ₹ 2,214.40Lakhs to ₹5,507.70Lakhs, which was primarily due to increase in quantity of production.

#### **Operating and Administrative**

There is an increase of 47.31% in Operating and Administrative Costs in the year 2016-17 in comparison to FY 2015-16 due to increase in cost of power and fuel.

#### **Employee Cost**

There is an increase of 153.70% in employee benefit expenses from ₹ 40.15 Lakhs in financial year 2015-16 to ₹ 101.86Lakhs since financial year 2016-17 which is due to increase in number of employees

#### **Depreciation**

Depreciation expenses for the Financial Year 2016-2017 have increased to ₹ 69.54 Lakhs from ₹ 61.30Lakhs for the Financial Year 2015-2016. The increase in depreciation was majorly due to addition in fixed assets during FY 2016-17.

#### **Finance Charges**

Our finance cost which consists of interest, processing fees and charges decreased to ₹ 144.14 lakhs from ₹ 195.41 lakhs in FY 2015-16 due to reduction in Interest on Cash Credit Limits and Bank term loans.

#### **Profit Before Tax**

Profit before tax increased by 533.59 from ₹( 290.68) Lakhs in financial year 2015-16 to ₹ 242.91 lakhs in financial year 2016-17 due to increase in production, turnover and margins.

#### **Provision for taxes and Profit After Tax**

Our profit after tax increased by 521.15 from ₹ (319.94) Lakhs in financial year 2015-16 to ₹ 201.21 Lakhs in financial year 2016-17. This increase was due to increase in production, turnover and margins.

### **COMPARISON OF FINANCIAL YEAR ENDED MARCH 31, 2016 WITH FINANCIAL YEAR ENDED MARCH 31, 2015**

#### **INCOME**

##### **Income from Operations**

The operating income of the Company for the year ending March 31, 2016 is ₹ 2,747.18 Lakhs as compared to ₹ 5,280.40 lakhs for the year ending March 31, 2015, showing decrease of 99.33% and such increase is due to reduction on operating production period.

#### **Other Income**

Our other income increased from ₹35.81 to ₹104.12 lakhs. This was primarily due to increase in interest subsidy and due to write off of sundry credit balances.

### **Cost of Materials Consumed**

There was and decrease in cost of materials consumed from ₹ 4,798.16 Lakhs to ₹2,214.40Lakhs, which was primarily due to reduction in quantity of production.

### **Operating and Administrative**

There is an decrease of 62.83% in Operating and Administrative Costs in the year 2015-16 in comparison to FY 2014-15 due to decrease in quantity of production.

### **Employee Cost**

There is an decrease of 71.40% in employee benefit expenses from ₹ 68.82 Lakhs in financial year 2014-15 to ₹ 40.15Lakhs since financial year 2015-16 which is due to reduction in number of employees.

### **Depreciation**

Depreciation expenses for the Financial Year 2015-2016 have decreased to ₹ 61.30 Lakhs from ₹ 84.38Lakhs for the Financial Year 2014-2015. The decrease in depreciation was majorly due to reduction in operating period.

### **Finance Charges**

Our finance cost which consists of interest, processing fees and charges decreased to ₹ 195.41 lakhs from ₹ 204.48 lakhs in FY 2014-15 due to reduction interest on term loans and interest payable to others.

### **Profit Before Tax**

Profit before tax decreased by 98.94% from ₹ (146.11) lakhs in financial year 2014-15 to ₹ (290.68) lakhs in financial year 2015-16 due to reduction in turnover and increase in cost of raw materials.

### **Provision for taxes and Profit After Tax**

Our profit after tax decreased by 149.11% from ₹ (128.43) Lakhs in financial year 2014-15 to ₹ (319.94) Lakhs in financial year 2015-16. This decrease was due to reduction in turnover and increased in cost of Raw materials

### **FACTORS THAT MAY AFFECT THE RESULTS OF THE OPERATIONS:**

1. Unusual or infrequent events or transactions.

There have been no unusual or infrequent events or transactions that have taken place during the last three years to the best of our knowledge

2. Significant economic changes that materially affected or are likely to affect income from continuing operations.

Our business has been subject, and we expect it to continue to be subject, to significant economic changes arising from the trends identified above in “Factors Affecting our Results of Operations” and the uncertainties described in the section entitled “Risk Factors” beginning on page no.14 of this Draft Prospectus. There are no known factors which we expect to bring about significant economic changes to the best of our knowledge

3. Known trends or uncertainties that have had or are expected to have a material adverse impact on sales, revenue or income from continuing operations.

Apart from the risks as disclosed under Section titled “Risk Factors” beginning on page no.14 in this Draft Prospectus, in our opinion there are no other known trends or uncertainties that have had or are expected to have a material adverse impact on revenue or income from continuing operations.

4. Future changes in relationship between costs and revenues, in case of events such as future increase in labour or material costs or prices that will cause a material change are known.



To the best of our knowledge, there are no future relationship between cost and income that would be expected to have a material adverse impact on our operations and revenues. However, increase in the cost of the services in which the Company deals, will affect the profitability of the Company. Further, the Company may not be able to pass on the increase in prices of the services to the customers in full and this can be offset through cost reduction.

5. Extent to which material increases in net sales or revenue are due to increased sales volume, introduction of new products or increased sales prices.

Increases in revenues are by and large linked to increases in volume of business.

6. Total turnover of each major industry segment in which the issuer company operated.

The Company is operating single business segment i.e. Manufacturing of TMT Bars . Relevant industry data, as available, has been included in the chapter titled "*Industry Overview*" beginning on page 73 of this Draft Prospectus.

7. Status of any publicly announced new products or business segment.

Our Company has not announced any new projects or business segments, other than disclosed in this Draft Prospectus.

8. The extent to which business is seasonal.

Our Company's Business is not seasonal in nature.

9. Any significant dependence on a single or few suppliers or customers.

We are not under threat of dependence from any single supplier or customer.

10. Competitive conditions:

The market is highly competitive and fragmented, and we face competition from various domestic Contractors. Some of our competitors have greater financial, marketing, sales and other resources than we do. Moreover, as we seek to diversify into new geographical areas, we face competition from competitors that have a pan-India presence and also from competitors that have a strong presence in regional markets. Competition in certain markets may have a material adverse effect on our operations in that market. We believe that we compete favorably with our principal competitors in each of these areas. We also believe that our impeccable track record provides us with a competitive advantage that enables us to compete effectively.

#### **Significant Material Developments Subsequent To the Last balance sheet i.e. July 31, 2018s**

To our knowledge, except as disclosed in this Draft Red Herring Prospectus, there is no subsequent development after the date of our financial statements contained in this Draft Red Herring Prospectus which materially affects, or is likely to affect, our operations or profitability, or the value of our assets, or our ability to pay our material liabilities within the next 12 months.

## SECTION VII-LEGAL AND OTHER INFORMATION OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

### OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

Except as stated in this section, there are no:

(a.) (i) criminal proceedings; (ii) actions by statutory or regulatory authorities; (iii) claims relating to direct and indirect taxes; or (iv) Material Litigation (as defined below); involving our Company, Directors or Promoters. Our Board, in its meeting held on September 1, 2018, determined that outstanding legal proceedings involving the Company, Directors and Promoters: (a) the aggregate amount involved in such individual litigation exceeds 5.00 % of the consolidated profit after tax of the Company, as per the last audited financial statements; or where the decision in one litigation is likely to affect the decision in similar litigations, even though the amount involved in such single litigation individually may not exceed the aforementioned threshold, if similar litigations put together collectively 9.85% of the consolidated profit after tax of the Company, as per the last audited financial statements; (b) any such litigation wherein the monetary liability is not quantifiable which is or is expected to be material from the perspective of the Company's business, operations, prospects or reputation. ("Material Litigation").

A.

B. (i) litigation or legal actions, pending or taken, by any Ministry or department of the Government or a statutory authority against our Promoters during the last five years; (ii) pending proceedings initiated against our Company for economic offences; (iv) default and non-payment of statutory dues by our Company; (v) inquiries, inspections or investigations initiated or conducted under the Companies Act, 2013 or any previous companies law in the last five years against our Company; or (vi) material frauds committed against our Company in the last five years.

C. (i) outstanding Material Dues (as defined below) to creditors; or (ii) outstanding dues to small scale undertakings and other creditors.

Our Board, in its meeting held on September 1, 2018 determined that outstanding dues to creditors in excess of 1.75 % of our Company's trade payables as per last audited financial statements shall be considered as material dues ("Material Dues"). Details of outstanding dues to creditors as required under the SEBI ICDR Regulations have been disclosed on our website at [www.adityaultrasteel.com](http://www.adityaultrasteel.com).

Our Company, its Directors and Promoters are not Wilful Defaulters and there have been no violations of securities laws in the past or pending against them.

#### A. LITIGATION INVOLVING OUR COMPANY

##### 1. Litigation by our Company

1.1. Civil  
NIL

1.2. Criminal  
NIL

1.3. Taxation

1.3.1. Direct Tax Proceedings  
NIL

1.3.2. Indirect Tax Proceedings  
NIL

##### 2. Litigation against our Company

2.1. Civil  
NIL

2.2. Criminal  
NIL

2.3. Taxation

2.3.1. Direct Tax Proceedings

| Sr. No. | Particulars                                                                                                      | Assessment Year | Status                                                                                         |
|---------|------------------------------------------------------------------------------------------------------------------|-----------------|------------------------------------------------------------------------------------------------|
| 1.      | Demand of Rs. 3,64,810/- raised pursuant to Notice of Demand dated December 12, 2017 under section 156 of IT Act | 2015-16         | Appeal u/s 246A of IT Act filed before CIT(A), Rajkot- 1 on September 29, 2015 pending         |
| 2.      | Notice dated December 12, 2017 under section 274 read with section 271(1)(c) of IT Act                           | 2015-16         | Pending before the Office of Assistant Commissioner of Income Tax, DC/AC, Circle 1 (2), Rajkot |

2.3.2. Indirect Tax Proceedings  
NIL

## **B. LITIGATION INVOLVING THE DIRECTORS**

### **1. Litigation by our Directors**

1.1. Civil  
NIL

1.2. Criminal  
NIL

1.3. Taxation

1.3.1. Direct Tax Proceedings  
NIL

1.3.2. Indirect Tax Proceedings  
NIL

### **2. Litigation against our Directors**

2.1. Civil  
NIL

2.2. Criminal  
NIL

2.3. Taxation

2.3.1. Direct Tax Proceedings  
NIL

2.3.2. Indirect Tax Proceedings  
NIL

## **C. LITIGATION INVOLVING OUR PROMOTERS**

### **1. Litigation by Promoters**

- 1.1. Civil  
NIL
- 1.2. Criminal  
NIL
- 1.3. Taxation
- 1.3.1. Direct Tax Proceedings  
NIL
- 1.3.2. Indirect Tax Proceedings  
NIL

## **2. Litigation against Promoters**

- 2.1. Civil  
NIL
- 2.2. Criminal  
NIL
- 2.3. Taxation
- 2.3.1. Direct Tax Proceedings  
NIL
- 2.3.2. Indirect Tax Proceedings  
NIL

## **D. LITIGATION INVOLVING OUR GROUP ENTITIES**

### **1. Litigation by Group Entities**

- 1.1. Civil  
NIL
- 1.2. Criminal  
NIL
- 1.3. Taxation
- 1.3.1. Direct Tax Proceedings
- 1.3.2. Indirect Tax Proceedings  
NIL

### **2. Litigation against Group Entities**

- 2.1. Civil  
NIL
- 2.2. Criminal  
NIL
- 2.3. Taxation



### 2.3.1. Direct Tax Proceedings

VMS Industries Limited

| Sr. No. | Particulars                                                                                                                                                                                                                                                                                                                                                               | Assessment Year | Status                                                                                                                                                                                                                                   |
|---------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1.      | Demand of Rs. 3,37,32,980/- raised against VMS Industries Limited pursuant to Notice of Demand dated December 26, 2011 under section 156 of the IT Act. By an order dated May 22, 2012, CIT(A)-XIV, Ahmedabad has partly allowed the appeal by deleting the addition of Rs. 6,10,50,000/- made by the AO and dismissing the remaining grounds of appeal.                  | 2005-06         | Appeal (No. 1673 / AHD / 2012) filed by the Assistant Commissioner of Income Tax (OSD) Circle 8, Ahmedabad to amend the order passed by CIT(A)-XIV is pending before ITAT, Ahmedabad Bench.                                              |
| 2.      | Demand of Rs. 5,23,56,716/- raised against VMS Industries Limited pursuant to Notice of Demand dated March 22, 2013 under section 156 of the IT Act. By an order dated February 16, 2016, CIT(A)-4, Ahmedabad has partly allowed the appeal by deleting the addition of Rs. 8,36,50,000/- made by the AO u/s 68 of IT Act and dismissing the remaining grounds of appeal. | 2007-08         | Appeal (No. 1046 / AHD / 2016) filed by Deputy Commissioner of Income Tax, Circle 4(1)(2), Ahmedabad to set aside the order passed by CIT(A)4, Ahmedabad and restore the order passed by the AO is pending before ITAT, Ahmedabad Bench. |
| 3.      | Demand of Rs. 8,99,400/- raised against VMS Industries Limited pursuant to Notice of Demand dated March 28, 2014 under section 156 of the IT Act. By an order dated April 3, 2017, CIT(A)-7, Ahmedabad has partly allowed the appeal by deleting the addition of Rs. 8 Lakhs made by the AO u/s 68 of IT Act and dismissing the remaining grounds of appeal.              | 2010-11         | Appeal (No.1786 / AHD / 2017) filed by VMS Industries Limited is pending before the CIT (Appeals), XIV.                                                                                                                                  |
|         | Penalty proceedings with respect to the Notice of Demand dated March 28, 2014 under section 156 of the IT Act.                                                                                                                                                                                                                                                            | 2010-11         | Proceedings is pending before the CIT (Appeals), XIV.                                                                                                                                                                                    |
| 4.      | Demand of Rs. 8,28,210/- raised against VMS Industries Limited pursuant to Notice of Demand dated December 5, 2016 under section 156 of IT Act                                                                                                                                                                                                                            | 2014-15         | Appeal u/s 246A of IT Act pending before CIT (A), Ahmedabad- 8 on January 17, 2017                                                                                                                                                       |

### 2.3.2. Indirect Tax Proceedings

NIL

## **MATERIAL FRAUDS AGAINST OUR COMPANY**

There have been no material frauds committed against our Company in the five years preceding the year of this Draft Red Herring Prospectus.

## **PROCEEDINGS INITIATED AGAINST OUR COMPANY FOR ECONOMIC OFFENCES**

There are no proceedings initiated against our Company for any economic offences.

## **NON PAYMENT OF STATUTORY DUES**

Other than cases disclosed above, our Company has no outstanding defaults in relation to statutory dues consisting of service tax, value added tax, professional tax, employee state insurance, provident fund and tax deducted, dues payable to holders of any debentures (including interest) or dues in respect of deposits (including interest) or any defaults in repayment of loans from any bank or financial institution (including interest).

## **PAST CASES WHERE PENALTIES WERE IMPOSED**

There are no past cases where penalties were imposed on our Company by concerned authorities/courts.



## POTENTIAL LITIGATION INVOLVING OUR COMPANY

As on the date of this Draft Red Herring Prospectus, there is no potential litigation proceeding against our Company.

## OUTSTANDING LITIGATION AGAINST OTHER PERSONS AND COMPANIES WHOSE OUTCOME COULD HAVE AN ADVERSE EFFECT ON OUR COMPANY

As on the date of this Draft Red Herring Prospectus, there is no outstanding litigation against other persons and companies whose outcome could have a material adverse effect on our Company.

## PAST INQUIRIES, INSPECTIONS OR INVESTIGATIONS

There have been no inquiries, inspections or investigations initiated or conducted under the Companies Act 2013 or any previous company law in the last five years immediately preceding the year of this Draft Red Herring Prospectus in the case of Company, Promoters, Directors. Other than as described above, there have been no prosecutions filed (whether pending or not) fines imposed, compounding of offences in the last five years immediately preceding the year of this Draft Red Herring Prospectus.

Further, there is no legal action pending or taken by any Ministry or Department of the Government or a statutory authority against the Promoters during the last five years immediately preceding the year of the issue of the Draft Red Herring Prospectus and any direction issued by such Ministry or Department or statutory authority upon conclusion of such litigation or legal action.

## OUTSTANDING DUES TO CREDITORS

As per the Materiality Policy, our Board has approved the following:

Complete details about outstanding dues to other creditors (excluding banks and other financial institutions from whom Company has availed the financing facilities) if the amount due to any one of them exceeds 1.75 of the total outstanding trade payables of the Company as per the last audited financial statements.

As of August 31, 2018, our Company, in its ordinary course of business, has an aggregate amount of 2443.67 Lakhs, which is due towards sundry and other creditors. As per the above policy, consolidated information of material dues to creditors, giving details of number of cases and aggregate amount for such dues is as under:

(Rs. In Lakhs)

| Particulars                | Number of cases | Amount Outstanding |
|----------------------------|-----------------|--------------------|
| Material dues to creditors | 5               | 2355.68            |

The details pertaining to net outstanding due by our Company towards small scale undertakings, material dues to creditors and other dues to creditors separately as per the Restated Financial Statements for the most recent financial year are available on the website of our Company. It is clarified that such details available on our Company's website do not form a part of this Draft Red Herring Prospectus. Anyone placing reliance on any source of information including our Company's website would be doing so at their own risk.

## MATERIAL DEVELOPMENTS

Except as disclosed in the chapter titled "Management's Discussion and Analysis of Financial Condition and Results of Operations" beginning on page 162 of this Draft Red Herring Prospectus, in the opinion of our Board, there have not arisen, since July 31, 2018, any circumstances that materially or adversely affect or are likely to affect our profitability or the value of our consolidated assets or our ability to pay material liabilities within the next 12 months.

## GOVERNMENT AND OTHER APPROVALS



*Our Company has received the necessary licenses, permissions and approvals from the Central and State Governments and other government agencies/regulatory authorities/certification bodies required to undertake the Issue or continue our business activities. In view of the approvals listed below, we can undertake the Issue and our current business activities and no further major approvals from any governmental/regulatory authority or any other entity are required to be undertaken, in respect of the Issue or to continue our business activities. It must, however, be distinctly understood that in granting the above approvals, the Government of India and other authorities do not take any responsibility for the financial soundness of our Company or for the correctness of any of the statements or any commitments made or opinions expressed in this behalf.*

*The main objects clause of the Memorandum of Association of our Company and the objects incidental, enable our Company to carry out its activities.*

### I. COMPANY RELATED APPROVALS

| Sl. No. | Authorization Granted                                                                                                                     | Issuing Authority                 | Registration No:/ License No: | Reference No:/ | Date of Issue/ Date of Renewal | Valid up to           |
|---------|-------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------|-------------------------------|----------------|--------------------------------|-----------------------|
| 1.      | Certificate of Incorporation in the name of "Aditya Ultra Steel Private Limited".                                                         | Registrar of Companies, Ahmedabad | U27100GJ2011PTC066552         |                | July 27, 2011                  | Valid until cancelled |
| 2.      | Fresh Certificate of Incorporation consequent upon change of name to "Aditya Ultra Steel Limited" on conversion to public limited company | Registrar of Companies, Ahmedabad | U27100GJ2011PLC066552         |                | July 26, 2018                  | Valid until cancelled |

### II. APPROVALS FOR THE ISSUE

1. The Board of Directors have, pursuant to Section 62(1)(c) of the Companies Act, 2013, by a resolution passed at its meeting held on August 3, 2018 authorized the Issue, subject to the approval of the shareholders and such other authorities as may be necessary.
2. The shareholders of our Company have, pursuant Section 62(1)(c) of the Companies Act, 2013, by a special resolution passed in the extra ordinary general meeting held on August 27, 2018 authorized the Issue.
3. In-principle approval dated [●] from Emerge Platform of NSE for listing of the Equity Shares issued by our Company pursuant to the Issue.
4. The Company has entered into an agreement dated October 27, 2018 with the Central Depository Services (India) Limited ("CDSL") and the Registrar and Transfer Agent for the dematerialization of its shares.
5. Similarly, the Company has also entered into an agreement dated October 24, 2018 with the National Securities Depository Limited ("NSDL") and the Registrar and Transfer Agent, for the dematerialization of its shares.



6. Our Company's International Securities Identification Number ("ISIN") is INE01YQ01013

### III. BUSINESS RELATED APPROVALS

#### General approvals

| Sr. No. | Authorization Granted                                                                                         | Issuing Authority                                                                                       | Registration No./ Reference License No. | No./ No./ | Date of Issue/ Date of Renewal | Valid up to           |
|---------|---------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------|-----------------------------------------|-----------|--------------------------------|-----------------------|
| 1.      | Permanent Account Number (PAN)                                                                                | Income Tax Department, GoI                                                                              | AAJCA7025P                              |           | July 27, 2011                  | Valid until cancelled |
| 2.      | Tax Deduction Account Number (TAN)                                                                            | Income Tax Department, GoI                                                                              | RKTA03290A                              |           | [●]                            | Valid until cancelled |
| 3.      | Certificate of Registration for Goods and Service Tax*                                                        | Government of India                                                                                     | 24AAJCA7025P1Z D                        |           | September 26, 2018             | Valid until cancelled |
| 4.      | Certificate of Registration under the Gujarat State on Professional, Trade, Calling and Employments Act, 1976 | Amdavad Municipal Corporation, Profession Tax Department                                                | PRC010628001183                         |           | August 2, 2018                 | Valid until cancelled |
| 5.      | Certificate of Enrolment under the Gujarat State on Professional, Trade, Calling and Employments Act, 1976    | Amdavad Municipal Corporation, Profession Tax Department                                                | PEC010628004002                         |           | August 2, 2018                 | Valid until cancelled |
| 6.      | Importer-Exporter Code (IEC)*                                                                                 | Ministry of Commerce and Industry, Office of Jt. Director General of Foreign Trade, Government of India | 2412009961                              |           | December 7, 2012               | Valid until cancelled |
| 7.      | Certificate of Registration for Employee's Provident Fund*                                                    | Employee's Provident Fund Organisation                                                                  | GJRAJ0077454000                         |           | August 31, 2012                | Valid until cancelled |
| 8.      | Certificate of Registration Shops and Establishment                                                           | Amdavad Municipal Corporation, Shops and Establishment                                                  | PII/PRHL/2900004/0220805                |           | August 2, 2018                 | December 31, 2018     |
| 9.      | License under Bureau of Indian Standards*                                                                     | Bureau of Indian Standards, Rajkot Branch Office                                                        | 3847982                                 |           | July 5, 2018                   | July 4, 2019          |
| 10.     | Certificate for Quality Management System (ISO 9001:2015)*                                                    | Bureau Veritas Certification Holding SAS – U.K. Branch                                                  | IND16.7608Q/U                           |           | November 14, 2016              | November 13, 2019     |

\* Our Company is yet to make applications to respective authorities for updating each of the aforesaid certificates to reflect its current name.

#### Approvals related to factory situated at Survey No. 48/1 to 48/5, N.H-8A, Bhargam, Vankaner

| Sr. No. | Authorization Granted | Issuing Authority      | Registration No./ Reference License No. | No./ License | Date of Issue/ Date of Renewal | Valid up to |
|---------|-----------------------|------------------------|-----------------------------------------|--------------|--------------------------------|-------------|
| 1.      | Factory               | Directorate Industrial | License No: 19933                       |              | July 12, 2017                  | December    |



| Sr. No. | Authorization Granted                                                                                   | Issuing Authority                                                  | Registration No./ Reference No./ License No. | Date of Issue/ Date of Renewal | Valid up to           |
|---------|---------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------|----------------------------------------------|--------------------------------|-----------------------|
|         | License*                                                                                                | Safety & Health, Gujarat State                                     |                                              |                                | 31, 2019              |
| 2.      | MSME Udyog Aadhaar Memorandum/ Entrepreneurs Memorandum for setting Medium Enterprise*                  | Ministry of Micro, Small & Medium Enterprises, Government of India | UAN: GJ20C0019737                            | February 8, 2013               | Valid until cancelled |
| 3.      | Provisional Consent to Establish (NOC)                                                                  | Gujarat Pollution Control Board                                    | CTE -96161                                   | September 30, 2018             | July 09, 2025         |
| 4.      | Consent of the Board under Water (Prevention & Control of Pollution) Act, 1974*                         | Gujarat Pollution Control Board                                    | AWH-94630                                    | July 17, 2018,                 | May 14, 2023          |
| 5.      | Consent of the Board under Air (Prevention & Control of Pollution) Act, 1981*                           | Gujarat Pollution Control Board                                    | AWH-94630                                    | July 17, 2018                  | May 14, 2023          |
| 6.      | Consent of the Board under Hazardous Waste (Management, Handling & Transboundary Movement) Rules, 2008* | Gujarat Pollution Control Board                                    | AWH-94630                                    | July 17, 2018                  | May 14, 2023          |

\* Our Company is yet to make/has made applications to respective authorities for updating each of the aforesaid certificates to reflect its current name.

#### IV. Approvals obtained in relation to Intellectual property rights

##### Trademark

Our Company has obtained registration of the following trademarks as on the date of this Draft Prospectus:

| Sr. No. | Trademark                                                                           | Class of Trademark | Registration No. | Date of Grant of Registration | Validity          |
|---------|-------------------------------------------------------------------------------------|--------------------|------------------|-------------------------------|-------------------|
| 1.      |  | 6                  | 2255538          | September 9, 2016             | December 23, 2021 |

| Sr. No. | Trademark                                                                         | Class of Trademark | Registration No. | Date of Grant of Registration | Validity          |
|---------|-----------------------------------------------------------------------------------|--------------------|------------------|-------------------------------|-------------------|
| 2.      | ADITYA ISPAT                                                                      | 6                  | 2255539          | September 9, 2016             | December 23, 2021 |
| 3.      | ADITYA TMT                                                                        | 6                  | 2284509          | July 14, 2017                 | February 16, 2022 |
| 4.      |  | 6                  | 2352608          | September 23, 2016            | June 22, 2022     |

**V. Approvals applied for but not yet received / Renewals made in the usual course of business:**

NIL

**VI. Material licenses / approvals for which our Company is yet to apply for / Statutory Approvals / Licenses required**

NIL



## OTHER REGULATORY AND STATUTORY DISCLOSURES

### Authority for the Offer

Our Board of Directors have vide resolution dated August 3, 2018 authorized the Offer, subject to the approval by the shareholders of our Company under Section 62 (1) (c) of the Companies Act, 2013.

The shareholders have authorized the Offer, by passing a Special Resolution at the Extra-Ordinary General Meeting dated August 27, 2018 in accordance with the provisions of Section 62 (1) (c) of the Companies Act, 2013.

The Company has obtained approval letter from NSE vide letter dated [●] to use the name of NSE in this Offer Document for listing of equity shares on the Emerge platform of the National Stock Exchange of India Limited i.e. Emerge Platform of NSE. NSE is the designated stock exchange.

### Prohibition by SEBI, the RBI or Governmental Authorities

We confirm that there is no prohibition on our Company, its Directors, Promoters and entities forming part of our Promoter Group and Group Companies from accessing the capital market or operating in the capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority.

We further confirm that none of our Company, its Promoters, relatives of Promoters (as defined under Companies Act, 2013), its Directors and its Group Companies have been identified as wilful defaulters by the RBI or other authorities.

The listing of any securities of our Company has never been refused at any time by any of the stock exchanges in India.

### Association with Securities Market

We confirm that none of our Directors are associated with the Securities Market in any manner and no action has been initiated against these entities by SEBI at any time except as stated under the chapters titled “Risk Factors”, “Our Promoters, Promoter Group”, “Group Companies” and “Outstanding Litigations and Material Developments” beginning on page 14 118, 122 and 167 respectively, of this Draft Red Herring Prospectus.

### Eligibility for the Offer

Our Company is not ineligible in terms of Regulations 4(2) of SEBI ICDR Regulations for this Issue.

Our Company is an “Unlisted Issuer” in terms of the SEBI (ICDR) Regulation; and this Issue is an “Initial Public Offer” in terms of the SEBI (ICDR) Regulations.

Our Company is eligible for the Issue in accordance with Regulation 106 (M) (2) of Chapter XB of the SEBI (ICDR) Regulations, 2009, as amended from time to time, as we are an Issuer whose post issue face value paid up capital will be more than Rs. 10 crores but less than Rs. 25 crores and we may hence issue Equity Shares to the public and propose to list the same on the Small and Medium Enterprise Exchange (“SME Exchange”, in this case being the Emerge Platform of NSE).

We confirm that:

- a) In accordance with Regulation 106 (P) of the SEBI (ICDR) Regulations, this offer has been hundred percent underwritten and that the Book Running Lead Manager to the Offer has underwritten more than 15% of the total Offer Size. For further details pertaining to the said underwriting please see “General Information-Underwriting” on page 36 of this Draft Red Herring Prospectus.
- b) In accordance with Regulation 106(R) of the SEBI (ICDR) Regulations, we shall ensure that the total number of proposed allottees in the Offer shall be greater than or equal to fifty (50), otherwise, the entire application money will be unblocked forthwith. If such money is not repaid within eight (8) Working



- c) Days from the date our Company becomes liable to repay it, then our Company and every officer in default shall, on and from expiry of eight (8) Working Days, be liable to repay such application money, with an interest at the rate as prescribed under the Companies Act 2013. Further, in accordance with Section 40 of the Companies Act, 2013, the Company and each officer in default may be punishable with fine and/or imprisonment in such a case.
- d) In accordance with Regulation 106(O) of the SEBI (ICDR) Regulations, we have not filed any Offer Document with SEBI nor has SEBI issued any observations on our Offer Document. Also, we shall ensure that our Book Running Lead Manager submits the copy of Draft Red Herring Prospectus along with a Due Diligence Certificate including additional confirmations as required to SEBI at the time of filing the Draft Red Herring Prospectus with Stock Exchange and the Registrar of Companies.
- e) In accordance with Regulation 106(V) of the SEBI (ICDR) Regulations, we have entered into an agreement with the Book Running Lead Manager and the Market Maker to ensure compulsory Market Making for a minimum period of three years from the date of listing of equity shares offered in this Issue. For further details of the arrangement of Market Making, please see ***“General Information- Details of the Market Making Arrangements for this Offer”*** on page 36 of this Draft Red Herring Prospectus.
- f) Our Company has been incorporated under the Companies Act 1956, in India.
- g) The Net worth (excluding revaluation reserves) of our Company is positive as per the latest audited financial results and we have a positive cash accruals (earnings before depreciation and tax) from operations for at least 2 financial years.
- h) Our Company has track record of Two years.
- i) Our Company has not been referred to the Board for Industrial and Financial Reconstruction (BIFR).
- j) There is no winding up petition against the company, which has been admitted by a Court of competent jurisdiction.
- k) There has been no material regulatory or disciplinary action by a stock exchange or regulatory authority in the past three years against our company.
- l) There has been no change in the promoter/s of the Company in the preceding one year from date of filing application to NSE for listing on SME segment.
- m) As on the date of this Draft Red Herring Prospectus, our Company has a paid-up capital of ₹ 1220 lakhs.
- n) Our company shall mandatorily facilitate trading in demat securities and enter into an agreement with both the depositories.
- o) We have a website: [www.adityaultrasteel.com](http://www.adityaultrasteel.com)

We further confirm that we shall be complying with all other requirements as laid down for such an Offer under Chapter X-B of SEBI (ICDR) Regulations, as amended from time to time and subsequent circulars and guidelines issued by SEBI and the Stock Exchange.

#### **Compliance with Part A of Schedule VIII of the SEBI (ICDR) Regulations**

Our Company is in compliance with the provisions specified in Part A of the SEBI (ICDR) Regulations. No exemption from eligibility norms has been sought under Regulation 113 of the SEBI (ICDR) Regulations, with respect to the Issue. Further, our Company has been formed by the conversion of a partnership firm into a company.

IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF OFFER DOCUMENT TO SECURITIES AND EXCHANGE BOARD OF INDIA (SEBI) SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE OFFER DOCUMENT. THE LEAD MERCHANT BANKER, MARK CORPORATE ADVISORS PRIVATE LIMITED, HAVE CERTIFIED THAT THE DISCLOSURES MADE IN THE OFFER DOCUMENT ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 IN FORCE FOR THE TIME BEING. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING AN INVESTMENT IN THE PROPOSED OFFER.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE DRAFT RED HERRING PROSPECTUS, THE LEAD MERCHANT BANKER ARE EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BOOK RUNNING LEAD MANAGER, MARK CORPORATE ADVISORS PRIVATE LIMITED WILL FURNISH TO SEBI, A DUE DILIGENCE CERTIFICATE DATED NOVEMBER 02, 2018

AS PER REGULATION 106(O) OF THE SEBI ICDR REGULATIONS, ONLY THE PROSPECTUS HAS TO BE FILED WITH SEBI ALONGWITH A DUE DILIGENCE CERTIFICATE AS PER FORM A OF SCHEDULE VI OF THE SEBI ICDR REGULATIONS BY THE BOOK RUNNING LEAD MANAGER TO THE OFFER.

ACCORDINGLY, THIS SECTION WILL BE UPDATED AT THE TIME OF FILING THE DRAFT RED HERRING PROSPECTUS WITH STOCK EXCHANGE AND ROC AND DRAFT RED HERRING PROSPECTUS AND DUE DILIGENCE CERTIFICATE AS PER FORM A OF SCHEDULE VI OF THE SEBI ICDR REGULATIONS WITH SEBI.

THE FILING OF THE DRAFT RED HERRING PROSPECTUS DOES NOT, HOWEVER, ABSOLVE OUR COMPANY FROM ANY LIABILITIES UNDER SECTION 63 OR SECTION 68 OF THE COMPANIES ACT, 1956 (SECTION 34 OR SECTION 36 OF THE COMPANIES ACT, 2013) OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY OR OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE PROPOSED OFFER. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP, AT ANY POINT OF TIME, WITH THE LEAD MERCHANT BANKER ANY IRREGULARITIES OR LAPSES IN THE DRAFT RED HERRING PROSPECTUS. ALL LEGAL REQUIREMENTS PERTAINING TO THE OFFER WILL BE COMPLIED WITH AT THE TIME OF REGISTRATION OF THE DRAFT RED HERRING PROSPECTUS WITH THE REGISTRAR OF COMPANIES, DELHI, IN TERMS OF SECTION 26 AND SECTION 28 OF THE COMPANIES ACT 2013.

THE PROMOTER(S) / DIRECTOR(S) OF ADITYA ULTRA STEEL LIMITED CONFIRM THAT NO INFORMATION/MATERIAL LIKELY TO HAVE A BEARING ON THE DECISION OF INVESTORS IN RESPECT OF THE SHARES OFFERED IN TERMS OF THIS OFFER DOCUMENT HAS BEEN SUPPRESSED WITHHELD AND / OR INCORPORATED IN THE MANNER THAT WOULD AMOUNT TO MIS-STATEMENT/ MISREPRESENTATION AND IN THE EVENT OF ITS TRANSPILING AT ANY POINT IN TIME TILL ALLOTMENT/ REFUND, AS THE CASE MAY BE,

THAT ANY INFORMATION/MATERIAL HAS BEEN SUPPRESSED/WITHHELD AND/ OR AMOUNTS TO A MIS-STATEMENT/ MISREPRESENTATION, THE PROMOTERS/DIRECTORS UNDERTAKE TO REFUND THE ENTIRE APPLICATION MONIES TO ALL SUBSCRIBERS WITHIN 7 DAYS THEREAFTER WITHOUT PREJUDICE TO THE PROVISIONS OF SECTION 34 OF THE COMPANIES ACT 2013.

Disclaimer from our Company, Directors and the Book Running Lead Manager



Our Company, the Directors and the Book Running Lead Manager accept no responsibility for statements made otherwise than those contained in this Draft Red Herring Prospectus or, in case of the Company, in any advertisements or any other material issued by or at our Company's instance and anyone placing reliance on any other source of information would be doing so at his or her own risk.

## **CAUTION**

The Book Running Lead Manager accepts no responsibility, save to the limited extent as provided in the MoU for Offer Management entered into among the Book Running Lead Manager, and our Company dated October 10, 2018, the Underwriting Agreement dated [●], entered into among the Underwriter, the Selling Shareholder and our Company and the Market Making Agreement dated [●], entered into among the Market Maker, Book running Lead Manager and our Company.

All information shall be made available by us and the Book Running Lead Manager to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever including at road show presentations, in research or sales reports or at collection centres or elsewhere.

## **Note:**

Investors who apply in the Offer will be required to confirm and will be deemed to have represented to our Company, the Underwriter and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of our Company and will not offer, sell, pledge or transfer the Equity Shares of our Company to any person who is not eligible under applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of our Company.

Our Company, the Underwriter and their respective directors, officers, agents, affiliates and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire Equity Shares of our Company.

## **Disclaimer in respect of Jurisdiction**

This Offer is being made in India to persons resident in India including Indian nationals resident in India (who are not minors, except through their legal guardian), Hindu Undivided Families (HUFs), companies, corporate bodies and societies registered under the applicable laws in India and authorized to invest in shares, Mutual Funds, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), Trusts registered under the Societies Registration Act, 1860, as amended from time to time, or any other trust law and who are authorised under their constitution to hold and invest in shares, permitted insurance companies and pension funds and to non-residents including NRIs and FIIs. The Draft Red Herring Prospectus does not, however, constitute an invitation to subscribe to Equity Shares or an offer to sell to be offered hereby in any other jurisdiction to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession the Draft Red Herring Prospectus comes is required to inform himself or herself about, and to observe, any such restrictions. Any dispute arising out of this offer will be subject to the jurisdiction of appropriate court(s) in Delhi only.

No action has been or will be taken to permit a public offering in any jurisdiction where action would be required for that purpose. Accordingly, the Equity Shares represented thereby may not be offered or sold, directly or indirectly, and the Draft Red Herring Prospectus may not be distributed, in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of the Draft Red

Herring Prospectus nor any sale hereunder shall, under any circumstances, create any implication that there has been any change in the affairs of our Company since the date hereof or that the information contained herein is correct as of any time subsequent to this date.

## **Disclaimer Clause of the Emerge Platform of NSE**

As required, a copy of this Draft Red Herring Prospectus has been submitted to National Stock Exchange of India Limited (hereinafter referred to as NSE). The disclaimer clause as intimated by NSE to us, post scrutiny of

this Draft Red Herring Prospectus, shall be included in the Red Herring Prospectus/ Prospectus prior to RoC filing.



#### **Disclaimer Clause under Rule 144A of the U.S. Securities Act**

The Equity Shares have not been and will not be registered under the U.S. Securities Act 1933, as amended (the “Securities Act”) or any state securities laws in the United States and may not be offered or sold within the United States or to, or for the account or benefit of, “U.S. persons” (as defined in Regulation S of the Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act.

Accordingly, the Equity Shares will be offered and sold (i) in the United States only to “qualified institutional buyers”, as defined in Rule 144A of the Securities Act, and (ii) outside the United States in offshore transactions in reliance on Regulation S under the Securities Act and in compliance with the applicable laws of the jurisdiction where those offers and sales occur.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Applicants may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

#### **Filing**

The Draft Red Herring Prospectus shall not be filed with SEBI, nor will SEBI issue any observation on the offer document in term of Reg. 106 (O) (1). However, a copy of the Red Herring Prospectus and Prospectus shall be filed with SEBI at Western Regional Office (WRO), The Regional Director, Unit No: 002, Ground Floor, SAKAR I, Near Gandhigram Railway Station Opp. Nehru Bridge Ashram Road, Ahmedabad - 380009, Gujarat. A copy of the Red Herring Prospectus and Prospectus, along with the documents required to be filed under Section 26 and 28 of the Companies Act, 2013 will be delivered to the Registrar of Companies situated at ROC Bhavan , Opp Rupal Park Society, Behind Ankur Bus Stop, Naranpura, Ahmedabad-380013

#### **Listing**

An application shall be made to Emerge Platform of National Stock Exchange of India Limited (i.e. “Emerge Platform of NSE”) for obtaining permission for listing of the Equity Shares being offered and sold in the Offer on its SME Platform after the allotment in the Offer. NSE is the Designated Stock Exchange, with which the Basis of Allotment will be finalized for the Offer.

If the permission to deal in and for an official quotation of the Equity Shares on the Emerge Platform is not granted by NSE, our Company shall forthwith repay, without interest, all moneys received from the applicants in pursuance of the Red Herring Prospectus. The allotment letters shall be issued or application money shall be refunded / unblocked within eight days from the closure of the Offer or such lesser time as may be specified by Securities and Exchange Board or else the application money shall be refunded to the applicants forthwith, failing which interest shall be due to be paid to the applicants at the rate of fifteen per cent per annum for the delayed period as prescribed under Companies Act, 2013, the SEBI (ICDR) Regulations and other applicable law.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at the Emerge Platform of National Stock Exchange of India Limited (i.e. “Emerge Platform of NSE”) mentioned above are taken within 6 Working Days of the Offer Closing Date.

The Company has obtained approval from NSE vide letter dated [●] to use the name of NSE in this Offer document for listing of equity shares on Emerge Platform of National Stock Exchange of India Limited (i.e. “Emerge Platform of NSE”).

## Price Information of past issues handled by the Book Running Lead Manager

| Sr. No. | Issuer Name                                     | Issue size (In cr.) | Issue price (₹) | Listing Date       | Opening Price on listing date | +/- % change in closing price, [+/- % change in closing benchmark]- 30th calendar days from listing | +/- % change in closing price, [+/- % change in closing benchmark]- 90th calendar days from listing | +/- % change in closing price, [+/- % change in closing benchmark]- 180th calendar days from listing |
|---------|-------------------------------------------------|---------------------|-----------------|--------------------|-------------------------------|-----------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------|
| 1.)     | Madhya Pradesh Media Today Limited (NSE EMERGE) | 14.17.              | 66.00           | September 29, 2017 | 70.00                         | 37.73%                                                                                              | 95.38%                                                                                              | 91.36%                                                                                               |
|         |                                                 |                     |                 |                    |                               | 5.87%                                                                                               | 6.74%                                                                                               | 3.32%                                                                                                |
| 2.)     | Tasty Dairy Specialties Limited (BSE SME)       | 24.44               | 45.00           | February 21, 2018  | 50.75                         | (0.78)%                                                                                             | (4.44)%                                                                                             | (18.89)%                                                                                             |
|         |                                                 |                     |                 |                    |                               | (3.69)%                                                                                             | 2.38%                                                                                               | 13.10%                                                                                               |
| 3.)     | Godha Cabcon & Insulation Limited (NSE EMERGE)  | 9.90                | 33.00           | May 11, 2018       | 30.25                         | (14.55)%                                                                                            | (3.33)%                                                                                             |                                                                                                      |
|         |                                                 |                     |                 |                    |                               | (0.36)%                                                                                             | 6.90%                                                                                               |                                                                                                      |
| 4.)     | Sumit Woods Limited (NSE EMERGE)                | 9.85                | 45.00           | September 10, 2018 | 45.00                         | (5.00)%                                                                                             |                                                                                                     |                                                                                                      |
|         |                                                 |                     |                 |                    |                               | (9.94)%                                                                                             |                                                                                                     |                                                                                                      |

## Track record of past issues handled by the Book Running Lead Manager

For details regarding the track record of the Book Running Lead Manager to the Offer as specified in Circular reference CIR/MIRSD/1/ 2012 dated January 10, 2012 issued by the SEBI, please see the website of Mark Corporate Advisors Private Limited – <http://www.markcorporateadvisors.com>

## Consents

Consents in writing of: (a) The Directors, the Chief Financial Officer, Company Secretary & Compliance Officer, and the Statutory Auditors; and (b) the Book Running Lead Manager, Registrar to the Offer, the Legal Advisors to the Offer, Banker to the Offer, Bankers to the Company, Market Maker and Underwriters to act in their respective capacities, have been obtained and shall be filed along with a copy of the Red Herring Prospectus and Prospectus with the RoC, as required under Section 26 and 28 of the Companies Act, 2013 and such consents shall not be withdrawn up to the time of delivery of the Red Herring Prospectus and Prospectus for registration with the RoC.

In accordance with the Companies Act, 2013 and the SEBI (ICDR) Regulations, S. N. Shah & Associates Chartered Accountants have provided their written consent to the inclusion of their reports dated September 15, 2018 on Restated Financial Statements and September 15, 2018 on Statement of Tax Benefits, respectively, which may be available to the Company and its shareholders, included in this Draft Red Herring Prospectus in the form and context in which they appear therein and such consents and reports have not been withdrawn up to the time of filing of this Draft Red Herring Prospectus.

## Expert Opinion

Except as stated below, our Company has not obtained any expert opinions:

Our Company has received written consent from the Statutory Auditor namely, S.N. Shah & Associates Chartered Accountants, to include their name as required under Section 26(1)(a)(v) of the Companies Act, 2013 in this Draft Red Herring Prospectus and as “Expert” as defined under section 2(38) of the Companies Act, 2013 in respect of the reports on the Restated Financial Statements dated September 15, 2018 and the Statement of Tax Benefits dated September 15, 2018 issued by them, included in this Draft Red Herring Prospectus and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus.

However, the term “expert” shall not be construed to mean an “expert” as defined under the U.S. Securities Act.



## OFFER RELATED EXPENSES

Offer related expenses include underwriting and Offer management fees, selling commission, distribution expenses, market making charges, legal fees, fees to advisors, printing and stationery costs, advertising expenses, listing fees payable to the Stock Exchange, and all other incidental and miscellaneous expenses for listing the Equity Shares on the Stock Exchange, including fees payable to Depositories is given below: Same as object of the Offer

The details of estimated Issue expenses are set forth below:

| Sr. No.      | Particulars                                                                                                                                                                                 | ₹ in Lacs     | % of Total Expenses | % of Total Issue Size |
|--------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------|---------------------|-----------------------|
| 1.           | Issue management fees including fees selling commissions, brokerages, and payment to other intermediaries such as Legal Advisors, Registrars, Underwriter and other out of pocket expenses. | [●]           | [●]                 | [●]                   |
| 2.           | Printing & Stationery, Distribution, Postage, etc                                                                                                                                           | [●]           | [●]                 | [●]                   |
| 3.           | Advertisement & Marketing Expenses                                                                                                                                                          | [●]           | [●]                 | [●]                   |
| 4.           | Regulatory & other expenses                                                                                                                                                                 | [●]           | [●]                 | [●]                   |
| <b>Total</b> |                                                                                                                                                                                             | <b>300.00</b> | <b>100.00%</b>      | <b>6.67%</b>          |

### Fees, Brokerage and Selling Commission Payable to the Book Runner Lead Manager

The total fees payable to the Book Running Lead Manager (including underwriting commission and selling commission) is as stated in the MOUs dated October 10, 2018, the Underwriting Agreement dated [●] and the Market Making Agreement dated [●] among our Company, and the Lead Manager and other parties, a copy of which will be made available for inspection at our Registered Office.

### Fees Payable to the Registrar to the Offer

The fees payable to the Registrar to the Offer, for processing of application, data entry, printing of refund order, preparation of refund data on magnetic tape, printing of bulk mailing register will be as per the appointment between the Company, and the Registrar to the Offer dated September 21, 2018

The Registrar to the Offer will be reimbursed for all out-of-pocket expenses including cost of stationery, postage, stamp duty and communication expenses. Adequate funds will be provided to the Registrar to the Offer to enable it to send refund orders or Allotment advice by registered post/speed post.

## CAPITAL ISSUE DURING THE LAST FIVE YEARS

### Previous Public and Rights Issues

We have not made any rights and public issues in the past, and we are an “Unlisted Company” in terms of the SEBI (ICDR) Regulations and this Offer is an “Initial Public Offering” in terms of the SEBI (ICDR) Regulations.

### Previous Issues of Equity Shares otherwise than for Cash

Except as stated in the chapter titled “*Capital Structure*” beginning on page 42 of this Draft Red Herring Prospectus, we have not issued any Equity Shares for consideration other than for cash.

### Commission and Brokerage Paid on Previous Issues of our Equity Shares



Since this is an Initial Public Offer of the Company, no sum has been paid or has been payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of the Equity Shares since inception of the Company.

### **Capital Issues in the last three (3) years by Listed Group Companies / Subsidiaries / Associates**

One of our group companies, namely VMS Industries Limited is listed on BSE but has not come out with any Capital Issue in the last three (3) years.

### **Performance vis-à-vis Objects**

Our Company has not undertaken any public or rights issue in the ten (10) years immediately preceding the date of this Draft Red Herring Prospectus.

### **Outstanding Debentures, Bonds, Redeemable Preference Shares and Other Instruments issued by the Company**

The Company has no outstanding debentures or bonds and redeemable preference shares and other instruments as on the date of Draft Red Herring Prospectus.

### **Stock Market Data for our Equity Shares**

This being an Initial Public Offer of the Company, the Equity Shares of the Company are not listed on any stock exchange.

### **Mechanism for Redressal of Investor Grievances**

The Company has appointed Cameo Corporate Services Limited as the Registrar to the Offer, to handle the investor grievances in co-ordination with the Compliance Officer of the Company. All grievances relating to the present offer may be addressed to the Registrar with a copy to the Compliance Officer, giving full details such as name, address of the applicant, number of Equity Shares applied for, amount paid on application and name of bank and branch. The Company would monitor the work of the Registrar to ensure that the investor grievances are settled expeditiously and satisfactorily.

The Registrar to the Offer will handle investor's grievances pertaining to the Offer. A fortnightly status report of the complaints received and redressed by them would be forwarded to the Company. The Company would also be coordinating with the Registrar to the Offer in attending to the grievances to the investor.

All grievances relating to the ASBA process may be addressed to the SCSBs, giving full details such as name, address of the applicant, number of Equity Shares applied for, amount paid on application and the Designated Branch of the SCSB where the Application Form was submitted by the ASBA Applicant. We estimate that the average time required by us or the Registrar to the Offer or the SCSBs for the redressal of routine investor grievances will be seven business days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, we will seek to redress these complaints as expeditiously as possible.

The Company has also appointed a Company Secretary and Compliance Officer for this Offer and may be contacted at the Registered Office of our Company. The contact details are as follows:

**Name:** Mr. Gandharv Khandelwal

**Address:** Survey No. 888/807/810, FP-25, 28, T 808-C, Pinnacle, Prahlad Nagar, Opp. Royal Archade, AUDA Garden, Ahmedabad, Gujarat - 380015

**Email:** cs@adityaultrasteel.com

Investors can contact the Compliance Officer or the Registrar to the Offer or the Book Running Lead Manager in case of any pre- Offer or post- Offer related problems, such as non-receipt of letters of Allotment, credit of Allotted Equity Shares in the respective beneficiary accounts and refund orders.

### **Status of Investor Complaints**



We confirm that we have not received any investor complaint during the three years preceding the date of this Draft Red Herring Prospectus and hence there are no pending investor complaints as on the date of this Draft Red Herring Prospectus.

### **Disposal of Investor Grievances by Listed Companies under the same Management as the Company**

For details of Investor Grievances by Listed Companies under the same Management, see the chapter “Our Group Companies” beginning on page 122 of this Draft Red Herring Prospectus.

### **Change in Auditors in the last three (3) years.**

| <b>Name of Auditor</b>     | <b>Date of Appointment</b> | <b>Date of Cessation</b> | <b>Reason</b>                                             |
|----------------------------|----------------------------|--------------------------|-----------------------------------------------------------|
| M/s H.B. Dhamelia & Co.    | September 30, 2012         | April 1, 2015            | Pre-occupation                                            |
| M/s S.N. Shah & Associates | August 12, 2016            | -                        | To fill in the Casual Vacancy of M/s. H.B. Dhamelia & Co. |

### **Capitalisation of Reserves or Profits**

Our Company has not issued any Equity Shares otherwise than for cash

### **Revaluation of Assets**

Except as disclosed in the Restated Financial Statements, there has been no revaluation of assets by our Company during the last five years, preceding the date of this Draft Red Herring Prospectus.

### **Tax Implications**

Investors who are allotted Equity Shares in the Issue will be subject to capital gains tax on any resale of the Equity Shares at applicable rates, depending on the duration for which the investors have held the Equity Shares prior to such resale and whether the Equity Shares are sold on the Stock Exchanges. For details, please refer the section titled "Statement of Tax Benefits" beginning on page 71 of the Draft Red Herring Prospectus.

### **Purchase of Property**

Other than as disclosed under section titled "Our Business" beginning on page 80 of this Draft Prospectus. Draft Prospectus, there is no property which has been purchased or acquired or is proposed to be purchased or acquired which is to be paid for wholly or partly from the proceeds of the present Issue or the purchase or acquisition of which has not been completed on the date of the Draft Red Herring Prospectus., other than property, in respect of which:-

The contract for the purchase or acquisition was entered into in the ordinary course of business, or the contract was entered into in contemplation of the Issue, or that the Issue was contemplated in consequence of the contract; or the amount of the purchase money is not material.

Except as stated elsewhere in the Draft Red Herring Prospectus., our Company has not purchased any property in which the Promoter and/or Directors have any direct or indirect interest in any payment made there under.

### **Servicing Behavior**

Except as stated in the Draft Red Herring Prospectus., there has been no default in payment of statutory dues or of interest or principal in respect of our borrowings or deposits.

### **Payment or benefit to officers of Our Company**

Except statutory benefits upon termination of their employment in our Company or superannuation, no officer of our Company is entitled to any benefit upon termination of his employment in our Company or superannuation.



Except as disclosed under sections titled "Our Management" and "Related Party Transactions" beginning on pages 108 and 127 respectively of the Draft Red Herring Prospectus., none of the beneficiaries of loans and advances and sundry debtors are related to the Directors of our Company.

## SECTION VIII-ISSUE INFORMATION

### TERMS OF THE ISSUE

*The Equity Shares being issued pursuant to this issue shall be subject to the provision of the Companies Act, 2013 SEBI (ICDR) Regulations, 2009, SCRA, SCRR, Memorandum and Articles, the terms of this Draft Red Herring Prospectus , Application Form, the Revision Form, the Confirmation of Allocation Note ('CAN') and other terms and conditions as may be incorporated in the Allotment advices and other documents/ certificates that may be executed in respect of the Issue. The Equity Shares shall also be subject to laws, guidelines, rules, notifications and regulations relating to the issue of capital and listing of securities issued from time to time by SEBI, the Government of India, Stock Exchange , ROC, RBI and / or other authorities, as in force on the date of the Issue and to the extent applicable.*

*Please note that, in accordance with the SEBI circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 all the Applicants have to compulsorily apply through the ASBA Process.*

Further vide the said circular Registrar to the Issue and Depository Participants have been also authorised to collect the Application forms. Investors may visit the official website of the concerned stock exchange for any information on operationalization of this facility of form collection by Registrar to the Issue and DPs as and when the same is made available.

### Ranking of Equity Shares

The Equity Shares being issued and transferred in the Issue shall be subject to the provisions of the Companies Act, 2013 and the Memorandum & Articles of Association and shall rank *pari-passu* with the existing Equity Shares of our Company including rights in respect of dividend. The Allottees upon receipt of Allotment of Equity Shares under this issue will be entitled to dividends and other corporate benefits, if any, declared by our Company after the date of allotment in accordance with Companies Act, 2013 and the Articles. For further details, please refer to the section titled, '*Main Provisions of the Articles of Association of the Company*' beginning on page number 234 of this Draft Red Herring Prospectus.

### Authority for the Issue

This Issue has been authorized by a Resolution of the Board passed at their meeting held on August 03, 2018 subject to the approval of shareholders through a Special Resolution to be passed pursuant to section 62 (1) (c) of the Companies Act, 2013. The shareholders have authorized the Issue by a special resolution in accordance with Section 62 (1) (c) of the Companies Act, 2013 passed at the Extra Ordinary General Meeting of the Company held on August 27, 2018

### Mode of Payment of Dividend

The declaration and payment of dividend will be as per the provisions of Companies Act, 2013 and recommended by the Board of Directors at their discretion and approved by the shareholders and will depend on a number of factors, including but not limited to earnings, capital requirements and overall financial condition of our Company. We shall pay dividends in cash and as per provisions of the Companies Act, 2013. For further details, please refer to the chapter titled '*Dividend Policy*' and "*Main Provisions of the Articles of Association*" beginning on pages 128 and 234 of this Draft Red Herring Prospectus.

### Face Value and Issue Price

The Equity Shares having a face value of `10 each are being offered in terms of this Draft Red Herring Prospectus at the price of `[●] per Equity Share. The Issue Price is determined by our Company in consultation with the Book Running Lead Manager and is justified under the chapter titled '*Basis for Issue Price*' beginning on page 69 of this Draft Red Herring Prospectus. At any given point of time there shall be only one denomination of the Equity Shares of our Company, subject to applicable laws.



## **Compliance with SEBI (ICDR) Regulations**

Our Company shall comply with all requirements of the SEBI (ICDR) Regulations. Our Company shall comply with all disclosure and accounting norms as specified by SEBI from time to time.

## **Rights of the Equity Shareholders**

Subject to applicable laws, rules, regulations and guidelines and the Articles of Association, our Shareholders shall have the following rights:

- Right to receive dividend, if declared;
- Right to attend general meetings and exercise voting powers, unless prohibited by law;
- Right to vote on a poll either in person or by proxy or e-voting, in accordance with the provisions of the Companies Act;
- Right to receive annual reports and notices to members;
- Right to receive offers for rights shares and be allotted bonus shares, if announced;
- Right to receive surplus on liquidation, subject to any statutory and preferential claim being satisfied;
- Right of free transferability, subject to applicable laws and regulations; and the Articles of Association of our Company; and
- Such other rights, as may be available to a shareholder of a listed public company under the Companies Act and the Memorandum and Articles of Association of the Company.

For a detailed description of the main provisions of the Articles of Association of our Company relating to voting rights, dividend, forfeiture and lien, transfer, transmission and/or consolidation/splitting, see 'Main Provisions of Articles of Association' beginning on page 234 of this Draft Red Herring Prospectus.

## **Minimum Application Value, Market Lot and Trading Lot**

As per the provisions of the Depositories Act, 1996 & regulations made thereunder and Section 29 (1) of the Companies Act, 2013, the equity shares of a body corporate can be in dematerialized form i.e. not in the form of physical certificates, but be fungible and be represented by the statement issued through electronic mode. The trading of the Equity Shares will happen in the minimum contract size of [●] Equity Shares and the same may be modified by the NSE from time to time by giving prior notice to investors at large. Allocation and allotment of Equity Shares through this Issue will be done in multiples of [●] Equity Shares subject to a minimum allotment of [●] Equity Shares to the successful Applicants in terms of the SEBI circular No. CIR/MRD/DSA/06/2012 dated February 21, 2012.

## **Minimum Number of Allottees**

Further in accordance with the Regulation 106R of SEBI (ICDR) Regulations, the minimum number of allottees in this Issue shall be 50 shareholders. In case the minimum number of prospective allottees is less than 50, no allotment will be made pursuant to this Issue and all the monies blocked by SCSBs shall be unblocked within four (4) working days of closure of Issue.

## **Joint Holders**

Where 2 (two) or more persons are registered as the holders of any Equity Shares, they will be deemed to hold such Equity Shares as joint-holders with benefits of survivorship.

## **Jurisdiction**

Exclusive Jurisdiction for the purpose of this Issue is with the competent courts/authorities in Mumbai, India.

*The Equity Share have not been and will not be registered under the U.S. Securities Act or any state securities laws in the United States and may not be issued or sold within the United States or to, or for the account or benefit of, "U.S. persons" (as defined in Regulation S), except pursuant to an exemption from, or in a*



*transaction not subject to, the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. Accordingly, the Equity Shares are being issued and sold only outside the United States in off-*

*shore transactions in reliance on Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those issues and sales occur.*

*The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be issued or sold, and applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.*

### **Nomination Facility to Bidders**

In accordance with Section 72 of the Companies Act, 2013, read with Companies (Share Capital and Debentures) Rules, 2014, the sole Applicant, or the first Applicant along with other joint Applicants, may nominate any one person in whom, in the event of the death of sole Applicant or in case of joint Applicants, death of all the Applicants, as the case may be, the Equity Shares Allotted, if any, shall vest. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to equity share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale of Equity Share(s) by the person nominating. A buyer will be titled to make afresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at our Registered Office or to the Registrar and Transfer Agents of our Company.

Any person who becomes a nominee by virtue of Section 72 of the Companies Act, 2013, shall upon the production of such evidence as may be required by the Board, elect either:

- a) to register himself or herself as the holder of the Equity Shares; or
- b) to make such transfer of the Equity Shares, as the deceased holder could have made.

Further, the Board may, at any time, give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of 90 days, the Board may, thereafter, withhold payment of all dividends, bonuses or other monies payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the Allotment of Equity Shares in the Issue will be made only in dematerialized form, there is no need to make a separate nomination with our Company. Nominations registered with respective depository participant of the applicant would prevail. If the Applicants require changing of their nomination, they are requested to inform their respective depository participant.

### **Restrictions, if any on Transfer and Transmission of Equity Shares**

Except for the lock-in of the pre-Issue capital of our Company, Promoters' minimum contribution as provided in "Capital Structure" on page no. 42 of this Draft Red Herring Prospectus, and except as provided in the Articles of Association there are no restrictions on transfer of Equity Shares. Further, there are no restrictions on the transmission of shares/debentures and on their consolidation/splitting, except as provided in the Articles of Association. For details, please refer "Main Provisions of Articles of Association" on page 234 of this Draft Red Herring Prospectus.

The above information is given for the benefit of the Applicants. The Applicants are advised to make their own enquiries about the limits applicable to them. Our Company and the Book Running Lead Manager do not accept any responsibility for the completeness and accuracy of the information stated hereinabove. Our Company and the Book Running Lead Manager are not liable to inform the investors of any amendments or modifications or changes in applicable laws or regulations, which may occur after the date of the Prospectus. Applicants are advised to make their independent investigations and ensure that the number of Equity Shares Applied for do not exceed the applicable limits under laws or regulations.

### **Withdrawal of the Issue**



Our Company in consultation with the BRLM, reserve the right to not to proceed with the Issue after the Bid/Issue Opening Date but before the Allotment. In such an event, our Company would issue a public notice in

the newspapers in which the pre-Issue advertisements were published, within two (2) days of the Bid/Issue Closing Date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Issue. The Book Running Lead Manager through, the Registrar to the Issue, shall notify the SCSBs to unblock the bank accounts of the ASBA Bidders within one (1) Working Day from the date of receipt of such notification. Our Company shall also inform the same to the Stock Exchanges on which Equity Shares are proposed to be listed.

Notwithstanding the foregoing, this Issue is also subject to obtaining (i) the final listing and trading approvals of the Stock Exchange, which our Company shall apply for after Allotment, and (ii) the final RoC approval of the Prospectus after it is filed with the RoC. If our Company withdraws the Issue after the Bid/ Issue Closing Date and thereafter determines that it will proceed with an issue/issue for sale of the Equity Shares, our Company shall file a fresh Prospectus with Stock Exchange.

### **Minimum Subscription**

This Issue is not restricted to any minimum subscription level and is 100% underwritten. As per Section 39 of the Companies Act, 2013, if the “stated minimum amount” has not be subscribed and the sum payable on application is not received within a period of 30 days from the date of the Prospectus, the application money has to be returned within such period as may be prescribed. If our Company does not receive the 100% subscription of the issue through the Issue Document including devolvement of Underwriters, if any, within sixty (60) days from the date of closure of the issue, our Company shall forthwith refund the entire subscription amount received. If there is a delay beyond eight days after our Company becomes liable to pay the amount, our Company and every officer in default will, on and from the expiry of this period, be jointly and severally liable to repay the money, with interest or other penalty as prescribed under the SEBI Regulations, the Companies Act 2013 and applicable law.

In accordance with Regulation 106 P (1) of the SEBI (ICDR) Regulations, our Issue shall be hundred percent underwritten. Thus, the underwriting obligations shall be for the entire hundred percent of the issue through the Prospectus and shall not be restricted to the minimum subscription level.

Further, in accordance with Regulation 106(R) of the SEBI (ICDR) Regulations, our Company shall ensure that the number of prospective allottees to whom the Equity Shares will be allotted will not be less than 50 (Fifty).

Further, in accordance with Regulation 106(Q) of the SEBI (ICDR) Regulations, our Company shall ensure that the minimum application size in terms of number of specified securities shall not be less than `1,00,000 (Rupees One Lac only) per application.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be issued or sold, and applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

### **Migration to Main Board**

Our company may migrate to the main board of NSE at a later date subject to the following:

- a) If the Paid up Capital of our Company is likely to increase above `25 crores by virtue of any further issue of capital by way of rights, preferential issue, bonus issue etc. (which has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the Promoters in favor of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal and for which the company has obtained in-principal approval from the main board), our Company shall apply to NSE for listing of its shares on its Main Board subject to the fulfillment of the eligibility criteria for listing of specified securities laid down by the Main Board.

**OR**



- b) If the paid-up Capital of our company is more than `10 Crores but below `25Crores, our Company may still apply for migration to the main board if the same has been approved by a special resolution through postal ballot
- c) wherein the votes cast by the shareholders other than the Promoters in favor of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal.

### Market Making

The shares offered through this issue is proposed to be listed on the EMERGE Platform of NSE wherein the Book Running Lead Manager to the issue shall ensure compulsory Market Making through registered Market Makers of the NSE for a minimum period of three years from the date of listing of shares offered through this Draft Red Herring Prospectus . For further details of the Market Making arrangement see chapter titled “General Information-Details of the Market Making Arrangements for this Issue” beginning on page 36 of this Draft Red Herring Prospectus.

In accordance with SEBI Circular No. CIR/MRD/DSA/31/2012 dated November 27, 2012; it has decided to make applicable limits on the upper side for the Market Maker during market making process taking into consideration the Issue size in the following manner:

| Issue size                     | Buy quote exemption threshold<br>(including mandatory initial<br>inventory of 5% of issue size) | Re-entry threshold for buy quotes<br>(including mandatory initial<br>inventory of 5% of issue size) |
|--------------------------------|-------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------|
| Up to `20 Crores               | 25%                                                                                             | 24%                                                                                                 |
| `20 Crores to `50 Crores       | 20%                                                                                             | 19%                                                                                                 |
| Above `50 Crores to `80 Crores | 15%                                                                                             | 14%                                                                                                 |
| Above `80 Crores               | 12%                                                                                             | 11%                                                                                                 |

Further, the following shall apply to market maker while managing their inventory during the process of market making:

- The exemption from threshold shall not be applicable for the first three months of market making and the market maker shall be required to provide two way quotes during this period irrespective of the level of holding. Any initial holdings over and above such 5% of issue size would not be counted towards the inventory levels prescribed.
- Apart from the above mandatory inventory, only those shares which have been acquired on the platform of the exchange during market making process shall be counted towards the Market Maker's threshold. Threshold limit will take into consideration, the inventory level across market maker.
- The Market Maker shall give two way quotes till it reaches the upper limit threshold; thereafter it has the option to give only sell quotes. Two way quotes shall be resumed the moment inventory reaches the prescribed re-entry threshold.
- In view of the Market Maker obligation, there shall be no exemption/threshold on downside. However, in the event the Market Maker exhausts its inventory through market making process on the platform of the exchange, the concerned stock exchange may intimate the same to SEBI after due verification.
- Provided, where there is any SEBI debarment order against the company/its promoters/directors, while the SEBI debarment is in force against the company/its promoters/directors, it shall be mandatory for the company to appoint a trading member of NSE as a market maker even after the completion of mandatory period of three years. In case of any default during market making the penalties/actions will be imposed as per the existing guidelines.

### Arrangements for disposal Of Odd Lots

The trading of the Equity Shares will happen in the minimum contract size of [●] shares in terms of the SEBI circular No. CIR/MRD/DSA/06/2012 dated February 21, 2012. However, the Market Maker shall buy the entire

shareholding of a shareholder in one lot, where value of such shareholding is less than the minimum contract size allowed for trading on the Emerge Platform of NSE



### **Restrictions, if any, on Transfer and Transmission of Shares or Debentures and on their Consolidation or Splitting**

Except for lock-in of the pre-Issue Equity Shares and Promoter's minimum contribution in the Issue as detailed in the chapter '*Capital Structure*' beginning on page no. 42 of this Draft Red Herring Prospectus and except as provided in the Articles of Association, there are no restrictions on transfers of Equity Shares. There are no restrictions on transmission of shares and on their consolidation / splitting except as provided in the Articles of Association. For details please refer to the section titled '*Main Provisions of the Articles of Association*' beginning on page no. 234 of this Draft Red Herring Prospectus. The above information is given for the benefit of the Applicants. The Applicants are advised to make their own enquiries about the limits applicable to them. Our Company and the Book Running Lead Manager do not accept any responsibility for the completeness and accuracy of the information stated hereinabove. Our Company and the Book Running Lead Manager are not liable to inform the investors of any amendments or modifications or changes in applicable laws or regulations, which may occur after the date of the Prospectus. Applicants are advised to make their independent investigations and ensure that the number of Equity Shares Applied for do not exceed the applicable limits under laws or regulations.

### **Option to receive securities in Dematerialized Form**

In accordance with the SEBI ICDR Regulations, Allotment of Equity Shares to successful applicants will only be in the dematerialized form. Applicants will not have the option of Allotment of the Equity Shares in physical form. The Equity Shares on Allotment will be traded only on the dematerialized segment of the Stock Exchange. Allottees shall have the option to re-materialize the Equity Shares, if they so desire, as per the provisions of the Companies Act and the Depositories Act.

### **New Financial Instruments**

There are no new financial instruments such as deep discounted bonds, debenture, warrants, secured premium notes, etc. issued by our Company.

### **Application by eligible NRIs, FPIs Registered with SEBI, VCFs, AIFs registered with SEBI and QFIs**

It is to be understood that there is no reservation for Eligible NRIs or FPIs or QFIs or VCFs or AIFs registered with SEBI. Such Eligible NRIs, QFIs, FPIs, VCFs or AIFs registered with SEBI will be treated on the same basis with other categories for the purpose of Allocation.

## ISSUE STRUCTURE



This Issue is being made in terms of Regulation 106(M) (2) of Chapter XB of SEBI (ICDR) Regulations, 2009, as amended from time to time, whereby, an issuer whose post issue paid up face value capital is more than `10 Crore but less than `25 Crore, shall issue shares to the public and propose to list the same on the Small and Medium Enterprise Exchange ("SME Exchange", in this case being the SME Platform of NSE). For further details regarding the salient features and terms of such an issue please refer chapter titled "*Terms of the Issue*" and "*Issue Procedure*" on page 185 and 193 of this Draft Red Herring Prospectus.

The issue is being made by way of Book Built Issue.

### Following is the Issue Structure:

Public Issue of [●] Equity shares of face value of `10 each fully paid (the 'Equity Shares') for cash at a price of `[●] per Equity Share aggregating to `4500 Lacs ('the Issue') by our Company. The Issue comprises a Net Issue to Public of [●] Equity Shares ('the Net Issue') and a reservation of [●] Equity Shares for subscription by the designated Market Maker ('the Market Maker Reservation Portion').

| Particulars of the Issue                          | Net Issue to Public*                                                                                                                                                                                            | Market Maker Reservation Portion |
|---------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------|
| Number of Equity Shares available for allocation  | [●]                                                                                                                                                                                                             | [●]                              |
| Percentage of Issue Size available for allocation | [●] of the Issue Size                                                                                                                                                                                           | [●] of the Issue Size            |
| Basis of Allotment                                | Proportionate basis, subject to minimum allotment of [●] Equity Shares each.<br><br>For further details, please refer to the ' <i>Basis of Allotment</i> ' on page no. 199 of this Draft Red Herring Prospectus | Firm Allotment                   |
| Mode of Application                               | All the Applicants (online & physical) through ASBA process                                                                                                                                                     | Through ASBA process only        |
| Minimum Application Size                          | <i>For Non Retail</i><br>Such number of Equity Shares in multiples of [●] Equity Shares such that the application size exceeds `2,00,000                                                                        | [●] Equity Shares                |
|                                                   | <i>For Retail Individuals:</i><br>[●] Equity Shares                                                                                                                                                             |                                  |
| Maximum Application Size                          | <i>For Non Retail</i><br>Such number of Equity Shares in multiples [●] Equity Shares such that application size does not exceed [●] Equity Shares                                                               | [●] Equity Shares                |
|                                                   | <i>For Retail Individuals:</i><br>Such number of Equity Shares in multiples of [●] Equity Shares such that application value does not exceed `2,00,000                                                          |                                  |
| Mode of Allotment                                 | Dematerialized form only                                                                                                                                                                                        | Dematerialized form only         |
| Trading Lot                                       | [●] Equity Shares                                                                                                                                                                                               | [●] Equity Shares                |
| Terms of Payment                                  | The entire bid amount will be payable at the time of submission of the Application Form                                                                                                                         |                                  |

This Issue is being made in terms of Chapter XB of the SEBI (ICDR) Regulations, 2009, as amended from time to time.

\*As per Regulation 43, sub regulation (4) of SEBI (ICDR) Regulations, the allocation in the net issue to public category shall be made as follows:



- a) Minimum fifty percent to retail individual investors; and
- b) Remaining to:
  - i) individual applicants other than retail individual investors; and
  - ii) other investors including corporate bodies or institutions, irrespective of the number of specified securities applied for;
- c) the unsubscribed portion in either of the categories specified in clauses (a) or (b) may be allocated to applicants in the other category

**If the retail individual investor category is entitled to more than fifty per cent on proportionate basis, accordingly the retail individual investors shall be allocated that higher percentage.**

\* In case of joint Applications, the Bid cum Application Form should contain only the name of the first Bidder whose name should also appear as the first holder of the beneficiary account held in joint names. The signature of only such first Bidder would be required in the Bid cum Application Form and such first Bidder would be deemed to have signed on behalf of the joint holders.

### **Withdrawal of the Issue**

The Company, in consultation with the BRLM, reserves the right not to proceed with the Issue at any time before the Issue Opening Date, without assigning any reason thereof. Notwithstanding the foregoing, the Issue is also subject to obtaining the following:

- 1) The final listing and trading approvals of NSE for listing of Equity Shares offered through this issue on its SME Platform of “**NSE EMERGE**” which the Company shall apply for after Allotment and
- 2) The final ROC approval of the Prospectus after it is filed with the ROC.

In case, the Company wishes to withdraw the Issue after Issue opening but before allotment, the Company will give public notice giving reasons for withdrawal of Issue. The public notice will appear in two widely circulated national newspapers (One each in English and Hindi) and one in regional newspaper.

The Book Running Lead Managers, through the Registrar to the Issue, will instruct the SCSBs to unblock the ASBA Accounts within one Working Day from the day of receipt of such instruction. The notice of withdrawal will be issued in the same newspapers where the pre-Issue advertisements have appeared and the Stock Exchange will also be informed promptly. If our Company withdraws the Issue after the Issue Closing Date and subsequently decides to undertake a public offering of Equity Shares, our Company will file a fresh offer document with the stock exchange where the Equity Shares may be proposed to be listed.

### **Bid/Issue Programme:**

|                           |     |
|---------------------------|-----|
| <b>Issue Opening Date</b> | [•] |
| <b>Issue Closing Date</b> | [•] |

Applications and any revision to the same (except that on the Issue Closing Date) will be accepted only between 10.00 a.m. and 5.00 p.m. (Indian Standard Time) during the Issue Period at the Application Centers mentioned in the Application Form. On the Issue Closing date application and revision to the same will be accepted between 10.00 a.m. and 4.00 p.m. Applications will be accepted only on Working Days, i.e., all trading days of stock exchange excluding Sundays and bank holidays.

## ISSUE PROCEDURE



All Applicants should review the General Information Document for Investing in Public Issues prepared and issued in accordance with the circular (CIR/CFD/DIL/12/2013) dated October 23, 2013 notified by SEBI ("General Information Document") included below under section '**PART B-General Information Document**', which highlights the key rules, processes and procedures applicable to public issues in general in accordance with the provisions of the Companies Act 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957 and the SEBI ICDR Regulations as amended. The General Information Document has been updated to include reference to the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014, SEBI (Listing Obligation and Disclosure Regulations), 2015. The General Information Document is also available on the websites of the Stock Exchange and the Book Running Lead Manager. Please refer to the relevant portions of the General Information Document which are applicable to this Issue.

Please note that the information stated/covered in this section may not be complete and/or accurate and as such would be subject to modification/change. Our Company and the Book Running Lead Manager do not accept any responsibility for the completeness and accuracy of the information stated in this section and the General Information Document. Our Company and the Book Running Lead Manager would not be liable for any amendment, modification or change in applicable law, which may occur after the date of this Prospectus. Applicants are advised to make their independent investigations and ensure that their Applications do not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or as specified in this Draft Red Herring Prospectus and the Final Prospectus.

This section applies to all the Applicants, Please note that all the Applicants are required to make payment of the full Application Amount along with the Application Form.

### PART A

#### Book Building Issue Procedure

This Issue is made in compliance with the provisions of Reg. 106(M)(2) of Chapter XB of the SEBI ICDR Regulations and through the Book Building Process wherein 50% of the net issue to Public was made available for allocation to Retail Individual Bidders and the balance shall be available for allocation to QIBs and Non-Institutional Bidders. Further [•] % of the Issue is reserved for allocation to the Market Maker.

Under-subscription, if any, in any category, would be allowed to be met with spill over from any other category or combination of categories, at the discretion of our Company in consultation with the BRLMs and the Designated Stock Exchange.

Subject to valid Bids received at or above the issue Price, allocation to all categories in the Net Issue, shall be made on a proportionate basis, except for retail portion where allotment to each retail bidder shall not be less than the minimum bid lot subject to availability of Equity shares in Retail portion, and the remaining available Equity shares, if any, shall be allotted on a proportionate basis.

The Equity Shares, on Allotment, shall be traded only in the dematerialized segment of the Stock Exchange. **Investors should note that the Equity Shares will be Allotted to all successful Bidders only in dematerialized form. The Bid cum Application Forms which do not have the details of the Bidders' depository account, including DP ID, Client ID and PAN, shall be treated as incomplete and will be rejected. Bidders will not have the option of being Allotted Equity Shares in physical form.**

#### Bid cum Application Form

Pursuant to SEBI Circular dated January 01, 2016 and bearing No. CIR/CFD/DIL/1/2016, the Application Form has been standardized. Applicants shall only use the specified Application Form for the purpose of making an Application in terms of this Draft Red Herring Prospectus. The Application Form shall contain space for indicating number of specified securities subscribed for in demat form.

Applicants shall submit an Application Form either in physical or electronic form to the SCSB's authorizing blocking funds that are available in the bank account specified in the Application Form



The prescribed color of the Application Form for various categories is as follows:

| Category                                                                                                                                                                                            | Color of Application Form |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------|
| Resident Indians and Eligible NRIs applying on a non- repatriation basis (ASBA)                                                                                                                     | White                     |
| Eligible NRIs, FVCIs, FIIs, their Sub-Accounts (other than Sub-Accounts which are foreign corporates or foreign individuals bidding under the QIB Portion), applying on a repatriation basis (ASBA) | Blue                      |

In accordance with SEBI circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 all the Applicants has to compulsorily apply through the ASBA Process.

Applicants shall only use the specified Application Form for the purpose of making an Application in terms of this Draft Red Herring Prospectus . An Investor, intending to subscribe to this Issue, shall submit a completed application form to any of the following Intermediaries (collectively called “*Designated Intermediaries*”)

| Sr. No. | Designated Intermediaries                                                                                                                                              |
|---------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1.      | An SCSB, with whom the bank account to be blocked, is maintained                                                                                                       |
| 2.      | A syndicate member (or sub-syndicate member)                                                                                                                           |
| 3.      | A stock broker registered with a recognized stock exchange (and whose name is mentioned on the website of the stock exchange as eligible for this activity) (‘Broker’) |
| 4.      | A depository participant (‘DP’) (whose name is mentioned on the website of the stock exchange as eligible)                                                             |
| 5.      | A registrar to an issue and share transfer agent (‘RTA’) (whose name is mentioned on the website of the stock exchange as eligible for this activity)                  |

*The aforesaid intermediary shall, at the time of receipt of application, give an acknowledgement to investor, by giving the counter foil or specifying the application number to the investor, as a proof of having accepted the application form, in physical or electronic mode, respectively.*

The upload of the details in the electronic bidding system of the Stock Exchange will be done by:

- For applications submitted by investors to SCSB : After accepting the form, SCSB shall capture and upload the relevant details in the electronic bidding system as specified by the stock exchange(s) and may begin blocking funds available in the bank account specified in the form, to the extent of the application money specified.
- For applications submitted by investors to intermediaries other than SCSBs : After accepting the application form, respective intermediary shall capture and upload the relevant details in the electronic bidding system of stock exchange(s). Post uploading, they shall forward a schedule as per prescribed format along with the application forms to designated branches of the respective SCSBs for blocking of funds within one day of closure of Issue.

### Availability of Prospectus and Application Forms

The Application Forms and copies of the Red Herring Prospectus may be obtained from the Registered Office Memorandum Form 2A containing the salient features of the Red Herring Prospectus together with the Application Forms and copies of the Prospectus may be obtained from the Registered Office of our Company, Bok Running Lead Manager to the Issue and the Registrar to the Issue as mentioned in the Application Form. The application forms may also be downloaded from the website of National Stock Exchange of India Limited i.e. [www.nseindia.com](http://www.nseindia.com).

### Who can apply?

Persons eligible to invest under all applicable laws, rules, regulations and guidelines: -

- Indian national’s resident in India who are not incompetent to contract in single or joint names (not more than three) or in the names of minors as natural/legal guardian;
- Hindu Undivided Families or HUFs, in the individual name of the *Karta*. The applicant should specify that the application is being made in the name of the HUF in the Application Form as follows: Name of Sole or First applicant: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the



*Karta*. Applications by HUFs would be considered at par with those from individuals;

- Companies, Corporate Bodies and Societies registered under the applicable laws in India and authorized to invest in the Equity Shares under the irrespective constitutional and charter documents;
- Mutual Funds registered with SEBI;
- Eligible NRIs on a repatriation basis or on an on-repatriation basis, subject to applicable laws. NRIs other than Eligible NRIs are not eligible to participate in this Issue;
- Indian Financial Institutions, scheduled commercial banks, regional rural banks, co-operative banks (subject to RBI permission, and the SEBI Regulations and other laws, as applicable);
- FIIs and sub-accounts registered with SEBI, other than a sub-account which is a foreign corporate or a foreign individual under the QIB Portion;
- Limited Liability Partnerships (LLPs) registered in India and authorized to invest in equity shares;
- Sub-accounts of FIIs registered with SEBI, which are foreign corporates or foreign individuals only under the Non-Institutional applicant's category;
- Alternative Investment Funds, Venture Capital Funds, Foreign Venture Capital Investors registered with SEBI;
- Portfolio Manager registered with SEBI;
- State Industrial Development Corporations;
- Trusts/societies registered under the Societies Registration Act, 1860, as amended, or under any other law relating to Trusts and who are authorized under their constitution to hold and invest in equity shares;
- Scientific and/or Industrial Research Organizations authorized to invest in equity shares;
- Insurance Companies registered with Insurance Regulatory and Development Authority, India;
- Provident Funds with minimum corpus of `2,500 Lakhs and who are authorized under their constitution to hold and invest in equity shares;
- Pension Funds with minimum corpus of `2,500 Lakhs and who are authorized under their constitution to hold and invest in equity shares;
- Multilateral and Bilateral Development Financial Institutions;
- National Investment Fund set up by resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of Government of India published in the Gazette of India;
- Insurance funds set up and managed by army, navy or air force of the Union of India

As per the existing regulations, OCBs cannot participate in this Issue.

#### **Participation by Associates/Affiliates of Book Running Lead Manager**

The Book Running Lead Manager and the Syndicate Member shall not be entitled to subscribe to this Issue in any manner except towards fulfilling their underwriting obligations. However, associates and affiliates of the Book Running Lead Manager and Syndicate Member, if any, may subscribe to Equity Shares in the Issue, either in the QIB Portion and Non-Institutional Portion, as may be applicable to such applicants, where the allotment is on a proportionate basis. All categories of Applicants, including associates and affiliates of the Book Running Lead Manager and the Syndicate Member, shall be treated equally for the purpose of allocation to be made on a proportionate basis.

#### **Option to Subscribe in the Issue**

- a) As per Section 29(1) of the Companies Act 2013, Investors will get the allotment of Equity Shares in dematerialization form only.
- b) The Equity Shares, on allotment, shall be traded on Stock Exchange in demat segment only.
- c) In a single Application Form any investor shall not exceed the investment limit/minimum number of securities that can be held by him/her/it under the relevant regulations/statutory guidelines and applicable law.

#### **Application by Indian Public including Eligible NRIs applying on Non-Repatriation basis**

Application must be made only in the names of individuals, limited companies or Statutory Corporations / Institutions and not in the names of minors, foreign nationals, non-residents (except for those applying on non-repatriation), trusts, (unless the trust is registered under the Societies Registration Act, 1860 or any other applicable trust laws and is authorized under its constitution to hold shares and debentures in a company), Hindu

Undivided Families, partnership firms or their nominees. In case of HUF's applications shall be made by the Karta of the HUF. An applicant in the Net Public Category cannot make an application for that number of Equity Shares exceeding the number of Equity Shares offered to the public. Eligible NRIs applying on a non-repatriation basis may make payments by inward remittance in foreign exchange through normal banking channels or by debits to NRE / FCNR accounts as well as NRO accounts.

### **Applications by Eligible NRIs/RFPIs on Repatriation Basis**

Application Forms have been made available for eligible NRIs at our Registered Office and at the Office of the Book Running Lead manager. Eligible NRI Applicants may please note that only such applications as are accompanied by payment in free foreign exchange shall be considered for Allotment under the reserved category. The eligible NRIs who intend to make payment through Non-Resident Ordinary (NRO) accounts shall use the Forms meant for Resident Indians and should not use the forms meant for the reserved category. Under FEMA, general permission is granted to companies vide notification no. FEMA/20/2000 RB dated 03/05/2000 to issue securities to NRIs subject to the terms and conditions stipulated therein. Companies are required to file the declaration in the prescribed form to the concerned Regional Office of RBI within 30 days from the date of issue of shares for allotment to NRIs on repatriation basis. Allotment of equity shares to Non-Resident Indians shall be subject to the prevailing Reserve Bank of India Guidelines. Sale proceeds of such investments in equity shares will be allowed to be repatriated along with the income thereon subject to permission of the RBI and subject to the Indian tax laws and regulations and any other applicable laws.

*As per the current regulations, the following restrictions are applicable for investments by FPIs:*

- 1) Foreign Portfolio Investor shall invest only in the following securities, namely- (a) Securities in the primary and secondary markets including shares, debentures and warrants of companies, listed or to be listed on a recognized stock exchange in India; (b) Units of schemes floated by domestic mutual funds, whether listed on a recognized stock exchange or not; (c) Units of schemes floated by a collective investment scheme; (d) Derivatives traded on a recognized stock exchange; (e) Treasury bills and dated government securities; (f) Commercial papers issued by an Indian company; (g) Rupee denominated credit enhanced bonds; (h) Security receipts issued by asset reconstruction companies; (i) Perpetual debt instruments and debt capital instruments, as specified by the Reserve Bank of India from time to time; (j) Listed and unlisted non-convertible debentures/bonds issued by an Indian company in the infrastructure sector, where 'infrastructure' is defined in terms of the extant External Commercial Borrowings (ECB) guidelines; (k) Non-convertible debentures or bonds issued by Non-Banking Financial Companies categorized as 'Infrastructure Finance Companies' (IFCs) by the Reserve Bank of India; (l) Rupee denominated bonds or units issued by infrastructure debt funds; (m) Indian depository receipts; and (n) Such other instruments specified by the Board from time to time.
- 2) Where a foreign institutional investor or a sub account, prior to commencement of these regulations, holds equity shares in a company whose shares are not listed on any recognized stock exchange, and continues to hold such shares after initial public offering and listing thereof, such shares shall be subject to lock-in for the same period, if any, as is applicable to shares held by a foreign direct investor placed in similar position, under the policy of the Government of India relating to foreign direct investment for the time being in force.
- 3) In respect of investments in the secondary market, the following additional conditions shall apply:
  - (a) A foreign portfolio investor shall transact in the securities in India only on the basis of taking and giving delivery of securities purchased or sold;
  - (b) Nothing contained in clause (a) shall apply to:
    - (i) Any transactions in derivatives on a recognized stock exchange;
    - (ii) Short selling transactions in accordance with the framework specified by the Board;
    - (iii) Any transaction in securities pursuant to an agreement entered into with the merchant banker in the process of market making or subscribing to unsubscribed portion of the issue in accordance with Chapter XB of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
    - (iv) Any other transaction specified by the Board.
  - (c) No transaction on the stock exchange shall be carried forward;
  - (d) The transaction of business in securities by a foreign portfolio investor shall be only through stock brokers registered by the Board; provided nothing contained in this clause shall apply to:

- (i) transactions in Government securities and such other securities falling under the purview of the Reserve Bank of India which shall be carried out in the manner specified by the Reserve Bank of India;
- (ii) Sale of securities in response to a letter of offer sent by an acquirer in accordance with the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (iii) Sale of securities in response to an offer made by any promoter or acquirer in accordance with the Securities and Exchange Board of India (Delisting of Equity shares) Regulations, 2009;
- (iv) Sale of securities, in accordance with the Securities and Exchange Board of India (Buyback of securities) Regulations, 1998;
- (v) Divestment of securities in response to an offer by Indian Companies in accordance with Operative Guidelines for Disinvestment of Shares by Indian Companies in the overseas market through issue of American Depositary Receipts or Global Depositary Receipts as notified by the Government of India and directions issued by Reserve Bank of India from time to time;
- (vi) Any bid for, or acquisition of, securities in response to an offer for disinvestment of shares made by the Central Government or any State Government;
- (vii) Any transaction in securities pursuant to an agreement entered into with merchant banker in the process of market making or subscribing to unsubscribed portion of the issue in accordance with Chapter XB of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- (viii) Any other transaction specified by the Board.

- (e) A foreign portfolio investor shall hold, deliver or cause to be delivered securities only in dematerialized form:

Provided that any shares held in non-dematerialized form, before the commencement of these regulations, can be held in non-dematerialized form, if such shares cannot be dematerialized.

Unless otherwise approved by the Board, securities shall be registered in the name of the foreign portfolio investor as a beneficial owner for the purposes of the Depositories Act, 1996.

- 4) The purchase of equity shares of each company by a single foreign portfolio investor or an investor group shall be below ten percent of the total issued capital of the company.
- 5) The investment by the foreign portfolio investor shall also be subject to such other conditions and restrictions as may be specified by the Government of India from time to time.
- 6) In cases where the Government of India enters into agreements or treaties with other sovereign Governments and where such agreements or treaties specifically recognize certain entities to be distinct and separate, the Board may, during the validity of such agreements or treaties, recognize them as such, subject to conditions as may be specified by it.
- 7) A foreign portfolio investor may lend or borrow securities in accordance with the framework specified by the Board in this regard.

No foreign portfolio investor may issue, subscribe to or otherwise deal in offshore derivative instruments, directly or indirectly, unless the following conditions are satisfied:

- (a) Such offshore derivative instruments are issued only to persons who are regulated by an appropriate foreign regulatory authority;
- (b) Such offshore derivative instruments are issued after compliance with know your client's norms:

Provided that those unregulated broad-based funds, which are classified as Category II foreign portfolio investor by virtue of their investment manager being appropriately regulated shall not issue, subscribe or otherwise deal in offshore derivatives instruments directly or indirectly:

Provided further that no Category III foreign portfolio investor shall issue, subscribe to or otherwise deal in offshore derivatives instruments directly or indirectly.



A foreign portfolio investor shall ensure that further issue or transfer of any offshore derivative instruments issued by or on behalf of it is made only to persons who are regulated by an appropriate foreign regulatory authority.

Foreign portfolio investors shall fully disclose to the Board any information concerning the terms of and parties to off-shore derivative instruments such as participatory notes, equity linked notes or any other such instruments, by whatever names they are called, entered into by it relating to any securities listed or proposed to be listed in any stock exchange in India, as and when and in such form as the Board may specify.

Any offshore derivative instruments issued under the Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995 before commencement of SEBI (Foreign Portfolio Investors) Regulations, 2014 shall be deemed to have been issued under the corresponding provisions of SEBI (Foreign Portfolio Investors) Regulations, 2014.

The purchase of equity shares of each company by a single foreign portfolio investor or an investor group shall be below 10% of the total issued capital of the company.

A FII or its subaccount which holds a valid certificate of registration shall, subject to payment of conversion fees, be eligible to continue to buy, sell or otherwise deal in securities till the expiry of its registration as a foreign institutional investor or sub-account, or until he obtains a certificate of registration as foreign portfolio investor, whichever is earlier.

A qualified foreign investor may continue to buy, sell or otherwise deal in securities subject to the provisions of the SEBI (Foreign Portfolio Investors) Regulations, 2014, for a period of one year from the date of commencement of the aforesaid regulations, or until it obtains a certificate of registration as foreign portfolio investor, whichever is earlier.

### **Application by Mutual Funds**

With respect to Applications by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged with the Application Form. Failing this, our Company reserves the right to reject any application without assigning any reason thereof.

Applications made by asset management companies or custodians of Mutual Funds shall specifically state names of the concerned schemes for which such Applications are made. As per the current regulations, the following restrictions are applicable for investments by mutual funds:

No mutual fund scheme shall invest more than 10% of its net asset value in the Equity Shares or equity related instruments of any single Company provided that the limit of 10% shall not be applicable for investments in case of index funds or sector or industry specific funds/Schemes. No mutual fund under all its schemes should own more than 10% of any Company's paid up share capital carrying voting rights.

In case of a Mutual Fund, a separate Application can be made in respect of a scheme of the Mutual Fund registered with SEBI and such Applications in respect of more than one scheme of the Mutual Fund will not be treated as multiple applications provided that the Applications clearly indicate the scheme concerned for which the Application has been made.

### **Applications by SEBI registered Alternative Investment Fund (AIF), Venture Capital Funds and Foreign Venture Capital Investors**

The SEBI (Venture Capital) Regulations, 1996 and the SEBI (Foreign Venture Capital Investor) Regulations, 2000 prescribe investment restrictions on venture capital funds and foreign venture capital investors registered with SEBI. As per the current regulations, the following restrictions are applicable for SEBI registered venture capital funds and foreign venture capital investors:

Accordingly, the holding by any individual venture capital fund registered with SEBI in one company should not exceed 25% of the corpus of the venture capital fund; a Foreign Venture Capital Investor can invest its entire



funds committed for investments into India in one company. Further, Venture Capital Funds and Foreign Venture Capital Investor can invest only up to 33.33% of the funds available for investment by way of subscription to an Initial Public Offer.

The SEBI (Alternative Investment Funds) Regulations, 2012 prescribes investment restrictions for various categories of AIF's.

The category I and II AIFs cannot invest more than 25% of the corpus in one Investee Company. A category III AIF cannot invest more than 10% of the corpus in one Investee Company. A venture capital fund registered as a category I AIF, as defined in the SEBI AIF Regulations, cannot invest more than 33.33% of its corpus by way of subscription to an Initial Public Offering of a venture capital undertaking. Additionally, the VCFs which have not re-registered as an AIF under the SEBI AIF Regulations shall continue to be regulated by the VCF Regulations.

Our Company or the Book Running Lead Manager will not be responsible for loss, if any, incurred by the Applicant on account of conversion of foreign currency.

There is no reservation for Eligible NRIs, FPIs and FVCIs and all Applicants will be treated on the same basis for the purpose of allocation.

#### **Applications by Limited Liability Partnerships**

In case of applications made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Application Form. Failing this, our Company reserves the right to reject any application, without assigning any reason thereof. Limited Liability Partnerships can participate in the Issue only through the ASBA process.

#### **Applications by Insurance Companies**

In case of applications made by insurance companies registered with the IRDA, a certified copy of certificate of registration issued by IRDA must be attached to the Application Form. Failing this, our Company reserves the right to reject any application, without assigning any reason thereof. The exposure norms for insurers, prescribed under the Insurance Regulatory and Development Authority (Investment) Regulations, 2000, as amended (the "IRDA Investment Regulations"), are broadly set forth below:

- 1) *Equity Shares of a Company*: the least of 10% of the investee company's subscribed capital (face value) or 10% of the respective fund in case of life insurer or 10% of investment assets in case of general insurer or reinsurer;
- 2) *The entire group of the Investee Company*: the least of 10% of the respective fund in case of a life insurer or 10% of investment assets in case of a general insurer or re-insurer (25% in case of ULIPS); and
- 3) *The industry sector in which the investee Company operates*: 10% of the insurer's total investment exposure to the industry sector (25% in case of ULIPS).

In addition, the IRDA partially amended the exposure limits applicable to investments in public limited companies in the infrastructure and housing sectors on December 26, 2008, providing, among other things, that the exposure of an insurer to an infrastructure company may be increased to not more than 20%, provided that in case of equity investment, a dividend of not less than 4% including bonus should have been declared for at least five preceding years. This limit of 20% would be combined for debt and equity taken together, without sub ceilings.

Further, investments in equity including preference shares and the convertible part of debentures shall not exceed 50% of the exposure norms specified under the IRDA Investment Regulations.

#### **Application under Power of Attorney**

In case of applications made pursuant to a power of attorney by limited companies, corporate bodies, registered societies, FIIs, Mutual Funds, insurance companies and provident funds with minimum corpus of ₹2,500 Lakhs



(subject to applicable law) and pension funds with a minimum corpus of ₹2,500 Lakhs a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/or bye laws must be lodged with the Application Form. Failing this, our Company reserves the right to accept or reject any application in whole or in part, in either case, without assigning any reason therefore.

In addition to the above, certain additional documents are required to be submitted by the following entities:

- (a) With respect to applications by VCFs, FVCIs, FIIs and Mutual Funds, a certified copy of their SEBI registration certificate must be lodged along with the Application Form. Failing this, our Company reserves the right to accept or reject any application, in whole or in part, in either case without as signing any reasons thereof.
- (b) With respect to applications by insurance companies registered with the Insurance Regulatory and Development Authority, in addition to the above, a certified copy of the certificate of registration issued by the Insurance Regulatory and Development Authority must be lodged with the Application Form as applicable. Failing this, our Company reserves the right to accept or reject any application, in whole or in part, in either case without assigning any reasons thereof.
- (c) With respect to applications made by Provident Fund with minimum corpus of `2,500 Lacs (subject to applicable law) and Pension Fund with a minimum corpus of `2,500 Lakhs, a certified copy of a certificate from a Chartered Accountant certifying the corpus of the Provident Fund / Pension Fund must be lodged along with the Application Form. Failing this, our Company reserves the right to accept or reject such application, in whole or in part, in either case without assigning any reasons thereof.

Our Company in its absolute discretion, reserves the right to relax the above condition of simultaneous lodging of the Power of Attorney along with the Application Form, subject to such terms and conditions that our Company and the Lead Manager may deem fit.

Our Company, in its absolute discretion, reserves the right to permit the holder of the Power of Attorney to request the Registrar to the Issue that, for the purpose of mailing of the Allotment Advice /CANs/ letters notifying the unblocking of the bank accounts of ASBA applicants, the Demographic Details given on the Application Form should be used (and not those obtained from the Depository of the application). In such cases, the Registrar to the Issue shall use Demographic Details as given on the Application Form instead of those obtained from the Depositories.

The above information is given for the benefit of the Applicants. The Company and the Lead Manager are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus . Applicants are advised to make their independent investigations and ensure that the number of Equity Shares applied for do not exceed the applicable limits under laws or regulations.

### **Applications by Banking Companies**

In case of Applications made by banking companies registered with RBI, certified copies of: (i) the certificate of registration issued by RBI and (ii) the approval of such banking company's investment committee are required to be attached to the Application Form, failing which our Company and the Selling Shareholders reserve the right to reject any Application without assigning any reason.

The investment limit for banking companies as per the Banking Regulation Act, 1949 as amended is 30.00% of the paid-up share capital of the investee company or 30.00% of the banks own paid up share capital and reserves, whichever is less (except in certain specified exceptions, such as setting up or investing in a subsidiary, which requires RBI approval). Further, the RBI Master Circular of July 01, 2015 sets forth prudential norms required to be followed for classification, valuation and operation of investment portfolio of banking companies.

### **Applications by SCSBs**

SCSBs participating in the Offer are required to comply with the terms of the SEBI circulars dated September 13, 2012 and January 02, 2013. Such SCSBs are required to ensure that for making applications on their own account using ASBA, they should have a separate account in their own name with any other SEBI registered



SCSBs. Further, such account shall be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account for such application.

### **Application by Provident Funds / Pension Funds**

In case of applications made by Provident Fund/Pension Fund, subject to applicable laws, with minimum corpus of ₹2,500 Lakhs, a certified copy of certificate from a chartered accountant certifying the corpus of the Provident Fund/ Pension Fund must be attached to the Application Form. Failing this, our Company reserves the right to reject any application, without assigning any reason thereof.

### **Terms of Payment / Payment Instructions**

The entire Issue price of ₹[●] per share is payable on application. In case of allotment of lesser number of Equity Shares than the number applied, the Registrar shall instruct the SCSBs to unblock the excess amount paid on Application to the Applicants.

- All Applicants are required to make use ASBA for applying in the Issue
- Application Amount cannot be paid in cash, through money order, cheque or through postal order or through stock invest.
- Applicants may submit the Application Form in physical mode to the Designated Intermediaries.
- Applicants must specify the Bank Account number in the Application Form. The Application Form submitted by an Applicant and which is accompanied by cash, demand draft, money order, postal order or any mode of payment other than blocked amounts in the ASBA Account maintained with an SCSB, will not be accepted.
- Applicants should ensure that the Application Form is also signed by the ASBA Account holder(s) if the Applicant is not the ASBA Account holder;
- Applicants shall note that for the purpose of blocking funds under ASBA facility clearly demarcated funds shall be available in the account.
- From one ASBA Account, a maximum of five Applications can be submitted.
- Applicants applying directly through the SCSBs should ensure that the Application Form is submitted to a Designated Branch of a SCSB where the ASBA Account is maintained.
- Upon receipt of the Application Form, the Designated Branch of the SCSB may verify if sufficient funds equal to the Application Amount are available in the ASBA Account, as mentioned in the Application Form.
- If sufficient funds are available in the ASBA Account, the SCSB may block an amount equivalent to the Application Amount mentioned in the Application Form and may upload the details on the Stock Exchange Platform.
- If sufficient funds are not available in the ASBA Account, the Designated Branch of the SCSB may not upload such Applications on the Stock Exchange platform and such Applications are liable to be rejected.
- Upon submission of a completed Application Form each Applicant may be deemed to have agreed to block the entire Application Amount and authorized the Designated Branch of the SCSB to block the Application Amount specified in the Application Form in the ASBA Account maintained with the SCSBs.
- The Application Amount may remain blocked in the aforesaid ASBA Account until finalisation of the Basis of Allotment and consequent transfer of the Application Amount against the Allotted Equity Shares to the Public Issue Account, or until withdrawal or failure of the Issue, or until withdrawal or rejection of the Application, as the case may be.
- SCSBs applying in the Issue must apply through an ASBA Account maintained with any other SCSB; else their Applications are liable to be rejected.

### **Maximum and Minimum Application Size**

#### **a) For Retail Individual Applicants**

The Application must be for a minimum of [●] Equity Shares and in multiples of [●] equity shares thereafter, so as to ensure that the Application amount payable by the Applicant does not exceed ₹2,00,000. In case of revision of applications, the Retail Individual Applicants have to ensure that the application amount does not exceed ₹2,00,000.

#### **b) For Other Applicants (Non-Institutional Applicants and QIBs)**

The Application must be for a minimum of such number of Equity Shares such that the Application Amount



exceeds ₹2,00,000 and in multiples of [●] Equity Shares thereafter. An Application cannot be submitted for more than the Issue Size. However, the maximum Application by a QIB investor should not exceed the investment limits prescribed for them by applicable laws. Under existing SEBI Regulations, a QIB Applicant cannot withdraw its Application after the Issue Closing Date and is required to pay 100% QIB Margin upon submission of Application. In case of revision in Applications, the Non-Institutional Applicants, who are individuals, have to ensure that the Application Amount is greater than ₹2,00,000 for being considered for allocation in the Non-Institutional Portion.

Applicants are advised to ensure that any single Application from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Draft Red Herring Prospectus.

### Information for the Applicants

- 1.) Our Company and the Book Running Lead Managers shall declare the Issue Opening Date and Issue Closing Date in the Prospectus to be registered with the RoC and also publish the same in two national newspapers (one each in English and Hindi) and in one regional newspaper with wide circulation. This advertisement shall be in the prescribed format.
- 2.) Our Company will file the Red Herring Prospectus with the RoC at least three days before the Issue Opening Date.
- 3.) Any Applicant who would like to obtain the Red Herring Prospectus and/or the Application Form can obtain the same from our Registered Office.
- 4.) Applicants who are interested in subscribing to the Equity Shares should approach any of the Application Collecting Intermediaries or their authorised agent(s).
- 5.) Applications should be submitted in the prescribed Application Form only. Application Forms submitted to the SCSBs should bear the stamp of the respective intermediary to whom the application form is submitted. Application Forms submitted directly to the SCSBs should bear the stamp of the SCSBs and/or the Designated Branch. Application Forms submitted by Applicants whose beneficiary account is inactive shall be rejected.
- 6.) The Application Form can be submitted either in physical or electronic mode, to the Application Collecting Intermediaries. Further Application Collecting Intermediary may provide the electronic mode of collecting either through an internet enabled collecting and banking facility or such other secured, electronically enabled mechanism for applying and blocking funds in the ASBA Account.
- 7.) Except for applications by or on behalf of the Central or State Government and the officials appointed by the courts and by investors residing in the State of Sikkim, the Applicants, or in the case of application in joint names, the first Applicant (the first name under which the beneficiary account is held), should mention his/her PAN allotted under the Income Tax Act. In accordance with the SEBI Regulations, the PAN would be the sole identification number for participants transacting in the securities market, irrespective of the amount of transaction. Any Application Form without PAN is liable to be rejected. The demat accounts of Applicants for whom PAN details have not been verified, excluding persons resident in the State of Sikkim or persons who may be exempted from specifying their PAN for transacting in the securities market, shall be suspended for credit and no credit of Equity Shares pursuant to the Issue will be made into the accounts of such Applicants.
- 8.) The Applicants may note that in case the PAN, the DP ID and Client ID mentioned in the Application Form and entered into the electronic collecting system of the Stock Exchange by the Bankers to the Issue or the SCSBs do not match with PAN, the DP ID and Client ID available in the Depository database, the Application Form is liable to be rejected.

### Instructions for completing the Application Form

The Applications should be submitted on the prescribed Application Form and in **BLOCK LETTERS** in **English** only in accordance with the instructions contained herein and in the Application Form. Applications not so made are liable to be rejected. Application Forms should bear the stamp of the drafts intermediaries otherwise it will be rejected.

SEBI, vide Circular No. CIR/CFD/14/2012 dated October 04, 2012 has introduced an additional mechanism for investors to submit Application Forms in Public Issues using the stock broker ("broker") network of Stock Exchanges, who may not be syndicate members in an issue with effect from January 01, 2013. The list of Broker Centre is available on the websites of NSE i.e. [www.nseindia.com](http://www.nseindia.com).



## **Applicant's Depository Account and Bank Details**

Please note that, providing bank account details in the space provided in the application form is mandatory and applications that do not contain such details are liable to be rejected.

Applicants should note that on the basis of name of the Applicants, Depository Participant's name, Depository Participant Identification number and Beneficiary Account Number provided by them in the Application Form, the Registrar to the Issue will obtain from the Depository the demographic details including address, Applicants bank account details, MICR code and occupation (hereinafter referred to as 'Demographic Details'). Applicants should carefully fill in their Depository Account details in the Application Form.

These Demographic Details would be used for all correspondence with the Applicants including mailing of the CANs/ Allocation Advice. The Demographic Details given by Applicants in the Application Form would not be used for any other purpose by the Registrar to the Issue.

By signing the Application Form, the Applicant would be deemed to have authorized the depositories to provide, upon request, to the Registrar to the Issue, the required Demographic Details as available on its records.

## **Basis of Allotment**

Allotment will be made in consultation with the NSE. In the event of oversubscription, the allotment will be made on a proportionate basis in marketable lots as set forth here:

1. The total number of Shares to be allocated to each category as a whole shall be arrived at on a proportionate basis i.e. the total number of Shares applied for in that category multiplied by the inverse of the over subscription ratio (number of applicants in the category x number of Shares applied for).
2. The number of Shares to be allocated to the successful Applicants will be arrived at on a proportionate basis in marketable lots (i.e. Total number of Shares applied for in to the inverse of the oversubscription ratio).
3. For applications where the proportionate allotment works out to less than [●]shares the allotment will be made as follows:
  - a) Each successful applicant shall be allotted [●]Equity Shares; and
  - b) The successful applicants out of the total applicants for that category shall be determined by the draw l of lots in such a manner that the total number of Shares allotted in that category is equal to the number of Shares worked out as per (2) above.
4. If the proportionate allotment to an applicant works out to a number that is not a multiple of [●] Equity Shares, the applicant would be allotted Shares by rounding off to the nearest multiple of [●] Equity Shares subject to a minimum allotment of [●] equity shares.
5. If the Shares allotted on a proportionate basis to any category is more than the Shares allotted to the applicants in that category, the balance available Shares for allocation shall be first adjusted against any category, where the allotted Shares are not sufficient for proportionate allotment to the successful applicants in that category, the balance Shares, if any, remaining after such adjustment will be added to the category comprising of applicants applying for the minimum number of Shares. If as a result of the process of rounding off to the nearest multiple of [●] equity shares, results in the actual allotment being higher than the shares offered, the final allotment may be higher at the sole discretion of the Board of Directors, up to 110% of the size of the offer specified under the Capital Structure mentioned in this Draft Red Herring Prospectus .
6. The above proportionate allotment of shares in an Issue that is oversubscribed shall be subject to the reservation for small individual applicants as described below:
  - a) As the retail individual investor category is entitled to more than fifty percent on proportionate basis, the retail individual investors shall be allocated that higher percentage.
  - b) The balance net offer of shares to the public shall be made available for allotment to
    - i. Individual applicants other than retails individual investors and
    - ii. Other investors, including Corporate Bodies/ Institutions irrespective of number of shares applied for.
  - c) The unsubscribed portion of the net offer to anyone of the categories specified in a) or b) shall/may be made available for allocation to applicants in the other category, if so required.

'Retail Individual Investor' means an investor who applies for shares of value of not more than `2,00,000. Investors may note that in case of over subscription allotment shall be on proportionate basis and will be finalized in consultation with NSE.



The Executive Director / Managing Director of NSE – the Designated Stock Exchange in addition to Book Running Lead Manager and Registrar to the Public Issue shall be responsible to ensure that the basis of allotment is finalized in a fair and proper manner in accordance with the SEBI (ICDR) Regulations.

### **Payment by Stock Invest**

In terms of the Reserve Bank of India circular No. DBOD No. FSC BC 42/ 24.47.00/ 2003-04 dated November 05, 2003; the option to use the stock invest instrument in lieu of cheques or bank drafts for payment of Application money has been withdrawn. Hence, payment through stock invest would not be accepted in this Issue.

### **General Instructions:**

#### **Do's:**

- Check if you are eligible to apply;
- Read all the instructions carefully and complete the applicable Application Form;
- Ensure that the details about Depository Participant and Beneficiary Account are correct as Allotment of Equity Shares will be in the dematerialized form only;
- Each of the Applicants should mention their Permanent Account Number (PAN) allotted under the Income Tax Act, 1961;
- Ensure that the Demographic Details (as defined herein below) are up dated, true and correct in all respects;
- Ensure that the name(s) given in the Application Form is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant.
- All Applicants should submit their application through ASBA process only.
- Ensure that you have funds equal to the Application Amount in your bank account maintained with the SCSB before submitting the Application Form to the respective Designated Branch of the SCSB;
- Ensure that the Application Form is signed by the account holder in case the applicant is not the account holder. Ensure that you have mentioned the correct bank account number in the Application Form;
- Ensure that you have requested for and receive a acknowledgement\
- Investors shall note that persons banned from accessing capital market are ineligible of investing in the offer.

#### **Don'ts:**

- Do not apply for lower than the minimum Application size;
- Do not apply at a Price Different from the Price Mentioned herein or in the Application Form;
- Do not apply on another Application Form after you have submitted an Application to the Bankers of the Issue;
- Do not pay the Application Price in cash, by money order or by postal order or by stock invest;
- Do not send Application Forms by post; instead submit the same to the Selected Branches/Offices of the Banker to the Issue;
- Do not fill up the Application Form such that the Equity Shares applied for exceeds the Issue Size and/ or investment limit or maximum number of Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations;
- Do not submit the GIR number instead of the PAN as the Application is liable to be rejected on this ground.

### **Other Instructions**

#### **Joint Applications in the case of Individuals**

Applications may be made in single or joint names (not more than three). In the case of joint Applications, all payments will be made out in favour of the Applicant whose name appears first in the Application Form or

Revision Form. All communications will be addressed to the First Applicant and will be dispatched to his or her address as per the Demographic Details received from the Depository.

#### **Multiple Applications**

An Applicant should submit only one Application (and not more than one) for the total number of Equity Shares

required. Two or more Applications will be deemed to be multiple Applications if the sole or First Applicant is one and the same.

In this regard, the procedures which would be followed by the Registrar to the Issue to detect multiple applications are given below:

- (i) All applications are electronically strung on first name, address (1<sup>st</sup> line) and applicant's status. Further, these applications are electronically matched for common first name and address and if matched, these are checked manually for age, signature and father / husband's name to determine if they are multiple applications.
- (ii) Applications which do not qualify as multiple applications as per above procedure are further checked for common DP ID/ beneficiary ID. In case of applications with common DP ID/ beneficiary ID, are manually checked to eliminate possibility of data entry error to determine if they are multiple applications.
- (iii) Applications which do not qualify as multiple applications as per above procedure are further checked for common PAN. All such matched applications with common PAN are manually checked to eliminate possibility of data capture error to determine if they are multiple applications.

In case of a mutual fund, a separate Application can be made in respect of each scheme of the mutual fund registered with SEBI and such Applications in respect of more than one scheme of the mutual fund will not be treated as multiple Applications provided that the Applications clearly indicate the scheme concerned for which the Application has been made.

In cases where there are more than 20 valid applications having a common address, such shares will be kept in abeyance, post allotment and released on confirmation of 'Know Your Client' norms by the depositories. The Company reserves the right to reject, in our absolute discretion, all or any multiple Applications in any or all categories.

#### **Permanent Account Number or PAN**

Pursuant to the circular MRD/DoP/Circ 05/2007 dated April 27, 2007, SEBI has mandated Permanent Account Number ('PAN') to be the sole identification number for all participants transacting in the securities market, irrespective of the amount of the transaction w.e.f. July 02, 2007. Each of the Applicants should mention his / her PAN allotted under the IT Act. Applications without this information will be considered incomplete and are liable to be rejected. It is to be specifically noted that Applicants should not submit the GIR number instead of the PAN, as the Application is liable to be rejected on this ground.

#### **Right to Reject Applications**

In case of QIB Applicants, the Company in consultation with the Book Running Lead Manager may reject Applications provided that the reasons for rejecting the same shall be provided to such Applicant in writing. In case of Non-Institutional Applicants, Retail Individual Applicants who applied, the Company has a right to reject Applications based on technical grounds.

#### **Grounds for Rejections**

Applicants are advised to note that Applications are liable to be rejected inter alia on the following technical grounds:

- Amount paid does not tally with the amount payable for the Equity Shares applied for;
- In case of partnership firms, Equity Shares may be registered in the names of the individual partners and no firm as such shall be entitled to apply;
- Application by persons not competent to contract under the Indian Contract Act, 1872 including minors, insane persons;
- PAN not mentioned in the Application Form;
- GIR number furnished instead of PAN;
- Applications for lower number of Equity Shares than specified for that category of investors;
- Applications at a price other than the Fixed Price of the Issue;
- Applications for number of Equity Shares which are not in multiples of [●]
- Category not ticked;
- Multiple Applications as defined in this Draft Red Herring Prospectus ;

- In case of Application under power of attorney or by limited companies, corporate, trust etc., where relevant documents are not submitted;
- Applications accompanied by Stock invest/ money order/ postal order/cash;
- Signature of sole Applicant is missing;
- Application Forms are not delivered by the Applicant within the time prescribed as per the Application Forms, Issue Opening Date advertisement and the Prospectus and as per the instructions in the Prospectus and the Application Forms;
- In case no corresponding record is available with the Depositories that matches three parameters namely, names of the Applicants (including the order of names of joint holders), the Depository Participant's identity (DP ID) and the beneficiary's account number;
- Applications for amounts greater than the maximum permissible amounts prescribed by the regulations;
- Applications by OCBs;
- Applications by US persons other than in reliance on Regulations or "qualified institutional buyers" as defined in Rule 144A under the Securities Act;
- Applications not duly signed by the sole Applicant;
- Applications by any persons outside India if not in compliance with applicable foreign and Indian laws;
- Applications that do not comply with the securities laws of the irrespective jurisdictions are liable to be rejected;
- Applications by persons prohibited from buying, selling or dealing in the shares directly or in directly by SEBI or any other regulatory authority;
- Applications by persons who are not eligible to acquire Equity Shares of the Company in terms of all applicable laws, rules, regulations, guidelines, and approvals;
- Applications or revisions thereof by QIB Applicants, Non-Institutional Applicants where the Application Amount is in excess of ₹2,00,000 received after 4.00 pm on the Issue Closing Date;

### **Impersonation**

Attention of the applicants is specifically drawn to the provisions of section 38(1) of the Companies Act, 2013 which is reproduced below:

Any person who:

- a. makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or
- b. makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or
- c. otherwise induces directly or in directly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name,

Shall be liable for action under section 447 of Companies Act, 2013 and shall be treated as Fraud.

### **Signing of Underwriting Agreement**

Vide an Underwriting agreement dated [●] this issue is 100% Underwritten.

### **Filing of the Prospectus with the RoC**

The company will file a copy of the Prospectus with the Registrar of Companies, Gujarat, Ahmedabad, in terms of Section 26 of Companies Act, 2013.

### **Pre-Issue Advertisement**

Subject to Section 30 of the Companies Act, 2013 the Company shall, after registering the Prospectus with the RoC, publish a pre-Issue advertisement, in the form prescribed by the SEBI Regulations, in one widely circulated English language national daily newspaper; one widely circulated Hindi language national daily newspaper and one regional newspaper with wide circulation. In the pre-issue advertisement, we shall state the Issue Opening Date and the Issue Closing Date. This advertisement, subject to the provisions of Section 30 of the Companies Act, 2013, shall be in the format prescribed in Part A of Schedule XIII of the SEBI Regulations.

## **Designated Date and Allotment of Equity Shares**

The Company will issue and dispatch letters of allotment/ securities certificates and/ or letters of regret or credit the allotted securities to the respective beneficiary accounts, if any within a period of 4 working days of the Issue Closing Date. In case the Company issues Letters of allotment, the corresponding Security Certificates will be kept ready within two months from the date of allotment thereof or such extended time as may be approved by the National Company Law Tribunal under Section 56 of the Companies Act, 2013 or other applicable provisions, if any. Allottees are requested to preserve such Letters of Allotment, which would be exchanged later for the Security Certificates. After the funds are transferred from the SCSB's to Public Issue Account on the Designated Date, the Company would ensure the credit to the successful Applicants depository account. Allotment of the Equity Shares to the Allottees shall be within one working day of the date of approval of Basis of Allotment by Designated Stock Exchange. Investors are advised to instruct their Depository Participants to accept the Equity Shares that may be allocated/ allotted to them pursuant to this issue.

### **Payment of Refund**

In the event that the listing of the Equity Shares does not occur in the manner described in this Draft Red Herring Prospectus, the Book Running Lead Manager shall intimate Public Issue Bank and Public Issue Bank shall transfer the funds from Public Issue account to Refund Account as per the written instruction from Book Running Lead Manager and the Registrar for further payment to the beneficiary applicants.

### **Undertakings by our Company**

The Company undertakes the following:

1. that if our Company do not proceed with the Issue after the Issue Closing Date, the reason thereof shall be given as a public notice in the newspapers to be issued by our Company within two days of the Issue Closing Date. The public notice shall be issued in the same newspapers in which the Pre- Issue advertisement was published. The stock exchange on which the Equity Shares are proposed to be listed shall also be informed promptly;
2. that if our Company withdraw the Issue after the Issue Closing Date, our Company shall be required to file afresh offer document with the ROC/SEBI, in the event our Company subsequently decides to proceed with the Issue;
3. That the complaints received in respect of this Issue shall be attended to by us expeditiously and satisfactorily;
4. That all steps shall be taken to ensure that listing and commencement of trading of the Equity Shares at the Stock Exchange where the Equity Shares are proposed to be listed are taken within six Working Days of Issue Closing Date or such time as prescribed;
5. That if Allotment is not made within the prescribed time period under applicable law, the entire subscription amount received will be unblocked within the time prescribed under applicable law. If there is delay beyond the prescribed time, our Company shall pay interest prescribed under the Companies Act, 2013, the ICDR Regulations and applicable law for the delayed period;
6. That the letter of allotment/ unblocking of funds to the non-resident Indians shall be dispatched within specified time; and
7. That no further issue of Equity Shares shall be made till the Equity Shares offered through this Draft Red Herring Prospectus are listed.

### **Utilization of Issue Proceeds**

Our Board certifies that:

1. All monies received out of the Issue shall be credited/ transferred to a separate bank account other than the bank account referred to in Section 40 of the Companies Act, 2013;
2. Details of all monies utilized out of the issue referred to in point 1 above shall be disclosed and continued to be disclosed till the time any part of the issue proceeds remains unutilized under an appropriate separate head in the balance-sheet of the issuer indicating the purpose for which such monies had been utilized;
3. Details of all unutilized monies out of the Issue referred to in 1, if any shall be disclosed under the appropriate head in the balance sheet indicating the form in which such unutilized monies have been invested and
4. Our Company shall comply with the requirements of SEBI (Listing Obligations & Disclosure

Requirements) Regulations, 2015 in relation to the disclosure and monitoring of the utilization of the proceeds of the Issue.



5. Our Company shall not have recourse to the Issue Proceeds until the approval for listing and trading of the Equity Shares from the Stock Exchange where listing is sought has been received.

### **Withdrawal of the Issue**

Our Company, in consultation with the Book Running Lead Manager, reserves the right not to proceed with the Issue, in whole or any part thereof at any time after the Issue Opening Date but before the Allotment, with assigning reason thereof. The notice of withdrawal will be issued in the same newspapers where the pre-Issue advertisements have appeared within Two days of Issue Closing Date or such other time as may be prescribed by SEBI, providing reasons for such decision and. The Book Running Lead Manager, through the Registrar to the Issue, will instruct the SCSBs to unblock the ASBA Accounts within one Working Day from the day of receipt of such instruction. Our Company shall also inform the same to the Stock Exchanges on which Equity Shares are proposed to be listed. Notwithstanding the foregoing, the Issue is also subject to obtaining the following:

1. The final RoC approval of the Prospectus after it is filed with the concerned RoC.
2. The final listing and trading approvals of the Stock Exchange, which our Company shall apply for after Allotment and if our Company withdraws the Issue after the Issue Closing Date and thereafter determines that it will proceed with an initial public offering of Equity Shares, our Company shall file a fresh prospectus with stock exchange.

### **Equity Shares in Dematerialized Form with NSDL or CDSL**

To enable all shareholders of the Company to have their shareholding in electronic form, the Company has entered into following tripartite agreements with the Depositories and the Registrar and Share Transfer Agent:

- (a) We have entered into tripartite agreement between NSDL, the Company and the Registrar to the Issue dated October 24, 2018;
- (b) We have entered into tripartite agreement between CDSL, the Company and the Registrar to the Issue dated October 27, 2018

The Company's Equity shares bear an ISIN Number INE01YQ01013

An Applicant applying for Equity Shares must have at least one beneficiary account with either of the Depository Participants of either NSDL or CDSL prior to making the Application.

- The Applicant must necessarily fill in the details (including the Beneficiary Account Number and Depository Participant's identification number) appearing in the Application Form or Revision Form.
- Allotment to a successful Applicant will be credited in electronic form directly to the beneficiary account (with the Depository Participant) of the Applicant.
- Names in the Application Form or Revision Form should be identical to those appearing in the account details in the Depository. In case of joint holders, the names should necessarily be in the same sequence as they appear in the account details in the Depository.
- If incomplete or incorrect details are given under the heading 'Applicants Depository Account Details' in the Application Form or Revision Form, it is liable to be rejected.
- The Applicant is responsible for the correctness so this or her Demographic Details given in the Application Form Vis à Vis those with his or her Depository Participant.
- Equity Shares in electronic form can be traded only on the stock exchanges having electronic connectivity with NSDL and CDSL. The Stock Exchange where our Equity Shares are proposed to be listed has electronic connectivity with CDSL and NSDL.
- The allotment and trading of the Equity Shares of the Company would be in dematerialized form only for all investors.

### **Communications**

All future communications in connection with the Applications made in this Issue should be addressed to the Registrar to the Issue quoting the full name of the sole or First Applicant, Application Form number, Applicants



Depository Account Details, number of Equity Shares applied for, date of Application form, name and address of the Banker to the Issue where the Application and a copy of the acknowledgement slip. Investors can contact the Compliance Officer or the Registrar to the Issue in case of any pre-issue or post-issue related problems such as non-receipt of letters of allotment, credit of allotted shares in the respective beneficiary accounts etc.

In accordance with the SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 all the Applicants has to compulsorily apply through the ASBA Process. Our Company and the Book Running Lead Manager are not liable for any amendments, modifications, or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus . ASBA Applicants are advised to make the independent investigations and to ensure that the ASBA Application Form is correctly filled up, as described in this section.

This section is for the information of investors proposing to subscribe to the Issue through the ASBA process. Our Company and the Book Running Lead Manager are not liable for any amendments, modifications, or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus . ASBA Applicants are advised to make their independent investigations and to ensure that the ASBA Application Form is correctly filled up, as described in this section. The lists of banks that have been notified by SEBI to act as SCSB (Self Certified Syndicate Banks) for the ASBA Process are provided on [www.sebi.gov.in](http://www.sebi.gov.in). For details on designated branches of SCSB collecting the Application Form, please refer the above mentioned SEBI link.

### **ASBA Process**

A Resident Retail Individual Investor shall submit his Application through an Application Form, either in physical or electronic mode, to the SCSB with whom the bank account of the ASBA Applicant or bank account utilized by the ASBA Applicant ('ASBA Account') is maintained. The SCSB shall block an amount equal to the Application Amount in the bank account specified in the ASBA Application Form, physical or electronic, on the basis of an authorization to this effect given by the account holder at the time of submitting the Application.

The Application Amount shall remain blocked in the aforesaid ASBA Account until finalization of the Basis of Allotment in the Issue and consequent transfer of the Application Amount against the allocated shares to the ASBA Public Issue Account, or until withdrawal/failure of the Issue or until withdrawal/rejection of the Application, as the case may be.

The ASBA data shall thereafter be uploaded by the SCSB in the electronic IPO system of the Stock Exchange. Once the Basis of Allotment is finalized, the Registrar to the Issue shall send an appropriate request to the Controlling Branch of the SCSB for unblocking the relevant bank accounts and for transferring the amount allocable to the successful Applicants to the ASBA Public Issue Account. In case of withdrawal / failure of the Issue, the blocked amount shall be unblocked on receipt of such information from the Book Running Lead Manager.

Applicants are required to submit their Applications, either in physical or electronic mode. In case of application in physical mode, the Applicant shall submit the ASBA Application Format the Designated Branch of the SCSB. In case of application in electronic form, the ASBA Applicant shall submit the Application Form either through the internet banking facility available with the SCSB, or such other electronically enabled mechanism for applying and blocking funds in the ASBA account held with SCSB, and accordingly registering such Applications.

### **Who can apply?**

In accordance with the SEBI (ICDR) Regulations, 2009 in public issues w.e.f. May 01, 2010 all the investors can apply through ASBA process and after SEBI circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 all investors must apply through the ASBA Process.

### **Mode of Payment**

Upon submission of an Application Form with the SCSB, whether in physical or electronic mode, each ASBA Applicant shall be deemed to have agreed to block the entire Application Amount and authorized the Designated Branch of the SCSB to block the Application Amount, in the bank account maintained with the SCSB.



Application Amount paid in cash, by money order or by postal order or by stock invest, or ASBA Application Form accompanied by cash, money order, postal order or any mode of payment other than blocked amounts in the SCSB bank accounts, shall not be accepted.

After verifying that sufficient funds are available in the ASBA Account, the SCSB shall block an amount equivalent to the Application Amount mentioned in the ASBA Application Form till the Designated Date.

On the Designated Date, the SCSBs shall transfer the amounts allocable to the Applicants from the respective ASBA Account in terms of the SEBI Regulations, into the Public Issue Account. The balance amount, if any against the said Application in the ASBA Accounts shall then be unblocked by the SCSBs on the basis of the instructions issued in this regard by the Registrar to the Issue.

The entire Application Amount, as per the Application Form submitted by the respective Applicants, would be required to be blocked in the respective ASBA accounts until finalization of the Basis of Allotment in the Issue and consequent transfer of the Application Amount against allocated shares to the Public Issue Account, or until withdrawal / failure of the Issue or until rejection of the Application, as the case may be.

### **Unblocking of ASBA Account**

On the basis of instructions from the Registrar to the Issue, the SCSBs shall transfer the requisite amount against each successful ASBA Applicant to the Public Issue Account as per the provisions of section 40(3) of the Companies Act, 2013 and shall unblock excess amount, if any in the ASBA Account. However, the Application Amount may be unblocked in the ASBA Account prior to receipt of intimation from the Registrar to the Issue by the Controlling Branch of the SCSB regarding finalization of the Basis of Allotment in the Issue, in the event of withdrawal/failure of the Issue or rejection of the ASBA, as the case maybe.

## **PART - B**

### **GENERAL INFORMATION DOCUMENT FOR INVESTING IN PUBLIC ISSUES**

This General Information Document highlights the key rules, processes and procedures applicable to public issues in accordance with the provisions of the Companies Act, 2013 (to the extent notified and in effect), the Companies Act, 1956 (without reference to the provisions thereof that have ceased to have effect upon the notification of the Companies Act, 2013), the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957 and the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009. Bidders/Applicants should not construe the contents of this General Information Document as legal advice and should consult their own legal counsel and other advisors in relation to the legal matters concerning the Issue. For taking an investment decision, the Bidders/Applicants should rely on their own examination of the Issuer and the Issue, and should carefully read the Red Herring Prospectus /Prospectus before investing in the Issue.

#### **SECTION 1: PURPOSE OF THE GENERAL INFORMATION DOCUMENT (GID)**

This document is applicable to the public issues undertaken inter-alia through Book Built Issues. The purpose of the -General Information Document for Investing in Public Issues is to provide general guidance to potential Applicants in IPOs, on the processes and procedures governing IPOs, undertaken in accordance with the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 ("SEBI ICDR Regulations, 2009"). Applicants should note that investment in equity and equity related securities involves risk and Applicant should not invest any funds in the Issue unless they can afford to take the risk of losing their investment. The specific terms relating to securities and/or for subscribing to securities in an Issue and the relevant information about the Issuer undertaking the Issue; are set out in the Prospectus filed by the Issuer with the Registrar of Companies ("RoC"). Applicants should carefully read the entire Prospectus and the Application Form and the Abridged Prospectus of the Issuer in which they are proposing to invest through the Issue. In case of any difference in interpretation or conflict and/or overlap between the disclosure included in this document and the Prospectus, the disclosures in the Prospectus shall prevail. The Prospectus of the Issuer is available on the websites of stock exchanges, on the website(s) of the BRLM(s) to the Issue and on the website of Securities and Exchange Board of India ("SEBI") at [www.sebi.gov.in](http://www.sebi.gov.in).

For the definitions of capitalized terms and abbreviations used herein Applicants may refer to the section ‘Glossary & Abbreviations’.

## **SECTION 2: BRIEF INTRODUCTION TO IPOs ON SME EXCHANGE**

### **2.1. Initial Public Offer (IPO)**

An IPO means an offer of specified securities by an unlisted Issuer to the public for subscription and may include an Offer for Sale of specified securities to the public by any existing holder of such securities in an unlisted Issuer.

For undertaking an IPO, an Issuer is inter-alia required to comply with the eligibility requirements of in terms of either Regulation 26(1) or Regulation 26(2) of the SEBI ICDR Regulations, 2009, if applicable. For details of compliance with the eligibility requirements by the Issuer, Applicants may refer to the Prospectus.

The Issuer may also undertake IPO under chapter XB of the SEBI (ICDR) Regulations, wherein as per:

- Regulation 106M (1): An issuer whose post-issue face value Capital does not exceed Ten Crores rupees shall issue its specified securities in accordance with provisions of this Chapter.
- Regulation 106M (2): An issuer, whose post issue face value capital, is more than Ten Crores rupees and upto Twenty Five Crores rupees, may also issue specified securities in accordance with provisions of this Chapter.

The present Issue is being made under Regulation 106M(1) of Chapter XB of SEBI (ICDR) Regulation.

### **2.2. Other Eligibility Requirements**

In addition to the eligibility requirements specified in paragraphs 2.1, an Issuer proposing to undertake an IPO is required to comply with various other requirements as specified in the SEBI ICDR Regulations, 2009, the Companies Act, 1956 and the Companies Act, 2013 as may be applicable (the —Companies Act), The Securities Contracts (Regulation) Rules, 1957 (the —SCRR), industry-specific regulations, if any, and other applicable laws for the time being in force. Following are the eligibility requirements for making an SME IPO under Regulation 106M (2) of Chapter XB of SEBI (ICDR) Regulation:

- (a.) In accordance with regulation 106(P) of the SEBI (ICDR) Regulations, Issue has to be 100% underwritten and the BRLM has to underwrite at least 15% of the total issue size.
- (b.) In accordance with Regulation 106(R) of the SEBI (ICDR) Regulations, total number of proposed allottees in the Issue shall be greater than or equal to fifty, otherwise, the entire application money will be refunded forthwith. If such money is not repaid within eight days from the date the company becomes liable to repay it,
- (c.) than the Company and every officer in default shall, on and from expiry of eight days, be liable to repay such application money, with interest as prescribed under section 40 of the Companies Act, 2013
- (d.) In accordance with Regulation 106(O) the SEBI (ICDR) Regulations, Company is not required to file any Offer Document with SEBI nor has SEBI issued any observations on the Offer Document. The Lead Manager shall submit the copy of Prospectus along with a Due Diligence Certificate including additional confirmations as required to SEBI at the time of filing the Prospectus with Stock Exchange and the Registrar of Companies.
- (e.) In accordance with Regulation 106(V) of the SEBI ICDR Regulations, the BRLM has to ensure compulsory market making for a minimum period of three years from the date of listing of Equity Shares offered in the Issue.
- (f.) The company should have track record of at least 3 years.
- (g.) The company should have positive cash accruals (earnings before depreciation and tax) from operations for at least 2 financial years preceding the application and its net-worth should be positive.



- (h.) The post issue paid up capital of the company (face value) shall not be more than `25 Crores.
- (i.) The Issuer shall mandatorily facilitate trading in demat securities.
- (j.) The Issuer should not been referred to Board for Industrial and Financial Reconstruction.
- (k.) No petition for winding up is admitted by a court or a liquidator has not been appointed of competent jurisdiction against the Company.
- (l.) No material regulatory or disciplinary action should have been taken by any stock exchange or regulatory authority in the past three years against the Issuer.
- (m.) The Company should have a website.
- (n.) There has been no change in the promoter of the Company in the one year preceding the date of filing application to National Stock Exchange of India Limited for listing on their Emerge platform.

Issuer shall also comply with all the other requirements as laid down for such an Issue under Chapter XB of SEBI (ICDR) Regulations and subsequent circulars and guidelines issued by SEBI and the Stock Exchange.

As per Regulation 106(M)(3) of SEBI (ICDR) Regulations, 2009, the provisions of Regulations 6(1), 6(2), 6(3), Regulation 8, Regulation 9, Regulation 10, Regulation 25, Regulation 26, Regulation 27 and Sub regulation (1) of Regulation 49 of SEBI (ICDR) Regulations, 2009 shall not apply to this Issue.

Thus Company is eligible for the Issue in accordance with regulation 106 M (2) and other provisions of chapter XB of the SEBI (ICDR) Regulations as the post issue face value capital exceeds ₹1,000 lakhs. Company also complies with the eligibility conditions laid by the NSE EMERGE for listing of our Equity Shares.

### **2.3. Types of Public Issues-Fixed Price Issues and Book Built Issues**

In accordance with the provisions of the SEBI ICDR Regulations, 2009, an Issuer can either determine the Issue Price through the Book Building Process (“Book Built Issue”) or undertake a Fixed Price Issue (“Fixed Price Issue”). An Issuer may mention Floor Price or Price Band in the RHP (in case of a Book Built Issue) and a Price or Price Band in the Prospectus (in case of a fixed price Issue) and determine the price at a later date before registering the Prospectus with the Registrar of Companies.

The cap on the Price Band should be less than or equal to 120% of the Floor Price. The Issuer shall announce the Price or the Floor Price or the Price Band through advertisement in all newspapers in which the pre-issue advertisement was given at least five Working Days before the Issue Opening Date, in case of an IPO and at least one Working Day before the Issue Opening Date, in case of an FPO.

The Floor Price or the Issue price cannot be lesser than the face value of the securities. Applicants should refer to the Prospectus or Issue advertisements to check whether the Issue is a Book Built Issue or a Fixed Price Issue.

### **2.4. Issue Period**

The Issue shall be kept open for a minimum of three Working Days (for all category of Applicants) and not more than ten Working Days. Applicants are advised to refer to the Application Form and Abridged Prospectus or Prospectus for details of the Issue Period. Details of Issue Period are also available on the website of Stock Exchange(s).

### **2.5. Migration to Main Board**

In accordance with the NSE Circular dated April 18, 2018 , our Company will have to be mandatorily listed and traded on the NSE Emerge for a minimum period of two years from the date of listing and only after that it can migrate to the Main Board of the NSE as per the guidelines specified by SEBI and as per the procedures laid down under Chapter XB of the SEBI (ICDR) Regulations. As per the provisions of the Chapter XB of the SEBI

(ICDR) Regulation, 2009, our Company may migrate to the main board of NSE on a later date subject to the following:

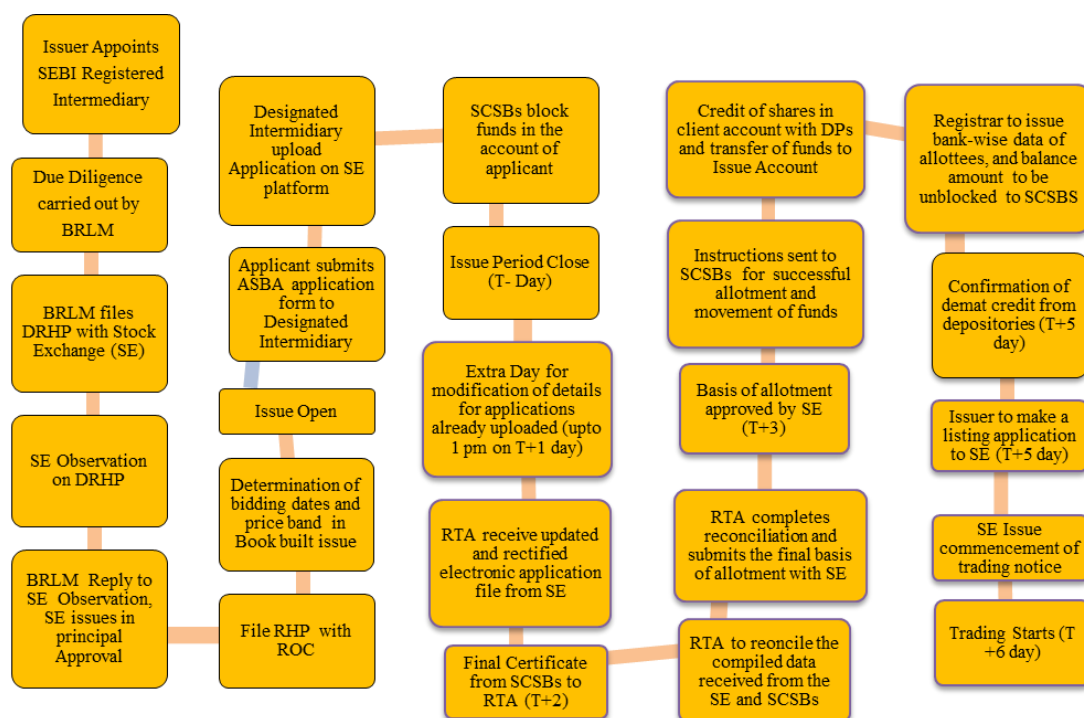
- If the Paid up Capital of our Company is likely to increase above Rs. 25 Crores by virtue of any further issue of capital by way of rights, preferential issue, bonus issue etc. (which has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the promoters in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal and for which our Company has obtained in-principal approval from the main board), we shall have to apply to NSE for listing our shares on its Main Board subject to the fulfillment of the eligibility criteria for listing of specified securities laid down by the Main Board

OR

- If the Paid-Up Capital of our Company is more than Rs.10.00 Crore and up to Rs. 25.00 Crore, our company may still apply for migration to the Main Board If our Company fulfils the eligibility criteria for listing laid down by the Main Board of NSE and if the same has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the promoters in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal.

## 2.6. Flowchart of Timelines

A flow chart of process flow in Book Build Issues is as follows:



## SECTION 3: CATEGORY OF INVESTORS ELIGIBLE TO PARTICIPATE IN AN ISSUE

Each Applicant should check whether it is eligible to apply under applicable law. Furthermore, certain categories of Applicants, such as NRIs, FPIs and FVCIs may not be allowed to apply in the Issue or to hold Equity Shares, in excess of certain limits specified under applicable law. Applicants are requested to refer to the Prospectus for more details.

Subject to the above, an illustrative list of Applicants is as follows:

- Indian nationals resident in India who are not incompetent to contract in single or joint names (not more than three) or in the names of minors through natural/legal guardian;
- Hindu Undivided Families or HUFs in the individual name of the Karta. The Applicant should specify that the application is being made in the name of the HUF in the Application Form as follows: Name of Sole or



First applicant: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta. Applications by HUFs would be considered at par with those from individuals;

- (iii.) Companies, Corporate Bodies and Societies registered under the applicable laws in India and authorized to invest in the Equity Shares under their respective constitutional and charter documents;
- (iv.) Mutual Funds registered with SEBI;
- (v.) Eligible NRIs on a repatriation basis or on a non-repatriation basis, subject to applicable laws. NRIs other than Eligible NRIs are not eligible to participate in this Issue;
- (vi.) Indian Financial Institutions, scheduled commercial banks, regional rural banks, co-operative banks (subject to RBI permission, and the SEBI Regulations and other laws, as applicable);
- (vii.) FPIs other than Category III FPI; VCFs and FVCIs registered with SEBI
- (viii.) Limited Liability Partnerships (LLPs) registered in India and authorized to invest in equity shares;
- (ix.) State Industrial Development Corporations;
- (x.) Trusts/societies registered under the Societies Registration Act, 1860, as amended, or under any other law relating to Trusts and who are authorized under their constitution to hold and invest inequity shares;
- (xi.) Scientific and/or Industrial Research Organizations authorized to invest in equity shares;
- (xii.) Insurance Companies registered with IRDA;
- (xiii.) Provident Funds and Pension Funds with minimum corpus of `2,500 Lakhs and who are authorized under their constitution to hold and invest in equity shares;
- (xiv.) Multilateral and Bilateral Development Financial Institutions;
- (xv.) National Investment Fund set up by resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of Government of India published in the Gazette of India;
- (xvi.) Insurance funds set up and managed by army, navy or air force of the Union of India or by Department of Posts, India;
- (xvii.) Any other person eligible to apply in this Issue, under the laws, rules, regulations, guidelines and policies applicable to them and under Indian laws. As per the existing regulations, OCBs cannot participate in this Issue.

#### SECTION 4: APPLYING IN THE ISSUE

Fixed Price Issue: Applicants should only use the specified Application Form either bearing the stamp of Application Collecting Intermediaries as available or downloaded from the websites of the Stock Exchanges. Application Forms are available Designated Branches of the SCSBs, at the registered office of the Issuer and at the registered office of BRLM. For further details regarding availability of Application Forms, Applicants may refer to the Prospectus.

Applicants should ensure that they apply in the appropriate category. The prescribed colour of the Application Form for various categories of Applicants is as follows:

| Category                                                                                                                                                              | Color of the Application |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------|
| Resident Indian, Eligible NRIs applying on a non-repatriation basis                                                                                                   | White                    |
| NRIs, FVCIs, FPIs, their Sub-Accounts (other than Sub-Accounts which are foreign corporate(s) or foreign individuals applying under the QIB), on a repatriation basis | Blue                     |
| Anchor Investors (where applicable) & Applicants applying in the reserved category                                                                                    | Not Applicable           |

Securities Issued in an IPO can only be in dematerialized form in compliance with Section 29 of the Companies Act, 2013. Applicants will not have the option of getting the allotment of specified securities in physical form. However, they may get the specified securities rematerialized subsequent to allotment.

##### 1.1. Instructions for Filing the Application Form (Book Built Issue)

Applicants may note that forms not filled completely or correctly as per instructions provided in this GID, the Prospectus and the Application Form are liable to be rejected. Instructions to fill each field of the Application Form can be found on the reverse side of the Application Form. Specific instructions for filling various fields of the Resident Application Form and Non-Resident Application Form and samples are provided below.

The samples of the Application Form for resident Applicants and the Application Form for Non-Resident Applicants are reproduced below:

# Application Form-R

| <b>COMMON BID CUM APPLICATION FORM</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | <b>XYZ LIMITED - INITIAL PUBLIC ISSUE - R</b><br>Address : _____ Contact Details : _____ CIN No : _____ | <b>FOR RESIDENT INDIANS, INCLUDING RESIDENT QIBs AND ELIGIBLE NRIs APPLYING ON A NON-REPATRIATION BASIS</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                                                                               |                                                                                         |                          |  |                              |                              |                 |               |          |  |             |  |  |                                        |                        |  |                               |                 |  |                          |              |  |  |  |  |                          |                                                                                                                                                     |
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| LOGO<br>TO,<br>THE BOARD OF DIRECTORS<br>XYZ LIMITED                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | <b>FIXED PRICE SME ISSUE</b><br><b>INE00000000000</b>                                                   | Bid cum Application Form No. _____                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                                                               |                                                                                         |                          |  |                              |                              |                 |               |          |  |             |  |  |                                        |                        |  |                               |                 |  |                          |              |  |  |  |  |                          |                                                                                                                                                     |
| <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 30%;">SYNDICATE MEMBER'S STAMP &amp; CODE</td> <td style="width: 30%;">BROKER/SCSB/DP/RTA STAMP &amp; CODE</td> <td style="width: 40%;">1. NAME &amp; CONTACT DETAILS OF SOLE / FIRST BIDDER</td> </tr> <tr> <td> </td> <td> </td> <td>Mr. / Ms. _____</td> </tr> <tr> <td> </td> <td> </td> <td>Address _____</td> </tr> <tr> <td> </td> <td> </td> <td>Email _____</td> </tr> <tr> <td> </td> <td> </td> <td>Tel. No (with STD code) / Mobile _____</td> </tr> <tr> <td colspan="2">BANK BRANCH SERIAL NO.</td> <td>2. PAN OF SOLE / FIRST BIDDER</td> </tr> <tr> <td colspan="2">SCSB SERIAL NO.</td> <td> </td> </tr> </table>                                                                                                                                                                                                            |                                                                                                         | SYNDICATE MEMBER'S STAMP & CODE                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | BROKER/SCSB/DP/RTA STAMP & CODE                                                               | 1. NAME & CONTACT DETAILS OF SOLE / FIRST BIDDER                                        |                          |  | Mr. / Ms. _____              |                              |                 | Address _____ |          |  | Email _____ |  |  | Tel. No (with STD code) / Mobile _____ | BANK BRANCH SERIAL NO. |  | 2. PAN OF SOLE / FIRST BIDDER | SCSB SERIAL NO. |  |                          |              |  |  |  |  |                          |                                                                                                                                                     |
| SYNDICATE MEMBER'S STAMP & CODE                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | BROKER/SCSB/DP/RTA STAMP & CODE                                                                         | 1. NAME & CONTACT DETAILS OF SOLE / FIRST BIDDER                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                                                               |                                                                                         |                          |  |                              |                              |                 |               |          |  |             |  |  |                                        |                        |  |                               |                 |  |                          |              |  |  |  |  |                          |                                                                                                                                                     |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                                                                                         | Mr. / Ms. _____                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                                               |                                                                                         |                          |  |                              |                              |                 |               |          |  |             |  |  |                                        |                        |  |                               |                 |  |                          |              |  |  |  |  |                          |                                                                                                                                                     |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                                                                                         | Address _____                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                                                               |                                                                                         |                          |  |                              |                              |                 |               |          |  |             |  |  |                                        |                        |  |                               |                 |  |                          |              |  |  |  |  |                          |                                                                                                                                                     |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                                                                                         | Email _____                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                                                                               |                                                                                         |                          |  |                              |                              |                 |               |          |  |             |  |  |                                        |                        |  |                               |                 |  |                          |              |  |  |  |  |                          |                                                                                                                                                     |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                                                                                         | Tel. No (with STD code) / Mobile _____                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                                                                               |                                                                                         |                          |  |                              |                              |                 |               |          |  |             |  |  |                                        |                        |  |                               |                 |  |                          |              |  |  |  |  |                          |                                                                                                                                                     |
| BANK BRANCH SERIAL NO.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                                                         | 2. PAN OF SOLE / FIRST BIDDER                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                                                               |                                                                                         |                          |  |                              |                              |                 |               |          |  |             |  |  |                                        |                        |  |                               |                 |  |                          |              |  |  |  |  |                          |                                                                                                                                                     |
| SCSB SERIAL NO.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                                                                                         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                                               |                                                                                         |                          |  |                              |                              |                 |               |          |  |             |  |  |                                        |                        |  |                               |                 |  |                          |              |  |  |  |  |                          |                                                                                                                                                     |
| 3. BIDDER'S DEPOSITORY ACCOUNT DETAILS <input type="checkbox"/> NDL <input type="checkbox"/> CDL<br>For NDL, enter 5 digit DP ID followed by 8 digit Client ID / For CDL, enter 16 digit Client ID                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                                                                                         | 4. INVESTOR STATUS<br><input type="checkbox"/> Individual(s) - IND<br><input type="checkbox"/> Hindu Undivided Family(-) - HUF<br><input type="checkbox"/> Bodies Corporate - CO<br><input type="checkbox"/> Banks & Financial Institutions - FI<br><input type="checkbox"/> Mutual Funds - MF<br><input type="checkbox"/> Non-Resident Indians - NRI (Non-Repatriation basis)<br><input type="checkbox"/> National Investment Fund - NIF<br><input type="checkbox"/> Insurance Companies - IC<br><input type="checkbox"/> Insurance Funds - IF<br><input type="checkbox"/> Venture Capital Funds - VCF<br><input type="checkbox"/> Alternative Investment Funds - AIF<br><input type="checkbox"/> Others (Please specify) - OTH |                                                                                               |                                                                                         |                          |  |                              |                              |                 |               |          |  |             |  |  |                                        |                        |  |                               |                 |  |                          |              |  |  |  |  |                          |                                                                                                                                                     |
| 4. BID OPTIONS (ONLY RETAIL INDIVIDUAL BIDDERS CAN BID AT "CUT-OFF")<br><table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th rowspan="2">Bid Option</th> <th rowspan="2">No. of Equity Shares Bid (In figures)<br/>(Bids must be in multiples of Bid Lot as advertised)</th> <th colspan="3">Price per Equity Share (₹) "Cut-off"<br/>(Price in multiples of ₹ 1/- only (In figures))</th> <th rowspan="2">"Cut-off" Please tick (tick)</th> </tr> <tr> <th>Bid Price</th> <th>Retail Discount</th> <th>Net Price</th> </tr> </thead> <tbody> <tr> <td>Option 1</td> <td> </td> <td> </td> <td> </td> <td> </td> <td><input type="checkbox"/></td> </tr> <tr> <td>OR) Option 2</td> <td> </td> <td> </td> <td> </td> <td> </td> <td><input type="checkbox"/></td> </tr> <tr> <td>OR) Option 3</td> <td> </td> <td> </td> <td> </td> <td> </td> <td><input type="checkbox"/></td> </tr> </tbody> </table> |                                                                                                         | Bid Option                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | No. of Equity Shares Bid (In figures)<br>(Bids must be in multiples of Bid Lot as advertised) | Price per Equity Share (₹) "Cut-off"<br>(Price in multiples of ₹ 1/- only (In figures)) |                          |  | "Cut-off" Please tick (tick) | Bid Price                    | Retail Discount | Net Price     | Option 1 |  |             |  |  | <input type="checkbox"/>               | OR) Option 2           |  |                               |                 |  | <input type="checkbox"/> | OR) Option 3 |  |  |  |  | <input type="checkbox"/> | 5. CATEGORY<br><input type="checkbox"/> Retail Investor Bidder<br><input type="checkbox"/> Non-Institutional Bidder<br><input type="checkbox"/> QIB |
| Bid Option                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | No. of Equity Shares Bid (In figures)<br>(Bids must be in multiples of Bid Lot as advertised)           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                                               | Price per Equity Share (₹) "Cut-off"<br>(Price in multiples of ₹ 1/- only (In figures)) |                          |  |                              | "Cut-off" Please tick (tick) |                 |               |          |  |             |  |  |                                        |                        |  |                               |                 |  |                          |              |  |  |  |  |                          |                                                                                                                                                     |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                                                                                         | Bid Price                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | Retail Discount                                                                               | Net Price                                                                               |                          |  |                              |                              |                 |               |          |  |             |  |  |                                        |                        |  |                               |                 |  |                          |              |  |  |  |  |                          |                                                                                                                                                     |
| Option 1                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                                                                         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                                               |                                                                                         | <input type="checkbox"/> |  |                              |                              |                 |               |          |  |             |  |  |                                        |                        |  |                               |                 |  |                          |              |  |  |  |  |                          |                                                                                                                                                     |
| OR) Option 2                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                                                         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                                               |                                                                                         | <input type="checkbox"/> |  |                              |                              |                 |               |          |  |             |  |  |                                        |                        |  |                               |                 |  |                          |              |  |  |  |  |                          |                                                                                                                                                     |
| OR) Option 3                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                                                         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                                               |                                                                                         | <input type="checkbox"/> |  |                              |                              |                 |               |          |  |             |  |  |                                        |                        |  |                               |                 |  |                          |              |  |  |  |  |                          |                                                                                                                                                     |
| 7. PAYMENT DETAILS<br>Amount paid (₹ in figures) _____ (₹ in words) _____<br>ASBA Bank A/c No. _____<br>Bank Name & Branch _____                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                                                                                         | PAYMENT OPTION - FULL PAYMENT <input type="checkbox"/> PART PAYMENT <input type="checkbox"/>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                                                                               |                                                                                         |                          |  |                              |                              |                 |               |          |  |             |  |  |                                        |                        |  |                               |                 |  |                          |              |  |  |  |  |                          |                                                                                                                                                     |
| I/WE (ON BEHALF OF BIDDING APPLICATION), IF ANY, HEREBY CONFIRM THAT I/WE HAVE READ AND UNDERSTOOD THE TERMS AND CONDITIONS OF THIS BID CUM APPLICATION FORM AND THE ATTACHED BROCHURE PROSPECTUS AND THE GENERAL INFORMATION DOCUMENT FOR INVESTING IN PUBLIC ISSUES (GIDPI) AND HEREBY AGREE AND CONFIRM THE "BIDDERS UNDERTAKING" AS GIVEN OVERLEAF I/WE ON BEHALF OF JOINT APPLICANTS, IF ANY, HEREBY CONFIRM THAT I/WE HAVE READ THE INSTRUCTIONS FOR FILLING UP THE BID CUM APPLICATION FORM GIVEN OVERLEAF.                                                                                                                                                                                                                                                                                                                                                                                                                      |                                                                                                         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                                               |                                                                                         |                          |  |                              |                              |                 |               |          |  |             |  |  |                                        |                        |  |                               |                 |  |                          |              |  |  |  |  |                          |                                                                                                                                                     |
| 8A. SIGNATURE OF SOLE / FIRST BIDDER<br>_____<br>Date : _____                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                                                                                         | 8B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(S)<br>(AS PER BANK RECORDS)<br>I/We authorize the SCSB to do all acts as are necessary to make the Application in the bid.<br>_____<br>_____<br>_____                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                                               |                                                                                         |                          |  |                              |                              |                 |               |          |  |             |  |  |                                        |                        |  |                               |                 |  |                          |              |  |  |  |  |                          |                                                                                                                                                     |
| 8C. BROKER / SCBS / DP / RTA STAMP (Acknowledging upload of Bid in Stock Exchange system)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                                                                         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                                               |                                                                                         |                          |  |                              |                              |                 |               |          |  |             |  |  |                                        |                        |  |                               |                 |  |                          |              |  |  |  |  |                          |                                                                                                                                                     |

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|                                                                                                                                                                    |                                                                                                                                                        |                                                    |                                                                                          |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------|------------------------------------------------------------------------------------------|
| LOGO                                                                                                                                                               | <b>XYZ LIMITED</b><br><b>INITIAL PUBLIC ISSUE - R</b>                                                                                                  | <b>Acknowledgement Slip for Broker/SCSB/DP/RTA</b> | Bid cum Application Form No. _____<br>PAN of Sole / First Bidder _____                   |
| DPID / CLID _____                                                                                                                                                  | Amount paid (₹ in figures) _____ Bank & Branch _____<br>ASBA Bank A/c No. _____<br>Received from Mr./Ms. _____<br>Telephone / Mobile _____ Email _____ |                                                    |                                                                                          |
| Stamp & Signature of SCSB Branch _____                                                                                                                             |                                                                                                                                                        |                                                    | Stamp & Signature of Broker / SCSB / DP / RTA _____<br>Name of Sole / First Bidder _____ |
| XYZ LIMITED - INITIAL PUBLIC ISSUE - R<br>No. of Equity Shares _____<br>Bid Price _____<br>Amount Paid (₹) _____<br>ASBA Bank A/c No. _____<br>Bank & Branch _____ |                                                                                                                                                        |                                                    | <b>Acknowledgement Slip for Bidder</b><br>Bid cum Application Form No. _____             |

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### 1.1.1. Field Number 1: Name and Contact Details of the Sole/First Applicant

Applicants should ensure that the name provided in this field is exactly the same as the name in which the Depository Account is held.

- (a.) *Mandatory Fields:* Applicants should note that the name and address fields are compulsory and e-mail and/or telephone number/ mobile number fields are optional. Applicants should note that the contact details mentioned in the Application Form may be used to dispatch communications in case the communication sent to the address available with the Depositories are returned/undelivered or are not available. The contact details provided in the Application Form may be used by the Issuer, the members of the Syndicate, the Registered Broker and the Registrar to the Issue only for correspondence(s) related to an Issue and for no other purposes.
- (b.) *Joint Applications:* In the case of Joint Applications, the Applications should be made in the name of the Applicant whose name appears first in the Depository account. The name so entered should be the same as it appears in the Depository records. The signature of only such first Applicant would be required in the Application Form and such first Applicant would be deemed to have signed on behalf of the joint holders. All payments may be made out in favour of the Applicant whose name appears in the Application Form or the Revision Form and all communications may be addressed to such Applicant and may be dispatched to his or her address as per the Demographic Details received from the Depositories.
- (c.) *Impersonation:* Attention of the Applicants is specifically drawn to the provisions of sub section(1) of Section 38 of the Companies Act, 2013 which is reproduced below:

Any person who:

- makes or abets making of an application in a fictitious name to a Company for acquiring, or subscribing for, its securities;
- or makes or abets making of multiple applications to a Company in different names or indifferent combinations of his name or surname for acquiring or subscribing for its securities; or
- otherwise induces directly or indirectly a Company to allot, or register any transfer of securities to him, or to any other person in a fictitious name,

Shall be liable for action under section 447 of the said Act.

- (d.) *Nomination Facility to Applicant:* Nomination facility is available in accordance with the provisions of Section 72 of the Companies Act, 2013. In case of allotment of the Equity Shares in dematerialized form, there is no need to make a separate nomination as the nomination registered with the Depository may prevail. For changing nominations, the Applicants should inform their respective DP.

### 1.1.2. Field Number 2: PAN of Sole/First Applicant

- (a.) PAN (of the sole/ first Applicant) provided in the Application Form should be exactly the same as the PAN of the person(s) in whose name the relevant beneficiary account is held as per the Depositories' records.
- (b.) PAN is the sole identification number for participants transacting in the securities market irrespective of the amount of transaction except for Applications on behalf of the Central or State Government, Applications by officials appointed by the courts and Applications by Applicants residing in Sikkim (—PAN Exempted Applicants). Consequently, all Applicants, other than the PAN Exempted Applicants, are required to disclose their PAN in the Application Form, irrespective of the Application Amount. An Application Form without PAN, except in case of Exempted Applicants, is liable to be rejected. Applications by the Applicants whose PAN is not available as per the Demographic Details available in their Depository records, are liable to be rejected.
- (c.) The exemption for the PAN Exempted Applicants is subject to (a) the Demographic Details received from the respective Depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in active status; and (b) in the case of residents of Sikkim, the address as per the Demographic Details evidencing the same.
- (d.) Application Forms which provide the General Index Register Number instead of PAN may be rejected.



- (e.) Applications by Applicants whose demat accounts have been ‘suspended for credit’ are liable to be rejected pursuant to the circular issued by SEBI on July 29, 2010, bearing number CIR/MRD/DP/22/2010. Such accounts are classified as —Inactive demat accounts and demographic details are not provided by depositories.

### **1.1.3.Field Number 3: Applicants Depository Account Details**

- (a.) Applicants should ensure that DP ID and the Client ID are correctly filled in the Application Form. The DP ID and Client ID provided in the Application Form should match with the DP ID and Client ID available in the Depository database, otherwise, the Application Form is liable to be rejected.
- (b.) Applicants should ensure that the beneficiary account provided in the Application Form is active.
- (c.) Applicants should note that on the basis of DP ID and Client ID as provided in the Application Form, the Applicant may be deemed to have authorized the Depositories to provide to the Registrar to the Issue, any requested Demographic Details of the Applicant as available on the records of the depositories. These Demographic Details may be used, among other things, for sending allocation advice and for other correspondence(s) related to an Issue.
- (d.) Applicants are, advised to update any changes to their Demographic Details as available in the records of the Depository Participant to ensure accuracy of records. Any delay resulting from failure to update the Demographic Details would be at the Applicant’s sole risk.

### **1.1.4.Field Number 4: Application Details**

- (a.) The Issuer may mention Price in the Prospectus. However a prospectus registered with RoC contains one price.
- (b.) Minimum And Maximum Application Size
- (i.) *For Retail Individual Applicants:*  
The Application must be for a minimum of [●] Equity Shares. As the Application Price payable by the Retail Individual Applicants cannot exceed ₹2,00,000, they can make Application for only minimum Application size i.e. for [●] Equity Shares.
- (ii.) *For Other Applicants (Non Institutional Applicants and QIBs):*  
The Application must be for a minimum of such number of Equity Shares such that the Application Amount exceeds ₹2,00,000 and in multiples of [●] Equity Shares thereafter. An Application cannot be submitted for more than the Issue Size. However, the maximum Application by a QIB investor should not exceed the investment limits prescribed for them by applicable laws. Under existing SEBI Regulations, a QIB Applicant cannot withdraw its Application after the Issue Closing Date and is required to pay 100% QIB Margin upon submission of Application. In case of revision in Applications, the Non Institutional Applicants, who are individuals, have to ensure that the Application Amount is greater than ₹2,00,000 for being considered for allocation in the Non Institutional Portion. Applicants are advised to ensure that any single Application from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in the Prospectus.
- (c.) Multiple Applications: An Applicant should submit only one Application Form. Submission of a second Application Form to either the same or to any other Application Collecting Intermediary and duplicate copies of Application Forms bearing the same application number shall be treated as multiple applications and are liable to be rejected.
- (d.) Applicants are requested to note the following procedures may be followed by the Registrar to the Issue to detect multiple applications:
- (i.) All applications may be checked for common PAN as per the records of the Depository. For Applicants other than Mutual Funds and FPI sub-accounts, Applications bearing the same PAN may be treated as multiple applications by an Applicant and may be rejected.



- (ii.) For applications from Mutual Funds and FPI sub-accounts, submitted under the same PAN, as well as Applications on behalf of the PAN Exempted Applicants, the Application Forms may be checked for common DP ID and Client ID. In any such applications which have the same DP ID and Client ID, these may be treated as multiple applications and may be rejected.
- (e.) The following applications may not be treated as multiple Applications:
  - (i.) Applications by Reserved Categories in their respective reservation portion as well as that made by them in the Net Issue portion in public category.
  - (ii.) Separate applications by Mutual Funds in respect of more than one scheme of the Mutual Fund provided that the Applications clearly indicate the scheme for which the Application has been made.
  - (iii.) Applications by Mutual Funds, and sub-accounts of FPIs (or FPIs and its sub-accounts) submitted with the same PAN but with different beneficiary account numbers, Client IDs and DP IDs.

#### **1.1.5.Field Number 5: Category of Applicants**

- (a.) The categories of applicants identified as per the SEBI ICDR Regulations, 2009 for the purpose of Application, allocation and allotment in the Issue are RIIs, individual applicants other than RII's and other investors (including corporate bodies or institutions, irrespective of the number of specified securities applied for).
- (b.) An Issuer can make reservation for certain categories of Applicants permitted under the SEBI ICDR Regulations, 2009. For details of any reservations made in the Issue, applicants may refer to the Prospectus.
- (c.) The SEBI ICDR Regulations, 2009 specify the allocation or allotment that may be made to various categories of applicants in an Issue depending upon compliance with the eligibility conditions. For details pertaining to allocation and Issue specific details in relation to allocation, applicant may refer to the Prospectus.

#### **1.1.6.Field Number 6: Investor Status**

- (a.) Each Applicant should check whether it is eligible to apply under applicable law and ensure that any prospective allotment to it in the Issue is in compliance with the investment restrictions under applicable law.
- (b.) Certain categories of Applicants, such as NRIs, FPIs and FVCIs may not be allowed to apply in the Issue or hold Equity Shares exceeding certain limits specified under applicable law. Applicants are requested to refer to the Prospectus for more details.
- (c.) Applicants should check whether they are eligible to apply on non-repatriation basis or repatriation basis and should accordingly provide the investor status. Details regarding investor status are different in the Resident Application Form and Non-Resident Application Form.
- (d.) Applicants should ensure that their investor status is updated in the Depository records.

#### **1.1.7.Field 7: Payment Details**

Please note that, providing bank account details in the space provided in the Application Form is mandatory and Applications that do not contain such details are liable to be rejected.

##### **1.1.7.1. Payment instructions for Applicants\**

- (a) Applicants may submit the Application Form in physical mode to the Application Collecting Intermediaries.
- (b) Applicants should specify the Bank Account number in the Application Form.
- (c) Applicants should ensure that the Application Form is also signed by the ASBA Account holder(s) if the Applicant is not the ASBA Account holder;



- (d) Applicants shall note that that for the purpose of blocking funds under ASBA facility clearly demarcated funds shall be available in the account.
- (e) From one Bank Account, a maximum of five Application Forms can be submitted.
- (f) Applicants applying directly through the SCSBs should ensure that the Application Form is submitted to a Designated Branch of a SCSB where the ASBA Account is maintained. In case Applicant applying through Application Collecting Intermediary other than SCSB, after verification and upload, the Application Collecting Intermediary shall send to SCSB for blocking of fund.
- (g) Upon receipt of the Application Form, the Designated Branch of the SCSB may verify if sufficient funds equal to the Application Amount are available in the ASBA Account, as mentioned in the Application Form.
- (h) If sufficient funds are available in the ASBA Account, the SCSB may block an amount equivalent to the Application Amount mentioned in the Application Form and may upload the details on the Stock Exchange Platform.
- (i) If sufficient funds are not available in the ASBA Account, the Designated Branch of the SCSB may not upload such Applications on the Stock Exchange platform and such Applications are liable to be rejected.
- (j) Upon submission of a completed Application Form each ASBA Applicant may be deemed to have agreed to block the entire Application Amount and authorized the Designated Branch of the SCSB to block the Application Amount specified in the Application Form in the ASBA Account maintained with the SCSBs.
- (k) The Application Amount may remain blocked in the aforesaid ASBA Account until finalisation of the Basis of allotment and subsequent transfer of the Application Amount against the allotted Equity Shares, if any, to the Public Issue Account, or until withdrawal or failure of the Issue, or until withdrawal or rejection of the Application, as the case may be.
- (l) SCSBs applying in the Issue must apply through an ASBA Account maintained with any other SCSB; else their Applications are liable to be rejected.

#### **1.1.8.Unblocking of ASBA Account**

- (a) Once the Basis of Allotment is approved by the Designated Stock Exchange, the Registrar to the Issue may provide the following details to the controlling branches of each SCSB, along within structions to unblock the relevant bank accounts and for successful applications transfer the requisite money to the Public Issue Account designated for this purpose, within the specified timelines: (i) the number of Equity Shares to be Allotted against each Application, (ii) the amount to be transferred from the relevant bank account to the Public Issue Account, for each Application,(iii) the date by which funds referred to in (ii) above may be transferred to the Public Issue Account, and (iv) details of rejected/ partial/ non allotment ASBA Applications, if any, along with reasons for rejection and details of withdrawn or unsuccessful Applications, if any, to enable the SCSBs to unblock the respective bank accounts.
- (b) On the basis of instructions from the Registrar to the Issue, the SCSBs may transfer the requisite amount against each successful ASBA Application to the Public Issue Account and may unblock the excess amount, if any, in the ASBA Account.
- (c) In the event of withdrawal or rejection of the Application Form and for unsuccessful Applications, the Registrar to the Issue may give instructions to the SCSB to unblock the Application Amount in the relevant ASBA Account within 6 Working Days of the Issue Closing Date.

##### **1.1.8.1. Discount (if applicable)**

- (a) The Discount is stated in absolute rupee terms.
- (b) RIIs, Employees and Retail Individual Shareholders are only eligible for discount. For Discountsoffered in the Issue, applicants may refer to the Prospectus.
- (c) The Applicants entitled to the applicable Discount in the Issue may make payment for an amount i.e. the Application Amount less Discount (if applicable).

##### **1.1.8.2. Additional Payment Instructions for NRIs**

The Non-Resident Indians who intend to block funds in their Non-Resident Ordinary (NRO) accounts shall use the form meant for Resident Indians (non-repatriation basis). In the case of applications by NRIs applying on a repatriation basis, payment shall not be accepted out of NRO Account.

### **1.1.9. Field Number 8: Signatures and other Authorisations**

- (a) Only the First Applicant is required to sign the Application Form. Applicants should ensure that signatures are in one of the languages specified in the Eighth Schedule to the Constitution of India.
- (b) If the ASBA Account is held by a person or persons other than the Applicant, then the Signature of the ASBA Account holder(s) is also required.
- (c) In relation to the Applications, signature has to be correctly affixed in the authorisation/undertaking box in the Application Form, or an authorisation has to be provided to the SCSB via the electronic mode, for blocking funds in the ASBA Account equivalent to the application amount mentioned in the Application Form.
- (d) Applicants must note that Application Form without signature of Applicant and /or ASBA Account holder is liable to be rejected.

### **1.1.10. Acknowledgement and Future Communication**

Applicants should ensure that they receive the acknowledgment duly signed and stamped by Application Collecting Intermediaries, as applicable, for submission of the Application Form.

- (a) All communications in connection with Applications made in the Issue should be addressed asunder:
  - (i.) In case of queries related to Allotment, non-receipt of Allotment Advice, credit of allotted equity shares, unblocking of funds, the Applicants should contact the Registrar to the Issue.
  - (ii.) In case of applications submitted to the Designated Branches of the SCSBs, the Applicants should contact the relevant Designated Branch of the SCSB.
  - (iii.) Applicant may contact the Company Secretary and Compliance Officer or BRLM(s) in case of any other complaints in relation to the Issue.
- (b) The following details (as applicable) should be quoted while making any queries -
  - (i.) Full name of the sole or First Applicant, Application Form number, Applicants DP ID, Client ID, PAN, number of Equity Shares applied for, amount blocked on application And ASBA Account Number and Name.
  - (ii.) In case of ASBA applications, ASBA Account number in which the amount equivalent to the application amount was blocked.

For further details, Applicant may refer to the Prospectus and the Application Form.

### **1.2 Instructions for filing the Revision Form**

- (a) During the Issue Period, any Applicant (other than QIBs and NIIs, who can only revise their application amount upwards) who has registered his or her interest in the Equity Shares for a particular number of shares is free to revise number of shares applied using revision forms available separately.
- (b) RII may revise/withdraw their applications till closure of the Issue period
- (c) Revisions can be made only in the desired number of Equity Shares by using the Revision Form.
- (d) The Applicant can make this revision any number of times during the Issue Period. However, for any revision(s) in the Application, the Applicants will have to use the services of the SCSB through which such Applicant had placed the original Application.

A sample Revision form is reproduced below:

Other than instructions already highlighted at paragraph 4.1 above, point wise instructions regarding filling up various fields of the Revision Form are provided below:



**COMMON BID CUM APPLICATION FORM** **XYZ LIMITED - INITIAL PUBLIC ISSUE - R** **FOR RESIDENT INDIANS, INCLUDING RESIDENT QIBs AND ELIGIBLE NRIs APPLYING ON A NON-REPATRIATION BASIS**

Address: \_\_\_\_\_ Contact Details: \_\_\_\_\_ CIN No: \_\_\_\_\_

LOGO TO: THE BOARD OF DIRECTORS, XYZ LIMITED

**FIXED PRICE SME ISSUE** **INE00000000000**

Bid cum Application Form No. \_\_\_\_\_

---

**SYNDICATE MEMBER'S STAMP & CODE** **BROKER/SCSB/DP/RTA STAMP & CODE** **1. NAME & CONTACT DETAILS OF SOLE / FIRST BIDDER**

Mr./Ms. \_\_\_\_\_

Address: \_\_\_\_\_ Email: \_\_\_\_\_

Tel. No. (with STD code) / Mobile: \_\_\_\_\_

**2. PAN OF SOLE / FIRST BIDDER**

\_\_\_\_\_

---

**3. BIDDER'S DEPOSITORY ACCOUNT DETAILS** ☐ NSDL ☐ CDSL

For NSDL, enter 8-digit ID<sup>1</sup> ID followed by 8 digit Client ID / For CDSL, enter 16 digit Client ID

**4. BID OPTIONS (ONLY RETAIL INDIVIDUAL BIDDERS CAN BID AT "CUT-OFF")** **5. CATEGORY**

| Bid Option   | No. of Equity Shares Bid (in figures)<br>(Bids must be in multiples of Bid Lot as advertised) | Price per Equity Share (₹) "Cut-off"<br>(Price in multiples of ₹ 0.05 only (in figures)) |                 |           | Cut-off<br>Please tick<br>(tick) |
|--------------|-----------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------|-----------------|-----------|----------------------------------|
|              |                                                                                               | Bid Price                                                                                | Retail Discount | Net Price |                                  |
| Option 1     |                                                                                               |                                                                                          |                 |           | <input type="checkbox"/>         |
| OR) Option 2 |                                                                                               |                                                                                          |                 |           | <input type="checkbox"/>         |
| OR) Option 3 |                                                                                               |                                                                                          |                 |           | <input type="checkbox"/>         |

**6. INVESTOR STATUS**

☐ Individual(s) - IND  
☐ Hindu Undivided Family<sup>2</sup> - HUF  
☐ Bodies Corporate - CO  
☐ Banks & Financial Institutions - FI  
☐ Mutual Funds - MF  
☐ Non-Resident Indians - NRI (Non-Repatriation basis)  
☐ National Investment Fund - NIF  
☐ Insurance Funds - IF  
☐ Insurance Companies - IC  
☐ Venture Capital Funds - VCF  
☐ Alternative Investment Funds - AIF  
☐ Others (Please specify) - OTH

<sup>1</sup> NIF should apply only through Karta (Application by HUF would be treated as per each individual)

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**7. PAYMENT DETAILS** **PAYMENT OPTION: FULL PAYMENT** ☐ **PART PAYMENT** ☐

Amount paid (₹ in figures) \_\_\_\_\_ (₹ in words) \_\_\_\_\_

ASBA Bank A/c No. \_\_\_\_\_

Bank Name & Branch \_\_\_\_\_

I/WE HEREBY CONFIRM THAT I/WE HAVE READ AND UNDERSTOOD THE TERMS AND CONDITIONS OF THIS BID CUM APPLICATION FORM AND THE ATTACHED BROKER PROSPECTUS AND THE GENERAL INFORMATION DOCUMENT FOR ISSUING IN PUBLIC (GID/IDP) AND HEREBY AGREE AND CONFIRM THE "BIDDING UNDERTAKING" AS GIVEN OVERLEAF. I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ THE INSTRUCTIONS FOR FILLING UP THE BID CUM APPLICATION FORM GIVEN OVERLEAF.

---

**8A. SIGNATURE OF SOLE / FIRST BIDDER** **8B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(S)** **BROKER / SCSB / DP / RTA STAMP (Acknowledging upload of Bid in Stock Exchange system)**

(1) \_\_\_\_\_

(2) \_\_\_\_\_

(3) \_\_\_\_\_

UWe authorize the SCSB to do all acts as are necessary to make the Application to the Issuer

---

**XYZ LIMITED** **Acknowledgement Slip for Broker/SCSB/DP/RTA** **Bid cum Application Form No. \_\_\_\_\_**

**INITIAL PUBLIC ISSUE - R**

**PAN of Sole / First Bidder**

\_\_\_\_\_

**DPID / CLID**

\_\_\_\_\_

Amount paid (₹ in figures) \_\_\_\_\_ Bank & Branch \_\_\_\_\_ Stamp & Signature of SCSB Branch \_\_\_\_\_

ASBA Bank A/c No. \_\_\_\_\_

Received from Mr./Ms. \_\_\_\_\_

Telephone / Mobile: \_\_\_\_\_ Email: \_\_\_\_\_

---

**XYZ LIMITED - INITIAL PUBLIC ISSUE - R** **Stamp & Signature of Broker / SCSB / DP / RTA** **Name of Sole / First Bidder**

No. of Equity Shares \_\_\_\_\_

Bid Price \_\_\_\_\_

Amount Paid (₹) \_\_\_\_\_

ASBA Bank A/c No. \_\_\_\_\_

Bank & Branch \_\_\_\_\_

**Acknowledgement Slip for Bidder**

**Bid cum Application Form No. \_\_\_\_\_**



### 1.2.1 Fields 1, 2 and 3: Name and Contact Details of Sole/First Applicant, PAN of Sole/First Applicant & Depository Account Details of the Applicant

Applicants should refer to instructions contained in paragraphs 4.1.1, 4.1.2 and 4.1.3.

### 1.2.2 Field 4 & 5: Application Revision 'From' and 'To'

- (a) Apart from mentioning the revised number of shares in the Revision Form, the Applicant must also mention the details of shares applied for given in his or her Application Form or earlier Revision Form.
- (b) In case of revision of applications by RIIs, Employees and Retail Individual Shareholders, such Applicants should ensure that the application amount should exceed `2,00,000/- due to revision and the application may be considered, subject to eligibility, for allocation under the Non-Institutional Category.

### 1.2.3 Field 6: Payment Details

- (a) All Applicants are required to make payment of the full application amount along with the Revision Form.
- (b) Applicant may Issue instructions to block the revised amount in the ASBA Account, to Designated Branch through whom such Applicant had placed the original application to enable the relevant SCSB to block the additional application amount, if any.

### 1.2.4 Fields 7: Signatures and Acknowledgements

Applicants may refer to instructions contained at paragraphs 4.1.8 and 4.1.9 for this purpose.

## 1.3 Submission of Revision Form/Application Form

Applicants may submit completed application form / Revision Form in the following manner:

| Mode of Application Form  | Submission of Application Form                                                                |
|---------------------------|-----------------------------------------------------------------------------------------------|
| All Investors Application | To the Application Collecting Intermediaries as mentioned in the Prospectus/ Application Form |

## SECTION-5: ISSUE PROCEDURE IN FIXED PRICE ISSUE

This being Book Built Issue, this section is not applicable for this Issue.

## SECTION-6: ISSUE PROCEDURE IN BOOK BUILT ISSUE

Book Building, in the context of the Issue, refers to the process of collection of Bids within the Price Band or above the Floor Price and determining the Issue Price based on the Bids received as detailed in Schedule XI of SEBI ICDR Regulations, 2009. The Issue Price is finalised after the Bid/Issue Closing Date. Valid Bids received at or above the Issue Price are considered for allocation in the Issue, subject to applicable regulations and other terms and conditions.

### 6.1 SUBMISSION OF BIDS

- a) During the Bid/Issue Period, Bidders may approach any of the Designated Intermediaries to register their Bids. Anchor Investors who are interested in subscribing for the Equity Shares should approach the Book Running Lead Manager, to register their Bid.
- b) In case of Bidders (excluding NIIs and QIBs) Bidding at Cut-off Price, the Bidders may instruct the SCSBs to block Bid Amount based on the Cap Price less Discount (if applicable).
- c) For Details of the timing on acceptance and upload of Bids in the Stock Exchanges Platform Bidders are requested to refer to the DRHP.

## 6.2 ELECTRONIC REGISTRATION OF BIDS

- a) The Designated Intermediary may register the Bids using the on-line facilities of the Stock Exchanges. The Designated Intermediaries can also set up facilities for off-line electronic registration of Bids, subject to the condition that they may subsequently upload the off-line data file into the on-line facilities for Book Building on a regular basis before the closure of the issue.
- b) On the Bid/Issue Closing Date, the Designated Intermediaries may upload the Bids till such time as may be permitted by the Stock Exchanges.
- c) Only Bids that are uploaded on the Stock Exchanges Platform are considered for allocation/Allotment. The Designated Intermediaries are given till 1:00 pm on the day following the Bid/Issue Closing Date to modify select fields uploaded in the Stock Exchange Platform during the Bid/Issue Period after which the Stock Exchange(s) send the bid information to the Registrar to the Issue for further processing.

## 6.3 BUILD UP OF THE BOOK

- a) Bids received from various Bidders through the Designated Intermediaries may be electronically uploaded on the Bidding Platform of the Stock Exchanges' on a regular basis. The book gets built up at various price levels. This information may be available with the BRLMs at the end of the Bid/Issue Period.
- b) Based on the aggregate demand and price for Bids registered on the Stock Exchanges Platform, a graphical representation of consolidated demand and price as available on the websites of the Stock Exchanges may be made available at the Bidding centres during the Bid/Issue Period.

## 6.4 WITHDRAWAL OF BIDS

- a) RIs can withdraw their Bids until Bid/Issue Closing Date. In case a RI wishes to withdraw the Bid during the Bid/Issue Period, the same can be done by submitting a request for the same to the concerned Designated Intermediary who shall do the requisite, including unblocking of the funds by the SCSB in the ASBA Account.
- b) The Registrar to the Issue shall give instruction to the SCSB for unblocking the ASBA Account on the Designated Date. QIBs and NIIs can neither withdraw nor lower the size of their Bids at any stage.

## 6.5 REJECTION & RESPONSIBILITY FOR UPLOAD OF BIDS

- a) The Designated Intermediaries are individually responsible for the acts, mistakes or errors or omission in relation to:
  - 1) the Bids accepted by the Designated Intermediaries,
  - 2) the Bids uploaded by the Designated Intermediaries, and
  - 3) the ASBA Forms accepted but not uploaded by the Designated Intermediaries.
- b) The BRLMs and their affiliate Syndicate Members, as the case may be, may reject Bids if all the information required is not provided and the ASBA Form is incomplete in any respect.

- c) The SCSBs shall have no right to reject Bids, except in case of unavailability of adequate funds in the ASBA account or on technical grounds.
- d) In case of QIB Bidders, only the (i) SCSBs (for Bids other than the Bids by Anchor Investors); and (ii) BRLMs and their affiliate Syndicate Members (only in the Specified Locations) have the right to reject bids. However, such rejection shall be made at the time of receiving the Bid and only after assigning a reason for such rejection in writing.
- e) All bids by QIBs, NIIs & RIIs Bids can be rejected on technical grounds listed herein.

#### GROUND OF REJECTIONS

Bidders are advised to note that Bids are liable to be rejected inter alia on the following technical grounds:

- Amount blocked does not tally with the amount payable for the Equity Shares applied for;
- In case of partnership firms, Equity Shares may be registered in the names of the individual partners and no firm as such shall be entitled to apply;
- Bid by persons not competent to contract under the Indian Contract Act, 1872 including minors, insane persons;
- PAN not mentioned in the ASBA Form;
- Bids at a price less than the Floor Price and Bids at a price more than the Cap Price;
- GIR number furnished instead of PAN;
- Bid for lower number of Equity Shares than specified for that category of investors;
- Bids at Cut-off Price by NIIs and QIBs;
- Submission of more than five ASBA Forms/Application Form as through a single ASBA Account
- Bids for number of Equity Shares which are not in multiples Equity Shares which are not in multiples as specified in the DRHP;
- The amounts mentioned in the ASBA Form/Application Form does not tally with the amount payable for the value of the Equity Shares Bid/Applied for;
- Bids for lower number of Equity Shares than the minimum specified for that category of investors;
- Category not ticked;
- Multiple Bids as defined in the DRHP;
- In case of Bids under power of attorney or by limited companies, corporate, trust etc., where relevant documents are not submitted;
- Bid accompanied by Stock invest/ money order/ postal order/ cash/ cheque/ demand draft/ pay order;
- Signature of sole Bidder is missing;
- ASBA Forms not delivered by the Bidder within the time prescribed as per the ASBA Forms, Bid/Issue Opening Date advertisement and the DRHP and as per the instructions in the DRHP and the ASBA Forms;

- ❑ In case no corresponding record is available with the Depositories that matches three parameters namely, names of the Bidders (including the order of names of joint holders), the Depository Participant's identity (DP ID) and the beneficiary's account number;
- ❑ Bids for amounts greater than the maximum permissible amounts prescribed by the regulations;
- ❑ Bid by OCBs;
- ❑ Bids by US persons other than in reliance on Regulation S or —qualified institutional buyers as defined in Rule 144A under the Securities Act;
- ❑ Inadequate funds in the bank account to block the Bid Amount specified in the ASBA Form/Application Form at the time of blocking such Bid Amount in the bank account;
- ❑ Bids not uploaded on the terminals of the Stock Exchanges; and
- ❑ Where no confirmation is received from SCSB for blocking of funds
- ❑ Bids by SCSBs wherein a separate account in its own name held with any other SCSB is not mentioned as the ASBA Account in the ASBA Form/Application Form. Bids not duly signed by the sole/First Bidder;
- ❑ Bids by any persons outside India if not in compliance with applicable foreign and Indian laws;
- ❑ Bids that do not comply with the securities laws of their respective jurisdictions are liable to be rejected;
- ❑ Bids by persons prohibited from buying, selling or dealing in the shares directly or indirectly by SEBI or any other regulatory authority;
- ❑ Bids by persons who are not eligible to acquire Equity Shares of the Company in terms of all applicable laws, rules, regulations, guidelines, and approvals;
- ❑ Details of ASBA Account not provided in the ASBA Form

For details of instructions in relation to the ASBA Form, Bidders may refer to the relevant section the GID.

BIDDERS SHOULD NOTE THAT IN CASE THE PAN, THE DP ID AND CLIENT ID MENTIONED IN THE ASBA FORM AND ENTERED INTO THE ELECTRONIC APPLICATION SYSTEM OF THE STOCK EXCHANGES BY THE BIDS COLLECTING INTERMEDIARIES DO NOT MATCH WITH PAN, THE DP ID AND CLIENT ID AVAILABLE IN THE DEPOSITORY DATABASE, THE ASBA FORM IS LIABLE TO BE REJECTED.

## **SECTION 7: ALLOTMENT PROCEDURE AND BASIS OF ALLOTMENT**

### **7.1. BASIS OF ALLOTMENT**

Allotment will be made in consultation with National Stock Exchange of India Limited (The Designated Stock Exchange). In the event of oversubscription, the allotment will be made on a proportionate basis in marketable lots as set forth hereunder:

- (a.) The total number of Shares to be allocated to each category as a whole shall be arrived at on a proportionate basis i.e. the total number of Shares applied for in that category multiplied by the inverse of the over subscription ratio (number of Applicants in the category x number of Shares applied for).
- (b.) The number of Shares to be allocated to the successful Applicants will be arrived at on a proportionate basis in marketable lots (i.e. Total number of Shares applied for into the inverse of the over subscription ratio).
- (c.) For applications where the proportionate allotment works out to less than [●]equity shares the allotment will be made as follows:
  - (i.) Each successful Applicant shall be allotted [●]equity shares; and
  - (ii.) The successful Applicants out of the total applicants for that category shall be determined by the drawl of lots in such a manner that the total number of Shares allotted in that category is equal to the number of Shares worked out as per (2) above.
- (d.) If the proportionate allotment to an Applicant works out to a number that is not a multiple of [●] equity shares, the Applicant would be allotted Shares by rounding off to the nearest multiple of [●] equity shares subject to a minimum allotment of [●]equity shares.
- (e.) If the Shares allotted on a proportionate basis to any category is more than the Shares allotted to the Applicants in that category, the balance available Shares or allocation shall be first adjusted against any

category, where the allotted Shares are not sufficient for proportionate allotment to the successful Applicants in that category, the balance Shares, if any, remaining after such adjustment will be added to the category comprising Applicants applying for the minimum number of Shares. If as a result of the process of rounding off to the nearest multiple of 6,000 Equity Shares, results in the actual allotment being higher than the shares offered, the final allotment may be higher at the sole discretion of the Board of Directors, up to 110% of the size of the offer specified under the Capital Structure mentioned in this Prospectus.

- (f.) The above proportionate allotment of Shares in an Issue that is oversubscribed shall be subject to the reservation for Retail individual Applicants as described below:
- (i.) As per Regulation 43 (4) of SEBI (ICDR), as the retail individual investor category is entitled to more than fifty per cent on proportionate basis, the retail individual investors shall be allocated that higher percentage.
- (ii.) The balance net offer of shares to the public shall be made available for allotment to
  - Individual applicants other than retails individual investors and
  - Other investors, including corporate bodies/ institutions irrespective of number of shares applied for.
- (iii.) The unsubscribed portion of the net offer to any one of the categories specified in a) or b) shall/may be made available for allocation to applicants in the other category, if so required.

'Retail Individual Investor' means an investor who applies for shares of value of not more than ₹2,00,000. Investors may note that in case of over subscription allotment shall be on proportionate basis and will be finalized in consultation with NSE.

The Executive Director / Managing Director of NSE-the Designated Stock Exchange in addition to Book Running Lead Manager and Registrar to the Public Issue shall be responsible to ensure that the basis of allotment is finalized in a fair and proper manner in accordance with the SEBI (ICDR) Regulations.

## **7.2. Designated Date and Allotment of Equity Shares**

- (a.) Designated Date: On the Designated Date, the SCSBs shall transfer the funds represented by allocation of Equity Shares into the Public Issue Account with the Bankers to the Issue.
- (b.) Issuance of Allotment Advice: Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Registrar shall upload the same on its website. On the basis of the approved Basis of Allotment, the Issuer shall pass necessary corporate action to facilitate the Allotment and credit of Equity Shares. Applicants are advised to instruct their Depository Participant to accept the Equity Shares that may be allotted to them pursuant to the Issue.

Pursuant to confirmation of such corporate actions, the Registrar will dispatch Allotment Advice to the Applicants who have been Allotted Equity Shares in the Issue.

- (c.) The dispatch of Allotment Advice shall be deemed a valid, binding and irrevocable contract.
- (d.) Issuer will ensure that: (i) the Allotment of Equity Shares; and (ii) initiate corporate action for credit of shares to the successful Applicants Depository Account will be completed within 4 Working Days of the Issue Closing Date. The Issuer also ensures the credit of shares to the successful Applicant's depository account is completed within one Working Day from the date of Allotment, after the funds are transferred from the Public Issue Account on the Designated Date.

## **SECTION 8: INTEREST AND REFUNDS**

### **8.1 Completion of Formalities for Listing & Commencement of Trading**

The Issuer may ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges are taken within 5 Working Days of the Issue Closing Date. The Registrar to the Issue may give instructions for credit to Equity Shares the beneficiary account with DPs, and dispatch the Allotment Advice within 5 Working Days of the Issue Closing Date.

### **8.2 Grounds for Refund**

#### **8.2.1 Non Receipt of Listing Permission**

An Issuer makes an application to the Stock Exchange(s) for permission to deal in/list and for an official quotation of the Equity Shares. All the Stock Exchanges from where such permission is sought are disclosed in Prospectus. The Designated Stock Exchange may be as disclosed in the Prospectus with which the Basis of Allotment may be finalised.

If the permissions to deal in and for an official quotation of the Equity Shares are not granted by any of the Stock Exchange(s), the Issuer may forthwith repay, without interest, all moneys received from the Applicants in pursuance of the Prospectus.

If such money is not repaid within eight days after the Issuer becomes liable to repay it, then the Issuer and every director of the Issuer who is an officer in default may, on and from such expiry of eight days, be liable to repay the money, with interest at such rate, as prescribed under Section 73 of the Companies Act, and as disclosed in the Prospectus.

### **8.2.2 Minimum Subscription**

This Issue is not restricted to any minimum subscription level. This Issue is 100% underwritten. As per Section 39 of the Companies Act, 2013, if the —stated minimum amount has not been subscribed and the sum payable on application is not received within a period of 30 days from the date of the Prospectus, the application money has to be returned within such period as may be prescribed. If the Issuer does not receive the subscription of 100% of the Issue through this offer document including devolvement of Underwriters within sixty days from the date of closure of the Issue, the Issuer shall forthwith refund the entire subscription amount received. If there is a delay beyond eight days after the Issuer becomes liable to pay the amount, the Issuer shall pay interest at a rate prescribed under section 73 of the Companies Act, 1956 (or the Company shall follow any other substitution or additional provisions as has been or may be notified under the Companies Act, 2013).

### **8.2.3 Minimum Number of Allottees**

The Issuer may ensure that the number of prospective Allottees to whom Equity Shares may be allotted may not be less than 50 failing which the entire application monies may be refunded forthwith.

## **8.3 Mode of Refund**

Within 6 Working Days of the Issue Closing Date, the Registrar to the Issue may give instructions to SCSBs for unblocking the amount in ASBA Account on unsuccessful Application and also for any excess amount blocked on Application.

### **8.3.1 Mode of making refunds**

The Registrar to the Issue may instruct the controlling branch of the SCSB to unblock the funds in the relevant ASBA Account for any withdrawn, rejected or unsuccessful ASBA applications or in the event of withdrawal or failure of the Issue.

## **8.4 Interest in Case of Delay in Allotment or Refund**

The Issuer may pay interest at the rate of 15% per annum /or demat credits are not made to Applicants or instructions for unblocking of funds in the ASBA Account are not done within the 4 Working days of the Issue Closing Date.

The Issuer may pay interest at 15% per annum for any delay beyond 6 days from the Issue Closing Date, if Allotment is not made.

## SECTION 9: GLOSSARY AND ABBREVIATIONS

Unless the context otherwise indicates or implies, certain definitions and abbreviations used in this document may have the meaning as provided below. References to any legislation, act or regulation may be to such legislation, act or Regulation as amended from time to time.

| Term(s)                                       | Description                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
|-----------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Allocation/Allocation of Equity Shares        | The Allocation of Equity Shares of our Company pursuant to Fresh Issue of Equity Shares to the successful Applicants                                                                                                                                                                                                                                                                                                                                                                                                                         |
| Allotment/Allot/Allotted                      | Issue an allotment of Equity Shares of our Company pursuant to Fresh Issue of the Equity Shares to the successful Applicants                                                                                                                                                                                                                                                                                                                                                                                                                 |
| Allottee(s)                                   | Successful Applicants to whom Equity Shares of our Company shall have been allotted                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| Applicant                                     | Any prospective investor who makes an application for Equity Shares of our Company in terms of this Draft Red Herring Prospectus                                                                                                                                                                                                                                                                                                                                                                                                             |
| Application Amount                            | The amount at which the Applicant makes an application for Equity Shares of our Company in terms of this Draft Red Herring Prospectus                                                                                                                                                                                                                                                                                                                                                                                                        |
| Application Form                              | The Form in terms of which the prospective investors shall apply for our Equity Shares in the Issue                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| Application Supported by Blocked Amount/ASBA  | The application (whether physical or electronic) by an Applicant to make an Application authorizing the relevant SCSB to block the Application Amount in the relevant ASBA Account Pursuant to SEBI Circular dated November 10, 2015 and bearing Reference No. CIR/CFD/POLICYCELL/11/2015 which shall be applicable for all public issues opening on or after January 01, 2016, all potential investors shall participate in the Issue only through ASBA process providing details about the bank account which will be blocked by the SCSBs |
| ASBA Account                                  | Account maintained with an SCSB and specified in the Application Form which will be blocked by such SCSB to the extent of the appropriate Application Amount in relation to an Application by an Applicant                                                                                                                                                                                                                                                                                                                                   |
| ASBA Application Location(s)/Specified Cities | Locations at which ASBA Applications can be uploaded by the SCSBs viz, Mumbai, New Delhi, Chennai, Kolkata, Ahmedabad, Rajkot, Bangalore, Hyderabad, Pune, Baroda and Surat                                                                                                                                                                                                                                                                                                                                                                  |
| ASBA Bid                                      | A Bid made by an ASBA Bidder                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| ASBA Investor/ASBA Applicant                  | Any prospective investor(s)/applicants(s) in this Issue who apply(ies) through the ASBA process in terms of this Draft Red Herring Prospectus                                                                                                                                                                                                                                                                                                                                                                                                |
| Banker(s) to the Issue/Escrow Collection Bank | The banks which are clearing members and registered with SEBI as Banker to an Issue with whom the Public Issue Account will be opened and in this case, being [●]                                                                                                                                                                                                                                                                                                                                                                            |
| Basis of Allotment                            | The basis on which Equity Shares will be Allotted to the successful Applicants under the Issue and which is described under chapter titled “Issue Procedure” beginning on page no 193 of this Draft Red Herring Prospectus                                                                                                                                                                                                                                                                                                                   |
| Bid                                           | An indication to make an offer during the Bid/Issue Period by a Bidder pursuant to submission of the Application Form, or during the Anchor Investor Bid/Issue Period by the Anchor Investors, to subscribe to or purchase the Equity Shares of our Company at a price within the Price Band, including all revisions and modifications thereto as permitted under the SEBI Regulations                                                                                                                                                      |
| Bid Amount                                    | Highest value of optional Bids indicated in the Application Form and payable by the Bidder upon submission of the Bid                                                                                                                                                                                                                                                                                                                                                                                                                        |
| Bid Lot                                       | [●] Equity Shares                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| BRLM                                          | Manager to the Issue, in this case being Mark Corporate Advisors Private Limited, a SEBI Registered Merchant Banker                                                                                                                                                                                                                                                                                                                                                                                                                          |
| Broker Centre’s                               | Broker Centre’s notified by the Stock Exchanges, where the Applicants can submit the Application Forms to a Registered Broker.<br><br>The details of such Broker Centre’s, along with the name and contact details of the Registered Brokers, are available on the website of the Stock Exchange                                                                                                                                                                                                                                             |
| Broker to the Issue                           | All recognized members of the stock exchange would be eligible to act as the Broker to the Issue                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| CAN/Allotment advice                          | The note or advice or intimation of Allotment, sent to each successful Applicant                                                                                                                                                                                                                                                                                                                                                                                                                                                             |

| Term(s)                                    | Description                                                                                                                                                                                                                                                                                                                                                                                                                                               |
|--------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                            | who has been or is to be Allotted the Equity Shares after approval of the Basis of Allotment by the Designated Stock Exchange                                                                                                                                                                                                                                                                                                                             |
| Client ID                                  | Client identification number of the Applicant's beneficiary account                                                                                                                                                                                                                                                                                                                                                                                       |
| Collecting Depository Participant/ CDP     | A depository participant as defined under the Depositories Act, 1996, registered with SEBI and who is eligible to procure Applications at the Designated CDP Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI                                                                                                                                                                                         |
| Controlling Branches of the SCSBs          | Such branches of the SCSBs which co-ordinate applications under this Issue by the ASBA Applicants with the Book Running Lead Manager, Registrar to the Issue and the Stock Exchange and a list of which is available at <a href="http://www.sebi.gov.in">http://www.sebi.gov.in</a> , or at such other website as may be prescribed by SEBI from time to time                                                                                             |
| Demographic Details                        | The demographic details of the Applicants such as their address, PAN, occupation and bank account details                                                                                                                                                                                                                                                                                                                                                 |
| Depository                                 | A Depository registered with SEBI under SEBI (Depositories and Participant) Regulations, 1996                                                                                                                                                                                                                                                                                                                                                             |
| Depository Participant/DP                  | A Depository Participant as defined under the Depositories Act.                                                                                                                                                                                                                                                                                                                                                                                           |
| Designated CDP Locations                   | Such locations of the CDPs where Applicants can submit the Application Forms to Collecting Depository Participants. The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept Application Forms are available on the website of the Stock Exchange i.e. <a href="http://www.nseindia.com">www.nseindia.com</a>                                                      |
| Designated SCSB Branches                   | Such branches of the SCSBs which shall collect the ASBA Forms from the ASBA Applicants and a list of which is available at <a href="http://www.sebi.gov.in">www.sebi.gov.in</a> , or at such other website as may be prescribed by SEBI from time to time                                                                                                                                                                                                 |
| Designated Date                            | The date on which funds are transferred from the amount blocked by the SCSBs is transferred from the ASBA Account to the Public Issue Account, as appropriate, after the Issue is closed, following which the Equity Shares shall be allotted/transfer to the successful Applicants                                                                                                                                                                       |
| Designated Intermediaries/Collecting Agent | An SCSB with whom the bank account to be blocked, is maintained, a syndicate member(or sub-syndicate member), a Registered Broker, Designated CDP Locations for CDP, a registrar to an issue and Share Transfer Agent (RTA) (whose names is mentioned on website of the Stock Exchange as eligible for this activity)                                                                                                                                     |
| Designated Market Maker/Market Maker       | In our case, [●] having its Registered office at [●] and Corporate office at [●]                                                                                                                                                                                                                                                                                                                                                                          |
| Designated RTA Locations                   | Such locations of the RTAs where Applicants can submit the Application Forms to RTAs. The details of such Designated RTA Locations, along with names and contact details of the RTAs eligible to accept Application Forms are available on the website of the Stock Exchange.                                                                                                                                                                             |
| Designated Stock Exchange                  | NSE Emerge Platform of National Stock Exchange of India Limited                                                                                                                                                                                                                                                                                                                                                                                           |
| Draft Red Herring Prospectus               | The Draft Red Herring Prospectus dated October 23, 2018 issued in accordance with Section 26 of the Companies Act, 2013 and filed with the NSE under SEBI (ICDR) Regulations, 2009                                                                                                                                                                                                                                                                        |
| Eligible NRIs                              | NRIs from jurisdictions outside India where it is not unlawful to make an issue or invitation under the Issue and in relation to whom this Draft Red Herring Prospectus constitutes an invitation to subscribe to the Equity Shares offered herein                                                                                                                                                                                                        |
| Eligible QFIs                              | Qualified Foreign Investors from such jurisdictions outside India where it is not unlawful to make an offer or invitation under the Issue and in relation to whom the Prospectus constitutes an invitation to purchase the Equity Shares offered thereby and who have opened dematerialized accounts with SEBI registered qualified depository participants as QFIs and are deemed as FPIs under the SEBI (Foreign Portfolio Investors) Regulations, 2014 |
| Public Issue Account(s)                    | Account(s) opened with the Public Issue Bank/Banker for the Issue                                                                                                                                                                                                                                                                                                                                                                                         |
| Public Issue Account/ Agreement            | Agreement entered into by our Company, the Registrar to the Issue, the Book Running Lead Manager, and the Public Issue Bank to the Issue for collection of                                                                                                                                                                                                                                                                                                |

| Term(s)                                                                                                           | Description                                                                                                                                                                                                                                                                                                                                                                                                                                      |
|-------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                                                                                   | the Application Amounts                                                                                                                                                                                                                                                                                                                                                                                                                          |
| First/Sole Applicant                                                                                              | The Applicant whose name appears first in the Application Form or Revision Form                                                                                                                                                                                                                                                                                                                                                                  |
| General Information Document/GID                                                                                  | The General Information Document for investing in public issues prepared and issued in accordance with the circulars (CIR/CFD/DIL/12/2013) dated October 23, 2013, notified by SEBI and updated pursuant to the circular (CIR/CFD/POLICYCELL/11/2015) dated November 10, 2015 and (SEBI/HO/CFD/DIL/CIR/P/2016/26) dated January 21, 2016 notified by the SEBI and included in “Issue Procedure” on page 208 of this Draft Red Herring Prospectus |
| Issue/Issue Size/ Initial Public Issue/ Initial Public Offer/Initial Public Offering/Initial Public Offering/ IPO | Public Issue of [●] Equity Shares of face value of ₹10 each fully paid of Aditya Ultra Steel Limited for cash at a price of ₹[●] per Equity Share (including a premium of ₹[●] per Equity Share) aggregating up to ₹4500 Lakhs.                                                                                                                                                                                                                  |
| Memorandum of Understanding/MoU                                                                                   | The MoU dated October 10, 2018 between our Company and the Book Running Lead Manager, pursuant to which certain arrangements are agreed to in relation to the Issue                                                                                                                                                                                                                                                                              |
| Issue Opening Date                                                                                                | The date on which Issue opens for subscription                                                                                                                                                                                                                                                                                                                                                                                                   |
| Issue Closing Date                                                                                                | The date on which Issue closes for subscription                                                                                                                                                                                                                                                                                                                                                                                                  |
| Issue Period                                                                                                      | The period between the Issue Opening Date and the Issue Closing Date inclusive of both the days during which prospective Investors may submit their application                                                                                                                                                                                                                                                                                  |
| Issue Price                                                                                                       | The price at which the Equity Shares are being issued by our Company under this Draft Red Herring Prospectus being [●] per Equity Share of face value of ₹10 each fully paid up                                                                                                                                                                                                                                                                  |
| Issue Proceeds                                                                                                    | Proceeds from the fresh Issue that will be available to our Company, being [●] Lakhs                                                                                                                                                                                                                                                                                                                                                             |
| Listing Agreement                                                                                                 | The Equity Listing Agreement to be signed between our Company and NSE Emerge                                                                                                                                                                                                                                                                                                                                                                     |
| Market Making Agreement                                                                                           | Market Making Agreement dated [●] between Our Company, BRLM and Market Maker                                                                                                                                                                                                                                                                                                                                                                     |
| Market Maker                                                                                                      | Market Maker appointed by our Company, in this case being [●] who has agreed to receive or deliver the specified securities in the market making process for a period of three years from the date of listing of our Equity Shares or for any other period as may be notified by SEBI from time to time                                                                                                                                          |
| Market Maker Reservation Portion                                                                                  | The Reserved Portion of [●] Equity Shares of face value of ₹10 each fully paid for cash at a price of ₹[●] per Equity Share aggregating ₹[●] Lakhs for the Market Maker in this Issue                                                                                                                                                                                                                                                            |
| Mutual Fund(s)                                                                                                    | A mutual fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996, as amended from time to time                                                                                                                                                                                                                                                                                                                                 |
| Net Issue                                                                                                         | The Issue excluding the Market Maker Reservation Portion of [●] Equity Shares of face value of ₹10 each fully paid for cash at a price of ₹[●] Equity Share aggregating ₹[●] Lakhs by our Company                                                                                                                                                                                                                                                |
| Net Proceeds                                                                                                      | The Issue Proceeds, less the Issue related expenses, received by the Company. For further information about use of the Issue Proceeds and the Issue expenses, please refer to the chapter titled “Objects of the Issue” beginning on page no 62 of this Draft Red Herring Prospectus                                                                                                                                                             |
| Non-Institutional Investors                                                                                       | All Applicants that are not Qualified Institutional Buyers or Retail Individual Investors and who have Applied for Equity Shares for an amount more than ₹2,00,000                                                                                                                                                                                                                                                                               |
| OCB/Overseas Corporate Body                                                                                       | A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs, including overseas trusts in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly as defined under the Foreign Exchange Management (Deposit) Regulations, 2000, as amended from time to time. OCBs are not allowed to invest in this Issue                              |
| Payment through electronic transfer of funds                                                                      | Payment through NECS, NEFT or Direct Credit, as applicable                                                                                                                                                                                                                                                                                                                                                                                       |

| Term(s)                                | Description                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
|----------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Person/Persons                         | Any individual, sole proprietorship, unincorporated association, unincorporated organization, body corporate, corporation, company, partnership, limited liability company, joint venture, or trust or any other entity or organization validly constituted and/or incorporated in the jurisdiction in which it exists and operates, as the context requires                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| Prospectus                             | The Prospectus to be filed with RoC containing, inter-alia, the issue opening and closing dates and other information                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| Public Issue Account                   | Account opened with the Banker to the Issue/Public Issue Bank i.e. [●] by our Company to receive monies from SCSBs from the bank accounts of the ASBA Applicants on the Designated Date                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| Qualified Institutional Buyers or QIBs | QIBs, as defined under the SEBI ICDR Regulations, including public financial institutions as specified in Section 2(72) of the Companies Act, 2013 scheduled commercial banks, mutual fund registered with SEBI, FII and sub-account (other than a sub-account which is a foreign corporate or foreign individual) registered with SEBI, multilateral and bilateral development financial institution, venture capital fund registered with SEBI, foreign venture capital investor registered with SEBI, state industrial development corporation, insurance company registered with Insurance Regulatory and Development Authority, provident fund with minimum corpus of ₹2,500 Lakhs, pension fund with minimum corpus of ₹2,500 Lakhs, NIF, insurance funds set up and managed by army, navy or air force of the Union of India and insurance funds set up and managed by the Department of Posts, India |
| Refund Account (s)                     | Account(s) to which monies to be refunded to the Applicants shall be transferred from the Public Issue Account in case listing of the Equity Shares does not occur                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| Registered Brokers                     | Stock Brokers registered with the Stock Exchanges having nationwide terminals                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| Registrar/Registrar to the Issue       | Cameo Corporate Services Limited                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| Retail Individual Investor             | Individual Applicants, or minors applying through their natural guardians, including HUFs (applying through their Karta) and ASBA Applicants, who apply for an amount less than or equal to ₹2,00,000                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| Revision Form                          | The form used by the Applicants to modify the quantity of Equity Shares in any of their Application Forms or any previous Revision Form(s)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| Self-Certified Syndicate Banker/ SCSB  | Shall mean a Banker to an Issue registered under SEBI (Bankers to an Issue) Regulations, 1994, as amended from time to time, and which offer the service of making Application/s Supported by Blocked Amount including blocking of bank account and a list of which is available on <a href="http://www.sebi.gov.in">www.sebi.gov.in</a> or at such other website as may be prescribed by SEBI from time to time                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| SME Platform of NSE/NSE EMERGE         | The SME Platform of NSE for listing of equity shares offered under Chapter XB of the SEBI (ICDR) Regulations.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| Underwriters                           | Mark Corporate Advisors Private Limited                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| Underwriting Agreement                 | The agreement dated [●] entered into between the Underwriters and our Company                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| Working Day                            | Any day, other than 2 <sup>nd</sup> and 4 <sup>th</sup> Saturday of the month, Sundays or public holidays, on which commercial banks in India are open for business, provided however, with reference to announcement of Price Band and Issue Period shall mean all days, excluding Saturday, Sundays and public holidays on which commercial banks in Mumbai are open for business and the time period between the Issue Closing Date and the listing of the Equity Shares on the Stock Exchanges, shall mean all trading days of Stock Exchanges, excluding Sundays and bank holidays, as per the SEBI Circular SEBI/HO/CFD/DIL/CIR/P/2016/26 dated January 21, 2016.                                                                                                                                                                                                                                      |

## **RESTRICTION ON FOREIGN OWNERSHIP OF INDIAN SECURITIES**

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of the Government of India and FEMA. While the Industrial Policy, 1991 prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. Under the Industrial Policy, unless specifically restricted, foreign investment is freely permitted in all sectors of Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. Foreign investment is allowed up to 26% under automatic route in our Company. India's current Foreign Direct Investment ("FDI") Policy issued by the Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, GoI ("DIPP") by circular of 2016 with effect from June 07, 2016 ("Circular of 2016"), consolidates and supersedes all previous press notes, press releases and clarifications on FDI issued by the DIPP. The Government usually updates the consolidated circular on FDI Policy once every Year and therefore, this circular of 2016 will be valid until the DIPP issues an updated circular.

The transfer of shares between an Indian resident and a Non-resident does not require the prior approval of the FIPB or the RBI, subject to fulfillment of certain conditions as specified by DIPP / RBI, from time to time. Such conditions include (i) the activities of the investee company are under the automatic route under the foreign direct investment ("FDI") Policy and then on-resident shareholding is within the sectorial limits under the FDI policy; and (ii) the pricing is in accordance with the guidelines prescribed by the SEBI / RBI. Investors are advised to refer to the exact text of the relevant statutory provisions of law before investing and / or subsequent purchase or sale transaction in the Equity Shares of Our Company.

The Equity Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended (U.S. Securities Act") or any state securities laws in the United States and may not be offered within the United States or to or for the account or benefit of "U.S. Persons" (as defined in Regulations), except pursuant to exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities laws. Accordingly, the Equity Shares are being offered only outside the United States in offshore transaction in reliance on Regulations under the U.S securities Act and the applicable laws of the jurisdiction where those offers occur. However, the Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered and Applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

The above information is given for the benefit of the Applicants. Our Company and the Book Running Lead Manager are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus . Applicants are advised to make their independent investigations and ensure that the Applications are not in violation of laws or regulations applicable to them.

## SECTION IX-MAIN PROVISIONS OF THE ARTICLES OF ASSOCIATION

The following regulations comprised in these Articles of Association were adopted pursuant to the members' resolution passed through Extra Ordinary General Meeting held on June 25, 2019 in substitution for, and to the entire exclusion of, the earlier regulations comprised in the extant.

### 1. **Table F not to apply**

The regulations contained in Table F in the first Schedule to the Companies Act, 2013 shall not apply to this Company, but the regulations for the management of the Company and for the observance of the members thereof and their representatives shall, subject to any exercise of the statutory powers of the Company in reference to the repeal or alternation of, or addition to, its regulations by Special Resolution, as prescribed by the said Companies Act, 2013 be such as are contained in these Articles

### 2. **Interpretation**

In the interpretation of these Articles, the following words and expressions shall have the following meanings assigned thereunder, unless repugnant to the subject matter or content thereof;

Any reference to the singular shall include the plural and vice-versa;

Any references to the masculine, the feminine and the neuter shall include each other.

### **Expression in the Act to bear except same meaning in the Articles**

Save as aforesaid, any words or expressions defined in the Act shall, where the subject or context forbids, bear the same meaning in these Articles.

### **Marginal Notes**

The marginal notes hereto shall not affect the construction of these Articles.

## **COPIES OF MEMORANDUM AND ARTICLES TO BE FURNISHED BY THE COMPANY**

### 3. **Pursuant to Section 17 of the Act, Company shall, on being so required by a member, send to him within 7 (seven) days of the requirement and subject to the payment of a fee of Rs. [?] or such other fee as may be specified in the Rules, a copy of each of the following documents, as in force for the time being:**

- (i) The Memorandum;
- (ii) The Articles, if any;
- (iii) Every other agreement and every resolution referred to in Section 117(1) of the Act, if and in so far as they have not been embodied in the Memorandum or Articles.

## **CAPITAL AND SHARES**

- 4. The Authorized Share Capital of the Company shall be as per clause V of the Memorandum of Association of the Company with all rights to the Company to alter the same in any way it thinks fit.
- 5. The Board may, from time to time, with the sanction of the Company in a general meeting, increase the share capital by such sum to be divided into shares of such amounts as the resolution shall prescribe.
- 6. The share capital shall be distinguished by its appropriate number provided that nothing in this clause shall apply to the shares held with a depository.

## **SHARES AT THE DISPOSAL OF THE DIRECTORS**

- 7. Subject to the provisions of Section 62 of the Act and these Articles, the share capital of Company for the time being shall be under the control of the Directors who may issue, allot or otherwise dispose of the same or any of them to such persons, in proportion and on such terms and conditions and either at a premium or at par or (subject to the compliance with the provision of section 53 of the Act) at a discount and at such time as they may from time to time think fit and with the sanction of the Company in the General Meeting to give to any person or persons the option or right to call for any shares either at par or premium during such time and for such consideration as the Directors think fit, and may issue and allot shares in the capital of the Company on payment in full or part of any property sold and transferred or for any services rendered to the Company in the conduct of its business and any shares which may so be allotted may be

issued as fully paid up shares and if so issued, shall be deemed to be fully paid shares.

#### **FURTHER ISSUE OF SHARES**

8.

- (1) Subject to the provisions of the Act, where at any time the company proposes to increase its subscribed capital by the issue of further shares, such shares shall be offered:
  - (a) to persons who at the date of the offer are holders of equity shares of the company in proportion, as nearly as circumstances admit to the paid-up share capital on those shares by sending a letter of offer subject to the following conditions, namely:
    - Ⓐ the offer shall be made by notice specifying the number of shares offered and limiting a time not being less than fifteen days and not exceeding thirty days from the date of the offer within which the offer, if not accepted, shall be deemed to have been declined;
    - Ⓑ unless the articles of the company otherwise provide, the offer aforesaid shall be deemed to include a right exercisable by the person concerned to renounce the shares offered to him or any of them in favour of any other person; and the notice referred to in clause (i) shall contain a statement of this right;
    - Ⓒ after the expiry of the time specified in the notice aforesaid, or on receipt of earlier intimation from the person to whom such notice is given that he declines to accept the shares offered, the Board of Directors may dispose of them in such manner which is not disadvantageous to the shareholders and the company;
  - (b) to employees under a scheme of employees' stock option, subject to special resolution passed by company and subject to such conditions as may be determined by central government; or
  - (c) to any persons, if it is authorized by a special resolution, whether or not those persons include the persons referred to in clause (a) or clause (b), either for cash or for a consideration other than cash, if the price of such shares is determined by the valuation report of a registered Valuer subject to such conditions as may be determined by central government.
- (2) The notice referred to in sub-clause (i) of clause (1) (a) above shall be dispatched through registered post or speed post or through electronic mode to all the existing shareholders at least three days before the opening of the issue.
- (3) Nothing in this section shall apply to the increase of the subscribed capital of the Company caused by the exercise of an option as a term attached to the debentures issued or loan raised by the Company to convert such debentures or loans into shares in the company.

Provided that the terms of issue of such debentures or the terms of such loans containing such an option have been approved by a special resolution passed by the Company in general meeting before the issue of such debentures or raising of such loans.

#### **POWER TO OFFER SHARES / OPTIONS TO ACQUIRE SHARES**

9. (i) Without prejudice to the generality of the powers of the Board under any other Article of these Articles of Association, the Board or any Committee thereof duly constituted may, subject to the applicable provisions of the Act, rules notified there under and any other applicable laws, rules and regulations, at any point of time, offer existing or further shares (consequent to increase of share capital) of the Company, or options to acquire such shares (consequent to increase of share capital) of the Company, or options to acquire such shares at any point of time, whether such options are granted by way of warrants or in any other manner (subject to such consents and permissions as may be required) to its employees, including Directors (whether whole-time or not), whether at par, at discount, in case of shares issued as sweat equity shares as per section 54 of the Act or at a premium, for cash or for consideration other than cash, or any combination thereof as may be permitted by law for the time being in force.

In addition to the powers of the Board under Article 9 (i), the Board may also allot the Shares referred to in Article 9 (i) to any trust, whose principal objects would inter alia include further transferring such Shares to the Company's employees including by way of options, as referred to in Article 9 (i) in accordance with the directions of the Board or any Committee thereof duly constituted for this purpose. The Board may make such provision of moneys for the purposes of such trust, as it deems fit the Board, or any Committee thereof duly authorized for this purpose, may do all such acts, deeds, things, etc. as may be necessary or expedient for the purposes of achieving the objectives set out in Articles 9 (i) and (ii) above.

## **REDEEMABLE PREFERENCE SHARES**

10. Subject to the provisions of Section 55 of the Act and these Articles, the Company shall have the power to issue redeemable preference shares liable to be redeemed at the option of the Company and the resolution authorizing such issues shall prescribe the manners, terms and conditions of redemption.

### **PROVISIONS APPLICABLE IN CASE OF REDEEMABLE PREFERENCE SHARES**

11. On the issue of redeemable preference shares under the provisions of Article 10 hereof, the following provisions shall take effect.
- (a) No such shares shall be redeemed except out of the profits of the company which would otherwise be available for dividend or out of the proceeds of a fresh issue of shares made for the purposes of such redemption;
  - (b) No such shares shall be redeemed unless they are fully paid;
  - (c) where such shares are proposed to be redeemed out of the profits of the company, there shall, out of such profits, be transferred, a sum equal to the nominal amount of the shares to be redeemed, to a reserve, to be called the Capital Redemption Reserve Account and the provisions of this Act relating to reduction of share capital of a company shall apply as if the Capital Redemption Reserve Account were paid-up share capital of the company.

### **NEW CAPITAL SAME AS ORIGINAL CAPITAL**

12. Except so far as otherwise provided by the conditions of issue or by these Articles, any capital raised by the creation of new shares shall be considered part of the initial capital and shall be subject to the provisions herein contained with reference to the payment of calls and installments; transfer and transmission, forfeiture, lien, surrender, voting and otherwise.

### **RESTRICTIONS ON PURCHASE BY COMPANY OR GIVING OF LOANS BY IT FOR PURCHASE OF ITS SHARES**

- 13.
- (1) The company shall not have power to buy its own shares unless the consequent reduction of share capital is effected in accordance with provisions of the Act at the time of application. This Article is not to delegate any power which the Company would have if it were omitted.
  - (2) The company shall not give, whether directly or indirectly and whether by means of a loan, guarantee the provision of security or otherwise, any financial assistance for the purpose of, or in connection with, a purchase or subscription made or to be made, by any person of or for any shares in the company or in its holding company.
  - (3) Nothing in sub-clause (2) shall apply to:
    - (a) the company in accordance with any scheme approved by company through special resolution and in accordance with such requirements as may be determined by central government, for the purchase of, or subscription for, fully paid up shares in the company or its holding company, if the purchase of, or the subscription for, the shares held by trustees for the benefit of the employees or such shares held by the employee of the company;
    - (b) the giving of loans by a company to persons in the employment of the company other than its directors or key managerial personnel, for an amount not exceeding their salary or wages for a period of six months with a view to enabling them to purchase or subscribe for fully paid-up shares in the company or its holding company to be held by them by way of beneficial ownership:

Provided that disclosures in respect of voting rights not exercised directly by the employees in respect of shares to which the scheme relates shall be made in the Board's report in such manner as may be determined by central government.

### **REDUCTION OF CAPITAL**

14. The Company may, subject to confirmation by the Court and the provisions of the Act, as applicable at the time of application from time to time by special resolution, reduce its capital and any capital redemption reserve account or any share premium account in any manner for the time being authorized by law and in

particular, capital may be paid off on the footing that it may be called up again or otherwise.

#### **CONSOLIDATION AND DIVISION OF CAPITAL**

15. The Company may in general meeting alter the conditions of its Memorandum of Association as follows:
- (a) Consolidate and divide all or any of its share capital into shares of a larger amount than its existing shares but no consolidation and division which results in changes in the voting percentage of shareholders shall take effect unless it is approved by the Court/ Tribunal on an application made in the prescribed manner;
  - (b) Sub-divide its shares, or any of them, into shares of smaller amount than is fixed by the memorandum, so, however, that in the sub-division the proportion between the amount paid and the amount, if any, unpaid on each reduced share shall be the same as it was in the case of the share from which the reduced share is derived;
  - (c) Cancel shares which at the date of the passing of the resolution in that behalf, have not been taken or agreed to be taken by any person, and diminish the amount of its share capital by the amount of the shares so cancelled. The cancellation of shares in pursuance of this sub-clause, shall not be deemed to be reduction of share capital within the meaning of the Act.

#### **SALE OF FRACTIONAL SHARES**

16. If and whenever as a result of issue of new shares of any consolidation or sub-division of shares any share become held by members in fractions, the Board shall, subject to the provisions of the Act and the Articles and to the directions of the Company in General Meeting, if any, sell those shares which members hold in fractions for the best price reasonably obtainable and shall pay and distribute to and amongst the members entitled to such shares in due proportions the net proceeds of the sale thereof. For the purpose of giving effect to any such sale, the Board may authorize any person to transfer the shares and the purchaser shall not be bound to see to the application of the purchase money nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings with reference to the sale.

#### **MODIFICATION OF RIGHTS**

17. Whenever the capital, by reason of the issue of Preference Shares or otherwise, is divided into classes of shares all or any of the rights and privileges attached to each class may subject to the provisions of the Companies Act, 2013 be modified, commuted, affected or abrogated, or dealt with by Agreement between the Company and any person purporting to contract on behalf of that class, provided such agreement is ratified in writing by holders of at least three-fourths in nominal value of the issued shares of the class or is confirmed by a Special Resolution passed at a separate general meeting of the holders of shares of the class

#### **ISSUE OF FURTHER SHARES ON PARI PASSU BASIS**

18. The rights conferred upon the holders of shares of any class issued with preferred or other rights, not unless otherwise expressly provided by the terms of the issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking pari passu therewith.

#### **NO ISSUE WITH DISPROPORTIONATE RIGHTS**

19. The Company shall not issue any shares (not being preference shares) which carry voting right or rights in the Company as to dividend, capital or otherwise which are disproportionate to the rights attached to the holders of other shares (not being preference shares).

#### **POWER OF COMPANY TO DEMATERIALIZE AND REMATERIALIZE**

20. Notwithstanding anything contained in these Articles, the Company shall be entitled to dematerialize its existing shares, debentures and other securities and rematerialize its such shares, debentures and other securities held by it with the Depository and/ or offer its fresh shares and debentures and other securities in a dematerialized form pursuant to the Depositories Act, 1996 and the Rules framed there under, if any.

## **DEMATERIALIZATION OF SECURITIES**

21. Either on the Company or on the investor exercising an option to hold his securities with a depository in a dematerialized form, the Company shall enter into an agreement with the depository to enable the investor to dematerialize the Securities, in which event the rights and obligations of the parties concerned shall be governed by the Depositories Act.

## **INTIMATION TO DEPOSITORY**

22. Notwithstanding anything contained in this Article, where securities are dealt with in a Depository, the Company shall intimate the details of allotment of securities to Depository immediately on allotment of such Securities

## **OPTION FOR INVESTORS**

23. Every person subscribing to or holding securities of the Company shall have the option to receive security certificates or to hold the securities with a Depository. A beneficial owner of any security can at any time opt out of a Depository, if permitted by law, in the manner provided by the Depositories Act, 1996 and the Company shall, in the manner and within the time prescribed, issue to the beneficial owner the required certificates of securities.

## **THE COMPANY TO RECOGNIZE UNDER DEPOSITORIES ACT, INTEREST IN THE SECURITIES OTHER THAN THAT OF REGISTERED HOLDER**

24. The Company or the investor may exercise an option to issue, deal in, hold the securities (including shares) with Depository in electronic form and the certificates in respect thereof shall be, dematerialized in which event the rights and obligations of the parties concerned and matters connected therewith or incidental thereto shall be governed by the provisions of the Depositories Act, 1996.

## **SECURITIES IN DEPOSITORIES AND BENEFICIAL OWNERS**

25. All Securities held by a Depository shall be dematerialized and be in fungible form. Nothing contained in Sections 89 of the Act shall apply to a Depository in respect of the securities held by it on behalf of the beneficial owners.

## **RIGHTS OF DEPOSITORIES AND BENEFICIAL OWNERS**

- (a) Notwithstanding anything to the contrary contained in the Act or these Articles, a depository shall be deemed to be the registered owner for the purpose of effecting transfer of ownership of security on behalf of the beneficial owner.
- (b) Save as otherwise provided in (i) above, the depository as the registered owner of the securities, shall not have any voting rights or any other rights in respect of the securities held by it.
- (c) Every person holding securities of the Company and whose name is entered as the beneficial owner in the records of the depository shall be deemed to be a member of the Company. The beneficial owner of securities shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of the securities, which are held by a depository.

## **DEPOSITORY TO FURNISH INFORMATION**

26. Every Depository shall furnish to the Company information about the transfer of Securities in the name of the Beneficial Owner at such intervals and in such manner as may be specified by the bye-laws and the Company in that behalf.

## **SHARES AND CERTIFICATES REGISTER AND INDEX OF MEMBERS**

27. The Company shall cause to be kept at its Registered Office or at such other place as may be decided, Register and Index of Members in accordance with Sections 88 and other applicable provisions of the Act and the Depositories Act, 1996 with details of shares held in physical and dematerialized forms in any media as may be permitted by law including in any form of electronic media.

The Register and Index of beneficial owners maintained by a Depository under Section 11 of the Depositories Act, 1996 shall also be deemed to be the Register and Index of Members for the purpose of this Act. Subject to the provisions of Section 88, the Company shall have the power to keep in any state or country outside India, a Register of Members for the residents in that state or country.

#### **SHARES TO BE NUMBERED PROGRESSIVELY**

28. The shares in the capital shall be numbered progressively according to their several denominations and except in the manner hereinbefore mentioned, no share shall be sub-divided.

#### **DIRECTORS MAY ALLOT SHARES FULLY PAID-UP**

29. Subject to the provisions of the Act and of these Articles, the Board may allot and issue shares in the capital of the Company as payment or part payment for any property sold or transferred, goods or machinery supplied or for services rendered to the company either in or about the formation or promotion of the Company or the conduct of its business and any shares which may be so allotted may be issued as fully paid-up shares and if so issued shall be deemed to be fully paid up shares.

#### **APPLICATION OF PREMIUM RECEIVED ON SHARES**

- 30.
- (2) Where a company issues shares at a premium, whether for cash or otherwise, a sum equal to the aggregate amount of the premium received on those shares shall be transferred to a “securities premium account” and the provisions of the Act relating to reduction of share capital of the Company shall, except as provided in this Article, apply as if the securities premium account were the paid-up share capital of the company.
- (3) Notwithstanding anything contained in clause (1) above, the securities premium account may be applied by the company:
- (a) towards the issue of unissued shares of the company to the members of the company as fully paid bonus shares;
  - (b) in writing off the preliminary expenses of the company;
  - (c) in writing off the expenses of, or the commission paid or discount allowed on, any issue of shares or debentures of the company;
  - (d) in providing for the premium payable on the redemption of any redeemable preference shares or of any debentures of the company; or
  - (e) for the purchase of its own shares or other securities under section 68.

#### **ACCEPTANCE OF SHARES**

31. Subject to the provisions of these Articles, any application signed by or on behalf of an applicant for shares in the Company followed by an allotment of any shares therein, shall be an acceptance of shares within the meaning of these Articles and every person who thus or otherwise accept any shares and whose name is on the Register of Members shall, for the purposes of these Articles, be a member, provided that no share shall be applied for or allotted to a minor, insolvent or person of unsound mind.

#### **LIABILITY OF MEMBERS**

32. Every member or his heir, executors or administrators shall pay to the Company the proportion of the capital represented by his share or shares which may, for the time being remain unpaid thereon in such amounts, at such time or times and in such manner as the Board of Directors shall, from time to time, in accordance with the Company’s regulations require or fix for the payment thereof.

#### **ISSUE OF NEW CERTIFICATE IN PLACE OF DEFACED, LOST OR DESTROYED**

- 33.
- (1) If any certificate be worn out, defaced mutilated or torn or if there be no further space on the back thereof for endorsement of transfer, then upon production and surrender thereof to the Company, a new certificate may be issued in lieu thereof, and if any certificate lost or destroyed then upon proof thereof to the satisfaction of the Company and on execution of such indemnity as the Company deem adequate, being given, a new certificate in lieu thereof shall be given to the party entitled to such lost or destroyed

certificate. Every Certificate under the Article shall be issued without payment of fees if the Directors so decide, or on payment of such fees (not exceeding Rs. 20 for each certificate) as the Directors shall prescribe. Provided that no fees shall be charged for issue of new certificates in replacement of those which are old, defaced or worn out or where there is no further space on the back thereof for endorsement of transfer.

Provided that notwithstanding what is stated above the Directors shall comply with such Rules or Regulations or requirements of any Stock Exchange or the Rules made under the Act or the rules made under Securities Contracts (Regulation) Act, 1956 or any other Act, or rules applicable in this behalf.

The provisions of this Article shall mutatis mutandis apply to debentures of the Company.

- (2) When a new share certificate is issued in case of sub-division/ replacement/ consolidation, it shall state on the face of it to the effect that it is "Issued in lieu of Share Certificate No. [•]Sub-divided/ replaced/ on consolidation."
- (3) If a share certificate is lost or destroyed, a new certificate in lieu thereof shall be issued only with the prior consent of the Board and on such terms, if any as to evidence and indemnity and as to the payment of out of pocket expenses incurred by the Company in investigating evidence, as the Board thinks fit.
- (4) When a new share certificate is issued in pursuance of clause (3) of this Article, it shall state on the face of it to the effect that it is a duplicate issued in lieu of Share Certificate No. [“\_”]. The word "Duplicate" shall be stamped or punched in bold letters across the face of the share certificate.
- (5) Where a new share certificate is issued in pursuance of clause (2) or clause (4) of this Article, particulars of every such share certificate shall be entered in the Register of Members; or renewed and duplicate certificates indicating the names of the persons to whom the certificate is issued, the number of shares, date of issue of the share certificate in lieu of which the new certificate is issued and the necessary changes shall be indicated in the Register of Members by suitable cross reference in the "Remarks" column.

#### **RIGHT TO OBTAIN COPIES OF AND INSPECT TRUST DEED**

34. A copy of any Trust Deed for securing any issue of debentures shall be forwarded to the holders of any such debentures or any member of the Company at his request and within seven days of the making thereof on payment not exceeding Rs.10/- (Rupees Ten) per page.  
The Trust Deed referred to above shall also be open to inspection by any member or debenture holder of the Company in the same manner, to the same extent, and on payment of these same fees, as if it were the Register of members of the Company.

#### **JOINT ALLOTTEES OF HOLDERS**

35. Any two or more joint allottees or holders of shares shall, for the purpose of Articles, be treated as a single member and the certificate for any share, which may be the subject of joint ownership, may be delivered to that one of the joint owners who is first named on the register of members, or to such person and to such address and the joint holders may in writing direct.

#### **COMPANY NOT BOUND TO RECOGNISE ANY INTEREST IN SHARE OTHER THAN THAT OF REGISTERED HOLDER**

36.
  - (1) The Company shall not be bound to recognize any equitable, contingent, future or partial interest in any share or (except only as is by these presents, otherwise expressly provided) any right in respect of a share other than an absolute right there to, in accordance with these presents in the person from time to time registered as the holder thereof, but the Board shall be at liberty at its sole discretion to register any share in the joint names of two or more persons or survivors of them.
  - (2) Save as herein otherwise provided, the Company shall be entitled to treat the person whose name appears on the Register of Members as the holder of any share as the absolute owner thereof and accordingly shall not (except as ordered by a court of competent jurisdiction or as by Law required) be bound to recognize any benami trust or equitable, contingent, future, partial or other claim or claims or right to or interest in such share on the part of any other person whether or not it shall have express or implied notice thereof.

#### **WHO MAY HOLD SHARES**

Shares may be registered in the name of an incorporated Company or other body corporate but not in the name

of a minor or in the name of a person of unsound mind or in the name of any firm or partnership.

37. The Directors shall have the power to offer, issue and allot Equity Shares in or Debentures (whether fully/partly convertible or not into Equity Shares) of the Company with or without Equity Warrants to such of the Officers, Employees, Workers of the Company or of its Subsidiary and/or Associate Companies or Managing and Whole Time Directors of the Company (hereinafter in this Article collectively referred to as “the Employees”) as may be selected by them or by the trustees of such trust as may be set up for the benefit of the Employees in accordance with the terms and conditions of the Scheme, trust plan or proposal that may be formulated, created, instituted or set up by the Board of Directors or the Committee thereof in that behalf on such terms and conditions as the Board may in its discretion deem fit.

#### **SWEAT EQUITY**

38. Subject to the provisions of the Act (including any statutory modification or re-enactment thereof, for the time being in force), shares of the Company may be issued at a discount or for consideration other than cash to Directors or employees who provide know-how to the Company or create an intellectual property right or other value addition.

#### **FUNDS OF COMPANY NOT TO BE APPLIED IN PURCHASE OF SHARES OF THE COMPANY**

39. No funds of the Company shall except as provided by Section 67 of the Act, be employed in the purchase of its own shares, unless the consequent reduction of capital is effected and sanctioned in pursuance of provisions of the Companies Act, 2013 as may be applicable at the time of application and these Articles or in giving either directly or indirectly and whether by means of a loan, guarantee, the provision of security or otherwise, any financial assistance for the purpose of or in connection with a purchase or subscription made or to be made by any person of or for any Share in the Company in its holding Company.

#### **ISSUE OF SHARES WITHOUT VOTING RIGHTS**

40. Subject to the provisions of the Act, the Directors may issue equity shares without voting rights attached to them upon such terms and conditions and with such rights and privileges annexed thereto as through fit and as may be permitted by law.

#### **SECTION 45 OF ACT NOT TO APPLY**

41. Notwithstanding anything to the contrary contained in the Articles, Section 45 of the Act shall not apply to the Shares held with a Depository;

#### **TRUST RECOGNIZED**

42. Except as ordered by a Court of competent jurisdiction or as by law required, the Company shall not be bound to recognize, even when having notice thereof, any equitable, contingent, future or partial interest in any share, or (except only as is by these Articles otherwise expressly provided) any right in respect of a share other than an absolute right thereto, in accordance with these Articles, in the person from time to time registered as holder thereof but the Board shall be at liberty at their sole discretion to register any Share in the joint names of any two or more persons (but not exceeding 4 persons) or the survivor or survivors of them.

#### **UNDERWRITING AND BROKERAGE COMMISSION MAY BE PAID**

43. The Company may, subject to the provisions of Section 40 and other applicable provisions, if any, of the Act any time pay a commission to any person in consideration of his subscribing or agreeing to subscribe (whether absolutely or conditionally) for any shares in or debentures of the Company. The commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or debentures, or partly in the one way and partly in the other.

#### **BROKERAGE MAY BE PAID**

44. The Company may pay a reasonable sum for brokerage on any issue of shares and debentures.

### **CALLS ON SHARES DIRECTORS MAY MAKE CALLS**

45. The Board of Directors may from time to time by a resolution passed at meeting of the Board (and not by circular resolution) make such call as it may think fit upon the members in respect of all moneys unpaid on the shares held by them respectively (whether on account of the nominal value of the shares or by way of premium) and not by the conditions of allotment thereof made payable at a fixed time and each member shall pay the amount of every call so made on him to the persons and at the times and place appointed by the Board of Directors. A call may be made payable by installments.

### **CALLS ON SHARES OF THE SAME CLASS TO BE MADE ON UNIFORM BASIS**

46. Where any calls for further share capital are made on shares, such calls shall be made on a uniform basis on all shares falling under the same class. For the purpose of this Article shares of the same nominal value on which different amounts have been paid up shall not be deemed to fall under the same class.

### **NOTICE OF CALLS**

47. One month notice at least of every call payable otherwise than on allotment shall be given by the Company specifying the time and place of payment and to whom such call shall be paid.

### **CALLS TO DATE FROM RESOLUTION**

48. A call shall be deemed to have been made at the time when the resolution of the Board authorizing such call was passed at a meeting of the Board of Directors and may be made payable by the members on the Register of Members on a subsequent date to be fixed by the Board.

### **DIRECTORS MAY EXTEND TIME**

49. The Board of Directors may, from time to time, at its discretion, extend the time fixed for the payment of any call and may extend such times as to all or any of the members, who from residence at a distance or other cause, the Board of Directors may deem fairly entitled to such extension save as a matter of grace and favour.

### **CALL TO CARRY INTEREST AFTER DUE DATE**

50. If any member fails to pay a call due from him on the day appointed for payment thereof or any such extension thereof as aforesaid, he shall be liable to pay interest on the same from the day appointed for the payment thereof to the time of actual payment at such rate as shall from time to time be fixed by the Board of Directors, but nothing in this Article shall render it compulsory upon the Board of Directors to demand or recover any interest from any such member.

### **PROOF ON TRIAL IN SUIT FOR MONEY DUE ON SHARES**

51. Subject to the provisions of the Act and these Articles, on the trial or hearing of any action or suit brought by the Company against any member or his representatives for the recovery of any debt or money claimed to be due to the Company in respect of his shares, it shall be sufficient to prove that the name of the member in respect of whose shares the money is sought to be recovered, appears, entered on the register of members as the holder at or subsequent to the date at which the money sought to be recovered is alleged to have become due, of the shares in respect of which such money is sought to be received, that the resolution making the call is duly recorded in the minute book and that notice of such call was duly given to the member or his representatives sued in pursuance of these presents and it shall not be necessary to prove the appointment of the Directors who made such call, nor that a quorum was present at the Board at which any call was made, nor that the meeting at which any call was made was duly convened or constituted nor any other matters whatsoever, but the proof of the matters aforesaid shall be conclusive evidence of the debt.

### **FORFEITURE, SURRENDER AND LIEN IF CALL OR INSTALLMENT NOT PAID, NOTICE MAY BE GIVEN**

52. If any member fails to pay any call or installment of a call in respect of any shares on or before the day appointed for the payment of the same, the Board may at any time hereafter during such time as the call or installment remains unpaid, serve a notice on such member or on the person (if any) entitled to the share by

transmission requiring him to pay the same together with any interest that may have accrued and all expenses that may have been incurred by the Company by reason of such non-payment.

#### **FORM OF NOTICE**

53. The notice shall name a day (not being earlier than the expiry of fourteen days from the date of service of the notice) and a place or places on and at which such money, including the call or installment and such interest and expenses as aforesaid is to be paid. The notice shall also state that in the event of non-payment on or before the time and at the place appointed, the shares in respect of which the calls was made or installment was payable, will be liable to be forfeited.

#### **IN DEFAULT TO PAYMENT SHARES TO BE FORFEITED**

54. If the requirements of any such notice as aforesaid are not complied with, any share in respect of which the notice has been given may at any time thereafter, before all the calls or installments and interest and expenses due in respect thereof are paid, be forfeited by a resolution of the Board to that effect. Such forfeiture shall include all dividends and bonus declared in respect of the forfeited shares and not actually paid before forfeiture but provided that there shall be no forfeiture of unclaimed dividends before the claim becomes barred by law.

#### **NOTICE OF FORFEITURE**

55. When any share shall have been so forfeited, notice of the resolution shall be given to the member in whose name it stood immediately prior to the forfeiture and an entry of the forfeiture, with the date thereof, shall forthwith be made in the Register of Members provided however that the failure to give the notice of the shares having been forfeited will not in any way invalidate the forfeiture.

#### **FORFEITED SHARES TO BECOME PROPERTY OF THE COMPANY**

56. Any shares so forfeited shall be deemed to be the property of the Company and the Board may sell, re-allot otherwise dispose of the same in such manner as it thinks fit.

#### **POWER TO ANNUL FORFEITURE**

57. The Board may, at any time before any share so forfeited shall have been sold, re-allotted or otherwise disposed off, annul the forfeiture thereof as a matter of grace and favour but not as of right upon such terms and conditions as it may think fit.

#### **ARREARS TO BE PAID NOTWITHSTANDING FORFEITURE**

58. Any member whose shares have been forfeited shall notwithstanding the forfeiture, be liable to pay and shall forthwith pay to the Company all calls, installments, interest and expenses owing upon or in respect of such shares at the time of the forfeiture together with interest thereon from the time of forfeiture until payment at such rate not exceeding fifteen per cent per annum as the Board may determine and the Board may enforce the payment of such moneys or any part thereof if it thinks fit, but shall not be under any obligation so to do.

#### **EFFECT OF FORFEITURE**

59. The forfeiture of a share shall involve the extinction of all interest in and also of all claims and demands against the Company, in respect of the share and all other rights, incidental to the share except only such of those rights as are by these Articles expressly saved.

#### **PROCEEDS HOW TO BE APPLIED**

60. The net proceeds of any such sale shall be applied in or towards satisfaction of the said debts, liabilities or engagements and the residue (if any) paid to such member, his heirs, executors, administrators or assigns

#### **DECLARATION OF FORFEITURE**

61. a) A duly verified declaration in writing that the declarant is a Director, the Managing Director of the Manager of the Secretary of the Company, and that share in the Company has been duly forfeited in

accordance with these Articles, on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the Share.

- b) The Company may receive the consideration, if any, given for the Share on any sale, re- allotment or other disposal thereof any may execute a transfer of the Share in favour of the person to whom the Share is sold or disposed off.
- c) The person to whom such Share is sold, re-allotted or disposed of shall thereupon be registered as the holder of the Share.
- d) Any such purchaser or allottee shall not (unless by express agreement) be liable to pay calls, amounts, installments, interests and expenses owing to the Company prior to such purchase or allotment nor shall be entitled (unless by express agreement) to any of the dividends, interests or bonuses accrued or which might have accrued upon the Share before the time of completing such purchase or before such allotment.
- e) Such purchaser or allottee shall not be bound to see to the application of the purchase money, if any, nor shall his title to the Share be effected by the irregularity or invalidity in the proceedings in reference to the forfeiture, sale re-allotment or other disposal of the Shares.

62. The declaration as mentioned in Article 59 (a) of these Articles shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the Share.

#### **TITLE OF PURCHASER AND ALLOTTEE OF FORFEITED SHARES**

63. The Company may receive the consideration, if any, given for the share on any sale, re- allotment or other disposal thereof and may execute a transfer of the share in favour of the person to whom the share is sold or disposed off and the person to whom such share is sold, re-allotted or disposed off may be registered as the holder of the share. Any such purchaser or allottee shall not (unless by express agreement to the contrary) be liable to pay any calls, amounts, installments, interest and expenses owing to the Company prior to such purchase or allotment, nor shall he be entitled (unless by express agreement to contrary) to any of the dividends, interest or bonuses accrued or which might have accrued upon the share before the time of completing such purchase or before such allotment. Such purchaser or allottee shall not be bound to see to the application of the purchase money, if any; nor shall his title to the share be affected by any irregularity or invalidity in the proceedings with reference to the forfeiture, sale, re-allotment or disposal of the share.

#### **PARTIAL PAYMENT NOT TO PRECLUDE FORFEITURE**

64. Neither a judgment nor a decree in favour of the Company for calls or other moneys due in respect of any shares nor any part payment or satisfaction thereof nor the receipt by the Company of a portion of any money which shall from time to time be due from any member in respect of any shares either by way of principal or interest nor any indulgence granted by the Company in respect of payment of any such money shall preclude the Company from thereafter proceeding to enforce a forfeiture of such shares as herein provided.

#### **THE PROVISIONS OF THESE ARTICLES AS TO FORFEITURE TO APPLY IN CASE OF NON-PAYMENT OF ANY SUM**

65. The provisions of these Articles as to forfeiture shall apply to the case of non-payment of any sum which by the terms of issue of a share becomes payable at a fixed time, whether on account of the nominal value of the Shares or by way of premium, as if the same had been payable by virtue of a call duly made and notified.

#### **BOARD MAY ACCEPT SURRENDER OF SHARES**

66. The Board may at any time, subject to the provisions of the Act, accept the surrender of any share from or by any member desirous of surrendering the same on such terms as the Board may think fit.

#### **COMPANY'S LIEN ON SHARE/DEBENTURES**

67. The Company shall have a first and paramount lien upon all the shares/debentures (other than fully paid-up shares/debentures) registered in the name of each member (whether solely or jointly with others) and upon the proceeds of sale thereof for all moneys (whether presently payable or not) called or payable at a fixed time in respect of such shares/debentures and no equitable interest in any share shall be created except upon the footing and condition that this Article will have full effect. And such lien shall extend to all dividends and bonuses from time to time declared in respect of such shares/debentures. The registration of a transfer of

shares/ debentures shall not operate as a waiver of the Company's lien if any, on such shares/debentures unless otherwise agreed by the Board. The Directors may at any time declare any shares/ debentures wholly or in part to be exempt from the provisions of this Article.

#### **ENFORCING LIEN BY SALE**

68. For the purpose of enforcing such lien, the Board may sell the shares subject thereto in such manner as it thinks fit but no sale shall be made until such time fixed as aforesaid shall have arrived and until notice in writing of the intention to sell, shall have been served on such member his heirs, executors, administrators or other legal representatives as the case may be and default shall have been made by him or them in payment, fulfillment or discharged of such debts, liabilities or engagements for fourteen days after the date of such notice.

#### **APPLICATION OF PROCEEDS OF SALE**

69. The net proceeds of any such sale shall be received by the Company and applied in or towards satisfaction of the said debts, liabilities or engagements and the residue, if any, shall be paid to such member, his heirs, executors, administrators or other legal representatives, as the case may be.

#### **VALIDITY OF SALE IN EXERCISE OF LIEN AND AFTER FORFEITURE**

70. Upon any sale after forfeiture or for enforcing a lien in purported exercise of the powers herein before given, the Board of Directors may appoint some person to execute an instrument of transfer of the shares sold and cause the purchaser's name to be entered in the register in respect of the shares sold and the purchaser shall not be bound to see to the regularity of the proceedings, nor to the application of the purchase money and after his name has been entered in the Register of members in respect of such shares, the validity of the sale shall not be impeached by any person and the remedy of any person aggrieved by the sale shall be in damages only and against the Company exclusively.

#### **BOARD OF DIRECTORS MAY ISSUE NEW CERTIFICATES**

71. Where an shares under the powers in that behalf herein contained are sold by the Board of Directors after forfeiture or for enforcing a lien, the certificate or certificates originally issued in respect of the relative shares shall (unless the same shall voluntarily or on demand by the Company, have been previously surrendered to the Company by the defaulting member) stand cancelled and become null and void and of no effect and the Board of Directors may issue a new certificate or certificates for such shares distinguishing it or them in such manner as it may think fit from the certificate or certificates previously issued in respect of the said shares.

#### **SUM PAYABLE ON ALLOTMENT TO BE DEEMED A CALL**

72. For the purpose of the provisions of these Articles relating to forfeiture of shares, the sum payable upon allotment in respect of a share shall be deemed to be a call payable upon such shares on the day of allotment.

#### **TRANSFER AND TRANSMISSION OF SHARES REGISTER OF TRANSFER**

73. The Company shall keep a book to be called the Register of Transfer and therein shall be fairly and distinctly entered the particulars of every transfer or transmission of any share.

#### **EXECUTION OF TRANSFER**

74. Subject to the Provisions of the Act and these Articles, the transfer of shares in or debentures of the Company shall not be registered unless a proper instrument of transfer duly stamped and executed by or on behalf of the transferor or on behalf of the transferee and specifying the name, address and occupation, if any, of the transferee has been delivered to the Company along with the certificate if in existence or along with the letter of allotment of the shares or debentures. The transferor shall be deemed to remain the holder of such shares until the name of the transferee is entered in the register in respect thereof. Shares of different classes shall not be included in the same instrument of transfer.

## **INSTRUMENT OF TRANSFER**

75. Every such instrument of transfer shall be signed both by the Transferor and transferee and the transferor shall be deemed to remain the holder of such share until the name of the transferee is entered in the Register of members in respect thereof.

## **FORM OF TRANSFER**

76. The instrument of transfer shall be in writing and all the provisions of Section 56 of the Act and other applicable provisions, if any shall be duly complied with in respect of all transfers of shares and registration thereof.

## **NO TRANSFER TO A PERSON OF UNSOUND MIND, ETC.**

77. No transfer shall be made to a minor or a person of unsound mind or any partnership firm.

## **TRANSFER OF SHARES**

- 78.
- i. An application for the registration of a transfer of shares may be made either by the transferor or by the transferee.
  - ii. Where the application is made by the transferor and relates to partly paid shares, the transfer shall not be registered unless the Company gives notice of the application to the transferee and the transferee makes no objection to the transfer within two weeks from the receipt of the notice.
  - iii. For the purpose of clause (2) hereof notice to the transferee shall be deemed to have been duly given if it is dispatched by prepaid registered post to the transferee at the address given in the instruments of transfer and shall be deemed to have been duly delivered at the time at which it would have been delivered in the ordinary course of post.

## **NO FEE ON TRANSFER OR TRANSMISSION**

79. No fee shall be charged for registration of transfer, transmission, Probate, Succession, Certificate and Letters of administration, Certificate of Death or Marriage, Power of Attorney or similar other document.

## **TRANSFER TO BE LEFT AT OFFICE AS EVIDENCE OF TITLE GIVEN**

80. Every instruments of transfer duly executed and stamped shall be left at the office for registration accompanied by the certificate of the shares to be transferred and such other evidence as the Company may require to prove the title of the transferor or his right to transfer the shares.

## **WHEN TRANSFER TO BE RETAINED**

81. All instruments of transfer which are registered shall be retained by the Company but any instrument of transfer which the Board declines to register shall, on demand, be returned to the person depositing the same. The Board may cause to be destroyed all transfer deeds lying with the Company after such period not being less than eight years as it may determine.

## **DEATH OF ONE OR MORE JOINT HOLDERS OF SHARES**

82. In the case of death of any one or more of the persons named in Register of Members as joint shareholders of any share, the survivors shall be the only persons recognized by the Company as having any title to or interest in such shares, but nothing herein contained shall be taken to release the estate of a joint shareholder from any liability to the Company on shares held by him jointly with any other person.

## **TITLE TO SHARES OF DECEASED HOLDER**

83. Subject to Article 82 the heir, executor or administrator of a deceased shareholder shall be the only person recognized by the Company as having any title to his shares and the Company shall not be bound to recognize such heir, executor or administrator unless such heir, executor or administrator shall have first obtained probate, letters of administration or succession certificate.

## **REGISTRATION OF PERSONS ENTITLED TO SHARE OTHERWISE THAN BY TRANSFER**

84. Subject to the provisions of Article 91 any person becoming entitled to any share in consequence of the death, lunacy, bankruptcy or insolvency of any member or by any lawful means other than by a transfer in accordance with these present, may with the consent of the Directors (which they shall not be under any obligation to give) upon producing such evidence that the sustains the character in respect of which he proposes to act under this Article or of such titles as the Directors shall think sufficient, either be registered himself as a member in respect of such shares or elect to have some person nominated by him and approved by the Directors registered as a member in respect of such shares. Provided nevertheless that if such person shall elect to have his nominee registered he shall testify his election by executing in favor of his nominee on instrument of transfer in accordance with the provisions herein contained and until he does so, he shall not be free from any liability in respect of such shares.

A transfer of the share or other interest in the Company of a deceased member thereof made by his legal representative shall although the legal representative is not himself a member, be as valid as if he had been a member at the time of the execution of the instrument of transfer.

## **TRANSMISSION OF SHARE**

85. Subject to the provisions of the Act and these Articles, any person becoming entitled to a share in consequence of the death, bankruptcy or insolvency of any member or by any lawful means other than by a transfer in accordance with these presents, may with the consent of the Board (which it shall not be under any obligation to give) upon producing such evidence as the Board think sufficient, either be registered himself as the holder of the share or elect to have some person nominated by him and approved by the Board registered as such holder, provided nevertheless that if such person shall elect to have his nominee registered, he shall testify the election by executing to his nominee an instrument of transfer of the share in accordance with the provisions herein contained and until he does so he shall not be freed from any liability in respect of the share.

## **BOARD MAY REFUSE TO TRANSMIT**

86. The Board shall have the same right to refuse on legal grounds to register a person entitled by transmission to any share or his nominee, as if he were the transferee named in any ordinary transfer presented for registration.

## **BOARD MAY REQUIRE EVIDENCE OF TRANSMISSION**

87. Every transmission of share shall be verified in such manner as the Board may require and if the Board so desires, be accompanied by such evidence as may be thought necessary and the Company may refuse to register any such transmission until the same be verified on requisite evidence produced or until or unless an indemnity be given to the Company with regard to such registration which the Board at its absolute discretion shall consider sufficient, provided nevertheless, that there shall not be any obligation on the Company or the Board to accept any indemnity.

## **TRANSFER BY LEGAL REPRESENTATION**

88. A transfer of a share in the Company of a deceased member thereof made by his legal representative shall, although the legal representative is not himself a member be as valid as if he had been a member at the time of the execution of instrument of transfer.

## **CERTIFICATE OF TRANSFER**

89. The Certification by the Company of any instrument of transfer of shares in or debentures of the Company, shall be taken as a representation by the Company to any person acting on the faith of the certification that there have been produced to the Company such documents as on the face of them show a prime facie title to he shares or debentures in the transferor named in the instrument of transfer, but not as a representation that the transferor has any title to the shares or debentures

## **NOMINATION**

- 90.

- a) Every shareholder or debenture holder of the Company, may at any time, nominate a person to whom his shares or debentures shall vest in the event of his death in such manner as may be determined under the Act.
- b) Where the shares or debentures of the Company are held by more than one person jointly, joint holders may together nominate a person to whom all the rights in the shares or debentures, as the case may be shall vest in the event of death of all the joint holders in such manner as may be determined under the Act.
- c) Notwithstanding anything contained in any other law for the time being in force or in any disposition, whether testamentary or otherwise, where a nomination made in the manner aforesaid purports to confer on any person the right to vest the shares or debentures, the nominee shall, on the death of the shareholders or debenture holder or, as the case may be on the death of the joint holders become entitled to all the rights in such shares or debentures or, as the case may be, all the joint holders, in relation to such shares or debentures, to the exclusion of all other persons, unless the nomination is varied or cancelled in the manner as may be determined under the Act.
- d) Where the nominee is a minor, it shall be lawful for the holder of the shares or debentures, to make the nomination to appoint any person to become entitled to shares in, or debentures of, the Company in the manner prescribed under the Act, in the event of his death, during the minority.

#### **“OPTION OF NOMINEE”**

**91.**

- i. A nominee upon production of such evidence as may be required by the Board and subject as hereinafter provided, elect, either- (a) to register himself as holder of the share or debenture, as the case may be; (b) or to make such transfer of the shares and/or debentures, as the deceased shareholder or debenture holder, as the case may be, could have made.
- ii. If the nominee elects to be registered as holder of the shares or debentures, himself, as the case may be, he shall deliver or send to the Company, notice in writing signed by him stating that he so elects and such notice shall be accompanied with death certificate of the deceased shareholder or debenture holder, as the case may be
- iii. A nominee shall be entitled to the share dividend/interest and other advantages to which he would be entitled if he were the registered holder of the shares or debentures, provided that he shall not, before being registered as a member, be entitled to exercise any right conferred by membership in relation to the meeting of the Company.  
Provided further that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the shares or debentures, and if the notice is not complied within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the shares or debentures, until the requirements of the notice have been complied with.

#### **TRANSFER OF SECURITIES**

- 92.** Nothing contained in Section 56(1) of the Act or these Articles shall apply to a transfer of securities affected by a transferor and transferee both of whom are entered as beneficial owners in the records of depository.

#### **PERSON ENTITLED MAY RECEIVE DIVIDEND WITHOUT BEING REGISTERED AS A MEMBER**

- 93.** A person entitled to a Share by transmission shall subject to the right of the Directors to retain dividends or money as is herein provided, be entitled to receive and may give a discharge for any dividends or other moneys payable in respect of the Share.

#### **JOINT HOLDERS**

- 94.** If any share stands in the name of two or more persons, the person first named in the Register of Members shall, as regards receipt of dividends or bonus or service of notice and/or any other matter connected with the Company, except voting at meeting and the transfer of the share, be deemed the sole holder thereof, but the joint holders of a share be severally as well as jointly, liable for the payment of all installments and calls due in respect of such share and for all incidents thereof subject to the following and other provisions contained in these articles;

## **SHARES MAY BE CONVERTED INTO STOCK**

95. The Board may, pursuant to section 61 and with the sanction of the General Meeting, convert any fully paid up share into stock and when any such shares have been converted into stock, the several holders of such stock may henceforth, transfer their respective interests therein or any part of such interest in the same manner as and subject to the same regulations, under which fully paid up share in the capital of the Company may be transferred or as near thereto as circumstances will admit, but the Board may, from time to time if it thinks fit, fix the minimum amount of stock transferable and direct that fractions of a rupee shall not be dealt with, power nevertheless at their discretion to waive such rules in any particular case.

## **MEETING OF MEMBERS**

96. (a) Subject to Section 96 of the Act, the Company shall in each year hold, in addition to any other meetings, a General Meeting as its Annual General Meeting and shall specify the meeting as such in the notices calling it and not more than fifteen months shall elapse between the date of the Annual General Meeting of the Company and that of the next, provided also that the Registrar may, for any special reason, extend the time by a period not exceeding three months within which any annual general meeting shall be held.

Every Annual General Meeting shall be called for at a time during business hours that is between 9 a.m. and 6 p.m. on any day that is not a national holiday and shall be held either at the Registered Office of the Company or at some other place within the city or town or village in which the Registered Office of the Company is situated.

The Company shall in accordance with Section 92 of the Act, within 60 days from the day on which the Annual General Meeting is held, prepare and file with the Registrar an annual return together with the copy of the financial statements, including consolidated financial statement, if any, along with all the documents which are required to be or attached to such financial statements under this act, duly adopted at the Annual General Meeting of the company. A copy of the financial statements adopted at the Annual General Meeting shall be filed within 30 days of the annual general meeting in accordance with Section 137 of the Act.

## **DISTINCTION BETWEEN ANNUAL GENERAL MEETING AND EXTRA-ORDINARY GENERAL MEETING**

97. The General Meeting referred to in Article 103 shall be called and styled as an Annual General Meeting and all meetings other than the Annual General Meeting shall be called Extra-ordinary General Meetings.

## **CALLING OF EXTRA-ORDINARY GENERAL MEETING**

98. (1) The Board may, whenever it deems fit, call an extraordinary general meeting of the company.  
(2) The Board shall, at the requisition made by such number of members who hold, on the date of the receipt of the requisition, not less than one-tenth of such of the paid-up share capital of the company as on that date carries the right of voting power of all the members having on the said date a right to vote, call an extraordinary general meeting of the company within the period specified in clause (4).  
(3) The requisition made under clause (2) shall set out the matters for the consideration of which the meeting is to be called and shall be signed by the requisitionists and sent to the registered office of the company.  
(4) If the Board does not, within twenty-one days from the date of receipt of a valid requisition in regard to any matter, proceed to call a meeting for the consideration of that matter on a day not later than forty-five days from the date of receipt of such requisition, the meeting may be called and held by the requisitionists themselves within a period of three months from the date of the requisition.  
(5) A meeting under clause (4) by the requisitionists shall be called and held in the same manner in which the meeting is called and held by the Board.  
(6) Any reasonable expenses incurred by the requisitionists in calling a meeting under clause (4) shall be reimbursed to the requisitionists by the Company and the sums so paid shall be deducted from any fee or other remuneration under section 197 payable to such of the directors who were in default in calling the meeting.
99. No General Meeting, Annual or Extra-ordinary, shall be competent to enter upon, discuss or transact any business which has not been specifically mentioned in the notice or notices upon which it is convened.

## QUORUM

- 100.** (1) The quorum for a General Meeting of the Company shall be as under:
- (i) five members personally present if the number of members as on the date of meeting is not more than one thousand; or
  - (ii) fifteen members personally present if the number of members as on the date of meeting is more than one thousand but up to five thousand; or
  - (iii) thirty members personally present if the number of members as on the date of the meeting exceeds five thousand; shall be the quorum for a meeting of the company.
- (2) If the quorum is not present within half-an-hour from the time appointed for holding a meeting of the company –
- (a) the meeting shall stand adjourned to the same day in the next week at the same time and place, or to such other date and such other time and place as the Board may determine; or
  - (b) the meeting, if called by requisitionists under section 100, shall stand cancelled:  
Provided that in case of an adjourned meeting or of a change of day, time or place of meeting under clause (a), the Company shall give not less than three days notice to the members either individually or by publishing an advertisement in the newspapers (one in English and one in vernacular language) which is in circulation at the place where the registered office of the company is situated.
- (3) If at the adjourned meeting also, a quorum is not present within half-an-hour from the time appointed for holding meeting, the members present shall be the quorum.

## POSTAL BALLOT

- 101.** (1) Notwithstanding anything contained in this Act, the company –
- (a) shall, in respect of such items of business as the Central Government may, by notification, declare to be transacted only by means of postal ballot; and
  - (b) may, in respect of any item of business, other than ordinary business and any business in respect of which directors or auditors have a right to be heard at any meeting, transact by means of postal ballot, in such manner as may be determined under the Act, instead of transacting such business at a general meeting.
- (2) If a resolution is assented to by the requisite majority of the shareholders by means of postal ballot, it shall be deemed to have been duly passed at a general meeting convened in that behalf.

## DECLARATION OF CHAIRPERSON TO BE CONCLUSIVE

- 102.** A declaration by the Chairperson that a resolution has or has not been carried either unanimously or by a particular majority and an entry to that effect in the books containing the minutes of the proceedings of the Company shall be conclusive evidence of the fact, without proof of the number or proportion of the votes cast in favour of or against such resolution

## CIRCULATION OF MEMBERS' RESOLUTION

- 103.** (1) The Company shall, on requisition in writing of such number of members, as required in section 100 of the Act,—
- (a) give notice to members of any resolution which may properly be moved and is intended to be moved at a meeting; and
  - (b) circulate to members any statement with respect to the matters referred to in proposed resolution or business to be dealt with at that meeting.
- (2) The Company shall not be bound under this Article to give notice of any resolution or to circulate any statement unless
- (a) a copy of the requisition signed by the requisitionists (or two or more copies which, between them, contain the signatures of all the requisitionists) is deposited at the registered office of the Company,—
    - (i) in the case of a requisition requiring notice of a resolution, not less than six weeks before the meeting;
    - (ii) in the case of any other requisition, not less than two weeks before the meeting; and
  - (b) there is deposited or tendered with the requisition, a sum reasonably sufficient to meet the Company's expenses in giving effect thereto:
- Provided that if, after a copy of a requisition requiring notice of a resolution has been deposited at the registered office of the Company, an annual general meeting is called on a date within six weeks after the copy has been deposited, the copy, although not deposited within the time required by this sub-section, shall be deemed to have been properly deposited for the purposes thereof.

- (3) The Company shall not be bound to circulate any statement as required by clause (b) of sub-section (1), if on the application either of the company or of any other person who claims to be aggrieved, the Central Government, by order, declares that the rights conferred by this section are being abused to secure needless publicity for defamatory matter.
- (4) An order made under sub-section (3) may also direct that the cost incurred by the Company by virtue of this section shall be paid to the company by the requisitionists, notwithstanding that they are not parties to the application.

#### **INSTRUMENT OF PROXY**

104. The instrument appointing a proxy shall be in writing and signed by the appointer or his attorney duly authorized in writing or if the appointer is a body corporate be under its seal or be signed by an office or attorney duly authorized by it.

#### **INSTRUMENT OF PROXY TO BE DEPOSITED AT OFFICE**

105. The instrument appointing a proxy and the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of that power of attorney or authority shall be deposited at the registered office of the Company not less than forty eight hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote and in default, the instrument of proxy shall not be treated as valid. No instrument of proxy shall be valid after the expiration of twelve months from the date of its execution.

#### **WHEN VOTE BY PROXY VALID THOUGH AUTHORITY REVOKED**

106. A vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the previous death or insanity of the principal or the revocation of the proxy or of the authority under which the proxy was executed or the transfer of the share in respect of which the vote is given. Provided that no intimation in writing of such death, insanity, revocation or transfer shall have been received by the Company at its office before the commencement of the meeting or adjourned meeting at which the proxy is used.

#### **FORM OF PROXY**

107. Every instrument of proxy shall be in the form as prescribed under Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014.

#### **TIME FOR OBJECTION TO VOTE**

108. No objection shall be made to the validity of any vote except at the meeting or poll at which such vote shall be so tendered and every vote whether given personally or by proxy and not disallowed at such meeting or poll shall be deemed valid for all purposes of such meeting or poll whatsoever.

#### **CHAIRPERSON OF ANY MEETING TO BE THE JUDGE OF VALIDITY OF ANY VOTE**

109. The Chairperson of any meeting shall be sole judge of the validity of every vote tendered at such meeting. The Chairperson present at the time of taking of a poll shall be the sole judge of the validity of every vote tendered at such poll. At any time, the Company shall have a Board of Directors consisting of at least three directors.

#### **REMUNERATION OF DIRECTORS**

110. (1) Subject to the provisions of the Act, a Managing Director or any other Director, who is in the whole time employment of the Company may be paid remuneration either by way of a monthly payment or at a specified percentage of the net profits of the Company or partly by one way and partly by the other.
- (2) Subject to the provisions of the Act, the remuneration payable to a director who is neither in the whole-time employment nor a Managing Director shall not exceed the limits prescribed under Section 197 of the Act:
- (3) The fees payable to Director (including a Managing or whole-time Director, if any) for attending a meeting of the Board or Committee shall be decided by the Board of Directors from time to time, however the amount thereof shall not exceed the limit provided in the Companies Act, 2013 and rules, if any, framed there under.
- (4) If any Director be called upon to perform extra services or special exertion or efforts (which expression shall include work done by a Director as member of any committee formed by the Directors), the Board may

arrange with such Directors for such special remuneration for such extra services or special exertions or either by a fixed sum or otherwise as may be determined by the Board and such remuneration may be either in addition to or in substitution for his remuneration above provided subject to the provision of Section 197(4) of the Act.

#### **INCREASE IN REMUNERATION OF DIRECTORS TO REQUIRE GOVERNMENT SANCTION**

111. Any provision relating to the remuneration of any Director including the Managing Director or Joint Managing Director or whole time Director or executive Director whether contained in his original appointment or which purports to increase or has the effect of increasing whether directly or indirectly the amount of such remuneration and whether that provisions are contained in the articles or in any agreement entered into by the Board of Directors shall be subject to the provisions of Section 196, 197 and 203 of the Act and in accordance with the conditions specified in Schedule V and to the extent to which such appointment or any provisions for remuneration thereof is not in accordance with the Schedule V, the same shall not have any effect unless approved by the Central Government and shall be effective for such period and be subject to such conditions as may be stipulated by the Central Government and to the extent to which the same is not approved by the Central Government, the same shall become void and not enforceable against the Company.

112.

#### **DIRECTORS MAY ACT NOTWITHSTANDING ANY VACANCY**

113. The continuing Directors may act notwithstanding any vacancy in the Board, but if and so long as the number is reduced below the quorum fixed by the Act or by these Articles for a meeting of the Board, the continuing Directors or Director may act for the purpose of increasing the number of Directors to that fixed for the quorum or for summoning a General Meeting of the Company but for no other purpose.

#### **DISCLOSURE OF INTEREST OF DIRECTORS**

114. (1) Every director shall at the first meeting of the Board in which he participates as a director and thereafter at the first meeting of the Board in every financial year or whenever there is any change in the disclosures already made, then at the first Board meeting held after such change, disclose his concern or interest in any company or companies or bodies corporate, firms, or other association of individuals which shall include the shareholding, in such manner as may be determined by central government.
- (2) Every director of the Company who is in any way, whether directly or indirectly, concerned or interested in a contract or arrangement or proposed contract or arrangement entered into or to be entered into—
- (a) with a body corporate in which such director or such director in association with any other director, holds more than two per cent. shareholding of that body corporate, or is a promoter, manager, Chief Executive Officer of that body corporate; or
- (b) with a firm or other entity in which, such director is a partner, owner or member, as the case may be, shall disclose the nature of his concern or interest at the meeting of the Board in which the contract or arrangement is discussed and shall not participate in such meeting:
- Provided that where any director who is not so concerned or interested at the time of entering into such contract or arrangement, he shall, if he becomes concerned or interested after the contract or arrangement is entered into, disclose his concern or interest forthwith when he becomes concerned or interested or at the first meeting of the Board held after he becomes so concerned or interested.
- (3) A contract or arrangement entered into by the Company without disclosure under sub-section (2) or with participation by a director who is concerned or interested in any way, directly or indirectly, in the contract or arrangement, shall be voidable at the option of the Company.
- (4) Nothing in this Article—
- (a) shall be taken to prejudice the operation of any rule of law restricting a director of the Company from having any concern or interest in any contract or arrangement with the Company;
- (b) shall apply to any contract or arrangement entered into or to be entered into between two companies where any of the directors of the Company or two or more of them together holds or hold not more than two per cent of the paid-up share capital in the other company.

#### **INTERESTED DIRECTOR NOT TO PARTICIPATE OR VOTE ON BOARD'S PROCEEDINGS**

115. No Director of the Company shall, as Director, take any part in the discussion of or vote on any contract or arrangement entered into or to be entered into by or on behalf of the Company if he is in any way whether directly or indirectly, concerned or interested in the contract or arrangement, nor shall his presence count for the purpose of forming a quorum at the time of any such discussion or vote and if he does vote his vote shall be void, provided however that Directors may vote on any contract of indemnity against any loss which the

116. Directors or any one or more of them may suffer by reason of becoming or being sureties or surety for the Company.

#### **BOARD'S SANCTION TO BE REQUIRED FOR CERTAIN CONTRACTS IN WHICH PARTICULAR DIRECTOR IS INTERESTED**

117. (1) Except with the consent of the Board of Directors of the Company and of the Shareholders where applicable, the Company, shall not enter into any contract with a Related Party in contravention of Section 188 of the Act and the Rules made thereunder—
- (i) for the sale, purchase or supply of any goods, materials or services; or
  - (ii) selling or otherwise disposing of, or buying, property of any kind;
  - (iii) leasing of property of any kind;
  - (iv) availing or rendering of any services;
  - (v) appointment of any agent for purchase or sale of goods, materials, services or property;
  - (vi) such Related Party's appointment to any office or place of profit in the Company, its subsidiary company or associate company;
  - (vii) underwriting the subscription of any securities or derivatives thereof, of the Company;
- (2) Nothing contained in clause (1) shall affect any transactions entered into by the Company in its ordinary course of business other than transactions which are not on an arm's length basis.
- (3) Notwithstanding anything contained in sub-clauses (1) and (2) a Related Party may, in circumstances of urgent necessity enter, without obtaining the consent of the Board, into any contract with the Company; but in such a case the consent of the Board shall be obtained at a meeting within three months of the date of which the contract was entered into or such other period as may be prescribed under the Act. (S.188 (3))
- (4) Every consent of the Board required under this Article shall be accorded by a resolution of the Board and the consent required under Clause (1) shall not be deemed to have been given within the meaning of that clause unless the consent is accorded before the contract is entered into or within three months of the date on which it was entered into or such other period as may be prescribed under the Act.
- (5) If the consent is not accorded to any contract under this Article anything done in pursuance of the contract will be voidable at the option of the Board.

#### **SPECIAL DIRECTOR**

118. In connection with any collaboration arrangement with any company or corporation or any firm or person for supply of technical know-how and/or machinery or technical advice the directors may authorize such company, corporation, firm or person herein-after in this clause referred to as "collaborator" to appoint from time to time any person as director of the company (hereinafter referred to as "special director") and may agree that such special director shall not be liable to retire by rotation and need not possess any qualification shares to qualify him for office of such director, so however that such special director shall hold office so long as such collaboration arrangement remains in force unless otherwise agreed upon between the Company and such collaborator under the collaboration arrangements or at any time thereafter.

The collaborators may at any time and from time to time remove any such special director appointed by it and may at the time of such removal and also in the case of death or resignation of the person so appointed, at any time appoint any other person as special director in his place and such appointment or removal shall be made in writing signed by such company or corporation or any partner or such person and shall be delivered to the Company at its registered office.

It is clarified that every collaborator entitled to appoint a director under this article may appoint one such person as a director and so that if more than one collaborator is so entitled there may be at any time as may special directors as the collaborators eligible to make the appointment.

#### **DIRECTORS' SITTING FEES**

119. The fees payable to a Director for attending each Board meeting shall be such Sum as may be fixed by the Board of Directors not exceeding such as may be prescribed under the Act for each of the meetings of the Board or a committee thereof and adjournments thereto attended by him.

#### **RETIREMENT AND ROTATION OF DIRECTORS RETIREMENT OF DIRECTORS BY ROTATION**

- 120.** Not less than two-thirds of the total number of Directors (excluding independent director ) of the Company shall be persons whose periods of office shall be liable to determination by retirement of Directors by rotation and save and otherwise expressly provided in the Act and these Articles, be appointed by the Company in General Meeting.

The remaining directors shall be appointed in accordance with the provisions of these Articles and the Act. At the Annual General Meeting in each year, one-third of the Directors for the time being as are liable to retire by rotation, or if their number is not three or multiple of three, then the number nearest to one-third shall retire from office.

Subject to the provisions of the Act and these Articles, the Directors to retire by rotation at every Annual General Meeting shall be those who have been longest in office since their last appointment, but as between persons who became Directors on the same day, those who are to retire shall, in default of and subject to any agreement among themselves, be determined by lot. Subject to the provisions of the Act, a retiring Director shall retain office until the conclusion of the meeting at which his re-appointment is decided or his successor is appointed.

If the vacancy of the retiring director is not so filled-up and the meeting has not expressly resolved not to fill the vacancy, the meeting shall stand adjourned till the same day in the next week, at the same time and place, or if that day is a national holiday, till the next succeeding day which is not a holiday, at the same time and place.

If at the adjourned meeting also, the vacancy of the retiring director is not filled up and that meeting also has not expressly resolved not to fill the vacancy, the retiring director shall be deemed to have been re-appointed at the adjourned meeting, unless -

- (i) at that meeting or at the previous meeting a resolution for the re-appointment of such director has been put to the meeting and lost;
- (ii) the retiring director has, by a notice in writing addressed to the Company or its Board of directors, expressed his unwillingness to be so re-appointed;
- (iii) he is not qualified or is disqualified for appointment;
- (iv) a resolution, whether special or ordinary, is required for his appointment or re-appointment by virtue of any provisions of this Act; or
- (v) section 162 is applicable to the case.

#### **APPOINTMENT OF DIRECTOR TO BE VOTED INDIVIDUALLY**

- 121.** (1) At a general meeting of the Company, a motion for the appointment of two or more persons as directors of the Company by a single resolution shall not be moved unless a proposal to move such a motion has first been agreed to at the meeting without any vote being cast against it.
- (2) A resolution moved in contravention of sub-section (1) shall be void, whether or not any objection was taken when it was moved.
- (3) A motion for approving a person for appointment, or for nominating a person for appointment as a director, shall be treated as a motion for his appointment.

#### **APPOINTMENT OF DIRECTORS**

- 122.** (1) A person who is not a retiring director in terms of section 152 shall, subject to the provisions of this Act, be eligible for appointment to the office of a director at any general meeting, if he, or some member intending to propose him as a director, has, not less than fourteen days before the meeting, left at the registered office of the Company, a notice in writing under his hand signifying his candidature as a director or, as the case may be, the intention of such member to propose him as a candidate for that office, along with the deposit of one lakh rupees or such higher amount as may be determined under the Act which shall be refunded to such person or, as the case may be, to the member, if the person proposed gets elected as a director or gets more than twenty-five per cent of total valid votes cast either on show of hands or on poll on such resolution.
- (2) The Company shall inform its members of the candidature of a person for the office of director under sub-section (1) in such manner as may be determined by central government.

#### **REGISTER OF DIRECTORS AND KEY MANAGERIAL PERSONNEL AND NOTIFICATION OF CHANGES TO REGISTRAR**

- 123.** The Company shall keep at its registered office, a Register of Director, Managing Director, Manager and Secretary and key managerial personnel of the Company containing the particulars as required by Section 170

of the Act and shall send to the Registrar a return in the prescribed form containing the particulars specified in the said register and shall notify to the Registrar any change among its Directors, Managing Directors, Manager, Secretary and key managerial personnel or any of the particulars contained in the register as required by Section 170 of the Act.

#### **APPOINTMENT OF TECHNICAL OR EXECUTIVE DIRECTORS**

124. a) The Board of Directors shall have the right from time to time to appoint any person or persons as Technical Director or Executive Director/s and remove any such persons from time to time without assigning any reason whatsoever. A Technical Director or Executive Director shall not be required to hold any qualification shares and shall not be entitled to vote at any meeting of the Board of Directors.
- b) Subject to the provisions of Section 161 of the Act, if the office of any Director appointed by the Company in General Meeting vacated before his term of office will expire in the normal course, the resulting casual vacancy may in default of and subject to any regulation in these Articles be filled by the Board of Directors at the meeting of the Board and the Director so appointed shall hold office only up to the date up to which the Director in whose place he is appointed would have held office if had not been vacated as aforesaid.

#### **REMOVAL OF DIRECTORS**

125. (1) The Company may, by ordinary resolution, remove a director, not being a director appointed by the Tribunal under section 242 of the Act, before the expiry of the period of his office after giving him a reasonable opportunity of being heard:  
Provided that nothing contained in this Article shall apply where the Company has availed itself of the option given to it under section 163 of the Act to appoint not less than two thirds of the total number of directors according to the principle of proportional representation.
- (2) A special notice shall be required of any resolution, to remove a director under this section, or to appoint somebody in place of a director so removed, at the meeting at which he is removed.
- (3) On receipt of notice of a resolution to remove a director under this section, the Company shall forthwith send a copy thereof to the director concerned, and the director, whether or not he is a member of the Company, shall be entitled to be heard on the resolution at the meeting.
- (4) Where notice has been given of a resolution to remove a director under this section and the director concerned makes with respect thereto representation in writing to the Company and requests its notification to members of the Company, the Company shall, if the time permits it to do so,—
- (a) in any notice of the resolution given to members of the Company, state the fact of the representation having been made; and
- (b) send a copy of the representation to every member of the Company to whom notice of the meeting is sent (whether before or after receipt of the representation by the Company), and if a copy of the representation is not sent as aforesaid due to insufficient time or for the Company's default, the director may without prejudice to his right to be heard orally require that the representation shall be read out at the meeting:  
Provided that copy of the representation need not be sent out and the representation need not be read out at the meeting if, on the application either of the Company or of any other person who claims to be aggrieved, the Tribunal is satisfied that the rights conferred by this sub-section are being abused to secure needless publicity for defamatory matter; and the Tribunal may order the Company's costs on the application to be paid in whole or in part by the director notwithstanding that he is not a party to it.
- (5) A vacancy created by the removal of a director under this section may, if he had been appointed by the company in general meeting or by the Board, be filled by the appointment of another director in his place at the meeting at which he is removed, provided special notice of the intended appointment has been given under sub-clause (2) of this Article.
- (6) The director so appointed shall hold office till the date up to which his predecessor would have held office if he had not been removed.
- (7) If the vacancy is not filled under sub-clause (5) of this Article, it may be filled as a casual vacancy in accordance with the provisions of this Act:  
Provided that the director who was removed from office shall not be re-appointed as a director by the Board of Directors.
- (8) Nothing in this section shall be taken -
- (a) as depriving a person removed under this section of any compensation or damages payable to him in respect of the termination of his appointment as director as per the terms of contract or terms of his appointment as director, or of any other appointment terminating with that as director; or

- (b) as derogating from any power to remove a director under other provisions of this Act.

### **ELIGIBILITY FOR RE-ELECTION**

- 126.** A retiring Director shall be eligible for re-appointment.

### **PROCEEDINGS OF DIRECTORS MEETINGS OF BOARD**

- 127.** (1) A minimum number of four meetings of the Board of Directors every year in such a manner that not more than one hundred and twenty days shall intervene between two consecutive meetings of the Board:
- (2) The participation of directors in a meeting of the Board may be either in person or through video conferencing or other audio visual means, as may be determined, which are capable of recording and recognising the participation of the directors and of recording and storing the proceedings of such meetings along with date and time:
- (3) A meeting of the Board shall be called by giving not less than seven days' notice in writing to every director at his address registered with the Company and such notice shall be sent by hand delivery or by post or by electronic means:
- Provided that a meeting of the Board may be called at shorter notice to transact urgent business subject to the condition that at least one independent director, if any, shall be present at the meeting:
- Provided further that in case of absence of independent directors from such a meeting of the Board, decisions taken at such a meeting shall be circulated to all the directors and shall be final only on ratification thereof by at least one independent director, if any.
- 128.** (1) No resolution shall be deemed to have been duly passed by the Board or by a committee thereof by circulation, unless the resolution has been circulated in draft, together with the necessary papers, if any, to all the directors, or members of the committee, as the case may be, at their addresses registered with the Company in India by hand delivery or by post or by courier, or through such electronic means as may be determined by central government and has been approved by a majority of the directors or members, who are entitled to vote on the resolution:
- Provided that, where not less than one-third of the total number of directors of the Company for the time being require that any resolution under circulation must be decided at a meeting, the Chairperson shall put the resolution to be decided at a meeting of the Board.
- (2) A resolution under sub-section (1) above shall be noted at a subsequent meeting of the Board or the committee thereof, as the case may be, and made part of the minutes of such meeting.

### **SPECIAL NOTICE**

**129.** Where by any provision contained in the Act or in these Articles special notice is required for any resolution, notice of the intention to move the resolution shall be given to the Company by such number of members holding not less than one per cent of total voting power or holding shares on which such aggregate sum not exceeding five lakh rupees, as may be prescribed, has been paid-up, not less than fourteen days before the meeting at which it is to be moved exclusive of the day on which the notice is served or deemed to be served and the day of the meeting. The Company shall immediately after the notice of the intention to move any such resolution has been received by it, give its members notice of the resolution in the same manner as it gives notice of the meeting, or if that is not practicable, shall give them notice thereof either by advertisement in a newspaper having an appropriate circulation or in any other mode allowed by these presents not less than seven days before the meeting.

### **GENERAL POWERS OF THE BOARD**

- 130.** (1) The Board of Directors of the Company shall be entitled to exercise all such powers, and to do all such acts and things, as the Company is authorized to exercise and do:

Provided that in exercising such power or doing such act or thing, the Board shall be subject to the provisions contained in that behalf in this Act, or in the Memorandum or these Articles, or in any regulations not inconsistent therewith and duly made thereunder, including regulations made by the Company in general meeting:

Provided further that the Board shall not exercise any power or do any act or thing which is directed or required, whether under this Act or by the Memorandum or these Articles otherwise, to be exercised or done

by the Company in general meeting.

(2) No regulation made by the Company in general meeting shall invalidate any prior act of the Board which would have been valid if that regulation had not been made.

#### **RESTRICTIONS ON POWERS OF BOARD**

131. Subject to the provisions of the Act, the Board of Directors of the Company shall exercise the following powers only with the consent of the Company by a special resolution, namely: -
- (a) to sell, lease or otherwise dispose of the whole or substantially the whole of the undertaking of the company or where the Company owns more than one undertaking, of the whole or substantially the whole of any of such undertakings.
  - (b) to invest otherwise in trust securities the amount of compensation received by it as a result of any merger or amalgamation;
  - (c) to borrow money, where the money to be borrowed, together with the money already borrowed by the Company will exceed aggregate of its paid-up share capital and free reserves, apart from temporary loans obtained from the Company's bankers in the ordinary course of business:
  - (d) to remit, or give time for the repayment of, any debt due from a director.
- (2) Every special resolution passed by the Company in general meeting in relation to the exercise of the powers referred to in above mentioned sub-clause (c) shall specify the total amount up to which monies may be borrowed by the Board of Directors.
- (4) Any special resolution passed by the Company consenting to the transaction as is referred to in sub-clause (a) may stipulate such conditions as may be specified in such resolution, including conditions regarding the use, disposal or investment of the sale proceeds which may result from the transactions:  
Provided that this sub-section shall not be deemed to authorise the Company to effect any reduction in its capital except in accordance with the provisions contained in this Act.
- (5) No debt incurred by the Company in excess of the limit imposed by sub-clause (c) shall be valid or effectual, unless the lender proves that he advanced the loan in good faith and without knowledge that the limit imposed by that clause had been exceeded.

#### **POWER TO BORROW**

132. Subject to the provisions of Sections 73 and 180 of the Act, the Board may, from time to time at its discretion and by means of resolutions passed at its meeting accept deposits from members either in advance of calls or otherwise and generally, raise or borrow or secure the payment of any sum or sums of money for the purposes of the Company.
133. All the provisions applicable to nomination facility available to shareholder(s) and debenture holder(s) enumerated in these Articles shall equally apply to deposit holder(s) and the provisions of Section 72 of the Act shall also apply.

#### **THE PAYMENT OR REPAYMENT OF MONEYS BORROWED**

134. The payment or repayment of moneys borrowed as aforesaid may be secured in such manner and upon such terms and conditions in all respects as the Board of Directors may think fit, and in particular in pursuance of a resolution passed at a meeting of the Board (and not by circular resolution) by the issue of bonds, debentures or debentures stock of the Company, charged upon all or any part of the property of the Company, (both present and future), including its un-called capital for the time being and the debentures and the debenture stock and other securities may be made assignable free from any equities between the Company and the person to whom the same may be issued.

#### **BONDS, DEBENTURES, ETC. TO BE SUBJECT TO CONTROL OF DIRECTORS**

135. Any bonds, debentures, debenture-stock or other securities issued or to be issued by the Company shall be under the control of the Directors who may issue them upon such terms and condition and in such manner and for such consideration as they shall consider to be for the benefit of the Company.

Provided that bonds, debentures, debenture-stock or other securities so issued or to be issued by the Company with the right to allotment of or conversion into shares shall not be issued except with the sanction of the

Company in general meeting.

#### **TERMS OF ISSUE OF DEBENTURES**

136. Any debentures, debenture-stock or other securities may be issued at a discount, premium or otherwise and may be issued on condition that they shall be convertible into shares of any denomination and with any privileges and conditions as to redemption, surrender, drawing, allotment of shares, attending (but not voting) at the General Meeting, appointment of Directors and otherwise Debentures with the right to conversion into or allotment of shares shall be issued only with the consent of the Company in the General Meeting by a Special Resolution.

#### **DEBENTURES WITH VOTING RIGHTS NOT BE ISSUED**

137.

- (1) The Company may issue debentures with an option to convert such debentures into shares, either wholly or partly at the time of redemption:

Provided that the issue of debentures with an option to convert such debentures into shares, wholly or partly, shall be approved by a special resolution passed at a general meeting.

- (2) The Company shall not issue any debentures carrying any voting rights.
- (3) Secured debentures may be issued by the Company subject to such terms and conditions as may be determined under the Act.
- (4) Where debentures are issued, the Company shall create a debenture redemption reserve account out of the profits of the Company available for payment of dividend and the amount credited to such account shall not be utilized by the Company except for the redemption of debentures.
- (5) The Company shall not issue a prospectus or make an offer or invitation to the public or to its members exceeding five hundred for the subscription of its debentures, unless the Company has, before such issue or offer, appointed one or more debenture trustees and the conditions governing the appointment of such trustees shall be such as may be prescribed under the Act.
- (6) The debenture trustee so appointed in accordance with the above mentioned provisions shall take steps to protect the interests of the debenture holders and redress their grievances in accordance with such rules as may be prescribed.
- (7) Any provision contained in the trust deed executed for securing the issue of debentures, or in any contract with the debenture-holders secured by a trust deed, shall be void in so far as it would have the effect of exempting the trustee thereof from, or indemnifying him against, any liability for breach of trust, where he fails to show the degree of care and due diligence required of him as a trustee, having regard to the provisions of the trust deed conferring on him any power, authority or discretion:

Provided that the liability of the debenture trustee shall be subject to such exemptions as may be agreed upon by a majority of debenture-holders holding not less than three fourths in value of the total debentures at a meeting held for the purpose.

- (8) The Company shall pay interest and redeem the debentures in accordance with the terms and conditions of their issue.
- (9) Where at any time the debenture trustee comes to a conclusion that the assets of the Company are insufficient or are likely to become insufficient to discharge the principal amount as and when it becomes due, the debenture trustee may file a petition before the Tribunal and the Tribunal may, after hearing the Company and any other person interested in the matter, by order, impose such restrictions on the incurring of any further liabilities by the Company as the Tribunal may consider necessary in the interests of the debenture-holders.
- (10) Where the Company fails to redeem the debentures on the date of their maturity or fails to pay interest on the debentures when it is due, the Tribunal may, on the application of any or all of the debenture-holders, or debenture trustee and, after hearing the parties concerned, direct, by order, the Company to

redeem the debentures forthwith on payment of principal and interest due thereon.

- (11) A contract with the company to take up and pay for any debentures of the company may be enforced by a decree for specific performance.

### **EXECUTION OF INDEMNITY**

138. If the Directors or any of them or any other persons shall become personally liable for the payment of any sum primarily due from the Company, the Board may execute or cause to be executed any mortgage, charge or security over or affecting the whole or any part of the assets of the Company by way of indemnity against any loss which the Directors or any one or more of them may suffer by reason of becoming or being sureties or surety for the company.

### **CERTAIN POWERS OF THE BOARD**

139. Without prejudice to the general powers conferred by these Articles and so as not in any way to limit or restrict those powers, but subject however to the provisions of the Act, it is hereby expressly declared that the Board shall have the following powers:

- 1) To pay the costs, charges and expenses preliminary and incidental to the promotion, formation, establishment, and registration of the Company.
- 2) Subject to Sections 179 and 188 and other applicable provisions of the Act, to purchase or otherwise acquire for the Company any property, movable or immovable, rights or privileges which the Company is authorized to acquire at or for such price or consideration and generally on such terms and conditions as they may think fit and in any such purchase or other acquisition to accept such title as the Board may believe or may be advised to be reasonably satisfactory.
- 3) At its discretion and subject to the provisions of the Act, to pay for any property, rights, privileges acquired by or services rendered to the Company, either wholly or partially in cash or in shares, bonds, debentures, mortgages or other securities of the Company and any such shares may be issued either as fully paid up or with such amount credited as fully paid up thereon as may be agreed upon and any such bonds, debentures, mortgages or other securities may be either specifically charges upon all or any part of the property of the Company including its uncalled capital or not so charges.
- 4) To secure the fulfillment of any contracts, agreements or engagements entered into by the Company by mortgage of charge of all or any of the property of the Company and its uncalled capital for the time being or in such manner as they may think fit.
- 5) To appoint and at its discretion, remove or suspend, such managers, secretaries, officers, clerks, agents and employees for permanent, temporary or special services as it may from time to time think fit and to determine their power and duties and fix their salaries, emoluments remuneration and to require security in such instances and of such amounts as it may think fit.
- 6) To accept from any member subject to the provisions of the Act, a surrender of his share or any part thereof on such terms and condition as shall be agreed.
- 7) To appoint any person or persons (whether incorporated or not) to accept and hold in trust for the Company any property belonging to the Company or in which it is interested or for any other purpose and to execute and do all such deeds and things as may be required in relation to any such trust and to provide for the remuneration of such trustee or trustees.
- 8) To institute, conduct, defend, compound or abandon any legal proceedings by or against the Company or its officers or otherwise concerning the affairs of the Company and also to compound and allow time for payment or satisfaction of any debts due or any claims or demands by or against the Company and to refer any difference to arbitration and observe and perform the terms of any awards made therein either according to Indian Law or according to Foreign Law and either in India or abroad and observe and perform or challenge any award made therein.

- 9) To refer any claims or demands by or against the Company or any difference to arbitration and observe and perform the awards.
- 10) To act on behalf of the Company in all matters relating to bankruptcy and insolvency.
- 11) To make and give receipts, releases and other discharges for money payable to the Company and for the claims and demands of the Company.
- 12) To open and operate Bank Accounts, to determine from time to time who shall be entitled to sign, on the Company's behalf, bills, notes, receipts, acceptances, endorsements, cheques, dividend warrants, releases, contracts and documents and to give the necessary authority for such purposes.
- 13) Subject to the provisions of the Act and these Articles from time to time to provide for the management of the affairs of the Company in or outside India in such manner as it may think fit and in particular to appoint any person to be the attorneys or agents of the Company with such person (including the power to sub-delegate) and upon such terms as may be thought fit.
- 14) Subject to the provisions of Sections 179, 180, 185 of Act and other applicable provisions of the Act and these Articles, to invest and deal with the moneys of the Company not immediately required for the purpose thereof in or upon such security (not being shares in this Company) or without security and in such manner as it may think fit and from time to time to vary or realize such investments save as provided in Section 187 of the Act, all investments shall be made and held in the Company's own name.
- 15) To execute in the name and on behalf of the Company in favor of any Director or other person who may incur or be about to incur, any personal liability for the benefit of the Company, such mortgages of the Company's property (present and future) as it thinks fit and any such mortgage may contain a power of sale and such other powers, covenants and provisions as shall be agreed upon.
- 16) To distribute by way of bonus amongst the staff of the Company a share or shares in the profits of the Company and to give to any Director, officer or other person employed by the Company a commission on the profits of any particular business or transaction and to charge such bonus or commission as a part of working expenses of the Company.
- 17) To provide for the welfare of employees or ex-employees of the Company and the wives and families or the dependents or connections of such persons by building or contributing to the building of houses, dwellings or chawls or by grants of money, pension, gratuity, annuities, allowances, bonuses or other payments or by creating and from time to time subscribing or contributing to, provident fund and other associations institutions, funds or trusts and by providing or subscribing or contributing towards places of instruction or recreations, hospitals and dispensaries, medical and other attendance and other assistance as the Board shall think fit.
- 18) To subscribe, incur expenditure or otherwise to assist or to guarantee money to charitable, benevolent, religious, scientific, national or any other institutions or objects which shall have any moral or other claim to support or aid by the Company either by reason of locality of operation or of public and general utility or otherwise.
- 19) Before recommending any dividend, to set aside, out of the profits of the Company, such sums as it may think proper for depreciation or to a depreciation fund or to an insurance fund or as a reserve fund or sinking fund or any special fund to meet contingencies to repay debentures or for debenture-stock or for special dividends or for equalizing dividends or for repairing, improving, extending and maintaining any of the property of the Company and for such other purposes (including the purposes referred to in the last two preceding clauses) as the Board of Directors, may in its absolute discretion think conducive to the interest of the Company and subject to Section 292 of the Act to invest the several sums so set aside or so much thereof as is required to be invested, upon such investments (other than shares of this Company) as it may think fit and from time to time deal with and vary such investments and dispose off and apply and expend all or any part thereof for the benefit of the Company, in such manner & for such purposes as the Board of Directors in its absolute discretion think conducive to the interest of the Company notwithstanding that the matters to which the Board of Directors applies or upon which it expends the same or any part thereof may be matters to or upon

which the capital moneys of the Company might rightly be applied or expended and to divide the general reserve fund into such special funds as the Board of Directors may think fit with full power to transfer the whole or any portion of a reserve fund or division of reserve fund to another reserve fund and with full power to employ the asset constituting all or any of the above funds including the depreciation fund in the business of the Company or in the purchase or repayment of debentures or debenture-stock and that without being bound to keep the same separate from the other assets and without being bound to pay interest on the same with power however to the Board of Directors at its discretion to pay or allow to the credit of such funds, interest at such rate as the Board of Directors may think proper.

- 20) To pay and charge to the capital account of the Company any commission or interest lawfully payable the out under the provisions of the Act and of the provision contained in these presents.
- 21) From time to time make, vary and repeal bye-laws for regulation of the business of the Company, its officers and servants.
- 22) To redeem redeemable preference shares.
- 23) Subject to provisions of the Act, for or in relation to any of the matters aforesaid or otherwise for the purpose of the Company to enter in to all such negotiations and contracts and rescind and vary all such contracts and execute and do all such acts, deeds and things in the name and on behalf of the Company as they may consider expedient.
- 24) To undertake any branch or kind of business which the company is expressly or by implication authorized to undertake at such time or times as it shall think fit and to keep in abeyance any such branch or kind of business even though it may have been actually commenced or not, so long as the Board may deem it expedient not to commence or proceed with such branch or kind of business.

#### **APPOINTMENT OF INDEPENDENT DIRECTOR**

140. Pursuant to section 149 and rules as may be applicable and subject to the provisions of Schedule IV the Company shall appoint such number of independent directors from time to time as may be prescribed under the Act.

Every independent director shall at the first meeting of the Board in which he participates as a director and thereafter at the first meeting of the Board in every financial year or whenever there is any change in the circumstances which may affect his status as an independent director, give a declaration that he meets the criteria of independence.

Notwithstanding anything contained in any other provision of this Act, but subject to the provisions of sections 197 and 198, an independent director shall not be entitled to any stock option and may receive remuneration by way of sitting fees, reimbursement of expenses for participation in the Board and other meetings and profit related commission as may be approved by the members. Subject to the provisions of section 152 of the Act, an independent director shall hold office for a term up to five consecutive years on the Board of the Company, but shall be eligible for reappointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report. No independent director shall hold office for more than two consecutive terms, but such independent director shall be eligible for appointment after the expiration of three years of ceasing to become an independent director:

Provided that an independent director shall not, during the said period of three years, be appointed in or be associated with the company in any other capacity, either directly or indirectly. Notwithstanding anything contained in this Act:

- (i) an independent director;
- (ii) a non-executive director not being promoter or key managerial personnel, shall be held liable, only in respect of such acts of omission or commission by the Company which had occurred with his knowledge, attributable through Board processes, and with his consent or connivance or where he had not acted diligently.

The provisions of retirement of directors by rotation shall not be applicable to appointment of independent directors.

## **KEY MANAGERIAL PERSONNEL APPOINTMENT OF KEY MANAGERIAL PERSONNEL**

**141.**

- (1) Subject to the provisions of Sections 203 and other applicable provisions, if any of the Act, Company shall appoint whole-time key managerial personnel by means of a resolution of the Board containing the terms and conditions of the appointment including the remuneration.
- (2) A whole-time key managerial personnel shall not hold office in any other Company except in the subsidiary of the Company at the same time.

A key managerial personnel may be appointed as a director of the Company with the permission of the Board. The Company may appoint or employ a person as its managing director, if he is the managing director or manager of one, and of not more than one, other company and such appointment or employment is made or approved by a resolution passed at a meeting of the Board with the consent of all the directors present at the meeting and of which meeting, and of the resolution to be moved thereat, specific notice has been given to all the directors then in India.

- (3) If the office of any whole-time key managerial personnel is vacated, the resulting vacancy shall be filled-up by the Board at a meeting of the Board within a period of six months from the date of such vacancy.

## **REMUNERATION OF KEY MANAGERIAL PERSONNEL**

- 142.** The remuneration of Key Managerial Personnel shall from time to time, be fixed by the Board and may be by way of salary or commission or participation in profits or by any or all of these modes or in any other form and shall be subject to the limitations prescribed in Schedule V along with Sections 196 and 197 of the Act.

## **DIRECTORS MAY CONFER POWER ON MANAGING DIRECTOR**

- 143.** Subject to the provisions of the Act and to the restrictions contained in these Articles, Board may from time to time entrust to and confer upon a Managing Director for the time being such of the powers exercisable by the Board under these Articles as it may think fit and may confer such powers for such time and to be exercised for such objects and purposes and upon such terms and conditions and with such restrictions as it thinks expedient.

## **CERTAIN PERSONS NOT TO BE APPOINTED AS MANAGING DIRECTORS**

- 144.** The Company shall not appoint or continue the employment of any person as managing director, whole-time director or manager who:
- (a) is below the age of twenty-one years or has attained the age of seventy years:  
Provided that appointment of a person who has attained the age of seventy years may be made by passing a special resolution in which case the explanatory statement annexed to the notice for such motion shall indicate the justification for appointing such person;
  - (b) is an undischarged insolvent or has at any time been adjudged as an insolvent;
  - (c) has at any time suspended payment to his creditors or makes, or has at any time made, a composition with them; or
  - (d) has at any time been convicted by a court of an offence and sentenced for a period of more than six months.

A person shall not be eligible for appointment as a director of the Company if such person suffers any of the disqualifications provided under Section 164 of the Act.

- 145.** Special to any contract between him and the Company, a Managing or Whole-time Director shall not, while he continues to hold that office, be subject to retirement by rotation and he shall not be reckoned as a Director for the purpose of determining the rotation of retirement of Directors or in fixing the number of Directors to retire but (subject to the provisions of any contract between him and the

Company), he shall be subject to the same provisions as to resignation and removal as the Directors of the Company and shall, ipso facto and immediately, cease to be a Managing Director if he ceases to hold the office of Director from any cause.

**146.** The Company shall not appoint or employ at the same time more than one of the following categories of managerial personnel namely:

- a) Managing Director and
- b) Manager and shall duly observe the provisions of Section 196 of the Act regarding prohibition of simultaneous appointment of different categories of managerial personnel therein referred to.

#### **THE SECRETARY**

**147.** The Board may, from time to time, appoint and at its discretion, remove any individual (hereinafter called the Secretary) to perform any function which by the Act are to be performed by the Secretary and to execute any other ministerial or administrative duties which may from time to time be assigned to the Secretary by the Board. The Board may also at any time appoint some persons (who need not be the Secretary) to keep the registers required to be kept by the Company. The appointment of Secretary shall conform to the provisions of Section 203 of the Act.

#### **THE SEAL, ITS CUSTODY AND USE**

**148.** The Board of Directors shall provide a Common Seal for the purpose of the Company and shall have power from time to time to destroy the same and substitute a new Seal in lieu thereof and shall provide for the safe custody of the Seal for time being and the Seal of the Company shall not be affixed to any instrument except by the authority of a resolution of the Board of Directors and except in the presence of at least two Director or such other person as the Directors may appoint for the purpose and the Directors or other persons aforesaid shall sign every instrument to which the Seal of the Company is so affixed in their presence.

#### **MINUTES**

**149.**

- (2) The Company shall cause minutes of all proceedings of every General Meeting and all proceedings of every meeting of its Board of /directors or of every Committee of the Board to be kept by making within thirty days of the conclusion of every such meeting concerned, entries thereof in books kept for that, their pages consecutively numbered.
- (3) Each page of every such book shall be initialed or signed and the last Page of the record of proceedings of each meeting in such books shall be dated and signed.
- (4) In the case of minutes of proceedings of a meeting of the Board or of a committee thereof, by the Chairperson of the next succeeding meeting.
- (5) In the case of minutes of proceedings of a General Meeting, by the Chairperson of the same meeting within the aforesaid period of thirty Days or in the event of the death or inability of that Chairperson within that period, by a Director duly authorized by the Board for the purpose.

**150.** Minutes of proceedings of every General Meeting and of the proceedings of every meeting of the Board kept in accordance with the provisions of Article 198 above, shall be evidence of the proceedings recorded therein.

**151.** Where minutes of the proceedings of every General Meeting of the Company or of any meeting of the Board or of a Committee of the Board have been kept in accordance with the provisions of article 199 above then, until the contrary is proved the meeting shall be deemed to have been duly called and held and all proceedings thereat to have duly taken place and in particular all appointments of Directors or liquidators made at the meeting shall be deemed to be valid.

**152.** The books containing the minutes of the proceedings of any General Meeting of the Company shall be kept at the registered office of the Company and shall be open for inspection of members without charge between the hours 2 p.m. and 5 p.m. during business hours on each working day except Saturday

153. Any member of the Company shall be entitled to be furnished, within seven days after he has made a request in writing in that behalf to the Company, with a copy of any minutes referred above on payment of such sum not exceeding Ten Rupees for every page thereof required to be copied.
154. In no case the minutes of proceedings of a meeting shall be attached to any such book as aforesaid by pasting or otherwise.
155. The minutes of different meetings shall contain a fair and correct summary of proceedings thereat.
156. All appointments of officers made at any of the meetings aforesaid shall be included in the minutes of the meeting.
157. In the case of a meeting of the Board of Directors or of a committee of the Board, the minutes shall also contain:
- (a) the names of the directors present at the meeting; and
  - (b) In the case of each resolution passed at the meeting, the names of the directors, if any, dissenting from, or not concurring with the resolution.
158. Nothing contained in clauses (1) to (6) there shall not be included in the minutes, any matter which, in the opinion of the Chairperson of the meeting:
- (a) Is or could reasonably be regarded as defamatory of any person; or
  - (b) Is irrelevant or immaterial to the proceedings; or
  - (c) Is detrimental to the interests of the company.

The Chairperson shall exercise and absolute discretion in regard to the inclusion or non- inclusion of any matters in the minutes on the grounds specified in this clause.

## **DIVIDENDS**

**159.**

- (1) No dividend shall be declared or paid by the Company for any financial year except:
- (a) out of the profits of the Company for that year arrived at after providing for depreciation or out of the profits of the Company for any previous financial year or years arrived at after providing for depreciation in accordance with the provisions of the Act and remaining undistributed, or out of both; or
  - (b) out of money provided by the Central Government or a State Government for the payment of dividend by the Company in pursuance of a guarantee given by that Government:

Provided that the Company may, before the declaration of any dividend in any financial year, transfer such percentage of its profits for that financial year as it may consider appropriate to the reserves of the Company:

Provided further that where, owing to inadequacy or absence of profits in any financial year, the Company proposes to declare dividend out of the accumulated profits earned by it in previous years and transferred by it to the reserves, such declaration of dividend shall not be made except in accordance with such rules as may be prescribed in this behalf:

No dividend shall be declared or paid by the Company from its reserves other than free reserves.

- (2) The depreciation shall be provided in accordance with the provisions of Schedule II of the Act.
- (3) The Board of Directors of the Company may declare interim dividend during any financial year out of the surplus in the profit and loss account and out of profits of the financial year in which such interim dividend is sought to be declared:

Provided that in case the Company has incurred loss during the current financial year up to the end of the quarter immediately preceding the date of declaration of interim dividend, such interim dividend shall not be declared at a rate higher than the average dividends declared by the company during the immediately preceding three financial years.

- (4) The amount of the dividend, including interim dividend, shall be deposited in a scheduled bank in a separate account within five days from the date of declaration of such dividend.
- (5) No dividend shall be paid by the Company in respect of any share therein except to the registered shareholder of such share or to his order or to his banker and shall not be payable except in cash:

Provided that nothing in this sub-section shall be deemed to prohibit the capitalization of profits or reserves of the Company for the purpose of issuing fully paid-up bonus shares or paying up any amount for the time being unpaid on any shares held by the members of the Company:

Provided further that any dividend payable in cash may be paid by cheque or warrant or in any electronic mode to the shareholder entitled to the payment of the dividend.

- (6) The Company shall not declare any dividend on its equity shares till the time default in the repayment of deposits continues, if any.

#### **DIVIDEND TO JOINT HOLDERS**

160. Any one of several persons who are registered as joint holders of any Shares may give effectual receipts for all dividends or bonus and payments on account of dividends in respect of such Shares.
161. Subject to the rights of persons, if any, entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid, but if and so long as nothing is paid upon any of the shares in the Company, dividends may be declared and paid according to the amounts of the shares.
- No amount paid or credited as paid on a share in advance of calls shall be treated as paid up on the share.

#### **APPORTIONMENT OF DIVIDENDS**

162. All dividends shall be apportioned and paid proportionate to the amounts paid or credited as paid on the shares, during any portion or portions of the period in respect of which the dividend is paid, but if any share is issued on terms providing that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly.

#### **DECLARATION OF DIVIDENDS**

163. The Company in General Meeting may, subject to the provisions of Section 123 of the Act, declared a dividend to be paid to the members according to their right and interests in the profits and may fix the time for payment.

#### **RESTRICTION ON AMOUNT OF DIVIDEND**

164. No larger dividend shall be declared than is recommended by the Board, but the Company in General Meeting may declare a smaller dividend.

#### **DIVIDEND OUT OF PROFITS ONLY AND NOT TO CARRY INTEREST**

165. (1) No dividend shall be payable except out of the profits of the Company arrived at as stated in Section 123 of the Act.
- (2) The declaration of the Board as to the amount of the net profits of the Company shall be conclusive.

#### **INTERIM DIVIDENDS**

166. The Board of Directors may from time to time pay the members such interim dividends as appears to it to be justified by the profits of the Company in accordance with Section 123 of the Act.

#### **DEBTS MAY BE DEDUCTED**

167. The Board may retain any dividends payable on shares on which the Company has a lien and may apply the same in or towards the satisfaction of the debts, liabilities or engagements in respect of which lien exists.

### **DIVIDEND AND CALL TOGETHER**

168. Any General Meeting declaring an dividend may make a call on the members of such amount as the meeting fixes but so that the call on each members shall not exceed the dividend payable on him and so that the call may be made payable at the same time as the dividend and dividend may; if so arranged between the Company and the member, be set off against the call.

### **EFFECT OF TRANSFER**

169. Right to dividend, right shares and bonus shares shall be held in abeyance pending registration of transfer of shares in conformity with the provision of Section 126 of the Act.

### **RETENTION IN CERTAIN CASES**

170. The Board may retain the dividends payable upon share in respect of which any person is, under Articles entitled to become a member, or which any person under that Article is entitled to transfer, until such person shall become a member, in respect of such shares or shall duly transfer the same.

### **PAYMENT BY POST**

171. Any dividend payable in cash may be paid by cheque or warrant sent through the post directly to the registered address of the shareholder entitled to the payment of the dividend or in the case of joint shareholders to the registered address of that one whose name stands first on the Register of Members in respect of the joint shareholding or to such persons and to such address as the shareholders of the joint shareholders may in writing direct and every cheque or warrant so sent shall be made payable to the order of the person to whom it is sent and the Company shall not be responsible or liable for any cheque or warrant lost in transit or for any dividend lost to the member or person entitled thereto by the forged endorsement of any cheque or warrant of the fraudulent recovery thereof by any other means. The Company may, if it thinks fit, call upon the shareholders when applying for dividends or bonus to produce their share certificates at the registered office or other place where the payment of dividend is to be made.

### **DIVIDEND TO BE PAID WITHIN THIRTY DAYS**

172. The Company shall pay dividend or send the warrant in respect thereof to the shareholder entitled to the payment of the dividend within Thirty days from the date of the declaration of the dividend unless:
- (a) the dividend could not be paid by reason of the operation of any law or
  - (b) a shareholder has given directions to the Company regarding the payment of dividend and these directions can not be complied with or
  - (c) there is dispute, regarding the right to receive the dividend or
  - (d) the dividend has been lawfully adjusted by the Company against any sum due to it from the shareholder or
  - (e) for any other reason, the failure to pay the dividend or to post the warrant within the period aforesaid was not due to any default on the part of the Company.

### **UNPAID OR UNCLAIMED DIVIDEND**

173. (1) Where a dividend has been declared by the Company but has not been paid or claimed within thirty days from the date of the declaration to any shareholder entitled to the payment of the dividend, the company shall, within seven days from the date of expiry of the said period of thirty days, transfer the total amount of dividend which remains unpaid or unclaimed to a special account to be opened by the company in that behalf in any scheduled bank to be called the Unpaid Dividend Account.
- (2) The Company shall, within a period of ninety days of making any transfer of an amount under sub-section (1) to the Unpaid Dividend Account, prepare a statement containing the names, their last known addresses and the unpaid dividend to be paid to each person and place it on the website of the company, if any, and also on any other website approved by the Central Government for this purpose, in such form, manner and other particulars as may be determined by central government.
- (3) If any default is made in transferring the total amount referred to in sub-section (1) or any part thereof to the Unpaid Dividend Account of the company, it shall pay, from the date of such default, interest on so much of the amount as has not been transferred to the said account, at the rate of twelve per cent per annum and the interest accruing on such amount shall endure to the benefit of the members of the company in proportion to

the amount remaining unpaid to them.

- (4) Any person claiming to be entitled to any money transferred under sub-section (1) to the Unpaid Dividend Account of the Company may apply to the company for payment of the money claimed.
- (5) Any money transferred to the Unpaid Dividend Account of the Company in pursuance of this section which remains unpaid or unclaimed for a period of seven years from the date of such transfer shall be transferred by the company along with interest accrued, if any, thereon to the Fund established under sub-section (1) of section 125 and the Company shall send a statement in the prescribed form of the details of such transfer to the authority which administers the said Fund and that authority shall issue a receipt to the Company as evidence of such transfer.
- (6) All shares in respect of which unpaid or unclaimed dividend has been transferred under sub-section (5) shall also be transferred by the Company in the name of Investor Education and Protection Fund along with a statement containing such details as may be determined by central government:  
Provided that any claimant of shares transferred above shall be entitled to claim the transfer of shares from Investor Education and Protection Fund in accordance with such procedure and on submission of such documents as may be determined by central government.

### **CAPITALIZATION OF RESERVES**

174. (a) Any General Meeting may, upon the recommendation of the Board resolve that any moneys, investments or other assets forming part of the undistributed profits of the Company standing to the credit of any of the profit and loss account or any capital redemption reserve fund or in hands of the Company and available for dividend or representing premium received on the issue of shares and standing to the credit of the share premium account be capitalized and distributed amongst such of the shareholders as would be entitled to receive the same if distributed by way of dividend and in the same proportions on the footing that they become entitled thereto as capital and that all or any part of such capitalized fund shall not be paid in cash but shall be applied subject to the provisions contained in clause (b) hereof on behalf of such shareholders in full or towards:
  - (1) Paying either at par or at such premium as the resolution may provide any unissued shares or debentures or debenture-stock of the Company which shall be allotted, distributed and credited as fully paid up to and amongst such members in the proportions aforesaid; or
  - (2) Paying up any amounts for the time being remaining unpaid on any shares or debentures or debenture-stock held by such members respectively; or
  - (3) Paying up partly in the way specified in sub-clause (1) and partly in that specified in sub-clause (2) and that such distribution or payment shall be accepted by such shareholders in full satisfaction of their interest in the said capitalized sum.
- (b) (1) Any moneys, investments or other assets representing premium received on the issue of shares and standing to the credit of share premium account; and
- (2) If the Company shall have redeemed any redeemable preference shares, all or any part of any capital redemption fund arising from the redemption of such shares may, by resolution of the Company be applied only in paying up unissued shares of the Company to be issued to members of the Company as fully paid bonus shares to be issued to such members of the Company as the General Meeting may resolve upto an amount equal to the nominal amount of the shares so issued.
- (c) Any General Meeting may resolve that any surplus moneys arising from the realization of any capital assets of the Company or any investments representing the same or any other undistributed profits of the Company not subject to charge for income-tax be distributed amongst the members on the footing that they receive the same as capital.
- (d) For the purpose of giving effect to any such resolution, the Board may settle any difficulty which may arise in regard to the distribution of payment as aforesaid as it thinks expedient and in particular it may issue fractional certificates and may fix the value for distribution of any specific assets and may determine that cash payments be made to any members on the footing of the value so fixed and may vest any such cash, share, debentures, debenture-stock, bonds or other obligation in trustees upon such trust for the persons entitled thereto as may seem expedient to the Board and generally may make such arrangement for acceptance, allotment and sale of such shares, debentures, debenture-stock, bonds or other obligations and fractional certificates or otherwise as it may think fit.
- (e) If and whenever any share becomes held by any member in fraction, the Board may subject to the provisions of the Act and these Articles and to the directions of the Company in General Meeting, if any, sell the shares which members hold in fractions for the best price reasonably obtainable and shall pay and distribute to and amongst the members entitled to such shares in due proportion the net proceeds of the sale thereof, for the purpose of giving effect to any such sale, the Board may authorize any person to transfer the shares sold to the purchaser thereof, comprised in any such transfer and he shall not be bound to see to the application of the

purchase money nor shall his title to the shares be affected by any irregularity or of invalidity in the proceedings with reference to the sale.

- (f) Where required; a proper contract shall be delivered to the Registrar for registration in accordance with Section 39 of the Companies Act 2013 and the Board may appoint any person to sign such contract on behalf of the persons entitled to the dividend or capitalized fund and such appointment shall be effective.

#### **DIVIDEND IN CASH**

175. No dividends shall be payable except in cash, provided that nothing in this Article shall be deemed to prohibit the capitalization of the profits or reserves of the Company for the purpose of issuing fully paid up bonus Shares or paying up any amount for the time being unpaid on any Shares held by Members of the Company.
176. The Board shall give effect to the resolution passed by the Company in pursuance of all the above Articles.

#### **BOOKS OF ACCOUNTS BOOKS OF ACCOUNTS TO BE KEPT**

177. The Company shall cause to be kept proper books of account with respect to:
- (i) all sums of money received and expended by a company and matters in relation to which the receipts and expenditure take place;
  - (ii) all sales and purchases of goods and services by the company;
  - (iii) the assets and liabilities of the company; and
  - (iv) the items of cost as may be determined by central government under section 148 in the case of a company which belongs to any class of companies specified under that section;

#### **BOOKS WHERE TO BE KEPT AND INSPECTION**

178. (1) The Company shall prepare and keep at its registered office books of account and other relevant books and papers and financial statement for every financial year which give a true and fair view of the state of the affairs of the company, including that of its branch office or offices, if any, and explain the transactions effected both at the registered office and its branches and such books shall be kept on accrual basis and according to the double entry system of accounting.
- All or any of the books of account aforesaid and other relevant papers may be kept at such other place in India as the Board of Directors may decide and where such a decision is taken, the Company shall, within seven days thereof, file with the Registrar a notice in writing giving the full address of that other place. The Company may keep such books of account or other relevant papers in electronic mode in such manner as may be determined by central government.
- (2) Where a company has a branch office in India or outside India, it shall be deemed to have complied with the provisions of sub-clause (1), if proper books of account relating to the transactions effected at the branch office are kept at that office and proper summarized returns periodically are sent by the branch office to the company at its registered office or the other place referred to in sub-clause (1).
  - (3) The books of account of the Company relating to a period of not less than eight financial years immediately preceding a financial year together with the vouchers relevant to any entry in such books of account shall be kept in good order.
  - (4) The Company may keep such books of accounts or other relevant papers in electronic mode in such manner as may be prescribed.

#### **INSPECTION BY MEMBERS**

179. The Board of Directors shall, from time to time, determine whether and to what extent and at what times and places and under what conditions or regulations accounts the and books and the documents of the Company or any of them shall be open to the inspection of the members and no member (not being a Director) shall have any right of inspecting any account or book or document of the Company except as conferred statute or authorised by the Board of Directors or by a resolution of the Company in General Meeting.

#### **TRANSFER BOOKS AND REGISTER OF MEMBERS WHEN CLOSED**

180. The Board shall have power on giving not less than seven days' previous notice by advertisement in some newspaper circulating in the district in which the office of the Company is situated, to close the Transfer books, the Register of members or Register of debenture holders at such time or times and for such period or

periods, not exceeding thirty days at a time and not exceeding in the aggregate forty-five days in each year. If the transfer books have not been closed at any time during a year, the Company shall at least once a year, close the books at the time of its Annual General Meeting. The minimum time gap between the two book closures and/or record dates would be at least 30 (thirty) days.

#### **STATEMENT OF ACCOUNTS TO BE LAID IN GENERAL MEETING**

181. The Board of Directors shall from time to time, in accordance with Sections 129 and 134 of the Act, cause to be prepared and to be laid before the Company in General Meeting, such Balance Sheets, Profits & Loss Accounts and reports as are required by these Sections.

#### **FINANCIAL STATEMENT**

182. Subject to the provisions of Section 129 of the Act, every Financial Statement of the Company shall be in the forms set out in Schedule II of the Act, or as near there to as circumstances admit. So long as the Company is a holding Company having a subsidiary the Company shall conform to Section 129 and other applicable provisions of the Act.

If in the opinion of the Board, any of the current assets of the Company have not a value on realization in the ordinary course of business at least equal to the amount at which they are stated, the fact that the Board is of that opinion shall be stated.

#### **AUTHENTICATION OF FINANCIAL STATEMENT**

183. The Financial Statements shall be signed in accordance with the provisions of Section 134 of the said Act. The Financial Statement, shall be approved by the Board of Directors before they are submitted to the auditors for report thereon. Profit and Loss Accounts to be Annexed and Auditors' Report to be attached to the Balance Sheet. The Profit and Loss Account shall be annexed to the Balance and the Auditors' Report including the Auditor's separate, special or supplementary report, if any, shall be attached thereon.

#### **BOARD'S REPORT TO BE ATTACHED TO FINANCIAL STATEMENT**

184. Every Financial Statement laid before the Company in General Meeting shall have attached to it a Report by the Board of Directors with respect to the State of the Company's affairs and such other matters as prescribed under Section 134 of the Act and the Rules made thereunder. The Report shall so far as it is material for the appreciation of the state of the Company's affairs by its members and will not in the Board's opinion be harmful to the business of the Company or of any of its subsidiaries deal with any changes which have occurred during the financial year in the nature of the Company's business, or of the Company's subsidiaries or in the nature of the business in which the Company has an interest. The board shall also give the fullest information and explanation in its Report or in cases falling under the proviso to Section 129 of the Act in an addendum to that Report, on every reservation, qualification or adverse remark contained in the Auditor's Report. The Board's Report and addendum (if any) thereto shall be signed by its Chairperson if he is authorized in that behalf by the Board; and where he is not so authorized shall be signed by such number of Directors as are required to sign the Financial Statements of the Company by virtue of sub-clauses (a) and (b) of Article 229. The Board shall have the right to charge any person not being a Director with the duty of seeing that the provisions of sub-clauses (a) and (b) of this Article are complied with. Every Financial Statement of the Company when audited and approved and adopted by the members in the annual general meeting shall be conclusive except as regards in matters in respect of which modifications are made thereto as may from time to time be considered necessary by the Board of Directors and or considered proper by reason of any provisions of relevant applicable statutes and approved by the shareholders at a subsequent general meeting.

#### **RIGHT OF MEMBERS TO COPIES OF FINANCIAL STATEMENT AND AUDITOR'S REPORT**

185. A copy of every Financial Statement and the auditor's report and every other document required by law to be annexed or attached, as the case may be; to the balance sheet which is to be laid before the Company in General Meeting, shall be made available for inspection at the Registered Office of the Company during the working hours for a period of 21 days before the date of the meeting. A statement containing the salient features of such documents in the prescribed form or copies of the documents aforesaid as may be permitted by Section 136 of the Act and as the Company may deem fit, will be sent to every member of the Company

and to every Trustees for the holders of any debentures issued by the Company, not less than 21 days before the meeting as laid down in Section 136 of the Act. Provided that it shall not be necessary to send copies of the documents aforesaid to:

- (a) to a member or holder of the debenture of the Company who is not entitled to have the notice of general meeting of the Company sent to him and whose address the Company is unaware;
- (b) to more than one of the joint holder of any shares or debentures some of whom are and some of whom are not entitled to have such notice sent to them, by those who are not so entitled.

#### **A COPY OF THE FINANCIAL STATEMENT ETC. TO BE FILED WITH REGISTRAR**

- 186.** After the Financial Statements have been laid before the Company at the annual general Meeting, a copy of the Financial Statement duly signed as provided under Section 137 of the Act together with a copy of all documents which are required to be annexed there shall be filed with the Registrar so far as the same be applicable to the Company.

#### **RIGHT OF MEMBER TO COPIES OF AUDITED FINANCIAL STATEMENT ACCOUNTS TO BE AUDITED**

- 187.** (1) Once at least in every year they accounts of the Company shall be examined by one or more Auditors who shall report to the shareholders as to whether the Balance Sheet reflects a true and fair view of the state of affairs of the Company as at that date and the Profit and Loss Account discloses a true and fair view of the profit and loss incurred by the Company during the year under review.
- (2) The appointment, remuneration, rights, powers & duties of the Company's Auditor shall be regulated in accordance with the provision of the Act.

#### **APPOINTMENT OF AUDITORS**

- 188.** (1) Auditors shall be appointed and their qualifications, rights and duties regulated in accordance with Section 139 to 143, 145 and 146 of the Act and rules made thereunder.
- (2) The Company shall, at the first annual general meeting, appoint an individual or a firm as an auditor who shall hold office from the conclusion of that meeting till the conclusion of its sixth annual general meeting and thereafter till the conclusion of every sixth meeting and the manner and procedure of selection of auditors by the members of the Company at such meeting shall be according to the provisions of the Act. The Company shall place the matter relating to such appointment for ratification by members at every annual general meeting.
- Provided further that before such appointment is made, the written consent of the auditor to such appointment, and a certificate from him or it that the appointment, if made, shall be in accordance with the conditions as may be determined by central government, shall be obtained from the auditor:
- Provided also that the certificate shall also indicate whether the auditor satisfies the criteria provided in Section 141:
- Provided also that the Company shall inform the auditor concerned of his or its appointment, and also file a notice of such appointment with the Registrar within fifteen days of the meeting in which the auditor is appointed.
- (3) At any Annual General Meeting a retiring Auditor by whatsoever authority appointed shall be reappointed unless:
- (a) he is not disqualified for re-appointment;
  - (b) he has not given the company a notice in writing of his unwillingness to be re-appointed; and
  - (c) a special resolution has not been passed at that meeting appointing some other auditor or providing expressly that he shall not be re-appointed.
- (4) The company shall not appoint or reappoint -
- (a) an individual as auditor for more than one term of five consecutive years; and
  - (b) an audit firm as auditor for more than two terms of five consecutive years: Provided that—
    - (i) an individual auditor who has completed his term under clause (a) shall not be eligible for re-appointment as auditor in the same company for five years from the completion of his term.
    - (ii) an audit firm which has completed its term under clause (b), shall not be eligible for re-appointment as auditor in the same company for five years from the completion of such term.
- (5) Where at any annual general meeting, no auditor is appointed or re-appointed, the existing auditor shall continue to be the auditor of the Company.

## **POWER OF BOARD TO MODIFY FINAL ACCOUNTS**

- 189.** Every Balance Sheet and Profit and Loss Account of the Company when audited and adopted by the Company in General Meeting shall be conclusive.

## **DOCUMENTS AND NOTICE SERVICES OF DOCUMENTS ON MEMBER BY COMPANY**

- 190.** Save as provided in this Act or the rules made thereunder for filing of documents with the Registrar in electronic mode, a document may be served on Registrar or any member by sending it to him by post or by registered post or by speed post or by courier or by delivering at his office or address, or by such electronic or other mode as may be determined by central government:

Provided that a member may request for delivery of any document through a particular mode, for which he shall pay such fees as may be determined by the company in its annual general meeting.

## **SERVICE OF DOCUMENTS ON COMPANY**

- 191.** A document may be served on a company or an officer thereof by sending it to the company or the officer at the registered office of the company by registered post or by speed post or by courier service or by leaving it at its registered office or by means of such electronic or other mode as may be determined by central government:

Provided that where securities are held with a depository, the records of the beneficial ownership may be served by such depository on the company by means of electronic or other mode.

“Service of documents on the Company” Where securities are held in a Depository, the records of the beneficial ownership may be served by such Depository on the Company by means of electronic mode or other mode in accordance with the Act and rules made thereunder.

## **REGISTERS AND DOCUMENTS**

### **REGISTERS AND DOCUMENTS TO BE MAINTAINED BY THE COMPANY**

- 192.** The Company shall keep and maintain registers, books and documents required by the Act or these Articles, including the following:
- (a) Register of investments made by the Company but not held in its own name, as required by Section 187(3) of the Act.
  - (b) Register of mortgages and charges as required by Section 85 of the Act.
  - (c) Register and index of Member and debenture holders as required by Section 88 of the Act.
  - (d) Register of contracts, with companies and firms in which Directors are interested as required by Section 189 of the Act.
  - (e) Register of Directors and key managerial personnel and their shareholding under Section 170 of the Act.
  - (f) Register of loans, guarantee, security and acquisition made by the company under Section 186 (9) of the Act.
  - (g) Copies of annual returns prepared under Section 92 of the Act together with the copies of certificates and documents required to be annexed thereto.

### **MAINTENANCE AND INSPECTION OF DOCUMENTS IN ELECTRONIC FORM**

- 193.** Without prejudice to any other provisions of this Act, any document, record, register, minutes, etc.,—
- (a) required to be kept by the Company; or
  - (b) allowed to be inspected or copies to be given to any person by the Company under the Act, may be kept or inspected or copies given, as the case may be, in electronic form in such form and manner as may be determined by the Central Government.

## **INDEMNITY**

- 194.** Every officer of the company shall be indemnified out of the assets of the company against any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or in which relief is granted to him by the court or the Tribunal.

## **WINDING UP**

### **DISTRIBUTION OF ASSETS**

195. (a) If the Company shall be wound up, whether voluntarily or otherwise, the Liquidator may, with the sanction of a Special Resolution, divide amongst the contributories in specie or kind, any part of the assets of the Company and may, with the like sanction, vest any part of the assets of the Company in trustees upon such trusts for the benefit of the contributories or any of them, as the liquidator, with the like sanction, shall think fit.
- (b) If thought expedient any such division may subject to the provisions of the Act be otherwise than in accordance with the legal rights of the contributions (except where unalterably fixed by the Memorandum of Association and in particular any class may be given preferential or special rights or may be excluded altogether or in part but in case any division otherwise than in accordance with the legal rights of the contributories, shall be determined on any contributory who would be prejudicial thereby shall have a right to dissent and ancillary rights as if such determination were a Special Resolution passed pursuant to Section 319 of the Act.
- (c) In case any Shares to be divided as aforesaid involve a liability to calls or otherwise any person entitled under such division to any of the said Shares may within ten days after the passing of the Special Resolution by notice in writing direct the Liquidator to sell his proportion and pay him the net proceeds and the Liquidator shall, if practicable act accordingly.

### **RIGHT OF SHAREHOLDERS IN CASE OF SALE**

196. A Special Resolution sanctioning a sale to any other Company duly passed pursuant to provisions of the Companies Act, 2013 may subject to the provisions of the Act in like manner as aforesaid determine that any Shares or other consideration receivable by the liquidator be distributed against the Members otherwise than in accordance with their existing rights and any such determination shall be binding upon all the Members subject to the rights of dissent and consequential rights conferred by the said sanction

### **SECRECY CLAUSE**

197. No member or other person (not being a Director) shall be entitled to visit or inspect any property or premises or works of the Company without the permission of the Board or to require discovery of or any information respecting any detail of the Company's trading or any matter which is or may be in the nature of a trade secret, mystery of trade, secret process or any other matter which may relate to the conduct of the business of the Company and which in the opinion of the Board, it would be inexpedient in the interest of the Company to disclose Secrecy undertaking.
- Every Director, Manager, Auditor, Treasurer, Trustee, Member of a Committee agents, officer, servant, accountant or other person employed in the business of the Company shall, when required, sign a declaration pledging himself to observe strict secrecy respecting all transactions of the Company with the customers and the state of accounts with individual and in matters relating thereto and shall by such declaration pledge himself not to reveal any of the matters which may come to his knowledge in the discharge of his duties, except when required so to do by the Board or by any meeting of the shareholders, if any or by a Court of Law the person to whom matters relate and except so far as may be necessary in order to comply with any of the provision in these present contained.

## SECTION X-OTHER INFORMATION

### MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following contracts (not being contracts entered into in the ordinary course of business carried on by our Company or contracts entered into more than two (2) years before the date of filing of this Prospectus) which are or may be deemed material have been entered or are to be entered into by our Company. These contracts, copies of which will be attached to the copy of the Prospectus and will be delivered to the ROC for registration and also the documents for inspection referred to hereunder, may be inspected at the Registered Office of our Company located at, from the date of filing the Prospectus with RoC to Issue Closing Date on working days from 11.00 a.m. to 5.00 p.m.

#### MATERIAL CONTRACTS

- 1) Memorandum of Understanding dated 10<sup>th</sup> October, 2018 between our Company and the Book Running Lead Manager.
- 2) Mandate Letter dated 31<sup>st</sup> August 2018 between our Company and Registrar to the Issue.
- 3) Public Issue Account Agreement dated [●] among our Company, the Book Running Lead Manager, the Public Issue Bank/Banker to Issue and the Registrar to the Issue.
- 4) Underwriting agreement dated [●] between our Company and Book Running Lead Manager, Mark Corporate Advisors Private Limited and [●].
- 5) Market Making Agreement dated [●] between our Company, the Book Running Lead Manager and the Market Maker.
- 6) The Company has entered into tripartite agreement between NSDL, the Company and the Registrar to the Issue dated October 24, 2018
- 7) The Company has entered into tripartite agreement between CDSL, the Company and the Registrar to the Issue dated October 27, 2018

#### MATERIAL DOCUMENTS

- 1) Certified true copy of the Memorandum and Articles of Association of our Company, as amended from time to time including certificates of incorporation.
- 2) Resolution of the Board dated August 03, 2018 authorizing the Issue.
- 3) Special Resolution of the shareholders passed at the EGM dated August 27, 2018 authorizing the Issue.
- 4) Copies of Audited Financial Statements of our Company for the period ended July 31, 2018 and financial year ending March 31, 2018, 2017, 2016, 2015 & 2014.
- 5) Statement of Tax Benefits dated 15<sup>th</sup> September 2018 issued by Statutory Auditors, M/s. S. N. Shah & Associates, Chartered Accountants.
- 6) Report of the Statutory and Peer Review Auditor, M/s. S. N. Shah & Associates, Chartered Accountants, on the Restated Financial Statements for the period ended July 31, 2018 and financial year ending March 31, 2018, 2017, 2016, 2015 & 2014.
- 7) Copy of Certificate from the Statutory and Peer Review Auditors of our Company, M/s. S. N. Shah & Associates, Chartered Accountants, dated November 02, 2018 regarding the Eligibility of the Issue.
- 8) Consents of Promoters, Directors, Company Secretary and Compliance Officer, Chief Financial Officer, Statutory Auditors, Peer Review Auditor, Bankers to our Company, the Book Running Lead Manager, Underwriter, Registrar to the Issue, Market Maker to the Issue, Legal Advisor, Banker to the Issue/Public Issue Bank to the Issue, to act in their respective capacities.
- 9) Copy of approval from NSE *vide* letter dated [●] to use the name of NSE in the offer document for listing of Equity Shares on NSE Emerge Platform.
- 10) Due Diligence Certificates dated November 02, 2018 issued by the Book Running Lead Manager i.e. Mark Corporate Advisors Private Limited.
- 11) Copy of certificate from the Statutory Auditor of our Company, M/s. M/s. S. N. Shah & Associates, Chartered Accountants, regarding source and deployment of funds as on November 02, 2018.

Any of the contracts or documents mentioned in this Draft Red Herring Prospectus may be amended or modified at any time if so required in the interest of our Company or if required by other parties, subject to compliance of the provisions contained in the Companies Act and other relevant statutes.

## DECLARATION

We, the under signed, hereby certify and declare that, all relevant provisions of the Companies Act, 2013, applicable provisions of Companies Act, 1956 and the guidelines issued by the Government of India or the Regulations/Guidelines issued by Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in the Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, applicable provisions of Companies Act, 1956, the Securities and Exchange Board of India Act, 1992 or rules made there under or regulations / guidelines issued, as the case may be. We further certify that all the disclosures and statements made in the Draft Red Herring Prospectus are true and correct.

### Signed by the Directors of our Company:

Mr. Varun Manojkumar Jain  
*Managing Director*  
DIN: 03502561

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Mrs. Varuna Varun Jain  
*Whole Time Director*  
DIN: 07547363

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Mr. Manas Rajivbhai Shah  
*Independent Director*  
DIN: 08160833

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Mr. Kunjal Jayantkumar Soni  
*Independent Director*  
DIN: 08160838

Mr. Vinod Kanubhai Rana  
*Independent Director*  
DIN: 08160972

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### Signed by the Chief Financial Officer & Company Secretary of our Company:

Mayurkumar Chhotalal Patel  
*Chief Financial Officer*

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Gandharv Khandelwal  
*Company Secretary & Compliance Officer*

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**Place : Ahmedabad**

**Date : November 05, 2018**