



# NITIRAJ ENGINEERS LIMITED

Corporate Identity Number: U31909MH1999PLC119231

Our Company was originally incorporated as Nitiraj Engineers Private Limited under Part IX of the Companies Act, 1956 and the Certificate of Incorporation was issued by the Assistant Registrar of Companies, Maharashtra, Mumbai on April 1, 1999. Subsequently, our Company was converted into a Public Limited Company pursuant to Shareholders' Resolution passed at the Extra Ordinary General Meeting of Members of the Company held on June 8, 2015 and the name of our Company was changed to Nitiraj Engineers Limited vide a fresh Certificate of Incorporation dated June 22, 2015 issued by the Deputy Registrar of Companies, Maharashtra, Mumbai. For details of the changes in our Name, Registered Office and other details, please see section titled "History and Certain Other Corporate Information" on page 122 of this Prospectus.

Registered Office	Corporate Office
306A Bhabha Building, N. M. Joshi Marg, Delisle Road, Near Police Station, Mumbai - 400 011; Tel : 022-23094161	City Survey No. 496 A/3, 4 Behind Gurudwara, Mumbai-Agra Road, Dhule – 424 001 Maharashtra; Tel : 02562-239080, 239046 Fax : 02562-239332
e-mail : investor@nitiraj.net; website : www.nitiraj.net; Contact Person : Ms. Rachna Kothari, Company Secretary & Compliance Officer	

## PROMOTER OF OUR COMPANY: MR. RAJESH RAGHUNATH BHATWAL

THE ISSUE	
PUBLIC ISSUE OF 22,00,800 EQUITY SHARES OF ₹ 10/- EACH OF NITIRAJ ENGINEERS LIMITED ("THE COMPANY" OR THE "ISSUER") FOR CASH AT A PRICE OF ₹ 100/- PER SHARE (THE "ISSUE PRICE"), AGGREGATING TO ₹ 2,200.80 LACS ("THE ISSUE"), OF WHICH, 1,10,400 EQUITY SHARES OF ₹ 10/- EACH WILL BE RESERVED FOR SUBSCRIPTION BY MARKET MAKER TO THE ISSUE (AS DEFINED IN THE SECTION "DEFINITIONS AND ABBREVIATIONS") (THE "MARKET MAKER RESERVATION PORTION"). THE ISSUE LESS THE MARKET MAKER RESERVATION PORTION I.e. ISSUE OF 20,90,400 EQUITY SHARES OF ₹ 10/- EACH IS HEREINAFTER REFERRED TO AS THE "NET ISSUE". THE ISSUE AND THE NET ISSUE WILL CONSTITUTE 26.84% AND 25.49%, RESPECTIVELY OF THE POST ISSUE PAID UP EQUITY SHARE CAPITAL OF THE COMPANY.	
<b>THIS ISSUE IS BEING MADE IN TERMS OF 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").</b> This issue is a fixed price issue and allocation in the net issue to the Public will be made in terms of Regulation 43(4) of the SEBI ICDR Regulations. For further details, please refer to section titled "Issue Procedure" on page 208 of this Prospectus.	
THE FACE VALUE OF THE EQUITY SHARES IS ₹ 10/- EACH AND THE ISSUE PRICE IS 10 TIMES THE FACE VALUE	
RISK IN RELATION TO THE FIRST ISSUE TO THE PUBLIC	
This being the first Issue of our Company, there has been no formal market for the securities of our Company. The face value of the Equity Shares is ₹ 10/- and the Issue Price is 10 times of the face value. The Issue Price (as determined by our Company in consultation with the Lead Manager and as stated in the chapter "Basis For Issue Price" beginning on page 74 of this Prospectus) 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 shares of our Company or regarding the price at which the Equity Shares will be traded after listing.	
GENERAL RISKS	
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 Securities have not been recommended or approved by Securities and Exchange Board of India nor does Securities and Exchange Board of India guarantee the accuracy or adequacy of this Prospectus. Specific attention of the investors is invited to the section titled "Risk Factors" beginning on page 12 of this Prospectus	
ISSUER'S ABSOLUTE RESPONSIBILITY	
Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this 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 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 Prospectus as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.	
LISTING	
The Equity Shares offered through this Prospectus are proposed to be listed on the SME Platform of National Stock Exchange of India Limited (NSE) i.e. NSE EMERGE. In terms of the Chapter XB of the SEBI (ICDR) Regulations, 2009, as amended from time to time, we are not required to obtain an in-principle listing approval for the shares being offered in this Issue. However, our Company has received an approval letter dated September 16, 2016 from NSE for using its name in this offer document for listing of our shares on NSE EMERGE. For the purpose of this Issue, the designated Stock Exchange will be NSE EMERGE.	
LEAD MANAGER TO THE ISSUE	REGISTRAR TO THE ISSUE
 <b>ARIHANT capital markets Ltd.</b> SEBI Registration No: INM000011070 1011, Solitaire Corporate Park, 1 <sup>st</sup> floor Guru Hargovindji Road, Chakala, Andheri (East), Mumbai – 400 093 Tel. : 022-42254800; Fax. : 022- 42254880 Website: www.arihantcapital.com Email:mbd@arihantcapital.com <b>Contact Persons:</b> Mr. Amol Kshirsagar /Mr. Satish Kumar P.	 <b>Bigshare Services Private Limited</b> SEBI Registration No: INR000001385 E/2, Ansa Industrial Estate, Saki Vihar Road, Andheri (E), Mumbai-400072 Tel: 022-40430200; Fax: 022-28475207 Website: www.bigshareonline.com E-Mail: ipo@bigshareonline.com <b>Contact Person :</b> Mr. Ashok Shetty
ISSUE PROGRAMME	
<b>ISSUE OPENS ON : February 20, 2017</b>	<b>ISSUE CLOSES ON: March 1, 2017</b>

## TABLE OF CONTENTS

CONTENTS	PAGE NO
<b>SECTION I: GENERAL</b>	
DEFINITIONS AND ABBREVIATIONS	3
CERTAIN CONVENTIONS, PRESENTATION OF FINANCIAL, INDUSTRY & MARKET DATA	8
FORWARD-LOOKING STATEMENTS	9
<b>SECTION II: RISK FACTORS</b>	12
<b>SECTION III: INTRODUCTION</b>	
SUMMARY OF THE INDUSTRY	26
SUMMARY OF OUR BUSINESS	34
SUMMARY OF OUR FINANCIAL STATEMENTS	40
THE ISSUE	43
GENERAL INFORMATION	44
CAPITAL STRUCTURE	50
OBJECTS OF THE ISSUE	65
BASIS FOR ISSUE PRICE	74
STATEMENT OF TAX BENEFITS	77
<b>SECTION IV: ABOUT OUR COMPANY</b>	
INDUSTRY OVERVIEW	80
OUR BUSINESS	96
KEY INDUSTRY REGULATIONS AND POLICIES	117
HISTORY AND CERTAIN OTHER CORPORATE INFORMATION	122
OUR MANAGEMENT	125
OUR PROMOTER AND PROMOTER GROUP	140
DIVIDEND POLICY	145
RELATED PARTY TRANSACTIONS	146
<b>SECTION V: FINANCIAL INFORMATION</b>	
RESTATE FINANCIAL INFORMATION	147
MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS	172
FINANCIAL INDEBTEDNESS	180
<b>SECTION VI: LEGAL AND REGULATORY INFORMATION</b>	
OUTSTANDING LITIGATIONS AND MATERIAL DEVELOPMENTS	181
GOVERNMENT AND OTHER STATUTORY APPROVALS	185
OTHER REGULATORY AND STATUTORY DISCLOSURES	187
<b>SECTION VII: TERMS AND PROCEDURE OF THE ISSUE</b>	
TERMS OF THE ISSUE	199
ISSUE STRUCTURE	205
ISSUE PROCEDURE	208
<b>SECTION VIII: MAIN PROVISIONS OF THE ARTICLES OF ASSOCIATION</b>	255
<b>SECTION IX: OTHER INFORMATION</b>	
MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION	271
DECLARATION	273

**SECTION I****DEFINITIONS AND ABBREVIATIONS****COMPANY RELATED/GENERAL/CONVENTIONAL TERMS**

<b>TERMS</b>	<b>DESCRIPTION</b>
"We", "us", "our", "the Issuer", "the Company", "our Company", "Nitiraj"	Unless the context otherwise requires, refers to Nitiraj Engineers Limited, a public limited company incorporated under the provisions of the Companies Act, 1956
AOA/ Articles / Articles of Association	Articles of Association of our Company
Auditors	M/s. P.D. Dalal & Company, Chartered Accountants, the statutory Auditors of our Company
Principal Banker to our Company	HDFC Bank Limited, Dhule branch
Banker to the Issue	HDFC Bank Limited
Board / Board of Directors/ Director(s)	The Board of Directors of our Company including duly constituted committee authorized to act on their behalf
NSE	National Stock Exchange of India Limited
Companies Act/ Act	The Companies Act, 2013 and amendments thereto and the Companies Act, 1956, to the extent applicable
Company Secretary & Compliance Officer	Ms. Rachna Kothari
Corporate Office	Behind Gurudwara, Mumbai-Agra Road, Dhule - 424 001 Maharashtra
Key Managerial Personnel / KMP / Key Managerial Employees	The officers vested with executive powers and the officers at the level immediately below the Board of Directors as described in the section titled "Our Management" on page 125 of this Prospectus.
MOA/ Memorandum/ Memorandum of Association	Memorandum of Association of our Company.
Peer Reviewed Auditor	Randhir Jhunjhunwala & Co. , Chartered Accountants
Promoter	Mr. Rajesh Raghunath Bhatwal
Promoter Group	Unless the context otherwise requires, refers to such persons and entities which constitute the promoter group of our Company and a list of which is provided in the chapter titled "Our Promoter and Promoter Group" on page 140 of this Prospectus.
Registered Office of our Company	306A Bhabha Building, N.M. Joshi Marg, Delisle Road, Near Police Station, Mumbai - 400 011
ROC / RoC	Registrar of Companies, Maharashtra, Mumbai

**ISSUE RELATED TERMS**

<b>TERMS</b>	<b>DESCRIPTION</b>
Acknowledgement Slip	The slip or document issued by the Designated Intermediary to a applicant as proof of registration of the Application Form
Allottee	A successful applicant to whom the Equity Shares are being/ have been allotted
Applicant	Any prospective investor who makes an application for Equity Shares in terms of this Prospectus
Application Form	The Form in terms of which the applicant shall apply for the Equity Shares of our Company

TERMS	DESCRIPTION
Application Supported by Blocked Amount (ASBA)	Means an application for subscribing to an issue containing an authorization to block the application money in a bank account
ASBA Account	Account maintained with Self Certified Syndicate Bank (SCSB) which will be blocked by such SCSBs to the extent of the appropriate application Amount of the ASBA applicant, as specified in the ASBA Application Form
ASBA Applicant(s)	Any prospective investor(s)/applicants(s) in this Issue who applies through the ASBA process.
Banker(s) to the Issue/ Escrow Collection Bank(s)	The Banks which are clearing members and registered with SEBI as Bankers to the Issue with whom the Escrow Account will be opened and in this case being HDFC Bank Limited
Basis of Allotment	The basis on which Equity Shares will be allotted to the Investors under the Issue and which is described in "Issue Procedure - Basis of Allotment" on page 208 of the Prospectus
Business Day	Any day on which commercial banks in Mumbai are open for the business.
Depositories	A depository registered with SEBI under the SEBI (Depositories and Participant) Regulations, 1996, being NSDL and CDSL
Designated Intermediary(ies)	SCSBs, Registered Brokers, CDPs and RTAs, who are authorized to collect ASBA Forms from the ASBA Bidders, in relation to the Offer
Designated Stock Exchange	SME Platform of National Stock Exchange of India Limited i.e. NSE EMERGE
Designated Market Maker	Arihant Capital Markets Limited
DP ID	Depository Participant's Identity
ECS	Electronic Clearing Service
Equity Shares / Shares	Equity Shares of our Company of face value of ₹ 10/- each unless otherwise specified in the context thereof
GoI/ Government	Government of India
Issue/ Issue Size/ Initial Public Issue/ Initial Public Offer/ Initial Public Offering	Public issue of 22,00,800 Equity Shares of ₹ 10/- each of Nitiraj Engineers Limited for cash at a price of ₹ 100/- per share, aggregating to ₹ 2,200.80 Lacs
Issue Opening date	The date on which the Issue opens for subscription
Issue Closing date	The date on which the Issue closes for subscription
IPO	Initial Public Offering
Issue Account / Public Issue Account	Account opened with Bankers to the Issue for the purpose of transfer of monies from the Escrow Account on or after the Issue Opening Date.
Issue Period	The period between the Issue Opening Date and the Issue Closing Date inclusive of both days and during which prospective Applicants may submit their application
Issue Price	The price at which the Equity Shares are being issued by our Company under this Prospectus being ₹ 100/- per Equity Share
Lead Manager / LM	Lead Manager to the Issue being Arihant Capital Markets Limited
Listing Agreement	Unless the context specifies otherwise, this means the Equity Listing Agreement to be signed between our Company and the SME Platform of NSE
Market Maker	Market Maker means Alacrity Securities Limited, the market maker appointed for the purpose of this Issue
Market Maker Reservation Portion	The Reserved portion of 1,10,400 Equity shares of ₹ 10/- each at ₹ 100/- per Equity Share aggregating to ₹ 1,10,40,000 for Designated Market Maker in the Initial Public Issue of our Company

TERMS	DESCRIPTION
Net Issue	The Issue (excluding the Market Maker Reservation Portion) of 20,90,400 Equity Shares of ₹10/- each at a price of ₹ 100/- per Equity Share aggregating to ₹ 20,90,40,000 by our Company.
NSE EMERGE	The SME platform of NSE, approved by SEBI as an SME Exchange for listing of equity shares offered under Chapter XB of the SEBI ICDR Regulations.
Mutual Funds	A mutual Fund registered with SEBI under SEBI (Mutual Funds) Regulations, 1996
Non Resident	A person resident outside India, as defined under FEMA
Non-Resident Indian/ NRI	A person resident outside India, who is a citizen of India or a Person of Indian Origin as defined under FEMA Regulations
Overseas Corporate Body / OCB	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. OCBs are not allowed to invest in this Issue.
Person or Persons	Any individual, sole proprietorship, unincorporated association, unincorporated organization, body corporate, corporation, company, partnership, limited liability 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, filed with the RoC containing, inter alia, the Issue opening and closing dates and other information
Qualified Institutional Buyers or QIBs	Qualified Institutional Buyers as defined under Regulation 2(1)(zd) of the SEBI ICDR Regulations
Registrar/ Registrar to the Issue	Bigshare Services Private Limited
Retail Individual Investor(s)	Individual Investors (including HUFs, in the name of Karta and Eligible NRIs) who apply for the Equity Shares of a value of not more than ₹ 2,00,000/-
Self Certified Syndicate Banks or SCSBs	A Self Certified Syndicate Bank registered with SEBI under the SEBI (Bankers to an Issue) Regulations, 1994 and offers the facility of ASBA, including blocking of bank account. A list of all SCSBs is available at <a href="http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries">http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries</a>
SEBI	The Securities and Exchange Board of India constituted under the SEBI Act
SEBI Act	Securities and Exchange Board of India Act, 1992
SEBI Listing Regulations, 2015/SEBI (LODR) Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended, including instructions and clarifications, issued by SEBI from time to time.
SEBI Regulation/ SEBI (ICDR) Regulations	The SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended from time to time
SEBI Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 2011, as amended
Underwriter	Arihant Capital Markets Limited
Underwriting Agreement	The Agreement entered into between the Underwriter and our Company entered on February 3, 2017

TERMS	DESCRIPTION
Working Days	All days on which banks in Mumbai are open for business except Sunday and public holiday, provided however during the Application period a working day means all days on which banks in Mumbai are open for business and shall not include a Saturday, Sunday or a public holiday

## ABBREVIATIONS

TERMS	DESCRIPTION
AGM	Annual General Meeting
AS	Accounting Standards issued by the Institute of Chartered Accountants of India.
A.Y./AY	Assessment Year
CAGR	Compounded Annual Growth Rate
CDSL	Central Depository Services (India) Limited
B.G./LC	Bank Guarantee/ Letter of Credit
CIN	Company Identification Number
DIN	Directors Identification Number
DP	Depository Participant
ECS	Electronic Clearing System
EGM / EOGM	Extra Ordinary General Meeting of the shareholders
EPS	Earnings per Share
FEMA	Foreign Exchange Management Act, 1999, as amended from time to time and the regulations issued thereunder.
FII	Foreign Institutional Investor (as defined under SEBI (Foreign Institutional Investors) Regulations, 1995, as amended from time to time) registered with SEBI under applicable laws in India.
FIPB	Foreign Investment Promotion Board, Department of Economic Affairs, Ministry of Finance, Government of India.
FPI	Foreign Portfolio Investor as defined under SEBI (Foreign Portfolio Investors) Regulations, 2014
FY / Fiscal	Financial Year
FVCI	Foreign Venture Capital Investors registered with SEBI under the SEBI (Foreign Venture Capital Investor) Regulations, 2000.
GDP	Gross Domestic Product
GIR Number	General Index Registry Number
GoI/ Government	Government of India
HUF	Hindu Undivided Family
INR / Rs./ Rupees / ₹	Indian Rupees, the legal currency of the Republic of India
SME	Small And Medium Enterprises
NAV	Net Asset Value
No.	Number
NR	Non Resident
NSDL	National Securities Depository Limited
P/E Ratio	Price/Earnings Ratio
PAN	Permanent Account Number
PAT	Profit After Tax
PBDIT	Profit Before Depreciation, Interest and Tax

TERMS	DESCRIPTION
PBT	Profit Before Tax
RBI	The Reserve Bank of India
RBI Act	The Reserve Bank of India Act, 1934, as amended from time to time
RFID	Radio-frequency Identification
RoC/ Registrar of Companies	The Registrar of Companies, Maharashtra, Mumbai
RONW	Return on Net Worth.
USD/ \$/ US\$	The United States Dollar, the legal currency of the United States of America



## **CERTAIN CONVENTIONS PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA FINANCIAL DATA**

Unless stated otherwise, the financial data in this Prospectus is extracted from the restated financial statements of our Company for financial years ended March 2011, 2012, 2013, 2014, and 2015 and for 9 months period ended December 31, 2015 prepared in accordance with the applicable provisions of the Companies Act and Indian GAAP and restated in accordance with SEBI (ICDR) Regulations, 2009, as stated in the report of our Peer Reviewed Auditors and the SEBI Regulations and set out in the section titled "Auditors Report on Restated Financial Information" on page 147. Our restated financial statements are derived from our audited financial statements prepared in accordance with Indian GAAP and the Companies Act, and have been restated in accordance with the SEBI Regulations. Our financial years commence on April 1 and end on March 31. In this Prospectus, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding off. All decimals have been rounded off to two decimal points.

There are significant differences between Indian GAAP, US GAAP and IFRS. Our Company has 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 financial statements included in this Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian GAAP. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Prospectus should accordingly be limited.

## **CURRENCY OF PRESENTATION**

All references to "Rupees" or "Rs." or "INR" or "₹" are to Indian Rupees, the official currency of the Republic of India. All references to "\$", "US\$", "USD", "U.S.\$" or "U.S. Dollar(s)" are to United States Dollars, if any, the official currency of the United States of America.

In this Prospectus, throughout all figures have been expressed in Lacs. The word "Lacs", "Lac", "Lakhs" or "Lakh" means "One hundred thousand".

## **INDUSTRY & MARKET DATA**

Unless otherwise stated, Industry & Market data used throughout this Prospectus have been obtained from internal Company reports, Government data and information obtained from other secondary sources. Industry publications generally state that the information contained in those publications has been obtained from sources believed to be reliable but their accuracy and completeness are not guaranteed and their reliability cannot be assured. Although we believe that industry data used in this Prospectus is reliable, it has not been independently verified.

The extent to which the market and industry data used in this Prospectus is meaningful depends on the reader's familiarity with and understanding of the methodologies used in compiling such data.

For additional definitions, please refer the section titled "Definitions and Abbreviations" on page 3 of this Prospectus.



## FORWARD LOOKING STATEMENTS

Our Company has included statements in this Prospectus, that contain words or phrases such as "will", "aim", "will likely result", "believe", "expect", "will continue", "anticipate", "estimate", "intend", "plan", "project", "shall", "contemplate", "seek to", "future", "objective", "goal", "project", "should", "will continue", "will pursue" and similar expressions or variations of such expressions that are "forward-looking statements". However, these words are not the exclusive means of identifying forward-looking statements. All statements regarding our Company objectives, plans or goals, expected financial condition and results of operations, business, plans and prospects are also forward-looking statements.

These forward-looking statements include statements as to business strategy, revenue and profitability, planned projects and other matters discussed in this Prospectus regarding matters that are not historical fact. These forward-looking statements contained in this Prospectus (whether made by us or any third party) involve known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements.

All forward-looking statements are subject to risks, uncertainties and assumptions that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. Important factors that could cause actual results to differ materially from expectations include, among others:

- General economic and business conditions in the markets in which we operate and in the local, regional, national and international economies.
- Our ability to successfully implement our strategy, our growth and expansion, technological changes.
- Our exposure to market risks that have an impact on our business activities or investments.
- Changes in Government policies regarding certain fiscal incentives, benefits and exemptions in relation to specified location/geography.
- The monetary and fiscal policies of India, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India and Globally.
- Changes in foreign exchange rates or other rates or prices;
- Our ability of attract and retain qualified personnel;
- Potential mergers, acquisitions, restructurings and increased competition;
- Our failure to keep pace with rapid changes in technology;
- Our ability to protect our intellectual property rights and not infringing intellectual property rights of other parties;
- Changes in domestic and foreign laws, regulations and taxes and changes in competition in our industry.
- Changes in the value of the Rupee and other currencies.
- The occurrence of natural disasters or calamities.
- Change in political condition in India.
- The outcome of legal or regulatory proceedings that we are or might become involved in;
- Government approvals;
- Our ability to compete effectively, particularly in new markets and businesses;
- Our dependence on our Key Management Personnel and Promoter;
- Potential conflicts of interest with affiliated companies, the Group Entities and other related parties;
- Other factors beyond our control; and
- Our ability to manage risks that arise from these factors.

For further discussion of factors that could cause Company's actual results to differ, see the section titled "Risk Factors" on page 12 of this Prospectus. By their nature, certain 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. Our Company, the Lead Manager, and their respective affiliates do not have any obligation to, and do not intend 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 will ensure that investors are informed of material developments until such time as the grant of listing and trading permission by the Stock Exchange.

## RESTRICTIONS 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. The Government has from time to time made policy pronouncements on FDI through press notes and press releases. The Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India (DIPP), issued Consolidated FDI Policy Circular of 2015 ("FDI Policy 2015"), which with effect from May 12, 2015, consolidates and supersedes all previous press notes, press releases and clarifications on FDI Policy issued by the DIPP that were in force and effect as on May 11, 2015. However, press note 4 of (2015 Series), dated April 24, 2015, regarding policy on foreign investment in pension sector, will remain effective. The Government proposes to update the consolidated circular on FDI policy once every year and therefore, FDI Policy 2015 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, provided that (i) the activities of the investee company are under the automatic route under the FDI Policy and transfer does not attract the provisions of the Takeover Regulations; (ii) the non-resident shareholding is within the sectoral limits under the FDI Policy; and (iii) the pricing is in accordance with the guidelines prescribed by the SEBI/ RBI. As per the existing policy of the Government of India, OCBs cannot participate in this Issue and in accordance with the extant FDI guidelines on sectoral caps, pricing guidelines etc. as amended by Reserve bank of India, from time to time.

The Equity Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended ("US Securities Act") or any other state securities laws in the United States of America and may not be sold or offered within the United States of America, or to, or for the account or benefit of "US Persons" as defined in Regulation S, except pursuant to exemption from, or in a transaction not subject to the registration requirements of US Securities Laws. Accordingly, the equity shares are being offered and sold only outside the United States of America in an offshore transaction in reliance upon Regulation S under the US Securities Act and the applicable laws of the jurisdiction where those offers and sale 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 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.

The above information is given for the benefit of the Applicants. Our 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 Prospectus. Applicants are advised to make their independent investigations and ensure that the Application is not in violation of laws or regulations applicable to them and do not exceed the applicable limits under the laws and regulations.

## SECTION II

### RISK FACTORS

*An investment in Equity Shares involves a high degree of risk. You should carefully consider all the information in the Prospectus, including the risks and uncertainties described below, before making an investment in our Equity Shares. In making an investment decision, prospective investors must rely on their own examination of our Company and the terms of this offer including the merits and risks involved. Any potential investor in, and purchaser of, the Equity Shares should also pay particular attention to the fact that we are governed in India by a legal and regulatory environment which in some material respects may be different from that which prevails in the other countries.*

*If any of the following risks, or other risks that are not currently known or are now deemed immaterial, actually occur, our business, results of operations and financial condition could suffer, the price of our Equity Shares could decline, and you may lose all or part of your investment. Additionally, our business operations could also be affected by additional factors that are not presently known to us or that we currently consider as immaterial to our operations.*

*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 implications of any of the risks mentioned herein. To obtain a complete understanding, you should read this section in conjunction with the chapters titled "Our Business" on page 96 and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on page 172 respectively, of this Prospectus as well as other financial information contained herein. Additionally, our business operations could also be affected by additional factors which are not presently known to us or which we currently believe to be immaterial may also have an adverse effect on our business, results of operations and financial conditions. The following factors have been considered for determining the materiality:*

- *Some events may not be material individually but may be found material collectively;*
- *Some events may have material impact qualitatively instead of quantitatively;*
- *Some events may not be material at present but may have material impact in future.*

*The financial and other related implications of risks concerned, wherever quantifiable, have been disclosed in the risk factors mentioned below. However, there are risk factors where the impact is not quantifiable and hence the same has not been disclosed in such risk factors.*

*Unless otherwise stated, the financial information of the Company used in this section is derived from our financial statements under Indian GAAP, as restated. Unless otherwise stated, we are not in a position to specify or quantify the financial or other risks mentioned herein. For capitalized terms used but not defined in this chapter, see the chapter titled "Definitions and Abbreviations" on page 3 of this Prospectus.*

#### **1. We are currently involved in certain legal proceedings and any adverse decision in such proceedings may have an adverse effect on our finances.**

Our Company is currently involved in certain legal proceedings and claims in India which are pending at different levels of adjudication before various authorities. The table below sets forth summary of information with respect to legal proceedings that are against us:

Litigation Involving Civil Laws	Case No. 225/12 being Appeal before Dhule Court filed by Mr. Rajendra Badrinarayan. Amount not quantifiable.
Litigation involving Taxation	Disputed tax demand of about Rs. 3.64 lacs for AY 1996-97 against Nitiraj Engineers (partnership firm since converted into our Company), now pending before Hon. Bombay High Court, Aurangabad Bench on appeal by CIT against ITAT Order.
Litigation involving Labour Laws	Case No. 15/13 filed before Labour Court, Sagar, M.P. by Mr. Prakash Ahirwar. Amount not quantifiable.

Additionally, should any new development arise, such as a change in the Indian law or rulings against us by appellate courts or tribunals, we may need to make provisions in our financial statements, which may reduce our profitability. We can give no assurance that these legal proceedings will be decided in our favour. Any adverse outcome in any or all of these proceedings may have an adverse effect on our finances. For further information relating to these proceedings, please see the section titled "Outstanding Litigations and Defaults" on page 181.

- 2. In the last few years, a significant portion of our revenue has been on account of sales to Government sector and sales effected through our top 10 dealers. The loss of any significant clients / dealers or an adverse change in the customer relationship may have a material and adverse effect on our business and results of operations**

Currently, a significant portion of our revenue is accounted for by sales to the government sector and sales effected through our top 10 dealers. The percentage of sales derived from our Company's top 10 govt customers and sales effected through top 10 dealers aggregated about 29%, 52% and 56% of our total sales for FYs 2014, 2015 and 2016 respectively. While we are constantly working to increase our customer base by following new marketing strategies and developing new products and entering newer markets so as to enable us to reduce dependence on limited number of customers, there is no assurance that we will be able to broaden our customer base or sales pattern in a particular time frame in future. Our business or results of operations could be adversely affected by a reduction in demand or change in preference for our product or cessation of our relationship with any such major customers / dealers.

- 3. Our Company is presently enjoying certain fiscal incentives such as excise duty exemption based on the location of our manufacturing unit at Parwanoo, Himachal Pradesh. The said fiscal incentives are due to expire in March 2017. Our inability to find an alternate location conferring such fiscal incentives on our manufacturing unit may have a material and adverse effect on our business and results of operations.**

Fiscal Incentives like excise duty exemptions and income tax rebates are presently available to us due to location of our manufacturing facility at Parwanoo, Himachal Pradesh. These are due to expire in March 2017. We are looking for alternative means of retaining the fiscal incentives by relocating our operations within Parwanoo or relocating to any other territory offering similar fiscal incentives. In this regard, we have, in February 2016, taken over an existing unit in Parwanoo which, we believe, has all necessary statutory registrations and eligible for availing fiscal benefits if we relocate our manufacturing operations there. However, if such is not the case or we are unable to find such an alternate location in a timely manner and the fiscal incentives are not available to us in future, it may impact our sales and also our margins since we may not be able to pass on the increase in cost of our products to the customers in full. However, this can be offset to some extent through production cost rationalization and introduction of value added products for higher sales realization.

4. **We have experienced negative cash flows in previous years. Any operating losses or negative cash flows in the future could adversely affect our results of operations and financial conditions.**

The details of Cash flows of our Company are as follows:

Particulars	For the period / year ended					
	30/09/2016	31/03/2016	31/03/2015	31/03/2014	31/03/2013	31/03/2012
Net cash (used in) / from Operating Activities	257.86	(254.94)	(293.58)	568.85	261.22	119.46
Net cash (used in) / from Investing Activities	(59.40)	(180.21)	(175.65)	(125.12)	(44.75)	(142.84)
Net cash (used in) / from Financing Activities	(217.94)	442.13	148.09	(102.01)	(215.85)	24.18
Net increase / (decrease) in cash and cash equivalents	(19.48)	6.97	(321.14)	341.72	0.62	0.80

₹ in lakhs

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 to make new investments without raising finance from external resources. Any operating losses or negative cash flows could adversely affect our results of operations and financial conditions. If we are not able to generate sufficient cash flows, it may adversely affect our business and financial operations. For more information, regarding Cash flows, please refer Annexure 03 in Section V titled "FINANCIAL INFORMATION OF THE COMPANY" beginning on page 147 of this Prospectus.

5. **Our funding requirements and deployment of the Proceeds of the Issue are based on management estimates and have not been independently appraised.**

We intend to use the proceeds of the Issue for purposes described in the section "Objects of the Issue" beginning on page 65 of this Prospectus. As disclosed in the said section, our funding requirements and the deployment of the Net Proceeds of the Fresh Issue are based on management estimates and our current business plans; and such fund requirements and intended use of proceeds have not been appraised by any bank or financial institution. Because of the competitive and dynamic nature of the businesses that we operate in, we may need to revise our expenditure and fund requirements due to changes in the cost structure, changes in estimates on receipt of actual quotations, exchange rate fluctuations and external factors, which may not be within the control of our management. In the event of an increase in expenditure and fund requirements, we intend to try and meet these increased requirements through our internal accruals and additional debt or equity arrangements. This may entail rescheduling or revising the planned expenditure and fund requirements and increasing or decreasing the expenditure for a particular purpose at the discretion of our Board.

6. **There is no monitoring agency appointed by our Company and the deployment of funds is 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, 2009, as amended, appointment of monitoring agency is required only for Issue size above ₹ 500 crores. Hence, we have not appointed any monitoring agency to monitor the utilization of Issue proceeds and it will be at the discretion of our Management. However, the audit committee of our Board will monitor the utilization of Issue proceeds in terms of SEBI Listing Regulations and any material deviation will be made only in accordance with applicable laws and SEBI Regulations.

7. **We have not yet placed orders for 100% of plant & machinery and other equipment requirements as specified in the Objects of the Issue. Any delay in procurement of plant & machinery, equipment, etc. may delay the implementation schedule which may also lead to increase in prices of these equipments, further affecting our costs, revenue and profitability.**

We propose to purchase plant & machinery worth ₹ 945 lacs from the proceeds of this Issue as specified in the Objects of the Issue. We have neither placed orders for any part of the plant & machinery and other equipments nor have procured quotations for them; the estimates having been based on the knowledge and experience of our management in this field. Any delay in procurement of plant & machinery, equipment, etc may delay the implementation schedule. We may also be subject to risks of cost escalation on account of inflation in the price of plant & machinery and other equipments that we require. Hence our project could face time and cost over-run which could have an adverse effect on the operations of our Company.

8. **Delay in completion of the Issue or any shortfall in raising the amount envisaged coupled with absence of any alternate source of funds would adversely affect our growth plans, operations and financial performance**

The funds that we receive would be utilized for the objects of the Issue as has been stated in the section, "Objects of the Issue" on page 65 of the Prospectus. Any delay in completion of the Issue or any shortfall in raising the amount envisaged will adversely affect our ability to pursue the Objects of the Issue especially since we have not identified any alternate source of funds required for the same. Hence, this would result in adverse effect on our growth plans, operations and financial performance.

9. **Our Company has not made provision for Gratuity Payment as required under The Payment of Gratuity Act 1972. Our company has not complied with 'AS-15 - Employee Benefits' as issued by ICAI.**

The Company has completed five years from the date of Incorporation and the Payment of Gratuity Act, 1972 is applicable. We have not made provision for Gratuity Payment as required under The Payment of Gratuity Act 1972. The compliance of Accounting Standard-15 — Employee Benefits is mandatory for Companies. We have not complied with the same. The effect of the non-compliance is not quantifiable.

10. **Our Company had entered into various transactions with our Promoters, Promoter Group, Directors and their Relatives and Group Companies in the past and may continue to do so in future as well which may adversely affect our competitive edge and bargaining power and may involve a potential conflict of interest.**

Our Company had entered into various transactions with our Promoters, Promoter Group, Directors and their Relatives and Group Companies for job work, granting of loans & advances, letting out of



our premises to group entities etc. Such related party transactions were entered into by our Company due to proximity with the related parties and the ability of quick execution of deals. While our Company believes that all such related party transactions have been undertaken at arm's length basis, it is difficult to determine whether we could have been able to obtain better and more favourable terms if such transactions were entered with unrelated parties. Our Company may enter into such transactions with related parties in future as well. We cannot assure that in such event there would be no adverse effect on the financial results of our Company. For details please refer to Annexure 30 on Related Party Transactions of the Auditor's Report under Section titled "Financial Information of the Company" beginning on page 147 of this Prospectus.

- 11. We have not entered into any long term supply agreement for procuring major components required for manufacturing of our products. Also, volatility in the prices and non availability of critical components may have an adverse impact on our business.**

The major raw materials and components required for our products are metal frames, ABS granules, transformer, SMF battery, load cells etc. Our Company has not entered into any long-term contracts with our suppliers of various components and parts used in manufacture of our products. In the absence of any long-term arrangement with our suppliers and in event of any unexpected price fluctuations or, disruption in the supply of various components in terms of requisite quantities, defects in quality or any factors beyond our control, our production schedule may also be adversely affected. In the event when our Company fails to secure sufficient quantities of required components and parts from our suppliers at acceptable quality and prices in a timely manner, our business, financial performance and cash flows may be adversely affected.

- 12. Our financial condition could be affected if any of the major customers of the Company do not honour the payment terms, or commits delays or defaults in the outstanding payments.**

Our sales to Govt. Departments and schemes sponsored by Government has seen a rise in the recent past. Payments from such customers are ordinarily received in about 120 days. Any substantial delay in receipt of payments from our major customers can adversely impact our liquidity position besides enhancing our financing costs. Also, there is no guarantee that all of our customers will honor their outstanding payment commitments on time. Such events of delayed or non-payment can adversely affect our financial performance and results of operations..

- 13. Our Company has availed financial facility in the nature of Cash Credit from our bankers, which includes several conditions and restrictive covenants. As such, certain actions on part of our Company may require prior written approval of the Banker.**

We have availed credit facilities in the nature of Cash Credit from our bankers, HDFC Bank Limited. The sanction letter/ agreement contain certain restrictive covenants, which among other things require us to obtain their written permission for various actions including undertaking an expansion or diversification programme. These covenants may also under certain circumstances constrain our company's ability to take certain decisions in a timely manner which may have an adverse effect on the functioning and fund-raising plans of our Company.

- 14. Strikes, work stoppages or increased wage demands by our employees or any other kind of disputes with our employees/workmen in future could adversely affect our business and results of operations.**

Presently our Company has 286 full-time employees and 130 contracted labour including workers at our manufacturing unit and with an increase in our production capacities or execution of any expansion plans in future we expect increase in such number of employees. Historically, we have enjoyed a good relationship with our employees and have not experienced any lockouts, strikes, or any disruptions of any sort due to labour unrest. However there can be no assurance that we may not experience any disruptions in our operations in future as well. In case of disputes or other problems with our work force such as strikes, work stoppages or increased wage demands, our business, financial conditions and results of operations may be materially and adversely affected.

- 15. We are dependent on our Managing Director, Mr. Rajesh Raghunath Bhatwal for the conduct and growth of business of our Company, given his expertise in strategic business and investment decisions. His disassociation from our Company in future may adversely affect our business and our growth prospects.**

Our Managing Director, Mr. Rajesh Raghunath Bhatwal is also its Promoter. He has guided the Company since its inception and has been instrumental in the growth of our Company. As Managing Director of the Company, Mr. Rajesh Bhatwal has been overseeing all aspects of our Company's day-to-day operations. We rely significantly on Mr. Rajesh Bhatwal for his expertise in strategic business, financial and investment decisions.. His disassociation from our Company may adversely affect our business, results of operations and could seriously impair our ability to continue to manage and expand the business.

- 16. We are dependent on our management team for our success. If we are unable to retain the services of our management team, particularly key managerial personnel, our business and our operating results could be adversely impacted.**

The success of our business largely depends on the continued services and efficiency of our management team, particularly the key managerial personnel. As on date, our Company has limited human resources to oversee the specific organizational functions assigned to them. Their efficient performance enables our Company to carry out the business activities effectively. A limited human resource results in heavy reliability of our business on such key managerial personnel of the Company. The loss of our management team or key managerial personnel by way of disassociation or otherwise may materially and adversely impact our business, results of operations and financial condition. The failure or inability of our Company to retain and manage its key human resources would adversely affect our ability to implement new projects or execute any expansion plans in future.

- 17. Our products adhere to strict quality control requirements because of which we have gained the trust and confidence of our customers and our inability to maintain such quality standards on consistent basis in future could adversely impact our business, results of operations and financial condition**

Our Company is currently engaged in the manufacture and sale of wide range of Electronic Weighing Scales and Systems, Currency Counting Machines and Electronic Fare Meters that adhere to high quality and precision. Success of our business depends upon quality of our products. We have gained the trust and confidence of our customers due to the emphasis placed by us on the quality of products manufactured by us. Any rapid change in our customers' expectations on account of changes in technology or introduction of new product or any other reason and failure on our part to comply with the design specifications of our customers or meet their quality expectations in future may lead to cancellation of the supply orders placed by our customers or reduction in the volume of orders given to us. This could adversely affect our business, results of operations and financial condition of the Company.

- 18. Our insurance coverage may not adequately protect us against certain operating risks and this may have an adverse effect on the results of our business operations.**

We are insured for a number of the risks associated with our manufacturing business, through appropriate insurance policies. We believe we have got our assets adequately insured; however there can be no assurance that any claim under the insurance policies maintained by us will be honoured fully, in part or on time, to cover all material losses. To the extent that we suffer any loss or damage that is not covered by insurance or exceeds our insurance coverage, our business and results of operations could be adversely affected. We may also be subject to claims resulting from defects in the design or quality of our products. Our insurance may not be effective or adequate to cover all such risks. Failure to effectively cover ourselves against the associated risks for any of these reasons including other unforeseen circumstances could expose us to substantial costs and potentially lead to material losses.

- 19. We do not own the premises on which our present manufacturing unit is located as also a few of the premises from where we are currently operating and the same have been taken on lease. Any failure on our part to meet the terms of those lease agreements, arrangements could jeopardise our interest severely.**

We do not own our manufacturing unit (situated at Plot No. 11-A, Sector - 2, Parwanoo, Tehsil Kasauli, Dist Solan, Himachal Pradesh), and the same is taken on lease which expires in December 2017. We also have our branch offices in Raipur, Bilaspur and Raigarh in Chattisgarh and Balangir, Jeyapore and Sambalpur in Odisha which are located on leased premises.

If any of the owners of these leased premises do not renew the agreements under which we occupy the premises or we are unable to find satisfactory alternate arrangements to locate our manufacturing unit and/or branches upon expiry/non-renewal of such lease agreements, we may suffer a disruption in our operations which might adversely affect our business and results of operations

- 20. Our Promoter, Director have given personal guarantees in relation to Credit facility (fund and non-fund based) for credit facilities provided to our Company by HDFC Bank Ltd. In the event of default on the debt obligations, the personal guarantees may be invoked thereby adversely affecting our Promoter's / Directors' ability to manage the affairs of our Company and consequently impact our business, prospects, financial condition and results of operations.**

Our Company has been sanctioned Credit facilities (fund based and non-fund based) of ₹ 2,250 Lacs from HDFC Bank Ltd., to our Company. Terms and conditions of the said facility stipulate that the facility shall be secured by a personal guarantee of our Promoter, Directors. In event of default on the debt obligations, the personal guarantees may be invoked thereby adversely affecting our Promoter's ability to manage the affairs of our Company and consequently may impact our business, prospects, financial condition and results of operations. For further details in relation to above borrowings please refer section titled "Financial Information" beginning at page no. 147 of this Prospectus.

- 21. We require working capital for our smooth day-to-day operations of business and any discontinuance or our inability to arrange adequate working capital timely and on favorable terms may have an adverse effect on our operations, profitability and growth prospects.**

Over past few years, we have been successfully executing good number of orders from Govt. Institutions and Govt. sponsored institutions. In view of the general terms of payment by such govt.

institutions in respect of supplies to them, there has been a higher requirement of funds for working capital. Presently, we have sanction from HDFC Bank Ltd., for fund-based and non-fund based working capital facilities amounting to ₹ 2,250 Lacs, which we feel is sufficient to meet our present requirements. However, in future if there are insufficient cash flows to meet our working capital requirement or we are unable to arrange the same from banks/other sources or there are delays in disbursement of arranged funds, or we are unable to procure funds on favourable terms, it may result into our inability to finance our working capital needs on a timely basis which may have an adverse effect on our operations, profitability and growth prospects.

**22. Our business is subject to various operating risks at our factory, the occurrence of which can affect our results of operations and consequently, financial condition of our Company**

Our business operations are subject to operating risks, such as breakdown or failure of equipments used at our factory, interruption in power supply, shortage of consumables, performance below expected levels of output or efficiency, natural disasters, obsolescence, labour disputes, industrial accidents, our inability to respond to technological advancements and emerging industry standards and practices along with the need to comply with the directives of relevant government authorities. The occurrence of these risks, if any, could significantly affect our operating results, and the slowdown / shutdown of business operations may have a material adverse affect on our business operations and financial conditions

**23. Our Company is required to obtain several statutory and regulatory permits, licenses and approvals to conduct our business. For the proposed introduction of new products and setting up of new manufacturing unit, as specified in the Objects of the Issue, we may require several approvals from different Government / Regulatory authorities. Many of these approvals are granted for fixed periods of time and need renewal from time to time. Non-receipt / non-timely receipt / 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**

Our Company requires certain statutory and regulatory registrations, licenses, permits and approvals for our business. For details, please see chapters titled "Key Industry Regulations and Policies" and "Government and Other Approvals" at pages 117 and 185 respectively of the Prospectus. For our proposed business activities of introducing new products and setting up of new manufacturing unit, as specified in Objects of the Issue, we may require several approvals from different Government and Regulatory authorities. 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 our business, results of operations and financial condition. Further, 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.

**24. Dependency on our Branches and Dealers for business operations**

Our products are sold and serviced through our branches and a network of authorized dealers / service centres across our domestic market which account for about 50% of Sales. We monitor the performance of our branches and dealers and provide them with support to enable them to perform to our expectations. There can be no assurance, however, that these expectations will be met. Any under-performance by our branches or dealers could materially and adversely affect our sales, financial condition and results of operations.

**25. We require approvals under Legal Metrology Act, 2009 and Legal Metrology (Approval of Models) Rules, 2011 in the ordinary course of business for products**

All our products are subject to requisite approvals to be obtained from the Department of Legal Metrology under the Legal Metrology Act, 2009 and Legal Metrology (Approval of Models) Rules, 2011. We already have the necessary approvals for all our existing models. However, all the new models that would be manufactured by us will be subject to approvals from the Legal Metrology Department, Government of India.

**26. Our Promoters and Directors may have interest in our Company, other than reimbursement of expenses incurred or remuneration**

Our Promoters and Directors may be deemed to be interested in our Company to the extent of the Equity Shares held by them or their relatives, and benefits deriving from their positions held in our Company, if any. Our Promoters and Directors may also be deemed to be interested in certain transactions entered into between our Company and themselves or between our Company and our Group Entities. For further details, please refer to the chapters titled "Our Business" and "Our Promoters", beginning on page 96 and 140 respectively and the Annexure 30 titled "Related Party Transactions" on page 171 of the Prospectus

**Risks Related to Our Equity Shares and Equity Share Holders**

**27. Our Promoters, together with our Promoter Group, will continue to retain majority shareholding in our Company after the proposed Initial Public Issue, which will allow them to exercise significant control over us and influence the outcome of matters submitted to shareholders for approval.**

As on date of the Prospectus, our Promoter and the members of our Promoter Group hold 90% of the issued equity share capital of our Company. Following the initial public offer made through the Prospectus, our Promoter and the members of our Promoter Group will hold 65.85% of the equity share capital of our Company. Thus, a significant control of our Company will be at the discretion of our Promoter and members of the Promoter Group. As a result, our Promoter and members of our Promoter Group will have the ability to control our business, including matters relating to any sale of all or substantially all of our assets, the timing and distribution of dividends and the election or termination of appointment of our officers and directors. This control could delay, defer or prevent a change in control of our Company, impede a merger, consolidation, takeover or other business combination involving our Company, or discourage a potential acquirer from making a tender offer or otherwise attempting to obtain control of our Company even if it's in our Company's best interest. In addition, for so long as our Promoter and the members of our Promoter Group continue to exercise significant control over our Company they may influence the material policies of our Company in a manner that could conflict with the interests of our other shareholders. Our Promoter and the members of our Promoter Group may have interests that are adverse to the interests of our other shareholders and may take positions with which our other shareholders do not agree.

**28. Our Company may not regularly be in a position to distribute dividends in future and the same will be dependent upon the future earnings, cash flows, working capital requirements, capital expenditures and financial condition.**



Our Company's ability to declare dividend in future, if any, will depend on our future earnings, cash flows, financial condition, working capital requirements, capital expenditures, applicable laws in this regard and such other factors. There can be no assurance that we will pay dividends in future. Our Company may instead want to retain all the earnings to facilitate any major expansion or business development plans and, therefore, refrain from declaring any dividends on its Equity Shares. Also, if our Company suffers losses in any particular year, our Company may not be in a position to declare dividends.

**29. Any future issuance of Equity Shares may dilute your shareholdings, and sales of the Equity Shares by our major shareholders may adversely affect the trading price of our Equity Shares.**

Any future equity issuances by our Company may lead to the dilution of investors' shareholding in our Company. In addition, any sale of substantial Equity Shares in the public market after the completion of this Issue, including by our major shareholders, or the perception that such sales could occur, could adversely affect the market price of the Equity Shares and could significantly impair our future ability to raise capital through offerings of the Equity Shares. We cannot predict what effect, if any, market sales of the Equity Shares held by the major shareholders of our Company or the availability of these Equity Shares for future sale will have on the market price of our Equity Shares.

**30. The price of our Equity Shares may be volatile, or an active trading market for our Equity Shares may not develop.**

Prior to this Issue, there has been no public market for our Equity Shares. However, the trading price of our Equity Shares may fluctuate after this Issue due to a variety of factors, including our results of operations and the performance of our business, competitive conditions, general economic, political and social factors, the performance of the Indian and global economy and significant developments in India's fiscal regime, volatility in the Indian and global securities market, performance of our competitors, the Indian Capital Markets, changes in the estimates of our performance or recommendations by financial analysts and announcements by us or others regarding contracts, acquisitions, strategic partnerships, joint ventures, or capital commitments. In addition, if the stock markets experience a loss of investor confidence, the trading price of our Equity Shares could decline for reasons unrelated to our business, financial condition or operating results. The trading price of our Equity Shares might also decline in reaction to events that affect other companies in our industry even if these events do not directly affect us. Each of these factors, among others, could materially affect the price of our Equity Shares. There can be no assurance that an active trading market for our Equity Shares will develop or be sustained after this Issue, or that the price at which our Equity Shares are initially offered will correspond to the prices at which they will trade in the market subsequent to this Issue.

**EXTERNAL RISK FACTORS**

**31. 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 117 of the 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, including changes in the fiscal incentive

structure which the company enjoys at present. There can be no assurance that our Company will succeed in adapting to such regulatory changes or 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.

**32. Civil disturbances, extremities of weather, regional conflicts and other political instability may have adverse effects on our operations and financial performance.**

Certain events that are beyond our control such as earthquake, fire, floods and similar natural calamities may cause interruption in the business undertaken by us. The extent and severity of these natural disasters and pandemics determines their impact on these economies. Our operations and financial results and the market price and liquidity of our equity shares may be affected by social and ethnic instability and other political and economic developments affecting India.

**33. Terrorist attacks / war / conflicts where we operate or where our clients and Customers are located could adversely affect the financial markets and adversely affect our business.**

Terrorist attacks and other acts of violence, war or conflicts, particularly those involving India, or another part of the world where we operate or may operate or our client may operate, may adversely affect Indian and worldwide financial markets. Such acts may negatively impact business sentiment, which could adversely affect our business and profitability. India has from time to time experienced social and civil unrest, terrorist attacks and hostilities with neighbouring countries. Such social or civil unrest or hostilities could disrupt communications and adversely affect the economy of such countries. Such events could also create a perception that investments in companies such as ours involve a higher degree of risk than investments in companies in other countries. This, in turn, could have material adverse effect on the market for securities of such companies, including our Equity Shares. The consequences of any armed conflicts are unpredictable, and we may not be able to foresee events that could have an adverse effect on our business.

**34. Any downgrading of India's debt rating by a domestic or international rating agency could adversely affect our Company's business.**

Any adverse revisions to India's credit ratings for domestic and international debt by domestic or international rating agencies may adversely affect our Company's ability to raise additional financing, and the interest rates and other commercial terms at which such additional financing is available. This could harm our Company's business and financial performance and ability to obtain financing to fund our growth on favourable terms or at all.

**35. Investing in securities that carry emerging market risks can be affected generally by volatility in the emerging markets.**

The markets for securities bearing emerging market risks, such as risks relating to India, are, to varying degrees, influenced by economic and securities market conditions in other emerging market countries. Although economic conditions differ in each country, investors' reactions to developments in one country may affect securities of issuers in other countries, including India. Accordingly, the price and liquidity of the Equity Shares may be subject to significant fluctuations, which may not necessarily be directly or indirectly related to our financial performance.



**36. Companies operating in India are subject to a variety of central and state government taxes and surcharges. Any increases tax rates could adversely affect our business and results of operations.**

Tax and other levies imposed by the central and state governments in India that affect our tax liability include central and state taxes and other levies, income tax, value added tax, turnover tax, service tax, stamp duty and other special taxes and surcharges which are introduced on a temporary or permanent basis from time to time. Moreover, the central and state tax scheme in India is extensive and subject to change from time to time. For example, a new direct tax code as well as new goods and services tax regime is expected to be introduced in the future, and the scope of the service tax has been enlarged. The statutory corporate income tax in India is 30% (exclusive of surcharge and Education cess). The central or state government may in the future increase the corporate income tax it imposes. Any such future increases or amendments may affect the overall tax efficiency of companies operating in India and may result in significant additional taxes becoming payable. Additional tax exposure could adversely affect our business and results of operations.

## PROMINENT NOTES

### 1. Size of The Issue

Public Issue of 22,00,800 Equity Shares of ₹ 10/- each (the "Equity Shares") for cash at a price of ₹ 100/- each per Equity Share (issued at 10 times the Face value) aggregating to ₹ 2,200.80 Lacs ("the issue") by Nitiraj Engineers Limited.

### 2. The average cost of acquisition of Equity Shares by the Promoter:

Name of the promoter	No. of Shares held	Average Cost of acquisition (₹)*
Mr. Rajesh R Bhatwal	33,07,500	0.92

\*The average cost of acquisition of our Equity Shares by our Promoters has been calculated by taking into account the non-cash consideration in respect of allotment done upon conversion of M/s. Nitiraj Engineers into the Company, acquisition by way of Bonus and Gift and the amount paid by him to acquire Equity Shares by way of transfer.

- Our Net worth as on September 30, 2016 is ₹ 3,761.19 lakhs as per Restated Financial Statements.
- The Book Value per share as on September 30, 2016 is ₹ 62.69 as per Restated Financial Statements.
- For details of the transactions between our Company and our Group Companies please refer chapter titled "Auditors Report on Restated Financial Information – Statement of Related Party Transactions" on page 171 of this Prospectus.
- Our Company was originally incorporated as Nitiraj Engineers Private Limited under Part IX of the Companies Act, 1956 and the Certificate of Incorporation was issued by the Assistant Registrar of Companies, Maharashtra, Mumbai on April 1, 1999. Subsequently, our Company was converted into a Public Limited Company pursuant to Shareholders Resolution passed at the Extra Ordinary General Meeting of Members of the Company held on June 8, 2015 and the name of our Company was changed to Nitiraj Engineers Limited vide a fresh Certificate of Incorporation dated June 22, 2015 issued by the Deputy Registrar of Companies, Maharashtra, Mumbai. For details, please refer section titled "History and Certain Other Corporate Information" on page 122 of this Prospectus.
- Investors may please note that in the event of over subscription, allotment shall be made on proportionate basis in consultation with the NSE, the Designated Stock Exchange. For more information, please refer to "Issue Procedure- Basis of Allotment" on page 208 of the Prospectus. The Registrar to the Issue shall be responsible to ensure that the basis of allotment is finalized in a fair and proper manner as set out therein
- Investors may contact the Lead Manager or the Compliance Officer for any complaint/ clarifications/ information pertaining to the Issue. For contact details of the Lead Manager and the Compliance Officer, refer the front cover page.

9. Any clarification or information relating to the Issue shall be made available by the Lead Manager and our Company to the investors at large and no selective or additional information would be available for a section of investors in any manner whatsoever. Investors may contact the Lead Manager for any complaints pertaining to the Issue. Investors are free to contact the Lead Manager for any clarification or information relating to the issue.
10. During the period of six months immediately preceding the date of filing of this Prospectus, no financing arrangements existed whereby the Promoters, Promoter Group, Directors and their relatives may have financed the purchase of Equity Shares by any other person, other than in the normal course of the business of such financing entity

SECTION III

## INTRODUCTION

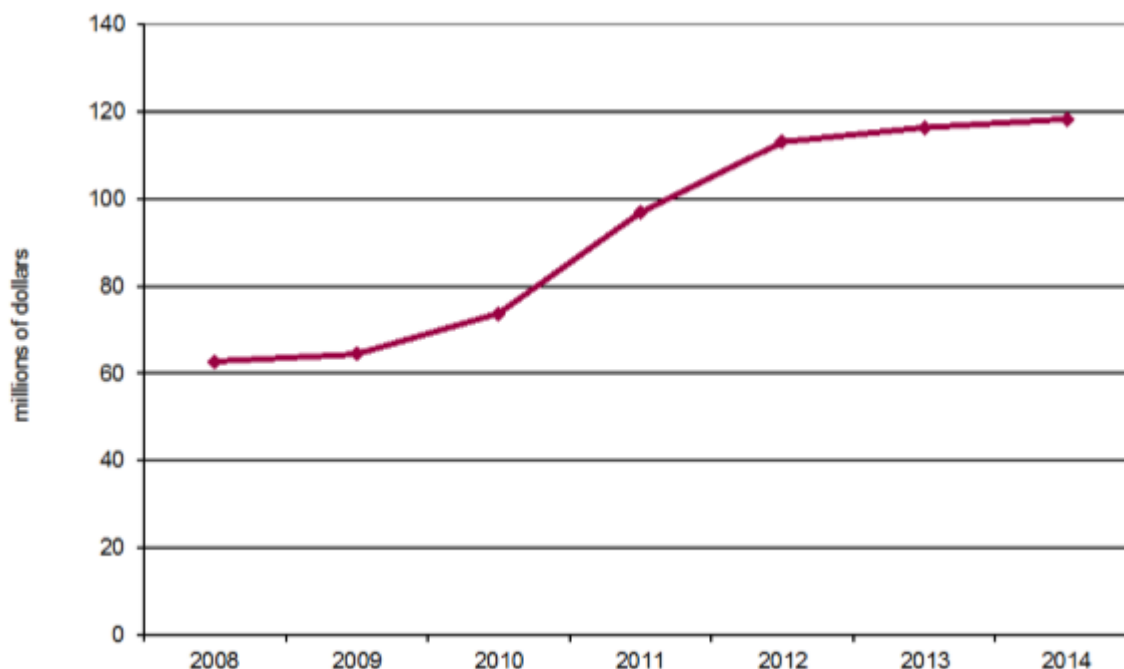
## SUMMARY OF THE INDUSTRY

*The information presented in this section, some of which is produced elsewhere in this Prospectus, has been extracted and analyzed from publicly available documents and reports prepared or published by regulatory bodies, professional organizations and other external sources such as websites of various commodity exchanges. Certain data has been reclassified for the purpose of presentation and much of the available information is based on best estimates, and should therefore be regarded as indicative only and treated with appropriate caution. Certain financial and other numerical amounts specified in this section have been subject to rounding adjustments; figures shown as totals may not be the arithmetic aggregation of the figures which precede them.*

**1. Market for weighing machines in India**

	2008	2009	2010	2011	2012	2013	2014
Millions of Dollars	62.70	64.40	73.70	96.90	113.10	116.20	118.20
Growth	-	2.70%	14.40%	31.50%	16.70%	2.80%	1.70%

Source : Global Research & Data Services, 2015

**Demand for Weighing Machines in India - 2008-2014 (US Dollars)**

## Market by type

Demand for weighing machines in India by type 2008 and 2014

	2008	2014
A. Personal weighing machines and household scales	8.90%	8.60%
B. Scales for continuous weighing of goods on conveyors	4.20%	5.40%
C. Constant weight scales	6.70%	20.60%
D. Other weighing machines (capacity less than 30 kg)	17.90%	9.50%
E. Other weighing machines (capacity 30 - 5000 kg)	8.00%	3.90%
F. Other weighing machines	19.70%	13.80%
G. Parts for weighing machines	34.50%	38.10%

Source : Global Research & Data Services, 2015

## 2. Forecasts and future outlook

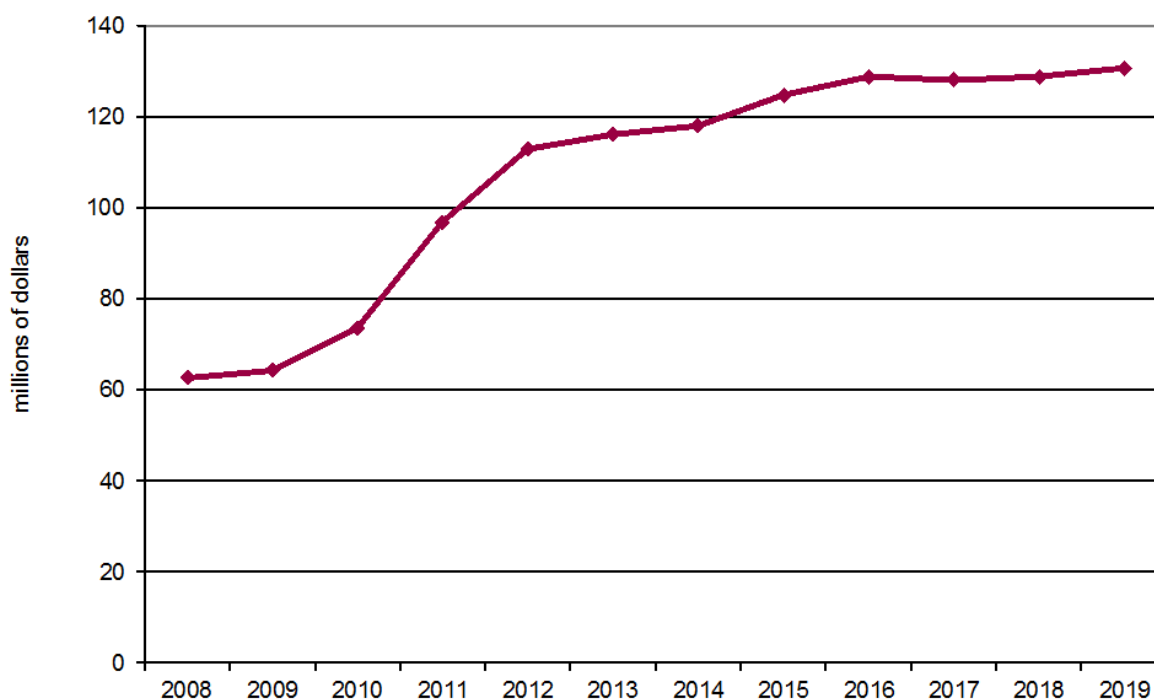
### Overall market

Demand for weighing machines in India 2015-2019 (US Dollars)

	2015	2016	2017	2018	2019
Millions of Dollars	124.80	128.80	128.10	128.80	130.70
Growth	5.60%	3.20%	(0.50%)	0.50%	1.50%

Source : Global Research & Data Services, 2015

Graphical representation of the above



**Market by type (US Dollars)**

	2015		2016		2017		2018		2019	
	Million Dollars	Growth	Million Dollars	Growth	Million Dollars	Growth	Million Dollars	Growth	Million Dollars	Growth
Personal weighing machines and household scales	10.70	5.10%	10.90	1.10%	10.80	(0.70%)	10.90	0.80%	11.10	1.70%
Scales for continuous weighing of goods on conveyors	6.60	3.20%	7.10	7.70%	7.20	0.50%	7.10	(1.70%)	7.10	0.70%
Constant weight scales	25.50	5.00%	26.00	1.80%	26.20	1.00%	26.80	2.10%	27.10	1.00%
Other weighing machines (capacity less than 30 kg)	11.80	4.40%	12.50	6.40%	12.30	(1.60%)	12.20	(1.50%)	12.30	1.00%
Other weighing machines (capacity 30 - 5,000 kg)	5.00	9.40%	4.70	(6.00%)	4.50	(5.60%)	4.60	2.60%	4.80	4.90%
Other weighing machines	17.30	5.40%	17.90	4.00%	17.70	(1.40%)	17.70	0.30%	18.00	1.50%
Parts for weighing machines	47.80	6.40%	49.60	3.70%	49.40	(0.40%)	49.60	0.30%	50.40	1.70%

Source : Global Research & Data Services, 2015

**3. Market potential rates**

Based on in-house analysis and an advanced model which considers the actual market size, trends, forecast market growth, and changes in the market environment, Global Research and Data Services has calculated the predicted Market Potential Rates of India for the coming years. The larger the Market Potential Rate, the more potential the market has in the coming years. Conversely, the smaller the rate, the less potential the market is considered to have in the future.

**Market potential rates for weighing machine industry in India**

	Market potential rate	Global average
Personal weighing machines and household scales	0.02	0.03
Scales for continuous weighing of goods on conveyors	0.05	0.01
Constant weight scales	0.05	0.03
Other weighing machines (capacity less than 30 kg)	0.03	0.02
Other weighing machines (capacity 30 - 5,000 kg)	0.01	0.02
Other weighing machines	0.07	0.03
Parts for weighing machines	0.06	0.02

Source : Global Research & Data Services, 2015

#### 4. Weighing machine market size compared to market growth in different countries



Source : Global Research & Data Services, 2015

#### 5. Market Definition

The market data includes weighing machines. In this industry report, the data is divided into the following product groups:

- Personal weighing machines and household scales - personal weighing machines, baby scales, household scales
- Scales for continuous weighing of goods on conveyors
- Constant weight scales: constant weight scales, hopper scales
- Other weighing machines (capacity less than 30 kg): beam scales, other weighing machines (capacity less than 30 kg)
- Other weighing machines (capacity 30 - 5000 kg): beam scales, other weighing machines (capacity 30 - 5000 kg)
- Other weighing machines
- Parts for weighing machines: weighing machine weights, other parts of weighing machines



## Government and Institutional Segment

Electronic weighing scales have an important application in the government programs concerning child development and welfare generally administered by Ministry of Women and Child Development ("MoWCD"). At the central level, out of budgetary allocation to the Ministry, a major amount is spent on ICDS program.

### ICDS

Integrated Child Development Services (ICDS) is a welfare programme by Government of India which provides food, pre-school education, and primary healthcare to children under 6 years of age and their mothers. These services are provided from Anganwadi Centres (AWCs) established mainly in rural areas and staffed with frontline workers.

Source: Wikipedia

### Objectives

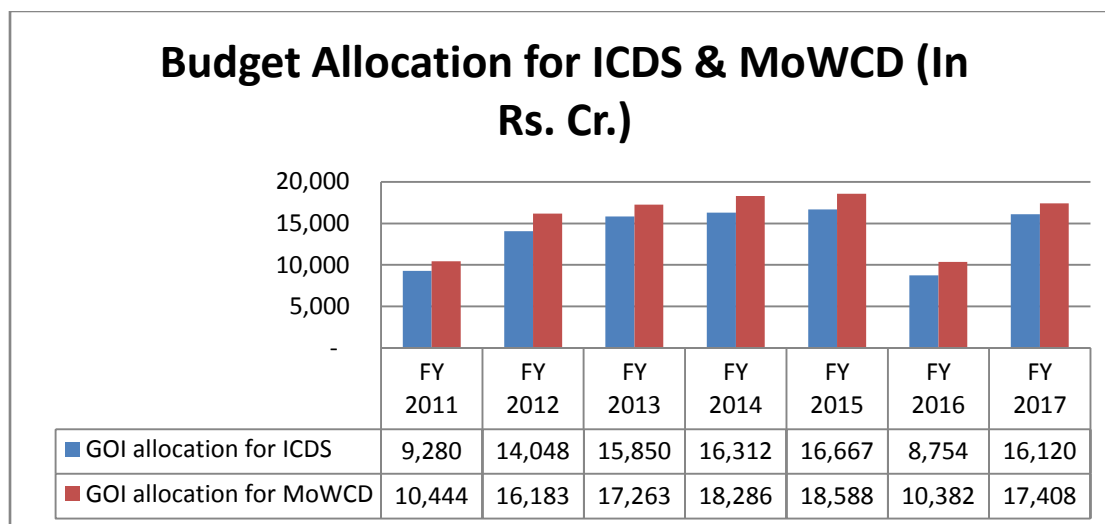
ICDS is designed to provide basic education and health services to children below 6 years of age, their mothers and to pregnant women. These objectives are achieved through following services;

1. Supplementary Nutrition
2. Non formal preschool education
3. Nutrition and Health Education
4. Immunizations
5. Health Check Ups
6. Referral Services

Source: [accountabilityindia.in/sites/default/files/icds\\_2015.pdf](http://accountabilityindia.in/sites/default/files/icds_2015.pdf)

### Budget Highlights - Government of India

As per the press release by MoWCD dated February 29 2016, total budget allocation for Financial year 2016-17 stands at ₹ 17,408 Cr. of which ₹ 16,120 Cr. were allocated to ICDS. A brief snapshot of the budget allocated for various financial years is attached below:



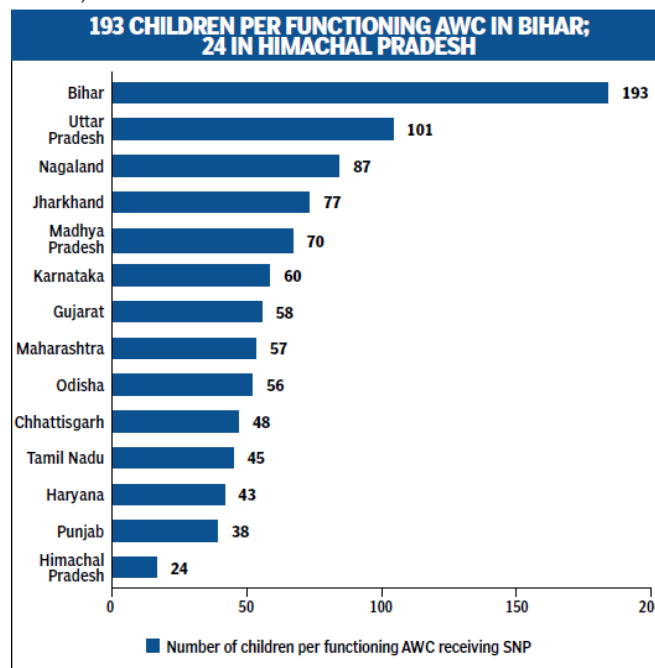
Source: [accountabilityindia.in/sites/default/files/icds\\_2015.pdf](http://accountabilityindia.in/sites/default/files/icds_2015.pdf) & Budget Speech 2016-17

Although the budget allocated for ICDS for FY 2015-16 was only ₹ 8,754 crores, actual funds released for ICDS during FY 2015-16 stood at ₹ 15,439 Cr. as per Press Release dated April 28, 2016 by MoWCD.

### Aanganwadis in India

Anganwadi is the first point of service delivery for health, nutrition and early learning for children at the village level. As per press release by Ministry of Women and Child Development dated May 07, 2015, there were 13.42 Lakh operational Aanganwadis in India as on December 31, 2014. These Aanganwadis include 1,87,997 in Uttar Pradesh, 1,14,434 in West Bengal, 1,08,010 in Maharashtra, 91,677 in Bihar, 71,140 in Odisha and 64,518 in Karnataka among others.

There has been significant increase in the percentage of operational Anganwadi centres from 10.4 Lakh in FY 2010 to 13.42 lakh as in FY 2014. Following snapshot gives us a brief idea of average no. of children per aanganwadi centre in India;



Source: ICDS data tables, state-wise details of projects, AWCs, beneficiaries, vacancy positions, and nutrition status of children as on March 2014.  
Available online at: <http://wcd.nic.in/icdsimg/currentstatus22092014.pdf>  
Last accessed on February 9, 2015

Source: [accountabilityindia.in/sites/default/files/icds\\_2015.pdf](http://accountabilityindia.in/sites/default/files/icds_2015.pdf)

### Major Challenge faced by Aanganwadis

- Non-use of electronic weighing scale
- Lack of appropriate and adequate supplementary nutrition
- Delayed commencement of complementary feeding
- Referral to nutrition centres
- Ineffective communication by aanganwadi workers regarding under-nutrition and measures to overcome this
- Major gaps in Health Services:
  - Lack of regular health checkups of children
  - Inadequate referral for illness

Source: <http://www.dnaindia.com/mumbai/report-major-gaps-in-addressing-malnutrition-in-kids-study-2141063>

### Child Growth Monitoring Systems (CGMS)

Growth Monitoring (GM) is the process of following the growth rate of a child in comparison to a standard by periodic, frequent anthropometric measurements in order to assess growth adequacy and identify faltering early.

It is a measurement of a child to determine levels of malnutrition for a nutrition surveillance program; or for periodic nutrition assessment; or to screen a population to select or determine eligibility of children for food supplementation, therapeutic feeding, or other services.

Electronic Weighing Scales is proving effective because of following features;

1. Measuring actual weight.
2. Storing the weights in periodic records with name, time and date.
3. Plotting these weights on Growth Charts
4. Analyzing the nature of curves based on their slope.
5. Devising a plan to act according to the curve traced.
6. Easy to use and local language keyboard

Source: [http://www.manoffgroup.com/documents/GMP\\_UNICEF\\_Nov\\_1608.pdf](http://www.manoffgroup.com/documents/GMP_UNICEF_Nov_1608.pdf)

### Outcome

The primary objective of ICDS is to reduce the nutrition gap among children between the age 0 to 6 years and pregnant and lactating mothers. This is being achieved by use of electronic weighing scales that are also referred as Child Growth Monitoring Systems. AWC workers are being provided with manuals to use these systems effectively and efficiently. This has resulted in decrease in malnutrition level.

### General desirable features of CGMS machines used at Aanganwadis;

1. It should store data of minimum 500 Children.
2. It should give result of child comprising of all three growth charts published by World Health Organization, namely underweight, stunting and wasting.
3. USB Port to transfer data into other portable drives.
4. Equipped with large and sturdy size of ABS Bowl which can accommodate children ageing from 0 to 72 months.
5. Detachable charger for ease of use.
6. Easy to read bright LED display.
7. Equipped with Real time clock.
8. User friendly local language keyboard.

Source: <http://datia.nic.in/doc/MBV.pdf>

### Demand Prospects

As mentioned above, AWCs lack proper measures to weigh infants and children. Government aims to replace all the manual weighing scales with the electronic weighing scales (Child Growth Monitoring Systems). With Aanganwadis being set up in small villages and towns, this will lead to rise in no. of Aanganwadis and generation of good demand for electronic weighing scales.

There are 13.42 Lakh Aanganwadis as of December 2014 in India. As per the general requirement mentioned by the Government of India, there is a requirement of replacing approx. 15% machines per annum being used by Aanganwadis.

Considering a case where minimum 2 machines are required per Anganwadi and approximate sale price of each machine is at ₹ 5,000, an estimation of demand generated can be computed as follows:

Particulars	Amount (₹ in lakhs)
Aanganwadis as of December 31, 2014 (no. in lakhs)	13.42*
Average machines used per Anganwadi	2
Total machines being used (no. in lakhs)	26.84
Replacement Criteria @ 15% (no. in lakhs)	4.03
Offer Price @ ₹ 5,000/-	5,000
<b>Total potential demand generated per annum</b>	<b>20,150</b>

*\*Data related to Aanganwadis is as of December 31, 2014. Due to rising population, government's thrust on increase the health quotient of the population and to reduce load per Anganwadi in certain states, the No. of Aanganwadis are expected to increase every year. With increase in no. of Aanganwadis, demand arising from them is also expected to increase.*

Nitiraj Engineers Limited is already supplying machines to various state governments under CGMS program. These machines have advanced technology support in form of data collection, plotting, MIS and dissemination. With the help of technology the task of record keeping, plotting, data management and reporting can be handled by the weighing machine systems itself. This provides the field staff and supervisory staff to focus on actual action points to achieve objectives of CGMS and ICDS rather than spending time on data management. We expect the demand of this segment for our Company to sustain and grow in the coming years.

## SUMMARY OF OUR BUSINESS

*In this section, unless the context otherwise requires, a reference to "we", "us" and "our" refers to Nitiraj Engineers Limited. Unless otherwise stated or the context otherwise requires, the financial information used in this section is derived from our restated financial information. This section should be read together with "Risk Factors" on page 12 and "Industry Overview" on page 80 of this Prospectus.*

### OVERVIEW

We are an ISO 9001:2008 certified company, engaged in the manufacture and sale of wide range of Electronic Weighing Scales and Systems, Currency Counting Machines and Electronic Fare Meters. Our product portfolio range caters to both industrial and domestic consumption. Our products are manufactured at our manufacturing unit located at Parwanoo, Himachal Pradesh. We also have manufacturing facility at Silvassa, UT which is not under active use currently. We supply our products under the brand **PHOENIX** through our large network of dealers to our customers in India as well as abroad.

Our Company was originally incorporated as Nitiraj Engineers Private Limited under Part IX of the Companies Act, 1956 and the Certificate of Incorporation was issued by the Assistant Registrar of Companies, Maharashtra, Mumbai on April 1, 1999. Subsequently, our Company was converted into a Public Limited Company pursuant to Shareholders' Resolution passed at the Extra Ordinary General Meeting of Members of the Company held on June 8, 2015 and the name of our Company was changed to Nitiraj Engineers Limited vide a fresh Certificate of Incorporation dated June 22, 2015 issued by the Deputy Registrar of Companies, Maharashtra, Mumbai. The Registered Office of our Company is located at Mumbai and Corporate Office is located at Dhule in the State of Maharashtra.

Our Company now produces more than 1,00,000 Scales per year and have more than one million customers. We have been catering to customers' evolving needs effectively and have wide product range with well connected sales and service network of 13 branches and over 430 dealers.

### Plant location

The manufacturing facility of our Company is located at Plot No. 11-A, Sector - 2, Parwanoo, Tehsil Kasauli, Dist Solan, Himachal Pradesh.

Research & Development, Servicing, Purchases, Sales, Customer Support, Administration and Accounts are being handled from our corporate office at Dhule, Maharashtra.

### OUR PRODUCTS

Details of products manufactured are as under :

We manufacture a range of products having different applications and utilities. They are summarized below:

**Industrial range** - These include weighing machine systems required by large industrial establishments having requirement of weighing heavy or voluminous material. The offering in this segment also includes electronic weigh bridges.

**Commercial range** - It forms our Company's major business. These are utilised mainly by business units in retail sector ranging from small shopkeepers to big departmental stores. Our product offerings include currency counting machine with variety of feature like counterfeit currency detection, sorting, totalling etc which offer huge utility value for commercial establishments.

**Jewellery range** - Machines made specifically for jewellery sector offering high weighing accuracy to check weights of precious metals. Besides jewellers, these machines find application amongst banks and other financial institutions offering gold loans.

**Healthcare range** - These include baby weighing machines, Body Mass Index (BMI) machines and adult weighing scales etc. These machines find their utility in public places like malls, healthcare centres, gymnasiums etc.

**Household range** - These include machines like personal weighing scale and kitchen scales and are useful for various purposes in households.

**Automobile range** - Our offerings in this range includes electronic fare meters for auto rickshaws and taxis. The electronic fare meter is relatively newer product offering and we are in the process of its standardization for large scale commercial production.

For details of our products and its descriptions, please refer Chapter on "Our Business" appearing on page 96 of this Prospectus.

### **Research & Development (R&D)**

We have well equipped Research & Development Department at the Corporate Office situated at Dhule, Maharashtra. Team of qualified and experienced engineers equipped with modern facilities are engaged in designing and developing electronic hardware and software.

At our Tool Room section in the Parwanoo site, designing & development related to mechanical and plastic parts are undertaken. This tool room is equipped with modern facilities like Vertical Machining Centres (VMCs), Electrical Discharge Machining (EDM), Wire-cut, profile projector as well as sophisticated designing software.

The R & D team carries out regular research and analysis alongwith client studies enabling us to be at par with international players so that there is an ongoing innovation which is reflected in all our products.

### **Sales & Marketing**

Our existing marketing setup consists of Branches and Dealers which cater to direct sales, Institutional sales including Government supplies, Exports and after-sales service.. The Sales & Marketing department estimates the sales of various products and reviews the performances through MIS Reports. It co-ordinates with the operations team for production planning and control; and also plans and executes various marketing strategies through different media.

**Marketing Strategy:**

We intend to focus on following marketing strategies:

- Increasing our Geographical reach by entering new States
- Appointment of additional Dealers & Agents in developing markets
- Increasing our participation in local trade fairs, exhibitions and other such events
- Enhancing Brand Image through increased spend on advertisements and other promotional activities.

**Competition**

Domestically, we believe that there are no listed companies in India which are engaged in the same business with an equivalent product mix as our Company. However, we face competition from several Indian manufacturers like Devishree Mudran Pvt. Ltd. (*Dolphin*), Apple Weighinfra Limited, Precision Electronics Instrument Co. (Gold Tech), Sansui Electronics Pvt. Ltd. etc. The major factors which affect competition in our business are product quality, pricing and client servicing. Internationally, competition comes from low-cost products, which are manufactured in China and quality products, which are manufactured in Germany, Italy, Japan etc.

**Customer Support & Servicing**

Our Company's products are supported with carefully planned sales and customer service. All service engineers of our Company are fully trained for servicing and maintenance of our products. All field complaints are analysed for reasons through periodic Corrective Action Review Meetings providing feedback to the R&D Department. Our network of branches which are equipped with stock of spares and testing equipments, ensure efficient support after sales.

**Software**

Our Company has a user friendly and efficient Enterprise Resource Planning (ERP) package which is developed as per the requirements of our Company.

**Purchase Department**

Under vendor development, each vendor is carefully scrutinized for capacity, standards and quality consciousness before they are approved. New vendors are identified and existing vendors are trained to retain and improve their quality standards.

**Dealers support department**

Our Company's sales network is well supported by dealers and separate department is in operation to control technical as well as administrative matters. Appointment of new dealers, supporting with all sales promotion materials, accepting purchase orders, ensuring prompt deliveries and generating various kinds of reports to improve sales from this network are managed by the administrative wing while technical support for solving field complaints and providing new spares is managed by the technical wing. Trained service engineers and efficient office staff ensure strong support to all the dealers.



### **Quality Assurance**

Inward quality department ensures proper checking and testing of raw materials. Various assemblies and semi-finished products are checked at different stages. Quality inspections are carried out on all finished products. Trained quality inspectors and sophisticated testing instruments ensure quality products.

### **Tool Room**

We have modern Tool Room facilities equipped with sophisticated equipments like VMCs, EDMs, wire-cut, profile projector, tool presetter, hydraulic grinding machines, milling machines, designing software etc. We have qualified team which provides required tool room support in the production process.

### **Branch Network**

Our Company's strength lies in the Sales Network, comprising of over 84 personnel spread over 13 branch offices across India.

Front-end (Sales Executive) is the link between customer and the company. Proper communication from front-end through middle management to the top management, brings out clear requirements of the customers.

We conduct seminars for our Sales people at regular intervals where people from the field interact with each other and share their field experiences. We also update our Sales people with new product developments at these seminars and also seek their suggestions in improving the products of our Company.

Our branch offices are situated at the following places :

State	Branches
Chhattisgarh	1. Ambikapur 2. Bilaspur 3. Rajgarh 4. Raipur
Maharashtra	5. Akola 6. Buldhana 7. Dhule 8. Jalgaon 9. Nashik
Odisha	10. Berhampur 11. Jeypore 12. Sambalpur 13. Balangir

### **Dealers Network**

The Dealers' Network is one of our core strengths.

We offer our Dealers periodic training of the latest products and technical know-how. The after-sales-service, spare parts availability and commitment to satisfy the customers' minutest needs has helped us expand our Dealer network across India.

Our dealer network is as under :

Area / Place	No of Dealers
Andhra Pradesh	58
Bihar	7
Chandigarh	1
Chhattisgarh	18
Delhi	3
Goa	2
Gujarat	9
Haryana	4
Himachal Pradesh	5
Jammu & Kashmir	8
Jharkhand	12
Karnataka	30
Kerala	9
Madhya Pradesh	60
Maharashtra	85
Manipur	1
Nepal	1
North East	10
Odisha	32
Puducherry	1
Punjab	23
Tamil Nadu	11
Uttar Pradesh	18
Uttarakhand	2
West Bengal	25
	<b>435</b>

### SWOT analysis

#### STRENGTH

- Successful and growth oriented business history of over 25 years.
- **PHOENIX** A well renowned brand in field of electronic weighing scales.
- Wide variety of products catering to various client segments.
- ISO 9001:2008, BIS certification and approvals from Legal Metrology Department of Govt. Of India.
- Large marketing, service and dealer network, with 13 branch offices and 400+ dealers across India.
- More than 1 million customers.
- In-house R&D, Tool Room and Moulding facility.
- Continuous new product development.

#### WEAKNESS

- Low entry barrier.
- Dependence on fiscal incentives for better margins.

### OPPORTUNITIES

- Huge potential in marketing of specialised weighing scales for Infant and Child care run by Aanganwadis and other Government establishments.
- Demand of weighing scale systems spurred by high growth in retail and logistics sector.
- Growth in financial sector and preference for automated currency counting and detection machines.

### THREATS

- Competition from unorganized sector in low-end products

### **Future Prospects:**

Based on our strengths and dedicated management team we believe that we are well positioned to take advantage of the immense opportunities available for growth of our business. As part of our strategy of continuous new product development we are embarking on a program to extend and expand our product offerings. The proceeds of the present issue will be substantially utilized in development of new products and increase in the marketing network which is expected to bring benefits of enduring nature to our Company.

### **Government Supplies**

After establishing closely-knit network all over India for distribution and services, we ventured into Government Supplies since 2006. Considering quality of the products, timely supply and prompt services, Director General of Supplies & Disposals (DGS&D), Government of India, has consistently awarded us the Rate contract since 2006. We have successfully executed bulk Purchase orders from Central Government departments like Defence, Railways, Postal and State Governments' Home Ministry, ICDS, Education, Health, Food & Civil Supplies etc.

### **BUSINESS STRATEGY / PROCESS**

Our business is handled from our corporate office at Dhule, Maharashtra. The corporate office is also divided into different departments to handle sales and billing processes from different avenues. The Research and Development department is also situated within the corporate office

Our sales activity is channelized through these following streams:

- I) Sales from Branch Offices
- II) Sales made by Dealers
- III) Sales to the Institutions.

For more details, please refer section "Our Business" appearing on page 96 of this Prospectus.

## SUMMARY OF OUR FINANCIAL STATEMENT

The following tables set forth the summary financial information derived from our restated financial statements for the period ended December 31, 2015. Our restated financial statements have been prepared in accordance with accounting policies as prescribed under the Accounting Standards issued by ICAI and the SEBI (ICDR) Regulations, 2009 and are presented in the section titled "Financial Information" on page 147 of this Prospectus. The summary financial information presented below should be read in conjunction with our restated financial statements and the notes thereto

## STATEMENT OF ASSETS AND LIABILITIES, AS RESTATED

(₹ In Lacs)

Particulars	30.09.16	31.03.16	31.03.15	31.03.14	31.03.13	31.03.12
<b>Equity &amp; Liabilities</b>						
<b>Shareholders' Funds</b>						
Share Capital	600.00	600.00	100.00	100.00	100.00	100.00
Reserve & Surplus	3,161.19	2,747.19	2,705.50	2,287.10	1,898.10	1,776.66
<b>Total (A)</b>	<b>3,761.19</b>	<b>3,347.19</b>	<b>2,805.50</b>	<b>2,387.10</b>	<b>1,998.10</b>	<b>1,876.66</b>
<b>Non Current Liabilities</b>						
Share Application Money	-	-	-	-	-	-
Long Term Borrowings	-	-	-	24.68	24.68	24.68
Deferred Tax Liabilities (Net)	135.21	133.80	126.66	112.15	98.15	89.34
Other Long Term Liabilities	-	-	-	-	-	-
<b>Total (B)</b>	<b>135.21</b>	<b>133.80</b>	<b>126.66</b>	<b>136.83</b>	<b>122.83</b>	<b>114.02</b>
<b>Current Liabilities</b>						
Short Term Borrowings	541.56	718.90	202.27	-	97.48	280.44
Trade Payables	115.56	265.05	157.72	284.17	174.74	128.87
Other Current Liabilities	479.66	443.98	413.49	461.80	336.74	267.39
Short Term Provisions	-	-	-	-	-	-
<b>Total (C)</b>	<b>1,136.78</b>	<b>1,427.93</b>	<b>773.48</b>	<b>745.97</b>	<b>608.96</b>	<b>676.70</b>
<b>Total (D=A+B+C)</b>	<b>5,033.18</b>	<b>4,908.92</b>	<b>3,705.64</b>	<b>3,269.90</b>	<b>2,729.89</b>	<b>2,667.38</b>
<b>Assets</b>						
<b>Fixed Assets:</b>						
a. Tangible Assets	1,218.49	1,226.31	1,220.47	1,162.10	1,083.77	1,093.02
b. Intangible Assets	-	-	-	-	-	-
c. Capital Work-in-Progress	78.99	49.96	49.96	-	10.16	10.16
Deferred Tax Asset (Net)	-	-	-	-	-	-
Long Term Loans & Advances	356.86	291.92	265.00	252.63	186.63	167.93
Non Current Investments	101.03	101.03	1.01	1.01	0.95	0.86
Other Non Current Assets	-	-	-	-	-	-
<b>Total (E)</b>	<b>1,755.37</b>	<b>1,669.22</b>	<b>1,536.44</b>	<b>1,415.74</b>	<b>1,281.51</b>	<b>1,271.97</b>
<b>Current Assets</b>						
Current Investments	-	-	-	-	-	-
Inventories	1,129.73	1,984.22	1,296.41	664.19	642.51	641.01
Trade Receivables	2,000.18	1,040.60	621.23	692.10	657.75	633.09
Cash & Bank Balances	45.84	65.32	58.35	379.50	37.78	37.17
Short Term Loans & Advances	-	-	-	-	-	-
Other Current Assets	102.06	149.56	193.21	118.37	110.34	84.14
<b>Total (F)</b>	<b>3,277.81</b>	<b>3,239.70</b>	<b>2,169.20</b>	<b>1,854.16</b>	<b>1,448.38</b>	<b>1,395.41</b>
<b>Total (G=E+F)</b>	<b>5,033.18</b>	<b>4,908.92</b>	<b>3,705.64</b>	<b>3,269.90</b>	<b>2,729.89</b>	<b>2,667.38</b>

## STATEMENT OF PROFIT AND LOSS, AS RESTATED

(₹ In Lacs)

Particulars	30.09.16	31.03.16	31.03.15	31.03.14	31.03.13	31.03.12
<b>Income</b>						
Revenue from Operations	3,194.35	5639.45	4351.38	4101.59	2858.72	2893.25
Other Income	7.02	14.83	35.86	15.57	9.26	6.82
<b>Total</b>	<b>3,201.37</b>	<b>5654.28</b>	<b>4387.24</b>	<b>4117.16</b>	<b>2867.98</b>	<b>2900.07</b>
<b>Expenditure</b>						
Cost of Material Consumed	1,024.66	3,509.51	2257.30	2062.28	1440.48	1448.03
Purchase of Stock in Trade	-	-	-	-	0.35	0.45
Change in inventories of Finished Goods, Stock-in-Trade & Scrap	700.32	(769.07)	(81.12)	27.13	41.16	(40.02)
Employees Costs	221.54	460.66	462.04	435.40	355.96	327.67
Manufacturing, Establishment, Administrative, Selling and Other Expenses	523.21	1579.48	1098.61	1007.93	779.97	710.39
<b>Total</b>	<b>2,469.73</b>	<b>4780.58</b>	<b>3736.83</b>	<b>3532.74</b>	<b>2617.92</b>	<b>2446.52</b>
Profit before Depreciation, Interest and Tax	731.64	873.70	650.41	584.42	250.06	453.55
Depreciation	38.19	73.85	67.32	56.89	53.91	49.16
Profit before Interest & Tax	693.45	799.85	583.09	527.53	196.15	404.39
Interest & Finance Charges	40.60	74.50	29.50	4.53	32.89	36.44
Exceptional Items	-	-	-	-	-	-
Net Profit before Tax	652.85	725.35	553.59	523.00	163.26	367.95
Less: Provision for Taxes:						
Current Tax	200.00	168.00	120.67	120.00	33.00	75.00
Deferred Tax	1.41	7.14	14.52	13.99	8.81	8.67
Dividend Distribution Tax			-	-	-	-
Net Profit After Tax & Before Extraordinary Items	451.44	550.21	418.40	389.01	121.45	284.28
Extra Ordinary Items	-	-	-	-	-	-
<b>Net Profit</b>	<b>451.44</b>	<b>550.21</b>	<b>418.40</b>	<b>389.01</b>	<b>121.45</b>	<b>284.28</b>

## STATEMENT OF CASH FLOW, AS RESTATED

Particulars	(₹ In Lacs)					
	30.09.16	31.03.16	31.03.15	31.03.14	31.03.13	31.03.12
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>						
Net profit before taxes	652.85	725.35	553.59	523.00	163.26	367.95
Adjustment for:						
Add: Depreciation	38.19	73.85	67.32	56.89	53.91	49.16
Add: Interest & Finance Charges	40.60	74.50	29.50	4.53	32.89	36.44
Less: Loss on Sale of Fixed Assets	-	0.38	-	-	-	-
Operating Profit before Working capital changes	731.64	874.08	650.41	584.42	250.06	453.55
Adjustments for:						
Decrease (Increase) in Trade & Other Receivables	(959.58)	(419.37)	70.87	(34.35)	(24.66)	(311.91)
Decrease (Increase) in Short Term Loans & Advances	-	-	-	-	-	-
Decrease (Increase) in Inventories	854.49	(687.81)	(632.22)	(21.68)	(1.50)	(15.33)
Decrease (Increase) in Other Current Assets (Excluding Advance Tax & TDS)	(37.43)	(8.54)	-	-	-	-
Increase (Decrease) in Trade Payables	(149.49)	137.97	(126.45)	109.43	45.87	(5.07)
Increase (Decrease) in Other Current Liabilities	35.68	-	(48.31)	125.06	69.35	32.26
Increase (Decrease) in Short Term Provisions (Excluding Provision for Taxes)	-	-	-	-	-	-
Decrease (Increase) in Long Term Loans & Advances	(64.94)	(26.92)	(12.37)	(66.00)	(18.70)	(1.83)
Net Changes in Working Capital	(321.27)	(1004.67)	(748.48)	112.46	70.36	(301.88)
Cash Generated from Operations	410.37	(130.59)	(98.07)	696.88	320.42	151.67
Less Taxes	152.51	124.35	195.51	128.03	59.20	32.21
Net Cash Flow from Operating Activities (A)	257.86	(254.94)	(293.58)	568.85	261.22	119.46
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>						
Sale/(Purchase) of Fixed Assets	(59.40)	(80.19)	(175.65)	(125.06)	(44.66)	(142.79)
Decrease (Increase) in Investments	-	(100.02)	-	(0.06)	(0.09)	(0.05)
Net Cash Flow from Investing Activities (B)	(59.40)	(180.21)	(175.65)	(125.12)	(44.75)	(142.84)
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>						
Interest & Finance Charges	(40.60)	(74.50)	(29.50)	(4.53)	(32.89)	(36.44)
Increase / (Repayment) of Long Term Borrowings	-	-	(24.68)	-	-	-
Increase / (Repayment) of Short Term Borrowings	(177.34)	516.63	202.27	(97.48)	(182.96)	60.62
Dividend and Dividend Distribution Tax	-	-	-	-	-	-
Net Cash Flow from Financing Activities (C)	(217.94)	442.13	148.09	(102.01)	(215.85)	24.18
Net Increase / (Decrease) in Cash & Cash Equivalents	(19.48)	6.97	(321.14)	341.72	0.62	0.80
Cash and cash equivalents at the beginning of the year / Period	65.32	58.35	379.50	37.78	37.17	36.37
Cash and cash equivalents at the end of the year / Period	45.84	65.32	58.35	379.50	37.78	37.17

## THE ISSUE

### Present Issue to the Public in Terms of this Prospectus

Particulars	Number of Equity Shares
<b>Equity Shares Offered</b>	22,00,800 Equity Shares of ₹ 10/- each for cash at a premium of ₹ 90/- per Equity Share aggregating ₹ 2,200.80 Lacs.
<b>Issue Reserved for Market Makers</b>	1,10,400 Equity Shares of ₹ 10/- each for cash at a premium of ₹ 90/- per Equity Share aggregating ₹ 110.40 Lacs.
<b>Net Issue to the Public #</b>	20,90,400 Equity Shares of ₹ 10/- each for cash at a premium of ₹ 90/- per Equity Share aggregating ₹ 2,090.40 Lacs.
<b>Equity Shares outstanding prior to the Issue</b>	60,00,000 Equity Shares of ₹ 10/- each
<b>Equity Shares outstanding after the Issue</b>	82,00,800 Equity Shares of ₹ 10/- each
<b>Objects of the Issue</b>	Please refer section titled “Objects of the Issue” on Page 65 of this Prospectus

- This Issue is being made in terms of Chapter XB of the SEBI (ICDR) Regulations, 2009, as amended from time to time. For further details please refer to “Issue Structure” on page 205 of this Prospectus.
- The Issue has been authorized by the Board of Directors of our Company vide a resolution passed at its meeting held on May 25, 2016 and by Special Resolution passed by the shareholders at an Extra Ordinary General Meeting held on June 20, 2016

# As per Regulation 43(4) of the SEBI (ICDR) Regulations, the present issue being a fixed price issue “the allocation” in the net offer to the public category shall be made as follows:

- a) Minimum fifty percent to Retail Individual Investors; and
- b) Remaining to other than Retail Individual Investors

The unsubscribed portion in either of the categories specified in (a) or (b) above may be allocated to the applicants in the other category.

If the retail individual investor category is entitled to more than fifty percent on proportionate basis, accordingly the retail individual investors shall be allocated that higher percentage.



## GENERAL INFORMATION

Our Company was originally incorporated as Nitiraj Engineers Private Limited under Part IX of the Companies Act, 1956 and the Certificate of Incorporation was issued by the Assistant Registrar of Companies, Maharashtra, Mumbai on April 1, 1999. Subsequently, our Company was converted into a Public Limited Company pursuant to Shareholders' Resolution passed at the Extra Ordinary General Meeting of Members of the Company held on June 8, 2015 and the name of our Company was changed to Nitiraj Engineers Limited vide a fresh Certificate of Incorporation dated June 22, 2015 issued by the Deputy Registrar of Companies, Maharashtra, Mumbai. For details of the changes in our Name, Registered Office and other details, please see section titled "History and Certain Other Corporate Information" on page 122 of this Prospectus.

<b>Registered Office</b>	306A Bhabha Building, N.M. Joshi Marg, Delisle Road, Near Police Station, Mumbai - 400 011; Tel : 022-23094161, 23001941
<b>Date of Incorporation</b>	April 1, 1999
<b>Corporate Office</b>	City Survey No. 496 A/3,4, Behind Gurudwara, Mumbai-Agra Road, Dhule - 424 001. Maharashtra Tel : 02562-239080, 239046; e-Mail: investor@nitiraj.net Website: www.nitiraj.net
<b>Corporate Identity Number (CIN)</b>	U31909MH1999PLC119231
<b>Address of Registrar of Companies</b>	Registrar of Companies, Maharashtra Everest, 5 <sup>th</sup> floor, 100 Marine Drive Mumbai - 400 002.
<b>Designated Stock Exchange</b>	SME platform of NSE (NSE EMERGE)
<b>Company Secretary and Compliance Officer</b>	Ms. Rachna Kothari City Survey No. 496 A/3,4, Behind Gurudwara, Mumbai-Agra Road, Dhule - 424 001. Maharashtra Tel : 02562-239080, 239046; e-Mail: investor@nitiraj.net

Investors can contact our Compliance Officer in case of any pre-Issue or post-Issue related matters such as non-receipt of letters of allotment, credit of allotted shares in the respective beneficiary account, refund orders 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 Lead Manager. All complaints, queries or comments received by Stock Exchange/SEBI shall be forwarded to the Lead Manager, who shall respond to the same.

For details in relation to the changes to the name of our Company, please refer to the section titled "History and Certain Other Corporate Information" beginning on page 122 of this Prospectus

Our Board of Directors comprise of the following members:

Name	Designation	DIN	Address
Mr. Rajesh Raghunath Bhatwal	Managing Director	00547575	111-B Agrawal Nagar, Malegaon Road, Dhule - 424311
Ms. Shakuntala Rajesh Bhatwal	Director	01953906	111-B Agrawal Nagar, Malegaon Road, Dhule - 424311
Mr. Yi Hung Sin	Director	01953871	Wagla Cooper Building No. 3, 2 <sup>nd</sup> floor, Khetwadi 12th Lane, Mumbai - 400004
Mr. Anil Nandkishor Bangad	Director	07186755	4747/2A Uday Malegaon Road, Near Bank of Baroda, Malegaon Road, Dhule - 424001
Mr. Pradeep Chandrakant Shah	Director	07186757	Plot No. 217, Gulabchand House, Gulabchand Bhavanji Shah Nagar, Hotel Dreamlands, Malegaon Road, Dhule - 424001
Mr. Shabbir Sadruddin Masani	Director	07553206	Flat No. 1702, 17th floor, Sagar Classic, Plot No. 64 Mirza Galib Marg, Clay Road, Byculla Mumbai - 400 008

For further details of the Directors of our Company, please refer to the chapter titled “Our Management” on page 125 of this Prospectus.

<b>LEAD MANAGER</b>	<b>REGISTRAR TO THE ISSUE</b>
<b>ARIHANT CAPITAL MARKETS LIMITED</b> <b>Merchant Banking Division</b> 1011 Solitaire Corporate Park, 1 <sup>st</sup> floor Guru Hargovindji Road, Chakala Andheri (East), Mumbai – 400 093. Tel: 022- 42254800; Fax: 022- 42254880 Email: mbd@arihantcapital.com Contact Persons: Mr. Amol Kshirsagar / Mr. Satish Kumar P.	<b>BIGSHARE SERVICES PRIVATE LIMITED</b> E/2 Ansa Industrial Estate Saki Vihar Road, Andheri (E), Mumbai – 400 072 Tel : 022-40430200 Fax: 022-28475207 Email: ipo@bigshareonline.com Contact Person: Mr. Ashok Shetty

STATUTORY AUDITORS	PEER REVIEWED AUDITOR
P.D. Dalal & Co. Chartered Accountants 11, Town Centre 1, Andheri Kurla Road Marol, Andheri (E) Mumbai - 400 069 Tel: 022-40051526 Email: askakaria@gmail.com	<b>Randhir Jhunhunwala &amp; Co.</b> <b>Chartered Accountants</b> Firm Registration No.- 113675W 232 Udyog Bhavan, 2 <sup>nd</sup> floor Sonawala Road, Goregaon (East) Mumbai - 400 063 Tel : 022-40967232; e-mail : info@cajhunhunwala.com

PRINCIPAL BANKER TO OUR COMPANY	BANKERS TO THE ISSUE
HDFC Bank Limited Lane No. 6, Mundada Arcade Parola Road, Dhule - 424001 Tel: 02562-235607 Contact Person : Mr. Sachin Bhaskar Email: sachin.bhaskar@hdfcbank.com	HDFC Bank Limited FIG- OPS Department- Lodha, I Think Techno Campus O-3 Level, Next to Kanjurmarg, Railway Station, Kanjurmarg (East) Mumbai- 400042 Tel : 022- 30752927/28/2914 Contact Person : Mr. Vincent Dsouza Email: <a href="mailto:Vincent.Dsouza@hdfcbank.com">Vincent.Dsouza@hdfcbank.com</a>

### SELF CERTIFIED SYNDICATE BANKS

The lists of banks that have been notified by SEBI to act as SCSB for the Applications Supported by Blocked Amount (ASBA) Process are provided on <http://www.sebi.gov.in/pmd/scsb.pdf>. For details on designated branches of SCSBs collecting the ASBA Application Form, please refer to the above-mentioned SEBI link.

### CREDIT RATING

As the Issue is of Equity shares, credit rating is not required.

### TRUSTEES

As the Issue is of Equity Shares, the appointment of Trustees is not required.

### 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.

### BROKERS TO THE ISSUE

All members of the recognized stock exchanges would be eligible to act as Brokers to the Issue.

### APPRAISAL AND MONITORING AGENCY

The objects of the present issue are not being appraised by any appraising agency.

### INTER-SE ALLOCATION OF RESPONSIBILITIES

Since Arihant Capital Markets Limited is the sole Lead Manager to this Issue, a statement of inter se allocation responsibilities among Lead Manager's is not required.

### EXPERT OPINION

Except for (a) Peer Review Auditors' reports on the restated financial statements by M/s. Randhir Jhunjhunwala & Co., Chartered Accountants (b) Statement of Tax Benefits by the statutory auditors, M/s. P.D. Dalal & Co., Chartered Accountants (Copies of the said report and statement of tax benefits have been included in the Prospectus), we have not obtained any other expert opinions.

## UNDERWRITING

The present Issue is fully underwritten. An Underwriting agreement has been entered into between the Underwriters and our Company on February 3, 2017. Pursuant to the terms of the Underwriting Agreement, the obligations of the Underwriter are several and are subject to certain conditions specified therein. The Underwriters have indicated their intention to underwrite the following number of specified securities being offered through this Issue:

Name and Address of the Underwriters	Indicative number of Equity Shares to be underwritten	Amount underwritten (₹ in lakhs)
Arihant Capital Markets Limited #1011, Solitaire Corporate Park, Guru hargovind Ji Road, Chakala, Andheri East, Mumbai 400 093	20,90,400	2,090.40
Total	20,90,400	2,090.40

In the opinion of the Board of Directors of the Company (based on a certificate given by the Underwriter), the resources of the above mentioned Underwriters are sufficient to enable them to discharge their underwriting obligations in full. The above-mentioned Underwriters are registered with SEBI and are also eligible to underwrite as per applicable guideline.

## DETAILS OF THE MARKET MAKING ARRANGEMENT FOR THIS ISSUE

Our company and the Lead Manager have entered into a tripartite agreement dated February 3, 2017 with the following Market Maker, duly registered with NSE to fulfill the obligations of Market Making:

Alacrity Securities Limited  
101, 1<sup>st</sup> floor, Hari Darshan, “B” Wing,  
Bhogilal Fadia Road, Kandivli (W), Mumbai – 400 067

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

Following is a summary of the key details pertaining to the proposed 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) In accordance with the SEBI Circular No. CIR/MRD/DSA/31/2012 dated November 27, 2012. it has been decided to make applicable limits on the upper side for the Market Makers during market making process taking into consideration the Issue size in the following manner:

Issue size	Buy quote exemption threshold (including mandatory initial inventory of 5% of issue size)	Re-entry threshold for buy quotes (including mandatory initial inventory of 5% of issue size)
Up to ₹ 20 Crore	25%	24%
₹ 20 Crore to ₹ 50 Crore	20%	19%
₹ 50 Crore to ₹ 80 Crore	15%	14%
Above ₹ 80 Crore	12%	11%

- 4) Execution of the order at the quoted price and quantity must be guaranteed by the Market Maker(s), for the quotes given by him.
- 5) There would not be more than five Market Makers for a scrip at any point of time and the Market Makers may compete with other Market Makers for better quotes to the investors
- 6) The Market Maker(s) shall have the right to terminate said arrangement by giving a six months 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 Lead Manager to arrange for another Market Maker 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 Lead Manager reserve the right to appoint other Market Makers either as a replacement of the current Market Maker or as an additional Market Maker subject to the total number of Designated Market Makers not exceeding five or as specified by the relevant laws and regulations applicable at that particular point of time.
- 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) NSE SME Exchange 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. BSE can impose any other margins as deemed necessary from time-to-time.

- 11) NSE SME Exchange 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.

The Department of Surveillance and Supervision of the Stock 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.

- 12) Price Band and Spreads: SEBI Circular bearing reference no: CIR/MRD/DP/ 02/2012 dated January 20, 2012, has laid down that for issue size up to ₹ 250 Crores, the applicable price bands for the first day shall be:
- (i) In case equilibrium price is discovered in the Call Auction, the price band in the normal trading session shall be 5% of the equilibrium price.
  - (ii) In case equilibrium price is not discovered in the Call Auction, the price band in the normal trading session shall be 5% of the issue price.

Additionally, the trading shall take place in TFT segment for first 10 days from commencement of trading. The spread (difference between the sell and the buy quote) shall not be more than 10% or as specified by the Stock Exchange time to time.

- 13) 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 the Company as at the date of this Prospectus, before and after the Issue, is set forth below:

Serial	Particulars	Aggregate Face Value (₹)	Aggregate Value at Issue Price (₹)
A	<b>Authorised Share Capital</b> 90,00,000 Equity Shares of ₹ 10/- each	9,00,00,000	
B	<b>Issued, Subscribed &amp; Paid-up Share Capital prior to the Issue</b> 60,00,000 Equity Shares of ₹ 10/- each	6,00,00,000	
C	<b>Present Issue in terms of this Prospectus</b> 22,00,800 Equity Shares of ₹ 10/- each at a premium of ₹ 90/- per Equity Share	2,20,08,000	22,00,80,000
	Consisting of		
I	<b>Reservation for Market Maker</b> 1,10,400 Equity Shares of ₹ 10/- each at a premium of ₹ 90/- per Equity Share	11,04,000	1,10,40,000
II	<b>Net Issue to the Public</b> 20,90,400 Equity Shares of ₹ 10/- each at a premium of ₹ 90/- per Equity Share	2,09,04,000	20,90,40,000
	<b>Of the Net Issue to Public</b>		
	10,45,200 Equity Shares of ₹ 10/- each at a premium of ₹ 90/- per Equity Share will be available for allocation for allotment to Retail Individual Investors of up to ₹ 2.00 Lakhs	1,04,52,000	10,45,20,000
	10,45,200 Equity Shares of ₹ 10/- each at a premium of ₹ 90/- per Equity Share will be available for allocation for allotment to other investors of above ₹ 2.00 Lakhs	1,04,52,000	10,45,20,000
D	<b>Paid-up Equity Capital after the Issue</b> 82,00,800 Equity Shares of ₹ 10/- each	8,20,08,000	
E	<b>Securities Premium Account</b> Before the Issue After the Issue		Nil 19,80,72,000

Our Company does not have any outstanding convertible instruments as on the date of the Prospectus.

## NOTES FORMING PART OF CAPITAL STRUCTURE

## 1. Details of Changes in Authorized Share Capital of our Company

Date	Details of Changes
Incorporation	Authorized Capital with ₹ 1,00,00,000 divided into 10,00,000 Equity Shares of ₹ 10/- each
08/08/2015	Increase in Authorized Share Capital of the Company from ₹ 1,00,00,000/- divided into 10,00,000 Equity Shares of ₹ 10/- each to ₹ 6,00,00,000/- divided into 60,00,000 Equity Shares of ₹ 10/- each.
16/12/2015	Increase in Authorized Share Capital of the Company from ₹ 6,00,00,000/- divided into 60,00,000 Equity Shares of ₹ 10/- each to ₹ 9,00,00,000/- divided into 90,00,000 Equity Shares of ₹ 10/- each.



## 2. Paid Up Equity Share Capital History of our Company

Date of Allotment	No. of Equity Shares Allotted	Cumulative No. of Equity Shares	Face Value (₹)	Issue Price (₹)	Cumulative Securities Premium (₹)	Cumulative Paid-up Capital (₹)	Consideration	Nature of Issue and Category of Allottees
01/04/99	10,00,000	10,00,000	10	10	-	1,00,00,000	Non-cash *	Subscribers to MOA
04/09/15	50,00,000	60,00,000	10	-	-	6,00,00,000	Bonus	Bonus

\* Shares issued pursuant to conversion of Partnership firm (M/s Nitiraj Engineers) into Company (Nitiraj Engineers Private Limited) under Part IX of the Companies Act, 1956

## 3. Details of Allotment made in the last two years preceding the date of the Prospectus:

Our Company has not made any allotment in last 2 (two) years preceding the date of the Prospectus except bonus shares allotted by the Company on September 2, 2015 as per details given below:

Name of allottee	No. of Shares
Mr. Rajesh R Bhatwal	15,25,000
Ms. Shakuntala R Bhatwal	15,00,000
Late Raghunath R Bhatwal	12,500
Ms. Deepa A Bhatwal	12,500
Ms. Meerabai R Bhatwal	2,50,000
Mr. Aalok R Bhatwal	12,00,000
Mr. Yi Hung Sin	5,00,000
	<b>50,00,000</b>

## 4. Details of Equity Shares issued for consideration other than cash:

The entire paid-up capital of our Company has been issued for consideration other than cash as under :

Particulars	Equity Shares	Remarks
Issued upon incorporation	10,00,000	Conversion of Partnership firm (M/s Nitiraj Engineers) into Company (Nitiraj Engineers Private Limited) under Part IX of the Companies Act, 1956 and the share in the Capital of the partners in the partnership firm was taken as Share Capital of the Company formed.
Bonus Issue	50,00,000	Bonus Issue in the ratio of 5 Equity Shares for every 1 Equity Share held
	<b>60,00,000</b>	

Our Company has not issued any equity shares at a price lower than the Issue Price during the preceding 1(One) year except the bonus issue stated above.

### 5. Capital Build Up in respect of shareholding of Our Promoters and Promoter Group :

#### PROMOTER

Allotment Date	Consideration	Issue Price/ Transaction Price	No. of Shares	Remarks
<b>Mr. Rajesh Raghunath Bhatwal</b>				
01/04/1999	Refer Note	₹ 10/-	3,50,000	
15/09/2004	Cash	₹ 10/-	(50,000)	Sale to Mr. Yi Hung Sin
28/03/2006	Cash	₹ 10/-	5,000	Purchase from Prime Digiscale Pvt Ltd
02/09/2015	Bonus Issue	₹ 10/-	15,25,000	Bonus Issue in the ratio of 5 : 1
09/12/2015	Gift received		14,75,000	Gift from Ms Meerabai R Bhatwal, Mr. Aalok R Bhatwal, Mr. Raghunath R Bhatwal and Ms Deepa A Bhatwal
23/06/2016	Transfer consequent to transmission		2,500	Transmission of Shares held by Late Raghunath Bhatwal
			<b>33,07,500</b>	

#### PROMOTER GROUP

Allotment Date	Consideration	Issue Price	No. of Shares	Remarks
<b>Ms. Shakuntala Rajesh Bhatwal</b>				
01/04/1999	Refer Note	₹ 10/-	3,50,000	
15/09/2004	Cash	₹ 10/-	(50,000)	Sale to Mr. Yi Hung Sin
02/09/2015	Bonus Issue	₹ 10/-	15,00,000	Bonus Issue in the ratio of 5 : 1
			<b>18,00,000</b>	
<b>Ms. Mirabai Raghunath Bhatwal</b>				
01/04/1999	Refer Note	₹ 10/-	50,000	
02/09/2015	Bonus Issue	₹ 10/-	2,50,000	Bonus Issue in the ratio of 5 : 1
09/12/2015	Gift		(2,50,000)	Gift to Mr. Rajesh R Bhatwal
23/06/2016	Gift		(100)	Gift to Ms. Prachi R Bhatwal
			<b>49,900</b>	
<b>Mr. Aalok Raghunath Bhatwal</b>				
01/04/1999	Refer Note	₹ 10/-	2,40,000	
02/09/2015	Bonus Issue	₹ 10/-	12,00,000	Bonus Issue in the ratio of 5 : 1
09/12/2015	Gift		(12,00,000)	Gift to Mr. Rajesh R Bhatwal
			<b>2,40,000</b>	
<b>Ms. Deepa Aalok Bhatwal</b>				
01/04/1999	Refer Note	₹ 10/-	2,500	
02/09/2015	Bonus Issue	₹ 10/-	12,500	Bonus Issue in the ratio of 5 : 1
09/12/2015	Gift		(12,500)	Gift to Mr. Rajesh R Bhatwal
			<b>2,500</b>	
<b>Ms. Prachi R Bhatwal</b>				
23/06/2016	Gift		100	Gift from Ms Meerabai R Bhatwal
			<b>100</b>	

#### Note

Shares issued pursuant to conversion of Partnership firm (M/s Nitiraj Engineers) into Company (Nitiraj Engineers Private Limited) under Part IX of the Companies Act, 1956

## OTHERS - NON PROMOTER SHAREHOLDERS

Allotment Date	Consideration	Issue Price	No. of Shares	Remarks
<b>Mr. Yi Hung Sin</b>				
15/09/2004	15/09/2004	₹ 10/-	50,000	Purchase from Mr. Rajesh R Bhatwal
15/09/2004	15/09/2004	₹ 10/-	50,000	Purchase from Mrs Shakuntala R Bhatwal
04/09/2015	Bonus Issue	₹ 10/-	5,00,000	Bonus Issue in the ratio of 5 : 1
			<b>6,00,000</b>	

6. The average cost of acquisition of shares by our promoter is given below :

Serial	Promoter	No. of Shares	Average cost
1	Mr. Rajesh Raghunath Bhatwal	33,07,500	₹ 0.92

7. Details of the Pre and Post Issue Shareholding of our Promoters and Promoter Group is as under:

Name	Pre-Issue		Post-Issue	
	No. of Shares	% of pre-issue capital	No. of Shares	% of post-issue capital
Mr. Rajesh Raghunath Bhatwal	33,07,500	55.13	33,07,500	40.34
Ms Shakuntala Rajesh Bhatwal	18,00,000	30.00	18,00,000	21.95
Ms Mirabai Raghunath Bhatwal	49,900	0.83	49,900	0.61
Mr. Aalok Raghunath Bhatwal	2,40,000	4.00	2,40,000	2.93
Ms Deepa Aalok Bhatwal	2,500	0.04	2,500	0.03
Ms. Prachi R Bhatwal	100	-	100	-
	<b>54,00,000</b>	<b>90.00</b>	<b>54,00,000</b>	<b>65.85</b>

## 8. Promoter's Contribution and Lock-in:

The following shares held by Promoter are locked-in as Promoter's Contribution:

Date of Allotment	Consideration	No. of Shares	% of pre-issue capital	% of post-issue capital	Lock-in period
01/04/1999	Refer Note	3,00,000	5.00%	3.66%	3 Years
28/03/2006	Cash	5,000	0.08%	0.06%	3 Years
04/09/2015	Bonus	13,35,000	22.25%	16.28%	3 Years
04/09/2015	Bonus	1,90,000	3.17%	2.32%	1 Year
09/12/2015	Gift	14,75,000	24.59%	17.99%	1 Year
23/06/2016	Transfer #	2,500	0.04%	0.03%	1 Year
<b>Total</b>		<b>33,07,500</b>	<b>55.13%</b>	<b>40.34%</b>	

# Transmission of Shares held by Late Raghunath Bhatwal

Note

Shares issued pursuant to conversion of Partnership firm (M/s Nitiraj Engineers) into Company (Nitiraj Engineers Private Limited) under Part IX of the Companies Act, 1956

The Equity Shares, which are being locked in are not ineligible for computation of Minimum Promoters Contribution as per Regulation 33 of the SEBI ICDR Regulations and are being locked in for 3 years as per Regulation 36(a) of the SEBI ICDR Regulations i.e. for a period of three years from the date of allotment of Equity Shares in this issue.

The Promoters' contribution has been brought in to the extent of not less than the specified minimum amount and has been contributed by the persons defined as Promoter under the SEBI ICDR Regulations. Our Promoter, Mr. Rajesh Raghunath Bhatwal has, by a written undertaking, consented to have 16,40,000 Equity Shares held by him to be locked in as Minimum Promoters Contribution for a period of 3 (three) years from the date of allotment in this Issue and will not be disposed/sold/transferred by the Promoters during the period starting from the date of filing the Draft Prospectus with NSE EMERGE till the date of commencement of lock-in period. The Equity Shares under the Promoter's contribution will constitute 20% of our post-issue paid up share capital. The above Promoter has also consented that the Promoter's contribution under Regulation 32 of the SEBI ICDR Regulations will not be less than 20% of the post issue paid up capital of our Company

**Eligibility of Share for Minimum Promoters Contribution in terms of clauses of Regulation 33 (1) of SEBI (ICDR) Regulations, 2009**

Regulation Number	Shares ineligible for Minimum Promoters' Contribution	Eligibility Status of Equity Shares forming part of Promoters' Contribution
33(1)(a)(i)	Specified securities acquired during the preceding three years, if they are acquired for consideration other than cash and revaluation of assets or capitalization of intangible assets is involved in such transaction	The Minimum Promoters' contribution does not consist of such Equity Shares. <i>Hence Eligible</i>
33(1)(a)(ii)	Specified securities acquired during the preceding three years, resulting from a bonus issue by utilization of revaluation reserves or unrealized profits of the issuer or from bonus issue against Equity Shares which are ineligible for minimum promoters' contribution	The minimum Promoters' contribution does not consist of such Equity Shares. <i>Hence Eligible</i>
33(1)(b)	Specified securities acquired by promoters during the preceding one year at a price lower than the price at which specified securities are being offered to public in the initial public offer	The minimum Promoters' contribution does not consist of such Equity Shares. <i>Hence Eligible</i>
33(1)(c)	Specified securities allotted to promoters during the preceding one year at a price less than the issue price, against funds brought in by them during that period, in case of an issuer formed by conversion of one or more partnership firms, where the partners of the erstwhile partnership firms are the promoters of the issuer and there is no change in the management: Provided that specified securities, allotted to promoters against capital existing in such firms for a period of more than one year on a continuous basis, shall be eligible	The minimum Promoters' contribution does not consist of such Equity Shares. <i>Hence Eligible</i>

Regulation Number	Shares ineligible for Minimum Promoters' Contribution	Eligibility Status of Equity Shares forming part of Promoters' Contribution
33(1)(d)	Specified securities pledged with any creditor.	Our Promoters has not pledged any shares with any creditors. Accordingly, the minimum Promoters' contribution does not consist of such Equity Shares. <i>Hence Eligible</i>

### Details of Share Capital Locked In For One Year

In terms of Regulation 36(b) and 37 of the SEBI ICDR Regulations, in addition to the Minimum Promoters contribution which is locked in for 3 (three) years, as specified above, the entire remaining pre-issue capital held by promoters and entire pre-issue capital held by persons other than promoter of our Company i.e. promoter group entities and other shareholders shall be locked in for a period of 1(One) year from the date of allotment of Equity Shares in this Issue.

As on date, Equity Shares of our Company issued till date are held by shareholders in physical/demat mode. These shares shall be locked in for a period of one year from the date of allotment. The issuer shall ensure that the certificates of Equity Shares which are subject to lock-in shall contain the inscription "non-transferable" and the lock in period; and in case of dematerialised shares, the lock-in is recorded by the depositories. The details of lock-in of the Equity Shares shall also be provided to the Designated Stock Exchange before the listing of the Equity Shares.

### Other requirements in respect of lock-in:

- In terms of Regulation 39 of the SEBI ICDR Regulations, the locked in Equity Shares held by the Promoters, as specified above, can be pledged with any scheduled commercial bank or public financial institution as collateral security for loan granted by such bank or institution provided that the pledge of Equity Shares is one of the terms of the sanction of the loan. Provided that securities locked in as minimum promoter contribution may be pledged only if, in addition to fulfilling the above requirements, the loan has been granted by such bank or institution, for the purpose of financing one or more of the objects of the Issue.
- In terms of Regulation 40 of the SEBI ICDR Regulations, the Equity Shares held by persons other than the Promoters prior to the Issue may be transferred to any other person holding the Equity Shares which are locked in as per Regulation 36 or 37 of the SEBI ICDR Regulations, subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as applicable.
- Further in terms of Regulation 40 of the SEBI ICDR Regulations, the Equity Shares held by the Promoters may be transferred to and amongst the Promoter Group or to new promoters or persons in control of the Issuer subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as applicable.

## 9. Our Shareholding pattern

## Summary Statement holding of specified securities

Cate gory (I)	Category of Shareholder (II)	No. of Sha reho lder s (III)	No. of fully paid up equity shares held (IV)	No. of part ly paid up equi ty shar es held (V)	No . of sha res un der ly ing De posito ry Re cei pts (VI )	Total No. of shares held (VII)= (IV+V+VI)	Shareh olding as % of total no. of shares( calcula ted as per SCRR 1957) (VIII)( As a % of (A+B+ C2)	No. of Voting Rights held in each class of security (IX)				No. of shares underly ing out stand ing con verti ble securitie s (Includ ing Warran ts) (X)	Sharehold ing as a % assuming full conversion of convertible securities (as a % of fully diluted share capital) (XI)=(VII) +(X) As a % of (A+B+C2)	No. of locked in shares (XII)		No. of shares pledged or otherwise encumbered (XIII)		No. of equity shares held in dematerialize d form (XIV)
								No. of voting rights			Total as a % of (A+B+C )			No. (a)	As a % of total shar es held	No. (a)	As a % of total shar es held	
								Equity Shares	Other s	Total								
(A)	Promoter & Promoter Group	6	54,00,000	-	-	54,00,000	90	54,00,000	-	54,00,000	90	-	90	-	-	-	-	53,45,000
(B)	Public	1	6,00,000	-	-	6,00,000	10	6,00,000	-	6,00,000	10	-	10	-	-	NA		6,00,000
(C)	Non Promoter Non Public	-	-	-	-	-	-	-	-	-	-	-	-	-	-	NA		-
(C1)	Shares Underlying DRs	-	-	-	-	-	NA	-	-	-	-	-	-	-	-	NA		-
(C2)	Shares held by Employee Trusts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	NA		-
	Total	7	60.00,000			60.00,000	100	60.00,000	-	60.00,000	100	-	100	-	-	-	-	59.45,000

We have entered into tripartite agreement with NSDL & CDSL and have received the ISIN - INE439T01012.

## Summary Statement holding pattern of 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 No. of shares held (VII)= (IV+V+VI)	Shareholding as % of total no. of shares( calculated as per SCRR 1957) (VIII)( As a % of (A+B+ C2)	No. of Voting Rights held in each class of security (IX)				No. of shares underlying convertible securities (Including Warrants ) (X)	Shareholding as a % assuming full conversion of convertible securities (as a % of fully diluted share capital) (XI)=(VII) +(X) As a % of (A+B+C2)	No. of locked in shares (XII)		No. of shares pledged or otherwise encumbered (XIII)		No. 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	No. (a)	As a % of total shares held	
								Equity Shares	Others	Total								
(1)	Indian																	
(a)	Individuals/HUF	6	54,00,000	-	-	54,00,000	90	54,00,000	-	54,00,000	90	-	90	-	-	-	-	53,45,000
(b)	Central Government/State Governments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(c)	Financial Institutions/Banks	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(d)	Any other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	SubTotal (A)(1)	6	54,00,000	-	-	54,00,000	90	54,00,000	-	54,00,000	90	-	90	-	-	-	-	53,45,000
(2)	Foreign	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(a)	Individuals/NRI	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(b)	Government	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(c)	Institutions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(d)	Foreign Portfolio Investor	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(e)	Any other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Sub Total (A)(2)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total A =(A)(1)+(A)(2)	6	54,00,000	-	-	54,00,000	90	54,00,000	-	54,00,000	90	-	90	-	-	-	-	53,45,000



## Summary Statement holding pattern of Public Shareholders

Category y (I)	Category of Shareholder (II)	No. of Sha reho lder s (III)	No. of fully paid up equity shares held (IV)	No. of partl y paid up equi ty shar es held (V)	No . of sha res un der lyi ng De posito ry Re cei pts (VI )	Total No. of shares held (VII)= (IV+V+VI)	Shareh olding as % of total no. of shares( calcula ted as per SCRR 1957) (VIII)( As a % of (A+B+ C2)	No. of Voting Rights held in each class of security (IX)				No. of shares underlyi ng outst andi ng convertibl e securities (Includin g Warrants ) (X)	Sharehold ing as a % assuming full conversion of convertible securities (as a % of fully diluted share capital) (XI)=(VII +X) As a % of (A+B+C2)	No. of locked in shares (XII)		No. of shares pledged or otherwise encumbered (XIII)		No. of equity shares held in dematerialize d form (XIV)
								No. of voting rights			Total as a % of (A+B+ C)			No. (a)	As a % of total shar es held	No. (a)	As a % of total shar es held	
								Equity Shares	Ot her s	Total								
(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)	(L)	(M)	(N)	(O)	(P)	(Q)	(R)	(S)
(1)	Institutions															NA		-
(a)	Mutual Funds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	NA		-
(b)	Venture Capital Funds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	NA		-
(c)	AIF	-	-	-	-	-	-	-	-	-	-	-	-	-	-	NA		-
(d)	Foreign venture Capital Investors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	NA		-
(e)	Foreign portfolio Investors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	NA		-
(f)	Financial Institution / /Banks	-	-	-	-	-	-	-	-	-	-	-	-	-	-	NA		-
(g)	Insurance Companies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	NA		-
(h)	Provident Funds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	NA		-
(i)	Any other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	NA		-
	SubTotal (B)(1)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	NA		-
(2)	Central Govt/State Govt/Presiden t of India	-	-	-	-	-	-	-	-	-	-	-	-	-	-	NA		-
	SubTotal (B)(2)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	NA		-

## Summary Statement holding pattern of Public Shareholders (cont'd)

(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)	(L)	(M)	(N)	(O)	(P)	(Q)	(R)	(S)
(3)	<b>Non Institutions</b>															NA		-
(a)	Individuals i. Individual shareholders holding nominal share capital upto ₹ 2 Lakhs.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	NA		-
	ii. Individual shareholders holding nominal share capital in excess of ₹ 2 Lakhs.	1	6,00,000	-	-	6,00,000	10	6,00,000	-	6,00,000	10	-	10	-	-			-
(b)	NBFC registered with RBI	-	-	-	-	-	-	-	-	-	-	-	-	-	-	NA		-
(c)	Employee Trusts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	NA		-
(d)	Overseas Depositories	-	-	-	-	-	-	-	-	-	-	-	-	-	-	NA		-
(e)	Any other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	NA		-
	<b>Sub Total (B)(3)</b>	1	6,00,000	-	-	6,00,000	10	6,00,000	-	-	-	-	-	-	-	NA		6,00,000
	<b>Total B= (B)(1)+(B)(2)+ (B)(3)</b>	1	6,00,000	-	-	6,00,000	10	6,00,000	-	-	-	-	-	-	-	NA		6,00,000
																		-
																		-

## Summary Statement holding pattern of Non Promoter Non Public Shareholders

Category y (I)	Category of Shareholde r (II)	No. of Shareholder s (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 No. of shares held (VII)= (IV+V+VI)	Sharehold ing as % of total no. of shares(cal culated as per SCRR 1957) (VIII)(As a % of (A+B+C2)	No. of Voting Rights held in each class of security (IX)				No. of shares underlying outstanding convertible securities (Including Warrants) (X)	Sharehold ing as a % assuming full conversion of convertible securities (as a % of fully diluted share capital) (XI)=(VII) +(X) As a % of (A+B+C2)	No. of locked in shares (XII)		No. of shares pledged or otherwise encumbered (XIII)		No. of equity shares held in dematerialize d form (XIV)
								No. of voting rights			Total as a % of (A+B+ C)			No. (a)	As a % of total shar es held	No. (a)	As a % of total shar es held	
								Eq uit y Sh are s	Ot her s	To tal								
(1)	Custodian/D R Holder	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Sub Total (C1)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	NA		-
(2)	Employee Benefit trust (under SEBI share based Employee Benefit Regulations, 2014)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	NA		-
	Sub Total (C2)	-	-	-	-	-	NA	-	-	-	-	-	-	-	-	-	NA	-
	Total C= (C1)+(C2)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	NA	-

**10. Largest Shareholders of our Company and their Shareholding is set forth below:-**

As on the date of the Prospectus, our Company has 7 (Seven) shareholders.

(a) Our shareholders as on the date of filing of the Prospectus are as follows:

Serial	Name of the Shareholder	No. of Shares	% of pre-issue paid-up capital	Mode of holding
1	Mr. Rajesh Raghunath Bhatwal	33,07,500	55.13	Demat
2	Ms. Shakuntala Rajesh Bhatwal	18,00,000	30.00	Demat
3	Ms. Mirabai Raghunath Bhatwal	49,900	0.83	Physical
4	Mr. Aalok Raghunath Bhatwal	2,40,000	4.00	Demat
5	Ms. Deepa Aalok Bhatwal	2,500	0.04	Physical
6	Ms. Prachi R Bhatwal	100	-	Physical
7	Mr. Yi Hung Sin	6,00,000	10.00	Demat
	<b>Total</b>	<b>60,00,000</b>	<b>100.00</b>	

(b) Our shareholders as on 10 days prior to the date of filing of the Prospectus are as follows:

Serial	Name of the Shareholder	No. of Shares	% of pre-issue paid-up capital
1	Mr. Rajesh Raghunath Bhatwal	33,05,000	55.08
2	Mrs. Shakuntala Rajesh Bhatwal	18,00,000	30.00
3	Mrs. Mirabai Raghunath Bhatwal	50,000	0.84
4	Mr. Aalok Raghunath Bhatwal	2,40,000	4.00
5	Late Raghunath Rameshwar Bhatwal	2,500	0.04
6	Mrs. Deepa Aalok Bhatwal	2,500	0.04
7	Mr. Yi Hung Sin	6,00,000	10.00
	<b>Total</b>	<b>60,00,000</b>	<b>100.00</b>

(c) Details of shareholders of our Company as on 2 (two) years prior to the date of filing of the Prospectus, are as follows:

Serial	Name of the Shareholder	No. of Shares	% of pre-issue paid-up capital
1	Mr. Rajesh Raghunath Bhatwal	3,05,000	30.50
2	Mrs. Shakuntala Rajesh Bhatwal	3,00,000	30.00
3	Mrs. Mirabai Raghunath Bhatwal	50,000	5.00
4	Mr. Aalok Raghunath Bhatwal	2,40,000	24.00
5	Mr. Raghunath Rameshwar Bhatwal	2,500	0.25
6	Mrs Deepa Aalok Bhatwal	2,500	0.25
7	Mr. Yi Hung Sin	1,00,000	10.00
	<b>Total</b>	<b>10,00,000</b>	<b>100.00</b>

**11. Public shareholders holding more than 1% of the capital**

As on the date of the Prospectus, Mr. Yi Hung Sin holds 6,00,000 shares constituting 10% of the Pre Issue Paid Up Share Capital.

12. Save for the following, there have been no subscription to or sale or purchase of the securities of our Company within 3 (three) years preceding the date of filing of the Prospectus by our Promoters or Directors or Promoter Group which in aggregate equals to or is greater than 1% of the Pre-Issue share capital of our Company Prospectus :

Equity Shares	Date of acquisition	Remarks
14,75,000	09/12/2015	Gift from Ms Meerabai R Bhatwal, Mr. Aalok R Bhatwal, Mr. Raghunath R Bhatwal and Ms Deepa A Bhatwal to Mr. Rajesh R Bhatwal
50,00,000	02/09/2015	Bonus Issue
2,500	23/06/2016	Transmission of Shares held by Late Raghunath Bhatwal
100	23/06/2016	Gift from Ms Meerabai R Bhatwal to Ms Prachi R Bhatwal

13. No Equity Share has been purchased or sold by our Promoters, Promoter Group and/or by our Directors and their immediate relatives within 6 (six) months immediately preceding the date of filing of the Prospectus
14. Our Company has not made any issue of equity shares during the preceding 1 (one) year from the date of the Prospectus except 50,00,000 Equity Shares that were issued and allotted to our Promoter & Promoter Group on account of bonus during September 2015
15. None of our Promoter, Promoter Group, Directors and their relatives has entered into any financing arrangement or financed the purchase of the Equity Shares of our Company by any other person during the period of 6 (six) months immediately preceding the date of filing of Prospectus.
16. As on the date of filing of the Prospectus, there are no outstanding warrants, options or rights to convert debentures, loans or other instruments which would entitle Promoters or any shareholders or any other person any option to acquire our Equity Shares after this Initial Public Offer.
17. As on the date of the Prospectus, the entire Issued, Subscribed and Paid-up Share Capital of our Company is fully paid up.
18. Since the entire issue price per share is being called up on application, all the successful applicants will be allotted fully paid-up shares.
19. As on the date of the Prospectus, none of the shares held by our Promoter / Promoter Group are subject to any pledge.
20. Neither, we nor our Promoters, Directors and the Lead Manager to this Issue have entered into any buy back and / or standby arrangements and / or similar arrangements for the purchase of our Equity Shares from any person.
21. The Lead Manager and their associates do not hold any Equity Shares in our Company as on the date of filing of Prospectus.

22. There will be no further issue of capital whether by way of issue of bonus shares, preferential allotment, rights issue or in any other manner during the period commencing from the date of the Prospectus until the Equity Shares offered have been listed or application money is refunded on account of failure of Issue.
23. At present our Company does not intend or propose to alter its capital structure for a period of 6 (six) months from the date of opening of the Issue, by way of split or consolidation of the denomination of Equity Shares or further issue of Equity Shares (including issue of securities convertible into or exchangeable, directly or indirectly for Equity Shares) whether preferential or otherwise. This is except if we enter into acquisition or joint ventures or make investments, in which case we may consider raising additional capital to fund such activity or use Equity Shares as a currency for acquisition or participation in such joint ventures or investments.
24. None of our Equity Shares have been issued out of revaluation reserve created out of revaluation of assets.
25. An over-subscription to the extent of 10% of the Issue can be retained for the purpose of rounding off to the nearest integer during finalizing the allotment, subject to minimum allotment, which is the minimum application size in this Issue. 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 Promoter and subject to 3 year lock- in shall be suitably increased; so as to ensure that 20% of the post Issue paid-up capital is locked in.
26. Under-subscription, if any, in any of the categories, would be allowed to be met with spill-over from any of the other categories or a combination of categories at the discretion of our Company in consultation with the Lead Manager and the Designated Stock Exchange i.e. NSE. Such inter-se spill over, if any, would be effected in accordance with applicable laws, rules, regulations and guidelines.
27. 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, 2009 and its amendments from time to time.
28. At any given point of time there shall be only one denomination of the Equity Shares, unless otherwise permitted by law.
29. Our Company shall comply with such disclosure and accounting norms as may be specified by Stock Exchange, SEBI and other regulatory authorities from time to time.
30. As on the date of the Prospectus, we do not have any Employees Stock Option Scheme/Employees Stock Purchase Scheme.
31. We have 7 (Seven) Shareholders as on the date of filing of the Prospectus.
32. Our Company has not made any allotment of Equity Shares pursuant to any scheme approved under section 391-394 of the Companies Act, 1956.

33. This issue is being made through Fixed Price method.
34. Our Company has not made any public issue or rights issue of any kind or class of securities since its incorporation.
35. No person connected with the Issue shall offer any incentive, whether direct or indirect, in the nature of discount, commission, and allowance, or otherwise, whether in cash, kind, services or otherwise, to any Applicant.
36. There are no safety net arrangements for this public issue.



## SECTION IV

### PARTICULARS OF THE ISSUE

#### OBJECTS OF THE ISSUE

We propose to raise an amount of ₹ 2,200.80 lacs through the fresh issue. Our Company intends to utilize the Issue Proceeds for the following objects:

Serial	Particulars	(₹ in lakhs)
(A)	Development of new products	525.00
(B)	Setting up manufacturing Unit for the existing and new range of products	575.00
(C)	Expansion of Marketing Network and Brand building	500.00
(D)	General Corporate Purposes	500.00
(E)	Issue Expenses	100.80
	<b>Total</b>	<b>2,200.80</b>

We also propose to enlist the Equity Shares of our Company, including those being offered through this Prospectus, on the SME Platform of NSE i.e. “EMERGE” and trade in the SME Continuous Normal Market. Our Company has received an ‘in-principle’ approval from NSE for the listing of the Equity Shares pursuant to their letter dated September 16, 2016. For the purpose of this Issue, the Designated Stock Exchange shall be NSE.

The main object clause of Memorandum of Association of our Company enables us to undertake the existing activities and the activities for which the funds are being raised by us through the present Issue. Further, we confirm that the activities which we have been carrying out till date are in accordance with the object clause of our Memorandum of Association. For further details on the main objects clause set out in our Memorandum of Association, please see “History and Certain Other Corporate Information” on 122.

We propose to meet the requirement of funds for the stated Objects of the Issue entirely from the issue proceeds. Hence, no amount is required to be raised through means other than the Issue Proceeds. Accordingly, the requirements under Regulation 4 (2) (g) of the SEBI ICDR Regulations and Clause VII C of Part A of Schedule VIII of the SEBI ICDR Regulations (which requires firm arrangements of finance through verifiable means for 75% of the stated means of finance, excluding the Issue Proceeds and existing identifiable internal accruals) are not applicable.

Our fund requirements and deployment thereof are based on the estimates of our management and have not been appraised by any bank or financial institution or independent third party entity. These are based on current circumstances of our business and are subject to change in light of changes in external circumstances or costs, or in our financial condition, business or strategy, as discussed further below. Our management, in response to the dynamic nature of the industry, will have the discretion to revise its business plan from time to time and consequently our funding requirement and deployment of funds may also change. Any change in deployment of funds shall be done in compliance with applicable laws and regulations. In case of a shortfall in the Net Proceeds, our management may explore a range of options which include utilisation of our internal accruals and/or, debt financing. Our management expects that such alternate arrangements would be available to fund any such shortfall.

## DETAILS OF THE UTILISATION OF ISSUE PROCEEDS

### (A) Development of new products (₹ 525 lakhs)

We propose to develop and introduce new products / new models of existing products, as under:

Product to be developed	Estimated cost (₹ in lakhs)
(a) Three new models of currency counting machines	450.00
(b) Electro-magnet based Analytical Weighing Balance	50.00
(c) Attendance System and access control based on biometric and RFID card	25.00
<b>Total</b>	<b>525.00</b>

### Break-up of costs

#### (a) Three new models of currency counting machines (₹ 450 lakhs)

<i>Model i) Loose-currency counting machine with fake note detector, LED Display:</i>	<i>Estimated cost ₹ in lacs</i>
85 nos. (approx.) of Dies for Injection Moulding and Press Metal	125.00
Designing the model (3-dimensional design), designing the Hardware, software and firmware and sourcing of components and sensors	25.00
<b>Total</b>	<b>150.00</b>

<i>Model ii) Loose Currency Counter with Value Counting machine and LCD Display</i>	<i>Estimated cost ₹ in lacs</i>
9 nos. (approx.) of Dies for Injection Moulding and Press Metal	25.00
Designing the model (3-dimensional design), designing the Hardware, software and firmware and sourcing of components and sensors	25.00
<b>Total</b>	<b>50.00</b>

<i>Model iii) Currency notes sorting machine</i>	<i>Estimated cost ₹ in lacs</i>
125 nos. (approx.) of Dies for Injection Moulding and Press Metal	200.00
Designing the model (3-dimensional design), designing the Hardware, software and firmware and sourcing of components and sensors	50.00
<b>Total</b>	<b>250.00</b>

#### (b) Electro-magnet based Analytical Weighing Balance (₹ 50 lakhs)

<i>Particulars</i>	<i>Estimated cost ₹ in lacs</i>
Making injection moulding and AI Pressure casting dies	40.00
R & D cost including salaries	8.00
Designing the model (3D design)	2.00
<b>Total</b>	<b>50.00</b>

- (c) Attendance System and access control based on biometric and RFID card (₹25 lakhs)

Particulars	Estimated cost ₹ in lacs
Injection moulding dies	20.00
R & D cost including salaries	4.00
Designing the model (3D design)	1.00
<b>Total</b>	<b>25.00</b>

**(B) Setting up new manufacturing Unit (₹ 575 lakhs)**

*Our existing Unit:* Presently our existing manufacturing operations are conducted from our Parwanoo unit located on 10,000 Sq. Feet of built-up area at Plot No. 11-A, Sector - 2, Parwanoo, Tehsil Kasauli, Dist Solan, Himachal Pradesh. The said factory premises have been acquired on lease which is valid upto December 31, 2017.

*New Manufacturing Unit:* We propose to set up a new manufacturing unit where requisite facilities would be installed for manufacturing the new products / models envisaged above as well some of our existing products. We have not yet finalised the location for setting up this new unit but have broadly shortlisted Parwanoo, Assam/Meghalaya and Silvassa.

In Silvassa, we continue to have our own factory premises at Tirupati Industrial Estate, Village Amli, Silvasa, Dadra & Nagar Haveli (UT) from where our manufacturing operations were conducted till 2004. Thereafter we discontinued manufacturing operations in Silvassa and moved our manufacturing operations over to Parwanoo.

Having shortlisted the likely locations, we propose to locate the new manufacturing facilities in rented premises initially for about 5 years, to avoid huge investments in land and building and also save on time to set up the unit. Our management has conducted preliminary study of these locations and assessed the availability of ready-to-use factory premises on rental basis in all these locations. As per our assessment, all these locations have desired infrastructure facilities, such as water, power, accessibility to markets both for procurement of raw materials/components and for sale of finished products, skilled manpower etc. In view of this, our management is satisfied about locating our proposed new manufacturing unit in any of these locations and also confident of the ability to identify and finalise appropriate premises on rental basis within a short period of time.

The need for setting up the new unit is to cater to envisaged growth in business. The existing Unit at Parwanoo is working at more than 100% efficiency. Considering the consistent increase in demand for our products and the new products / new models we are proposing to introduce, we foresee a clear requirement for additional manufacturing facility.

In this regard, we have also by an agreement dated February 29, 2016 agreed to take over all the rights, title and interest of the Parwanoo Unit of M/s Aaress Enterprises located at Khasra No. 62, Village Gumma, Sec-1, Parwanoo, Himachal Pradesh, alongwith machineries, furniture and fixtures and all benefits of whatsoever nature, agreements, approvals, registrations under various Govt./ Non Govt. Departments/ institutions etc., concessions, rights and benefits, permits, powers of every kind, nature and description whatsoever, for a consideration of Rs. 20 lakhs. We propose to shift our existing manufacturing operations to these premises subject to necessary approvals, if any, and also possibly locate some of our proposed new manufacturing facilities there.

Our promoters have been in this business since 1994 and are well conversant with the procedures and regulatory permissions required for setting up such a manufacturing unit in different parts of the Country.

**Break up of Costs: New Manufacturing Unit**

Particulars	Estimated cost ₹ in lacs	
Machinery for Tool Room and Moulding Shop		
- Injection moulding machines of different capacities (4 nos)	300.00	400.00
- Overhead cranes, water cooling pipelines, electric fittings	100.00	
Setting up Electronic Assembly Lines, QC Equipments etc		
- Electronic Assembly Lines – 6 nos	20.00	175.00
- SMD Assembling Line – 1 number with Pick and Place Machine and Reflow Oven	100.00	
- 2 nos Wave Soldering Machines and electric fittings	5.00	
- Racks, Stores, Furnitures and partitions	40.00	
- 12 nos Computer and peripherals, printers, UPS, Hubs etc	10.00	
<b>Total</b>		<b>575.00</b>

**(C) Expansion of Sales and Marketing Network and Brand building (₹ 500 lakhs)**

Particulars	Amount (₹ in lakhs)
Expansion of Sales & Marketing Network	400.00
Brand Building	100.00
<b>Total</b>	<b>500.00</b>

**Expansion of Sales and Marketing Network (₹ 400 lakhs)**

Our existing marketing setup consists of Branches and Dealers which cater to direct sales, Institutional sales including Government supplies, Exports, Original Equipment Manufacturer (OEM) supply and after-sales service. For further expansion of our existing market reach to cover pan-India, and also for promotion and sales of the new products proposed to be developed and manufactured, we intend to expand our marketing infrastructure. Towards this purpose we propose to recruit additional sales personnel who will be responsible for raising dealer network in every major district for selling our product range besides adding direct clientele. For new markets to be penetrated and new products to be established, we estimate that a time period of two years would be required and a team of 60 persons, comprising of 10 managerial and 50 field level staff, is proposed to be built up. The cost towards establishing and maintaining such a team gradually over next two years is estimated at ₹ 400 lacs, on the following basis:

Year	Supervisors (nos)		Field Staff (nos)		Quarterly Cost (₹ in lakhs)		Annual cost (₹ in lakhs)
	Addition	Cumulative	Addition	Cumulative	Supervisor (@ ₹ 0.75 lakhs p.m.)	Field Staff(@ ₹ 0.40 lakhs p.m.)	
<b>2017-18</b>							
Q1	1	1	5	5	2.25	6.00	<b>111.75</b>
Q2	1	2	5	10	4.50	12.00	
Q3	3	5	10	20	11.25	24.00	
Q4	2	7	10	30	15.75	36.00	
					<b>33.75</b>	<b>78.00</b>	
<b>2018-19</b>							
Q1	1	8	5	35	18.00	42.00	<b>288.60</b>
Q2	1	9	5	40	20.25	48.00	
Q3	-	9	8	48	20.25	57.60	
Q4	1	10	2	50	22.50	60.00	
					<b>81.00</b>	<b>207.60</b>	
							<b>400.35</b>
						<b>Say</b>	<b>400.00</b>

**Enhancement of our Company's brand 'Phoenix' through advertising and other brand-building activities**

In order to strengthen our position in domestic market, our Company intends to create awareness of its brand through advertising and various other promotional activities including participation in trade fairs, event sponsorships etc. Our Company proposes to utilize ₹ 100.00 lacs from the Issue proceeds towards enhancement of our Company's brand through advertising and other brand-building activities. Our Company believes that brand promotion activities would enable it to broaden its footprint in India. All along, our Company's brand development has been largely fuelled through word of mouth by users/ dealers based on their experience with our products and after-sale services and such users/ dealers sharing their experience with others. However, with our plans to broaden our markets across India and development of new products in the offing, increasing the awareness of our "Phoenix" brand throughout rest of India would require enhanced direct marketing efforts and innovative brand-building strategies.

Broadly, the expenditure is proposed to be incurred as under:

Media	Amount (₹ in lakhs)
Advertisement in electronic/print / digital media	75.00
Promotional activities like event sponsorships / participation in trade fairs etc	25.00
<b>Total</b>	<b>100.00</b>

**(D) General Corporate purposes (₹ 500 lakhs)**

In terms of Regulation 4(4) of the SEBI ICDR Regulations, the extent of the Net Proceeds proposed to be used for general corporate purposes is estimated not to exceed 25% of the proceeds of the present Issue.

Our Company intends to deploy Rs. 500 lacs out of IPO Proceeds towards general corporate purposes. Our management will have flexibility in applying the said amount for various purposes, including (i) financing future growth requirements; (ii) extending advance / deposit for acquiring factory premises on lease; (iii) meeting expenses towards any strategic initiatives, partnerships, tie-ups, joint ventures, acquisitions, etc.; (iv) meeting exigencies faced in the ordinary course of business; and (v) any other purpose as may be approved by our Board

Our management, in accordance with the policies of the Board, will have flexibility in utilizing any amounts for general corporate purposes under the overall guidance and policies of our Board. The quantum of utilization of funds towards any of the purposes will be determined by the Board, based on the amount actually available under this head and the business requirements of our Company, from time to time.

(E) **Issue Expenses**

The expenses for this Issue include issue management fees, printing and distribution expenses, legal fees, advertisement expenses, depository charges and listing fees to the Stock Exchange, among others. The total expenses for this Issue are estimated at ₹ 100.80 Lacs. An estimated break-up of the same is as under:

Particulars	₹ in lakhs	% of issue expenses	% of Issue size
Payment to Merchant Banker including fees and reimbursements of Market Making Fees, Underwriting commission, payment to other intermediaries such as Legal Advisors, Registrars, Bankers, processing fee to ASBA banks and other out of pocket expenses;	42.00	41.67	1.91
Printing & Stationery, postage / courier expenses	8.00	7.94	0.36
Marketing & Advertising expenses including Selling Commission & Brokerage	45.80	45.43	2.08
Regulatory fee and other expenses	5.00	4.96	0.23
<b>Total</b>	<b>100.80</b>	<b>100.00</b>	<b>4.58</b>

**Schedule of Implementation**

Activity	Period
Product development	
- Loose-currency counting machine with fake note detector, LED Display	June 2017
- Loose Currency Counter with Value Counting machine and LCD Display	August 2017
- Currency notes sorting machine	October 2017
- Electro-magnet based Analytical Weighing Balance	December 2017
- Attendance System and access control based on biometric and RFID card	December 2017
Setting up New Manufacturing Unit	
- Finalisation of location for the new manufacturing unit	September 2017
- Setting up facilities at the new unit for manufacture of the developed products	December 2017 to June 2018
- Placement of order for Plant & Machineries	September 2017 - March 2018
- Delivery and installation of the Plant & Machineries	December 2017 to May 2018
- Trial run	June 2018
- Commercial production	July 2018
Expansion of Marketing Network	
- Identification and appointment of personnel for marketing of the new products	April 2017 onwards
- Expansion of the Marketing infrastructure and Dealership network	April 2017 onwards

### Funds deployed till date

As on December 31, 2016 the Company has deployed a sum of ₹ 30.61 Lakhs towards the Objects of the Issue mentioned above, as certified by M/s. P. D. Dalal & Co., Chartered Accountants, having office at 11, Town Centre I, Andheri Kurla Road, Marol, Andheri (E), Mumbai 400 059, Regn. No. 102047W. The details of the deployment are as under:

Particulars	Amount (₹ Lacs)
<b>DEPLOYMENT OF FUNDS:</b>	
- Issue Expenses	10.61
- Setting up of New Manufacturing Unit	20.00
<b>Total</b>	<b>30.61</b>
<b>SOURCES OF FUNDS:</b>	
- Internal Accruals	30.61
<b>Total:</b>	<b>30.61</b>

The funds deployed towards Objects of the Issue, will be eventually met out of the proceeds of the Issue.

### Balance deployment of funds

₹ in lakhs

Particulars	Already deployed	FY 2018	FY 2019	Total
Development of new products	-	525.00	-	525.00
Setting up manufacturing Unit for the existing and new range of products	20.00	430.00	125.00	575.00
Expansion of Marketing Network & Brand Building	-	175.00	325.00	500.00
General Corporate Purposes	-	350.00	150.00	500.00
Issue Expenses	10.61	90.19	-	100.80
<b>Total</b>	<b>30.61</b>	<b>1,570.19</b>	<b>600.00</b>	<b>2,200.80</b>

### Interim use of proceeds

Pending utilisation for the purpose described above, we intend to deposit the funds with Scheduled Commercial banks included in the second schedule of Reserve Bank of India Act, 1934. Our Management, in accordance with the policies established by our board of directors from time to time, will deploy the Net Proceeds.

### Appraisal

The objects of this Issue have not been appraised by any bank or any other independent financial institution.



### **Monitoring of Utilization of Funds**

As the size of the Issue does not exceed ₹ 500 Crores, the appointment of Monitoring Agency would not be required as per Regulation 16 of the SEBI ICDR Regulations. Our Board will monitor the utilization of the proceeds of the Issue.

Pursuant to Regulation 32 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, our Company shall on half-yearly basis disclose to the Audit Committee the Application of the proceeds of the Issue. On an annual basis, our Company shall prepare a statement of funds utilized for purposes other than stated in this Prospectus and place it before the Audit Committee. Such disclosures shall be made only until such time that all the proceeds of the Issue have been utilized in full.

No part of the proceeds of this issue will be paid as consideration to our Promoters, Directors, Key Managerial Personnel or group concerns/companies promoted by our Promoters except in the ordinary course of business.

### **Other Confirmations:**

The machineries and equipments proposed to be purchased and other expenses proposed to be incurred for development of new products / new models as well as for setting up new manufacturing unit, as set out above, are as per the estimates of our Management and no firm orders have been placed. The actual cost would, thus, depend on the prices finally agreed with the suppliers and, to that extent, may vary from the above estimates.

There are no existing or anticipated transactions in relation to the utilization of Net Proceeds with any of our Promoters, Directors, Key Managerial Personnel or Group Companies and no part of the Net Proceeds is intended to be paid by our Company as consideration to any of our Promoters, Directors, Key Managerial Personnel or Group Entities, except in the ordinary course of business. Our Promoters, Directors, Key Managerial Personnel and Group Entities do not have any existing or anticipated interest in our proposed acquisition of any of the machineries or in respect of any of the expenses envisaged in the objects of the present Issue set out above.

### **Variation in Objects**

In accordance with Section 27 of the Companies Act, 2013, the Company shall not vary the objects of the present Issue without the Company being authorised to do so by the shareholders by way of a special resolution. In addition, the notice issued to the shareholders in relation to the passing of such special resolution shall specify the prescribed details and be published in accordance with the Companies Act, 2013. Pursuant to the Companies Act, 2013, the Promoters or controlling shareholders will be required to provide an exit offer to the shareholders who do not agree to such proposal to vary the terms of contracts or objects referred to in the Prospectus at such exit price and as per such terms and conditions as may be prescribed by SEBI.



**BASIC TERMS OF THE PRESENT ISSUE**

The Equity shares being offered are subject to the provision of the Companies Act, 2013, our Memorandum and Articles of Association, the terms of this offer document and other terms and conditions as may be incorporated in the Allotment advice and other documents /certificates that may be executed in respect of the issue. The Equity shares shall also be subjected to laws as applicable, guidelines, notifications and regulations relating to the issue of capital and listing and trading of securities issued from time to time by SEBI, Government of India, RBI, ROC and /or other authorities as in force on the date of issue and to the extent applicable.

## BASIS FOR ISSUE PRICE

The Issue Price of ₹ 100/- per Equity Share is 10 times the face value of ₹ 10/- per Equity Share, and has been determined by our Company, in consultation with the Lead Managers on the basis of market conditions and on the basis of the following qualitative and quantitative factors. You should read the following summary with the sections titled “Risk Factors”, “Our Business” and “Financial Information” on pages 12, 96 and 147 respectively, of this Prospectus, to get a more informed view before making an investment decision. The trading price of the Equity Shares could decline due to the factors mentioned in “Risk Factors” or any other factors that may arise in the future and you may lose all or part of your investments.

### Qualitative factors

We believe the following business strengths allow us to successfully compete in the industry:

- Our Company has had a successful and growth oriented business history of over 25 years commencing as a partnership firm of the Promoters in 1989 and acquiring corporate format since 1999.
- We manufacture a wide variety of electronic weighing scales ranging from jewellery scales to Electronic Weigh Bridge, besides BMI Scale, Currency Counting Machine and Electronic Fare Meter.
- Our brand “Phoenix” is a renowned brand in the field of electronic weighing scales in India.
- We conform to ISO 9001 standards, hold BIS certification and approvals from Legal Metrology Department of Govt. Of India.
- We have a large marketing, service and dealer network, with 13 branch offices and over 430 dealers across India.
- At present we produce more than 100,000 weighing scales per year. We have employee strength of over 350 people and more than 1 million customers in the country.
- We have an up-to-date in-house facility for continuous research, consistent production and stringent quality control.
- The new products and models proposed to be developed pursuant to this Issue of Shares, offer us further scope for business expansion and market penetration across India.

For a detailed discussion on the qualitative factors, please refer to the sections titled “Our Business – Competitive Strengths” and “Risk Factors” on pages 101 and 12 respectively of this Prospectus.

### Quantitative Factors

Financial information pertaining to our Company presented in this section is derived from our restated financial information, in accordance with the Companies Act and the SEBI Regulations. For more details on the financial information, please see the section “Financial Information” on page 147 Some of the quantitative factors which may form the basis for computing the Issue Price, are as follows:

#### 1. Basic and Diluted Earnings per Share (“EPS”)

Year ended on March 31	Basic EPS	Diluted EPS	Weight
2016	9.17	9.17	3
2015	6.97	6.97	2
2014	6.48	6.48	1
<b>Weighted Average</b>	<b>7.99</b>	<b>7.99</b>	
<b>September 30, 2016</b>	<b>7.52</b>	<b>7.52</b>	

Notes:

- (i) Earnings per share (EPS) calculations are done in accordance with Accounting Standard 20(AS 20), Earnings Per Share" prescribed by the Central Government in accordance with the Companies (Accounting Standards) Rules, 2006, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (ii) Basic Earnings Per Share (₹) = Net profit after tax, as restated, attributable to equity shareholders/Weighted average number of equity shares outstanding during the period or year
- (iii) Diluted Earnings Per Share (₹) = Net profit after tax, as restated, attributable to equity shareholders (including dilutive potential equity shares)/ Fully diluted Equity Shares as on date including Bonus Issue of shares.

## 2. Price Earnings Ratio (P/E) in relation to the Price of ₹ 100/- per Equity Share

Sl. No.	Particulars	Based on basic EPS	Based on diluted EPS
1	P/E ratio for the year ended on March 31, 2016 at the Issue Price	10.91	10.91
2	Industry P/E	N.A.*	N.A.
A	Highest	N.A.	
B	Lowest		
C	Industry Composite		

\* There are no strictly comparable listed companies engaged in the same line of business as that of our Company. In view of this, comparison of financial data with listed industry peers is not possible.

## 3. Return on Net Worth (RoNW)

Year ended on March 31	RONW %	Weight
2016	16.44%	3
2015	14.91%	2
2014	16.30%	1
Weighted Average	15.91%	

The restated RONW for the six month period ended on September 30, 2016 is 12.00% (non-annualised).

Note:

- (i) Return on net worth (%) = Net profit after tax, as restated / Net worth as restated as at period or year end
- (ii) Net worth = (Paid up equity share capital + securities premium balance + general reserve + Surplus in the Statement of Profit and Loss)

**4. Minimum Return on Total Net Worth after Issue needed to maintain Pre-Issue EPS for the year ended on March 31, 2016**

Based on the Basic EPS

The minimum return on increased net worth required to maintain pre-Issue Basic EPS for the year ended March 31, 2016 is 13.56% at the Issue Price

Based on the Diluted EPS

The minimum return on increased net worth required to maintain pre-Issue Diluted EPS for the year ended March 31, 2016 is 13.56% at the Issue Price

**5. Net Asset Value**

Net Asset Value per Equity Share as at March 31, 2016 on fully diluted basis	₹55.79 per Equity Share
Issue Price	₹ 100/- per Equity Share
Net Asset Value per Equity Share after the Issue	₹ 67.65 per Equity Share

*Note:*

- (i) *Net Asset Value per share* = *Net worth as at period/year ended, as restated / Number of equity shares as at period or year end*
- (ii) *Net worth* = *(Paid up equity share capital + securities premium balance + general reserve + Surplus in the Statement of Profit and Loss)*

**6. Comparison with listed industry peers:**

There are no strictly comparable listed companies engaged in the same line of business as that of our Company. In view of this, comparison of financial data with listed industry peers is not possible.

## STATEMENT OF TAX BENEFITS

### **STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS AVAILABLE TO NITIRAJ ENGINEERS LIMITED AND ITS SHAREHOLDERS UNDER THE APPLICABLE LAWS IN INDIA**

To,  
The Board of Directors  
NITIRAJ ENGINEERS LIMITED  
306 A, Bhabha Building, N.M.Joshi Marg, Mumbai

January 27, 2017

Dear Sirs,

**Sub: Statement of possible special tax benefits ('the Statement') available to NITIRAJ ENGINEERS LIMITED ("the Company") and its shareholders prepared in accordance with the requirement in SCHEDULE VIII - CLAUSE (VII) (L) of Securities and Exchange Board of India (Issue of Capital Disclosure Requirements) Regulations 2009, as amended ('the Regulations')**

We hereby report that the enclosed Annexure prepared by the Company, states the possible special tax benefits available to the Company and to the shareholders of the Company under the Income-tax Act, 1961 ('the IT Act') as amended by the Finance Act, 2016 (i.e. applicable for financial year 2016-17, relevant to the assessment year 2017-18) presently in force in India and under other indirect tax laws as on the signing date. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the Act. Hence, the ability of the Company or its shareholders to derive the special tax benefits is dependent upon fulfilling such conditions, which is based on business imperatives the Company may face in the future and accordingly, the Company may or may not choose to fulfil.

The benefits discussed in the enclosed Annexure cover only special tax benefits available to the Company and do not cover any general tax benefits available to the Company. Further, the preparation of the Statement and its contents is the responsibility of the Management. We were informed that 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. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in this issue.

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 with.

The contents of the enclosed statement 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.

Our views expressed herein are based on the facts and assumptions indicated to us. No assurance is given that the revenue authorities/ courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to change from time to time. We do not assume responsibility to update the views consequent to such changes. We shall not be liable to the Company 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 or intentional misconduct. We will not be liable to any other person in respect of this statement.

The enclosed annexure is intended for your information and for inclusion in the Prospectus in connection with the proposed issue of equity shares and is not to be used, referred to or distributed for any other purpose without our prior written consent.

Yours faithfully,

**For P.D.Dalal & Co.,**

*Chartered Accountants*

ICAI firm registration number: 102047 W

(Aashish S. Kakaria)

*Partner*

Membership No.: 102915

Place: Mumbai

Date: 27-01-2017

## **ANEXURE TO THE STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS AVAILABLE TO NITIRAJ ENGINEERS LIMITED AND ITS SHAREHOLDERS UNDER THE APPLICABLE TAX LAWS IN INDIA**

Outlined below are the possible Special tax benefits available to the Company and its shareholders under the direct tax laws in force in India (*i.e.* applicable for the Financial Year 2016-17 relevant to the assessment year 2017-18) and under other indirect tax laws as on the signing date. 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 Special tax benefits is dependent upon fulfilling such conditions, which based on business imperatives it faces in the future, it may or may not choose to fulfill.

### **UNDER THE INCOME TAX ACT, 1961 ("THE IT ACT")**

#### **A. BENEFITS TO THE COMPANY UNDER THE IT ACT:**

The Company will be entitled to deduction under the sections mentioned hereunder from its total income chargeable to Income Tax.

##### **1. Special tax benefits available to the Company**

Subject to the fulfilment of conditions such as obtaining Audit report in form 10CCB and other conditions specified u/s 80-IC, the company is entitled to claim deduction under Section 80-IC of the IT Act, with respect to its plants situated at Parwanoo Unit II, District Solan, Himachal Pradesh. The amount of deduction available is 100% of the profits and gains derived from the aforesaid business, for first five years and 30% of the profits and gains for next five years, in such a manner that total period of deduction does not exceed ten consecutive years.

Parwanoo Unit II : The Company set up a manufacturing unit in Parwanoo (Industrial undertaking) and commenced operations on 02 April, 2007 (financial year 2007-08). Accordingly, it is eligible to claim deduction under section 80-IC from assessment year 2008-2009 till assessment year 2012-13 at 100% of profits and gains derived from the said unit being an industrial undertaking and from assessment year 2013-14 to assessment year 2017-18 at 30% of profits and gains derived from the said unit.

Unit III – The Company has by an agreement dated February 29, 2016 agreed to take over all the rights, title and interest of the Parwanoo Unit of M/s Aaress Enterprises located at Khasra No. 62, Village Gumma, Sec-1, Parwanoo, Himachal Pradesh, alongwith machineries, furniture and fixtures and all benefits of whatsoever nature, agreements, approvals, registrations under various Govt./ Non Govt. Departments/ institutions etc., concessions, rights and benefits, permits, powers of every kind, nature and description whatsoever and proposes to commence manufacturing operations from these premises subject to necessary approvals. It is eligible to claim deduction under Section 80-IC till assessment year 2020-21 at 30% of profits and gains derived from the said unit being an industrial undertaking.

### **UNDER THE CENTRAL EXCISE ACT, 1944**

##### **2 Special tax benefits available to the Company**

The Parwanoo Unit II of Nitiraj Engineers Limited is entitled to 100 % [One Hundred Percent] outright excise duty exemption for 10 years from the date of commencement of production. Since the unit commenced operations on 02 April, 2007 (financial year 2007-08), it is eligible to claim 100 % excise duty exemption from the assessment year 2008-2009 till assessment year 2017-2018

Unit III of Nitiraj Engineers Limited is entitled to 100 % [One Hundred Percent] outright excise duty exemption for 3 years from FY 2017-18 till FY 2019-20 i.e. upto Assessment Year 2020-21.

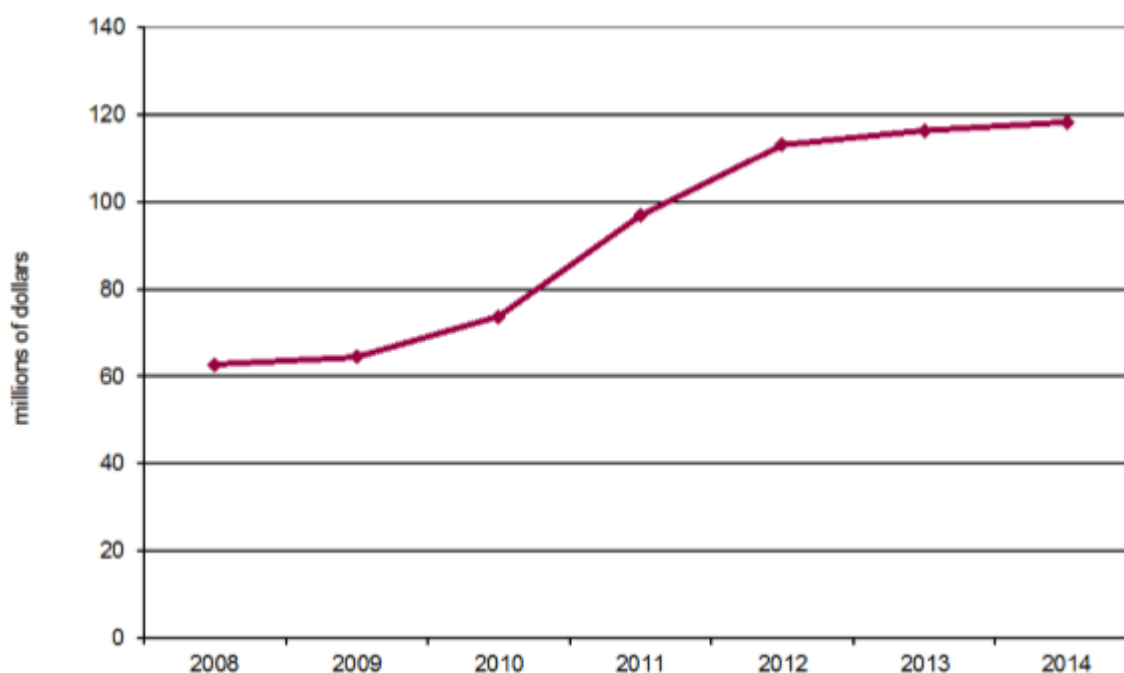
**SECTION IV****ABOUT US****INDUSTRY OVERVIEW**

Disclaimer: Pursuant to the requirements of the SEBI ICDR Regulations, the discussion on the business of our Company in this Prospectus consists of disclosures pertaining to industry grouping and classification. The industry grouping and classification is based on our Company's own understanding and perception and such understanding and perception could be substantially different or at variance from the views and understanding of third parties. The industry data has been collated from the research report titled "Weighing Machine Market in India to 2019 – Market Size, Trends and Forecasts" published by Global Research & Data Services. Neither we, nor any other person connected with the issue has verified this information. Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured and accordingly, investment decisions should not be based on such information

**1. Market for weighing machines in India**

	2008	2009	2010	2011	2012	2013	2014
Millions of Dollars	62.70	64.40	73.70	96.90	113.10	116.20	118.20
Growth	-	2.70%	14.40%	31.50%	16.70%	2.80%	1.70%

Source : Global Research & Data Services, 2015

**Demand for Weighing Machines in India - 2008-2014 (US Dollars)**



## Market by type

Demand for weighing machines in India by type 2008 and 2014

	2008	2014
H. Personal weighing machines and household scales	8.90%	8.60%
I. Scales for continuous weighing of goods on conveyors	4.20%	5.40%
J. Constant weight scales	6.70%	20.60%
K. Other weighing machines (capacity less than 30 kg)	17.90%	9.50%
L. Other weighing machines (capacity 30 - 5000 kg)	8.00%	3.90%
M. Other weighing machines	19.70%	13.80%
N. Parts for weighing machines	34.50%	38.10%

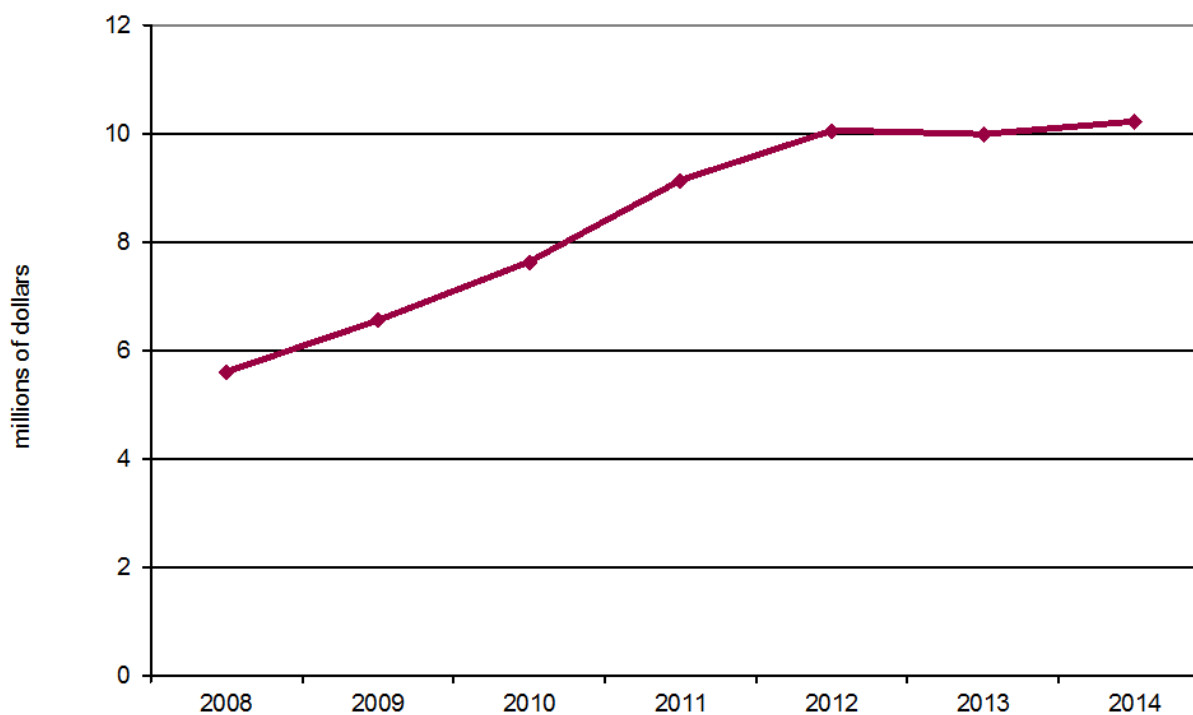
Source : Global Research & Data Services, 2015

### (A) Personal weighing machines and household scales (US Dollars)

	2008	2009	2010	2011	2012	2013	2014
Millions of Dollars	5.60	6.60	7.60	9.10	10.10	10.00	10.20
Growth	-	16.90%	16.30%	19.80%	10.00%	(0.70%)	2.40%

Source : Global Research & Data Services, 2015

Graphical representation of the (A) above

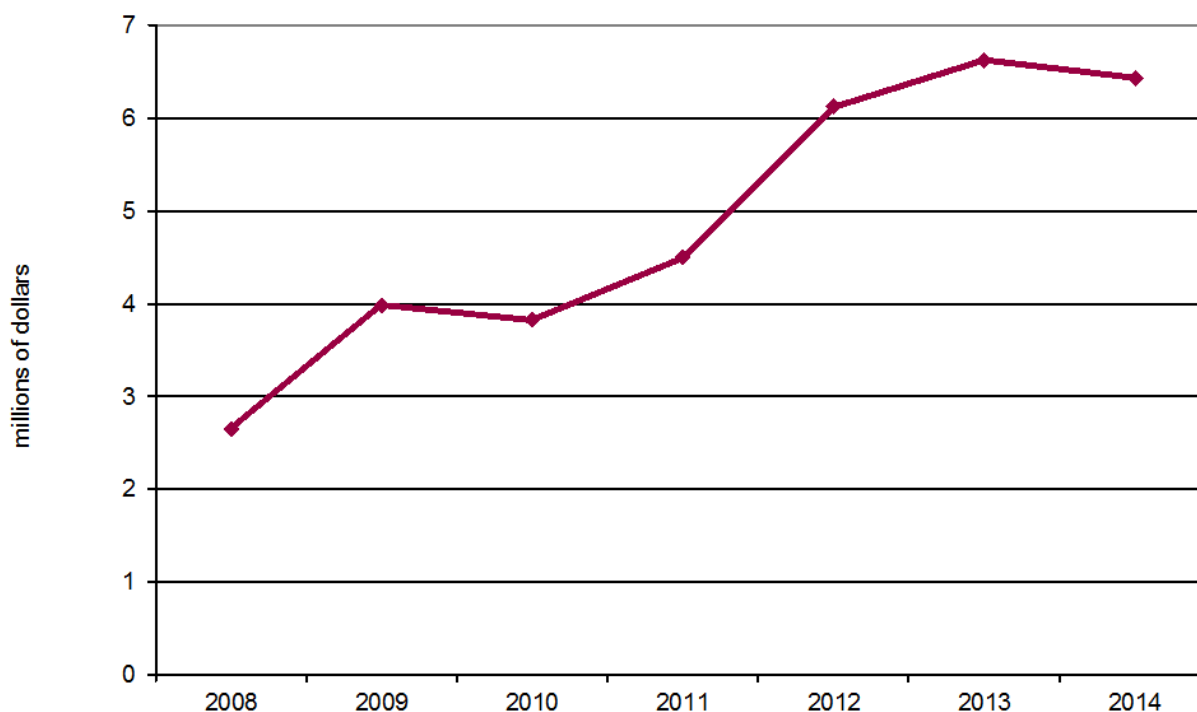


## (B) Scales for continuous weighing of goods on conveyors (US Dollars)

	2008	2009	2010	2011	2012	2013	2014
Millions of Dollars	2.70	4.00	3.80	4.50	6.10	6.60	6.40
Growth	-	50.20%	(3.80%)	17.40%	36.10%	8.20%	(2.90%)

Source : Global Research & Data Services, 2015

Graphical representation of the (B) above

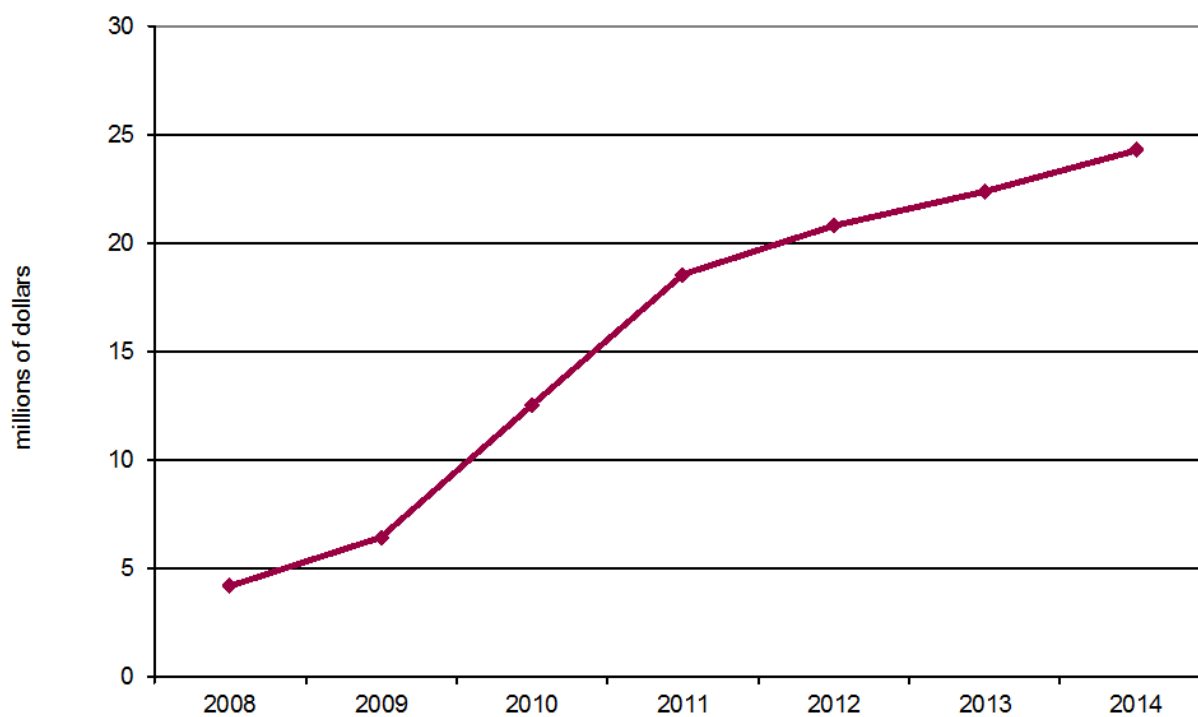


## (C) Constant weight scales (US Dollars)

	2008	2009	2010	2011	2012	2013	2014
Millions of Dollars	4.20	6.40	12.60	18.50	20.80	22.40	24.30
Growth	-	51.80%	95.90%	47.60%	12.30%	7.50%	8.60%

Source : Global Research & Data Services, 2015

Graphical representation of the (C) above

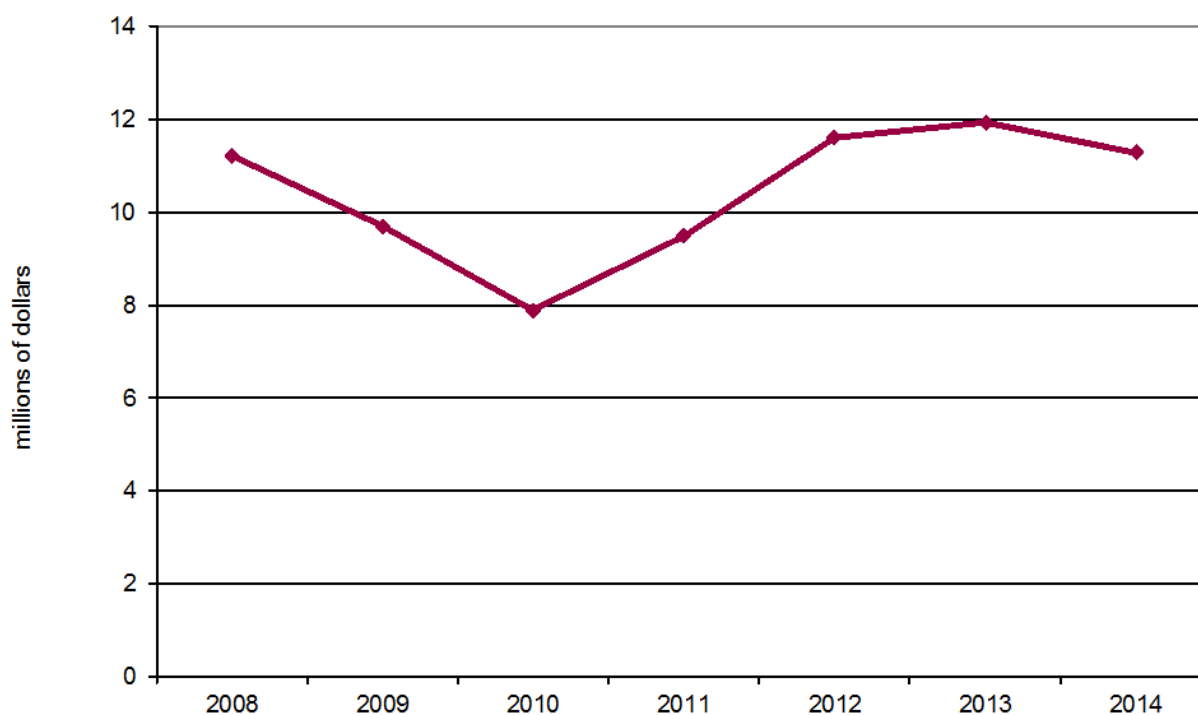


(D) *Other weighing machines [capacity less than 30 kg] (US Dollars)*

	2008	2009	2010	2011	2012	2013	2014
Millions of Dollars	11.20	9.70	7.90	9.50	11.60	11.90	11.30
Growth	-	(13.50%)	(18.70%)	20.50%	22.20%	2.70%	(5.40%)

Source : Global Research & Data Services, 2015

Graphical representation of the (D) above

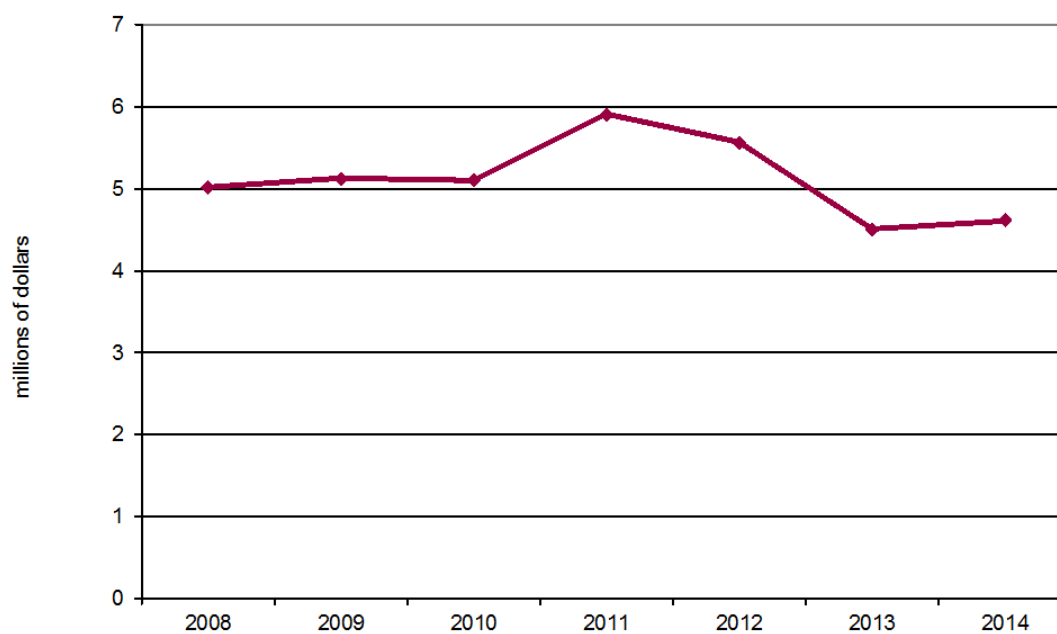


(E) Other weighing machines [capacity 30 – 5,000 kg] (US Dollars)

	2008	2009	2010	2011	2012	2013	2014
Millions of Dollars	5.00	5.10	5.10	5.90	5.60	4.50	4.60
Growth	-	2.10%	-	15.70%	(5.80%)	(19.00%)	2.30%

Source : Global Research &amp; Data Services, 2015

Graphical representation of the (E) above

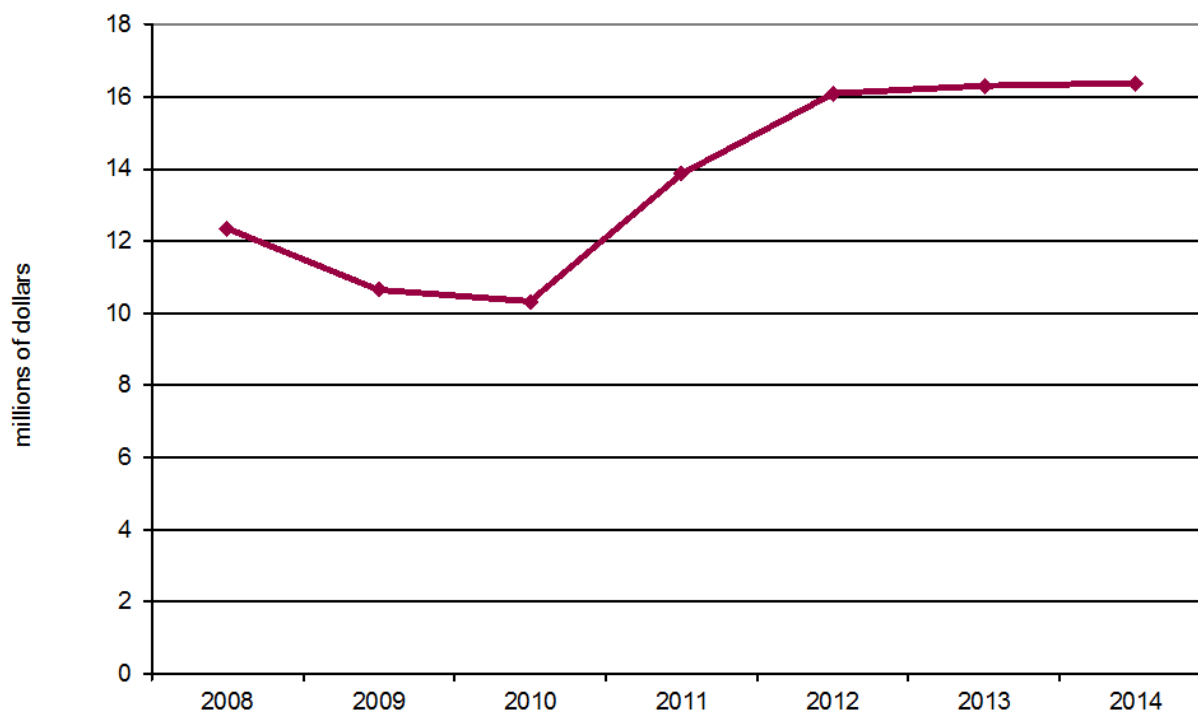


(F) *Other weighing machines (US Dollars)*

	2008	2009	2010	2011	2012	2013	2014
Millions of Dollars	12.30	10.70	10.30	13.90	16.10	16.30	16.40
Growth	-	(13.60%)	(3.20%)	34.40%	15.90%	1.30%	0.50%

Source : Global Research & Data Services, 2015

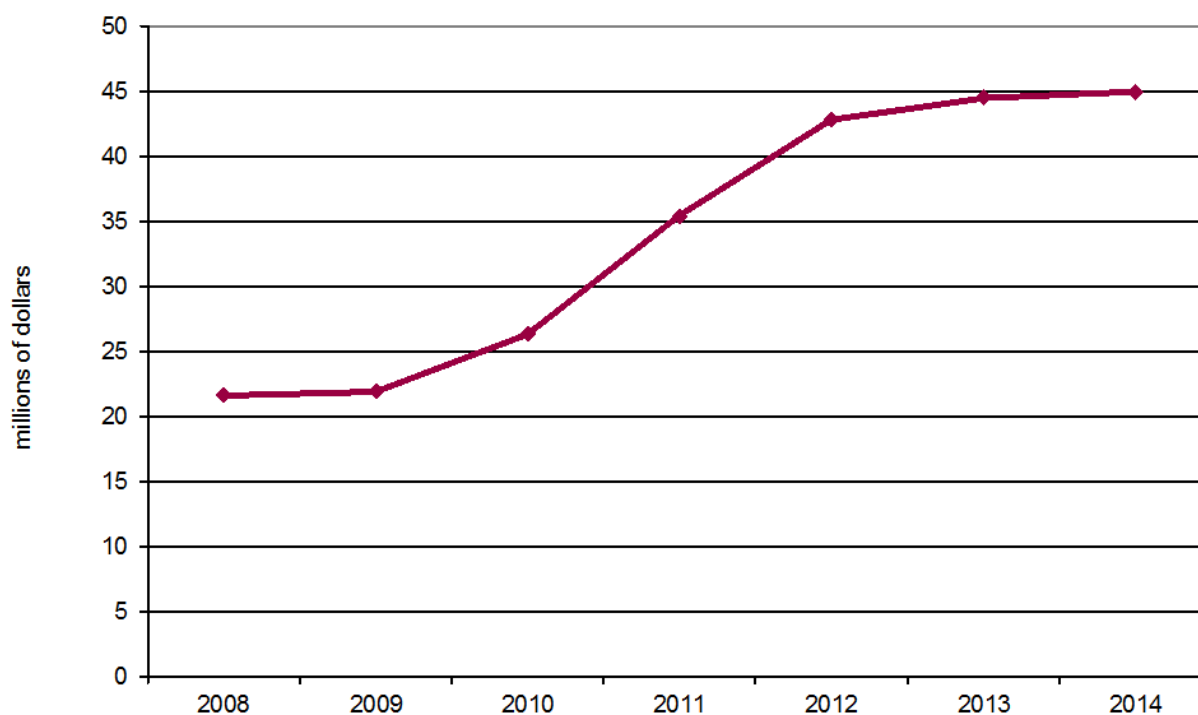
Graphical representation of the (F) above

(G) *Parts for weighing machines (US Dollars)*

	2008	2009	2010	2011	2012	2013	2014
Millions of Dollars	21.70	22.00	26.40	35.40	42.80	44.50	45.00
Growth	-	1.40%	20.10%	34.40%	20.90%	3.90%	1.10%

Source : Global Research & Data Services, 2015

Graphical representation of the (G) above



## 2. Forecasts and future outlook

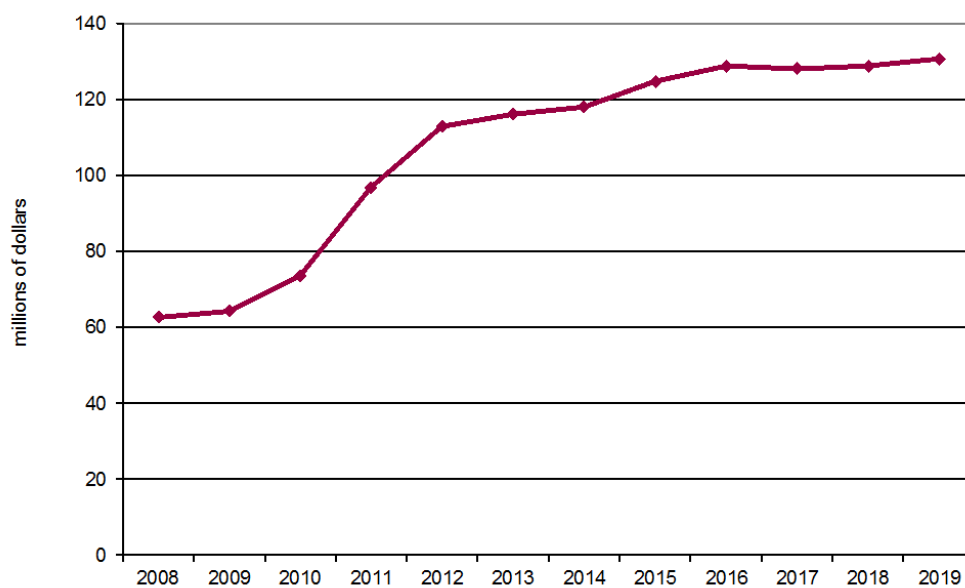
### Overall market

Demand for weighing machines in India 2015-2019 (US Dollars)

	2015	2016	2017	2018	2019
Millions of Dollars	124.80	128.80	128.10	128.80	130.70
Growth	5.60%	3.20%	(0.50%)	0.50%	1.50%

Source : Global Research & Data Services, 2015

Graphical representation of the above



**Market by type (US Dollars)**

	2015		2016		2017		2018		2019	
	Million Dollars	Growth	Million Dollars	Growth	Million Dollars	Growth	Million Dollars	Growth	Million Dollars	Growth
Personal weighing machines and household scales	10.70	5.10%	10.90	1.10%	10.80	(0.70%)	10.90	0.80%	11.10	1.70%
Scales for continuous weighing of goods on conveyors	6.60	3.20%	7.10	7.70%	7.20	0.50%	7.10	(1.70%)	7.10	0.70%
Constant weight scales	25.50	5.00%	26.00	1.80%	26.20	1.00%	26.80	2.10%	27.10	1.00%
Other weighing machines (capacity less than 30 kg)	11.80	4.40%	12.50	6.40%	12.30	(1.60%)	12.20	(1.50%)	12.30	1.00%
Other weighing machines (capacity 30 – 5,000 kg)	5.00	9.40%	4.70	(6.00%)	4.50	(5.60%)	4.60	2.60%	4.80	4.90%
Other weighing machines	17.30	5.40%	17.90	4.00%	17.70	(1.40%)	17.70	0.30%	18.00	1.50%
Parts for weighing machines	47.80	6.40%	49.60	3.70%	49.40	(0.40%)	49.60	0.30%	50.40	1.70%

Source : Global Research & Data Services, 2015

**3. Market potential rates**

Based on in-house analysis and an advanced model which considers the actual market size, trends, forecast market growth, and changes in the market environment, Global Research and Data Services has calculated the predicted Market Potential Rates of India for the coming years. The larger the Market Potential Rate, the more potential the market has in the coming years. Conversely, the smaller the rate, the less potential the market is considered to have in the future.

**Market potential rates for weighing machine industry in India**

	Market potential rate	Global average
Personal weighing machines and household scales	0.02	0.03
Scales for continuous weighing of goods on conveyors	0.05	0.01
Constant weight scales	0.05	0.03
Other weighing machines (capacity less than 30 kg)	0.03	0.02
Other weighing machines (capacity 30 – 5,000 kg)	0.01	0.02
Other weighing machines	0.07	0.03
Parts for weighing machines	0.06	0.02

Source : Global Research & Data Services, 2015

#### 4. Weighing machine market size compared to market growth in different countries



Source : Global Research & Data Services, 2015

#### 5. Market Definition

The market data includes weighing machines. In this industry report, the data is divided into the following product groups:

- Personal weighing machines and household scales - personal weighing machines, baby scales, household scales
- Scales for continuous weighing of goods on conveyors
- Constant weight scales: constant weight scales, hopper scales
- Other weighing machines (capacity less than 30 kg): beam scales, other weighing machines (capacity less than 30 kg)
- Other weighing machines (capacity 30 - 5000 kg): beam scales, other weighing machines (capacity 30 - 5000 kg)
- Other weighing machines
- Parts for weighing machines: weighing machine weights, other parts of weighing machines



## GOVERNMENT AND INSTITUTIONAL SEGMENT

Electronic weighing scales have an important application in the government programs concerning child development and welfare generally administered by Ministry of Women and Child Development (" MoWCD"). At the central level, out of budgetary allocation to the Ministry, a major amount is spent on ICDS program.

### ICDS

Integrated Child Development Services (ICDS) is a welfare programme by Government of India which provides food, pre-school education, and primary healthcare to children under 6 years of age and their mothers. These services are provided from Aanganwadi Centres (AWCs") established mainly in rural areas and staffed with frontline workers.

*Source: Wikipedia*

### Objectives

ICDS is designed to provide basic education and health services to children below 6 years of age, their mothers and to pregnant women. These objectives are achieved through following services;

1. Supplementary Nutrition
2. Non formal preschool education
3. Nutrition and Health Education
4. Immunizations
5. Health Check-up
6. Referral Services

Source: [accountabilityindia.in/sites/default/files/icds\\_2015.pdf](http://accountabilityindia.in/sites/default/files/icds_2015.pdf)

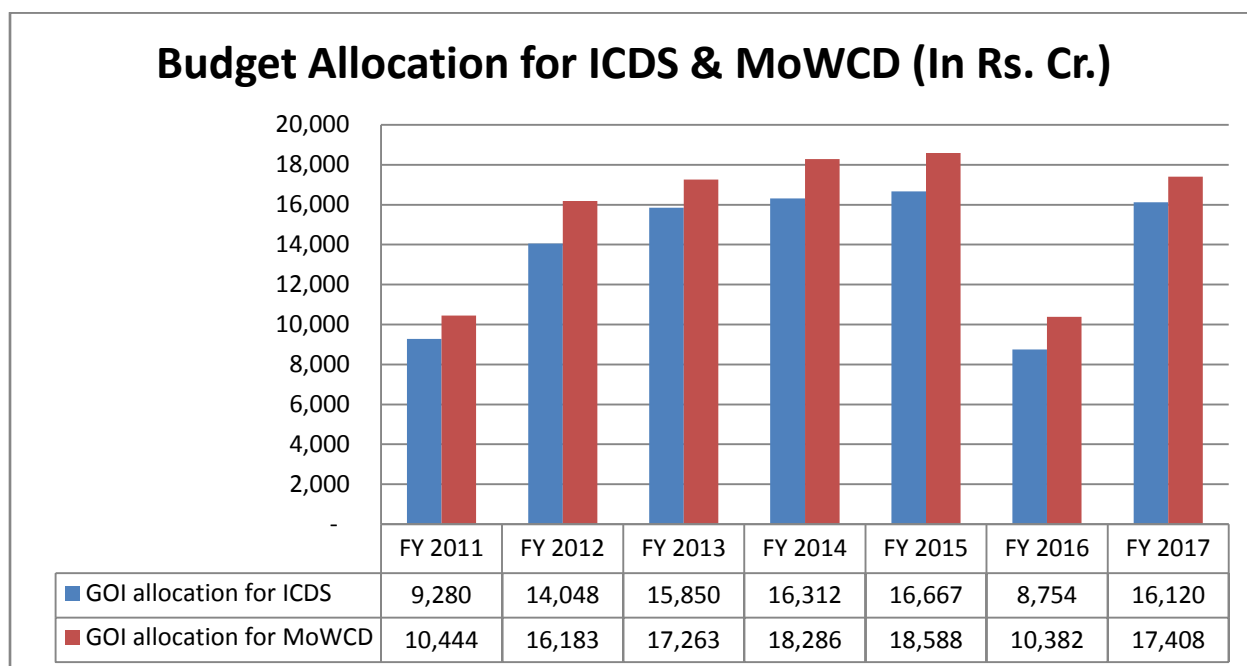
### Cost Share

ICDS is a centrally sponsored scheme implemented by State Governments and Union Territories. Until FY 2006, Government of India provided 100% financial assistance for inputs other than Supplementary Nutrition Programme (SNP) which was funded entirely through State Budgets. The funding pattern was modified in FY 2010 to 50:50 ratio except for North Eastern states which have 90:10 ratio. Under recently approved Strengthened and restructured ICDS Scheme, the cost ratio for some existing and new components have been kept at 90:10 and 75:25 respectively.

*Source: MoWCD Annual Report 2014-15*

### Budget Highlights - Government of India

As per the press release by MoWCD dated February 29 2016, total budget allocation for Financial year 2016-17 stands at ₹ 17,408 Cr. of which ₹ 16,120 Cr. were allocated to ICDS. A brief snapshot of the budget allocated for various financial years is attached below:



Source: [accountabilityindia.in/sites/default/files/icds\\_2015.pdf](http://accountabilityindia.in/sites/default/files/icds_2015.pdf) & Budget Speech 2016-17

Although the budget allocated for ICDS for FY 2015-16 was only ₹ 8,754 crores, actual funds released for ICDS during FY 2015-16 stood at ₹ 15,439 Cr. as per Press Release dated April 28, 2016 by MoWCD.

### Aanganwadi and ICDS

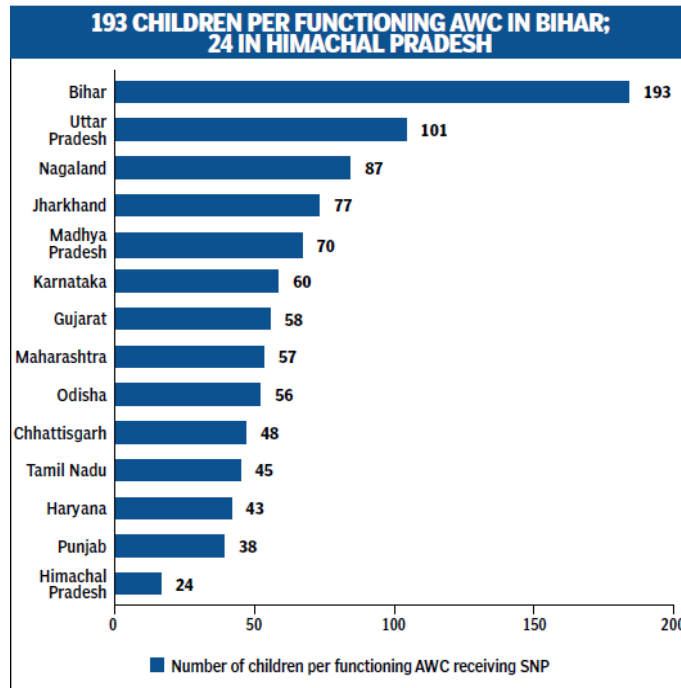
Aanganwadis were started by Government of India in 1975 as part of the Integrated Child Development Services program to combat child hunger and malnutrition.

A typical Aanganwadi centre provides basic health care in Indian villages. It is a part of the Indian public health care system.

#### Aanganwadis in India

As per press release by Ministry of Women and Child Development dated May 07, 2015, there were 13.42 Lakh operational Aanganwadis in India as on December 31, 2014. These Aanganwadis include 1,87,997 in Uttar Pradesh, 1,14,434 in West Bengal, 1,08,010 in Maharashtra, 91,677 in Bihar, 71,140 in Odisha and 64,518 in Karnataka among others.

Aanganwadi is the first point of service delivery for health, nutrition and early learning for children at the village level. There has been significant increase in the percentage of operational Aanganwadi centres from 10.4 Lakh in FY 2010 to 13.42 lakh as in FY 2014. Following snapshot gives us a brief idea of average no. of children per Aanganwadi centre in India;



Source: ICDS data tables, state-wise details of projects, AWCs, beneficiaries, vacancy positions, and nutrition status of children as on March 2014.  
Available online at: <http://wcd.nic.in/icdsimg/currentstatus22092014.pdf>  
Last accessed on February 9, 2015

Source: [accountabilityindia.in/sites/default/files/icds\\_2015.pdf](http://accountabilityindia.in/sites/default/files/icds_2015.pdf)

### Steps taken by Aanganwadis

Children malnourishment adversely affects physical and mental growth. Improper and inadequate diet results in poor growth of children. Aanganwadis run by Government aim to address this issue by improving the nutritional contents of food served to children enrolled here. Various State Governments have implemented various policies/schemes to improve health of children and women. Some of them are;

- Until FY 2014, 1,808 Aanganwadis in Trichy, Tamil Nadu lacked electronic weighing scales to monitor growth of children upto six months of age. During FY 2015, 1,808 machines were procured for the said purpose. Along with electronic weighing scales, Bar scales are also used to weigh children above six months of age.
- Introduced as a common **Mother and Child Protection Card**, under ICDS, weighing of children are being done every month and plotted in the WHO register and MCP Cards and nutritional status from the Growth Curve is assessed and measures are taken to reduce malnutrition. Growth Monitoring data for children 6 months to 3 years old reveal the progress being made in reducing the levels of underweight and malnourished children.
- Live SATCOM programs on nutrition and health practices for guiding district, block and aanganwadi staff and TV spots on private TV channels and Doordarshan between news and other popular programs.

[icds.tn.nic.in/Convergence.html](http://icds.tn.nic.in/Convergence.html)

**Major Challenge faced by Aanganwadis**

- Non-use of electronic weighing scale
- Lack of appropriate and adequate supplementary nutrition
- Delayed commencement of complementary feeding
- Referral to nutrition centres
- Ineffective communication by aanganwadi workers regarding under-nutrition and measures to overcome this
- Major gaps in Health Services:
- Lack of regular health checkups of children
- Inadequate referral for illness

Source: <http://www.dnaindia.com/mumbai/report-major-gaps-in-addressing-malnutrition-in-kids-study-2141063>

**Child Growth Monitoring Systems (CGMS)**

Growth Monitoring (GM) is the process of following the growth rate of a child in comparison to a standard by periodic, frequent anthropometric measurements in order to assess growth adequacy and identify faltering early.

It is a measurement of a child to determine levels of malnutrition for a nutrition surveillance program; or for periodic nutrition assessment; or to screen a population to select or determine eligibility of children for food supplementation, therapeutic feeding, or other services.

Electronic Weighing Scales is proving effective because of following features;

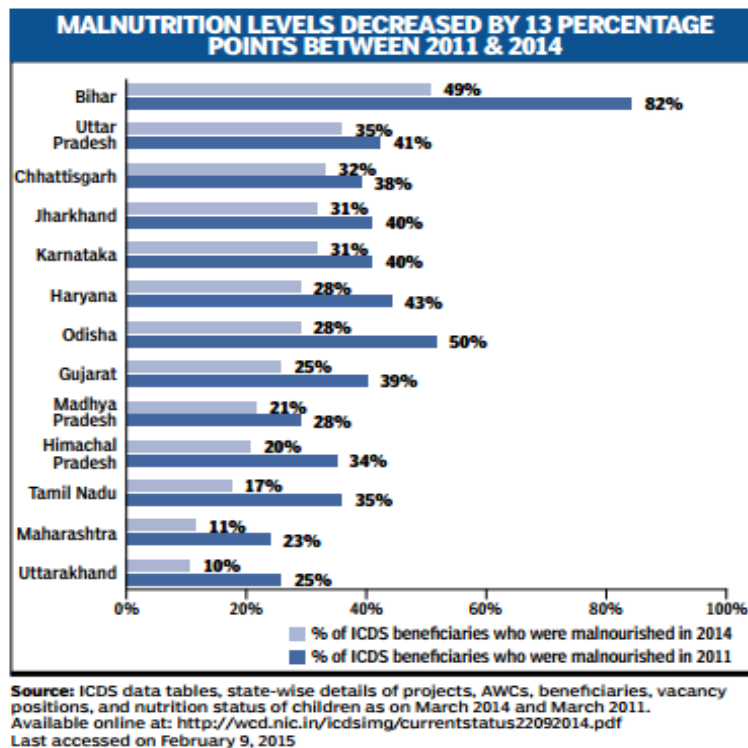
1. Measuring actual weight.
2. Storing the weights in periodic records with name, time and date.
3. Plotting these weights on Growth Charts
4. Analyzing the nature of curves based on their slope.
5. Devising a plan to act according to the curve traced.
6. Easy to use and local language keyboard

Source: [http://www.manoffgroup.com/documents/GMP\\_UNICEF\\_Nov\\_1608.pdf](http://www.manoffgroup.com/documents/GMP_UNICEF_Nov_1608.pdf)

**Outcomes**

The primary objective of ICDS is to reduce the nutrition gap among children between the age 0 to 6 years and pregnant and lactating mothers. This is being achieved by use of electronic weighing scales that are also referred as Child Growth Monitoring Systems. AWC workers are being provided with manuals to use these systems effectively and efficiently. This has resulted in decrease in malnutrition level.

Between March 2011 and March 2014, the malnourishment level amongst ICDS beneficiaries dropped by 13% points from 41% to 28%. Following snapshot gives a brief idea about the improvements in malnutrition level from 2011 to 2014;



Source: [accountabilityindia.in/sites/default/files/icds\\_2015.pdf](http://accountabilityindia.in/sites/default/files/icds_2015.pdf)

**General desirable features of CGMS machines used at Aanganwadis;**

1. It should store data of minimum 500 Children.
2. It should give result of child comprising of all three growth charts published by World Health Organization, namely underweight, stunting and wasting.
3. USB Port to transfer data into other portable drives.
4. Equipped with large and sturdy size of ABS Bowl which can accommodate children ageing from 0 to 72 months.
5. Detachable charger for ease of use.
6. Easy to read bright LED display.
7. Equipped with Real time clock.
8. User friendly local language keyboard.

Source: <http://datia.nic.in/doc/MBV.pdf>

## Details of our Product

### Baby weighing scale CGMS

- It gives the result of a child comprising of all the three growth charts published by World Health organization (WHO), namely Underweight, Stunting and Wasting. It reflects out the category post weighing along with the amount of Underweight and Stunting of a child.
- It can store the data of 500 children.
- USB port for copying the data into other computers or hard drives so that authentic malnutrition status can be provided at desired level of administration in a short time frame.

- **Main Features**

- Computer Software, “MAA” (Malnutrition Assessment & Analysis) by which one can analyse the various data about growth monitoring in tabular and graphical form. One can view information of an individual child as well as aanganwadi, place project, block, district and state.
- Rechargeable Battery
- Equipped with large ABS Bowl which can accommodate children ageing from 0 to 72 months.
- LED display with real time clock.
- User friendly local language keyboard.

Above mentioned features falls broadly in line with the requirements by various State government in electronic weighing machines.

### **Demand Prospects**

As mentioned above, AWCs lack proper measures to weigh infants and children. Government aims to replace all the manual weighing scales with the electronic weighing scales (Child Growth Monitoring Systems). With Aanganwadis being set up in small villages and towns, this will lead to rise in no. of Aanganwadis and generation of good demand for electronic weighing scales.

There are 13.42 Lakh Aanganwadis as of December 2014 in India. As per the general requirement mentioned by the Government of India, there is a requirement of replacing approx. 15% machines per annum being used by Aanganwadis.

Considering a case where minimum 2 machines are required per Aanganwadi and approximate sale price of each machine is at ₹ 5,000/-, an estimation of demand generated can be computed as follows:

Particulars	Amt (INR Lakhs)
Aanganwadis as of December 31, 2014 (no. in lakhs)	13.42*
Average machines used per Aanganwadi	2
Total machines being used (no. in lakhs)	26.84
Replacement Criteria @ 15% (no. in lakhs)	4.03
Offer Price @ ₹ 5,000/-	5,000
<b>Total potential demand generated per annum</b>	<b>20,150</b>

*\*Data related to Aanganwadis is as of December 31, 2014. Due to rising population, government's thrust on increase the health quotient of the population and to reduce load per Aanganwadi in certain states, the No. of Aanganwadis are expected to increase every year. With increase in no. of Aanganwadis, demand arising from them is also expected to increase.*

### Our Sales

For the period ended September 30, 2016 our sales to Government and Institutional segment stood at approx ₹ 2300 lakhs, which is about 58% of the sales achieved during the 6 months period.

Nitiraj Engineers Limited is already supplying machines to various state governments under ICDS program. These machines have advanced technology support in form of data collection, plotting, MIS and real time dissemination. With the help of technology the task of record keeping, plotting, data management and reporting can be handled by the weighing machine systems itself. This provides the field staff and supervisory staff to focus on actual action points to achieve objectives of ICDS rather than spending time on data management. We expect the demand of this segment for our Company to sustain and grow in the coming years.

## OUR BUSINESS

*In this section "our Company" refers to the Company, while "we", "us" and "our" refers to our Company*

### OVERVIEW

We are an ISO 9001:2008 certified company, engaged in the manufacture and sale of wide range of Electronic Weighing Scales and Systems, Currency Counting Machines and Electronic Fare Meters. Our product portfolio range caters to both industrial and domestic consumption. Our products are manufactured at our manufacturing unit located at Parwanoo, Himachal Pradesh. We also have manufacturing facility at Silvassa, UT which is not under active use currently. We supply our products under the brand **PHOENIX** through our large network of dealers to our customers in India as well as abroad.

Our Company was originally incorporated as Nitiraj Engineers Private Limited under Part IX of the Companies Act, 1956 and the Certificate of Incorporation was issued by the Assistant Registrar of Companies, Maharashtra, Mumbai on April 1, 1999. Subsequently, our Company was converted into a Public Limited Company pursuant to Shareholders' Resolution passed at the Extra Ordinary General Meeting of Members of the Company held on June 8, 2015 and the name of our Company was changed to Nitiraj Engineers Limited vide a fresh Certificate of Incorporation dated June 22, 2015 issued by the Deputy Registrar of Companies, Maharashtra, Mumbai. The Registered Office of our Company is located at Mumbai and Corporate Office is located at Dhule in the State of Maharashtra.

Our Company now produces more than 1,00,000 Scales per year and have more than one million customers. We have been catering to customers' evolving needs effectively and have wide product range with well connected sales and service network of 13 branches and over 430 dealers.

### Plant location

The manufacturing facility of our Company is located at Plot No. 11-A, Sector - 2, Parwanoo, Tehsil Kasauli, Dist Solan, Himachal Pradesh.

Research & Development, Servicing, Purchases, Sales, Customer Support, Administration and Accounts are being handled from our corporate office at Dhule, Maharashtra.

### OUR PRODUCTS

Details of products manufactured are as under :

We manufacture a range of products having different applications and utilities. They are summarized below:

**Industrial range** - These include weighing machine systems required by large industrial establishments having requirement of weighing heavy or voluminous material. The offering in this segment also includes electronic weigh bridges.

**Commercial range** - It forms our Company's major business. These are utilised mainly by business units in retail sector ranging from small shopkeepers to big departmental stores. Our product offerings include currency counting machine with variety of feature like counterfeit currency detection, sorting, totalling etc which offer huge utility value for commercial establishments.








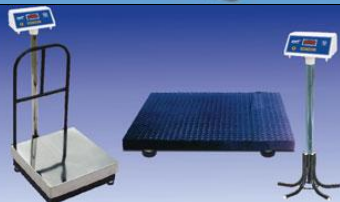


**Jewellery range** - Machines made specifically for jewellery sector offering high weighing accuracy to check weights of precious metals. Besides jewellers, these machines find application amongst banks and other financial institutions offering gold loans.

**Healthcare range** - These include baby weighing machines, Body Mass Index (BMI) machines and adult weighing scales etc. These machines find their utility in public places like malls, healthcare centres, gymnasiums etc.

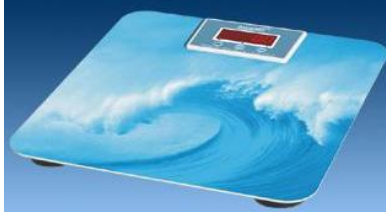



**Household range** - These include machines like personal weighing scale and kitchen scales and are useful for various purposes in households.

**Automobile range** - Our offerings in this range includes electronic fare meters for auto rickshaws and taxis. The electronic fare meter is relatively newer product offering and we are in the process of its standardization for large scale commercial production.

Product	Product Name	Description / Application
	Currency Counting Machine	<ul style="list-style-type: none"> <li>• In-built Counterfeit Detection System</li> <li>• Automatic Start, Stop and Clearing</li> <li>• Automatic detection of torn note</li> </ul>
	Jewellery Scale	<ul style="list-style-type: none"> <li>• Used in Jewellery Shops &amp; Laboratories / Industries</li> <li>• Feather touch keyboard with audible indication during entry.</li> <li>• Carat counting, percentage &amp; gsm functions</li> </ul>
	Table Top Scale	<ul style="list-style-type: none"> <li>• Used by departmental stores, Grocery Shops, packaging industries etc</li> <li>• Counting function</li> <li>• Feather touch membrane keyboard with audible indication during entry</li> </ul>

Product	Product Name	Description / Application
	Price Computing Scale	<ul style="list-style-type: none"> <li>Used by departmental stores, Grocery Shops, Sweet shops etc</li> <li>Data of 500 commodities can be entered using keyboard or can be downloaded from computer</li> <li>Accumulated commodity wise record can be printed</li> </ul>
	Piece Counting Scale	<ul style="list-style-type: none"> <li>Used by Industries &amp; heavy duty applications</li> <li>Displays Weight, Unit, Unit Weight &amp; Count</li> <li>Memory Accumulation</li> </ul>
	Platform Scale	<ul style="list-style-type: none"> <li>Used for all heavy duty applications</li> <li>Counting function, memory accumulation</li> <li>Rugged construction with stainless steel platform</li> </ul>
	Hanging Scale	<ul style="list-style-type: none"> <li>Used at Steel Plants, Dockyards, Fabricators, Vehicle Junk Yards, Construction Sites, Foundries.</li> <li>IR Remote Control Operation</li> <li>Versatile, can be used in all applications</li> </ul>
	Pallet Scale	<ul style="list-style-type: none"> <li>Used at Industries, warehouse, Godowns and Dockyards</li> <li>Very sturdy Pallet Truck with weighing mechanism</li> </ul>

Product	Product Name	Description / Application
	Milk Weighing System	<ul style="list-style-type: none"> <li>Used by Dairies and Milk Product Manufactures</li> <li>Microprocessor based fully electronic weighing system</li> <li>Displays weight in Kilograms as well as volume in litres</li> </ul>
	Electronic Weigh Bridge	<ul style="list-style-type: none"> <li>Used for Truck Weighing</li> <li>High Accuracy upto 5000 to 10000 counts</li> <li>Platform Size as per customer choice</li> </ul>
	Auto Filling System	<ul style="list-style-type: none"> <li>Used by Oil Mills, Solvent applications and Chemical industries</li> <li>Displays selected weight, actual weight, duration and count</li> <li>Adjustable for containers with different size and capacities.</li> </ul>
	Baby Weighing Scale	<ul style="list-style-type: none"> <li>Ideal for maternity hospitals, Paediatricians, Aanganwadis and Health Care centres etc</li> <li>Feather touch membrane keyboard with audible indication</li> <li>Portable and sturdy design with user friendly local language keyboard</li> </ul>
	Kitchen Scales	<ul style="list-style-type: none"> <li>Specially designed to weigh recipe items accurately apart from weighing fruits, vegetable &amp; milk products</li> <li>Light weight, Portable</li> </ul>

Product	Product Name	Description / Application
	Portable Adult Scale	<ul style="list-style-type: none"> <li>• Ideal for Clinics, Hospitals, Fitness centres and households</li> <li>• Low power consumption</li> <li>• Easy to operate</li> </ul>
	Adult Weighing Scale	<ul style="list-style-type: none"> <li>• Ideal for Clinics/Hospitals/ Fitness centres</li> <li>• Heavy duty, stable platform made up of heavy duty cast-iron.</li> <li>• Membrane keyboard with audible entry and overload indication.</li> </ul>
	Body Mass Index (BMI) Scale	<ul style="list-style-type: none"> <li>• Ideal for hospitals, clinics, schools, health clubs, physical examination centres, Gym etc</li> <li>• Automatically measures weight, height &amp; body mass index.</li> <li>• Displays weight, height &amp; Body Mass Index</li> <li>• It also displays, how much over / under weight a person is.</li> </ul>
	Electronic Fare Meter	<ul style="list-style-type: none"> <li>• Compact, rugged, designed to be adaptable to diverse range of working locations and environment</li> <li>• Separate display fields for fare, waiting time and distance travelled</li> <li>• Approved by RTO Department.</li> </ul>

### Installed Capacity

We manufacture all our products on a single assembly line and thus, the installed capacity for manufacturing of the products cannot be directly computed. Installed capacity in our Industry is a function of available machines, manpower deployed and time taken for manufacturing different kind of products. We are currently operating at optimal capacity utilization level and the setting up of new production facility will enhance our production capacity.

### **Competitive Strengths**

- Established brand
- High Quality Products manufactured in conformity with standards set by the ISO
- Experienced management team
- Availability of up-to-date infrastructure enabling us to meet bulk requirements of clients
- In house R&D enables us to quickly develop products and adapt to the needs of our clients

We hold the following registrations and recognitions / performance awards:

1. Company registered as approved supplier with Director General of Supplies & Disposals (DGS&D), Government of India holding valid rate contract for Electronic Weighing Scales
2. Products approved by Department of Legal Metrology, New Delhi.
3. Registered with National Small Industries Corporation Limited (NSIC)
4. Quality Certification from Bureau of Indian Standards (ISI Mark)
5. ISO 9001:2008 certification.
6. Best Entrepreneur Award conferred on our Promoter by the Government of Maharashtra in 1992
7. Jammnalal Bajaj Uchit Vyavahar Puraskar for fair business practices, a national level award during 1998

Our company believes in providing quality products offering user safety and convenient usage. We have appointed team of quality inspectors, who strictly check the entire process of product making right from procurement of raw material till the finished product. All our products are tested for dimensional accuracy; power saving capacity; fluctuation taking capacity; durability, safety, construction and user convenience.

### **Exports**

We have authorised distributors in Middle East and SAARC countries. We also export our products to African countries and our products are compatible with world standards.

### **Social Aspect**

We have instituted Phoenix SSC Awards for top ten Secondary School Certificate Merit rank holders in Dhule District which serve as morale boosters for the students. We also sponsor state level sports events. We also encourage students to undertake innovative projects, especially in the field of electronics at our unit at Dhule. We also sponsor various projects for beautifying Dhule City. The Company is also contributing for various charitable causes.

### **Research & Development (R&D)**

We have well equipped Research & Development Department at the Corporate Office situated at Dhule, Maharashtra. Team of qualified and experienced engineers equipped with modern facilities are engaged in designing and developing electronic hardware and software.

At our Tool Room section in the Parwanoo site, designing & development related to mechanical and plastic parts are undertaken. This tool room is equipped with modern facilities like Vertical Machining



Centres (VMCs), Electrical Discharge Machining (EDM), Wire-cut, profile projector as well as sophisticated designing software.

The R & D team carries out regular research and analysis alongwith client studies enabling us to be at par with international players so that there is an ongoing innovation which is reflected in all our products.

### **Sales & Marketing**

Our existing marketing setup consists of Branches and Dealers which cater to direct sales, Institutional sales including Government supplies, Exports and after-sales service.. The Sales & Marketing department estimates the sales of various products and reviews the performances through MIS Reports. It co-ordinates with the operations team for production planning and control; and also plans and executes various marketing strategies through different media.

#### **Marketing Strategy:**

We intend to focus on following marketing strategies:

- Increasing our Geographical reach by entering new States
- Appointment of additional Dealers & Agents in developing markets
- Increasing our participation in local trade fairs, exhibitions and other such events
- Enhancing Brand Image through increased spend on advertisements and other promotional activities.

### **Competition**

Domestically, we believe that there are no listed companies in India which are engaged in the same business with an equivalent product mix as our Company. However, we face competition from several Indian manufacturers like Devishree Mudran Pvt. Ltd. (*Dolphin*), Apple Weighinfra Limited, Precision Electronics Instrument Co. (Gold Tech), Sansui Electronics Pvt. Ltd. etc. The major factors which affect competition in our business are product quality, pricing and client servicing. Internationally, competition comes from low-cost products, which are manufactured in China and quality products, which are manufactured in Germany, Italy, Japan etc.

### **Customer Support & Servicing**

Our Company's products are supported with carefully planned sales and customer service. All service engineers of our Company are fully trained for servicing and maintenance of our products. All field complaints are analysed for reasons through periodic Corrective Action Review Meetings providing feedback to the R&D Department. Our network of branches which are equipped with stock of spares and testing equipments, ensure efficient support after sales.

### **Software**

Our Company has a user friendly and efficient Enterprise Resource Planning (ERP) package which is developed as per the requirements of our Company.

**Purchase Department**

Under vendor development, each vendor is carefully scrutinized for capacity, standards and quality consciousness before they are approved. New vendors are identified and existing vendors are trained to retain and improve their quality standards.

**Dealers support department**

Our Company's sales network is well supported by dealers and separate department is in operation to control technical as well as administrative matters. Appointment of new dealers, supporting with all sales promotion materials, accepting purchase orders, ensuring prompt deliveries and generating various kinds of reports to improve sales from this network are managed by the administrative wing while technical support for solving field complaints and providing new spares is managed by the technical wing. Trained service engineers and efficient office staff ensure strong support to all the dealers.

**Quality Assurance**

Inward quality department ensures proper checking and testing of raw materials. Various assemblies and semi-finished products are checked at different stages. Quality inspections are carried out on all finished products. Trained quality inspectors and sophisticated testing instruments ensure quality products.

**Tool Room**

We have modern Tool Room facilities equipped with sophisticated equipments like VMCs, EDMs, wire-cut, profile projector, tool presetter, hydraulic grinding machines, milling machines, designing software etc. We have qualified team which provides required tool room support in the production process.

**Moulding Shop**

Moulding shop is equipped with Injection Moulding Machines to ensure quality productions of various plastic moulded parts.

**Electronic Assembling Department**

The various electronic components are soldered on to the printed circuit boards (PCB) using modern equipments like wave soldering machines. The standard test procedures and parameters are stringently followed.

**Mechanical Workshop**

Mechanical workshop of our Company is equipped with adequate facilities like press forming, power shearing etc. Most of the pressed and punched mechanical parts as well as mechanical assemblies are manufactured in-house.

**Calibration**

We have a modern set up for accurate calibration as per the prescribed norms of Legal Metrology Department.

### **Dispatch**

Our Company's weighing scales and systems after passing through all rigorous parameters are carefully packed and dispatched to the customers/dealers. Modern customized software helps in traceability of the finished goods.

### **Warehousing**

Electrical, electronic, mechanical components, semi-finished products, assemblies and finished products are stored in various warehouses. Easy traceability, material management and inventory control are achieved with the aid of software. Material handling and movement is done using modern equipments.

### **Marketing set-up - Branch Network**

Our Company's strength lies in the Sales Network, comprising of over 84 personnel spread over 13 branch offices across India.

Front-end (Sales Executive) is the link between customer and the company. Proper communication from front-end through middle management to the top management, brings out clear requirements of the customers.

We conduct seminars for our Sales people at regular intervals where people from the field interact with each other and share their field experiences. We also update our Sales people with new product developments at these seminars and also seek their suggestions in improving the products of our Company.

Our branch offices are situated at the following places :

State	Branches
Chhattisgarh	14. Ambikapur 15. Bilaspur 16. Rajgarh 17. Raipur
Maharashtra	18. Akola 19. Buldhana 20. Dhule 21. Jalgaon 22. Nashik
Odisha	23. Berhampur 24. Jeypore 25. Sambalpur 26. Balangir

### **Dealers Network**

The Dealers' Network is one of our core strengths.

We offer our Dealers periodic training of the latest products and technical know-how. The after-sales-service, spare parts availability and commitment to satisfy the customers' minutest needs has helped us expand our Dealer network across India.



Our dealer network is as under :

Area / Place	No of Dealers
Andhra Pradesh	58
Bihar	7
Chandigarh	1
Chhattisgarh	18
Delhi	3
Goa	2
Gujarat	9
Haryana	4
Himachal Pradesh	5
Jammu & Kashmir	8
Jharkhand	12
Karnataka	30
Kerala	9
Madhya Pradesh	60
Maharashtra	85
Manipur	1
Nepal	1
North East	10
Odisha	32
Puducherry	1
Punjab	23
Tamil Nadu	11
Uttar Pradesh	18
Uttarakhand	2
West Bengal	25
	<b>435</b>

### SWOT analysis

#### STRENGTH

- Successful and growth oriented business history of over 25 years.
- **PHOENIX** A well renowned brand in field of electronic weighing scales.
- Wide variety of products catering to various client segments.
- ISO 9001:2008, BIS certification and approvals from Legal Metrology Department of Govt. Of India.
- Large marketing, service and dealer network, with 13 branch offices and 400+ dealers across India.
- More than 1 million customers.
- In-house R&D, Tool Room and Moulding facility.
- Continuous new product development.

#### WEAKNESS

- Low entry barrier.
- Dependence on fiscal incentives for better margins.

### OPPORTUNITIES

- Huge potential in marketing of specialised weighing scales for Infant and Child care run by Aanganwadis and other Government establishments.
- Demand of weighing scale systems spurred by high growth in retail and logistics sector.
- Growth in financial sector and preference for automated currency counting and detection machines.

### THREATS

- Competition from unorganized sector in low-end products

### Details of major customers

Our sales are mostly channelized through branches and dealers where the end users are mostly individual retailers, households and other business/industrial units. We also have institutional and government supplies.

### Future Prospects:

Based on our strengths and dedicated management team we believe that we are well positioned to take advantage of the immense opportunities available for growth of our business. As part of our strategy of continuous new product development we are embarking on a program to extend and expand our product offerings. The proceeds of the present issue will be substantially utilized in development of new products and increase in the marketing network which is expected to bring benefits of enduring nature to our Company.

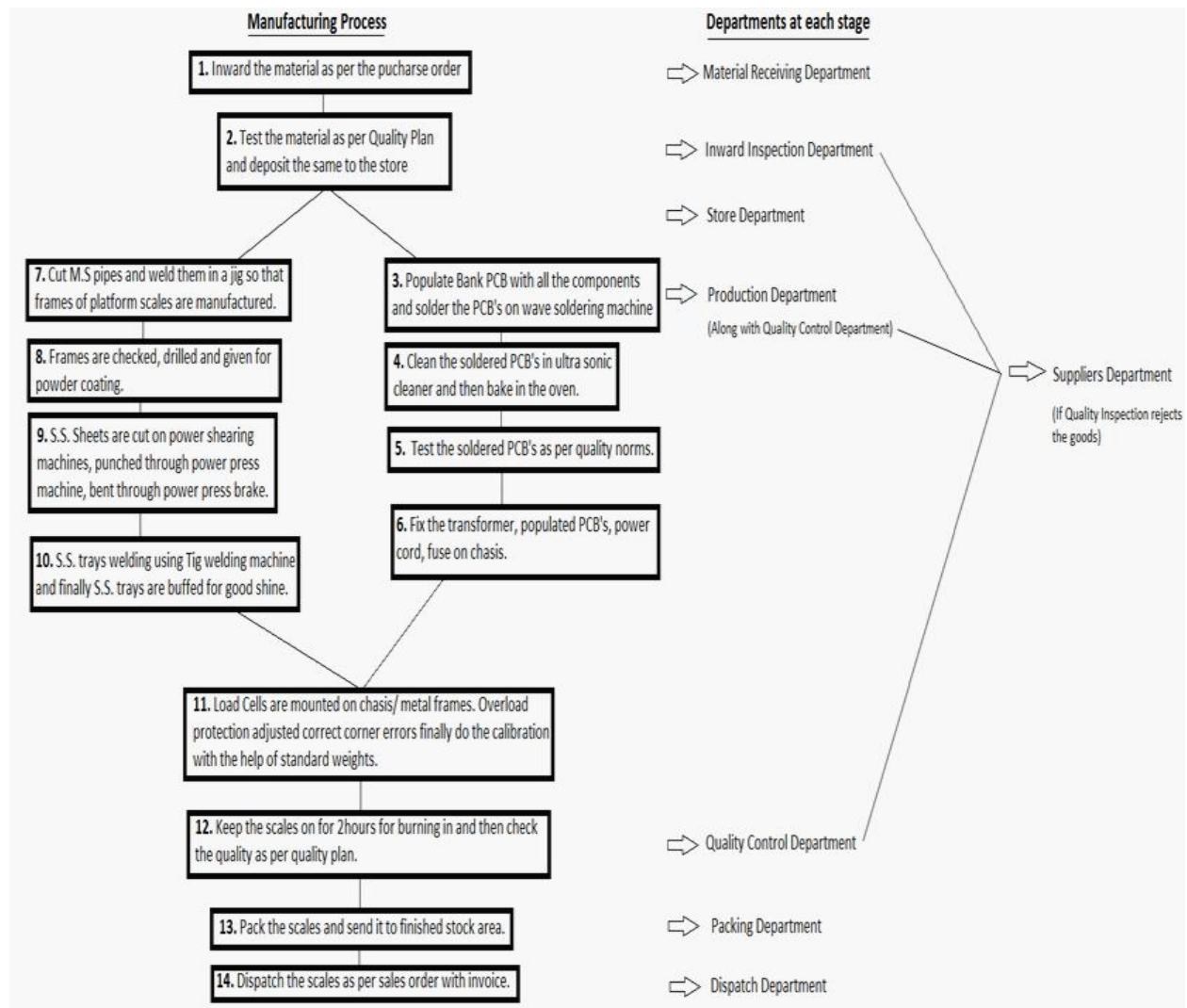
### Government Supplies

After establishing closely-knit network all over India for distribution and services, we ventured into Government Supplies since 2006. Considering quality of the products, timely supply and prompt services, Director General of Supplies & Disposals (DGS&D), Government of India, has consistently awarded us the Rate contract since 2006. We have successfully executed bulk Purchase orders from Central Government departments like Defence, Railways, Postal and State Governments' Home Ministry, ICDS, Education, Health, Food & Civil Supplies etc.

### Manufacturing process

We are engaged in Design, Manufacture and Marketing of Electronics Weighing Scale and Systems, Currency Counting Machine for counting of Indian Currency and Electronic Auto/Taxi Meter.

All manufacturing process takes place as per the approval accorded by the Director of legal Metrology, and in conformity with the provisions of the Standard of weight and Measurement Act 1976, and also with the Standard of weight and measurement Rules 1987. The manufacturing process and the technical knowhow used by the company are indigenous, and the process has improved and become more efficient over time. Plant and machineries and Testing Equipment are used for production and testing of stores respectively. The quality objectives are communicated to all the employees and quality checks are performed to check adherence to these objectives. These policies regarding quality are also reviewed periodically in the Management Review Meeting.



The above flowchart shows us that the incoming raw material is received by the 'Material Receiving Department'. They transfer these materials to the 'Inward Inspection Department'. This department tests the material as per the quality plan and deposit the same with the 'Store Department' if the materials pass the quality test. If not, it is returned to the supplier through the 'Suppliers Department'. There are two main components of the product manufactured simultaneously, the PCB and the S.S. trays. There are then combined together at a later manufacturing stage.

The blank PCB is populated with various components, and then soldered on a soldering machine. Then this soldered PCB is cleaned in an ultra sonic cleaner and then baked in the oven. After that it is again put through another quality test. If the PCB does not pass the test, the reasons for rejections are found. If it is found to be faulty due to the raw materials used, it is again given to the 'Supplier Department' to return it to the suppliers. If the PCB is faulty because of mishandling, it is immediately disposed off. Eventually, after the quality test, the transformers, PCB, power cord and fuse are assembled together.

Simultaneously while assembling is happening on the PCB, the company also works on S.S trays. They first cut the M.S pipes and weld them, so that frames of platform scales are manufactured. Similar to the PCB, these frames are put through the quality control procedures. The ones that clear the test are drilled and given for powder coating. Then these S.S. sheets are cut on power shearing machines, punched through power press machine and finally bent through the power press brake. Eventually welding of the tray takes place using Tig welding machines. Then these trays are buffed for a good shine.

After both the PCB and the S.S. trays are prepared they are combined and assembled together. The loaded cell is mounted on the metal frames. Correct corner errors are adjusted for overload protection with the help of standard weights. Then the entire scale is put through the quality test as per quality plan. For this the scales are kept 'on' for two hours for burning in. If they do not pass the test they are given to the 'Model Rework Department' to diagnose and rectify the issue. The ones that clear the quality test are packaged by the 'Packaging Department' and transferred to the finished goods store. These units are dispatched as and when orders are placed.

### Revenue break-up of our Company

The revenue break-up for the past 5 financial years and for the period ended September 30, 2016 are as under :

(Rs. in lakhs)

Sales	30/09/2016	31/03/2016	31/03/2015	31/03/2014	31/03/2013	31/03/2012
Branch	279.23	806.56	839.59	989.24	949.80	908.31
Dealers	883.61	2135.75	1,837.01	1,642.29	1,323.68	1,093.53
Government	2292.46	3103.07	1,934.82	1,741.14	734.46	1,090.08
Spares / service revenue	39.18	61.10	64.46	58.98	52.87	42.22
Less: Local & CST	300.13	467.04	324.50	330.06	202.09	240.89
<b>Total</b>	<b>3994.35</b>	<b>5639.44</b>	<b>4,351.38</b>	<b>4,101.59</b>	<b>2,858.72</b>	<b>2,893.25</b>

### BUSINESS STRATEGY/ PROCESS

Our business is handled from our corporate office at Dhule, Maharashtra. The corporate office is also divided into different departments to handle sales and billing processes from different avenues. The Research and Development department is also situated within the corporate office

Our sales activity is channelized through these following streams:

- IV) Sales from Branch Offices
- V) Sales made by Dealers
- VI) Sales to the Institutions.

#### i) Sales from Branch Offices

The Company has 13 branches across Maharashtra, Chhattisgarh and Odisha. The Branch Service Department in the corporate office reviews the entire branch systems. They fix future targets for each branch and solve any technical or administrative issues that any branch may face. Branches are responsible for new client acquisitions, client servicing, debtor collection and providing customer feedback to corporate office for improvements in the products. They also apprise corporate office regarding any new product offering by competitors or demand of any specific feature in any of the products for consideration by the management and initiating R&D procedure if felt appropriate. Branch maintains base stock of various products which is monitored through ERP system and the sale orders are serviced from the available stock or from supplies from the factory.

ii) Sales by Dealers network

Our company currently has a tie up with over 400 Dealers. These dealers are located all over India. The area distribution is properly marked out for every Dealer. The Company dispatches goods to the dealers against 100% advance payments. The ERP system assists in smooth processing of the sales enquiry by properly co-relating the advance payment received and the supply of goods. Attractive incentive schemes are offered to the Dealers for retention and enhancement of customer base. Periodic training sessions regarding product marketing, introduction to new products/new features and basic product servicing is conducted at corporate office for the benefit of Dealers. The after sales support requirement for Dealers is handled by the dedicated department who takes care of their technical and administrative requirements.

iii) Sales to the Institutions

We have been selling our products to Government and its institutions since over last 7 years. A sale to the Government happens generally through tender process and through direct marketing with the concerned departments. A dedicated sales team takes care of the marketing efforts in this stream. There is also a development team to make changes to every model as per the Government requirement. All Government orders are processed in the corporate office itself. All Government sale estimates are done through the Production, Planning and Control (PPC) feature available on ERP. This helps the company know about the stock and raw materials needed in the coming future. The realization in respect of supplies to Government is generally secure; however, there are instances of delay in such recoveries.

**Plant & Machineries**

Stated below are the brief details of some of the major machines and equipments installed at our unit:

Sl. No.	Description
1	Wave Soldering Machine (for PCB soldering)
2	Hydraulic Press suitable for bending & punching machine
3	Semi-automatic Tube bending machine
4	RAMCO Drill Machine / Radial
5	Power sharing machine (for metal cutting)
6	Drilling machine
7	Panasonic Brand weld machine
8	Stud Welding machine
9	Knee Type conventional milling machine
10	Channel 1216.5000, Beam 1261.32, M.S., Square 7207.2090 (for fabrication work)
11	Injection Moulding Machine
12	Lift Fabrication & Fitting
13	VMC Machine (for material cutting)
14	Crane - 2 Ton Electric Hoist with Steel Structure
15	Surface Grinding machine
16	Profile Projector model
17	CNC Electro Discharge machine
18	Shaping Machine
19	Tool Presetter
20	3 H Milling Machine / Power Feed axis
21	Semi Automatic Pipe Cutting machine
22	Vertical Turret type milling
23	Hanging Scale
24	Dies for various products
25	Mould for various product models

Plant & Machinery proposed for development of new products

<i>Particulars</i>	<i>Estimated cost ₹ in lacs</i>
85 nos. (approx.) of Dies for Injection Moulding and Press Metal	125.00
9 nos. (approx.) of Dies for Injection Moulding and Press Metal	25.00
125 nos. (approx.) of Dies for Injection Moulding and Press Metal	200.00
Injection moulding dies	20.00
<b>Total</b>	<b>370.00</b>

Plant & Machinery proposed for setting up of new manufacturing unit

<i>Particulars</i>	<i>Estimated cost ₹ in lacs</i>	
Machinery for Tool Room and Moulding Shop		
- Injection moulding machines of different capacities (4 nos)	300.00	400.00
- Overhead cranes, water cooling pipelines, electric fittings	100.00	
Setting up Electronic Assembly Lines, QC Equipments etc		
- Electronic Assembly Lines - 6 nos	20.00	175.00
- SMD Assembling Line - 1 number with Pick and Place Machine and Reflow Oven	100.00	
- 2 nos Wave Soldering Machines and electric fittings	5.00	
- Racks, Stores, Furnitures and partitions	40.00	
- 12 nos Computer and peripherals, printers, UPS, Hubs etc	10.00	
<b>Total</b>		<b>575.00</b>

The machineries and equipments proposed to be purchased and other expenses proposed to be incurred for development of new products/new models as well as for setting up of new manufacturing unit, as set out above, are as per the estimates of our Management and no firm orders have been placed. The actual cost would, thus, depend on the prices finally agreed with the suppliers and, to that extent, may vary from the above estimates. No second hand machinery is proposed to be procured from the proceeds of the issue. We propose to place the order for the machineries during the period October 2016 to June 2017 and deliveries/installation thereof is expected during the period December 2016 to August 2017.

**Collaborations/Tie Ups/ Joint Ventures:**

As on date of this Prospectus, we do not have any Collaboration/Tie Ups/ Joint Ventures

**Raw Materials**

Our Company sources the raw material viz. metal frames, ABS granules, transformer, SMF battery and other essential products from domestic market from prominent names such as Vee Pee Mfg. Chandigarh; Bhansali Engg. Polymers Ltd, Abu Road; Fusion Power, Idar; and Computech System, Delhi. The load cells required for weighing machines are generally sourced locally and from China/suppliers of Chinese products in India.

### Infrastructure & Utilities:

#### Power

The main utility required is power. We have made necessary arrangements for regular uninterrupted power supply at our factory. We meet our power requirements for factory and corporate office from the connection taken from Himachal Pradesh Electricity Board (HPEB) and Maharashtra State Electricity Distribution Corporation Limited (MSEDCL) respectively. Details of electricity connection are as follows:

Name of Electric Supplying Company	Total Meter in Factory	Electricity		Sanctioned Electricity Load	
		Consumer No	Meter No	Unit of measurement	Quantity
Mahavitaran M.S.E.D.C.L.	2	080010337023	055-MSP05285	KW	67
		080010551491	078-05053089		13
Himachal Pradesh Electricity Board	1	11221LSP6000062	06645760	KVA	135

#### Water

Our operations do not envisage any major water requirements and mainly it is required for drinking and sanitation purposes.

#### Manpower

We believe that our employees are key contributors to our business success. To achieve this, we focus on attracting and retaining the best possible talent. Our Company looks for specific skill-sets, interests and background that would be an asset for its kind of business. We presently have 286 employees comprising of administrative, skilled, semi- skilled and unskilled. For some part of our manufacturing operations we also utilize services of contractual labour.

### Intellectual Property:

Serial	Particulars	Trade Mark	Granting Authority	Owner
1	Product Brand Name	<b>PHOENIX</b>	Registrar of Trade Marks, Govt. of India	Company



**Property**

Details of our immovable property are as under:

**Owned**

Sr. No.	Particulars of the property, description & area	Date of Agreement	Existing usage	Name of the Selling entity	Cost of acquisition (₹ lakhs)	Relation with any promoter / director	Whether registered in the name of the issuer
1	S. No. 496 A/3,4/1 and S. No. 496 A/3,4/8A Behind Gurudwara, Mumbai-Agra Road, Dhule - 424 001 (MS) 6,937 sq mtrs	11/05/2004	Corporate Office and R&D Centre	Raghunath R Bhatwal (HUF) & others	53.31	Yes	Yes
2	D-61, MIDC Awadhan, Dhule - 424311 4,500 sq. Mtrs.	31/03/2006	Branch Office-cum-depot	DRT, MIDC, Aurangabad	19.74	No	Yes
3	CTS No. 1406/2 & 3 Near Bafna Bldg., Parola Road, Dhule - 421001 2,000 sq. Ft.	31/01/2012	Branch Office	Huzefa Shabbirbhai Saiffee & Others	89.86	No	Yes
4	Shop No. 2, Laxmi Tower, Near Neri Naka, Jalgaon 425001 17.84 sq. Mtrs	17/03/2004	Branch Office	Shweta Jagdish Chaudhari	7.65	No	Yes
5	S-4A, S-4B and S-4C, 2nd floor, Suyojit Condominium, Near Rajiv Gandhi Bhavan, Sharapur Road, Nashik 422002 1,575 sq. Ft.	01/04/1999	Branch Office	Suyojit Buildtech Pvt Ltd.	16.41	No	Yes
6	Chamber No. 7 & 8, 1st floor, Alankar Market, Opp Rallies India Tilak Road, Akola - 444001 492.50 sq. Ft.	21/08/2002	Branch Office	Alankar Developers through Partner Sameer K. Vora	6.82	No	Yes
7	104, Anant Chambers, Jangli Maharaj Road, Pune - 411005 35.30 sq. Mtrs.	31/07/2001	Leased to Hyper Drive Information Tech. P. Ltd.	1. Nikhil H. Bhalja 2. Ashish J. Shah	9.71	No	Yes
8	S-1, S-2, S-3, 2nd floor, Radhe Towers, Sitabuildi, Nagpur - 440012 53.814 sq. Mtrs	04/05/2004	Given on lease	1. Vijaya Manohar Ramteke 2. N.B. Lambghare	8.97	No	Yes
9	107, Shalimar Corporate Centre, 8B, South Tukogunj, Indore - 452001 119.28 sq. Mtrs	13/05/2003	Given on lease	Shalimar Housing & Finance Ltd.	8.35	No	Yes



Sr. No.	Particulars of the property, description & area	Date of Agreement	Existing usage	Name of the Selling entity	Cost of acquisition (₹ lakhs)	Relation with any promoter / director	Whether registered in the name of the issuer
10	T-4-5-6, 3rd floor, Raisar Plaza, Bada Harishchandra Marg, Indra Bazar, Jaipur - 302001 1,185.30 sq. Ft.	23/03/2002	Given on lease	M/s Gem Builders & Mrs. Nice Farms Pvt. Ltd.	13.53	No	Yes
11	Gala 23-B, Gr.Fl, Survey No. 113/2/1, Tirupati Industrial Estate, Village Amli, Silvasa, Dadra & Nagar Haveli (UT) 112.28 sq. mtrs	04/08/2000	Vacant	Tirupati Developers, Amli, Silvassa	3.93	No	Yes
12	Gala 121, Survey No. 113/2/1, Tirupati Industrial Estate, Village Amli, Silvasa, Dadra & Nagar Haveli (UT) 120.79 sq. Mtrs	04/08/2000	Vacant	Tirupati Developers, Amli, Silvassa	3.56	No	Yes
13	Gala 122, Survey No. 113/2/1, Tirupati Industrial Estate, Village Amli, Silvasa, Dadra & Nagar Haveli (UT) 120.79 sq. Mtrs.	04/08/2000	Vacant	Tirupati Developers, Amli, Silvassa	3.56	No	Yes
14	Gala 123-A, Survey No. 113/2/1, Tirupati Industrial Estate, Village Amli, Silvasa, Dadra & Nagar Haveli (UT) 118.21 sq. Mtrs	07/08/2000	Vacant	Tirupati Developers, Amli, Silvassa	3.50	No	Yes
15	Gala 123-B, Survey No. 113/2/1, Tirupati Industrial Estate, Village Amli, Silvasa, Dadra & Nagar Haveli 118.20 sq. Mtrs	07/08/2000	Vacant	Tirupati Developers, Amli, Silvassa	3.50	No	Yes
16	Gala 124-A, Survey No. 113/2/1, Tirupati Industrial Estate, Village Amli, Silvasa, Dadra & Nagar Haveli 118.21 sq. Mtrs	09/08/2000	Vacant	Tirupati Developers, Amli, Silvassa	3.50	No	Yes
17	Gala 124-B, Survey No. 113/2/1, Tirupati Industrial Estate, Village Amli, Silvasa, Dadra & Nagar Haveli 118.20 sq. Mtrs.	09/08/2000	Vacant	Tirupati Developers, Amli, Silvassa	3.50	No	Yes

Sr. No.	Particulars of the property, description & area	Date of Agreement	Existing usage	Name of the Selling entity	Cost of acquisition (₹ lakhs)	Relation with any promoter / director	Whether registered in the name of the issuer
18	Gala 112, 113, 114 and 115, Survey No. 113/2/1, Tirupati Industrial Estate, Village Amli, Silvassa, Dadra & Nagar Haveli (UT) 436 Sq. Mtrs.	05/06/2002	Given on Lease	Tirupati Developers, Amli, Silvassa	6.86	No	Yes
19	Gala 116, 117, 118, 119 and 120, Survey No. 113/2/1, Tirupati Industrial Estate, Village Amli, Silvassa, Dadra & Nagar Haveli (UT) 545 Sq. Mtrs.	05/06/2002	Vacant	Tirupati Developers, Amli, Silvassa	8.57	No	Yes
20	Flat No.2203, 2204, Sky Flama, Dosti Flamingos, T. J. Road, Parel-Sewree, Mumbai-400 015  Total 2,220 Sq.Ft.	04/07/2009	Occupied by Director	M/s Dosti Corpn, Mumbai	343.97	No	Yes
21	Flat No. S3, 2nd Floor, "Mandar Arcade B", Agrawal Nagar, Malegaon Road, Dhule - 424 001  61.78 Sq. Mtrs.	10/12/2013	Occupied by Staff	Mr. Ganesh Vasant Jadhav	10.21	Yes	Yes
22	Plot No.109, 110 Bhajji Nagar, Chakkarbardi Road, Behind Govt, Milk Dairy, Dhule - 424 001  2400 Sq. Ft.	25/01/2001	Occupied by Staff	Chairman, Shri MurlidharB hajjiSahakri Society	9.50	No	No

### Leased

Serial	Address of the property	Lessor / lease details	Area	Consideration	Used as
1	Raipur 2nd Floor, Creative Complex, Opp. Fafadih Tel. Exchange, K.K.Road, Raipur, Chhatisgarh	Mr. Kalyan Singh, Lease expired, renewal under process	800 sq.ft	Deposit : ₹ 15,000/-; Rent : ₹ 4,526/- p.m.	Branch office

Serial	Address of the property	Lessor / lease details	Area	Consideration	Used as
2	Vinod Traders, 2nd floor, Zone - 2, D/74 Vyapar Vihar, Bilaspur, Chhattisgarh	Mr. Vinod Gupta. Lease expired, renewal under process	1,000 sq. Ft.	Deposit : ₹ 13,000/-; Rent : ₹ 8,500/- p.m.	Branch office
3	Raigarh Near Kewdabadi Bus Stand, Laltanki Road, Raigarh, Chhattisgarh	Mr. Babulal Agrawal 01/06/2016 to 30/04/2017	325 sq.ft	Deposit NIL ; Rent : ₹ 9,500/- p.m.	Branch office
4	At/ PO Subhash Nagar, Teligot Pada, Balangir, Dist Balangir, Odisha	Mr. Damodar Mishra; 01/02/2014 to 31/01/2017, renewal under process	1,100 sq. Ft.	Deposit : ₹ 5,500/-; Rent : ₹ 5,500/- p.m.	Branch office
5	Lingraj Nagar, Near Airtel Tower, A/P Jeypore, Dist Koraput, Odisha	Ms. Prabha Mayi Rath. Lease expired, renewal under process	1,650 sq. Ft.	Deposit : ₹ 10,000/-; Rent : ₹ 6,000/- p.m.	Branch office
6	Jharsuguda Road, Near Check Gate, At- Ainthapali, Post- Budharaja Sambalpur, Odisha	Manoj Kumar Acharya. Lease expired, renewal under process	850 sq. Ft.	Deposit : ₹ 12,000/-; Rent : ₹ 6,600/- p.m.	Branch office
7	Plot No. 11-A, Sector - 2, Parwanoo, Tehsil Kasauli, Dist Solan (HP)	M/s Pulkit Industries; 01/01/2013 to 31/12/2017	10,000 sq. Ft.	Monthly rent of ₹ 65,000/-	Branch office
8	303, 3rd Floor, 5-9-189/190 Methodist Complex, ABIDS, Hyderabad 500001	Shree Roadways Pvt Ltd. 01/11/1996 to 31/10/2001 with automatic renewal for additional 5 yrs	1,625 sq. Ft	Rent of Rs. 2,777/- for 2 months	Sub-let to Hyper Drive Information Tech. P. Ltd
9	Shop No.3, 1 <sup>st</sup> Floor, Shri Krishna Complex, Dhad Road, Buldhana - 443001 (Maharashtra)	Mrs. Kunda S. Deshpande 01/02/2016 to 31/12/2016, renewal under process	300 Sq. Ft	Deposit: Rs.25000/-  Rent Rs. 3,200/- Per Month	Branch Office
10	Opp., DurgaBadi, Near Old Bus Stand, Ambikapur - 497001 (Chhatisgarh)	Mr. Naveen Kumar 01/02/2013 to 31/01/2016, renewal under process	550 Sq. Ft	Deposit : Nil  Rent Rs. 7,500/- per month	Branch Office
11	Tulsi Nagar, 8 <sup>th</sup> Lane, Berhampur 760001 Dist : Ganjan Odisha State	Mrs. Simanchala Sahoo 01/05/2015 to 30/04/2017	800 Sq. Ft.	Deposit : Rs.8000/-  Rent Rs. 5,700/- per month	Branch Office

**INSURANCE DETAILS:****Keyman Insurance**

We have obtained term insurance from HDFC Standard Life Insurance Company Limited on the life of Mr. Rajesh Bhatwal for a Sum Assured of Rs. 3,07,17,421/- for a period of 10 years commencing from May 14, 2016 with a one-time premium payment, with our Company as its beneficiary.

**Other Insurance**

We have taken different insurance policies under Standard fire and special peril policy, machinery breakdown, burglary and vehicles insurance policies, brief details of which are as under:

Serial	Policy Details	Property Insured	Sum Insured (₹ lakhs)	Valid till
1	Bajaj Allianz; Marine Open Policy	Electronic weighing machines & parts	1,600.00	16/05/2017
2	The New India Assurance Co Ltd; Standard Fire & Special Perils Policy	Head Office at Dhule; Plant, Machinery & accessories and Furniture & fixtures	61.75	03/04/2017
3	The New India Assurance Co Ltd; Standard Fire & Special Perils Policy	Factory (D-61, MIDC, Dhule); Furniture & fixtures and Stocks	87.17	03/04/2017
4	The New India Assurance Co Ltd; Standard Fire & Special Perils Policy	Gala No. 23B, 121, 122, 123A, 123B, 124A, 124B, 127-129; 112-120 at Silvassa; Plant & Machinery and Furniture & fixtures	28.77	03/04/2017
5	The New India Assurance Co Ltd; Standard Fire & Special Perils Policy	Plant & Machineries at Parwanoo; Furniture & fixtures and Stocks/stocks-in-process	1,662.98	03/04/2017
6	The New India Assurance Co Ltd; Standard Fire & Special Perils Policy	All Depots (stock)	24.00	03/04/2017
7	The New India Assurance Co Ltd; Standard Fire & Special Perils Policy	Branch buildings	406.47	03/04/2017
8	The New India Assurance Co Ltd; Vehicle insurances / package policy	Various vehicles (Two wheelers, Four wheelers & truck)	37.00	31/03/2017

## KEY INDUSTRY REGULATIONS AND POLICIES

In carrying on our business as described in the section titled “Our Business” on page 96 of the Prospectus, our Company is regulated by the following legislations in India. 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 our Company. The information detailed in this chapter has been obtained from various legislations, including rules and regulations promulgated by the regulatory bodies and the bye laws of the respective local authorities 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 legal advice. For details of Government and other Statutory Approvals obtained by the Company in compliance with these regulations, kindly refer to the Chapter titled “Government and Other Statutory Approvals” beginning on page 185 of the Prospectus

Our Company is engaged in the business of manufacturing of various types of Electronic Weighing Scales and Systems, Currency Counting Machines and Electronic Fare Meters. Our business is governed by various central and state legislations that regulate the substantive and procedural aspects of our business. We are required to obtain and regularly renew certain licenses/ registrations and / or permissions required statutorily under the provisions of various Central and State Government regulations, rules, bye laws, acts and policies.

Given below is a brief description of the certain relevant legislations that are currently applicable to the business carried on by us:

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

The Factories Act, 1948 ("Factories Act") seeks to regulate labour employed in factories and makes provisions for the safety, health and welfare of the workers. The term ‘factory’, as defined under the Factories Act, means any premises which employs or has employed on any day in the previous 12 (twelve) months, 10 (ten) or more workers and in which any manufacturing process is carried on with the aid of power, or any premises wherein 20 (twenty) or more workmen are employed at any day during the preceding 12 (twelve) months and in which any manufacturing process is carried on without the aid of power. An occupier of a factory under the Factories Act, means the person who has ultimate control over the affairs of the factory. The occupier or manager of the factory is required to obtain a registration for the factory. The Factories Act also requires inter alia the maintenance of various registers dealing with safety, labour standards, holidays and extent of child labour including their conditions. Further, notice of accident or dangerous occurrence in the factory is to be provided to the inspector by the manager of the factory.

### **Maharashtra Factories Rules, 1963**

The Maharashtra Factories Rules, 1962 seeks to regulate labour employed in factories in the state of Maharashtra and makes provisions for the Inspection of staff, safety, health and welfare of the workers. Under this Rule, the occupier or manager of every factory is required to obtain previous permission for the construction or extension of a factory from the Chief Inspector of Factories. The occupier or manager is required to obtain certificate of stability and registration and notice of occupation for the factory. The Rules also requires inter alia the maintenance of various registers dealing with health, holidays and extent of child labour, white washing, humidity, workers attending machinery. Further, notice of accident or dangerous occurrence in the factory is to be provided to the inspector by the manager of the factory.

**Contract Labour (Regulation and Abolition) Act, 1970**

Contract Labour (Regulation and Abolition) Act, 1970 ("CLRA") is an act to regulate the employment of contract labour in certain establishments and to provide for its abolition in certain circumstances. The CLRA applies to every establishment in which 20 (twenty) or more workmen are employed or were employed on any day of the preceding 12 (twelve) months as contract labour. It also applies to every contractor who employs or who employed on any day of the preceding 12 (twelve) months, 20 (twenty) or more workmen provided that the appropriate Government may after giving not less than 2 (two) months' notice, by notification in the Official Gazette, apply the provisions of the CLRA to any establishment or contractor. Further, it contains provisions regarding Central and State Advisory Board under the CLRA, registration of establishments, and prohibition of employment of contract labour in any process, operation or other work in any establishment by the notification from the State Board, licensing of contractors and welfare and health of the contract labour. Contract Labour (Regulation and Abolition) Central Rules, 1971 are formulated to carry out the purpose of the CLRA.

**Maharashtra Contract Labour (Regulation and Abolition) Central Rules, 1971**

Maharashtra Contract Labour (Regulation and Abolition) Rules, 1971 requires the contractor to establish canteens, rest rooms, drinking water, washing facilities, first aid facilities, and other facilities. Where the employment of any worker is terminated by or on behalf of the contractor, the wages earned by the worker shall be paid before the expiry of the second working day from the day on which his employment is terminated. Every employer shall maintain register of contractors and register of persons employed. The contractor is also required to issue an employment card to the employee and issue service certificate to the employee when he is terminated by the contractor for whatsoever reasons.

**The Industrial Disputes Act, 1948 and Industrial Dispute (Central) Rules, 1957**

The Industrial Disputes Act, 1947 ("ID Act") was enacted to make provision for investigation and settlement of industrial disputes and for other purposes specified therein. Workmen under the ID Act have been provided with several benefits and are protected under various labour legislations, whilst those persons who have been classified as managerial employees and earning salary beyond a prescribed amount may not generally be afforded statutory benefits or protection, except in certain cases. Employees may also be subject to the terms of their employment contracts with their employer, which contracts are regulated by the provisions of the Indian Contract Act, 1872. The ID Act also sets out certain requirements in relation to the termination of the services of the workman's services. This includes detailed procedure prescribed for resolution of disputes with labour, removal and certain financial obligations up on retrenchment. The Industrial Dispute (Central) Rules, 1957 specify procedural guidelines for lock-outs, closures, lay-offs and retrenchment

**The Employees State Insurance Act, 1948**

The Employees State Insurance Act, 1948 ("ESI Act") provides for certain benefits to employees in case of sickness, maternity and employment injury. All employees in establishments covered by the ESI Act are required to be insured, with an obligation imposed on the employer to make certain contributions in relation thereto. Employers of factories and establishments covered under the ESI Act are required to pay contributions to the Employees State Insurance Corporation, in respect of each employee at the rate prescribed by the Central Government. Companies which are controlled by the Government are exempt from this requirement if employees receive benefits similar or superior to the benefits prescribed under the ESI Act. In addition, the employer is also required to register itself under the ESI Act and maintain prescribed records and registers.

**The Employees' Provident Fund and Miscellaneous Provisions Act, 1952**

The Employees Provident Funds and Miscellaneous Provisions Act, 1952 ("EPF Act") was introduced with the object to institute compulsory provident fund for the benefit of employees in factories and other establishments. The EPF Act provides for the institution of provident funds and pension funds for employees in establishments where more than 20 (twenty) persons are employed and factories specified in Schedule I of the EPF Act. Under the EPF Act, the Central Government has framed the "Employees Provident Fund Scheme", "Employees Deposit-linked Insurance Scheme" and the "Employees Family Pension Scheme". Liability is imposed on the employer and the employee to contribute to the funds mentioned above, in the manner specified in the statute. 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**

The Payment of Bonus Act, 1965 ("PB Act") is applicable to every factory and every other establishment employing 20 (twenty) or more persons. According to the provisions of the PB Act, every employer shall be bound to pay to every employee in respect of the accounting year a minimum bonus which shall be 8.33% of the salary or wage earned by the employee during the accounting year or ₹ 100 (Rupees Hundred), whichever is higher, whether or not the employer has any allocable surplus in the accounting year. If the allocable surplus exceeds minimum bonus payable, then the employer must pay bonus proportionate to the salary or wage earned during that period, subject to maximum of 20% of such salary or wage. 'Allocable surplus' is defined as 67% of available surplus in the financial year, before making arrangements for the payment of dividend out of profit of the Company.

**The Minimum Wages Act, 1948**

The Minimum Wages Act, 1948 ("MW Act") came in to force with the objective to provide for the fixation of a minimum wage payable by the employer to the employee. Under the MW Act, the appropriate government is authorised to fix the minimum wages to be paid to the persons employed in scheduled or non scheduled employment. Every employer is required to pay not less than the minimum wages to all employees engaged to do any work whether skilled, unskilled, and manual or clerical (including out-workers) in any employment listed in the schedule to the MW Act, in respect of which minimum rates of wages have been fixed or revised under the MW Act.

**Maharashtra Minimum Wages Rules, 1963**

Maharashtra Minimum Wages Rules, 1963 ("MWA Rules") was enacted to establish minimum wages for certain categories of employees. The MWA Rules require that wages should be fixed of the employee not exceeding 1 (one) month. The employer is required to make payment of wages to a worker on termination of his employment. The employer is required to give notices containing the minimum rates of wages and the name and address of the Inspector. The employer is required to pay extra wages for the overtime, maintain a register of wages and an inspection book.

**The Payment of Gratuity Act, 1972**

The Payment of Gratuity Act, 1972 ("PG Act") applies to every factory and shop or establishment in which ten or more employees are employed. Gratuity is payable to an employee on the termination of his employment after he has rendered continuous service for not less than 5 (five) years:



- a) On his/her superannuation;
- b) On his/her retirement or resignation;
- c) On his/her death or disablement due to accident or disease (in this case the minimum requirement of 5 (five) years does not apply)

Gratuity is payable to the employee at the rate of 15 (fifteen) days' wages for every completed year of service or part thereof in excess of 6 (six) months.

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

The Payment of Wages Act, 1936 ("PW Act") is applicable to the payment of wages to persons in factories and other establishments. PW Act ensures that wages that are payable to the employee are disbursed by the employer within the prescribed time limit and no deductions other than those prescribed by the law are made by the employer.

### **Transfer of Property Act, 1882**

The transfer of property, including immovable property, between living persons, as opposed to the transfer property by operation of law, is governed by the Transfer of Property Act, 1882 ("TP Act"). The TP Act establishes 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. Transfer of property is subject to stamping and registration under the specific statutes enacted for the purposes which have been dealt with hereinafter.

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

The Registration Act, 1908 was passed to consolidate the enactments relating to the registration of documents. The main purpose for which the Act was designed was to ensure information about all deals concerning land so that correct land records could be maintained. The Act is used for proper recording of transactions relating to other immovable property also. The Act provides for registration of other documents also, which can give these documents more authenticity. Registering authorities have been provided in all the districts for this purpose.

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

The Indian Stamp Act, 1899 prescribes the rates for the stamping of documents and instruments by which any right or liability is, or purports to be, created, transferred, limited, extended, extinguished or recorded. Under this Act, an instrument not 'duly stamped' cannot be accepted as evidence by civil court, an arbitrator or any other authority authorised to receive evidence. However, the document can be accepted as evidence in criminal court.

### **Maharashtra Stamp Act, 1958**

The Maharashtra Stamp Act, 1948 ("Maharashtra Stamp Act") prescribes the different rates of duties on the instrument falling within the various descriptions set-out in Schedule I of the Maharashtra Stamp Act., then the instrument is chargeable with the highest of the duty prescribed. In addition, the Maharashtra Stamp Act also prescribes methodology for adjudication, refund of duties, grievance processes and prosecutions. The Collector is normally vested with the power of adjudication. If a document is not stamped or adequately stamped, it is likely to be impounded.



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

The Indian Contract Act, 1872 ("Contract Act") codifies the way in which a contract may be entered into, executed, implementation of the provisions of a contract and effects of breach of a contract. A person is free to contract on any terms he chooses. The Contract Act consists of limiting factors subject to which contract may be entered into, executed and the breach enforced. It provides a framework of rules and regulations that govern formation and performance of contract. The contracting parties themselves decide the rights and duties of parties and terms of agreement.

### **Competition Act, 2002**

The Competition Act, 2002 ("Competition Act") aims to prevent anti-competitive practices that cause or are likely to cause an appreciable adverse effect on competition in the relevant market in India. The Competition Act regulates anticompetitive agreements, abuse of dominant position and combinations. The Competition Commission of India ("Competition Commission") which became operational from May 20, 2009 has been established under the Competition Act to deal with inquiries relating to anti-competitive agreements and abuse of dominant position and regulate combinations. The Competition Act also provides that the Competition Commission has the jurisdiction to inquire into and pass orders in relation to an anti-competitive agreement, abuse of dominant position or a combination, which even though entered into, arising or taking place outside India or signed between one or more non-Indian parties, but causes an appreciable adverse effect in the relevant market in India.

### **The Trademarks Act, 1999**

Under the Trademarks Act, 1999 ("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, 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 of Trademarks. 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.

## HISTORY AND CERTAIN CORPORATE INFORMATION

We are an ISO 9001:2008 certified company, engaged in the designing, manufacturing and sale of wide range of Electronic Weighing Scales and Systems, Currency Counting Machines and Electronic Fare Meters. Our product portfolio caters to both industrial and domestic consumption. Our products are manufactured at our manufacturing units located at Parwanoo, Himachal Pradesh. We supply our products under the brand **PHOENIX** through our large network of dealers and branches.

Our Company was originally formed as a partnership firm under the name and style of M/s. Nitiraj Engineers through the partnership deed dated November 9, 1987. This firm was duly registered with Registrar of Firms, Mumbai vide registration No. MA 12849 dated November 7, 1994. This partnership firm was carrying on business of Manufacturers, Resellers, Importers, Exporters in Electronic Weighing Scales and allied products. The business was carried out on the terms and conditions contained in the Partnership Deed dated November 9, 1987 and since further modified by the Retirement-cum-Admission Deed dated February 22, 1990 and June 2, 1993 and Admission Deed dated March 1, 1999. For the sake of smooth working, effective management and improvement / advancement of business, all the members of the partnership firm decided through resolution dated March 1, 1999 to register M/s Nitiraj Engineers under Part IX of the Companies Act, 1956 as a Company for carrying on and continuing the said business of the partnership firm uninterrupted in a Joint Stock Company. Memorandum of Association was executed with the intention of continuing to carry on the said business of M/s Nitiraj Engineers through all its properties, movable and immovable, all other assets and liabilities, including inter alia all licenses, permits, authorisations, registrations, pending contract / un-executed orders and all other rights, benefits, advantages etc. vested in M/s Nitiraj Engineers. The partnership firm was having a permanent capital of ₹ 1,00,00,000/-.

Following were the partners of M/s Nitiraj Engineers at the time of conversion into private limited company :

1. Mr. Rajesh Raghunath Bhatwal
2. Ms. Shakuntala Rajesh Bhatwal
3. Ms. Mirabai Raghunath Bhatwal
4. Mr. Aalok Raghunath Bhatwal
5. Mr. Raghunath Rameshwar Bhatwal
6. Ms. Deepa Aalok Bhatwal
7. Prime Digiscales Private Limited, represented by Mr. Rajesh Raghunath Bhatwal

The partners also mutually agreed that their share in the partnership firm represented by Capital Account, right to assets and shares in profit, shall continue in the same proportion as the Capital contribution, upon the partnership firm being converted into a Company.

Upon conversion into a Private Company limited by shares, a Certificate of Incorporation dated April 1, 1999 was issued by the Asst. Registrar of Companies, Maharashtra, Mumbai, in the name and style of Nitiraj Engineers Private Limited.

Our Company was subsequently converted into a Public Limited Company pursuant to Shareholders Resolution passed at the Extra Ordinary General Meeting of Members of the Company held on June 8, 2015 and the name of our Company was changed to Nitiraj Engineers Limited vide a fresh Certificate of Incorporation dated June 22, 2015 issued by the Deputy Registrar of Companies, Maharashtra, Mumbai.

At the time of incorporation, our Registered Office was situated at Bhatwal Dal Mill Compound, B/h Gurudwara, Mumbai-Agra Highway, Dhule - 424 311. With effect from April 27, 1999, the Registered Office of our Company was shifted to 306A Bhabha Building, N.M. Joshi Marg, Near Police Station, Mumbai - 400 011. There is no change in the registered office of the Company since then.

### KEY EVENTS / MILESTONES IN THE HISTORY OF OUR COMPANY

Period	Event
01/04/1999	Conversion of partnership firm into Private Limited Company under Part IX of Companies Act, 1956.
11/05/2001	ISO 9001 certification.
12/06/2010	Conferred with ISO 9001:2008 Standard
29/01/2008	Quality Certification from Bureau of Indian Standard
30/06/2006	Registered with National Small Industries Corporation Limited (NSIC)
31/07/2006	Registration as approved supplier with Director General of Supplies & Disposals (DGS&D), Government of India
22/06/2015	Conversion of Private Limited Company to Public Limited Company

### Main objects of our Company

The main objects of our Company as set forth in the Memorandum of Association of our Company are as follows:

*To carry on the business of manufacturers, assemblers, makers, moulders, traders, producers, processors, buyers, sellers, importers, exporters and dealers and to develop, alter, manipulate, improve, prepare, fabricate, renovate, repair, service, maintain, exchange or otherwise deal in all kinds of electronic weighing scales and allied products and electrical hardware and systems and in all type of industrial, commercial and consumer Electronic and Electrical goods, products, accessories, components, parts, instruments, appliances and apparatus of any and every kind and description whatsoever.*

### Injunctions or Restraining Orders

There are no injunctions/ restraining orders that have been passed against the Company.

### Shareholders Agreement

There are no subsisting shareholder's agreements among our shareholders in relation to our Company, to which our Company is a party or otherwise has notice of the same as on the date of the Prospectus.

### Strikes and lock-outs

Our Company has, since incorporation, not been involved in any labour disputes or disturbances including strikes and lockouts.

### Holding Company

As on the date of the Prospectus, our Company is not a subsidiary of any company.

**Details of Subsidiaries**

As on the date of the Prospectus, our Company doesn't have any subsidiary company.

**Other Agreements**

Our Company has not entered into any other material agreements, other than as disclosed in the Prospectus. For further details please refer to the chapter titled "Material Contracts and Documents for Inspection" beginning on page 271 respectively of the Prospectus.

**Strategic Partners**

Our Company does not have any strategic partners as on the date of filing the Prospectus.

**Financial Partners**

Our Company does not have any financial partners as on the date of filing the Prospectus.

## OUR MANAGEMENT

Currently our Company has 8 Directors, out of which 4 are Non-executive Independent Directors

Serial	Details of the Director	Other Directorship
1	<b>Mr. Rajesh Raghunath Bhatwal</b> S/o Mr. Raghunath Bhatwal 111-B, Agrawal Nagar, Malegaon Road Dhule - 424311 <b>Age</b> : 50 years <b>Designation</b> : Managing Director <b>DIN</b> : 00547575 <b>PAN</b> : AAXPB8860E <b>Occupation</b> : Business <b>Qualification</b> : B.E. Electronic <b>Date of Appointment</b> : 27/04/1999	Nil
2	<b>Mrs. Shakuntala Rajesh Bhatwal</b> W/o Mr. Rajesh Bhatwal 111-B, Agrawal Nagar, Malegaon Road Dhule - 424311 <b>Age</b> : 48 years <b>Designation</b> : Whole-time Director <b>DIN</b> : 01953906 <b>PAN</b> : AGBPB1666Q <b>Occupation</b> : Business <b>Qualification</b> : B.E. Electronic <b>Date of Appointment</b> : 27/04/1999	Nil
3	<b>Mr. Yi Hung Sin</b> S/o Mr. Yi Chung Huan Wagla Co-oper Building, 2 <sup>nd</sup> floor Khetwadi, 12 <sup>th</sup> Lane, Mumbai - 400004 <b>Age</b> : 50 years <b>Designation</b> : Whole-time Director <b>DIN</b> : 01953871 <b>PAN</b> : AALPY3145K <b>Occupation</b> : Business <b>Qualification</b> : B.E. Computer <b>Date of Appointment</b> : 01/07/2003	Nil
4	<b>Mr. Anil Nandkishor Bangad</b> S/o Mr. Nandkishor Uderam Bangad 4747/2A Uday Malegaon Road Nr Bank of Baroda, Dhule - 424001 <b>Age</b> : 52 years <b>Designation</b> : Independent Director <b>DIN</b> : 07186755 <b>PAN</b> : AAMPB2263N <b>Occupation</b> : Business <b>Qualification</b> : B. Sc. Botany <b>Date of Appointment</b> : 15/05/2015	Nil

Serial	Details of the Director	Other Directorship
5	<b>Mr. Pradeep Chandrakant Shah</b> S/o Mr. Chandrakant Gulabchand Shah Plot No. 217, Gulabchand House Gulabchand Bhavanji Shah Nagar Malegaon Road, Dhule - 424001 <b>Age :</b> 51 years <b>Designation :</b> Independent Director <b>DIN :</b> 07186761 <b>PAN :</b> AFFPS8294A <b>Occupation :</b> Business <b>Qualification:</b> B. Sc. <b>Date of Appointment :</b> 15/05/2015	Nil
6	<b>Mr. Shabbir Sadruddin Masani</b> S/o Mr. Sadruddin Masani Sagar Flat No. 1702, 17 <sup>th</sup> floor, Sagar Classic, Plot No. 64 Mirza Galib Marg, Clay Road, Byculla Mumbai - 400 008 <b>Age :</b> 56 years <b>Designation :</b> Independent Director <b>DIN :</b> 07553206 <b>PAN :</b> AABPM0113B <b>Occupation :</b> Business <b>Qualification:</b> Matriculate <b>Date of Appointment :</b> 24/06/2016	Nil

## BRIEF PROFILES OF OUR DIRECTORS

### Mr. Rajesh Raghunath Bhatwal

Mr. Rajesh Raghunath Bhatwal is the Managing Director of our Company. He is a Bachelor of Engineering in Electronics (BE Electronics) from University of Mumbai and has an experience of over 26 years in the manufacturing Electronic Weighing Scales and other allied products. Mr. Rajesh Bhatwal is guiding force behind the strategic decisions of our Company and looks after the all prominent activities of our Company including planning and formulating the overall business strategy and developing business relations for our Company. With his strategic planning and strong business development attitude, he has been instrumental in the growth of Company. With his passion for manufacturing of quality products, the Brand PHOENIX and the Company has been able to gain trust and appreciation of the customers for its products. He is the Promoter and one of the first Directors of our Company. He also functions as the Chief Financial Officer of our Company. Mr. Rajesh Bhatwal holds 33,05,000 Equity Shares in our Company constituting 55.08% of our Pre-Issue Capital.

### Mrs. Shakuntala Rajesh Bhatwal

Mrs. Shakuntala Bhatwal, w/o of Mr. Rajesh Bhatwal, is the Whole-time Director of our Company belonging to Promoter Group. She has done B.E. Electronics from University of Mumbai and has an experience of over 25 years in the area of manufacturing Electronic Weighing Scales. She is actively working with Nitiraj since 1990. Her job responsibilities include overseeing manufacturing activities, sourcing of components, administrative work etc. She is well conversant with Electronic Industry and latest emerging trends in Electronics. Mrs. Bhatwal holds 18,00,000 Equity Shares in our Company constituting 30% of our Pre-Issue Capital.

**Mr. Yi Hung Sin**

Mr. Yi Hung Sin is the Whole-time Director of our Company. Aged 52 years, Mr. Sin has done B.E. Computer from University of Mumbai. He has been with the Company since its inception and has overseen various operational activities including production planning, marketing, liaison with government agencies and sourcing of raw materials. Mr. Sin holds 6,00,000 Equity Shares in our Company constituting 10% of our Pre-Issue Capital.

**Mr. Anil Nandkishor Bangad**

Mr. Anil Bangad is non-Executive Independent Director of our Company. By qualification, Mr. Anil Bangad is B. Sc. in Botany from Pune University and has over 20 years experience in the field of manufacturing desert coolers. He is also a grain merchant. He is also engaged in social activities and has been associated with community youth foundation and Rotary Club, Dhule. With his experience in manufacturing, he is expected to contribute to the production planning and other manufacturing activities of our Company. He does not hold any Equity Shares in our Company.

**Mr. Pradeep Chandrakant Shah**

Mr. Pradeep Shah is non-Executive Independent Director of our Company. Mr. Pradeep Shah has done B. Sc. from Pune University and has over 25 years experience in hotel industry. With his past experience he is expected to provide valuable inputs in management of our business operations. He does not hold any Equity Shares in our Company.

**Mr. Shabbir Sadrudin Masani**

Mr. Shabbir Sadrudin Masani, aged 56, is a non-Executive Independent Director of our Company. Mr. Masani, a matriculate by qualification, is a partner in Silvassa Bottling Co., Silvassa, which manufactures and markets aerated cold drinks and juices, and Silva Bottling Co. Lonavala, which manufactures and markets packaged drinking water. He is also a partner in his family businesses which has interests in furniture manufacturing in Dubai, U.A.E. and in hotels in Dubai and Mauritius.

With his business experience, he is expected to contribute in enhancing and expanding the manufacturing operations of our Company as well as to develop overseas markets for exports. He does not hold any Equity Shares in our Company

**Nature of family relationship between our Directors**

Mrs. Shakuntala Rajesh Bhatwal is spouse of Mr. Rajesh Raghunath Bhatwal. Save for this, none of our Directors are related to each other.

## Confirmations

We confirm that:

- We have not entered into any arrangement or understanding with our major shareholders, customers, suppliers or others, pursuant to which our Directors were selected as Directors.
- The terms of appointment with our Managing Director do not provide for any benefit upon termination of employment except the retirement benefits as applicable by law.
- None of our Directors is/ was a Director in any listed Company, during the last five years from the date of filing of Prospectus, whose shares have been/ were suspended from being traded on the BSE Limited and/or National Stock Exchange of India Limited.
- Further, none of our Directors is/was a Director of any listed Company which has been/was delisted from any recognized Stock Exchange(s)

## Details of Borrowing Powers of Directors

Pursuant to a Special Resolution passed at an Extra-Ordinary General Meeting of our Company on June 20, 2016 pursuant to provisions of Section 180(1)(c) or any amendment or modifications, if any, of the Companies Act, 2013 and other applicable provisions, if any, of the Companies Act, 2013, consent of the Shareholders have been accorded to the Board of Directors of our Company for borrowing from time to time as may be required for the purposes of business of our Company, in excess of the aggregate of the paid-up capital and free reserves of the Company. Such borrowing however shall not exceed ₹ 100 crores over and above the aggregate of the paid-up capital and the free reserves of the Company and shall exclude all temporary loans obtained from our Bankers in the ordinary course of our business.

## Remuneration / Compensation to Directors

During the last financial year ended March 31, 2016, the present Directors have been paid gross remuneration as under :

Name of the Director	(₹ in lakhs)
Mr. Rajesh Raghunath Bhatwal	50.05
Ms. Shakuntala R Bhatwal	13.05
Mr. Yi Hung Sin	6.05
	<b>69.15</b>

Mr. Rajesh Raghunath Bhatwal was appointed as Managing Director of our Company vide Shareholders' Resolution in the Extra Ordinary General Meeting held on September 30, 2015 at a remuneration of ₹ 24 lakhs per annum for a period of 5 years commencing from April 1, 2015 with the following remuneration structure :

(A) In case of adequate profits:

Not exceeding 5% of the net profits of the Company calculated as per Section 198 of the Companies Act, 2013 and payable by way of Salary/ Allowances/ other Perquisites / benefits and/or Commission, as determined by the Nomination and Remuneration Committee from time to time.



## (B) Minimum Remuneration in case of lack or inadequacy of profits:

1. Remuneration payable not exceeding the limit prescribed under Section II, Part II of Schedule V of the Companies Act, 2013, based on the effective capital of the Company and in accordance with the approval of the Nomination and Remuneration Committee at the relevant point of time.
2. Contributions to Provident Fund, Superannuation Fund or Annuity Fund to the extent singly or taken together are not taxable under the Income Tax Act, 1961;
3. Gratuity payable at a rate not exceeding half a month's salary for each completed year of service; and
4. Encashment of Leave at the end of the tenure.

## (C) General:

1. The perquisites shall be valued in terms of the actual expenditure. However, where such actual expenditure cannot be ascertained, such perquisites shall be valued as per the Income Tax Rules.
2. MD shall not be entitled to any sitting fees for attending the meetings of the Board or of the Committee(s) of which he is a Member.
3. MD shall be subject to all other service conditions and employee benefit schemes, as applicable to any other employee of the Company.

**Shareholding of our Directors**

As per the Articles of Association of our Company, a Director is not required to hold any qualification shares.

## Summary of shareholding of Directors in our Company

Name of Director	No. of Equity Shares	% of existing capital	% of post-issue capital
Mr. Rajesh Raghunath Bhatwal	33,05,000	55.08%	40.30%
Mrs Shakuntala Rajesh Bhatwal	18,00,000	30.00%	21.95%
Mr. Yi Hung Sin Chun	6,00,000	10.00%	7.32%

Save for the above, none of our Directors hold any shares in our Company.

**Interest of Directors**

All the Directors of our Company may be deemed to be interested to the extent of remuneration and/or reimbursement of expenses and/or sitting fees payable to them as per the applicable laws, and the Articles of Association.

The Directors may also be regarded as interested in the Equity Shares, dividend payable thereon and other distributions in respect of the said Equity Shares, if any, held by or that may be subscribed by and allotted/transferred to them or by their relatives or by the companies, firms or HUFs, in which they are interested as Directors, Members, Partners, Trustees or Promoters, pursuant to this Issue. All Directors may be deemed to be interested in the contracts, agreements/arrangements entered into or to be entered into by our Company with any Company in which they hold Directorships or Partnership firms in which they are Partners or HUFs in which they are members

The Managing Director and other Directors of our Company are interested to the extent of remuneration paid to them for services rendered as officer or employee of our Company. Further, the Directors are also interested to the extent of Equity Shares, if any, already held by them or their relatives in our Company.

### Changes in Board of Directors in Last 3 Years

Serial	Name	Date of Appointment / Resignation	Reason for change
1	Raghunath Rameshwar Bhatwal	01/04/2015 Resignation	Personal
2	Pradeep Chandrakant Shah	15/05/2015 Appointment	Appointed as Independent Director
3	Anil Nandkishor Bangad		
4	Shrinivas Hiralal Sape		
5	Ganesh Vasant Jhadav		
6	Mr. Ajay Balkrishna Bhatwal	01/07/2015 Resignation	Personal
7	Shrinivas Hiralal Sape	15/06/2016 Resignation	Personal
8	Ganesh Vasant Jhadav	15/06/2016 Resignation	Personal
9	Shabbir Sadruddin Masani	24/06/2016 Appointment	Appointed as Independent Director

### Compliance with Corporate Governance

In addition to the applicable provisions of the Companies Act, 2013, with respect to the Corporate Governance, provisions of SEBI Listing Regulations will also be applicable to our company immediately upon the listing of Equity Shares on the Stock Exchanges. Our Company has complied with the corporate governance code in accordance with the provisions of the SEBI Listing Regulations, particularly, in relation to appointment of independent directors to our Board and constitution of an audit committee, and a shareholders' grievance committee. Our Board functions either on its own or through committees constituted thereof, to oversee specific operational areas.

The requirements pertaining to broad basing of the Board of Directors and the constitution of the committees such as the Audit Committee, Stakeholders Relationship Committee and Nomination & Remuneration/ Compensation Committees have already been complied with.

Our Board of Directors consists of 6 directors of which 3 are Non-Executive Independent Directors, which is in compliance with the requirements of Corporate Governance as prescribed in Companies Act, 2013 and provisions of the SEBI Listing Regulations to the extent applicable. We have constituted the following committees of Board:

#### A. Audit Committee

The constituted Audit Committee comprises of the following members:

Name of the Member	Status in the Committee	Nature of Directorship
Mr. Pradeep Chandrakant Shah	Chairman	Non-Executive Independent Director
Mr. Anil Nandkishor Bangad	Member	Non-Executive Independent Director
Mr. Rajesh Bhatwal	Member	Managing Director

The Company Secretary of our Company shall act as the Secretary to the Committee. The Chairman of the Committee shall attend the Annual General Meeting of our Company to furnish clarifications to the shareholders in any matter relating to accounts. The terms of reference of Audit Committee complies with requirements of Section 177 of the Companies Act, 2013 and SEBI Listing Regulations to the extent applicable. The scope and function of the Committee and its terms of reference shall include the following:

1. Tenure: The Committee shall continue to be in function as a committee of the Board until otherwise resolved by the Board, to carry out the functions of the Audit Committee as approved by the Board.
2. Meetings of the Committee: The quorum for the meeting shall be either 2 (two) members or one third of the members of the committee, whichever is higher but there shall be presence of minimum two Independent members at each meeting.
3. Meeting of the Committee shall be called by at least 7 (seven) days notice in advance or shorter notice if all the members agree in writing or through electronic mode.
4. Role and Powers: The Role of Audit Committee together with its powers shall be as under:
  - (a) Overseeing the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;
  - (b) Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees;
  - (c) Approving payment to statutory auditors for any other services rendered by the statutory auditors;
  - (d) Approving initial or any subsequent modification of transactions of the Company with related parties;
  - (e) Scrutinizing inter-corporate loans and investments;
  - (f) Valuation of undertakings or assets of the Company, wherever it is necessary;
  - (g) Monitoring the end use of funds raised through public offers and related matters;
  - (h) Reviewing, with the management, the annual financial statements before submission to the Board for approval, with particular reference to:
    - 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;
    - Changes, if any, in accounting policies and practices along with reasons for the same;
    - Major accounting entries involving estimates based on the exercise of judgment by management;
    - Significant adjustments made in the financial statements arising out of audit findings;
    - Compliance with listing and other legal requirements relating to financial statements;
    - Disclosure of any related party transactions;

- Qualifications in the draft audit report.
- (i) Reviewing, with the management, the quarterly/ half yearly, as may be required, financial statements before submission to the board for approval;
- (j) Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems;
- (k) Discussing with the 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;
- (l) Carrying out any other function as is mentioned in the terms of reference of the Audit Committee in the Companies Act 2013 or contained in the SEBI Listing Regulations as and when amended from time to time.

#### B. Nomination & Remuneration Committee

Our Company in pursuant to section 178 of the Companies Act, 2013 and SEBI Listing Regulations 19, has constituted Nomination and Remuneration Committee. The members of the Nomination and Remuneration Committee are as follows:

Name of the Member	Status in the Committee	Nature of Directorship
Mr. Anil Nandkishor Bangad	Chairman	Non-Executive Independent Director
Mr. Pradeep Chandrakant Shah	Member	Non-Executive Independent Director
Mr. Rajesh Bhatwal	Member	Managing Director

The Committee shall be governed by the Terms of Reference of the Nomination and Remuneration Committee as under and will carry out the following:-

- a) Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
- b) 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 and shall carry out evaluation of every directors' performance.
- c) Formulation of criteria for evaluation of Independent Directors and the Board;
- d) Devising a policy on Board diversity;
- e) Deciding on, 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,
- f) Decide the salary, allowances, perquisites, bonuses, notice period, severance fees and increment of Executive directors.
- g) Define and implements the performance Linked Incentive Scheme (including ESOP of the Company) and evaluate the performance and determine the amount of incentive of the Executive Directors for that purpose.
- h) Decide the amount of Commission payable to the Whole time Directors.
- i) Review and suggest revision of the total remuneration package of the Executive Directors keeping in view the performance of the company, standards prevailing in the industry, statutory guidelines etc.
- j) To formulate and administer the Employee Stock Option Scheme.
- k) To ensure that the relationship of remuneration to performance is clear and meets appropriate performance benchmarks.

#### Quorum and Meetings

The quorum necessary for a meeting of the Nomination and Remuneration Committee shall be two members or one third of the members, whichever is higher. The Committee may meet at least once a year.

Meeting of the Nomination and Remuneration Committee shall be called by at least Seven day's notice in advance or shorter notice if all the members agree in writing or through electronic mode.

### C. Shareholders' Relationship Committee

This Committee comprises of the following members:

Name of the Member	Status in the Committee	Nature of Directorship
Mr. Anil Nandkishor Bangad	Chairman	Non-Executive Independent Director
Mrs Shakuntala Rajesh Bhatwal	Member	Non-Executive Director
Mr. Rajesh Bhatwal	Member	Managing Director

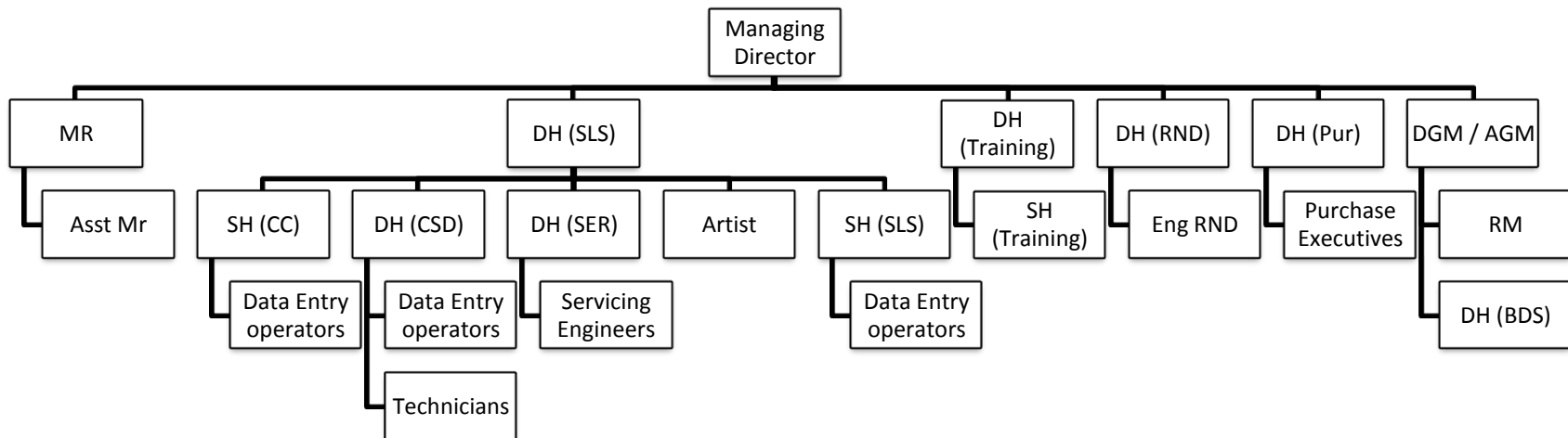
The Company Secretary of our Company shall act as the Secretary to the Committee. The scope and function of the Committee and its terms of reference shall include the following:

1. Tenure & Meetings: The Committee shall report to the Board on a periodical basis regarding the status of redressal of complaints received from the shareholders of the Company. The quorum for the meeting shall be one third of the total strength of the committee or two members, whichever is higher.
2. Terms of Reference: Redressal of shareholders' and investors' complaints, including and in respect of:
  - i) Allotment, transfer of shares including transmission, splitting of shares, changing joint holding into single holding and vice versa, issue of duplicate shares in lieu of those torn, destroyed, lost or defaced or where the cages in the reverse for recording transfers have been fully utilized.
  - ii) Issue of duplicate certificates and new certificates on split/consolidation/renewal, etc.;
  - iii) Review the process and mechanism of redressal of Shareholders /Investors grievance and suggest measures of improving the system of redressal of Shareholders /Investors grievances;
  - iv) Non-receipt of share certificate(s), non-receipt of declared dividends, non-receipt of interest/dividend warrants, non-receipt of annual report and any other grievance/complaints with Company or any officer of the Company arising out in discharge of his duties;
  - v) Oversee the performance of the Registrar & Share Transfer Agent and also review and take note of complaints directly received and resolved by them;
  - vi) Oversee the implementation and compliance of the Code of Conduct adopted by the Company for prevention of Insider Trading for Listed Companies as specified in the Securities & Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 as amended from time to time;
  - vii) Any other power specifically assigned by the Board of Directors of the Company from time to time by way of resolution passed by it in a duly conducted meeting,
  - viii) Carrying out any other function contained in the SEBI Listing Regulations as and when amended from time to time.

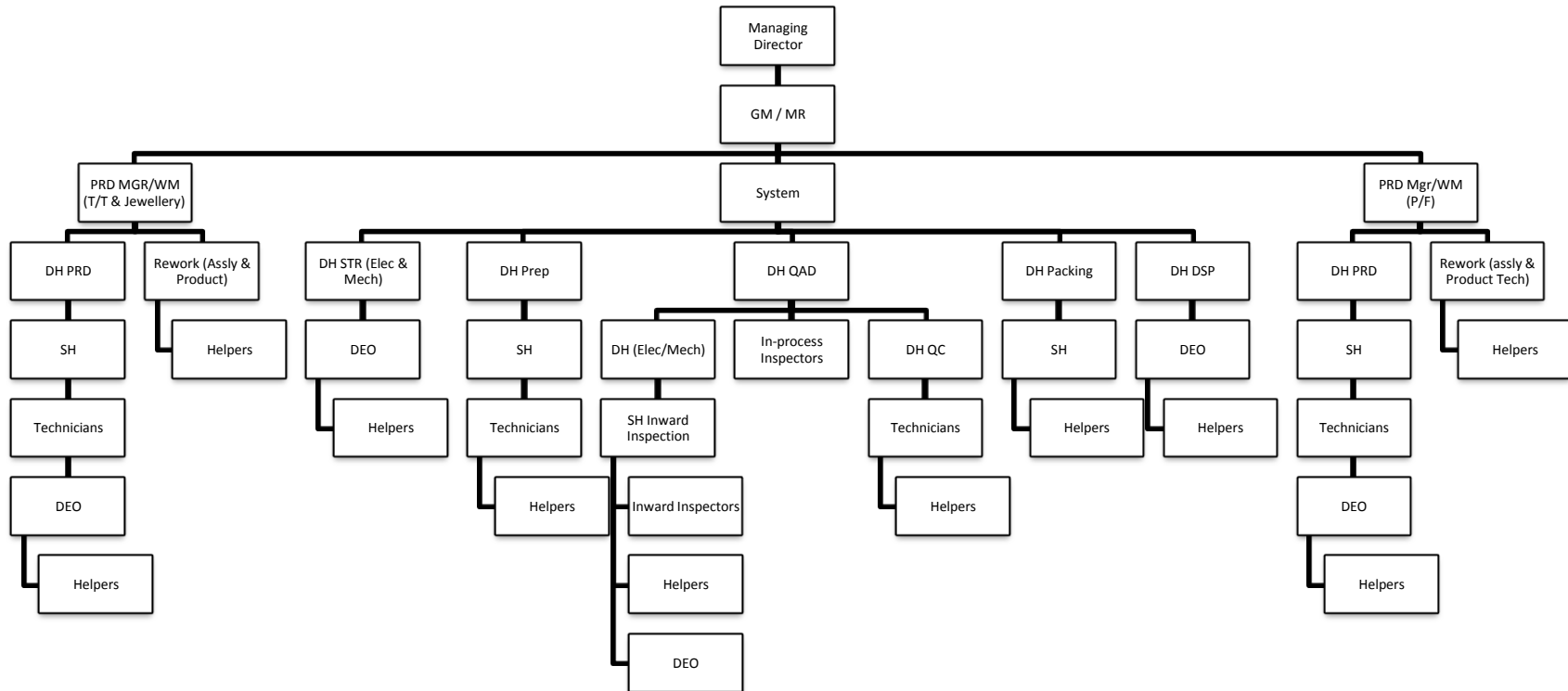
## MANAGEMENT STRUCTURE

We have a well laid out structure of management functioning under the guidance of Board of Directors of our Company. The structure comprises of team of Key Managerial Personnel and Functional heads under Managing Director. The Managing Director functions under the superintendence, control and guidance of our Board of Directors. The organization chart is depicted below:

### 1. HEAD OFFICE CHART



## 2. FACTORY CHART



### Key Managerial Personnel

Our management is supported by a team of qualified employees and professionals having sufficient experience in various operational aspects of our business. A brief detail about the Key Managerial Personnel of our Company is provided below:

Name and other details	Date of Joining	Compensation paid in FY 2015-16 (₹)	Previous employment
<b>Name:</b> Mr. Ajay Bhatwal <b>Age :</b> 48 Years <b>Designation:</b> General Manager <b>Qualification:</b> Chartered Accountant <b>Overall Experience :</b> 25 yrs	23.06.2003	10,20,000	Practicing Chartered Accountant
<b>Name:</b> Mr. Sarang Ambadas Puneekar <b>Age :</b> 44 Years <b>Designation:</b> General Manager – Production <b>Qualification:</b> B. Sc. <b>Overall Experience :</b> 21 years	01.05.2010	6,20,400	Sunstar Microsystems Pvt. Ltd,
<b>Name:</b> Mr. Gajendra Sharad Deshmukh <b>Age :</b> 46 Years <b>Designation:</b> General Manager - Marketing <b>Qualification:</b> Diploma in Electronics Engineering <b>Overall Experience :</b> 26 years	08.04.2009	7,40,388	Feiya Vision (India) Pvt Ltd.
<b>Name:</b> Mr. Ganesh Prabhakar Sonar <b>Age :</b> 33 Years <b>Designation:</b> Executive R&D <b>Qualification:</b> M.Sc Electronics <b>Overall Experience :</b> 9 years	23.03.2009	6,91,200	Datar Power Tec , Nasik
<b>Name:</b> Mr. Nandu Popat Bedse <b>Age :</b> 49 Years <b>Designation:</b> Manager - Finance <b>Qualification:</b> M.Com <b>Overall Experience :</b> 26 years	23.06.1997	3,18,000	D. G. Patil & Co.
<b>Name:</b> Mr. Dilipkumar Panigrahi <b>Age :</b> 37 Years <b>Designation:</b> Zonal Manager <b>Qualification:</b> BA, MBA (Marketing). <b>Overall Experience :</b> 15 years	01.01.2001	2,64,000	-
<b>Name:</b> Mr. Vinay Kumar Gupta <b>Age :</b> 38 Years <b>Designation:</b> Zonal Manager <b>Qualification:</b> B.Com <b>Overall Experience :</b> 16 years	04.01.2000	2,49,600	-
<b>Name:</b> Mr. Prashant Bawkar <b>Age :</b> 45 Years <b>Designation:</b> Deputy General Manager <b>Qualification:</b> Master in Personnel Management <b>Overall Experience :</b> 20 years	06.08.2012	3,92,400	Eagle Pvt. Ltd.



**NITIRAJ ENGINEERS LIMITED**
**PHOENIX**

Name and other details	Date of Joining	Compensation paid in FY 2015-16 (₹)	Previous employment
<b>Name:</b> Mr. Sunil Gadodiya <b>Age :</b> 44 Years <b>Designation:</b> GM – Marketing <b>Qualification:</b> B.com <b>Overall Experience :</b> 18 years	01.12.2007	5,58,000	Atlanta Corporation
<b>Name:</b> Mr. Deepak Kulkarni <b>Age :</b> 46 Years <b>Designation:</b> Production Manager <b>Qualification:</b> B.Sc. <b>Overall Experience :</b> 11 years	01.02.2006	4,91,400	Five Star Weighing Scales
<b>Name:</b> Mr. VirendraYadav <b>Age :</b> 59 years <b>Designation:</b> General Manager- Marketing <b>Qualification:</b> MBA <b>Overall Experience :</b> 25 years	01.09.2007	6,00,000	M. P. State Electricity Development Corporation, Bhopal
<b>Name:</b> Mr. Kamlesh Tayal <b>Age :</b> 44 years <b>Designation:</b> Manager – Purchase <b>Qualification:</b> B.E <b>Overall Experience :</b> 19 years	05.01.1997	2,36,400	-
<b>Name:</b> Mr. Shamkant Patil <b>Age :</b> 46 years <b>Designation:</b> Manager <b>Qualification:</b> M.Com <b>Overall Experience :</b> 22 years	02.01.1995	2,42,400	K.V. Nabria & Co. (C.A.)
<b>Name:</b> Mr. Hari Naik <b>Age :</b> 53 Years <b>Designation:</b> Senior.Executive <b>Qualification:</b> M.Com <b>Overall Experience :</b> 22 years	01.10.1997	2,29,800	P. D. Dalal & Co. (C.A.)
<b>Name:</b> Ms. Swati Samant <b>Age :</b> 45 Years <b>Designation:</b> Manager <b>Qualification:</b> B.Sc <b>Overall Experience :</b> 20 years	01.11.2012	3,09,600	SNDT College,
<b>Name:</b> Mr. Kailash Agrawal <b>Age :</b> 37 Years <b>Designation:</b> Manager <b>Qualification:</b> B.Com <b>Overall Experience :</b> 17 years	01.08.2010	3,12,000	Dhule Vikas Co-Op Bank
<b>Name:</b> Ms. Rachna Kothari <b>Age:</b> 31 Years <b>Designation:</b> Company Secretary <b>Qualification:</b> CS <b>Overall Experience:</b> 2 years	01.06.2016	1,44,000	HPC Bio Science

## BRIEF PROFILE OF KEY MANAGERIAL PERSONNEL

1. Mr. Ajay Bhatwal - Mr. Ajay Bhatwal, G.M. Marketing, is a Chartered Accountant by profession and has an experience of over 25 years with Khandsari Sugar Mills, Solvent Extraction plants & Oil Refinery. He also has working experience in the areas of Import of Electronic Components and Petroleum Products. Since last 13 years he is developing Dealers Network of Electronic weighing scales & system for our Company and is instrumental in creating dealership network on pan-India basis..
2. Sarang Ambadas Punekar - Mr. Sarang, General Manager, Production, has been employed with our Company since 6 years. He is overall in-charge of the Factory at Parwanoo and is experienced in the production line, chain line system in production. He is the key link between the management and factory personnel. He has been instrumental in executing various orders in a time-bound manner and also has the ability to fulfil machine product targets on time.
3. Gajendra Sharad Deshmukh - Mr. Deshmukh, General Manager (Marketing) has been associated with our Company since 2009 and is responsible for marketing and expansion of our products amongst Government departments. He has been instrumental in introduction of our new products in Maharashtra, Madhya Pradesh, Chattisgarh and Gujarat in bulk quantities.
4. Ganesh Prabhakar Sonar - Mr. Ganesh, Executive (R&D) has been the key person who is instrumental in development of CGMS, EPGM models for our products for Aanganwadi. He has introduced many features in the model viz. online data transfer, SMS option for sending weight, height & other details on mobile etc. Presently he is working on introducing additional facilities in our various models for better result.
5. Nandu Popat Bedse - Mr. Bedse, Manager (Finance) has been associated with our Company since 18 years. He has vast experience in the field of Excise, Sales Tax, Income Tax matters, Professional Tax, Service Tax, VAT, banking and all other accounting related activities. He is also responsible for compliances of various statutory filings / reporting.
6. Dillip Panigrahi - Mr. Dillip Panigrahi, Zonal Manager (Odisha), is having over 15 years of working experience with our Company. He has been instrumental in introducing our products in Orissa and is also handling Branch / Dealer network. Under his leadership, many dealers have been appointed in the Odisha enabling higher sales in this region.
7. Vinay Kumar Gupta - Mr. Gupta has over 16 years of experience. He is looking after our marketing network at Chhattisgarh and is also handling Branch and Dealers Network there.
8. Prashant Bawkar - Mr. Bawkar, DGM, is handling development of Dealers' network in various parts of Maharashtra, Karnataka and Andhra Pradesh. He is one of the senior executives having over 20 years of experience and has been associated with our Company for over 18 years (from 1996 to 2010 and from 2012 onwards).
9. Sunil Gadodia - Mr. Gadodia, GM, has over 8 years experience in development of dealers' network and is also looking after corporate business. He is instrumental in effecting sales of currency counting and gold weighing machines to large corporate houses / bank across the country.
10. Deepak Kulkarni - Mr. Kulkarni is our Production Manager at Parwanoo Factory having 8 years' experience. He is well aware of the manufacturing operations and is also responsible for timely production and delivery.
11. Virendra Yadav - Mr. Yadav, GM, is having over 10 years of experience with special focus on co-ordinating for Government orders. He also looks after timely renewal of our Rate Contract from DGS& D and also

add new models in Rate Contract to increase the range of models in the Government segment.

12. Kamlesh Tayal - Mr. Tayal, Purchase Manager, has about 19 years of experience. He is responsible for taking care of timely supply of quality materials at reasonable rates and also planning for future requirements.
13. Shamkant Patil - Mr. Patil is taking care of all types of payments to suppliers including payment of customs duty wherever required. He has overall experience of about 22 years and also looks after machine supplies to State Government.
14. Hari Naik - Mr. Naik, having about 19 years of experience, looks after the administration, including documentations required for supplies to Government.
15. Swati Samant - Ms Samant has about 20 years of working experience and takes care of all types of inventory work at ERP, changes in models as per requirement of marketing and oversee timely dispatches from the factory.
16. Kailash Agrawal - Mr. Agrawal has about 16 years of experience and is taking care of all types of administrative functions. He also looks after the Scrutiny Department and ensures timely MIS reporting to the management besides co-ordinating with concerned departments for regular internal audit as per the ISO standards.
17. Rachna Kothari - Ms. Kothari has about 1 year experience as Company Secretary in HPC Bio Science Company. She is presently the CS and Compliance Officer of our Company looking after all Secretarial compliances.

We confirm that:

- i) All the persons named as our Key Managerial Personnel above are permanent employees of our Company.
- ii) There is no understanding with major shareholders, customers, suppliers or any others pursuant to which any of the above mentioned Key Managerial Personnel have been appointed.
- iii) None of our KMPs are related to our Promoter or our Directors.
- iv) Except for the terms set forth in the appointment letters, the Key Managerial Personnel have not entered into any other contractual arrangements or service contracts (including retirement and termination benefits) with our Company.
- v) Our Company does not have any bonus/profit sharing plan for any of the Key Managerial Personnel
- vi) None of the Key Managerial Personnel of our Company hold any shares of our Company as on the date of filing of the Prospectus.
- vii) Presently, we do not have ESOP/ESPS scheme for our employees.

#### **Changes in the Key Managerial Personnel in last 3 (three) years:**


There have been no changes in the Key Managerial Personnel of our Company during the last 3 years from the date of filing this Prospectus.

#### **Interest of our Key Managerial Persons**

None of the KMPs of our Company has 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.

None of our KMP has been paid any consideration of any nature from our Company, other than their remuneration and incentive.

## OUR PROMOTERS

Mr. Rajesh Raghunath Bhatwal, Managing Director		
Address	111-B, Agrawal Nagar, Malegaon Road, Dhule - 424311	
Age	51 years	
Qualification	B.E. Electronics	
Experience	26 years	
Occupation	Business	
PAN	AAXPB8860E	
DIN	00547575	
Passport No	G7546343	
Driving Licence No	MH18/338/2004	
Voter Identification Card No.	MT/14/089/534278	
No. of Equity Shares held in our Company	33,05,000	
Other Interests	<u>Directorships in other Companies</u> Nil  <u>Partner</u> 1. Panorama Electronics 2. Pyramid Electronics  <u>HUF</u>  Member, Raghunath Rameshwar Bhatwal, HUF	

Mr. Rajesh Raghunath Bhatwal is the Managing Director of our Company. He is a Bachelor of Engineering in Electronics (BE Electronics) from University of Mumbai and has an experience of over 26 years in the manufacturing Electronic Weighing Scales and other allied products. Mr. Rajesh Bhatwal is guiding force behind the strategic decisions of our Company and looks after the all prominent activities of our Company including planning and formulating the overall business strategy and developing business relations for our Company. With his strategic planning and strong business development attitude, he has been instrumental in the growth of Company. With his passion for manufacturing of quality products, the Brand PHOENIX and the Company has been able to gain trust and appreciation of the customers for its products.

We confirm that the Permanent Account Number, Bank Account Number and Passport Number of our Promoter have been submitted to NSE at the time of filing of the Draft Prospectus with them.

**Confirmations from our Promoter**

Our Promoter has confirmed that he has not been declared as wilful defaulter by RBI or any other government authority and there are no violations of securities laws committed by our Promoter in the past, nor any such proceedings are pending against our Promoter. Our Promoter has further confirmed that he has not been prohibited or debarred from accessing or operating in the capital markets for any reasons, or restrained from buying, selling or dealing in securities, under any order or directions made by SEBI or any other authorities and that no action has been taken against him or any entity promoted or controlled by him by any regulatory authorities.

**Common Pursuits/Conflict of Interest**

Our Promoter has not promoted any Promoter Group / Group Companies which are engaged in the line of business similar to our Company as on the date of this Prospectus. For details of our Promoter Group and Group Entities refer to Section titled “Our Promoter and Promoter Group” on page 140 of this Prospectus. 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 Promoters in our Company**

Our Promoter is interested to the extent of his shareholding in our Company. Also, Mr. Rajesh Raghunath Bhatwal, Managing Director of our Company may be deemed to be interested to the extent of remuneration and other benefits as per the terms of his appointment. Our Promoter may also benefit from holding directorship in our Company. Further he may be deemed to be interested in our Company to the extent of transactions carried on by our Company with other promoter group entities in which our promoter is interested.

**Interest in the property of our Company**

Our Promoter doesn't have any interest in the property of the Company except to the extent of his shareholding in our Company.

**Related Party Transactions**

For the transactions with our related parties, please refer to section titled “Related Party Transactions” on page 171 of the Prospectus. Except as stated in "Related Party Transactions" beginning on page 171 of the Prospectus, and as stated therein, our Promoter or any of the Promoter Group Entities do not have any other interest in our business.

**Payment or Benefit to Promoters of our Company**

For details of payments or benefits paid to our Promoter, please refer to the paragraph “Compensation of our Managing Director and Whole-time Director” in the chapter titled “Our Management” on page 125. Also refer “Related Party Transactions” on page 171 forming part of “Financial Information of the Company” on page 147 of the Prospectus.

**Companies / Firms from which the Promoter has disassociated in last 3 (three) years**

Our Promoter has not disassociated himself from any of the companies, firms or other entities during the last three years preceding the date of the Prospectus.

**Litigation details pertaining to our Promoters**

There are no litigations pending against the Promoter and no defaults have been made by the Promoter.

### OUR PROMOTER GROUP AND GROUP ENTITIES

In addition to the Promoter named above, the following natural persons are part of our Promoter Group in terms of Regulation 2(1)(zb) of SEBI ICDR Regulations:

Individuals related to our Promoter Mr. Rajesh R Bhatwal :

Relationship	Name
Mother	Ms. Meerabai R Bhatwal
Spouse	Ms. Shakuntala R Bhatwal
Brother	Mr. Aalok R Bhatwal
Brother's Spouse	Ms. Deepa Aalok Bhatwal
Sister	Mrs. Manjusha Pushkarrajji Dhanuka Mrs. Meena Subhashji Kedia Mrs. Kalpana Vinodji Bagdiya Mrs. Madhu Rajeshji Singhal
Son	Mr. Rajveer R Bhatwal
Daughter	Ms. Prachi R Bhatwal Ms. Niti R Bhatwal Ms. Priti R Bhatwal
Spouse's Father	Mr. Kirtikumar N Shroff
Spouse's Mother	Dr. Mrs. Pravina K. Shroff
Spouse's Brother	-
Spouse's Sister	Mrs. Smita A. Malik

### Group Companies / Entities

Following are the entities forming part of our Group :

- Hyper Drive Information Technologies (P) Limited (HDITPL)
- Panorama Electronics
- Pyramid Electronics
- Raghunath Rameshwar Bhatwal, HUF
- Prime Digiscale Private Limited

- HDITPL**, incorporated in the year 2005, is promoted by Mr. Aalok R Bhatwal. This Company has been incorporated with the main object of carrying on business in the field of development of all kinds of software and its related activities.

The brief details of HDITPL are given below:

Date of Incorporation	June 13, 2005
CIN	U72200KA2005PTC036535
PAN	AABCH5671G
Registered Office	Site No. 167, Green Gan Layout, 2 <sup>nd</sup> Cross Shoba Apartment Road, Sarjapur ORR, Bellandur, Bangalore – 560 103.
Nature of activity	Software development and Information Technology enabled services
Board of Directors	Mr. Aalok Raghunath Bhatwal Ms. Deepa Khatri

Financial Highlights (audited) of HDITPL :

(₹ in lakhs)

Particulars	31/03/2016	31/03/2015	31/03/2014
Equity Capital	1.17	1.00	1.00
Reserves & Surplus	677.63	562.36	556.39
Networth	678.80	563.36	557.39
Revenue from operations	365.60	191.19	145.15
Other Income	0.03	14.24	11.56
Profit / (loss) after tax	15.42	12.46	(0.84)
EPS (in ₹)	148.32	124.60	(8.44)
Book Value (in ₹)	5,801.71	5,633.60	5,573.90

Shareholding Pattern of HDITPL as on the date of this Prospectus is as follows:

Shareholder	No. of Equity Shares	% of shareholding
Aalok Raghunath Bhatwal	5,000	42.86
Rajesh Raghunath Bhatwal	2,000	17.14
Deepa Khatri	3,000	25.71
Nitiraj Engineers Limited	1,667	14.29
<b>Total</b>	<b>11,667</b>	<b>100.00</b>

- Panorama Electronics** is a partnership firm with Mr. Rajesh R Bhatwal as one of its partners. Since year 2000, no business activities are carried out in the firm. No Profit & Loss account has been drawn up for last 3 years. The partners' capital account balance as on March 31, 2016 was Rs. 7,50,658/-
- Pyramid Electronics** is a partnership firm with Mr. Rajesh R Bhatwal as one of its partners. Since year 2000, no business activities are carried out in the firm. No Profit & Loss account has been drawn up for last 3 years. The partners' capital account balance as on March 31, 2016 was Rs. 11,07,102/-
- Raghunath Rameshwar Bhatwal, HUF** : Mr. Rajesh R Bhatwal is a member of Raghunath Rameshwar Bhatwal, HUF. The Karta of this HUF, Mr. Raghunath R Bhatwal, expired in December 2015.
- Prime Digiscales Pvt. Ltd.**, was incorporated on June 7, 1996 with Registrar of Companies, Maharashtra at Mumbai. However, it has no operations since over last 10 years and process was initiated for striking off the name from the records of the Registrar of Companies and the same is under way

#### Nature and extent of interest of our Promoters

Mr. Rajesh Raghunath Bhatwal, our Promoter, holds 2,000 Equity Shares (constituting 20% of the paid-up capital) in HDITPL. Mr. Aalok Raghunath Bhatwal is the brother of our Promoter Mr. Rajesh R Bhatwal.

#### Other confirmations

- HDITPL is neither a sick company within the meaning of the Sick Industrial Companies (Special Provisions) Act, 1995 nor is under winding up;
- No application has been made to RoC for striking off the name of HDITPL;
- There are no common pursuits among HDITPL and our Company;



**Undertaking/ Confirmations**

Our Promoter and Group Companies have further confirmed that they have not been declared as wilful defaulters by the RBI or any other government authority and there have been no violations of securities laws committed by them in the past and no proceedings pertaining to such penalties are pending against them.

Additionally, neither our Promoter nor members of our Promoter Group and Group Companies have been restrained from accessing the capital market for any reasons by SEBI.

**Litigation/ Defaults**

There are no litigations involving the Promoter and Promoter Group Companies.

**Related Business Transaction within the Group and Significance on Financial Performance**

There are no business transactions between our Company and the Promoter Group Companies except as stated on page 171 under section titled as "Related Party Transactions".

**Sale or Purchase between our Company and our Promoter Group Companies**

There are no sales or purchases between our Company and any Company in the Promoter Group Companies / Entities except as stated on page 171 under the titled "Related party transactions" exceeding 10% of the sales or purchases of our Company.

**Sick Companies**

There are no Companies in our Promoter group listed above which have been declared as a sick company under the SICA. There are no winding up proceedings against any of Promoter Group Companies. Prime Digiscale Private Limited, a partner of Nitiraj Engineers and original shareholder of our Company, does not have any business operations since over 10 years and is a defunct company which has applied for striking off its name from the Register of Companies in 2006.

**Defunct Group Companies and Entities**

Save as mentioned hereinabove, none of our Promoter Group Companies and Entities has remained defunct and no application has been made to the Registrar of Companies for striking off their name from the Register of Companies, during the five years preceding the date of filing of this Prospectus.

**Payment or benefits 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.



## DIVIDEND POLICY

Under the Companies Act, our Company can pay dividends upon a recommendation by our Board of Directors and approval by the shareholders at the general meeting of our Company. The Articles of Association of our Company give our shareholders, the right to decrease, and not to increase, the amount of dividend recommended by the Board of Directors. The Articles of Association of our Company also gives the discretion to our Board of Directors to declare and pay interim dividends. No dividend shall be payable for any financial year except out of profits of our Company for that year or that of any previous financial year or years, which shall be arrived at after providing for depreciation in accordance with the provisions of Companies Act, 2013.

Our Company does not have any formal dividend policy for declaration of dividend in respect of 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 may depend on a number of factors, including the results of operations, earnings, Company's future expansion plans, capital requirements and surplus, general financial condition, contractual restrictions, applicable Indian legal restrictions and other factors considered relevant by our Board of Directors.

Our Company has not declared any dividend on the Equity Shares in the past five financial years. Our Company's corporate actions pertaining to payment of dividends in the past are not to be taken as being indicative of the payment of dividends by our Company in the future.

## RELATED PARTY TRANSACTIONS

For details on Related Party Transactions of our Company, please refer to Annexure 30 of restated financial statement under the section titled “Financial Information” on Page 147 of the Prospectus.

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SECTION V: FINANCIAL INFORMATION OF THE COMPANY

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## RESTATED FINANCIAL STATEMENTS OF THE COMPANY

## INDEPENDENT AUDITOR'S REPORT ON RESTATED FINANCIAL INFORMATION

To,  
The Board of Directors,  
Nitiraj Engineers Limited  
306A, Bhabha Building,  
N. M. Joshi Marg, Delisle Road,  
Mumbai – 400 011, Maharashtra, India

Dear Sir,

We have examined the attached restated standalone summary financial information of Nitiraj Engineers Limited (the Company') as approved by the Board of Directors of the company for the purpose of inclusion in the offer document. The Financial Information has been prepared by the management of the company in terms and requirements of Section 26 of the Companies Act, 2013 read with The Companies (Prospectus and Allotment of Securities) Rules, 2014, the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended from time to time (the 'SEBI Regulations'), the Guidance Note on 'Reports in Company's Prospectus (Revised)' issued by the Institute of Chartered Accountants of India ('ICAI') to the extent applicable ('Guidance Note'), and in terms of our engagement agreed upon by us with the Company.

The Financial Information has been approved by its Board of Directors.

Audit for the financial year ended 31<sup>st</sup> March, 2012 and 31<sup>st</sup> March, 2013, 31<sup>st</sup> March, 2014, 31<sup>st</sup> March, 2015, 31<sup>st</sup> March, 2016 and for the period ended on 30<sup>th</sup> September, 2016 was conducted by M/s. P. D. Dalal & Co. Chartered Accountants and accordingly reliance has been placed on the financial information examined by them for the said years / periods. The financial report included for these years / periods are based solely on the report submitted by them. We have carried out Re-audit of the financial statements for the period ended September 30, 2016 and Financial Year ended March 31, 2016 as required by SEBI Regulations.

In terms of Schedule VIII, Clause IX (9) of the SEBI (ICDR) Regulations, 2009 and other provisions relating to accounts of Nitiraj Engineers Limited, We, M/s. Randhir Jhunjunwala & Co., Chartered Accountants, have been subjected to the peer review process of the Institute of Chartered Accountants of India (ICAI) and hold a valid certificate issued by the 'Peer Review Board' of the ICAI.

**A. Financial Information as per Audited Financial Statements:**

We have examined:

- a. The attached Statement of Assets and Liabilities, as Restated as at year / period ended March 31, 2012, 2013, 2014, 2015, 2016 and 30<sup>th</sup> September, 2016 (Annexure 1);
- b. The attached Statement of Profits and Losses, as Restated for the year / period ended March 31, 2012, 2013, 2014, 2015, 2016 and 30<sup>th</sup> September, 2016 (Annexure 2);
- c. The attached Statement of Cash Flows, as Restated for the year / period ended March 31, 2012, 2013, 2014, 2015, 2016 and 30<sup>th</sup> September, 2016 (Annexure 3);
- d. The significant accounting policies adopted by the Company and notes to the Restated Financial Statements along with adjustments on account of audit qualifications / adjustments / regroupings. (Annexure 4);

(Collectively hereinafter referred as "Restated Financial Statements")

The Restated Financial Statements have been extracted from audited Financial Statements of the Company for the year / period ended March 31, 2012, 2013, 2014, 2015, 2016 and 30<sup>th</sup> September, 2016 which have been approved by the Board of Directors.

Based on our examination and in accordance with the requirements of the Act, ICDR Regulations, we state that:

- Restated Statement of Assets and Liabilities of the Company as at March 31, 2012, 2013, 2014, 2015, 2016 and 30<sup>th</sup> September, 2016 are as set out in Annexure 1, which are after making such material adjustments and regroupings as, in our opinion are appropriate, and are to be read with the significant accounting policies and notes thereon in Annexure 4;
- Restated Statement of Profits and Losses of the Company for the year / period ended March 31, 2012, 2013, 2014, 2015, 2016 and 30<sup>th</sup> September, 2016 are as set out in Annexure 2, which have been arrived at after making such material adjustments and regroupings to the audited financial statements as, in our opinion are appropriate, and are to be read with the significant accounting policies and notes thereon in Annexure 4;
- Restated Statement of Cash Flows of the Company for the year / period ended March 31, 2012, 2013, 2014, 2015, 2016 and 30<sup>th</sup> September, 2016 are as set out in Annexure 3;
- Adjustments for any material amounts in the respective financial years / period have been made to which they relate; and
- There are no Extra-ordinary items that need to be disclosed separately except those disclosed in Restated Financial Statements.
- The company is in non-compliance of Accounting Standard – 15 – Employee Benefits (revised) to the extent of non provision of leave encashment and/or inadequate provision for gratuity without ascertaining actuarial valuation. The effect of the non-compliance is not quantifiable hence It is not possible for us to quantify the financial effects for the same.
- There are no qualifications in the Statutory Audit Reports of Prior Periods/Years and hence no adjustments are required in restated financials on this account.
- Adjustments in Financial Statements has been made in accordance with the correct accounting policies
- The company is following WDV method as per the rates prescribed in Income Tax Act, 1961 from 1st April, 2011. With the aim of making the financial statements comparable for the readers and ensuring uniform accounting policy, in the restated financial statements, the depreciation for FY 2011-12 till period ended 30.06.2016 are recomputed based on SLM method at rates prescribed by Companies Act. The rates have been appropriately applied based on applicable provisions of Companies Act, 1956 and Companies Act 2013 for different periods and to give effect to this change, the figures have been adjusted in the “Restated Financial Statements”.
- There are no revaluation reserves, which need to be disclosed separately in the “Restated Financial Statements”.

## B. Other Financial Information:

We have also examined the following Financial Information relating to the Company, which is based on the Restated Financial Statements and approved by the Board of Directors of the Company and annexed to this report, is proposed to be included in the Offer Document:

1. Statement of Details of Share Capital as at March 31, 2012, 2013, 2014, 2015, 2016 and 30<sup>th</sup> September, 2016 as set out in **Annexure 5** to this report.
2. Statement of Details of Reserves & Surplus as at March 31, 2012, 2013, 2014, 2015, 2016 and 30<sup>th</sup> September, 2016 as set out in **Annexure 6** to this report.
3. Statement of Accounting Ratios for the year / period ended on March 31, 2012, 2013, 2014, 2015, 2016 and 30<sup>th</sup> September, 2016 as set out in **Annexure 7** to this report.
4. Capitalization Statement as at 30<sup>th</sup> September, 2016 as set out in **Annexure 8** to this report.
5. Statement of Tax Shelters for the year ended on March 31, 2012, 2013, 2014, 2015 and 2016 as set out in **Annexure 9** to this report.
6. Statement of Details of Long Term Borrowings as at March 31, 2012, 2013, 2014, 2015, 2016 and 30<sup>th</sup> September, 2016 as set out in **Annexure 10** to this report.
7. Statement of Details of Short Term Borrowings as at March 31, 2012, 2013, 2014, 2015, 2016 and 30<sup>th</sup> September, 2016 as set out in **Annexure 11** to this report.
8. Statement of Details of Trade Payables as at March 31, 2012, 2013, 2014, 2015, 2016 and 30<sup>th</sup> September, 2016 as set out in **Annexure 12** to this report.
9. Statement of Details of Other Current Liabilities & Provisions of the Company for the year / period ended on March 31, 2012, 2013, 2014, 2015, 2016 and 30<sup>th</sup> September, 2016 as set out in **Annexure 13** to this report
10. Statement of Details of Fixed Assets as at March 31, 2012, 2013, 2014, 2015, 2016 and 30<sup>th</sup> September, 2016 as set out in **Annexure 14** to this report.
11. Statement of Details of Long Term Loans & Advances of the Company for the year / period ended on March 31, 2012, 2013, 2014, 2015, 2016 and 30<sup>th</sup> September, 2016 as set out in **Annexure 15** to this report.
12. Statement of Details of Non Current Investments of the Company for the year / period ended on March 31, 2012, 2013, 2014, 2015, 2016 and 30<sup>th</sup> September, 2016 as set out in **Annexure 16** to this report.
13. Statement of Details of Inventories of the Company for the year / period ended on March 31, 2012, 2013, 2014, 2015, 2016 and 30<sup>th</sup> September, 2016 as set out in **Annexure 17** to this report.
14. Statement of Details of Trade Receivables as at March 31, 2012, 2013, 2014, 2015, 2016 and 30<sup>th</sup> September, 2016 as set out in **Annexure 18** to this report.
15. Statement of Details of Other Current Assets of the Company for the year / period ended on March 31, 2012, 2013, 2014, 2015, 2016 and 30<sup>th</sup> September, 2016 as set out in **Annexure 19** to this report.
16. Statement of Details of Cash and Cash Equivalents of the Company for the year / period ended on March 31, 2012, 2013, 2014, 2015, 2016 and 30<sup>th</sup> September, 2016 as set out in **Annexure 20** to this report.
17. Statement of Details of Revenues from Operations of the Company for the year / period ended on March 31, 2012, 2013, 2014, 2015, 2016 and 30<sup>th</sup> September, 2016 as set out in **Annexure 21** to this report.
18. Statement of Details of Other Income of the Company for the year / period ended on March 31, 2012, 2013, 2014, 2015, 2016 and 30<sup>th</sup> September, 2016 as set out in **Annexure 22** to this report.
19. Statement of Details of Cost of Material Consumed of the Company for the year / period ended on March 31, 2012, 2013, 2014, 2015, 2016 and 30<sup>th</sup> September, 2016 as set out in **Annexure 23** to this report.
20. Statement of Details of Purchase of Stock in Trade of the Company for the year / period ended on March 31, 2012, 2013, 2014, 2015, 2016 and 30<sup>th</sup> September, 2016 as set out in **Annexure 24** to this report.
21. Statement of Details of Changes in Inventories of the Company for the year / period ended on March 31, 2012, 2013, 2014, 2015, 2016 and 30<sup>th</sup> September, 2016 as set out in **Annexure 25** to this report.
22. Statement of Details of Employee Benefit Expenses of the Company for the year / period ended on March 31, 2012, 2013, 2014, 2015, 2016 and 30<sup>th</sup> September, 2016 as set out in **Annexure 26** to this report.
23. Statement of Details of Finance Cost of the Company for the year / period ended on March 31, 2012, 2013, 2014, 2015, 2016 and 30<sup>th</sup> September, 2016 as set out in **Annexure 27** to this report.

24. Statement of Details of Depreciation of the Company for the year / period ended on March 31, 2012, 2013, 2014, 2015, 2016 and 30<sup>th</sup> September, 2016 as set out in **Annexure 28** to this report.
25. Statement of Details of Other Expenses of the Company for the year / period ended on March 31, 2012, 2013, 2014, 2015, 2016 and 30<sup>th</sup> September, 2016 as set out in **Annexure 29** to this report.
26. Statement of Details of Related Party Transactions of the Company for the year / period ended on March 31, 2012, 2013, 2014, 2015, 2016 and 30<sup>th</sup> September, 2016 as set out in **Annexure 30** to this report.

In our opinion, the "Restated Financial Statements" and "Other Financial Information" mentioned above contained in Annexure 1 to 30 of this report have been prepared after making adjustments and regrouping as considered appropriate and have been prepared in accordance with Section 26 of the Companies Act, 2013 read with The Companies (Prospectus and Allotment of Securities) Rules, 2014, to the extent applicable, SEBI Regulations, the Guidance note issued in this regard by the ICAI, as amended from time to time, and in terms of our engagement as agreed with you.

Consequently the financial information has been prepared after making such regroupings and adjustments as were, in our opinion, considered appropriate to comply with the same. As result of these regroupings and adjustments, the amount reported in the financial information may not necessarily be same as those appearing in the respective audited financial statements for the relevant years.

This report should not in any way be construed as a reissuance or redating of the previous audit report, nor should this be construed as a new opinion on any of the financial statements referred to herein.

We have no responsibility to update our report for events and circumstances occurring after the date of the report. This report is intended solely for your information and for inclusion in the Offer Document in connection with the proposed IPO of the Company and is not to be used, referred to or distributed for any other purpose without our prior written consent.

**For Randhir Jhunjhunwala & Co.**  
**Chartered Accountants**  
Firm Registration No.- 113675W

**(CA Priteesh Kumar)**  
**Partner**  
**Membership No. 164931**  
Place: Mumbai  
Date: 27<sup>th</sup> January, 2017

## ANNEXURE-01

## STATEMENT OF ASSETS AND LIABILITIES, AS RESTATED

(Rs. In Lacs)

Particulars	30.09.16	31.03.16	31.03.15	31.03.14	31.03.13	31.03.12
<b>Equity &amp; Liabilities</b>						
<b>Shareholders' Funds</b>						
Share Capital	600.00	600.00	100.00	100.00	100.00	100.00
Reserve & Surplus	3,161.19	2,747.19	2,705.50	2,287.10	1,898.10	1,776.66
<b>Total (A)</b>	<b>3,761.19</b>	<b>3,347.19</b>	<b>2,805.50</b>	<b>2,387.10</b>	<b>1,998.10</b>	<b>1,876.66</b>
<b>Non Current Liabilities</b>						
Share Application Money	-	-	-	-	-	-
Long Term Borrowings	-	-	-	24.68	24.68	24.68
Deferred Tax Liabilities (Net)	135.21	133.80	126.66	112.15	98.15	89.34
Other Long Term Liabilities	-	-	-	-	-	-
<b>Total (B)</b>	<b>135.21</b>	<b>133.80</b>	<b>126.66</b>	<b>136.83</b>	<b>122.83</b>	<b>114.02</b>
<b>Current Liabilities</b>						
Short Term Borrowings	541.56	718.90	202.27	-	97.48	280.44
Trade Payables	115.56	265.05	157.72	284.17	174.74	128.87
Other Current Liabilities	479.66	443.98	413.49	461.80	336.74	267.39
Short Term Provisions	-	-	-	-	-	-
<b>Total (C)</b>	<b>1,136.78</b>	<b>1,427.93</b>	<b>773.48</b>	<b>745.97</b>	<b>608.96</b>	<b>676.70</b>
<b>Total (D=A+B+C)</b>	<b>5,033.18</b>	<b>4,908.92</b>	<b>3,705.64</b>	<b>3,269.90</b>	<b>2,729.89</b>	<b>2,667.38</b>
<b>Assets</b>						
<b>Fixed Assets:</b>						
a. Tangible Assets	1,218.49	1,226.31	1,220.47	1,162.10	1,083.77	1,093.02
b. Intangible Assets	-	-	-	-	-	-
c. Capital Work-in-Progress	78.99	49.96	49.96	-	10.16	10.16
Deferred Tax Asset (Net)	-	-	-	-	-	-
Long Term Loans & Advances	356.86	291.92	265.00	252.63	186.63	167.93
Non Current Investments	101.03	101.03	1.01	1.01	0.95	0.86
Other Non Current Assets	-	-	-	-	-	-
<b>Total (E)</b>	<b>1,755.37</b>	<b>1,669.22</b>	<b>1,536.44</b>	<b>1,415.74</b>	<b>1,281.51</b>	<b>1,271.97</b>
<b>Current Assets</b>						
Current Investments	-	-	-	-	-	-
Inventories	1,129.73	1,984.22	1296.41	664.19	642.51	641.01
Trade Receivables	2,000.18	1,040.60	621.23	692.10	657.75	633.09
Cash & Bank Balances	45.84	65.32	58.35	379.50	37.78	37.17
Short Term Loans & Advances	-	-	-	-	-	-
Other Current Assets	102.06	149.56	193.21	118.37	110.34	84.14
<b>Total (F)</b>	<b>3,277.81</b>	<b>3,239.70</b>	<b>2,169.20</b>	<b>1,854.16</b>	<b>1,448.38</b>	<b>1,395.41</b>
<b>Total (G=E+F)</b>	<b>5,033.18</b>	<b>4,908.92</b>	<b>3,705.64</b>	<b>3,269.90</b>	<b>2,729.89</b>	<b>2,667.38</b>

**ANNEXURE-02**  
**STATEMENT OF PROFIT AND LOSS, AS RESTATED**

(Rs. In Lacs)

Particulars	30.09.16	31.03.16	31.03.15	31.03.14	31.03.13	31.03.12
<b>Income</b>						
Revenue from Operations	3,194.35	5639.45	4351.38	4101.59	2858.72	2893.25
Other Income	7.02	14.83	35.86	15.57	9.26	6.82
<b>Total</b>	<b>3,201.37</b>	<b>5654.28</b>	<b>4387.24</b>	<b>4117.16</b>	<b>2867.98</b>	<b>2900.07</b>
<b>Expenditure</b>						
Cost of Material Consumed	1,024.66	3,509.51	2257.30	2062.28	1440.48	1448.03
Purchase of Stock in Trade	-	-	-	-	0.35	0.45
Change in inventories of Finished Goods, Stock-in-Trade & Scrap	700.32	(769.07)	(81.12)	27.13	41.16	(40.02)
Employees Costs	221.54	460.66	462.04	435.40	355.96	327.67
Manufacturing, Establishment, Administrative, Selling and Other Expenses	523.21	1579.48	1098.61	1007.93	779.97	710.39
<b>Total</b>	<b>2,469.73</b>	<b>4780.58</b>	<b>3736.83</b>	<b>3532.74</b>	<b>2617.92</b>	<b>2446.52</b>
<b>Profit before Depreciation, Interest and Tax</b>	<b>731.64</b>	<b>873.70</b>	<b>650.41</b>	<b>584.42</b>	<b>250.06</b>	<b>453.55</b>
Depreciation	38.19	73.85	67.32	56.89	53.91	49.16
<b>Profit before Interest &amp; Tax</b>	<b>693.45</b>	<b>799.85</b>	<b>583.09</b>	<b>527.53</b>	<b>196.15</b>	<b>404.39</b>
Interest & Finance Charges	40.60	74.50	29.50	4.53	32.89	36.44
Exceptional Items	-	-	-	-	-	-
<b>Net Profit before Tax</b>	<b>652.85</b>	<b>725.35</b>	<b>553.59</b>	<b>523.00</b>	<b>163.26</b>	<b>367.95</b>
<b>Less: Provision for Taxes:</b>						
Current Tax	200.00	168.00	120.67	120.00	33.00	75.00
Deferred Tax	1.41	7.14	14.52	13.99	8.81	8.67
Dividend Distribution Tax			-	-	-	-
<b>Net Profit After Tax &amp; Before Extraordinary Items</b>	<b>451.44</b>	<b>550.21</b>	<b>418.40</b>	<b>389.01</b>	<b>121.45</b>	<b>284.28</b>
Extra Ordinary Items	-	-	-	-	-	-
<b>Net Profit</b>	<b>451.44</b>	<b>550.21</b>	<b>418.40</b>	<b>389.01</b>	<b>121.45</b>	<b>284.28</b>



## STATEMENT OF CASH FLOW, AS RESTATED

(Rs. In Lacs)

Particulars	30.09.16	31.03.16	31.03.15	31.03.14	31.03.13	31.03.12
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>						
Net profit before taxes	652.85	725.35	553.59	523.00	163.26	367.95
Adjustment for:						
Add: Depreciation	38.19	73.85	67.32	56.89	53.91	49.16
Add: Interest & Finance Charges	40.60	74.50	29.50	4.53	32.89	36.44
Less: Loss on Sale of Fixed Assets	-	0.38	-	-	-	-
Operating Profit before Working capital changes	<b>731.64</b>	<b>874.08</b>	<b>650.41</b>	<b>584.42</b>	<b>250.06</b>	<b>453.55</b>
<b>Adjustments for:</b>						
Decrease (Increase) in Trade & Other Receivables	(959.58)	(419.37)	70.87	(34.35)	(24.66)	(311.91)
Decrease (Increase) in Short Term Loans & Advances	-	-	-	-	-	-
Decrease (Increase) in Inventories	854.49	(687.81)	(632.22)	(21.68)	(1.50)	(15.33)
Decrease (Increase) in Other Current Assets (Excluding Advance Tax & TDS)	(37.43)	(8.54)	-	-	-	-
Increase (Decrease) in Trade Payables	(149.49)	137.97	(126.45)	109.43	45.87	(5.07)
Increase (Decrease) in Other Current Liabilities	35.68	-	(48.31)	125.06	69.35	32.26
Increase (Decrease) in Short Term Provisions (Excluding Provision for Taxes)	-	-	-	-	-	-
Decrease (Increase) in Long Term Loans & Advances	(64.94)	(26.92)	(12.37)	(66.00)	(18.70)	(1.83)
Net Changes in Working Capital	<b>(321.27)</b>	<b>(1004.67)</b>	<b>(748.48)</b>	<b>112.46</b>	<b>70.36</b>	<b>(301.88)</b>
Cash Generated from Operations	410.37	(130.59)	(98.07)	696.88	320.42	151.67
Less Taxes	152.51	124.35	195.51	128.03	59.20	32.21
<b>Net Cash Flow from Operating Activities (A)</b>	<b>257.86</b>	<b>(254.94)</b>	<b>(293.58)</b>	<b>568.85</b>	<b>261.22</b>	<b>119.46</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>						
Sale / (Purchase) of Fixed Assets	(59.40)	(80.19)	(175.65)	(125.06)	(44.66)	(142.79)
Decrease (Increase) in Investments	-	(100.02)	-	(0.06)	(0.09)	(0.05)
<b>Net Cash Flow from Investing Activities (B)</b>	<b>(59.40)</b>	<b>(180.21)</b>	<b>(175.65)</b>	<b>(125.12)</b>	<b>(44.75)</b>	<b>(142.84)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>						
Interest & Finance Charges	(40.60)	(74.50)	(29.50)	(4.53)	(32.89)	(36.44)
Increase / (Repayment) of Long Term Borrowings	-	-	(24.68)	-	-	-
Increase / (Repayment) of Short Term Borrowings	(177.34)	516.63	202.27	(97.48)	(182.96)	60.62
Dividend and Dividend Distribution Tax	-	-	-	-	-	-
<b>Net Cash Flow from Financing Activities (C)</b>	<b>(217.94)</b>	<b>442.13</b>	<b>148.09</b>	<b>(102.01)</b>	<b>(215.85)</b>	<b>24.18</b>
<b>Net Increase / (Decrease) in Cash &amp; Cash Equivalents</b>	<b>(19.48)</b>	<b>6.97</b>	<b>(321.14)</b>	<b>341.72</b>	<b>0.62</b>	<b>0.80</b>
<b>Cash and cash equivalents at the beginning of the year / Period</b>	<b>65.32</b>	<b>58.35</b>	<b>379.50</b>	<b>37.78</b>	<b>37.17</b>	<b>36.37</b>
<b>Cash and cash equivalents at the end of the year / Period</b>	<b>45.84</b>	<b>65.32</b>	<b>58.35</b>	<b>379.50</b>	<b>37.78</b>	<b>37.17</b>

## Annexure-04

**SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNT FOR PREPARATION OF RESTATED FINANCIAL STATEMENT**
**A. SIGNIFICANT ACCOUNTING POLICIES:**
**1. Basis of Preparation of Financial Statements**

- a. The Restated Financial Information for the year / period ended March 31, 2012, 2013, 2014, 2015, 2016 and 30<sup>th</sup> September, 2016 has been extracted by the management of the Company from the audited financial statements of the company for the year / period ended March 31, 2012, 2013, 2014, 2015, 2016 and 30<sup>th</sup> September, 2016.
- b. The Restated Financial Information are after making adjustments/ restatements and regrouping as necessary in accordance with paragraph B(1) of Part II of Schedule II of The Companies Act and SEBI Regulations.
- c. The Financial Statements have been prepared under Historical Cost conventions and evaluated on a going concern basis using the accrual system of accounting in accordance with the Generally Accepted Accounting Principles ('GAAP') applicable in India, and the requirements of Companies Act, 1956 (upto March 31, 2014), and notified sections, schedules and rules of the Companies Act, 2013 (w.e.f. April 01, 2014), including the Accounting Standards as prescribed by Companies (Accounting Standard) Rules, 2006 as per section 211(3C) of the Companies Act, 1956 (which are deemed to be applicable as per Section 133 of the Companies Act, 2013 read with the Rule 7 of Companies (Accounts) Rules, 2014).
- d. The company generally follows the mercantile system of accounting and recognizes significant items of income and expenditure on accrual basis.

**2. Use of Estimates**

The preparation of Financial Statements in conformity with GAAP requires that the management of the Company makes estimates and assumptions that affect the reported amounts of income and expenses of the period, the reported balances of assets and liabilities and the disclosures relating to contingent liabilities as of the date of the financial statements. Examples of such estimates include the useful lives of fixed assets and intangible assets, provision for doubtful debts / advances, future obligations in respect of retirement benefit plans, etc. Actual results could differ from these estimates. Difference between the actual results and estimates are recognized in the period in which the results are known/ materialized. Management believes that the estimates used in preparation of financial statements are prudent and reasonable.

**3. Fixed Assets and Depreciation**

- i. Fixed Assets are shown at historical cost net of recoverable taxes inclusive of incidental expenses less accumulated depreciation.
- ii. Intangible Assets are stated at cost of acquisition net of recoverable taxes less accumulated depreciation.
- ii. Depreciation on fixed assets is provided on Straight Line Method (SLM) at the rates prescribed under Schedule XIV Companies Act, 1956. Pursuant to commencement of Companies Act, 2013, effective 1<sup>st</sup> April, 2014 the company has reviewed and revised the estimated economic useful lives of its fixed assets generally in accordance with Schedule II of Companies Act, 2013 and the depreciation for FY 2014-15 and onwards is charged accordingly.

- iii. Depreciation on fixed assets sold during the year, is provided on pro-rata basis with reference to the date of addition/deletion.

**4. Revenue Recognition**

Revenue is recognized only when it is probable that economic benefits will flow to the company and revenue can be reliably measured.

Interest income is recognized on time proportion basis taking into account the amount outstanding and rate applicable.

**5. Investments**

Current investments are carried at lower of cost and quoted/fair value, computed category wise. Long Term Investments are stated at cost. Provision for diminution in the value of long-term investments is made only if such a decline is other than temporary.

**6. Employee Benefits**

***(i). Short Term Employee Benefits:***

All employee benefits payable wholly within twelve months of rendering the services are classified as short term employee benefits. The undiscounted amount of short term employee benefits expected to be paid in exchange for the services rendered by employees are charged off to the Profit and Loss Account.

***(ii). Defined Contribution Plans:***

Contribution to define Contribution Schemes Such as Provident fund are charged off to the Profit and Loss Account during the year in which employee rendered the related service.

***(iii). Defined Benefits Plans:***

The company also provides employee benefit in the form of gratuity, the liability of which is accounted on cash basis. Such defined benefits are charged off to the Profit and Loss Account in the year of actual payment.

***(iv). Other Long Term Benefits:***

Leave Encashment is payable to eligible employees who have earned leaves, during the employment and/or on separation as company's policy on cash basis.

The company is in non-compliance of Accounting Standard – 15 – Employee Benefits (revised) to the extent of non provision of leave encashment and/or inadequate provision for gratuity without ascertaining actuarial valuation.

**7. Impairment of Assets**

As on Balance Sheet date, the Company reviews the carrying amount of Fixed Assets to determine whether there are any indications that those assets have suffered "Impairment Loss". Impairment loss, if any, is provided to the extent, the carrying amount of assets exceeds their recoverable amount. Recoverable amount is higher of an asset's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from continuing use of an asset and from its disposal at the end of its useful life.

**8. Borrowing Costs**

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that takes necessarily substantial period of time to get ready for its intended use. All other borrowing costs are charged to revenue.

**9. Taxation**

Tax expenses for the year comprise of current tax and deferred tax. Current tax is measured after taking into consideration the deductions and exemptions admissible under the provision of Income Tax Act, 1961 and in accordance with Accounting Standard 22 on "Accounting for Taxes on Income", issued by ICAI.

Deferred Tax assets or liabilities are recognized for further tax consequence attributable to timing difference between taxable income and accounting income that are measured at relevant enacted tax rates. At each Balance Sheet date the company reassesses unrecognized deferred tax assets, to the extent they become reasonably certain or virtually certain of realization, as the case may be.

**10. Leases****Finance Lease**

Leases which effectively transfer to the company all the risks and benefits incidental to ownership of the leased item, are classified as Finance Lease. Lease rentals are capitalized at the lower of the fair value and present value of the minimum lease payments at the inception of the lease term and disclosed as leased assets. Lease payments are apportioned between the finance charges and reduction of the lease liability based on the implicit rate of return. Finance charges are charged directly against income life of the assets at the following rates

**Operating Lease**

Lease where the lesser effectively retains substantially all risks and benefits of the asset are classified as Operating lease. Operating lease payments are recognized as an expense in the Profit & Loss account on a Straight Line Basis over the Lease term.

**11. Preliminary Expenses**

Preliminary expenses are amortized as per applicable income tax rules.

**12. Earnings per Share**

In determining the Earnings Per share, the company considers the net profit after tax includes any post tax effect of any extraordinary / exceptional item. The number of shares used in computing basic earnings per share is the weighted average number of shares outstanding during the period.

The number of shares used in computing Diluted earnings per share comprises the weighted average number of shares considered for computing Basic Earnings per share and also the weighted number of equity shares that would have been issued on conversion of all potentially dilutive shares.

In the event of issue of bonus shares, or share split the number of equity shares outstanding is increased without an increase in the resources. The number of Equity shares outstanding before the event is adjusted for the proportionate change in the number of equity shares outstanding as if the event had occurred at the beginning of the earliest period reported.

**13. Contingent Liabilities & Provisions**

Provisions are recognized only when there is a present obligation as a result of past events and when a reliable estimate of the amount of obligation can be made.

Contingent Liability is disclosed for

- a) Possible obligation which will be confirmed only by future events not wholly within the control of the company or
- b) Present obligations arising from the past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.
- c) Contingent Assets are not recognized in the financial statements since this may result in the recognition of income that may never be realized.

**14. Foreign Exchange Transactions**

- i. Transactions denominated in foreign currencies are recorded at the exchange rate, prevailing on the date of the transaction or that approximates the actual rate at the date of the transaction.
- ii. Monetary items denominated in foreign currencies at the yearend are restated at year end rates. In case of items which are covered by forward exchange contracts, the difference between the year end rate and rate on the date of the contract is recognized as exchange difference.
- iii. Non-monetary foreign currency items are carried at cost.
- iv. In respect of branches, which are integral foreign operations, all transactions are translated at rates prevailing on the date of transaction or that approximates the actual rate at the date of transaction. Branch monetary assets and liabilities are restated at the yearend rates.
- v. Any income or expense on account of exchange difference either on settlement or on translation is recognized in the Profit and loss account except in case of long term liabilities, where they relate to acquisition of fixed assets, in which case they are adjusted to the carrying cost of such assets.

**B. CHANGES IN ACCOUNTING POLICIES IN THE YEARS/PERIODS COVERED IN THE RESTATED FINANCIALS.**

There has been change in accounting policy for charging depreciation on fixed assets from Written down Method (WDV) of Income tax Act, 1961 to Straight Line Method of Companies Act and to give effect to this change the figures have been restated in the "Restated Financial Statements".

### C. NOTES ON RESTATED FINANCIAL STATEMENTS

#### NOTES ON RESTATEMENTS MADE IN THE RESTATED FINANCIALS

(Rs. in Lacs)

Financial Year / Period ended	September 30 <sup>th</sup>	March 31 <sup>st</sup>	March, 31 <sup>st</sup>	March, 31 <sup>st</sup>	March, 31 <sup>st</sup>	March, 31 <sup>st</sup>
	2016	2016	2015	2014	2013	2012
Profit after tax as per Audited Statement of Account(A)	448.62	535.72	385.45	380.71	108.22	160.44
Other Adjustments*	2.82	14.49	32.95	8.30	13.23	123.84
Profit after tax as per Restated Profit & Loss(A)	451.44	550.21	418.40	389.01	121.45	284.28

\* Adjustments have been made while restating the financials to give effect to the change in the accounting policy for charging depreciation on fixed assets. Accordingly, the related figures i.e. Depreciation, Provision for Income Tax, Provision for Deferred Tax has been restated.

### (III) OTHER NOTES

#### General

1. The Company has been incorporated as “Nitiraj Engineers Private Limited” in Dhule, Maharashtra under the provisions of the Companies Act, 1956 vide Certificate of Incorporation dated 1<sup>st</sup> April, 1999. The constitution of the Company has been changed to a public limited company vide fresh certificate of incorporation dated 22<sup>nd</sup> September, 2015.

#### 2. Contingent liabilities

As explained to us by the management of the company, there are no contingent liabilities

#### 3. Dues to Micro enterprises and Small enterprises:

Under the Micro, Small and Medium Enterprise Development Act, 2006 certain disclosure is required to be made related to micro, small and medium enterprise. The company has disclosed the same.

#### 4. Segment Reporting

The company operates only in one reportable business segment namely Electronic Weighing Scales, Currency Counting Machines and Taxi Fare Metres etc. Hence there are no reportable segments under Accounting Standard -17. The conditions prevailing in India being uniform no separate geographical disclosures are considered necessary.

5. In the opinion of the Board, subject to the debts considered doubtful, Current Assets and Loans and Advances have a value on realization in the ordinary course of business at least equal to the amount at which they are stated in the Balance Sheet.

## 6. Earnings per Share

The details of Earnings Per Share as per AS-20 are provided in Annexure 07.

## 7. Related Party Transactions:

The details of Related Party Transactions as per AS-18 are provided in Annexure 30.

## 8. The figures in the Restated Financials are stated in Lacs and rounded off to two decimals and minor rounding off difference is ignored.

## Annexure – 05

## STATEMENT OF SHARE CAPITAL, AS RESTATED

(Rs. In Lacs)

Particulars	30.09.16	31.03.16	31.03.15	31.03.14	31.03.13	31.03.12
<b>Authorized Share Capital :</b>						
No. Of Equity Shares (Face value of Rs.10 Each)	90	90	10	10	10	10
Equity Share Capital	900	900	100	100	100	100
<b>Total</b>	<b>900</b>	<b>900</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>
<b>Issued, Subscribed and Paid Up Capital :</b>						
No. Of Equity Shares (Paid up value of Rs.10 Each)	60	60	10	10	10	10
Equity Share Capital	600	600	100	100	100	100
<b>Total</b>	<b>600</b>	<b>600</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>

## Annexure- 06

## STATEMENT OF DETAILS OF RESERVES &amp; SURPLUS, AS RESTATED

(Rs. In Lacs)

Particulars	30.09.16	31.03.16	31.03.15	31.03.14	31.03.13	31.03.12
Profit / (Loss) Brought Forward	2,754.11	2,703.90	2,285.50	1,896.49	1,775.04	1,428.63
Add: Profit / (Loss) for the Year	451.44	550.21	418.40	389.01	121.45	284.28
Add: Mat Credit Entitlement	-	-	-	-	-	62.13
Less: Proposed Dividends	-	-	-	-	-	-
Less: Surplus of Profit & Loss a/c utilised for issue of Bonus Shares during the year / period	-	(500.00)	-	-	-	-
<b>Profit / (Loss) Carried Forward (A)</b>	<b>3,205.55</b>	<b>2,754.11</b>	<b>2,703.90</b>	<b>2,285.50</b>	<b>1,896.49</b>	<b>1,775.04</b>
Less: Miscellaneous Expenditures (To the extent not written off) (B)	(45.98)	(8.54)	-	-	-	-
Cash Subsidy	1.62	1.62	1.62	1.62	1.62	1.62
<b>Cash Subsidy Carried Forward (C)</b>	<b>1.62</b>	<b>1.62</b>	<b>1.62</b>	<b>1.62</b>	<b>1.62</b>	<b>1.62</b>
<b>Reserves &amp; Surplus (A-B+C)</b>	<b>3,161.19</b>	<b>2,747.19</b>	<b>2,705.50</b>	<b>2,287.10</b>	<b>1,898.10</b>	<b>1,776.66</b>

## Annexure- 07

## STATEMENT OF ACCOUNTING RATIOS

(Rs. In Lacs, except per share data)

Particulars	30.09.16	31.03.16	31.03.15	31.03.14	31.03.13	31.03.12
Net Worth ( A )	3,761.19	3347.19	2805.50	2387.12	1998.11	1876.66
Net Profit after Tax ( B )	451.44	550.21	418.40	389.01	121.45	284.28
No. of Shares outstanding at the end [F.V Rs.10] ( C )	6000000	6000000	1000000	1000000	1000000	1000000
Weighted average number of shares [F.V Rs.10] ( D )	6000000	6000000	1000000	1000000	1000000	1000000
Earnings per Share (EPS) ( B / D ) (Rs.)	7.52	9.17	41.84	38.90	12.15	34.64
Earnings per Share (EPS) (Rs.) (Restated, considering Bonus Issue)	7.52	9.17	6.97	6.48	2.03	4.74
Return on Net Worth ( B / A )	12.00%	16.44%	14.91%	16.30%	6.08%	15.15%
Net Assets Value per Share ( A / C )	62.69	55.79	280.55	238.71	199.81	187.67
Net Assets Value per Share (Restated, considering Bonus Issue)	62.69	55.79	46.76	39.79	33.30	31.28

Definitions of key ratios:

**I. Earnings per share (Rs.):** Net Profit attributable to equity shareholders / weighted average number of equity shares. Earnings per share calculations are done in accordance with Accounting Standard 20 "Earnings Per Share" as issued by The Institute of Chartered Accountants of India. As per AS-20, the number of equity shares outstanding before the event is adjusted for the proportionate change in the number of equity shares outstanding as if the event had occurred at the beginning of the earliest period reported. In case of a bonus issue, the bonus shares has been added to corresponding year to the extent of reserves available in the corresponding year / period. Weighted average number of equity shares outstanding during all the previous years have been considered accordingly. As the company has issued 50,00,000 bonus equity shares on 4<sup>th</sup> September, 2015, the EPS has been restated for all reporting years/periods to make the figures comparable.

**II. Return on Net Worth (%):** Net Profit after tax / Net worth as at the end of the year / period

**III. Net Asset Value (Rs.):** Net Worth at the end of the year / Number of equity shares outstanding at the end of the year / period.

**IV. Net Profit,** as appearing in the Statement of restated profits and losses, and Net Worth as appearing in the restated statement of Assets & Liabilities has been considered for the purpose of computing the above ratios.



## Annexure -08

## CAPITALISATION STATEMENT

(Rs. In Lacs)

Particulars	Pre-issue as at 30.09.2016	Post Issue *
Borrowing		
Short - Term Debt	541.56	-
Long - Term Debt	-	-
Total Debt	<b>541.56</b>	-
Shareholders' Funds		-
Share Capital		
- Equity	600.00	-
Less: Calls - in - arrears	-	-
- Preference	-	-
Reserves & Surplus	3,161.19	-
Total Shareholders' Funds	<b>3,761.19</b>	-
Long - Term Debt / Shareholders Fund	-	-
Short - Term Debt / Shareholders Fund	0.14	-

\* The Post Issue Capitalization will be determined only after the completion of the allotment of equity shares..

**Annexure- 09**  
**STATEMENT OF TAX SHELTERS**

(Rs. In Lacs)

Particulars	31.03.16	31.03.15	31.03.14	31.03.13	31.03.12
Profit before tax as per Restated P/L	725.35	553.59	523.00	163.26	367.95
Applicable Corporate Tax Rate	30.90%	30.90%	30.90%	30.90%	30.90%
Tax at Notional Rate	(224.13)	(171.06)	(161.61)	(50.45)	(113.70)
<b>Adjustments</b>					
Difference between Tax Depreciation and Book Depreciation	(21.61)	(47.47)	(42.29)	(26.14)	(26.52)
Exempted Income	-	-	-	-	-
Disallowance	-	-	-	-	-
Loss and Unabsorbed Depreciation set off	-	-	-	-	-
Other Items	-	-	-	-	-
<b>Net Adjustments</b>	<b>(21.61)</b>	<b>(47.47)</b>	<b>(42.29)</b>	<b>(26.14)</b>	<b>(26.52)</b>
Tax Saving / (Addition) thereon	6.68	14.67	13.07	8.08	8.19
Tax Saving to the extent of Tax at Notional Rate / (Tax Addition)	6.68	14.67	13.07	8.08	8.19
Tax Payable [A]	-	-	-	-	-
Tax Payable on items chargeable at special rates [B]	-	-	-	-	-
Total Tax Payable [C=A+B]	217.45	156.39	148.54	42.37	105.51
Tax Rebates [D]	-	-	-	-	-
<b>Net Tax Payable [E=C-D]</b>	<b>217.45</b>	<b>156.39</b>	<b>148.54</b>	<b>42.37</b>	<b>105.51</b>
<b>Tax Payable under section 115JB of Income Tax Act, 1961 (F)</b>	<b>147.90</b>	<b>112.88</b>	<b>106.64</b>	<b>33.29</b>	<b>75.03</b>
<b>Tax Payable (Higher of E &amp; F)</b>	<b>217.45</b>	<b>156.39</b>	<b>148.54</b>	<b>42.37</b>	<b>105.51</b>

**Annexure - 10**

**STATEMENT OF DETAILS OF LONG TERM BORROWINGS**

(Rs. In Lacs)

Particulars	30.09.16	31.03.16	31.03.15	31.03.14	31.03.13	31.03.12
<b>Secured:</b>						
Term Loan from Banks and Financial Institutions	-	-	-	-	-	-
<b>Unsecured:</b>						
Loan from Directors and Shareholders	-	-	-	24.68	24.68	24.68
Inter Corporate Loans and Deposits	-	-	-	-	-	-
Loan from Financial Institutions / NBFC	-	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>24.68</b>	<b>24.68</b>	<b>24.68</b>

## Annexure – 11

## STATEMENT OF DETAILS OF SHORT TERM BORROWINGS

(Rs. In Lacs)

Particulars	30.09.16	31.03.16	31.03.15	31.03.14	31.03.13	31.03.12
<b>Secured:</b>						
Term Loan from Banks and Financial Institutions	541.56	718.90	202.27	-	97.48	280.44
<b>Unsecured:</b>						
Loan from Promoter, Promoter Group and related parties	-	-	-	-	-	-
Temporary Bank Overdraft / Overdrawn Cheques	-	-	-	-	-	-
<b>Total</b>	<b>541.56</b>	<b>718.90</b>	<b>202.27</b>	<b>-</b>	<b>97.48</b>	<b>280.44</b>

## Annexure – 12

## STATEMENT OF DETAILS OF TRADE PAYABLES

(Rs. In Lacs)

Particulars	30.09.16	31.03.16	31.03.15	31.03.14	31.03.13	31.03.12
TRADE PAYABLES	115.56	265.05	157.72	284.17	174.74	128.87
<b>Total</b>	<b>115.56</b>	<b>265.05</b>	<b>157.72</b>	<b>284.17</b>	<b>174.74</b>	<b>128.87</b>

## Annexure – 13

## STATEMENT OF DETAILS OF OTHER CURRENT LIABILITIES

(Rs. In Lacs)

Particulars	30.09.16	31.03.16	31.03.15	31.03.14	31.03.13	31.03.12
<b>Other Current Liabilities</b>						
Advance from Customers	95.79	46.02	56.58	64.37	74.55	64.84
Other Current Liabilities	383.87	397.96	356.91	397.43	262.19	202.55
<b>Total</b>	<b>479.66</b>	<b>443.98</b>	<b>413.49</b>	<b>461.80</b>	<b>336.74</b>	<b>267.39</b>

## Annexure – 14

## STATEMENT OF TANGIBLE FIXED ASSETS, AS RESTATED

(Rs. In Lacs)

Particulars	30.09.16	31.03.16	31.03.15	31.03.14	31.03.13	31.03.12
<b>BUILDINGS</b>						
<b>[A] Factory Building</b>						
Opening Balance	86.74	86.74	86.74	86.74	86.74	86.74
Addition during the year	-	-	-	-	-	-
Addition during the year due to revaluation	-	-	-	-	-	-
Reduction during the year	-	-	-	-	-	-
Accumulated Depreciation	34.07	33.83	31.36	28.87	26.35	23.83
<b>Closing Balance</b>	<b>52.67</b>	<b>52.90</b>	<b>55.38</b>	<b>57.87</b>	<b>60.39</b>	<b>62.91</b>
<b>[B] Office Building</b>						
Opening Balance	196.76	196.05	188.98	188.95	185.23	95.37
Addition during the year	0.14	0.71	13.37	0.03	3.72	89.86
Addition during the year due to revaluation	-	-	-	-	-	-
Reduction during the year	-	-	6.30	-	-	-
Accumulated Depreciation	28.09	26.48	23.27	21.48	18.37	15.31
<b>Closing Balance</b>	<b>168.81</b>	<b>170.28</b>	<b>172.78</b>	<b>167.50</b>	<b>170.58</b>	<b>169.91</b>
<b>[C] Guest House</b>						
Opening Balance	364.24	364.24	364.24	343.98	343.98	343.98
Addition during the year	-	-	-	20.26	-	-
Addition during the year due to revaluation	-	-	-	-	-	-
Reduction during the year	-	-	-	-	-	-
Accumulated Depreciation	41.72	38.75	32.80	26.85	21.06	15.45
<b>Closing Balance</b>	<b>322.52</b>	<b>325.49</b>	<b>331.44</b>	<b>337.39</b>	<b>322.92</b>	<b>328.53</b>
<b>LAND</b>						
Opening Balance	40.84	40.84	40.84	40.84	40.84	40.84
Addition during the year	-	-	-	-	-	-
Addition during the year due to revaluation	-	-	-	-	-	-
Reduction during the year	-	-	-	-	-	-
Accumulated Depreciation	-	-	-	-	-	-
<b>Closing Balance</b>	<b>40.84</b>	<b>40.84</b>	<b>40.84</b>	<b>40.84</b>	<b>40.84</b>	<b>40.84</b>
<b>PLANT &amp; MACHINERY</b>						
Opening Balance	519.21	468.55	387.81	381.55	368.41	327.96
Addition during the year	23.64	50.66	80.73	6.26	13.15	40.45
Addition during the year due to revaluation	-	-	-	-	-	-
Reduction during the year	-	-	-	-	-	-
Accumulated Depreciation	183.91	170.33	147.88	130.78	111.71	93.13
<b>Closing Balance</b>	<b>358.94</b>	<b>348.87</b>	<b>320.66</b>	<b>257.03</b>	<b>269.85</b>	<b>275.28</b>

Particulars	30.09.16	31.03.16	31.03.15	31.03.14	31.03.13	31.03.12
<b>ELECTRICAL INSTALLATIONS</b>						
Opening Balance	66.61	66.03	64.49	63.11	62.13	61.50
Addition during the year	0.31	0.58	1.54	1.39	0.98	0.63
Addition during the year due to revaluation	-	-	-	-	-	-
Reduction during the year	-	-	-	-	-	-
Accumulated Depreciation	30.48	29.37	27.17	24.95	22.23	19.64
<b>Closing Balance</b>	<b>36.43</b>	<b>37.24</b>	<b>38.86</b>	<b>39.55</b>	<b>40.88</b>	<b>42.49</b>
<b>OFFICE EQUIPMENTS</b>						
Opening Balance	78.20	75.63	63.62	59.96	57.38	56.29
Addition during the year	3.58	2.57	12.00	3.66	2.58	1.10
Addition during the year due to revaluation	-	-	-	-	-	-
Reduction during the year	-	-	-	-	-	0.01
Accumulated Depreciation	39.01	37.48	34.61	31.83	29.26	26.98
<b>Closing Balance</b>	<b>42.77</b>	<b>40.72</b>	<b>41.02</b>	<b>31.79</b>	<b>30.70</b>	<b>30.40</b>
<b>FURNITURE &amp; FIXTURES</b>						
Opening Balance	158.31	139.81	135.74	124.97	116.55	115.61
Addition during the year	0.71	18.50	4.07	11.44	8.59	1.77
Addition during the year due to revaluation	-	-	-	-	-	-
Reduction during the year	-	-	-	0.66	0.17	0.83
Accumulated Depreciation	92.39	89.07	81.97	75.44	68.93	62.70
<b>Closing Balance</b>	<b>66.63</b>	<b>69.24</b>	<b>57.84</b>	<b>60.30</b>	<b>56.04</b>	<b>53.85</b>
<b>VEHICLES</b>						
Opening Balance	126.20	126.20	116.38	104.15	98.38	95.71
Addition during the year	-	-	9.82	12.23	8.56	11.00
Addition during the year due to revaluation	-	-	-	-	-	-
Reduction during the year	-	-	-	-	2.79	8.33
Accumulated Depreciation	60.11	55.46	46.16	37.17	29.96	25.04
<b>Closing Balance</b>	<b>66.09</b>	<b>70.74</b>	<b>80.04</b>	<b>79.21</b>	<b>74.19</b>	<b>73.33</b>
<b>COMPUTERS</b>						
Opening Balance	198.83	192.17	183.06	103.01	95.34	91.15
Addition during the year	2.00	6.66	9.10	80.06	7.66	4.19
Addition during the year due to revaluation	-	-	-	-	-	-
Reduction during the year	-	-	-	-	-	-
Accumulated Depreciation	138.04	128.86	110.54	92.45	85.62	79.86
<b>Closing Balance</b>	<b>62.79</b>	<b>69.98</b>	<b>81.63</b>	<b>90.61</b>	<b>17.38</b>	<b>15.49</b>
<b>Total Accumulated Depreciation</b>	<b>647.81</b>	<b>609.61</b>	<b>535.76</b>	<b>469.81</b>	<b>413.47</b>	<b>361.93</b>
<b>Net Block</b>	<b>1,218.49</b>	<b>1,226.31</b>	<b>1,220.47</b>	<b>1,162.10</b>	<b>1,083.77</b>	<b>1,093.02</b>

## Annexure – 15

## STATEMENT OF DETAILS OF LONG TERM LOANS AND ADVANCES

(Rs. In Lacs)

Particulars	30.09.16	31.03.16	31.03.15	31.03.14	31.03.13	31.03.12
Security Deposits	108.51	101.30	31.98	49.36	39.63	20.60
<b>Loans &amp; Advances:</b>						
Promoter Group and related parties	-	-	-	-	-	-
Others	248.35	190.62	233.02	203.27	147.00	147.33
<b>Total</b>	<b>356.86</b>	<b>291.92</b>	<b>265.00</b>	<b>252.63</b>	<b>186.63</b>	<b>167.93</b>

## Annexure – 16

## STATEMENT OF DETAILS OF NON-CURRENT INVESTMENTS

(Rs. In Lacs)

Particulars	30.09.16	31.03.16	31.03.15	31.03.14	31.03.13	31.03.12
Shares : 690 Shares of Face value of Rs. 10 Each of Merchant Co-Op Bank Ltd.	0.07	0.07	0.07	0.07	0.07	0.07
Shares : 1667 Shares of Face value of Rs. 10 Each of Hyper Drive Information Technologies Pvt Ltd	100.02	100.02	-	-	-	-
National Savings Certificate	0.94	0.94	0.94	0.94	0.88	0.79
<b>Total</b>	<b>101.03</b>	<b>101.03</b>	<b>1.01</b>	<b>1.01</b>	<b>0.95</b>	<b>0.86</b>

## Annexure – 17

## STATEMENT OF DETAILS OF INVENTORIES

(Rs. In Lacs)

Particulars	30.09.16	31.03.16	31.03.15	31.03.14	31.03.13	31.03.12
Raw Materials	891.41	1,045.57	1,126.84	575.74	526.93	484.27
Work In Progress	10.01	2.84	2.82	1.37	4.92	2.24
Stock In Trade	10.00	10.00	10.00	10.00	10.00	10.00
Finished Goods	218.32	925.81	156.76	77.10	100.67	144.52
<b>Total</b>	<b>1,129.73</b>	<b>1,984.22</b>	<b>1,296.41</b>	<b>664.19</b>	<b>642.51</b>	<b>641.01</b>

## Annexure – 18

## STATEMENT OF DETAILS OF TRADE RECEIVABLES

(Rs. In Lacs)

Particulars	30.09.16	31.03.16	31.03.15	31.03.14	31.03.13	31.03.12
<b>(A) Unsecured, Considered good outstanding for a period less than six months</b>						
Others	1,984.28	1,024.70	600.21	671.08	636.18	604.62
Amount due from Promoter/Group Companies and Directors		-	-	-	-	-
<b>(B) Unsecured, Considered good outstanding for a period more than six months</b>						
Others	15.90	15.90	21.02	21.02	21.57	28.47
Amount due from Promoter/Group Companies and Directors		-	-	-	-	-
<b>Total</b>	<b>2,000.18</b>	<b>1,040.60</b>	<b>621.23</b>	<b>692.10</b>	<b>657.75</b>	<b>633.09</b>

## Annexure – 19

## STATEMENT OF DETAILS OF OTHER CURRENT ASSETS

(Rs. In Lacs)

Particulars	30.09.16	31.03.16	31.03.15	31.03.14	31.03.13	31.03.12
Advance Payment of Taxes (Net of Provisions)	102.06	149.56	193.21	118.37	110.34	84.14
<b>Total</b>	<b>102.06</b>	<b>149.56</b>	<b>193.21</b>	<b>118.37</b>	<b>110.34</b>	<b>84.14</b>

## Annexure – 20

## STATEMENT OF DETAILS OF CASH AND CASH EQUIVALENTS

(Rs. In Lacs)

Particulars	30.09.16	31.03.16	31.03.15	31.03.14	31.03.13	31.03.12
Cash In Hand and Remittance in transit	12.32	27.66	28.36	19.53	19.21	19.39
Balance with Banks :						
a) Non Scheduled Banks:						
Current Accounts	-	-	-	-	-	0.99
b) Scheduled Banks:						
Current Accounts	4.30	8.79	11.69	235.43	8.39	7.11
Fixed Deposit Accounts	29.22	28.87	18.30	124.54	10.18	9.68
<b>Total</b>	<b>45.84</b>	<b>65.32</b>	<b>58.35</b>	<b>379.50</b>	<b>37.78</b>	<b>37.17</b>

## STATEMENT OF DETAILS OF REVENUE FROM OPERATIONS

(Rs. In Lacs)

Particulars	30.09.16	31.03.16	31.03.15	31.03.14	31.03.13	31.03.12
Sales of Manufactured Goods[A]	3,194.67	5,632.11	4,343.01	4,100.45	2,857.32	2898.44
Sales of Traded Goods [B]	-	0.17	-	-	0.56	0.66
Sales of Services						
AMC Charges received during the year	7.29	23.29	37.13	34.11	38.69	44.70
Less : Consumption of Raw Material	4.96	10.13	16.54	19.13	20.75	21.04
Less : Salaries & Other Expenses	2.66	5.99	12.22	13.84	17.10	29.51
Net Income from AMC Charges [C]	(0.32)	7.17	8.37	1.14	0.84	(5.85)
Total [A+B+C ]	3,194.35	5,639.45	4,351.38	4,101.59	2858.72	2893.25

## Annexure – 22

## STATEMENT OF DETAILS OF OTHER INCOME

(Rs. In Lacs)

Particulars	30.09.16	31.03.16	31.03.15	31.03.14	31.03.13	31.03.12
Interest Income	0.53	2.45	8.73	3.38	0.56	0.79
Other Non Operative Income	6.49	12.38	27.13	12.19	8.70	6.03
Total	7.02	14.83	35.86	15.57	9.26	6.82

## Annexure – 23

## STATEMENT OF DETAILS OF COST OF MATERIAL CONSUMED

(Rs. In Lacs)

Particulars	30.09.16	31.03.16	31.03.15	31.03.14	31.03.13	31.03.12
Raw Material Consumption	1,024.66	3,509.51	2,257.30	2,062.28	1,440.48	1,448.03
Total	1,024.66	3,509.51	2,257.30	2,062.28	1,440.48	1,448.03

## Annexure – 24

## STATEMENT OF DETAILS OF PURCHASES OF STOCK IN TRADE

(Rs. In Lacs)

Particulars	30.09.16	31.03.16	31.03.15	31.03.14	31.03.13	31.03.12
Purchases of Stock in Trade	-	-	-	-	0.35	0.45
Total	-	-	-	-	0.35	0.45



## Annexure – 25

## STATEMENT OF DETAILS OF CHANGES IN INVENTORY

(Rs. In Lacs)

Particulars	30.09.16	31.03.16	31.03.15	31.03.14	31.03.13	31.03.12
<b>Inventories at the end of the year</b>						
Finished Goods	225.45	932.94	163.90	77.10	100.67	144.52
Material-In-Progress	10.01	2.84	2.82	1.37	4.92	2.24
<b>[A]</b>	<b>235.46</b>	<b>935.78</b>	<b>166.71</b>	<b>78.46</b>	<b>105.60</b>	<b>146.75</b>
<b>Inventories at the beginning of the year</b>						
Finished Goods	932.94	163.90	84.23*	100.67	144.52	102.44
Material-In-Progress	2.84	2.82	1.37	4.92	2.24	4.29
<b>[B]</b>	<b>935.78</b>	<b>166.71</b>	<b>85.59</b>	<b>105.60</b>	<b>146.75</b>	<b>106.74</b>
<b>Net (Increase)/Decrease [B-A]</b>	<b>700.32</b>	<b>(769.07)</b>	<b>(81.12)</b>	<b>27.13</b>	<b>41.16</b>	<b>(40.02)</b>

\*The difference in closing stock of finished goods as on 31.03.2014 and opening stock of finished goods as on 01.04.2015 is due to Stock Regrouping from Raw Material Stock of Rs.7.13 Lacs to Finished Goods Stock.

## Annexure – 26

## STATEMENT OF DETAILS OF EMPLOYEE BENEFIT EXPENSES

(Rs. In Lacs)

Particulars	30.09.16	31.03.16	31.03.15	31.03.14	31.03.13	31.03.12
<b>Payments to &amp; Provisions for Employees</b>						
Salaries, Wages & Bonus	112.85	226.59	230.39	269.79	211.13	205.58
Contribution to Provident & Other Funds	17.30	24.65	24.47	21.11	18.86	17.56
Other Benefits	68.59	151.70	107.15	90.02	72.61	65.44
<b>Salary to Managing Director &amp; Directors</b>	<b>22.80</b>	<b>57.72</b>	<b>100.04</b>	<b>54.48</b>	<b>53.36</b>	<b>39.10</b>
<b>Total</b>	<b>221.54</b>	<b>460.66</b>	<b>462.04</b>	<b>435.40</b>	<b>355.96</b>	<b>327.67</b>

## Annexure – 27

## STATEMENT OF DETAILS OF FINANCE COST

(Rs. In Lacs)

Particulars	30.09.16	31.03.16	31.03.15	31.03.14	31.03.13	31.03.12
<b>INTEREST EXPENSES ON</b>						
Loan from HDFC Bank Cash Credit	37.59	51.43	25.92	0.16	26.31	31.16
Bank Charges	3.01	23.07	3.59	4.37	6.58	5.28
<b>Total</b>	<b>40.60</b>	<b>74.50</b>	<b>29.50</b>	<b>4.53</b>	<b>32.89</b>	<b>36.44</b>

## Annexure – 28

## STATEMENT OF DETAILS OF DEPRECIATION

(Rs. In Lacs)

Particulars	30.09.16	31.03.16	31.03.15	31.03.14	31.03.13	31.03.12
<b>DEPRECIATION ON</b>						
Depreciation on Tangible Assets	38.19	73.85	67.32	56.89	53.91	49.16
<b>Total</b>	<b>38.19</b>	<b>73.85</b>	<b>67.32</b>	<b>56.89</b>	<b>53.91</b>	<b>49.16</b>

## Annexure – 29

## STATEMENT OF DETAILS OF OTHER EXPENSES

(Rs. In Lacs)

Particulars	30.09.16	31.03.16	31.03.15	31.03.14	31.03.13	31.03.12
<b>MANUFACTURING EXPENSES</b>						
Power and Fuel	13.49	28.69	30.27	27.15	25.08	21.12
Labour and Processing Charges	135.50	379.71	263.36	262.93	197.33	182.89
<b>[A]</b>	<b>148.99</b>	<b>408.40</b>	<b>293.63</b>	<b>290.07</b>	<b>222.41</b>	<b>204.01</b>
<b>SELLING AND DISTRIBUTION EXPENSES</b>						
Commission to Selling Agents	10.15	43.65	152.47	42.76	31.26	27.00
Stamping Fees	28.12	189.08	117.82	130.98	47.74	50.92
Brokerage	-	-	-	-	0.58	0.63
Export Expenses	0.64	0.84	0.53	0.94	0.33	(0.12)
Advertisement	41.46	177.84	14.40	9.30	14.64	14.16
Transportation & Handling Charges(Net)	84.35	170.45	146.31	152.94	152.28	159.42
Tender Expenses	0.45	0.73	0.15	0.22	0.19	-
<b>[B]</b>	<b>165.17</b>	<b>582.58</b>	<b>431.67</b>	<b>337.15</b>	<b>247.03</b>	<b>252.01</b>
<b>OTHER EXPENSES</b>						
Repairs & Maintenance of:						
a. Buildings	0.79	2.69	2.29	29.30	1.52	1.12
b. Plant & Machinery	0.36	0.31	0.94	1.79	0.58	0.22
c. Others	8.43	15.54	14.58	13.74	15.68	11.62
Rent	4.45	8.30	7.91	9.20	7.98	8.55
Rate & Taxes	1.57	11.18	27.34	11.90	13.84	8.54
Insurance(Net)	2.52	13.78	17.67	20.17	20.41	19.38
Telephone Expenses	8.09	19.54	19.36	18.62	18.36	18.05
Donations	30.61	175.56	41.19	51.52	20.25	0.79
Software & Computer Expenses	5.67	59.69	10.67	9.55	8.48	9.46
Professional Fees	8.07	5.59	20.19	6.12	20.92	19.95
Travelling	75.09	149.36	128.59	124.17	91.91	94.14
Loss on Sale of Assets	-	0.38	-	-	-	-
Sundry Balance written off/ written back	0.43	8.13	7.08	4.02	16.27	9.94
Preliminary Expenses written off	3.61	-	-	-	-	-
Miscellaneous Expenses	28.71	68.22	63.30	67.34	72.51	48.44
Corporate Social Responsibility	20.00	25.00	-	-	-	-
Service Tax	10.10	20.79	9.92	11.01	0.86	0.57
<b>[C]</b>	<b>208.49</b>	<b>584.06</b>	<b>371.01</b>	<b>378.44</b>	<b>309.58</b>	<b>250.77</b>
Payment to Auditor comprises of:						
As Auditor	-	4.44	2.29	2.27	0.96	3.17
For Taxation Matters	0.57	-	-	-	-	0.44
<b>[D]</b>	<b>0.57</b>	<b>4.44</b>	<b>2.29</b>	<b>2.27</b>	<b>0.96</b>	<b>3.61</b>
<b>[A+B+C+D]</b>	<b>523.21</b>	<b>1,579.48</b>	<b>1,098.61</b>	<b>1,007.93</b>	<b>779.97</b>	<b>710.39</b>

## Annexure-30

## STATEMENT OF DETAILS OF RELATED PARTY TRANSACTIONS

## 1. List of Related Parties

- a. Enterprises that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with, the reporting enterprise: **NIL**
- b. Associates and joint ventures of the reporting enterprise and the investing party or venturer in respect of which the reporting enterprise is an associate or a joint venture: **NIL**
- c. Individuals owning, directly or indirectly, an interest in the voting power of the reporting enterprise that gives them control or significant influence over the enterprise, and relatives of any such individual:
  - i) Mr. Rajesh R Bhatwal : Promoter and Director
  - ii) Shakuntala R. Bhatwal : Shareholder and Director
  - iii) Alok Bhatwal : Relative of Promoter
- d. Key management personnel and relatives of such personnel:
  - i) Mr. Rajesh R Bhatwal : Key management personnel
  - ii) Shakuntala R. Bhatwal : Key management personnel
  - iii) Yi Hung Sin : Key management personnel
  - iv) Alok Bhatwal : Relative of Key management personnel
- e. Enterprises over which any person described in (c) or (d) is able to exercise significant influence. This includes enterprises owned by directors or major shareholders of the reporting enterprise and enterprises that have a member of key management in common with the reporting enterprise:
  - Hyper Drive Technologies Pvt Ltd

## 2. Disclosure of Significant Transactions with related parties

(₹ in Lacs)

Name	Nature of Relationship	Nature of Transactions	30.09.2016	31.03.2016	31.03.2015	31.03.2014	31.03.2013	31.03.2012
1. Mr. Rajesh R Bhatwal 2. Shakuntala R. Bhatwal 3. Yi Hung Sin 4. Alok Bhatwal	Key Managerial Personnel	Remuneration	22.80	57.72	100.04	54.48	53.35	39.10
Hyper Drive Technologies Pvt Ltd	Associate Company	Software Development	-	-	49.96	-	-	-
Hyper Drive Technologies Pvt Ltd	Associate Company	Purchase of Equity Shares	-	100.02	-	-	-	-

## MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Management's Discussion and Analysis of Financial Conditions and Results of Operations as reflected in the Financial Statements

### a. Overview of our Business

We are an ISO 9001:2008 certified company, engaged in the manufacture and sale of wide range of Electronic Weighing Scales and Systems, Currency Counting Machines and Electronic Fare Meters. Our product portfolio range caters to both industrial and domestic consumption. Our products are manufactured at our manufacturing unit located at Parwanoo, Himachal Pradesh. We also have manufacturing facility at Silvassa, UT which is not under active use currently. We supply our products under the brand **PHOENIX** through our large network of dealers to our customers in India as well as abroad.

### OUR PRODUCTS

We manufacture a range of products having different applications and utilities. They are summarized below:

**Industrial range** - These include weighing machine systems required by large industrial establishments having requirement of weighing heavy or voluminous material.

**Commercial range** - It forms our Company's major business. These are utilised mainly by business units in retail sector ranging from small shopkeepers to big departmental stores. Our product offerings include currency counting machine with variety of feature like counterfeit currency detection, sorting, totalling etc which offer huge utility value for commercial establishments.

**Jewellery range** - Machines made specifically for jewellery sector offering high weighing accuracy to check weights of jewels. Besides jewellers, these machines find application amongst banks and other financial institutions offering gold loans.

**Healthcare range** - These include baby weighing machines, Body Mass Index (BMI) machines and adult weighing scales etc. These machines find their utility in public places like malls, healthcare centres, gymnasiums etc.

**Household range** - These include machines like personal weighing scale and kitchen scales and are useful for various purposes in household.

**Automobile range** - Our offerings in this range includes electronic weigh bridge for industrial use and electronic fare meters for auto rickshaws and taxis. The electronic fare meter is relatively newer product offering and we are in the process of its standardization for large scale commercial production.

### b. Factors that may affect Results of Operations

Points mentioned in the Risk Factors given in this Offer Document and other important factors could cause actual results to differ materially from the expectations including among others:

- **General economic and business conditions;**

As a company operating in India, we are affected by the general economic conditions in the country. The Indian economy has grown over the past several years. This improved performance was propelled by the growth in industrial activity due to liberal policies adopted by the Government of India promoting small and medium enterprises and increasing their contribution to GDP. The growth prospects of the business of our Company and our ability to implement the strategies will also be influenced by the macro economic growth.

- **Our ability to successfully implement our strategy and growth and expansion plans;**  
Our growth plans are extensive and would put significant demands on our management team and other resources. Any delay in implementation of our strategy and growth and expansion plans could impact our Company's roll out schedules and cause cost and time over runs.
- **Factors affecting industrial activity;**  
We enjoy certain tax benefits as our manufacturing facilities are situated in specified locations in Himachal Pradesh. Any change in the factors such as industrial policies, tariffs, excise duties, locational advantages, fiscal incentives, duty exemptions etc may affect the activities and competitive scenario thereby affecting our results of operations.
- **Increasing competition in the industry;**  
Weighing Scale Industry is characterised by few large scale organised players and many medium scale regional players. Weighing scales are used in various sectors such as transportation, jewellery, manufacturing industries, warehouses, retail markets etc. We have to compete with organized as well as unorganized sector on the basis of availability of product, product quality, product range and services. Further, there are relatively low entry barriers in this industry and any expansion in capacity of existing manufacturers would further intensify competition. We face competition from other Companies like Devishree Mudran Pvt. Ltd. (*Dolphin*), Apple Weighinfra Limited, Precision Electronics Instrument Co. (Gold Tech), Sansui Electronics Pvt. Ltd. etc.
- **Cyclical or seasonal fluctuations in the operating results;**  
We have a large client base ranging from individual to industries. Our Sales are based on the demands emanating from various user segments. The demand is spread throughout the year; however, there may be some periods where the demand is at peak. Thus, such changes in demand may influence our periodic operating results.
- **Changes in laws and regulations that apply to the industry;**  
There are various laws and regulations applicable to our industry, in which we operate, that we have to comply/follow. These rules and regulations that we are bound to be compliant with tend to change over period of time. In case of a failure to comply with changing laws and regulations or to obtain or renew the necessary permits and approvals may adversely affect our business.
- **Change in Technology**  
Technology is a driving factor that affects overall operations in manufacturing Industry. In order to achieve Company's objectives, we constantly need to upgrade and apply improved technology. We are continuously emphasizing on significant upgradation of manufacturing facility to improve product quality and turnaround time. We are in the process of migrating to a new and improved ERP set up.
- **Changes in fiscal, economic or political conditions in India;**  
External factors such as terrorist attacks, acts of war or geopolitical and social turmoil in India or certain parts of the world could constrain our ability to do business, increase the costs and negatively affect our financial performance.
- **Changes in the foreign exchange control regulations, interest rates and tax laws in India.**  
Any change in the foreign exchange control regulation, interest rates and tax laws in India affects liquidity in the market which in turn affects the purchasing power of the economy.
- **Threat from Chinese Exporters**  
Globalization has helped India to develop its Industries at a faster pace but it has also led to entry of foreign players in Indian Market. India imports various products from China that are used as raw material for manufacturing electronic products. We understand that entry of such players in our Industry to supply fully assembled weighing scales may lead to shift in demand due to inexpensive nature of Chinese products and machinery.

### c. Outlook

The Company is committed to putting in continuous efforts for providing goods and services of superior quality with focus on innovation using best practices, adopt appropriate sales & marketing strategies and invest in people development through regular training and skill-upgradation programmes. Fundamental growth drivers of Indian Economy continue to exist. The overall scenario for economy is showing positive trends and we believe it will help our Industry to grow at a faster rate. We are confident of achieving consistently good performance by using better technologies and introducing better and improved products and services and augmenting our sales and marketing efforts, while improvising on internal systems and controls to keep costs under tight leash.

### d. Overview of Our Results of Operations

The following table sets forth select financial data from our restated statements of profit and loss for the financial years ended March 31, 2016, 2015, 2014 and 2013;

(In ₹Lacs)

Particulars	31.03.16	% of Total income	31.03.15	% of Total income	31.03.14	% of Total income	31.03.13	% of Total income
<b>Income</b>								
Revenue from Operations	5,639.45	99.74%	4,351.38	99.18%	4,101.59	99.62%	2,858.72	99.68%
Other Income	14.83	0.26%	35.86	0.82%	15.57	0.38%	9.26	0.32%
<b>Total</b>	<b>5,654.28</b>	<b>100.00%</b>	<b>4,387.24</b>	<b>100%</b>	<b>4,117.16</b>	<b>100%</b>	<b>2,867.98</b>	<b>100%</b>
<b>Expenditure</b>								
Cost of Material Consumed	3,509.51	62.07%	2,257.30	51.45%	2,062.28	50.09%	1,440.48	50.23%
Purchase of Stock in Trade	-	0.00%	-	0.00%	-	0.00%	0.35	0.01%
Change in inventories of Finished Goods, Stock-in-Trade & Scrap	(769.07)	-13.60%	(81.12)	-1.85%	27.13	0.66%	41.16	1.44%
Employees Costs	460.66	8.15%	462.04	10.53%	435.40	10.58%	355.96	12.41%
Manufacturing, Establishment, Administrative, Selling and Other Expenses	1,579.49	27.93%	1,098.61	25.04%	1,007.93	24.48%	779.97	27.20%
<b>Total</b>	<b>4,780.59</b>	<b>84.55%</b>	<b>3,736.83</b>	<b>85.17%</b>	<b>3,532.74</b>	<b>85.81%</b>	<b>2,617.92</b>	<b>91.28%</b>
<b>PBDIT</b>	<b>873.69</b>	<b>15.45%</b>	<b>650.41</b>	<b>14.83%</b>	<b>584.42</b>	<b>14.19%</b>	<b>250.06</b>	<b>8.72%</b>
Depreciation	73.85	1.31%	67.32	1.53%	56.89	1.38%	53.91	1.88%
<b>Profit before Interest &amp; Tax</b>	<b>799.84</b>	<b>14.15%</b>	<b>583.09</b>	<b>13.29%</b>	<b>527.53</b>	<b>12.02%</b>	<b>196.15</b>	<b>4.47%</b>
Interest & Finance Charges	74.50	1.32%	29.50	0.67%	4.53	0.11%	32.89	1.15%
Exceptional Items	-	-	-	-	-	-	-	-
<b>Net Profit before Tax</b>	<b>725.34</b>	<b>12.83%</b>	<b>553.59</b>	<b>13%</b>	<b>523.00</b>	<b>13%</b>	<b>163.26</b>	<b>6%</b>
<b>Less: Provision for Taxes:</b>								
Current Tax	168.00	2.97%	120.67	3%	120.00	3%	33.00	1%
Deferred Tax	7.14	-	14.52	-	13.99	-	8.81	-
Dividend Distribution Tax	-	-	-	-	-	-	-	-
<b>Net Profit After Tax &amp; Before Extraordinary Items</b>	<b>550.20</b>	<b>9.73%</b>	<b>418.40</b>	<b>10%</b>	<b>389.01</b>	<b>9%</b>	<b>121.45</b>	<b>4%</b>

Year on Year change

Growth	2016	2015	2014
Total Income	5,654.28 [28.88%]	4,387.24 [6.56%]	4,117.16 [43.56%]
EBIDTA	873.69 [34.33%]	650.41 [11.29%]	584.42 [133.71%]
PBT	799.84[37.17%]	553.59 [5.85%]	523.00 [220.35%]
PAT	550.20[31.50%]	418.40 [7.56%]	389.01 [220.30%]
Net Worth	3,761.19[12.36%]	2,805.50 [17.53%]	2,387.10 [19.47%]

**Comparison of performance for FY 2016 with FY 2015****Total Income**

Revenue from Operations We are into the business of manufacturing and selling of electronic weighing machines. The revenue from operations in the Company is mainly through two verticals viz; Sale of Manufacturing Goods and Sale of Services. A major portion of the revenue comes from sale of manufactured goods. As shown in the summary of consolidated financial statements, during the FY 2015-16, our revenue from Operations increased to ₹ 5,639.45 Lakhs from ₹ 4,351.38 Lakhs in FY 2014-15 i.e. an increase of approximately 30% on YoY basis. This was mainly on account of increased income from sale of manufactured goods and contracts completed under the Government orders.

Other Income: Other Income during FY 2015-16 decreased to ₹ 14.83 Lakhs from ₹ 35.86 Lakhs in FY 2014-15 accounting for a fall of 59% on YoY basis. However, the same is not significant on the basis of absolute amount and is attributable to reduction in interest income and other non operative income.

**Expenditure**

Cost of Material Consumed: Our Cost of Material Consumed has increased to ₹ 3,509.51 Lakhs in FY 2015-16 from ₹ 2,257.30 lakhs in FY 2014-15 resulting in an increase of approximately 55% over previous period. This increase is attributable to increased production in FY 2015-16 and overall increase in sales

Employee Cost Our employee expenses have decreased marginally to ₹ 460.66 Lakhs in FY 2015-16 from ₹ 462.40 Lakhs in FY 2014-15 which is not significant.

Manufacturing, Establishment, Administrative, Selling and Other Expenses Costs related to the mentioned activities have increased significantly in line with the increase in operating revenue and other expenses such as rent of premises, repairing of machinery, freight charges etc. Total cost incurred under such activities in FY 2015-16 have increased to ₹ 1,579.49 Lakhs from ₹ 1,098.61 Lakhs in FY 2014-15. The rise in Administrative expenses is of **about 44%** and is attributable to increase in labour costs, advertisement and other administrative costs.

Depreciation During FY 2015-16, there has been additions in Fixed Assets of the Company to the tune of approximately ₹ 80 Lakhs. This addition has led to an increase in the depreciation from ₹ 67.32 Lakhs in FY 2014-15 to ₹73.85 Lakhs in FY 2015-16.

Finance Cost The overall finance charges during the FY 2015-16 have increased to ₹74.50 Lakhs from ₹ 29.50 Lakhs in FY 2014-15. The same is attributable to increase in bank borrowings to meet the working capital requirements.



### Profit after Tax (PAT)

The PAT for Financial Year 2015-16 has increased to ₹ 550.20 Lakhs from ₹ 418.40 Lakhs in FY 2014-15, an increase of approximately 31.50% over the previous year. This increase is in line with the increase in the turnover.

### Comparison of performance for FY 2015 with FY 2014

#### Total Income

Revenue from Operations As shown in the summary of consolidated financial statements, Revenue from Operations has remained broadly consistent for FY 2014 and FY 2015. During the FY 2014-15, our revenue from Operations increased to ₹ 4,351.38 Lakhs from ₹ 4,101.59 Lakhs in FY 2013-14 i.e. an increase of approximately 6% on YoY basis. This was mainly on account of increased income from sale of manufactured goods.

Other Income: Other Income during FY 2014-15 increased to ₹ 35.86 Lakhs from ₹ 15.57 Lakhs in FY 2013-14 accounting for a growth of 130% on YoY basis. Our other income for FY 2014-15 comprised mainly of the Interest Income, rent and profit on sale of assets.

#### Expenditure

Cost of Material Consumed: Our Cost of Material Consumed has increased to ₹ 2,257.30 Lakhs in FY 2014-15 from ₹ 2,062.28 lakhs in FY 2013-14 resulting in an increase of approximately 9% over previous period. The cost of material consumed has remained in the range of approximately 50% of turnover.

Employee Cost Our employee expenses have increased marginally to ₹ 462.04 Lakhs in FY 2014-15 from ₹ 435.40 Lakhs in FY 2013-14 which was mainly due to increase in salary level of employees.

Manufacturing, Establishment, Administrative, Selling and Other Expenses Costs related to the mentioned activities have increased significantly in line with the increase in operating revenue and other expenses such as rent of premises, repairing of machinery, freight charges etc. Total cost incurred under such activities in FY 2014-15 have increased to ₹ 1,098.61 Lakhs from ₹ 1,007.93 Lakhs in FY 2013-14. The rise in Administrative expenses is of about 9% on YoY basis but broadly it has remained in line with revenue growth.

Depreciation During FY 2014-15, there has been major additions in Fixed Assets of the Company to the tune of approximately ₹ 130 Lakhs. This addition has led to an increase in the depreciation from ₹ 56.89 Lakhs in FY 2013-14 to ₹ 67.32 Lakhs in FY 2014-15.

Finance Cost The overall finance charges during the FY 2014-15 have increased to ₹ 29.50 Lakhs from ₹ 4.53 Lakhs in FY 2013-14. During the year under review, we have borrowed additional funds to the extent of ₹ 202 Lakhs for the purpose of meeting Company's working capital requirements. This has led to an increase in the interest paid to the Bank by over ₹ 25 Lakhs from the previous year.

### Profit after Tax (PAT)

The PAT for Financial Year 2014-15 has increased to ₹ 418.40 Lakhs from ₹ 389.01 Lakhs in FY 2013-14, an increase of approximately 8% over the previous year. This increase is in line with the increase in the turnover.

### Comparison of performance for FY 2014 with FY 2013

#### Total Income



Revenue from Operations During the FY 2013-14, our revenue from Operations increased to ₹ 4,101.59 Lakhs from ₹ 2,858.72 Lakhs in FY 2012-13 i.e.; an increase of approximately 43% on YoY basis. This was mainly on account of increased income from sale of manufactured goods particularly in the Government and institutional segment.

Other Income Other Income during FY 2013-14 increased to ₹ 15.57 Lakhs from ₹ 9.26 Lakhs in FY 2012-13. Our other income for FY 2013-14 comprised mainly of the Interest and other income.

### **Expenditure**

Cost of Material Consumed Our Cost of Material Consumed has increased to ₹ 2,062.28 Lakhs in FY 2013-14 from ₹ 1,440.48 lakhs in FY 2012-13. This increase in raw material consumed is due to increase in demand of our products in market. The cost of material consumed as a percentage of turnover was 50.09% in FY 2013-14 as compared to 50.23% in FY 2012-13. Total Income has witnessed a growth of 43% during the year, and the raw material consumed as the percentage of total income has remained consistent at about 50%. Increase in cost of material consumed is commensurate with increase in sales.

Employee Cost Our employee expenses have increased to ₹ 435.40 Lakhs in FY 2013-14 from ₹ 355.96 Lakhs in FY 2012-13, registering a growth of 22% as on YoY basis. This growth in employee expenses is attributable to hiring of additional manpower to meet the demand and increase in salary level of employees.

Manufacturing, Establishment, Administrative, Selling and Other Expenses Costs related to the mentioned activities have increased in proportion with increase in revenue. Total cost incurred under such activities in FY 2013-14 have increased to ₹ 1,007.93 Lakhs from ₹ 779.97 Lakhs in FY 2012-13 and increase of about 29% YoY but the Expenditure normalises at average rate of approx. 25% of Sales.

Depreciation During FY 2013-14, there has been major additions in Fixed Assets (Office Building, Computers, Vehicles etc) of the Company to the tune of approximately ₹ 135 Lakhs. This addition has led to an increase in the depreciation from ₹ 53.91 Lakhs in FY 2012-13 to ₹ 56.89 Lakhs in FY 2013-14.

Finance Cost The overall finance charges during the FY 2013-14 have decreased to ₹ 4.53 Lakhs from ₹ 32.89 Lakhs in FY 2012-13. During the year under review, a loan had been fully repaid. This has led to decrease in the interest paid to the Bank

### **Profit after Tax (PAT)**

The PAT for Financial Year 2013-14 has increased significantly to ₹ 389.01 Lakhs from ₹ 121.45 Lakhs in FY 2012-13, an increase of approximately 220% over the previous year. This was mainly on the account of increase in sales by approx. 40% resulting in increase in Net Profit margin from about 4% in FY 2012-13 to about 9% in FY 2013-14.

### **Comparison of performance for FY 2013 with FY 2012**

#### **Total Income**

Revenue from Operations During the FY 2012-13, our revenue from Operations decreased marginally to ₹ 2,858.72 Lakhs from ₹ 2,893.25 Lakhs in FY 2011-12 i.e.; a decrease of 1%. This was mainly on account of subdued demand scenario and generally slack economic activity.

Other Income Other Income during FY 2012-13 increased to ₹ 9.26 Lakhs from ₹ 6.82 Lakhs in FY 2011-12. Our other income for FY 2012-13 comprised mainly of the Interest Income and other miscellaneous income.

### **Expenditure**

Cost of Material Consumed Our Cost of Material Consumed decreased to ₹ 1,440.48 Lakhs in FY 2012-13 from ₹ 1,448.03 lakhs in FY 2011-12 and such fall is in line with the decrease in revenue.

Employee Cost Our employee expenses have increased marginally to ₹ 355.96 Lakhs in FY 2012-13 from ₹ 327.67 Lakhs in FY 2011-12, attributable to normal increase in salary level of employees and other benefits.

Manufacturing, Establishment, Administrative, Selling and Other Expenses Costs related to the mentioned activities have increased despite of decrease in revenue. Total cost incurred under such activities in FY 2012-13 have increased to ₹ 779.07 Lakhs from ₹ 710.39 Lakhs in FY 2011-12, an increase of about 10% attributable to general increase in cost of operations.

Depreciation During FY 2012-13, there has been minor additions in Fixed Assets (Office Building, Computers, Vehicles etc) of the Company to the tune of approximately ₹ 45.24 Lakhs. This addition has led to an increase in the depreciation from ₹ 49.16 Lakhs in FY 2011-12 to ₹ 53.91 Lakhs in FY 2012-13.

Finance Cost The overall finance charges during the FY 2012-13 have decreased to ₹ 32.89 Lakhs from ₹ 36.89 Lakhs in FY 2012-13 owing to lower borrowings. This has led to decrease in the interest paid to the Bank

### **Profit after Tax (PAT)**

The PAT for Financial Year 2012-13 has decreased considerably to ₹ 121.45 Lakhs from ₹ 284.28 Lakhs in FY 2011-12, a fall of approximately 57% over the previous year. This was mainly due to stagnancy in revenues and marginal increase in fixed costs like employee and administrative expenses.

### **Unusual or infrequent events or transactions**

The manufacturing operations of the Company were shifted from Silvassa to Parwanoo in 2004. Save for this, there have been no events, which may be called “unusual” or “infrequent”.

### **Significant economic changes that materially affected or are likely to affect income from continuing operations**

Any slowdown in the growth of Indian economy or future volatility in global commodity/electronic prices, could affect the business, including the future financial performance, shareholders' funds and ability to implement strategy and the price of the Equity Shares.

### **Known trends or Uncertainties that have had or are expected to have a material adverse impact on sales, revenue or income from continuing operations**

Other than as described in this Prospectus, particularly in “Risk Factors”, “Business Overview” and “Management’s Discussion and Analysis of Financial Conditions and Results of Operations” on Page Nos. 12, 96, 172 of this Prospectus, to our knowledge there are no known trends or uncertainties that may have material adverse impact on the income, costs and profits of the company from continuing operations.

**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**

Increase in the cost of the raw materials which we use for manufacturing the weighing machines, will affect the profitability of the company. Fiscal Incentives available to us due to location of our manufacturing facility at Parwanoo Himachal Pradesh are due to expire in March 2017. We are looking for alternative means of retaining the fiscal incentives by relocating our operations within Parwanoo or relocating to any other territory offering similar fiscal incentives. In case the fiscal incentives are not available to us in future it may impact our margins since we may not be able to pass on the increase in cost of our products to the customers in full. However, this can be offset to some extent through production cost rationalization and introduction of value added products for higher sales realization.

**The extent to which material increases in net sales or revenue are due to increased sales volume, introduction of new products or services or increased sales prices**

The increase / decrease in turnover are only on account of increase / decrease in the demand / clientele received / acquired by us. The company introduces upgraded products, products with new or additional features on a continuous basis.

**Total turnover of each major industry segment in which the Company operates**

We are operating in the manufacturing and selling of electronic weighing machines for retail as well as other commercial purposes. Other than manufacturing of electronic weighing machines, there is no other major industry segment in which we operate.

**Status of any publicly announced new product**

We have not publicly announced any new products other than those mentioned under the chapter "Business Overview" on page no. 96 in this Prospectus.

**The extent to which the business is Seasonal**

Our profitability depends on the demand generated for our products, which are used by a well diversified base of clients ranging from Individual to Industries. As mentioned, our client-base is well diversified and we are not dependent on any one or few of the clients for our revenues. This demand from various clients is spread throughout the year; however, there may be some periods where the demand is at peak.

**Competitive conditions**

We have to compete with organized as well as unorganized sector on the basis of availability of product, product quality, product range and services. We face competition from Companies like Devishree Mudran Pvt. Ltd. (Dolphin), Apple Weighinfra Limited, Precision Electronics Instrument Co. (Gold Tech), Sansui Electronics Pvt. Ltd. etc.

**Cautionary Statement**

Statements in this report on Management Discussion and Analysis describing the company's objective, expectations or predictions may be forward looking statements within the meaning of applicable security law and regulations. These statements are based on certain assumption and expectation of future events. Actual results could however differ materially from those expressed or implied.

## FINANCIAL INDEBTNESS

Following are the summary of the credit facilities sanctioned to our Company by HDFC Bank Limited, Dhule branch vide their letter dated February 24, 2016 :

Nature of facility	Limits proposed (₹ lakhs)	Interest rate / commission	Margin	Tenure
Cash Credit - 1	850.00	12.40% (base rate + 3.1)	25% on Stocks and 25% on Debtors (< 90 days)	12 months
Bank Guarantee	100.00	1.80% p.a.	25% FD Margin	12 months
Bank Guarantee (sub-limit of CC-1)	(10.00)	1.80% p.a.	25% FD Margin	12 months
WCDL	400.00	12.40% (base rate + 3.1)	25% on Stocks and 25% on Debtors (< 90 days)	6 months
Cash Credit - 2	900.00	12.40% (base rate + 3.1)	25% on Stocks and 25% on Debtors (< 90 days)	5 months
<b>Total</b>	<b>2,250.00</b>			

**Security**

1. Primary - Hypothecation by way of first and exclusive charge on all present and future stocks and book debts.
2. Collateral  
Immovable properties as listed below :

Serial	Property
1	Commercial property : T 4-5-6, Indra Bazar, 3 <sup>rd</sup> floor, Raisan Plaza, Bada Harishchand Marg, Jaipur - 302 023, Rajasthan
2	Following Commercial property / units at 2 <sup>nd</sup> floor, Suyojit Sankul, Condominium, Near Rajiv Gandhi Bhavan, Sharapur Road, Nasik - 422 002, Maharashtra : - No. S-4A, CTS No. 6808 to 6818 and 6819 (P), Final Plot No. 249 SY No. 646/1 and 649; - No. S-4B; and - No. S-4C
3	Commercial property / office : No. 104, CTS No. 1324, Jangli Maharaj Road, 1 <sup>st</sup> floor, Apt No. 12, Anant Chambers, Shivaji Nagar, Pune - 411 002, Maharashtra
4	Following Industrial property / Gala at Tirupati Industrial Estate, Silvassa - 386 230, Gujarat: - No. 23-B, Survey No. 113/2/1, Ground floor; - No. 121, 122, 123-A, 123-B, 124-A, 124-B and Gala No. 116, 117, 118, 119 & 120, 1 <sup>st</sup> floor; and - No. 112 to 115
5	Industrial Estate / Gala : No. 127, 128, 129, Village Amli, Silvassa, UT of Dadra and Nagar Haveli, 1 <sup>st</sup> floor, Survey No 113 / 2 / 1 Tirupati Industrial Estate, Silvassa - 386 230, Gujarat: - Gala No. 127, 128, 129 - Gala No. 113 / 2 / 1
6	Residential property at Kelvani Raod, Village Amli, Neha Complex, S. No. 96/P Village, Opp Corporation Bank, Silvassa - 396 230, Gujarat: - Flat No. 101, 102, 103, 104 on 1 <sup>st</sup> floor; and - Flat No. 202 and 203 on 2 <sup>nd</sup> floor
7	Commercial property : CTS No. 1406/2 Parola Road, Dhule - 424 001, Maharashtra
8	Commercial property : CTS No. 1406/3 Parola Road, Dhule - 424 001, Maharashtra

## SECTION VI - LEGAL AND OTHER INFORMATION

### OUTSTANDING LITIGATIONS AND MATERIAL DEVELOPMENTS

Except as described below, there are no outstanding litigations, suits, civil or criminal prosecutions, proceedings before any judicial, quasi-judicial, arbitral or administrative tribunals, including pending proceedings for violation of statutory regulations or, alleging criminal or economic offences or tax liabilities or any other offences (including past cases where penalties may or may not have been awarded and irrespective of whether they are specified under paragraph (i) of Part 1 of Schedule XIII of the Companies Act or Schedule V of Companies Act, 2013) against the Company, its Directors, its Promoter and its Group Entities that would have a material adverse effect on the business of the Company. Except as set out below, there are no defaults, non-payments or overdue of statutory dues, institutional/bank dues that would have a material adverse effect on the business of the Company.

#### **PART 1: CONTINGENT LIABILITIES OF THE COMPANY**

As on date, Bank Guarantees issued by our bankers on our behalf in the ordinary course of our business, amounting to Rs. 37 lacs are outstanding.

Our contingent liabilities may also be deemed to include the financial obligations that may arise on account of any adverse decision against our Company in respect of the litigations pending against us listed hereinbelow.

#### **PART 2: LITIGATION RELATING TO THE COMPANY**

##### **A. FILED AGAINST THE COMPANY**

Litigation Involving Civil Laws	Case No. 225/12 being Appeal before Dhule Court filed by Mr. Rajendra Badrinarayan. Amount not quantifiable.
Litigation Involving Criminal Laws	NIL
Litigation involving Taxation	Appeal no. 85 of 2006 filed by CIT, Nashik was admitted for hearing by Aurangabad bench of Bombay High Court against order of ITAT in ITA 1048 of 2003 in respect of a disputed tax demand of Rs. 3,64,131 for AY 1996-97 involving, inter alia, deductions claimed under Section 80HH and 80I of Income Tax Act, 1961 against Nitiraj Engineers, the erstwhile partnership firm which got converted into our Company under Chapter IX of Companies Act, 1956. The matter is yet to be decided by Hon. High Court. In the event of an adverse verdict, the company will be liable to pay the tax demand alongwith interest as may be applicable.
Litigation involving Securities and Economic Laws	NIL

Litigation involving Statutory Laws	NIL
Litigation involving Labour Laws	Case No. 15/13 filed before Labour Court, Sagar, M.P. by Mr. Prakash Ahirwar. Amount not quantifiable.

**B. CASES FILED BY THE COMPANY**

Litigation Involving Civil Laws	NIL
Litigation Involving Criminal Laws	<ol style="list-style-type: none"> <li>21 cases filed under Section 138 of the Negotiable Instruments Act, 1881 (for dishonour of cheques) involving an amount of Rs. 24,48,938/-</li> <li>Case No. 158/13 filed by the Company against Girase Mahendra V, ex-Sales Executive of our Company under Section 420 of Indian Penal Code involving an amount of Rs. 3,07,535/-</li> </ol>
Litigation involving Securities and Economic Laws	NIL
Litigation involving Statutory Laws	NIL
Litigation involving Labour Laws	NIL
Litigation before Consumer Court, Maharashtra	Case No. 105/15 filed against ICICI Bank, Dhule involving an amount of Rs. 20,000/-

**C. PAST PENALTIES**

NIL

**PART 3: LITIGATION RELATING TO THE DIRECTORS OF THE COMPANY****A. LITIGATION AGAINST THE DIRECTORS**

Litigation involving Civil/Statutory Laws	NIL
Litigation Involving Criminal Laws	NIL
Litigation Involving Economic Offenses	NIL
Litigation involving tax liabilities	NIL

**B. LITIGATIONS FILED BY THE DIRECTORS**

NIL

**C. PAST PENALTIES**

NIL

**PART 4: LITIGATION RELATING TO THE PROMOTERS OF THE COMPANY****A. LITIGATION AGAINST THE PROMOTERS**

Litigation involving Civil/Statutory Laws	NIL
Litigation Involving Criminal Laws	NIL
Litigation Involving Economic Offenses	NIL

**B. LITIGATION FILED BY THE PROMOTERS**

Litigation involving Civil/Statutory Laws	NIL
Litigation Involving Criminal Laws	NIL
Litigation Involving Economic Offenses	NIL

**C. PAST PENALTIES**

NIL

**PART 5: LITIGATION RELATING TO THE GROUP COMPANIES****A. LITIGATION AGAINST THE GROUP COMPANIES**

Litigation involving Civil/Statutory Laws	NIL
Litigation Involving Criminal Laws	NIL
Litigation Involving Economic Offenses	NIL

**B. LITIGATION FILED BY THE GROUP COMPANIES**

Litigation involving Civil/Statutory Laws	NIL
Litigation Involving Criminal Laws	NIL
Litigation Involving Economic Offenses	NIL

**C. PAST PENALTIES**

NIL

**PART 6: LEGAL NOTICES**

Issued to the Company	NIL
Issued by the Company	NIL
Issued to the Group Companies	NIL
Issued by the Group Companies	NIL

**MATERIAL DEVELOPMENTS OCCURRING AFTER LAST BALANCE SHEET DATE i.e. 30.09.2016**

No circumstances have arisen since the date of last financial statement until the date of filing the Prospectus, which materially and adversely affect or are likely to affect the operations or profitability of our Company, or value of its assets, or its ability to pay its liability within next 12 (twelve) months. There is no subsequent development after the date of the Auditor's Report, which will have a material adverse impact on the reserves, profits, earnings per share and book value of the Equity Shares of the Company.

There are no significant developments in our Company since the last audited balance sheet as on September 30, 2016 till the date of the Prospectus.

**AMOUNTS OWED TO SMALL SCALE UNDERTAKINGS AND OTHER CREDITORS**

There are no outstanding dues payable to Small scale industries and other creditors amounting to ₹ 1,00,000/- or more which are pending for more than 30 (thirty) days from the due date.



## GOVERNMENT AND OTHER STATUTORY APPROVALS

We have received the necessary consents, licenses, permissions and approvals from the Government and various governmental agencies required for our present business (as applicable on date of this Prospectus) and except as mentioned below, no further approvals are required for carrying on our present business.

In view of the approvals listed below, we can undertake this Issue and our current/proposed business activities and no further major approvals from any governmental or regulatory authority or any other entity are required to be undertaken in respect of the Issue or to continue our business activities. It must be distinctly understood that, in granting these approvals, the Government of India does not take any responsibility for our financial soundness or for the correctness of any of the statements made or opinions expressed in this behalf. Unless otherwise stated, these approvals are all valid as of the date of this Prospectus.

The main objects clause of the Memorandum of Association and objects incidental to the main objects enable our Company to carry out its activities. The following are the details of licenses, permissions and approvals obtained by the Company under various Central and State Laws for carrying out its business:

## BUSINESS RELATED APPROVALS / LICENSES / REGISTRATIONS

The Company has in place the following categories of approvals from various tax authorities viz. Income-tax Department, Sales tax Department etc.

Serial	Particulars	Registration No.
1	Permanent Account Number (PAN)	AABCN1116E
2	Tax Deduction Account Number (TAN)	MUMNO8951F
3	Service Tax Registration	AABCN116EST001
4	Certificate of Registration under the Maharashtra Value Added Tax Act, 2002	27140360323V
5	Certificate of Registration the Central Sales Tax (Registration & Turnover) Rules, 1957	27140360323C
6	Professional Tax Registration Certificate	27140360323P
7	Certificate of Importer-Exporter Code (IEC)	0388108681

## FACTORY / LABOUR RELATED APPROVALS/REGISTRATIONS

Serial	Particulars	Granting Authority	Registration No.	Date of Issue	Validity
1	Factory License issued under the Factories Act, 1948	Director Industrial Safety & Health, Maharashtra State, Mumbai	071335	31/12/2003	31/12/2017
2	Employees' Provident Fund Code under the Employees' Provident Funds and Miscellaneous Provisions Act, 1952	Asst. P.F. Commissioner SRO Nasik (SRO - Sub Regional Office)	MH/50332	31/08/1992	NA
3	Employees' State Insurance Code	Dy. Regional Director SRO Pune	33-8291-67	01/08/1991	NA

## APPROVALS RELATING TO INTELLECTUAL PROPERTY

Serial	Particulars	Trade Mark	Granting Authority	Owner
1	Product Brand Name	<b>PHOENIX</b>	Government of India, Trade Marks Registry.	Nitiraj Engineers Limited

## OTHER REGULATORY AND STATUTORY DISCLOSURES

### Authority for the Issue

The Issue has been authorized by the Board of Directors of our Company vide a resolution passed at its meeting held on May 25, 2016 and by Special Resolution passed by the shareholders at an Extra Ordinary General Meeting held on June 20, 2016

Our Company has obtained in-principle approval from NSE for using its name in the Prospectus for listing of Equity Shares of our Company on NSE EMERGE pursuant to an approval letter dated September 16, 2016 NSE is the Designated Stock Exchange.

### Prohibition by SEBI or governmental authorities

Our Company, Promoter, Promoter Group entities, Directors or the person(s) in control of our Company have not been prohibited from accessing the capital market for any reason or restrained from buying, selling or dealing in securities, under any order or directions by the SEBI or any other authorities and there are no violations of securities laws committed by any of them in the past or pending against them, nor have any companies with which any of our Company, our Promoter, Directors, persons in control of our Company or any natural person behind the Promoter are or were associated as a promoter, director or person in control, been debarred or prohibited from accessing the capital markets under any order or direction passed by the SEBI or any other authority.

### Association with Securities Market

None of our Directors are associated with the securities market and there has been no action taken by SEBI against the Directors or any other entity with which our Directors are associated as promoters or directors.

### Prohibition by RBI

None of our Company, Promoter, Directors, Group Entities or relatives (as per Companies Act, 2013) of Promoter have been identified as a wilful defaulter by the RBI or other governmental authority and there has been no violation of any securities law committed by any of them in the past and no such proceedings are pending against any of them except as details provided in the chapter "Outstanding Litigations and Material Developments" beginning on page 181 of the Prospectus.

### Eligibility for the Issue

Our Company is eligible for the Issue in accordance with Regulation 106(M)(1) and other provisions of Chapter XB of the SEBI (ICDR) Regulations.

We confirm that:

1. In accordance with Regulation 106(P) of the SEBI (ICDR) Regulations, this issue is 100% underwritten and that the Lead Manager to the Issue shall underwrite minimum 15% of the Total Issue Size. For further details pertaining to said underwriting please refer to section titled "General Information - Underwriting" beginning on page 47 of the Prospectus.
2. In accordance with Regulation 106(R) of the SEBI (ICDR) Regulations, the total number of proposed allottees in the Issue shall be greater than or equal to 50 (Fifty), failing which the entire application money will be refunded forthwith. If such money is not refunded within 8 (Eight) working days from the date our Company becomes liable to repay it, our

Company and every officer in default shall, on and from expiry of 8 (Eight) working days, be liable to refund such application money, with interest as prescribed under the Companies Act.

3. In accordance with Regulation 106(O) of the SEBI (ICDR) Regulations, we have not filed Draft Prospectus with SEBI nor has SEBI issued any observations on our Offer Document. Also, we shall ensure that our Lead Manager submits a copy of the 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.
4. In accordance with Regulation 106(V) of the SEBI (ICDR) Regulations, we have entered into an agreement with the Lead Manager and a Market Maker vide agreement dated 03/02/2017 to ensure compulsory Market Making. For further details of the arrangement of market making please refer to section titled "General Information - Details of the Market Making Arrangements for this Issue" beginning on page 47 of the Prospectus.

We further confirm that we shall be complying with all the other requirements as laid down for such an issue under Chapter XB of SEBI (ICDR) Regulations, as amended from time to time and subsequent circulars and guidelines issued by SEBI and the Stock Exchange.

As per Regulation 106(M)(3) of SEBI (ICDR) Regulations, the provisions of Regulations 6(1), 6(2), 6(3), Regulation 7, Regulation 8, Regulation 9, Regulation 10, Regulation 25, Regulation 26, Regulation 27 and sub-regulation (1) of Regulation 49 of SEBI (ICDR) Regulations shall not apply to us in this Issue. Our Company is in compliance with the requirements as stipulated by NSE-EMERGE for listing on their Exchange.

1. As on September 30, 2016 the Company had Net Tangible Fixed Assets of ₹ 1,218.49 lakhs
2. As at September 30, 2016, the Company had Net worth of ₹ 3,761.19 lakhs
3. Our Company has track record of over three years and has positive cash accruals (earnings before depreciation and tax) from operations for at least 2 financial years
4. Our Company shall mandatorily facilitate trading in demat securities. The Company alongwith Registrar to the Issue has entered into tripartite agreements with Central Depository Services Limited (CDSL) and National Securities Depository Limited (NSDL) on September 9, 2015 and September 8, 2015 respectively.
5. Our Company has a website i.e. [www.nitiraj.net](http://www.nitiraj.net)
6. Our Company has not been referred to the Board for Industrial and Financial Reconstruction (BIFR).
7. There is no winding up petition against the Company that has been admitted by a Court nor a liquidator has been appointed.

#### DISCLAIMER CLAUSE OF SEBI

IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF OFFER DOCUMENT TO THE SECURITIES AND EXCHANGE BOARD OF INDIA ("SEBI") SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED TO MEAN 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, ARIHANT CAPITAL MARKETS LIMITED HAS CERTIFIED THAT THE DISCLOSURES MADE IN THE OFFER DOCUMENT ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 FOR THE TIME BEING IN FORCE. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING INVESTMENT IN THE PROPOSED ISSUE.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE ISSUER IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE OFFER DOCUMENT, THE LEAD MANAGER, ARIHANT CAPITAL MARKETS LIMITED IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE ISSUER DISCHARGES THEIR RESPECTIVE RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE LEAD MERCHANT BANKER HAS FURNISHED TO SEBI/NSE, A DUE DILIGENCE CERTIFICATE DATED JUNE 30, 2016 WHICH READS AS FOLLOWS:

WE, THE UNDER NOTED LEAD MANAGER TO THE ABOVE MENTIONED FORTHCOMING ISSUE STATE AND CONFIRM AS FOLLOWS:

1. WE HAVE EXAMINED VARIOUS DOCUMENTS INCLUDING THOSE RELATING TO LITIGATION LIKE COMMERCIAL DISPUTES, PATENT DISPUTES, DISPUTES WITH COLLABORATORS, ETC. AND OTHER MATERIAL IN CONNECTION WITH THE FINALISATION OF THE PROSPECTUS PERTAINING TO THE SAID ISSUE
2. ON THE BASIS OF SUCH EXAMINATION AND THE DISCUSSIONS WITH THE ISSUER, ITS DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES, AND INDEPENDENT VERIFICATION OF THE STATEMENTS CONCERNING THE OBJECTS OF THE ISSUE, PRICE JUSTIFICATION AND THE CONTENTS OF THE DOCUMENTS AND OTHER PAPERS FURNISHED BY THE ISSUER, WE CONFIRM THAT:
  - A. THE PROSPECTUS FILED WITH THE BOARD IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPERS RELEVANT TO THE ISSUE;
  - B. ALL THE LEGAL REQUIREMENTS RELATING TO THE ISSUE AS ALSO THE REGULATIONS GUIDELINES, INSTRUCTIONS, ETC. FRAMED/ISSUED BY THE BOARD, THE CENTRAL GOVERNMENT AND ANY OTHER COMPETENT AUTHORITY IN THIS BEHALF HAVE BEEN DULY COMPLIED WITH; AND
  - C. THE DISCLOSURES MADE IN THE PROSPECTUS ARE TRUE, FAIR AND ADEQUATE TO ENABLE THE INVESTORS TO MAKE A WELL INFORMED DECISION AS TO THE INVESTMENT IN THE PROPOSED ISSUE AND SUCH DISCLOSURES ARE IN ACCORDANCE WITH THE REQUIREMENTS OF THE COMPANIES ACT, 2013, APPLICABLE PROVISIONS OF THE COMPANIES ACT, 1956, THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 AND OTHER APPLICABLE LEGAL REQUIREMENTS.
3. WE CONFIRM THAT BESIDES OURSELVES, ALL THE INTERMEDIARIES NAMED IN THE PROSPECTUS ARE REGISTERED WITH THE BOARD AND THAT TILL DATE SUCH REGISTRATION IS VALID.
4. WE HAVE SATISFIED OURSELVES ABOUT THE CAPABILITY OF THE UNDERWRITERS TO FULFILL THEIR UNDERWRITING COMMITMENTS.
5. WE CERTIFY THAT WRITTEN CONSENT FROM PROMOTER(S) HAS BEEN OBTAINED FOR INCLUSION OF THEIR SPECIFIED SECURITIES AS PART OF PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN AND THE SPECIFIED SECURITIES PROPOSED TO FORM PART OF PROMOTER'S CONTRIBUTION SUBJECT TO LOCK-IN SHALL NOT BE DISPOSED/SOLD/ TRANSFERRED BY THE PROMOTER DURING THE PERIOD STARTING FROM THE DATE OF FILING THE PROSPECTUS WITH THE BOARD TILL THE DATE OF COMMENCEMENT OF LOCK-IN PERIOD AS STATED IN THE PROSPECTUS.
6. WE CERTIFY THAT REGULATION 33 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, WHICH RELATES TO SPECIFIED SECURITIES INELIGIBLE FOR COMPUTATION OF PROMOTER'S CONTRIBUTION, HAS BEEN DULY COMPLIED WITH AND APPROPRIATE DISCLOSURES AS TO COMPLIANCE WITH THE SAID REGULATION HAVE BEEN MADE IN THE PROSPECTUS.

7. WE UNDERTAKE THAT SUB-REGULATION (4) OF REGULATION 32 AND CLAUSE (C) AND (D) OF SUB-REGULATION (2) OF REGULATION 8 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 SHALL BE COMPLIED WITH. WE CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTER'S CONTRIBUTION SHALL BE RECEIVED AT LEAST ONE DAY BEFORE THE OPENING OF THE ISSUE. WE UNDERTAKE THAT AUDITORS' CERTIFICATE TO THIS EFFECT SHALL BE DULY SUBMITTED TO THE BOARD. WE FURTHER CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTER'S CONTRIBUTION SHALL BE KEPT IN AN ESCROW ACCOUNT WITH A SCHEDULED COMMERCIAL BANK AND SHALL BE RELEASED TO THE ISSUER ALONG WITH THE PROCEEDS OF THE PUBLIC ISSUE. - **NOT APPLICABLE**
8. WE CERTIFY THAT THE PROPOSED ACTIVITIES OF THE ISSUER FOR WHICH THE FUNDS ARE BEING RAISED IN THE PRESENT ISSUE FALL WITHIN THE "MAIN OBJECTS" LISTED IN THE OBJECT CLAUSE OF THE MEMORANDUM OF ASSOCIATION OR OTHER CHARTER OF THE ISSUER AND THAT THE ACTIVITIES WHICH HAVE BEEN CARRIED OUT UNTIL NOW ARE VALID IN TERMS OF THE OBJECT CLAUSE OF ITS MEMORANDUM OF ASSOCIATION.
9. WE CONFIRM THAT NECESSARY ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT THE MONEYS RECEIVED PURSUANT TO THE ISSUE ARE KEPT IN A SEPARATE BANK ACCOUNT AS PER THE PROVISIONS OF SUB-SECTION (3) OF SECTION 40 OF THE COMPANIES ACT, 2013 AND THAT SUCH MONEYS SHALL BE RELEASED BY THE SAID BANK ONLY AFTER PERMISSION IS OBTAINED FROM ALL THE STOCK EXCHANGES MENTIONED IN THE PROSPECTUS. WE FURTHER CONFIRM THAT THE AGREEMENT ENTERED INTO BETWEEN THE BANKERS TO THE ISSUE AND THE ISSUER SPECIFICALLY CONTAINS THIS CONDITION - **NOTED FOR COMPLIANCE**
10. WE CERTIFY THAT A DISCLOSURE HAS BEEN MADE IN THE PROSPECTUS THAT THE INVESTORS SHALL BE GIVEN AN OPTION TO GET THE SHARES IN DEMAT OR PHYSICAL MODE. **NOT APPLICABLE AS UNDER SECTION 29 OF THE COMPANIES ACT, 2013, THE EQUITY SHARES ARE TO BE ISSUED IN DEMATERIALIZED FORM ONLY.**
11. WE CERTIFY THAT ALL THE APPLICABLE DISCLOSURES MANDATED IN THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 HAVE BEEN MADE IN ADDITION TO DISCLOSURES WHICH, IN OUR VIEW, ARE FAIR AND ADEQUATE TO ENABLE THE INVESTOR TO MAKE A WELL INFORMED DECISION.
12. WE CERTIFY THAT THE FOLLOWING DISCLOSURES HAVE BEEN MADE IN THE PROSPECTUS:
  - A. AN UNDERTAKING FROM THE ISSUER THAT AT ANY GIVEN TIME, THERE SHALL BE ONLY ONE DENOMINATION FOR THE EQUITY SHARES OF THE ISSUER AND
  - B. AN UNDERTAKING FROM THE ISSUER THAT IT SHALL COMPLY WITH SUCH DISCLOSURE AND ACCOUNTING NORMS SPECIFIED BY THE BOARD FROM TIME TO TIME.
13. WE UNDERTAKE TO COMPLY WITH THE REGULATIONS PERTAINING TO ADVERTISEMENT IN TERMS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 WHILE MAKING THE ISSUE. - **NOTED FOR COMPLIANCE**
14. WE ENCLOSE A NOTE EXPLAINING HOW THE PROCESS OF DUE DILIGENCE HAS BEEN EXERCISED BY US IN VIEW OF THE NATURE OF CURRENT BUSINESS BACKGROUND OR THE ISSUER, SITUATION AT WHICH THE PROPOSED BUSINESS STANDS, THE RISK FACTORS, PROMOTERS EXPERIENCE, ETC.
15. WE ENCLOSE A CHECKLIST CONFIRMING REGULATION-WISE COMPLIANCE WITH THE APPLICABLE PROVISIONS OF THE SECURITIES AND EXCHANGE



BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, CONTAINING DETAILS SUCH AS THE REGULATION NUMBER, ITS TEXT, THE STATUS OF COMPLIANCE, PAGE NUMBER OF THE PROSPECTUS WHERE THE REGULATION HAS BEEN COMPLIED WITH AND OUR COMMENTS, IF ANY.

16. STATEMENT ON "PRICE INFORMATION OF PAST ISSUES HANDLED BY ARIHANT CAPITAL MARKETS LIMITED BELOW (WHO ARE RESPONSIBLE FOR PRICING THIS ISSUE)", AS PER FORMAT SPECIFIED BY SEBI THROUGH CIRCULAR BERING REFERENCE CIR/MIRSD/1/2012 DATED JANUARY 10, 2012. - NOT APPLICABLE
17. WE CERTIFY THAT PROFITS FROM RELATED PARTY TRANSACTIONS HAVE ARISEN FROM LEGITIMATE BUSINESS TRANSACTIONS - **TO THE EXTENT OF THE RELATED PARTY TRANSACTIONS REPORTED IN ACCORDANCE WITH ACCOUNTING STANDARD - 18 IN THE FINANCIAL INFORMATION OF THE COMPANY INCLUDED IN THE PROSPECTUS.**

ADDITIONAL CONFIRMATIONS/ CERTIFICATION TO BE GIVEN BY MERCHANT BANKER IN DUE DILIGENCE CERTIFICATE TO BE GIVEN ALONG WITH OFFER DOCUMENT REGARDING SME EXCHANGE

1. WE CONFIRM THAT NONE OF THE INTERMEDIARIES NAMED IN THE PROSPECTUS HAVE BEEN DEBARRED FROM FUNCTIONING BY ANY REGULATORY AUTHORITY.
2. WE CONFIRM THAT ALL THE MATERIAL DISCLOSURES IN RESPECT OF THE ISSUER HAVE BEEN MADE IN PROSPECTUS AND CERTIFY THAT ANY MATERIAL DEVELOPMENT IN THE ISSUER OR RELATING TO THE ISSUE UP TO THE COMMENCEMENT OF LISTING AND TRADING OF THE SPECIFIED SECURITIES OFFERED THROUGH THIS ISSUE SHALL BE INFORMED THROUGH PUBLIC NOTICES/ ADVERTISEMENTS IN ALL THOSE NEWSPAPERS IN WHICH PRE-ISSUE ADVERTISEMENT AND ADVERTISEMENT FOR OPENING OR CLOSURE OF THE ISSUE HAVE BEEN GIVEN.
3. WE CONFIRM THAT THE ABRIDGED PROSPECTUS CONTAINS ALL THE DISCLOSURES AS SPECIFIED IN THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009. - **NOTED FOR COMPLAINEE**
4. WE CONFIRM THAT AGREEMENTS HAVE BEEN ENTERED INTO WITH THE DEPOSITORIES FOR DEMATERIALISATION OF THE SPECIFIED SECURITIES OF THE ISSUER.
5. WE CERTIFY THAT AS PER THE REQUIREMENTS OF FIRST PROVISIO TO SUB-REGULATION (4) OF REGULATION 32 OF SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009; CASH FLOW STATEMENT HAS BEEN PREPARED AND DISCLOSED IN THE PROSPECTUS. - **NOT APPLICABLE**
6. WE CONFIRM THAT UNDERWRITING AND MARKET MAKING ARRANGEMENTS AS PER REQUIREMENTS OF REGULATION 106P AND 106V OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 HAVE BEEN MADE.

The filing of the Prospectus does not, however, absolve our company from any liabilities under Section 34 and Section 36 of the Companies Act, 2013 or from the requirement of obtaining such statutory and / or other clearances as may be required for the purpose of the proposed Issue. SEBI further reserves the right to take up at any point of time, with the Lead Manager any irregularities or lapses in the Prospectus.

All legal requirements pertaining to the Issue will be complied with at the time of registration of the Prospectus with the Registrar of Companies, Mumbai in terms of Sections 26, 32 and 33 of the Companies Act, 2013.

### **Track Record of past issues handled by the Lead Manager**

The requirement of disclosure of track record of Lead Manager to the Issue as specified in the Circular reference no. CIR/MIRSD/1/2012 dated January 10, 2012 issued by the SEBI is not applicable.

### **Disclaimer from our Company, Directors and the Lead Manager**

Our Company, our Directors and the Lead Manager accept no responsibility for statements made otherwise than in the Prospectus or in the advertisement or any other material issued by or at our Company's instance and that anyone placing reliance on any other source of information would be doing so at his or her own risk. The Lead Manager accepts no responsibility, save to the limited extent as provided in (i) the agreement entered between the LM and our Company; (ii) the Underwriting Agreement entered into between the Underwriters and our Company and (iii) the Market Making Agreement entered into amongst the Market Maker, Lead Manager and our Company.

All information shall be made available by our Company and the 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, at bidding centres or elsewhere.

The Lead Manager and their respective associates and affiliates may engage in transactions with, and perform services for, our Company, our Promoter Group, Group Entities, or our affiliates or associates in the ordinary course of business and have engaged, or may in future engage, in investment banking or financial transactions with our Company, our Promoter Group, Group Entities, and our affiliates or associates for which they have received and may in future receive compensation.

### **Caution**

The Applicants making application in the Issue will be required to confirm and will be deemed to have represented to our Company, the Underwriters 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 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 the Equity Shares. Our Company, the Underwriters 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 the Equity Shares in the Issue.

### **Disclaimer in Respect of Jurisdiction**

This Issue is being made in India to persons resident in India (including Indian nationals resident in India who are majors, HUFs, companies, corporate bodies and societies registered under applicable laws in India and authorized to invest in shares, Indian mutual funds registered with SEBI, Indian financial institutions, commercial banks, regional rural banks, cooperative banks (subject to RBI permission), or trusts under applicable trust law and who are authorized under their constitution to hold and invest in shares, public financial institutions as specified in Section 2(72) of the Companies Act, 2013, Venture Capital Funds (VCF), state industrial development corporations, insurance companies registered with the Insurance Regulatory and Development Authority, provident funds (subject to applicable law) with a minimum corpus of ₹ 25 Crore and pension funds with a minimum corpus of ₹ 25 Crore, and permitted non-residents including FPIs, FIIs, Eligible NRIs, multilateral and bilateral development financial institutions, FVCIs and eligible foreign investors, 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 provided that they are eligible



under all applicable laws and regulations to hold Equity Shares of our Company. This Prospectus does not, however, constitute an offer to sell or an invitation to subscribe for Equity Shares offered hereby in any jurisdiction other than India to any person to whom it is unlawful to make an offer or invitation in such jurisdiction.

Any person into whose possession the Prospectus comes, is required to inform himself or herself about, and to observe, any such restrictions. Any dispute arising out of this Issue will be subject to jurisdiction of the competent court(s) in Mumbai, Maharashtra, India.

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 hereby may not be offered or sold, directly or indirectly, and the Prospectus may not be distributed in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of the Prospectus nor any sale hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of our Company from the date hereof or that the information contained herein is correct as of any time subsequent to this date.

#### **Disclaimer Clause of the NSE**

As required, a copy of this Offer Document has been submitted to National Stock Exchange of India Limited (hereinafter referred to as NSE). NSE has given vide its letter Ref.: NSE/LIST/87264 dated September 16, 2016 permission to the Issuer to use the Exchange's name in this Offer Document as one of the stock exchanges on which this Issuer's securities are proposed to be listed. The Exchange has scrutinized this draft offer document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Issuer. It is to be distinctly understood that the aforesaid permission given by NSE should not in any way be deemed or construed that the offer document has been cleared or approved by NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this offer document; nor does it warrant that this Issuer's securities will be listed or will continue to be listed on the Exchange; nor does it take any responsibility for the financial or other soundness of this Issuer, its promoters, its management or any scheme or project of this Issuer.

Every person who desires to apply for or otherwise acquire any securities of this Issuer may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever.

#### **Filing**

Copy of the Draft Prospectus will not be filed with the SEBI nor will SEBI issue any observation on the offer document in term of Regulation 106(M)(3) of the SEBI (ICDR) Regulations. However, a copy of the Prospectus shall be filed with SEBI at the Securities and Exchange Board of India, Corporation Finance Department, Plot No. C4-A, 'G' Block, Bandra - Kurla Complex, Bandra (East), Mumbai - 400 051, Maharashtra.

A copy of the Prospectus, along with the other documents required to be filed under Section 32 of the Companies Act, 2013 will be delivered to the Registrar of Companies, Maharashtra, Mumbai situated at 100, Everest, Marine Drive, Mumbai - 400 002, Maharashtra.

**Listing**

The Equity Shares of our Company are proposed to be listed on NSE EMERGE. Our Company has obtained in-principle approval from NSE by way of its letter dated September 16, 2016 for listing of equity shares on NSE EMERGE.

NSE will be the Designated Stock Exchange with which the Basis of Allotment will be finalized for the Issue. If the permission to deal in and for an official quotation of the Equity Shares on the SME Platform is not granted by NSE, our Company shall forthwith repay, without interest, all moneys received from the applicants in pursuance of the Prospectus. If such money is not repaid within 8 (Eight) 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 8 (Eight) days, would be liable to repay such application money, with interest at the rate as prescribed under the Companies Act.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at the SME Platform of NSE are taken within 6 working days of the Issue Closing Date.

**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:

“38. (1) 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 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 Companies Act, 2013.”

**Consents**

Consents in writing of the Directors, the Promoters, the Company Secretary & Compliance Officer, the Statutory Auditor, the Peer Review Auditor, the Banker(s) to the Company, the Lead Manager, Registrar to the Issue, Underwriter to the Issue and Market Maker to the Issue to act in their respective capacities have been obtained. These consents will be filed along with a copy of the Prospectus with the RoC, as required under Sections 26 of the Companies Act, 2013 and such consents will not be withdrawn up to the time of delivery of the Prospectus for registration with the RoC.

In accordance with the Companies Act and the SEBI (ICDR) Regulations, M/s. P.D.Dalal & Co., Chartered Accountants, Statutory Auditor and M/s. Randhir Jhunjhunwala & Co., Chartered Accountants, Peer Review Auditors of the Company have agreed to provide their written consent to the inclusion of their respective reports on Statement of possible Tax Benefits and restated financial statements as included in the Prospectus in the form and context in which they appear therein and such consent and reports will not be withdrawn up to the time of delivery of the Prospectus.

### Experts Opinion

Except for the reports in the section “Financial Information of our Company” and “Statement of Tax Benefits” on page 147 and page 77 of the Prospectus from the Peer Review Auditors and Statutory Auditor respectively, our Company has not obtained any expert opinions.

### Expenses of the Issue

The total expenses of the Issue are estimated to be approximately ₹ 100 lakhs. The estimated issue related expenses include, among others, Issue management fees, underwriting and selling commissions, printing and distribution expenses, legal fees, advertisement expenses, registrar’s fees, depository fees and listing fees and Advisory fee.

The break-up for the estimated Issue expenses are as follows:

Particulars	₹ in lakhs	% of issue expenses	% of Issue size
Payment to Merchant Banker including fees and reimbursements of Market Making Fees, Underwriting commission, payment to other intermediaries such as Legal Advisors, Registrars, Bankers, processing fee to ASBA banks and other out of pocket expenses;	42.00	42.00	1.91
Printing & Stationery, postage / courier expenses	8.00	8.00	0.36
Marketing & Advertising expenses including Selling Commission & Brokerage	45.00	45.00	2.05
Regulatory fee and other expenses	5.00	5.00	0.23
<b>Total</b>	<b>100.00</b>	<b>100.00</b>	<b>4.55</b>

SCSB’s will be entitled to a processing fee of ₹ 10/- per application form for the processing of the application forms procured by other Application Intermediary and submitted to them.

Selling Commission payable to the Registered Broker, SCSBs, RTAs, CDPs on the portion directly procured from Retail Individual Applicants and Non Institutional Applicants, would be 0.25% on the Allotment Amount in respect of Applications wherein shares are allotted.

The commission and processing fees shall be payable within 30 working days post the date of receipt of final invoices of the respective intermediaries.

### Particulars regarding Public or Rights Issues during the last 5 (Five) years

Our Company has not made any public or rights issue in the 5 (Five) years preceding the date of the Prospectus except as disclosed in chapter titled “Capital Structure” beginning on page 50 of the Prospectus.

### Previous issues of Equity Shares otherwise than for cash

The entire paid-up capital of our Company has been issued for consideration other than cash. For details, please refer to note 4 of the Chapter titled “Capital Structure” beginning on page 50.

**Underwriting Commission, brokerage and selling commission on Previous Issues**

Since this is the initial public offering of our Company's Equity Shares, no sum has been paid or has been payable as commission or brokerage for subscribing for or procuring or agreeing to procure subscription for any of the Equity Shares since our Company's incorporation.

**Particulars in regard to our Company and other listed companies under the same management within the meaning of Section 370(1) (b) of the Companies Act, 1956 / Section 186 of the Companies Act, 2013 which made any capital issue during the last 3 years**

There are no listed companies under the same management within the meaning of Section 370(1)(b) of the Companies Act, 1956 / Section 186 of the Companies Act, 2013 that made any capital issue viz. initial public offering, rights issue or composite issue during the last three years

**Performance vis-a-vis objects**

There has not been any previous public issue of our Equity Shares. All of our Group entities are unlisted and have not made a public issue of shares.

**Outstanding Debentures or Bond Issues or Redeemable Preference Shares**

Our Company does not have any outstanding debentures or bonds or Redeemable Preference Shares as on the date of filing the Prospectus.

**Outstanding Convertible Instruments**

Our Company does not have any outstanding convertible instruments as on the date of filing the Prospectus.

**Subscription in Demat mode only**

Equity Shares being offered through the Prospectus can be applied for in dematerialized form only.

**Stock Market Data of the Equity Shares**

This being an initial public offering of the Equity Shares of our Company, the Equity Shares are not listed on any Stock Exchanges.

**Mechanism for Redressal of Investor Grievances**

The Agreement amongst the Registrar to the Issue, our Company provides for retention of records with the Registrar to the Issue for a period of at least 3 (Three) years from the last date of dispatch of the letters of allotment, or refund orders, demat credit or where refunds are being made electronically, giving of refund instructions to the clearing system, to enable the investors to approach the Registrar to the Issue for redressal of their grievances.

**All grievances relating to the Issue may be addressed to the Registrar to the Issue, giving full details such as name, address of the applicant, application number, number of Equity Shares applied for, amount paid on application, Depository Participant, and the bank branch or collection centre where the application was submitted.**

All grievances may be addressed to the Registrar to the Offer with a copy to the relevant Designated Intermediary to whom the Bid cum Application Form was submitted. The Bidder

should give full details such as name of the sole or first Bidder, Bid cum Application Form number, Bidder DP ID, Client ID, PAN, date of the submission of the Bid cum Application Form, address of the Bidder, number of the Equity Shares applied for and the name and address of the Designated Intermediary where the Bid cum Application Form was submitted by the Bidder.

Further, with respect to the Bid cum Application Forms submitted with the Designated Intermediaries the investor shall also enclose a copy of the Acknowledgment Slip duly received from the concerned Designated Intermediary in addition to the documents/information mentioned hereinabove.

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 relevant Designated Branch or the collection centre of the SCSBs where the Application Form was submitted by the ASBA Applicants.

### **Disposal of Investor Grievances by our Company**

Our Company estimates that the average time required by our Company or the Registrar to the Issue for the redressal of routine investor grievances shall be 15 (Fifteen) working days from the date of receipt of the complaint. In case of complaints that are not routine or where external agencies are involved, our Company will seek to redress these complaints as expeditiously as possible.

Our Company has constituted Shareholders' Grievance Committee and has appointed Ms. Rachna Kothari, Company Secretary, as the Compliance Officer to redress complaints, if any, of the investors participating in the Issue. Contact details for our Company Secretary and Compliance Officer are as follows:

Ms. Rachna Kothari  
Nitiraj Engineers Limited  
City Survey No. 496 A/3, 4  
Behind Gurudwara,  
Mumbai-Agra Road, Dhule - 424 001  
Tel : 02562-239080 / 239046

Investors can contact the Compliance Officer or the Registrar in case of any pre-Issue or post-Issue related problems such as non-receipt of letters of allocation, credit of allotted Equity Shares in the respective beneficiary account or refund orders, etc.

Pursuant to the press release no. PR. No. 85/2011 dated June 8, 2011 and revised Circular No. CIR/OIAE/1/2014 dated December 18, 2014, SEBI has launched a centralized web based complaints redress system "SCORES". This would enable investors to lodge and follow up their complaints and track the status of redressal of such complaints from anywhere. For more details, investors are requested to visit the website [www.scores.gov.in](http://www.scores.gov.in).

### **Status of Investor Complaints**

We confirm that we have not received any investor complaints during the three years preceding the date of the Prospectus and hence there are no pending investor complaints as on the date of the Prospectus.

### **Disposal of investor grievances by listed companies under the same management as our Company**

We do not have any listed company under the same management.

**Change in Auditors during the last 3 years**

There have been no changes in our Company's auditors in the last 3 years.

**Capitalization of Reserves or Profits**

Except as provided in the Chapter titled "Capital Structure" beginning on page 50 of the Prospectus, our Company has not capitalized its reserves or profits at any time during the last 5 years.

**Revaluation of Assets**

Our Company has not revalued its assets in 5 years preceding the date of the Prospectus.

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**SECTION VII: TERMS AND PROCEDURE OF THE ISSUE**

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**TERMS OF THE ISSUE**

The Equity Shares being issued are subject to the provisions of the Companies Act, SEBI (ICDR) Regulations, our Memorandum and Articles of Association, the terms of the Prospectus, the Application Form, the Revision Form, the Confirmation of Allocation Note and other terms and conditions as may be incorporated in the allotment advices and other documents/certificates that may be executed in respect of this Issue. The Equity Shares shall also be subject to laws as applicable, guidelines, notifications and regulations relating to the issue of capital and listing and trading of securities issued from time to time by SEBI, the Government of India, NSE EMERGE platform, the RBI, RoC and/or other authorities, as in force on the date of the Issue and to the extent applicable.

Please note that, in terms of 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. Investor may visit the official website of NSE EMERGE or the concerned intermediary for any information on this facility of form collection by the Registrar to the Issue and Depository Participants as and when the same is made available.

**Authority for the Present Issue**

The Issue has been authorized by the Board of Directors of our Company vide a resolution passed at its meeting held on May 25, 2016 and by Special Resolution passed by the shareholders at an Extra Ordinary General Meeting held on June 20, 2016.

**Ranking of Equity Shares**

The Equity Shares being offered pursuant to this Issue shall be subject to the provisions of Companies Act, 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.

**Mode of Payment of Dividend**

The declaration and payment of dividend will be as per the provisions of Companies Act, SEBI Listing Obligations and Disclosure Requirements Regulations and recommended by the Board of Directors and the Shareholders at their discretion 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 see the chapter titled "Dividend Policy" beginning on page 145 of this Prospectus.



### Face Value and Issue Price

The Equity Shares having a face value of ₹ 10/- each are being issued in terms of this Prospectus at the price of ₹ 100/- per Equity Share. The Issue Price is determined by our Company in consultation with the Lead Manager and is justified under the chapter titled "Basis for Issue Price" beginning on page 74 of this Prospectus. At any given point of time there shall be only one denomination of the Equity Shares of our Company, subject to applicable laws.

### Rights of the Equity Shareholders

Subject to applicable laws, the equity shareholders shall have the following rights:

1. Right to receive dividend, if declared;
2. Right to receive Annual Reports & notice(s) to members
3. Right to attend general meetings and exercise voting powers, unless prohibited by law;
4. Right to vote on a poll either in person or by proxy;
5. Right to receive offers for rights shares and be allotted bonus shares, if announced;
6. Right to receive surplus on liquidation subject to any statutory and other preferential claims being satisfied;
7. Right of free transferability, subject to applicable law, including any RBI Rules and Regulations; and
8. Such other rights, as may be available to a shareholder of a listed public company under the Companies Act, the terms of SEBI (LODR) Regulations and the Memorandum and Articles of Association of our Company.

For further details on the main provisions of our Company's Articles of Association dealing with voting rights, dividend, forfeiture and lien, transfer and transmission and/or consolidation/splitting, please refer section titled "Main Provisions of Articles of Association" beginning on page 255 of the Prospectus.

### Minimum Application Value, Market Lot and Trading Lot

In terms of the provision of the Depositories Act, 1996 (22 of 1996) & the regulations made under and Section 29 (1) of the Companies Act, 2013 the Equity Shares of our Company shall be allotted only 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. Hence, the Equity Shares being offered can be applied for in the dematerialised form only.

The trading of the Equity Shares will happen be in dematerialised form and in the minimum contract size of 1,200 Equity Shares and the same may be modified by the NSE EMERGE from time to time by giving prior notice to investors at large.

Allocation and allotment of Equity Shares through the Issue will be done in multiples of 1,200 Equity Shares subject to a minimum allotment of 1,200 Equity Shares to the successful Applicants.

### Issue Programme

ISSUE OPENS ON	February 20, 2017
ISSUE CLOSES ON	March 1, 2017



## Joint Holders

Where 2 or more persons are registered as the holders of the Equity Shares, they shall be entitled to hold the same as joint holders with benefits of survivorship.

## Nomination Facility to Investors

In accordance with Section 72 of the Companies Act, 2013 the sole or 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 in accordance with Section 72 of the Companies Act, 2013 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 entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at the Registered Office or to the Registrar and Transfer Agents of our Company.

In accordance with Section 72 of the Companies Act, 2013 any Person who becomes a nominee by virtue of this section shall upon the production of such evidence as may be required by the Board, elect either:

1. To register himself or herself as the holder of the Equity Shares; or
2. 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 moneys 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 dematerialised 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 their nomination, they are requested to inform their respective depository participant.**

## Minimum Subscription

In accordance with Regulation 106P (1) of SEBI ICDR Regulations, this Issue is 100% underwritten. Also, in accordance with explanation to Regulation 106P (1) of SEBI ICDR Regulations the underwriting shall not be restricted up to the minimum subscription level.

If our Company does not receive subscription of 100% of the Issue including devolvment of Underwriters within 60 (Sixty) 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 8 (eight) days after our Company becomes liable to pay the amount, our Company shall pay interest prescribed under the Companies Act.

Further, in accordance with Regulation 106R of SEBI ICDR Regulations, No allotment shall be made pursuant to the Issue, if the number of prospective allottees is less than 50 (fifty).

### **Arrangements for disposal of odd lots**

The trading of the Equity Shares will happen in the minimum contract size of 1,200 equity shares and in multiples of 1,200. However, the Market Maker shall buy the entire shareholding of a shareholder in 1 (one) lot, where value of such shareholding is less than ₹ 1,00,000/- i.e. the minimum contract size allowed for trading on NSE EMERGE.

### **Application by Eligible NRIs, FPIs/FIIs registered with SEBI, VCFs registered with SEBI and QFIs**

It is to be understood that there is no reservation for Eligible NRIs or FPIs/FIIs registered with SEBI or VCFs or QFIs. Such Eligible NRIs, QFIs, FPIs/FIIs registered with SEBI will be treated on the same basis with other categories for the purpose of Allocation. As per the extant policy of the Government of India, OCBs cannot participate in this Issue.

The current provisions of the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000, provides a general permission for the NRIs, FPIs and foreign venture capital investors registered with SEBI to invest in shares of Indian companies by way of subscription in an IPO. However, such investments would be subject to other investment restrictions under the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000, RBI and/or SEBI regulations as may be applicable to such investors.

The Allotment of the Equity Shares to Non-Residents shall be subject to the conditions, if any, as may be prescribed by the Government of India/RBI while granting such approvals.

### **Restrictions 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 section titled "Capital Structure" beginning on page 50 of the Prospectus, and except as provided in the Articles of Association of our Company, there are no restrictions on transfers of Equity Shares. For further details, please refer to the section titled "Main Provisions of the Articles of Association" beginning on page 255 of the Prospectus.

### **Subscription in Demat mode only**

Investors should note that allotment of Equity Shares to all successful Applicants will only be in the dematerialised form. Applicants will not have the option of getting allotment of the Equity Shares in physical form. The Equity Shares on allotment shall be traded only in the dematerialised segment of the Stock Exchange.

### **New financial instruments**

The Issuer Company is not issuing any new financial instruments through this Issue.

### **Migration to Main Board**

In accordance with the NSE Circular dated March 10, 2014, our Company will have to be mandatorily listed and traded on the SME Platform of the NSE for a minimum period of 2 (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 from the SME Exchange on a later date subject to the following:

- 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 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 fulfilment of the eligibility criteria for listing of specified securities laid down by the Main Board.
- If the Paid up Capital of our company is more than ₹ 10 Crores and up to ₹ 25 Crores, our Company may still apply for migration to the Main Board if our Company fulfils the eligible 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.

### Market Making

The Equity Shares offered through this Issue are proposed to be listed on the SME Exchange of NSE, wherein the Lead Manager to this Issue shall ensure compulsory Market Making through the registered Market Makers of the SME Exchange of NSE for a minimum period of 3 (Three) years from the date of listing on the SME Exchange of NSE or for such period as may be applicable. For further details of the agreement entered into between our Company, the Lead Manager and the Market Maker please refer to section titled "General Information - Details of the Market Making Arrangements for this Issue" beginning on page 47 of the Prospectus.

In accordance with the SEBI Circular No. CIR/MRD/DSA/31/2012 dated November 27, 2012 it has been decided to make applicable limits on the upper side for the Market Makers during market making process taking into consideration the Issue size in the following manner:

Issue size	Buy quote exemption threshold (including mandatory initial inventory of 5% of issue size)	Re-entry threshold for buy quotes (including mandatory initial inventory of 5% of issue size)
Up to ₹ 20 Crore	25%	24%
₹ 20 Crore to ₹ 50 Crore	20%	19%
₹ 50 Crore to ₹ 80 Crore	15%	14%
Above ₹ 80 Crore	12%	11%

Further, the Market Maker shall give 2 (Two) way quotes till it reaches the upper limit threshold, thereafter it has the option to give only sell quotes. 2 (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 SME Exchange, the concerned stock exchange may intimate the same to SEBI after due verification.

**Pre-Issue Advertisement**

Subject to Section 30 of the Companies Act, 2013 our Company shall, after registering the Prospectus with the ROC publish a pre-Issue advertisement, in the form prescribed by the SEBI (ICDR) 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 where the Registered Office of our Company is situated.

## ISSUE STRUCTURE

This Issue is being made in terms of Regulation 106(M)(1) of Chapter XB of SEBI (ICDR) Regulations, 2009, as amended from time to time, whereby, an issuer whose post issue paid up capital does not exceed ₹ 10 Crores, shall issue/offer 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).

The Issue is being made by way of Fixed Price method.

Particulars of the Issue	Net Issue to Public	Market Maker Reservation Portion
Number of Equity Shares available for allocation	20,90,400 Equity Shares	1,10,400 Equity Shares
Percentage of post-Issue Share Capital	25.49%	1.35%
Basis of Allotment	Proportionate subject to minimum allotment of 1,200 Equity Shares and further allotment in multiples of 1,200 Equity Shares each.	Firm Allotment
Mode of Application	Through ASBA Process Only	
Minimum Application Size	<b>For Other than Retail Individual Investors:</b> Such number of Equity Shares in multiples of 1,200 Equity Shares such that the Application Value exceeds ₹ 2,00,000/-  <b>For Retail Individual Investors:</b> 1,200 Equity Shares	1,10,400 Equity Shares
Maximum Application Size	<b>For Other than Retail Individual Investors:</b> The maximum application size is the Net Issue to public subject to limits the investor has to adhere under the relevant laws and regulations as applicable.  <b>For Retail Individual Investors:</b> 1,200 Equity Shares	1,10,400 Equity Shares
Mode of Allotment	Compulsorily in dematerialized form	
Trading Lot	1,200 Shares	1,200 Equity Shares, However the Market Makers may accept odd lots if any in the market as required under the SEBI (ICDR) Regulations
Terms of Payment	The entire Application 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(4) of the SEBI (ICDR) Regulations, as amended, as present issue is a fixed price issue the allocation in the net issue to the public category shall be made as follows:

- a) Minimum fifty percent to Retail Individual Investors; and
- b) Remaining to Investors Other than Retail Individual Investors

The unsubscribed portion in either of the categories specified in (a) or (b) above may be allocated to the applicants in the other category.

**If 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.**

#### Issue Programme

ISSUE OPENS ON	February 20, 2017
ISSUE CLOSES ON	March 1, 2017

Applications and any revisions to the same will be accepted only between 10.00 a.m. to 5.00 p.m. (Indian Standard Time) during the Issue Period at the Application Centres mentioned in the Application Form.

Standardization of cut-off time for uploading of applications on the issue closing date:

- a) A standard cut-off time of 3.00 p.m. for acceptance of applications.
- b) A standard cut-off time of 4.00 p.m. for uploading of applications received from other than retail individual applicants
- c) A standard cut-off time of 5.00 p.m. for uploading of applications received from only retail individual applicants, which may be extended up to such time as deemed fit by NSE after taking into account the total number of applications received up to the closure of timings and reported by Lead Manager to NSE within half an hour of such closure.

Applications will be accepted only on Working Days, i.e., Monday to Friday (excluding any public holiday).

#### WITHDRAWAL OF THE ISSUE

Our Company in consultation with the LM, reserve the right not to proceed with the Issue at any time before the Issue Opening Date without assigning any reason thereof. If our Company, in consultation with LM, withdraw the Issue anytime after the Issue Opening Date but before the allotment of Equity Shares, a public notice within 2 (two) working days of the Issue Closing Date, providing reasons for not proceeding with the Issue shall be issued by our Company .

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. The LM, through the Registrar to the Issue, will instruct the SCSBs to unblock the ASBA Accounts within 1 (one) working Day from the day of receipt of such instruction.

If our Company, in consultation with LM, withdraw the Issue after the Issue Closing Date and subsequently decides to proceed with the a fresh Issue of Equity Shares of our Company, our Company will file a fresh Prospectus with the stock exchange where the Equity Shares may be proposed to be listed.

Notwithstanding the foregoing, the Issue is subject to obtaining (i) the final listing and trading approvals of the Stock Exchange, which our Company will apply for only after Allotment; and (ii) the final ROC approval of the Prospectus after it is filed with the ROC.

## ISSUE PROCEDURE

### 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 (the “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, 1956, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957 and the SEBI Regulations. 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 Regulations and certain notified provisions of the Companies Act, 2013, to the extent applicable to a public issue. The General Information Document is also available on the websites of the Stock Exchange and the Lead Manager. Please refer to the relevant provisions of the General Information Document which are applicable to the 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 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 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 Prospectus and the 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.*

### FIXED PRICE ISSUE PROCEDURE

The Issue is being made under Regulation 106(M)(1) of Chapter XB of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 via Fixed Price Process.

Applicants are required to submit their Applications to the Application Collecting Intermediaries. In case of QIB Applicants, the Company in consultation with the Lead Manager may reject Applications at the time of acceptance of Application Form provided that the reasons for such rejection shall be provided to such Applicant in writing.

In case of Non Institutional Applicants and Retail Individual Applicants, our Company would have a right to reject the Applications only on technical grounds.

Investors should note that the Equity Shares will be allotted to all successful Applicants only in dematerialized form. Applicants will not have the option of being Allotted Equity Shares in physical form.

Further the Equity shares on allotment shall trade only in the dematerialized segment of the Stock Exchange, as mandated by SEBI.

### APPLICATION FORM

Pursuant to SEBI Circular dated January 01, 2016 and bearing No. CIR/CFD/DIL/01/2016, the Application Form has been standardized. Also please note that pursuant to SEBI Circular CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 investors in public issues can only invest through ASBA Mode. The prescribed colours of the Application Form for various investors applying in the Issue are as follows:



Category	Colour of Application Form
Resident Indians and Eligible NRIs applying on a non-repatriation basis	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

Applicants shall only use the specified Application Form for the purpose of making an application in terms of the Prospectus. The Application Form shall contain information about the Applicant and the price and the number of Equity Shares that the Applicants wish to apply for. Application Forms downloaded and printed from the websites of the Stock Exchange shall bear a system generated unique application number.

Applicants are required to submit their applications only through any of the following Application Collecting Intermediaries

- i) an SCSB, with whom the bank account to be blocked, is maintained
- ii) a syndicate member (or sub-syndicate member)
- iii) a stock broker registered with a recognised stock exchange (and whose name is mentioned on the website of the stock exchange as eligible for this activity) ('broker')
- iv) a depository participant ('DP') (whose name is mentioned on the website of the stock exchange as eligible for this activity)
- v) 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 intermediaries 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 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 immediately and latest within one day of closure of Issue.

Upon completion and submission of the Application Form to Application Collecting intermediaries, the Applicants are deemed to have authorised our Company to make the necessary changes in the Prospectus, without prior or subsequent notice of such changes to the Applicants.

### Availability of Prospectus and Application Forms

The Application Forms and copies of the Prospectus may be obtained from the Registered Office of our Company, Lead Manager to the Issue and Registrar to the Issue as mentioned in the Application Form. The application forms may also be downloaded from the website of NSE i.e. <https://www.nseindia.com/emerge/>

### WHO CAN APPLY?

In addition to the category of Applicants set forth under “*General Information Document for Investing in Public Issues – Category of Investors Eligible to participate in an Issue*”, the following persons are also eligible to invest in the Equity Shares under all applicable laws, regulations and guidelines, including:

- FPIs and sub-accounts registered with SEBI other than Category III foreign portfolio investor;
- Category III foreign portfolio investors, which are foreign corporates or foreign individuals only under the Non Institutional Investors (NIIs) category;
- Scientific and / or industrial research organisations authorised in India to invest in the Equity Shares.

### OPTION TO SUBSCRIBE IN THE ISSUE

- a. As per Section 29(1) of the Companies Act, 2013 allotment of Equity Shares shall be in dematerialised form only.
- b. The Equity Shares, on allotment, shall be traded on the Stock Exchange in demat segment only.
- c. A single application from any investor shall not exceed the investment limit / minimum number of specified securities that can be held by him/her/it under the relevant regulations / statutory guidelines and applicable law.

### PARTICIPATION BY ASSOCIATES / AFFILIATES OF LEAD MANAGER AND SYNDICATE MEMBERS

The Lead Manager and the Syndicate Members, if any, shall not be allowed to participate in this Issue in any manner, except towards fulfilling their underwriting obligations. However, the associates and affiliates of the Lead Manager and the Syndicate Members, if any, may purchase the Equity Shares in the Issue, either in the QIB Category or in the Non-Institutional Category as may be applicable to such Applicants, where the allocation is on a proportionate basis and such subscription may be on their own account or on behalf of their clients.

### APPLICATION BY INDIAN PUBLIC INCLUDING ELIGIBLE NRI’S 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 HUFs, application 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 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. A 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 (Buy-back 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 Depository Receipts or Global Depository 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' 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.

An 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.

#### **APPLICATIONS BY MUTUAL FUNDS**

No Mutual Fund scheme shall invest more than 10% of its net asset value in equity shares or equity related instruments of any single company provided that the limit of 10% shall not be applicable for investments in index funds or sector or industry specific funds. No Mutual Fund under all its schemes should own more than 10% of any company's paid-up share capital carrying voting rights.

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 accept or reject any Application in whole or in part, in either case, without assigning any reason thereof.

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.

The Applications made by the asset management companies or custodians of Mutual Funds shall specifically state the names of the concerned schemes for which the Applications are made.

#### **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 reasons thereof.

The exposure norms for insurers, prescribed under the Insurance Regulatory and Development Authority (Investment) Regulations, 2000 (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;

*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 reinsurer (25% in case of Unit Linked Insurance Plans); and

2. *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 Unit Linked Insurance Plans).

## APPLICATIONS UNDER POWER OF ATTORNEY

In case of Applications made pursuant to a power of attorney or by limited companies, corporate bodies, registered societies, FPIs, 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 along with the Application Form. Failing this, the Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason thereof.

With respect to applications by VCFs, FVCIs, and FPIs, a certified copy of the power of attorney or the relevant resolution or authority, as the case may belong with a certified copy of their SEBI registration certificate must be lodged along with the Application Form. Failing this, the Company reserves the right to accept or reject any application, in whole or in part, in either case without assigning any reasons thereof.

In case of Applications made pursuant to a power of attorney by Mutual Funds, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with the certified copy of their SEBI registration certificate must be lodged along with the Application Form. Failing this, the Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason thereof.

In case of Applications made by insurance companies registered with the Insurance Regulatory and Development Authority, a certified copy of certificate of registration issued by Insurance Regulatory and Development Authority must be lodged along with the Application Form. Failing this, the Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason thereof.

In case of Applications made pursuant to a power of attorney by FIIs, 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 their SEBI registration certificate must be lodged along with the Application Form. Failing this, the Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason thereof.

In case of Applications made by provident funds with minimum corpus of ₹ 25 crores (subject to applicable law) and pension funds with minimum corpus of ₹ 25 crores, a certified copy of certificate from a Chartered Accountant certifying the corpus of the provident fund/ pension fund must be lodged along with the Application Form. Failing this, the Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason thereof.

## APPLICATIONS BY PROVIDENT FUNDS/PENSION FUNDS

In case of Applications made by provident funds with minimum corpus of ₹ 25 Crores (subject to applicable law) and pension funds with minimum corpus of ₹ 25 Crores, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/ pension fund must be lodged along with the Application Form. Failing this, the Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason thereof.

The above information is given for the benefit of the Applicants. Our Company and Lead Manager are not liable for any amendments or modification 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 any single application from them does not exceed the applicable investment limits or maximum number of the Equity Shares that can be held by them under applicable law or regulation or as specified in the Prospectus.

### **INFORMATION FOR THE APPLICANTS**

1. Our Company and the 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 Prospectus with the RoC at least three days before the Issue Opening Date.
3. Any Applicant who would like to obtain the 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. 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.

### **METHOD AND PROCESS OF APPLICATIONS**



1. Applicants are required to submit their applications during the Issue Period only through the following Application Collecting intermediary
  - i) an SCSB, with whom the bank account to be blocked, is maintained
  - ii) a syndicate member (or sub-syndicate member)
  - iii) a stock broker registered with a recognised stock exchange (and whose name is mentioned on the website of the stock exchange as eligible for this activity) ('broker')
  - iv) a depository participant ('DP') (whose name is mentioned on the website of the stock exchange as eligible for this activity)
  - v) 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)
2. The Issue Period shall be for a minimum of three Working Days and shall not exceed 10 Working Days. The Issue Period may be extended, if required, by an additional three Working Days, subject to the total Issue Period not exceeding 10 Working Days.
3. The Intermediaries shall accept applications from all Applicants and they shall have the right to vet the applications during the Issue Period in accordance with the terms of the Prospectus.
4. The Applicant cannot apply on another Application Form after one Application Form have been submitted by him/her to Application Collecting intermediaries Submission of a second Application Form to either the same or to another Application Collecting Intermediary will be treated as multiple applications and is liable to be rejected either before entering the application into the electronic collecting system, or at any point of time prior to the allocation or Allotment of Equity Shares in this Issue.
5. The intermediaries 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 stock exchange and post that blocking of funds will be done by as given below

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 immediately and latest within one day of closure of Issue.

6. Upon receipt of the Application Form directly or through other intermediary, submitted whether in physical or electronic mode, the Designated Branch of the SCSB shall verify if sufficient funds equal to the Application Amount are available in the ASBA Account, as mentioned in the Application Form, and If sufficient funds are not available in the ASBA Account the application will be rejected.
7. If sufficient funds are available in the ASBA Account, the SCSB shall block an amount equivalent to the Application Amount mentioned in the Application Form and will enter each application option into the electronic collecting system as a separate application and generate a TRS for each price and demand option. The TRS shall be furnished to the ASBA Applicant on request.
8. The Application Amount shall remain blocked in the aforesaid ASBA Account until finalization 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/failure of the Issue or until withdrawal/rejection of the Application Form, as the case may be. 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 ASBA Accounts and for transferring the amount allocable to the successful Applicants to the Public Issue Account. In case of withdrawal / failure of the Issue, the blocked amount shall be unblocked on receipt of such information from the Registrar to the Issue

## TERMS OF PAYMENT AND PAYMENT MECHANISM

### Terms of Payment

The entire Issue price of ₹ 100/- per share is payable on application. In case of allotment of lesser number of Equity Shares than the number applied, the Registrar to the issue shall instruct the SCSBs to unblock the excess amount blocked.

SCSBs will transfer the amount as per the instruction received by the Registrar to the Public Issue Bank Account, post finalisation of basis of Allotment. The balance amount after transfer to the Public Issue Account shall be unblocked by the SCSBs.

The Applicants should note that the arrangement with Bankers to the Issue or the Registrar is not prescribed by SEBI and has been established as an arrangement between our Company, the Bankers to the Issue and the Registrar to the Issue to facilitate collections from the Applicants.

### Payment mechanism for Applicants

Please note that pursuant to the applicability of the directions issued by SEBI vide its circular bearing number CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015, all Investors are applying in this Issue shall mandatorily make use of ASBA facility.

The Applicants shall specify the bank account number in the Application Form and the SCSBs shall block an amount equivalent to the Application Amount in the bank account specified in the Application Form. The SCSB shall keep the Application Amount in the relevant bank account blocked until withdrawal/ rejection of the application or receipt of instructions from the Registrar to unblock the Application Amount. However, Non Retail Applicants shall neither withdraw nor lower the size of their applications at any stage. In the event of withdrawal or rejection of the Application Form or for unsuccessful Application Forms, the Registrar to the Issue shall give instructions to the SCSBs to unblock the application money in the relevant bank account within one day of receipt of such instruction.

The Application Amount shall remain blocked in the ASBA Account until finalisation of the Basis of Allotment in the Issue and consequent transfer of the Application Amount to the Public Issue Account, or until withdrawal/ failure of the Issue or until rejection of the application by the ASBA Applicant, as the case may be.

### **ELECTRONIC REGISTRATION OF APPLICATIONS**

1. The Application Collecting Intermediary will register the applications using the on-line facilities of the Stock Exchange.
2. The Application Collecting Intermediary will undertake modification of selected fields in the application details already uploaded before 1.00 p.m of the next Working day from the Issue Closing Date.
3. The Application collecting Intermediary shall be responsible for any acts, mistakes or errors or omission and commissions in relation to, (i) the applications accepted by them, (ii) the applications uploaded by them, (iii) the applications accepted but not uploaded by them or (iv) In case the applications accepted and uploaded by any Application Collecting Intermediary other than SCSBs, the Application form along with relevant schedules shall be sent to the SCSBs or the Designated Branch of the relevant SCSBs for blocking of funds and they will be responsible for blocking the necessary amounts in the ASBA Accounts. In case of Application accepted and Uploaded by SCSBs, the SCSBs or the Designated Branch of the relevant SCSBs will be re will be responsible for blocking the necessary amounts in the ASBA Accounts (v) Application accepted and uploaded but not sent to SCSBs for blocking of funds.
4. Neither the Lead Managers nor our Company, shall be responsible for any acts, mistakes or errors or omission and commissions in relation to, (i) the applications accepted by any Application Collecting Intermediaries, (ii) the applications uploaded by any Application Collecting Intermediaries or (iii) the applications accepted but not uploaded by the Application Collecting Intermediaries.
5. The Stock Exchange will offer an electronic facility for registering applications for the Issue. This facility will be available at the terminals of the Application Collecting Intermediaries and their authorized agents during the Issue Period. The Designated Branches or the Agents of the Application Collecting Intermediaries can also set up facilities for off-line electronic registration of applications subject to the condition that they will subsequently upload the off-line data file into the online facilities on a regular basis. On the Issue Closing Date, the Application Collecting Intermediaries shall upload the applications till such time as may be permitted by the Stock Exchange. This information will be available with the Lead Manager on a regular basis.
6. With respect to applications by Applicants, at the time of registering such applications, the Application Collecting Intermediaries shall enter the following information pertaining to the Applicants into in the on-line system:
  - Name of the Applicant;
  - IPO Name;
  - Application Form number;
  - Investor Category;
  - PAN (of First Applicant, if more than one Applicant);
  - DP ID of the demat account of the Applicant;
  - Client Identification Number of the demat account of the Applicant;
  - Numbers of Equity Shares Applied for;
  - Bank code of the SCSB branch where the ASBA Account is maintained; and
  - Bank account number.

7. In case of submission of the Application by an Applicant through the Electronic Mode, the Applicant shall complete the above-mentioned details and mention the bank account number, except the Electronic Application Form number which shall be system generated.
8. The aforesaid intermediaries 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 registration of the Application by the Application Collecting Intermediaries does not guarantee that the Equity Shares shall be allocated / allotted either by our Company.
9. Such acknowledgment will be non-negotiable and by itself will not create any obligation of any kind.
10. In case of Non Retail Applicants and Retail Individual Applicants, applications would not be rejected except on the technical grounds as mentioned in the Prospectus. The Application Collecting Intermediaries shall have no right to reject applications, except on technical grounds.
11. The permission given by the Stock Exchanges to use their network and software of the Online IPO system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company and/or the Lead Manager are cleared or approved by the Stock Exchanges; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the compliance with the statutory and other requirements nor does it take any responsibility for the financial or other soundness of our Company, our Promoter, our management or any scheme or project of our Company; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Prospectus; nor does it warrant that the Equity Shares will be listed or will continue to be listed on the Stock Exchanges.
12. The Application Collecting Intermediaries will be given time till 1.00 P.M on the next working day after the Issue Closing Date to verify the PAN No, DP ID and Client ID uploaded in the online IPO system during the Issue Period, after which the Registrar to the Issue will receive this data from the Stock Exchange and will validate the electronic application details with Depository's records. In case no corresponding record is available with Depositories, which matches the three parameters, namely DP ID, Client ID and PAN, then such applications are liable to be rejected.
13. The details uploaded in the online IPO system shall be considered as final and Allotment will be based on such details for ASBA applications.

#### **ALLOCATION OF EQUITY SHARES**

1. The Issue is being made through the Fixed Price Process wherein 1,10,400 Equity Shares shall be reserved for Market Maker. 10,45,200 Equity Shares will be allocated on a proportionate basis to Retail Individual Applicants, subject to valid applications being received from Retail Individual Applicants at the Issue Price. The balance of the Net Issue will be available for allocation on a proportionate basis to Non Retail Applicants.
2. 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 Lead Managers and the Stock Exchange.
3. Allocation to Non-Residents, including Eligible NRIs, FIIs and FVCIs registered with

SEBI, applying on repatriation basis will be subject to applicable law, rules, regulations, guidelines and approvals.

4. In terms of the SEBI Regulations, Non Retail Applicants shall not be allowed to either withdraw or lower the size of their applications at any stage.
5. Allotment status details shall be available on the website of the Registrar to the Issue.

#### **SIGNING OF UNDERWRITING AGREEMENT AND FILING OF PROSPECTUS WITH ROC**

- a) Our Company has entered into an Underwriting agreement dated February 3, 2017.
- b) A copy of the Prospectus will be filed with the RoC in terms of Section 26 of the Companies Act.

#### **PRE- ISSUE ADVERTISEMENT**

Subject to Section 30 of the Companies Act, 2013, our Company shall, after registering the Prospectus with the RoC, publish a pre-Issue advertisement, in the form prescribed by the SEBI Regulations, in: (i) English National Newspaper; (ii) Hindi National Newspaper; and (iii) Regional Newspaper, each with wide circulation.

#### **ISSUANCE OF ALLOTMENT ADVICE**

1. Upon approval of the Basis of Allotment by the Designated Stock Exchange.
2. The Lead Managers or the Registrar to the Issue will dispatch an Allotment Advice to their Applicants who have been allocated Equity Shares in the Issue.

The dispatch of Allotment Advice shall be deemed a valid, binding and irrevocable contract for the Allotment to such Applicant.

#### **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 are updated, 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.
- 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;
- All applicants should submit their applications through the ASBA process only.

*Dont's:*

- 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 Banker to the Issue/SCSBs.
- 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 Application collecting intermediaries.
- Do not fill in 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.
- Do not submit incorrect details of the DP ID, beneficiary account number and PAN or provide details for a beneficiary account which is suspended or for which details cannot be verified by the Registrar to the Issue
- Do not submit Applications on plain paper or incomplete or illegible Application Forms in a colour prescribed for another category of Applicant

Do not make Applications if you are not competent to contract under the Indian Contract Act, 1872, as amended.

## **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 Application Collecting Intermediaries. Application Forms which do not bear the stamp of the Application Collecting Intermediaries 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 BSE i.e. [www.bseindia.com](http://www.bseindia.com) and NSE i.e. [www.nseindia.com](http://www.nseindia.com) With a view to broad base the reach of Investors by substantially enhancing the points for submission of applications, SEBI vide Circular No. CIR/CFD/POLICY CELL/11/2015 dated November 10, 2015 has permitted Registrar to the Issue and Share Transfer Agent and Depository Participants registered with SEBI to accept the Application forms in Public Issue with effect from January 01, 2016. The List of RTA and DPs centres for collecting the application shall be disclosed is available on the websites of BSE i.e. [www.bseindia.com](http://www.bseindia.com) and NSE i.e. [www.nseindia.com](http://www.nseindia.com).

## **APPLICANT'S DEPOSITORY ACCOUNT AND BANK DETAILS**

Please note that, providing bank account details, PAN Nos, Client ID and DP ID 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 as entered into the Stock Exchange online system, 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'). These Demographic Details would be used for all correspondence with the Applicants including mailing of the Allotment 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.

### **SUBMISSION OF APPLICATION FORM**

All Application Forms duly completed shall be submitted to the Application Collecting Intermediaries. The aforesaid intermediaries 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.

### **COMMUNICATIONS**

All communications in connection with 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 Application Collecting Intermediary where the Application was submitted thereof 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.

### **DISPOSAL OF APPLICATIONS AND APPLICATION MONEYS AND INTEREST IN CASE OF DELAY**

The Company shall ensure the dispatch of Allotment advice, and give benefit to the beneficiary account with Depository Participants and submit the documents pertaining to the Allotment to the Stock Exchange within two working days of date of Allotment of Equity Shares.

The Company shall use best efforts to ensure that all steps for completion of the necessary formalities for listing and commencement of trading at SME Platform of NSE where the Equity Shares are proposed to be listed are taken within 6 working days from Issue Closing Date.

In accordance with the Companies Act, the requirements of the Stock Exchange and the SEBI Regulations, the Company further undertakes that:

1. Allotment and Listing of Equity Shares shall be made within 4(four) and 6 (Six) days of the Issue Closing Date respectively;
2. The Company will provide adequate funds required for dispatch of Allotment Advice to the Registrar to the Issue.

## 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 –*

- (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 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.”*

## UNDERTAKINGS BY THE COMPANY

We undertake as follows:

1. That the complaints received in respect of the Issue shall be attended expeditiously and satisfactorily;
2. That all steps will be taken for the completion of the necessary formalities for listing and commencement of trading at SME Platform of NSE where the Equity Shares are proposed to be listed on sixth day from issue closure date.
3. That the funds required for making refunds as per the modes disclosed or dispatch of allotment advice by registered post or speed post shall be made available to the Registrar to the Issue by us;
4. That our Promoter’s contribution in full has already been brought in;
5. That no further issue of Equity Shares shall be made till the Equity Shares offered through the Prospectus are listed or until the Application monies are refunded on account of non-listing, under-subscription etc.; and
6. That adequate arrangement shall be made to collect all Applications Supported by Blocked Amount while finalizing the Basis of Allotment.

## UTILIZATION OF THE ISSUE PROCEEDS

The Board of Directors of our Company certifies that:

1. all monies received out of the Issue shall be transferred to a separate Bank Account other than the bank account referred to in Sub-Section (3) of Section 40 of the Companies Act, 2013;
2. details of all monies utilized out of the Issue referred above shall be disclosed and continue to be disclosed till the time any part of the Issue Proceeds remains unutilised, under an appropriate separate head in the balance sheet of our Company indicating the purpose for which such monies have been utilized;
3. details of all unutilized monies out of the Issue, if any, shall be disclosed under an



appropriate separate head in the balance sheet of our Company indicating the form in which such unutilized monies have been invested; and

4. Our Company shall comply with the requirements of the SEBI Listing Regulations in relation to the disclosure and monitoring of the utilisation of the proceeds of the Issue.

Our Company shall not have recourse to the Issue Proceeds until the approval for listing and trading of the Equity Shares from all the Stock Exchanges where listing is sought has been received.

The Lead manager undertakes that the complaints or comments received in respect of the Issue shall be attended by our Company expeditiously and satisfactory.

#### **EQUITY SHARES IN DEMATERIALISED FORM WITH NSDL OR CDSL**

To enable all shareholders of the Company to have their shareholding in electronic form, the Company has entered into the following tripartite agreements with the Depositories and the Registrar and Share Transfer Agent:

- Agreement dated September 8, 2015 among NSDL, the Company and the Registrar to the Issue;
- Agreement dated September 9, 2015 among CDSL, the Company and the Registrar to the Issue;

The Company's shares bear ISIN no INE439T01012

## 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, 1956, 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 through the Book-Building process as well as to the Fixed Price Issues. The purpose of the “General Information Document for Investing in Public Issues” is to provide general guidance to potential

Bidders/Applicants in IPOs and FPOs, on the processes and procedures governing IPOs and FPOs, 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 Bidder/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 **LM(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 Bidders/Applicants may refer to the section “Glossary and Abbreviations”.

#### SECTION 2: BRIEF INTRODUCTION TO IPOs/FPOs

##### 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 of 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 crore 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 crore rupees and upto twenty five crore rupees, may also issue specified securities in accordance with provisions of this Chapter.

The present Issue being made under Regulation 106M (1) of Chapter XB of SEBI (ICDR) Regulations.

## 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, the Securities Contracts (Regulation) Rules, 1957 ("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 (1) of Chapter XB of SEBI (ICDR) Regulations:

- (a) In accordance with regulation 106(P) of the SEBI (ICDR) Regulations, Issue has to be 100% underwritten and the LM 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, 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.
- (c) 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.
- (d) In accordance with Regulation 106(V) of the SEBI ICDR Regulations, the LM 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.
- (e) The issuer shall have Net Tangible assets of atleast ₹ 3 Crore as per the latest audited financial results.
- (f) The Net worth (excluding revaluation reserves) of the Issuer shall be at least ₹ 3 Crore as per the latest audited financial results.
- (g) The Issuer should have a track record of distributable profits in terms of Section 123 of Companies Act 2013 for two out of immediately preceding three financial years or it should have net worth of at least ₹ 5 Crores.

- (h) The Post Issue paid up capital of the Issuer shall be at least ₹ 3 Crore. The Post Issue paid up capital of our Company will be ₹ 4.10 Cr
- (i) The Issuer shall mandatorily facilitate trading in demat securities.
- (j) The Issuer should not be 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) 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 7, 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 106M (1) and other provisions of chapter XB of the SEBI (ICDR) Regulations as the post issue face value capital does not exceed ₹ 2,500 lakhs. Company also complies with the eligibility conditions laid by the SME Platform of BSE 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, 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 may 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

SME Issuer may migrate to the Main Board of SE from the SME Exchange at a later date subject to the following:

- (a) If the Paid up Capital of the 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 Promoter 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 the company has obtained in-principal approval from the main board), the Company shall apply to SE for listing of its shares on its Main Board subject to the fulfilment of the eligibility criteria for listing of specified securities laid down by the Main Board.

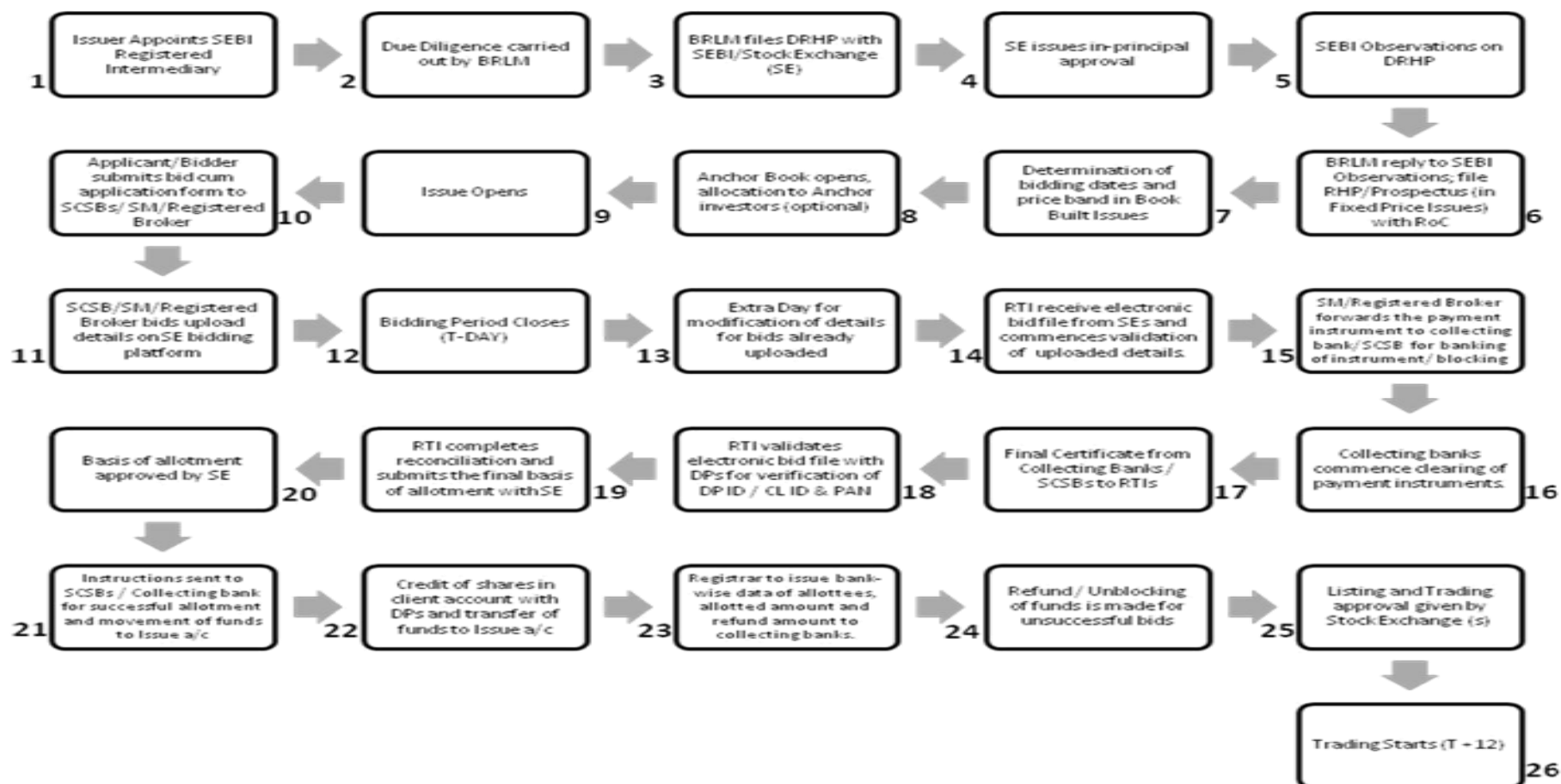
OR

- (b) If the Paid up Capital of the company is more than 10 crores but below ₹ 25 crores, the Company may still apply for migration to the main board if the same has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the Promoter 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 Fixed Price Issues is as follows

- In case of Issue other than Book Build Issue (Fixed Price Issue) the process at the following of the below mentioned steps shall be read as:
  - i. Step 7 : Determination of Issue Date and Price
  - ii. Step 10: Applicant submits ASBA Application Form with Designated Branch of SCSB and Non-ASBA forms directly to collection Bank and not to Broker.
  - iii. Step 11: SCSB uploads ASBA Application details in Stock Exchange Platform
  - iv. Step 12: Issue period closes
  - v. Step 15: Not Applicable



### 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, FIIs, QFIs 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 competent to contract under the Indian Contract Act, 1872, in single or joint names (not more than three);
- Bids/Applications belonging to an account for the benefit of a minor (under guardianship);
- 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 may be considered at par with Applications from individuals;
- 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;
- Mutual Funds registered with SEBI;
- 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;
- 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);
- FPIs other than Category III FPI; VCFs and FVCIs registered with SEBI
- Limited Liability Partnerships (LLPs) registered in India and authorized to invest in equity shares;
- 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 IRDA;
- 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;



- 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 or by Department of Posts, India;
- 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 with the or Designated Branches of the SCSBs, at the registered office of the Issuer and at the registered office of LM. 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	Colour of the Form
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 rematerialised subsequent to allotment.

#### 4.1 INSTRUCTIONS FOR FILING THE APPLICATION FORM (FIXED PRICE 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:



**COMMON BID CUM APPLICATION FORM FOR ASBA / NON-ASBA**      **XYZ LIMITED - PUBLIC ISSUE - R**      **FOR RESIDENT INDIAN, QIB, ELIGIBLE NRI'S APPLYING ON A NON-REPATRIATION BASIS**

**Logo** To, The Board of Directors, XYZ Limited      **BOOK BUILDING ISSUE**      **Bid cum Application Form No.** \_\_\_\_\_

**SYNDICATE MEMBER'S STAMP & CODE**      **BROKER'S/AGENT'S STAMP & CODE**      **1. NAME & CONTACT DETAILS of Sole / First Applicant**

**ESCROWBANK/SCSB BRANCH STAMP & CODE**      **SUB-BROKER'S/SUB-AGENT'S STAMP & CODE**      Mr. / Ms. \_\_\_\_\_

**BANKBRANCH SERIAL NO.**      **REGISTRAR'S / SCSB SERIAL NO.**      Address \_\_\_\_\_

\_\_\_\_\_ Email \_\_\_\_\_

\_\_\_\_\_ Tel. No (with STD code) / Mobile \_\_\_\_\_

**2. PAN OF SOLE / FIRST APPLICANT**

\_\_\_\_\_

**3. BIDDER'S DEPOSITORY ACCOUNT DETAILS**      ☐ NSDL      ☐ CDSL

For NSDL enter 8 digit DP 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 Options	No. of Equity Shares Bid (In Figures) (Bids must be in multiples of Bid Lot as advertised)	Price per Equity Share (₹) "Cut-off" (Price in multiples of ₹ 1/- only) (In Figures)				"Cut-off" (Please tick)
		Bid Price	Discount, if any	Net Price		
Option 1	7 6 5 4 3 2 1	4 3 2 1	4 3 2 1	4 3 2 1	<input type="checkbox"/>	
(OR) Option 2					<input type="checkbox"/>	
(OR) Option 3					<input type="checkbox"/>	

☐ **Retail Individual**      ☐ **Non-Institutional**      ☐ **QIB**

**6. Investor Status**

☐ Individual(s) - IND  
☐ Hindu Undivided Family\* - 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  
☐ Others (Please specify) - OTH

\* HUF should apply only through Karta (Application by HUF would be treated on par with Individual)

**7. PAYMENT DETAILS** (Please tick (✓) any one of payment option A or B below)      **PAYMENT OPTIONS**      ☐ Full Payment      ☐ Part Payment

Amount Paid (₹ in figures) \_\_\_\_\_ (₹ in words) \_\_\_\_\_

☐ (A) CHEQUE/ DEMAND DRAFT (DD)      ☐ (B) ASBA

Cheque/DD No. \_\_\_\_\_ Dated DD MM YY      Bank A/c No. \_\_\_\_\_

Drawn on (Bank Name & Branch) \_\_\_\_\_      Bank Name & Branch \_\_\_\_\_

I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ AND UNDERSTOOD THE TERMS AND CONDITIONS OF THIS BID CUM APPLICATION FORM AND THE ATTACHED FORM 2A 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 APPLICANT**      **8B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(S)** (AS PER BANK RECORDS) (For ASBA option ONLY)  
 I/We authorize the SCSB to do all acts as are necessary to make the Application in the Issue

1) \_\_\_\_\_  
 2) \_\_\_\_\_  
 3) \_\_\_\_\_

Date : \_\_\_\_\_, 2011

**BROKER'S / SCSB BRANCH'S STAMP** (Acknowledging upload of Bid in Stock Exchange system)

TEAR HERE

**XYZ LIMITED**      **Acknowledgement Slip for Syndicate Member / SCSB**      **Bid cum Application Form No.** \_\_\_\_\_

DPID / CLID \_\_\_\_\_      PAN \_\_\_\_\_

Amount Paid (₹ in figures) \_\_\_\_\_ Bank & Branch \_\_\_\_\_      Stamp & Signature of Banker \_\_\_\_\_

Cheque / DD/ASBA Bank A/c No. \_\_\_\_\_

Received from Mr./Ms. \_\_\_\_\_

Telephone / Mobile \_\_\_\_\_ Email \_\_\_\_\_

TEAR HERE

**XYZ LIMITED**      **Acknowledgement Slip for Bidder**      **Bid cum Application Form No.** \_\_\_\_\_

	Option 1	Option 2	Option 3
No. of Equity Shares			
Bid Price			
Amount Paid (₹)			
Cheque / DD/ASBA Bank A/c No.			
Bank & Branch			

Stamp & Signature of Syndicate Member / SCSB \_\_\_\_\_

Name of Sole / First Applicant \_\_\_\_\_

**COMMON BID CUM APPLICATION FORM FOR ASBA / NON-ASBA**      **XYZ LIMITED - PUBLIC ISSUE - NR**      **FOR ELIGIBLE NRIs, FIIs, FVCIs, ETC., APPLYING ON A REPATRIATION BASIS**

**Logo** To: **The Board of Directors** **BOOK BUILDING ISSUE** **Bid cum Application Form No.** **XYZ Limited** **INE523L01018**

<b>SYNDICATE MEMBER'S STAMP &amp; CODE</b>  <b>ESCROW BANK / SCSB BRANCH STAMP &amp; CODE</b>  <b>BANK BRANCH SERIAL NO.</b>	<b>BROKER'S/AGENT'S STAMP &amp; CODE</b>  <b>SUB-BROKER'S/SUB-AGENT'S STAMP &amp; CODE</b>  <b>REGISTRAR'S / SCSB SERIAL NO.</b>	<b>1. NAME &amp; CONTACT DETAILS of Sole / First Applicant</b> Mr. / Ms. _____ Address _____ Email _____ Tel. No (with STD code) / Mobile _____ <b>2. PAN OF SOLE / FIRST APPLICANT</b> _____
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<b>3. BIDDER'S DEPOSITORY ACCOUNT DETAILS</b> <input type="checkbox"/> NSDL <input type="checkbox"/> CDSL For NSDL enter 8 digit DP ID followed by 8 digit Client ID / For CDSL enter 16 digit Client ID <b>4. BID OPTIONS (Only Retail Individual Bidders can Bid at "Cut-off")</b> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th rowspan="2">Bid Options</th> <th rowspan="2">No. of Equity Shares (In Figures) (Bids must be in multiples of Bid Lot as advertised)</th> <th colspan="4">Price per Equity Share (₹) "Cut-off" (Price in multiples of ₹ 1/- only) (in Figures)</th> </tr> <tr> <th>Bid Price</th> <th>Discount, if any</th> <th>Net Price</th> <th>"Cut-off" (Please tick)</th> </tr> </thead> <tbody> <tr> <td>Option 1</td> <td>7   6   5   4   3   2   1</td> <td>4   3   2   1</td> <td>4   3   2   1</td> <td>4   3   2   1</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 Options	No. of Equity Shares (In Figures) (Bids must be in multiples of Bid Lot as advertised)	Price per Equity Share (₹) "Cut-off" (Price in multiples of ₹ 1/- only) (in Figures)				Bid Price	Discount, if any	Net Price	"Cut-off" (Please tick)	Option 1	7   6   5   4   3   2   1	4   3   2   1	4   3   2   1	4   3   2   1	<input type="checkbox"/>	(OR) Option 2					<input type="checkbox"/>	(OR) Option 3					<input type="checkbox"/>	<b>5. Category</b> <input type="checkbox"/> Retail Individual <input type="checkbox"/> Non-Institutional <input type="checkbox"/> QIB <b>6. Investor Status</b> <input type="checkbox"/> NRI Non-Resident Indian (Repatriation basis) <input type="checkbox"/> FII Foreign Institutional Investor <input type="checkbox"/> FVC Foreign Venture Capital Investor <input type="checkbox"/> FIISA FII Sub Account Corporate / Individual <input type="checkbox"/> OTH Others (Please Specify) _____
Bid Options			No. of Equity Shares (In Figures) (Bids must be in multiples of Bid Lot as advertised)	Price per Equity Share (₹) "Cut-off" (Price in multiples of ₹ 1/- only) (in Figures)																									
	Bid Price	Discount, if any		Net Price	"Cut-off" (Please tick)																								
Option 1	7   6   5   4   3   2   1	4   3   2   1	4   3   2   1	4   3   2   1	<input type="checkbox"/>																								
(OR) Option 2					<input type="checkbox"/>																								
(OR) Option 3					<input type="checkbox"/>																								

**7. PAYMENT DETAILS (Please tick (✓) any one of payment option A or B below)**      **PAYMENT OPTIONS**      ☐ Full Payment      ☐ Part Payment

Amount Paid (₹ in figures) \_\_\_\_\_ (₹ in words) \_\_\_\_\_

☐ (A) CHEQUE/ DEMAND DRAFT (DD)      ☐ (B) ASBA

Cheque/DD No. \_\_\_\_\_ Dated DD / MM / YY \_\_\_\_\_ Bank A/c No. \_\_\_\_\_

Drawn on (Bank Name & Branch) \_\_\_\_\_ Bank Name & Branch \_\_\_\_\_

I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ AND UNDERSTOOD THE TERMS AND CONDITIONS OF THIS BID CUM APPLICATION FORM AND THE ATTACHED FORM 2A 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.

<b>8A. SIGNATURE OF SOLE / FIRST APPLICANT</b>  Date : _____, 2011	<b>8B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(S)</b> (AS PER BANK RECORDS) (For ASBA option ONLY) I/We authorize the SCSB to do all acts as are necessary to make the Application in the issue 1) _____ 2) _____ 3) _____	<b>BROKER'S / SCSB BRANCH'S STAMP</b> (Acknowledging upload of Bid in Stock Exchange system)
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TEAR HERE

<b>XYZ LIMITED</b>	<b>Acknowledgement Slip for Syndicate Member / SCSB</b>	<b>Bid cum Application Form No.</b>
DPID / CLID _____	PAN _____	
Amount Paid (₹ in figures) _____	Bank & Branch _____	Stamp & Signature of Banker _____
Cheque / DD/ASBA Bank A/c No. _____		
Received from Mr./Ms. _____		
Telephone / Mobile _____	Email _____	

TEAR HERE

<b>XYZ LIMITED</b>	<b>Stamp &amp; Signature of Syndicate Member / SCSB</b> _____	<b>Name of Sole / First Applicant</b> _____
No. of Equity Shares Bid Price Amount Paid (₹) Cheque / DD/ASBA Bank A/c No. _____ Bank & Branch _____		<b>Acknowledgement Slip for Bidder</b> <b>Bid cum Application Form No.</b> _____

#### 4.1.1 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 in different 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 109A of the Companies Act. 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.

#### 4.1.2 FIELD NUMBER 2: PAN NUMBER 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.
- (c) Application Forms which provide the General Index Register Number instead of PAN may be rejected.
- (d) 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.

#### 4.1.3 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 or 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 Applicants' sole risk.

#### 4.1.4 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 6,000 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 6,000 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 6,000 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 Prospectus.

- (c) **Multiple Applications:** An Applicant should submit only one Application Form. Submission of a second Application Form to either the same or to Collection Bank(s) or 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.

#### **4.1.5 FIELD NUMBER 5: CATEGORY OF APPLICANTS**

- i. 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 RIIs and other investors (including corporate bodies or institutions, irrespective of the number of specified securities applied for).
- ii. 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.
- iii. 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.

#### **4.1.6 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.

#### **4.1.7 FIELD 7: PAYMENT DETAILS**

- (a) All Applicants are required to use ASBA facility to block the full Amount (net of any Discount, as applicable) along-with the Application Form. If the Discount is applicable in the Issue, the RIIs should indicate the full Amount in the Application Form and the payment shall be made for an Amount net of Discount. Only in cases where the Prospectus indicates that part payment may be made, such an option can be exercised by the Applicant.
- (b) Application Amount cannot be paid in cash, through money order or through postal order or through stock invest.

- (c) 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.

#### **4.1.8 Payment instructions for Applicants**

- (a) Applicants may submit the Application Form in physical mode to the Application Collecting Intermediary.
- (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) ASBA 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.

#### 4.1.8 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 with instructions 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.

##### 4.1.8.1 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 Discounts offered 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).

##### 4.1.8.2 Additional Payment Instructions for NRIs

The Non-Resident Indians who intend to block funds through 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.

#### 4.1.9 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 ASBA 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 authorization/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.

#### **4.1.10 ACKNOWLEDGEMENT AND FUTURE COMMUNICATION**

Applicants should ensure that they receive the acknowledgment duly signed and stamped by an Application Collecting Intermediary or SCSB, as applicable, for submission of the Application Form.

- (a) All communications in connection with Applications made in the Issue should be addressed as under:
- i. In case of queries related to Allotment, non-receipt of Allotment Advice, credit of allotted equity shares, the Applicants should contact the Registrar to the Issue.
  - ii. In case of ASBA 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 LM(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 paid on application.

For further details, Applicant may refer to the Prospectus and the Application Form.

#### **4.2 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:

<b>COMMON BID REVISION FORM FOR ASBA / NON-ASBA</b>		<b>XYZ LIMITED - PUBLIC ISSUE - R</b>		<b>FOR RESIDENT INDIAN, QIB, ELIGIBLE NRI's APPLYING ON A NON-REPATRIATION BASIS</b>		
Logo		To, The Board of Directors XYZ Limited		BOOK BUILDING ISSUE INE523L01018		
				Bid cum Application Form No. _____		
SYNDICATE MEMBERS STAMP & CODE		BROKER'S/AGENT'S STAMP & CODE		<b>1. NAME &amp; CONTACT DETAILS of Sole / First Applicant</b> Mr. / Ms. _____ Tel. No (with STD code) / Mobile _____ <b>2. PAN OF SOLE / FIRST APPLICANT</b> _____ <b>3. BIDDER'S DEPOSITORY ACCOUNT DETAILS</b> <input type="checkbox"/> NSDL <input type="checkbox"/> CDSL For NSDL enter 8 digit DP ID followed by 8 digit Client ID / For CDSL enter 16 digit Client ID		
ESCROW BANK / SCSB BRANCH STAMP & CODE		SUB-BROKER'S/SUB-AGENT'S STAMP & CODE				
BANK BRANCH SERIAL NO.		REGISTRAR'S / SCSB SERIAL NO.				
<b>PLEASE CHANGE MY BID</b>						
<b>4. FROM (as per last Bid or Revision)</b>						
Bid Options	No. of Equity Shares Bid (Bids must be in multiples of Bid Lot as advertised)			Price per Equity Share (₹) / "Cut-off" (Price in multiples of ₹ 1/- only)		
	(In Figures)			(In Figures)		
	7 6 5 4 3 2 1			4 3 2 1 4 3 2 1 4 3 2 1		
Option 1				Bid Price Discount, if any Net Price "Cut-off"		
(OR) Option 2				(Please tick)		
(OR) Option 3						
<b>5. TO (Revised Bid)</b>						
Bid Options	No. of Equity Shares Bid (Bids must be in multiples of Bid Lot as advertised)			Price per Equity Share (₹) / "Cut-off" (Price in multiples of ₹ 1/- only)		
	(In Figures)			(In Figures)		
	7 6 5 4 3 2 1			4 3 2 1 4 3 2 1 4 3 2 1		
Option 1				Bid Price Discount, if any Net Price "Cut-off"		
(OR) Option 2				(Please tick)		
(OR) Option 3						
<b>6. PAYMENT DETAILS (Please tick (✓) any one of payment option A or B below)</b>						
Additional Amount Paid (₹ in figures) _____ (₹ in words) _____ <input type="checkbox"/> (A) CHEQUE/ DEMAND DRAFT (DD) <input type="checkbox"/> (B) ASBA Cheque/DD No. _____ Dated DD/MM/YYYY Bank A/c No. _____ Drawn on (Bank Name & Branch) _____ Bank Name & Branch _____ PAYMENT OPTIONS <input type="checkbox"/> Full Payment <input type="checkbox"/> Part Payment						
I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ AND UNDERSTOOD THE TERMS AND CONDITIONS OF THIS BID REVISION FORM AND THE ATTACHED FORM 2A 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 Filing up the Bid revision Form given overleaf.						
<b>7A. SIGNATURE OF SOLE/ JOINT APPLICANT(S)</b>		<b>7B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(S) (AS PER BANK RECORDS) FOR ASBA OPTION ONLY</b>		<b>BROKER'S / SCSB BRANCH'S STAMP (Acknowledging upload of Bid in Stock Exchange system)</b>		
Date : _____, 2011		I/We authorize the SCSB to do all acts as are necessary to make the Application in the issue 1) _____ 2) _____ 3) _____				
TEAR HERE						
<b>XYZ LIMITED BID REVISION FORM</b>		<b>Acknowledgement Slip for Syndicate Member / SCSB</b>		<b>Bid cum Application Form No.</b>		
DPID / CLID		PAN				
Additional Amount Paid (₹)		Bank & Branch		Stamp & Signature of Banker		
Cheque / DD/ASBA Bank A/c No.						
Received from Mr./Ms.						
Telephone / Mobile		Email				
TEAR HERE						
<b>XYZ LIMITED BID REVISION FORM</b>	Option 1		Option 2		Option 3	
	No. of Equity Shares		Acknowledgement of Syndicate Member / SCSB		Name of Sole / First Applicant	
	Bid Price					
	Additional Amount Paid (₹)					
	Cheque / DD/ASBA Bank A/c No.					
Bank & Branch						
				<b>Acknowledgement Slip for Bidder</b>		
				<b>Bid cum Application Form No.</b>		

Instructions to fill each field of the Revision Form can be found on the reverse side of the Revision Form.

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:

#### **4.2.1 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.

#### **4.2.2 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.

#### **4.2.3 FIELD 6: PAYMENT DETAILS**

- a) Applicant may Issue instructions to block the revised amount in the ASBA Account, to the Designated Branch through whom such Applicant had placed the original Application to enable the relevant SCSB or Registered Brokers or Registered RTA/DP to block the additional Application Amount, if any.
  - (a) All Applicants are required to make payment of the full application amount along with the Revision Form.
  - (b) In case of applications submitted by ASBA Applicant, 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.

#### **4.2.4 FIELDS 7: SIGNATURES AND ACKNOWLEDGEMENTS**

Applicants may refer to instructions contained at paragraphs 4.1.8 and 4.1.9 for this purpose.

#### **4.2.5 SUBMISSION OF REVISION FORM/ APPLICATION FORM**

##### **4.3.1 Applicants may submit completed application form/ Revision Form in the following manner:-**

Mode of application	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

### 5.1 APPLICANTS MAY NOTE THAT THERE IS NO BID CUM APPLICATION FORM IN A FIXED PRICE ISSUE

As the Issue Price is mentioned in the Fixed Price Issue therefore on filing of the Prospectus with the RoC, the Application so submitted is considered as the application form.

Applicants may only use the specified Application Form for the purpose of making an Application in terms of the Prospectus which may be submitted through Application Collecting Intermediaries and apply only through ASBA facility.

ASBA Applicants may submit an Application Form either in physical/electronic form to the Application Collecting Intermediaries authorising blocking of funds that are available in the bank account specified in the Application Form only (—ASBA Account). The Application

Form is also made available on the websites of the Stock Exchanges at least one day prior to the Issue Opening Date.

In a fixed price Issue, allocation in the net offer to the public category is made as follows: minimum fifty per cent to Retail Individual Investors; and remaining to (i) individual investors other than Retail Individual Investors; and (ii) other Applicants including corporate bodies or institutions, irrespective of the number of specified securities applied for. The unsubscribed portion in either of the categories specified above may be allocated to the Applicants in the other category.

### 5.2 GROUNDS OF REJECTIONS

Applicants are advised to note that Applications 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;
- 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 6,000;
- Category not ticked;

- Multiple Applications as defined in the 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/ cheque/ demand draft/ pay order;
- 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 Regulation S or —qualified institutional buyers as defined in Rule 144A under the Securities Act;
- Applications not duly signed by the sole/First 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 their respective jurisdictions are liable to be rejected;
- Applications by persons prohibited from buying, selling or dealing in the shares directly or indirectly 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 3.00 pm on the Issue Closing Date , unless the extended time is permitted by BSE
- Details of ASBA Account not provided in the Application form

For details of instructions in relation to the Application Form, Applicants may refer to the relevant section the GID.

APPLICANTS SHOULD NOTE THAT IN CASE THE PAN, THE DP ID AND CLIENT ID MENTIONED IN THE APPLICATION FORM AND ENTERED INTO THE ELECTRONIC APPLICATION SYSTEM OF THE STOCK EXCHANGES BY THE APPLICATION COLLECTING INTERMEDIARIES DO NOT MATCH WITH PAN, THE DP ID AND CLIENT ID AVAILABLE IN THE DEPOSITORY DATABASE, THE APPLICATION FORM IS LIABLE TO BE REJECTED.

## SECTION 6: ISSUE PROCEDURE IN BOOK BUILT ISSUE

This being Fixed Price Issue, this section is not applicable for this Issue.

## SECTION 7: ALLOTMENT PROCEDURE AND BASIS OF ALLOTMENT

### 7.1 BASIS OF ALLOTMENT

Allotment will be made in consultation with the SME Platform of BSE (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 6,000 equity shares the allotment will be made as follows:
  - i. Each successful Applicant shall be allotted 6,000 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 6,000 equity shares, the Applicant would be allotted Shares by rounding off to the nearest multiple of 6,000 equity shares subject to a minimum allotment of 6,000 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 BSE.

The Executive Director / Managing Director / Authorised Person of BSE - the Designated Stock Exchange in addition to 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 Bidders/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 by SCSB's to 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<sup>1</sup> 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 prescribed under section 73 of the Companies Act, 1956 (or the Company shall follow any other substitutional 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 dispatched 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	Description
Allotment/Allot/ Allotted	The allotment of Equity Shares pursuant to the Issue to successful Bidders/Applicants
Allottee	Applicant to whom the Equity Shares are Allotted
Allotment Advice	Note or advice or intimation of Allotment sent to the Applicants who have been allotted Equity Shares after the Basis of Allotment has been approved by the designated Stock Exchanges
Anchor Investor	A Qualified Institutional Buyer, applying under the Anchor Investor Portion in accordance with the requirements specified in SEBI ICDR Regulations.
Anchor Investor Portion	Up to 30% of the QIB Category which may be allocated by the Issuer in consultation with the BRLMs, to Anchor Investors on a discretionary basis. One-third of the Anchor Investor Portion is reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to Anchor Investors
Application	An indication to make an offer during the Issue Period by a prospective pursuant to submission of Application Form or during the Anchor Investor Issue Period by the Anchor Investors, to subscribe for or purchase the Equity Shares of the Issuer at a price including all revisions and modifications thereto.

Application Form	The form in terms of which the Applicant should make an application for Allotment in case of issues other than Book Built Issues, includes Fixed Price Issue
Application Collecting Intermediaries	<ul style="list-style-type: none"> <li>i) an SCSB, with whom the bank account to be blocked, is maintained</li> <li>ii) a syndicate member (or sub-syndicate member) if any</li> <li>iii) a stock broker registered with a recognised stock exchange (and whose name is mentioned on the website of the stock exchange as eligible for this activity) ("broker") if any</li> <li>iv) a depository participant ("DP") (whose name is mentioned on the website of the stock exchange as eligible for this activity)</li> <li>v) 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)</li> </ul>
Application Supported by Blocked Amount / ASBA	An application, whether physical or electronic, used by Applicants to make a Bid authorising an SCSB to block the Bid Amount in the specified bank account maintained with such SCSB
ASBA Account	Account maintained with an SCSB which may be blocked by such SCSB to the extent of the Bid Amount of the ASBA Applicant
ASBA Application	An Application made by an ASBA Applicant
ASBA Applicant	Prospective / Applicants in the Issue who apply through ASBA
Application Amount	The value indicated in Application Form and payable by the Applicant upon submission of the Application, less discounts (if applicable).
Banker(s) to the Issue	The banks which are clearing members and registered with SEBI as Banker to the Issue with whom the Public Issue Account may be opened, and as disclosed in the Prospectus and Bid cum Application Form of the Issuer
Basis of Allotment	The basis on which the Equity Shares may be Allotted to successful Applicants under the Issue
Issue Closing Date	The date after which the SCSBs may not accept any Application for the Issue, which may be notified in an English national daily, a Hindi national daily and a regional language newspaper at the place where the registered office of the Issuer is situated, each with wide circulation Applicants may refer to the Prospectus for the Issue Closing Date
Issue Opening Date	The date on which the SCSBs may start accepting application for the Issue, which may be the date notified in an English national daily, a Hindi national daily and a regional language newspaper at the place where the registered office of the Issuer is situated, each with wide circulation. Applicants/ bidders may refer to the Prospectus for the Issue Opening Date
Issue Period	The period between the Issue Opening Date and the Issue Closing Date inclusive of both days and during which prospective Applicants (can submit their application inclusive of any revisions thereof. The Issuer may consider closing the Issue Period for QIBs one working day prior to the Issue Closing Date in accordance with the SEBI ICDR Regulations, 2009. Applicants may refer to the Prospectus for the Issue Period
Application Amount	The value indicated in Application Form and payable by the Applicant upon submission of the Application, less discounts (if

	applicable).
Application Form	The form in terms of which the Applicant should make an offer to subscribe for or purchase the Equity Shares and which may be considered as the application for Allotment for the purposes of the Prospectus, whether applying through the ASBA or otherwise.
Applicant	Any prospective investor (including an ASBA Applicant) who makes an application pursuant to the terms of the Prospectus and the Application Form. In case of issues undertaken through the fixed price process, all references to an Applicant should be construed to mean an Bidder/ Applicant
Book Building Process/ Book Building Method	The book building process as provided under SEBI ICDR Regulations, 2009
Lead Manager(s)/Lead Manager/ LM	The Lead Manager to the Issue as disclosed in the Prospectus and the Bid Application Form of the Issuer.
Business Day	Monday to Friday (except public holidays)
CAN/Confirmation of Allotment Note	The note or advice or intimation sent to each successful Applicant indicating the Equity Shares which may be Allotted, after approval of Basis of Allotment by the Designated Stock Exchange
Client ID	Client Identification Number maintained with one of the Depositories in relation to demat account
Companies Act	The Companies Act, 1956 and The Companies Act, 2013 (to the extent notified)
DP	Depository Participant
DP ID	Depository Participant's Identification Number
Depositories	National Securities Depository Limited and Central Depository Services (India) Limited
Demographic Details	Details of the Bidders/Applicants including the Bidder/Applicant's address, name of the Applicant's father/husband, investor status, occupation and bank account details
Designated Branches	Such branches of the SCSBs which may collect the Bid cum Application Forms used by the ASBA Bidders/Applicants applying through the ASBA and a list of which is available on- <a href="http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries">http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries</a>
Designated Date	The date on which the amounts blocked by the SCSBs are transferred from the ASBA Accounts, as the case may be, to the Public Issue Account, as appropriate, after the Prospectus is filed with the RoC, following which the board of directors may Allot Equity Shares to successful
Designated Stock Exchange	The designated stock exchange as disclosed in the Prospectus of the Issuer
Discount	Discount to the Issue Price that may be provided to Bidders/Applicants in accordance with the SEBI ICDR Regulations, 2009.
Draft Prospectus	The draft prospectus filed with the Designated stock exchange in case of Fixed Price Issues and which may mention a price or a Price Band
Employees	Employees of an Issuer as defined under SEBI ICDR Regulations, 2009 and including, in case of a new company, persons in the permanent and full time employment of the promoting companies excluding the promoter and immediate relatives of the promoter. For further details / Applicant may refer to the Prospectus
Equity Shares	Equity shares of the Issuer

FCNR Account	Foreign Currency Non-Resident Account
Applicant	The Applicant whose name appears first in the Application Form or Revision Form
FPI(s)	Foreign Portfolio Investor
Fixed Price Issue/ Fixed Price Process/Fixed Price Method	The Fixed Price process as provided under SEBI ICDR Regulations, 2009, in terms of which the Issue is being made
FPO	Further public offering
Foreign Venture Capital Investors or FVCIs	Foreign Venture Capital Investors as defined and registered with SEBI under the SEBI (Foreign Venture Capital Investors) Regulations, 2000
IPO	Initial public offering
Issue	Public Issue of Equity Shares of the Issuer including the Offer for Sale if applicable
Issuer/ Company	The Issuer proposing the initial public offering/further public offering as applicable
Issue Price	The final price, less discount (if applicable) at which the Equity Shares may be Allotted in terms of the Prospectus. The Issue Price may be decided by the Issuer in consultation with the Lead Manager(s)
Maximum RII Allottees	The maximum number of RIIs who can be allotted the minimum Application Lot. This is computed by dividing the total number of Equity Shares available for Allotment to RIIs by the minimum Application Lot.
MICR	Magnetic Ink Character Recognition - nine-digit code as appearing on a cheque leaf
Mutual Fund	A mutual fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996
NECS	National Electronic Clearing Service
NEFT	National Electronic Fund Transfer
NRE Account	Non-Resident External Account
NRI	NRIs 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 RHP/Prospectus constitutes an invitation to subscribe to or purchase the Equity Shares
NRO Account	Non-Resident Ordinary Account
Net Issue	The Issue less Market Maker Reservation Portion
Non-Institutional Investors or NIIs	All Applicants, including sub accounts of FPIs registered with SEBI which are foreign corporate or foreign individuals, that are not QIBs or RIBs and who have Bid for Equity Shares for an amount of more than ₹ 2,00,000 (but not including NRIs other than Eligible NRIs)
Non-Institutional Category	The portion of the Issue being such number of Equity Shares available for allocation to NIIs on a proportionate basis and as disclosed in the Prospectus and the Application Form
Non-Resident	A person resident outside India, as defined under FEMA and includes Eligible NRIs, FPIs registered with SEBI and FVCIs registered with SEBI
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 and which was in

	existence on October 3, 2003 and immediately before such date had taken benefits under the general permission granted to OCBs under FEMA
Offer for Sale	Public offer of such number of Equity Shares as disclosed in the RHP/Prospectus through an offer for sale by the Selling Shareholder
Other Investors	Investors other than Retail Individual Investors in a Fixed Price Issue. These include individual applicants other than retail individual investors and other investors including corporate bodies or institutions irrespective of the number of specified securities applied for.
PAN	Permanent Account Number allotted under the Income Tax Act, 1961
Prospectus	The prospectus to be filed with the RoC in accordance with Section 60 of the Companies Act 1956 read with section 26 of Companies Act 2013, containing the Issue Price, the size of the Issue and certain other information
Public Issue Account	An account opened with the Banker to the Issue to receive monies from the ASBA Accounts on the Designated Date
QIB Category Qualified Institutional Buyers or QIBs	The portion of the Issue being such number of Equity Shares to be Allotted to QIBs on a proportionate basis As defined under SEBI ICDR Regulations, 2009
Refunds through electronic transfer of funds	Refunds through ASBA
Registrar to the Issue / RTI	The Registrar to the Issue as disclosed in the Draft Prospectus / Prospectus and Bid cum Application Form
Reserved Category/ Categories	Categories of persons eligible for making application under reservation portion
Reservation Portion	The portion of the Issue reserved for category of eligible Applicants as provided under the SEBI ICDR Regulations, 2009
Retail Individual Investors / RIIs	Investors who applies or for a value of not more than ₹ 2,00,000/-.
Retail Individual Shareholders	Shareholders of a listed Issuer who applies for a value of not more than ₹ 2,00,000/-.
Retail Category	The portion of the Issue being such number of Equity Shares available for allocation to RIIs which shall not be less than the minimum bid lot, subject to availability in RII category and the remaining shares to be allotted on proportionate basis.
Revision Form	The form used by the Applicant in an issue to modify the quantity of Equity Shares in an Application Forms or any previous Revision Form(s)
RoC	The Registrar of Companies
SEBI	The Securities and Exchange Board of India constituted under the Securities and Exchange Board of India Act, 1992
SEBI ICDR Regulations	The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009
Self Certified Syndicate Bank(s) or SCSB(s)	A bank registered with SEBI, which offers the facility of ASBA and a list of which is available on <a href="http://www.sebi.gov.in/cms/sebi_data/attachdocs/1316087201341.html">http://www.sebi.gov.in/cms/sebi_data/attachdocs/1316087201341.html</a>
SME IPO	Initial public offering as chapter XB of SEBI (ICDR) Regulation
SME Issuer	The Company making the Issue under chapter XB of SEBI (ICDR) Regulations

Stock Exchanges/SE	The stock exchanges as disclosed in the Prospectus of the Issuer where the Equity Shares Allotted pursuant to the Issue are proposed to be listed
Specified Locations	Refer to definition of Broker Centres
Syndicate Member(s)/SM	The Syndicate Member(s) as disclosed in the Prospectus
Syndicate	The Book Running Lead Manager(s) and the Syndicate Member
Syndicate Agreement	The agreement to be entered into among the Issuer, and the Syndicate in relation to collection of the Bids in this Issue (excluding Application from ASBA Applicants)
Underwriters	The Lead Manager(s)
Underwriting Agreement	The agreement entered into between the Underwriters and our Company
Working Day	All trading days of stock exchanges excluding Sundays and bank holidays



## SECTION VIII - MAIN PROVISIONS OF ARTICLES OF ASSOCIATION

Pursuant to Schedule H of the Companies Act, and the SEBI ICDR Regulations, the Main provisions of the Articles of Association relating to voting rights, dividend, lien, forfeiture, restrictions on transfer and Transmission of equity shares or debentures, their consolidation or splitting are as provided below. Each provision below is numbered as per the corresponding article number in the articles of association and defined terms herein have the meaning given to them in the Articles of Association

Title of Article	Article Number	Content
Alteration to Memorandum	4	The Company by passing special resolution in the General meeting of member's of the company shall have power to alter the provisions of the Memorandum of Association as per Section 13 of the Companies Act, 2013 except for increase in capital. For increase in capital, company can pass ordinary resolution as per provisions of Section 61 of the Act.
Amount of Capital	5	<p>(A) Present authorized capital of the company shall be as per "Capital Clause" of the Memorandum of Association of the company</p> <p>(B) ALTERATION OF CAPITAL</p> <ol style="list-style-type: none"> <li>i) The company may, from time to time by passing an ordinary resolution increase the share capital by as may be specified in the resolution. And Subject to the provisions of Section 61 of the Act,</li> <li>ii) The company may, by ordinary resolution in general meeting of the members of the company – <ol style="list-style-type: none"> <li>a) Consolidate or divide all or any of its share capital into shares of larger amount than its existing shares</li> <li>b) Convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid up shares of any denomination</li> <li>c) Sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the memorandum</li> <li>d) Cancel any shares which, at the date of passing of the resolution, have not been taken or agreed to be taken by any person.</li> </ol> </li> <li>iii) The company may, by special resolution in general meeting of members of the company can reduce in any manner and with, and subject to, any incident authorized and consent required by law - (a) its share capital (b) any capital redemption reserve account; or (c) any share premium account.</li> </ol>
Preference Shares	6	<ol style="list-style-type: none"> <li>i) Subject to the provisions of Section 55 of the companies Act, 2013 preference shares may, be issued on the terms that they are to be redeemed on such terms and in such manner as the company before the issue of the preference shares by special resolution determine in that behalf.</li> <li>ii) Redemption of preference shares shall be done as per provisions of</li> </ol>

		section 55 of the Act.
Shares and Certificates	7	<p>i) Every person whose name is entered as a member in the register of members shall be entitled to receive within two months after incorporation, in case of subscribers to the memorandum or after allotment or within one month after the application for the registration of transfer or transmission or within such other period as the conditions of issue shall be provided, —</p> <p>(a) One certificate for all his shares without payment of any charges; or</p> <p>(b) Several certificates, each for one or more of his shares, upon payment of twenty rupees for each certificate after the first.</p> <p>ii) Every certificate shall under the common seal and shall specify the shares to it relates and the amount paid-up thereon. In respect of any share or shares held jointly by several persons, the company shall not be bound to issue more than one certificate, and delivery of a certificate for a one of several joint holders shall be sufficient delivery to all such holders.</p> <p>iii) If any share certificate be worn out, defaced, mutilated or torn or if there be no further space on the back for endorsement of transfer, then upon production and surrender thereof to the company. Then a new certificate may be issued in lieu thereof.</p> <p>iv) If any certificate is lost or destroyed then upon proof thereof to the satisfaction of the company and on execution of such indemnity as the company deem adequate, a new certificate in lieu thereof shall be given.</p> <p>v) The provision of Articles (b) and (c) shall mutatis mutandis apply to debenture certificate of the company.</p>
Dematerialisation of securities	8	<p><b>Option to dematerialise Securities</b></p> <p>Notwithstanding anything contained in these Articles, the Company shall in accordance with the provisions of the Depositories Act, 1996; be entitled to dematerialise its securities and to offer the same for subscription in a dematerialised form and on the same being done, the Company shall maintain a Register of Members / Debenture holders holding shares / debentures both in material and dematerialised form in any media as permitted by law including any form of electronic media, either in respect of existing shares or any future issue.</p> <p>In case of allotment of securities, if a person opts to hold his security with a Depository, the Company shall intimate such Depository details of allotment of the security, and on receipt of the information, the Depository shall enter in its record the name of the allottee as the beneficial owner of the Security</p>
	9	<p><b>Option for Investors:</b></p> <p>Every person subscribing to securities offered by the Company shall have the option to receive security certificates or to hold the securities with a Depository. Such a person who is the beneficial owner of the securities can at any time opt out of depository, in respect of any security 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.</p>

	10	<p>Securities in Depositories to be in fungible form:</p> <p>All securities held by a Depository shall be dematerialised and be in fungible form</p>
	11	<p><b>Rights of Depositories and Beneficial Owners</b></p> <p>(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 purposes of effecting transfer of ownership of security on behalf of the beneficial owner.</p> <p>(b) Save as otherwise provided in (a) 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.</p> <p>(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 his / her securities which are held by a Depository.</p>
	12	<p><b>Service of documents:</b></p> <p>Notwithstanding anything contained in the Act or these Articles to the contrary, where securities are held in Depository, the records of the beneficial ownership may be served by such Depository on 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 prescribed.</p>
	13	<p><b>Transfer of Securities</b></p> <p>Nothing contained in the Act or these Articles shall apply to a transfer of securities effected by a transferor and transferee both of whom are entered as beneficial owners in the records of a Depository.</p>
	14	<p><b>Allotment of Securities dealt with in a Depository</b></p> <p>Notwithstanding anything contained in the Act or these Articles, where securities are dealt with by a Depository, the Company shall intimate the details thereof to the Depository immediately on allotment of such securities.</p>
	15	<p><b>Distinctive numbers of securities held in a Depository</b></p> <p>Nothing contained in the Act or these Articles regarding the necessity of having distinctive numbers for securities issued by the Company shall apply to securities held with a Depository.</p>
	16	<p><b>Register and index of beneficial owners</b></p> <p>The Register and Index of beneficial owners maintained by a Depository under the Depositories Act, 1996; shall be deemed to be the Register and Index of Members and Security holders for the purpose of these Articles.</p>
Power to nominate	17	<p>As per section 72 of the Act &amp; Rules made there under, every holder of securities of a company may, at any time, nominate any person to whom his securities shall vest in the event of his death</p>

Lien	18	<p>(a) The company shall have a first and paramount lien on every share (not being a fully paid share), for all monies (whether presently payable or not) called, or payable at a fixed time, in respect of that share; and on all shares (not being fully paid shares) standing registered in the name of a single person, for all monies presently payable by him or his estate to the company:</p> <p>Provided that the Board of directors may at any time declare any share to be wholly or in part exempt from the provisions of this clause. The company's lien, if any, on a share shall extend to all dividends payable and bonuses declared from time to time in respect of such shares.</p> <p>(b) The company may sell, in such manner as the Board thinks fit, any shares on which the company has a lien: -Provided that no sale shall be made--(a) unless a sum in respect of which the lien exists is presently payable; or demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the share or the person entitled thereto by reason of his death or insolvency.</p>
	19	<p>i) To give effect to any such sale, the Board may authorize some person to transfer the shares sold to the purchaser thereof.</p> <p>ii) The purchaser shall be registered as the holder of the shares comprised in any such transfer.</p> <p>iii) 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 in reference to the sale.</p>
	20	<p>i) The proceeds of the sale shall be received by the company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable.</p> <p>ii) The residue, if any, shall, subject to a like lien for sums not presently payable as existed upon the shares before the sale, be paid to the person entitled to the shares, at the date of the sale.</p>
Calls	21	<p>When call is to be made and to whom</p> <p>i) The Board may, from time to time, make calls upon the members in respect of any monies unpaid on their shares (whether on account of the nominal value of the shares or by way of premium)</p> <p>ii) Each member shall, subject to receiving at least fourteen days' notice specifying the time or times and place of payment, pay to the company, at the time or times and place so specified, the amount called on his shares.</p> <p>iii) A call may be revoked or postponed at the discretion of the Board.</p> <p>iv) A call shall be deemed to have been made at the time when the resolution of the Board authorizing the call was passed and may be required to be paid by installments.</p> <p>v) The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.</p> <p>vi) If a sum called in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest thereon from the day appointed for payment</p>

		thereof to the time of actual payment at two per cent per annual. vii) The Board shall be at liberty to waive payment of any such interest wholly or in part.
	22	<b>Revocation/ Postponement of Call</b>  The Board may at its discretion revoke or postpone the call or may extend the date of payment thereof, or may change such interest as they may think fit.
	23	<b>Calls in advance</b>  The Board may, if decided, receive call in advance without any extra privilege about voting, and the advance call shall carry or not interest rate as may be decided by the Board
	24	<b>Rights connected to share capital</b>  Subject to the provision of the Act and these Articles, the shares in the capital of the company 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 such proportion and on such terms and conditions and either at a premium or at par and at such time as they may from time to time think fit.  The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking pari passu therewith.  Company can issue the shares with differential voting rights subject to compliance of the rules made therefore.
Transfer of shares	25	<b>Instrument of transfer</b>  i) The instrument of transfer of any share in the company shall be executed by or on behalf of both the transferor and transferee. ii) The transferor shall be deemed to remain a holder of the share until the name of the transferee is entered in the register of members in respect thereof.
	26	<b>Right to refuse transfer</b>  (a) The Board may, subject to the right of appeal conferred by section 58 decline to register- i) the transfer of a share, not being a fully paid share, to a person of whom they do not approve; or ii) any transfer of share on which the company has a lien.  (b) The Board may decline to recognize any instrument of transfer unless-  i) The instrument of transfer is in the form as prescribed in rules made under sub-section (1) of section 56; ii) The instrument of transfer is accompanied by the certificate of

		<p>the shares to which it relates, and such other evidence as the Board may reasonably required to show the right of the transferor to make the transfer; and</p> <p><b>iii)</b> The instrument of transfer is in respect of only one class of shares.</p>
	27	<p><b>Closure of register of members</b></p> <p>On giving not less than Seven days' previous notice in accordance with section 91 and rules made there under, the registration of transfers may be suspended at such times and for such periods as the Board may from time to time determine:</p> <p>Provided that such registration shall not be suspended for more than thirty days at any one time or for more than forty-five days in the aggregate in any year.</p>
Transmission of shares	28	<p>i) On the death of a member, the survivor or survivors where the member was a joint holder, and his nominee or nominees or legal representatives where he was a sole holder, shall be the only persons recognized by the company as having any title to his interest in the shares.</p> <p><b>ii)</b> Nothing in clause (i) shall release the estate of a deceased joint holder from any liability in respect of any share which had been jointly held by him with other persons.</p>
	29	<p>i) Any person becoming entitled to a share in consequences of the death or insolvency of a member may, upon such evidence being produced as may from time to time properly be required by the Board and subject as hereinafter provided, elect, either-</p> <p>(a) to be registered himself as holder of the share; or</p> <p>(b) to make such transfer of the share as the deceased or insolvent member could have made.</p> <p><b>ii)</b> the Board shall, in either case, have the same right to decline or suspend registration as it would have had, if the deceased or insolvent member had transferred the share before his death or insolvency.</p>
	30	<p>i) If the person so becoming entitled shall elect to be registered as holder of the share himself, he shall deliver or send to the company a notice in writing signed by him stating that he so elects.</p> <p>ii) If the person aforesaid shall elect to transfer the share, he shall testify his election by executing a transfer of the share.</p> <p><b>iii)</b> All the limitations, restrictions and provisions of these regulations relating to the right to transfer and the registration of transfer of shares shall be applicable to any such notice or transfer as aforesaid as if the death or insolvency of the member had not occurred and the notice or transfer were a transfer signed by that member.</p>
	31	<p>A person becoming entitled to a share by reason of the death or insolvency of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the shares, except that he shall not, before being registered as a member in respect of the share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the company:</p>

		Provided that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the share, and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the share, until the requirements of the notice have been complied with.
Forfeiture of shares	32	If a member fails to pay any call, or installment of a call, on the day appointed for payment thereof, the Board may, at any time thereafter during such time as any part of the call or installment remains unpaid, together with any interest which may have occurred. The Notice of giving time limit of at least 14 days is to be given to person who is liable to pay the call stating that, in the event of non-payment on or before the day so named, the shares in respect of which the call was made shall be liable to be forfeited. The forfeiture shall be done by a resolution of the board to that effect.
	33	A forfeited share may be sold or otherwise disposed of on such terms and in such manner as the Board thinks fit AND At any time before a sale or disposal as aforesaid, the Board may cancel the forfeiture on such terms as it thinks fit
	34	<p>i) A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares, but shall, notwithstanding the forfeiture, remain liable to pay to the company all monies which, at the date of forfeiture, were presently liable to pay to the company all monies which, at the date of forfeiture, were presently payable by him to the company in respect of the shares.</p> <p>ii) The liability of such person shall cease if and when the company shall have received payment in full of all such monies in respect of the shares.</p>
General meetings	35	<p>All general meetings other than annual general meeting shall be called extraordinary general meeting. Notice of general meeting shall not be less than clear 21 days in writing or in electronic mode to the shareholder of the company.</p> <p>Provided that a general meeting may be called after giving a shorter notice if consent is given in writing or by electronic mode by not less than ninety-five per cent. of the members entitled to vote at such meeting.</p>
	36	If at any time directors capable of acting who are sufficient in number to form a quorum are not within India, any director or any two members of the company may call an extraordinary general meeting in the same manner, as nearly as possible, as that in which such a meeting may be called by the Board.
Proceedings at general meetings	37	<p><b>Business to be transacted</b></p> <p>No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business. The quorum for the general meetings shall be as provided in section 103 of the act.</p>
	38	<p><b>Chairman of General Meeting</b></p> <p>The chairperson, if any, of the board shall preside as chairperson at every</p>



		<p>general meeting of the company. If there is no such chairperson, or if he is not present within fifteen minutes after the time appointed for holding the meeting or is unwilling to act as chairperson of the meeting, the directors present shall elect one of their members to be chairperson of the meeting.</p> <p>If at any meeting no director is willing to act as chairperson or if no director is present within fifteen minutes after the time appointed for holding the meeting, the members present shall choose one of their members to be chairperson of the meeting.</p>
	39	<p><b>Adjournment of meeting</b></p> <p>i) The chairperson may, with the consent of any meeting at which a quorum is present, and shall, if so directed by the meeting, adjourned meeting from time to time and from place to place.</p> <p>ii) No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.</p> <p>iii) When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting.</p> <p>iv) Save as aforesaid, and as provided in section 103 of the Act, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.</p>
Voting Rights	40	<p>Subject to any rights or restrictions of the time being attached to any class or classes of share –</p> <p>(a) on a show of hands, every member present in person shall have one vote; and</p> <p>(b) on a poll, the voting rights of members shall be in proportion to his share in the paid-up equity share capital of the company.</p>
	41	<p>In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the execution of the votes of the other joint holders and seniority shall be determined by the order in which the names stand in the register of members.</p>
	42	<p>A member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee or other legal guardian, and any such committee or guardian may, on a poll, vote by proxy.</p>
	43	<p>Any business other than that upon which a poll has been demanded may be proceeded with, pending the taking of the poll</p>
	44	<p>No member shall be entitled to vote at any general meeting unless all calls or other sums presently payable by him in respect of shares in the company have been paid.</p>
	45	<p>No member shall be entitled to vote on such special resolution to approve any contract or arrangement which may be entered into by the company, if such member is related party</p>
Proxy	46	<p>The instrument appointing a proxy in a prescribed form or a copy of duly notarized power of attorney or authority, shall be deposited at the registered office of the company not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, or, in the case of a poll, not</p>

		less than 24 hours before the time appointed for the taking of the poll; and in default the instrument of proxy shall not be treated as valid
	47	An instrument appointing a proxy shall be in the form as prescribed in the rules made under section 105.
	48	<p>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 shares in respect of which the proxy is given:.</p> <p>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</p>
Quorum	49	<p><b>For General meeting:</b> - Save as otherwise provided herein, the quorum for the general meetings shall be as provided in section 103, if proper quorum is not present within Half -an -hour from the time appointed for holding a meeting of the company -</p> <p>(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</p> <p>(b) the meeting, if called by requisitionists under section 100, shall stand cancelled:</p> <p><b>For Board meeting:-</b> one-third of its total strength or two directors, whichever is higher, and the participation of the directors by video conferencing or by other audio visual means shall also be counted for the purposes of quorum under this sub-section.</p>
Business to be transacted	50	At the General Meeting no business other than stated in the Notice calling the said meeting be transacted and such business shall subject to the provisions of the Act, be decided by resolution by show of hands or by poll if demanded and the Chairman's decision shall be conclusive
Meeting of separate class	51	<p>i) If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, subject to the provisions of section 48, and whether or not the company is being wound up, be varied with the consent in writing of the holders of three-fourths of the issued shares of that class, or with the sanction of a special resolution passed at a separate meeting of the holders of the shares of that class.</p> <p>ii) To every such separate meeting, the provisions of these regulations relating to general meetings shall mutatis mutandis apply, but so that the necessary quorum shall be at least two persons holdings at least one-third of the issued shares of the class in question.</p>
Board of Directors	52	<p><b>Number of Directors</b></p> <p>The number of Directors shall not be less than three and shall not be more than fifteen</p>
	54	<p><b>Monetary entitlement to Directors</b></p> <p>i) The remuneration of the directors shall, in so far as it consists of a</p>

		<p>monthly payment, be deemed to accrue from day-to-day.</p> <p>ii) In addition to the remuneration payable to them in pursuance of the Act, the directors may be paid all travelling, hotel and other expenses properly incurred by them-----</p> <p>(a) in attending and returning from meetings of the Board of Directors or any committee thereof or general meetings of the company.</p> <p>(b) in connection with the business of the company.</p> <p>iii) The Board may pay all expenses incurred in getting up and registering the company.</p> <p>iv) All cheques, promissory notes, drafts, hundis, bills of exchange and other negotiable instruments, and all receipts for monies paid to the company, shall be signed, drawn, accepted, endorsed, or otherwise executed, as the case may be, by such person and in such manner as the board shall from time to time by resolution determine.</p>
	55	<p><b>Signing of attendance</b></p> <p>Every directors present at any meeting of the Board or of a committee thereof shall sign his name in a book to be kept for that purpose</p>
	56	<p><b>Appointment of Directors</b></p> <p>i) Subject to the provisions of section 149, the Board shall have power at any time, and from time to time, to appoint a person as an additional director, provided the number of the directors and additional directors together shall not at any time exceed the maximum strength fixed for the Board by the articles.</p> <p>ii) Such person shall hold office only up to the date of the next annual general meeting of the company but shall be eligible for appointment by the company as a director at that meeting subject to the provisions of the Act.</p>
	57	<p><b>Appointment of Managing and other Director</b></p> <p>The Board shall be entitled to appoint any person as alternative/ additional/ Technical/ Financial/ Managing/ Special/ Executive/ Whole time Director/ such other designated directors whose terms of appointment shall be decided by the Board, subject to the provisions of the Act. The Board has power to appoint any other qualified person to be the additional or casual vacancy Director.</p>
Managing Director, Whole time Director & Manager	58	<p><b>Managing Director, Whole Time Director &amp; Manager</b></p> <p>The Director may, from time to time, appoint one or more directors as Managing Director, or Whole time Director or Manager or Chief Executive Officer or Chief Financial Officer or Company Secretary as the case may be for a fixed term not exceeding 5 years at a time for which he or they, is or are to hold office and may from time to time (Subject to the provisions of any contract between him and the Company) remove or dismiss him or them from office and appoint another or others in his or their place or places. A retiring Managing Director or Whole time Director or Manager or Chief Executive Officer or Chief Financial Officer or Company Secretary may be reappointed subject to the provisions of the Act. Managing Director or Whole time Director or Manager or Chief</p>

		Executive Officer or Chief Financial Officer or Company Secretary as the case may be, shall not while he or they continues or continue to hold that office, be subject to retirement by rotation and shall not be reckoned as Director/s for the purpose of determining the number of Directors to retire by rotation. But he or they shall ipso-facto cease to be Managing Director, or Whole time Director or Manager or Chief Executive Officer or Chief Financial Officer or Company Secretary as the case may be, if he or they cease to hold office of Director/s for any cause.
	59	<b>Sitting Fees</b>  The Directors may be paid a sum not exceeding such sum as may be prescribed under Section 197 of the Companies Act, 2013 from time to time, for attending the meetings of the Board or of the sub-committee thereof in addition to the actual expenses incurred for attending the meetings.
	60	<b>Special Remuneration</b>  Any Director who serves on any committee or who devotes special attention to the business of the Company or who otherwise performs services which in the opinion of the Directors are outside the scope of the ordinary duties of the Director, may be paid such extra remuneration by way of salary, commission, percentages of profit or otherwise as the Directors may determine.
	61	<b>Retirement</b>  All the directors of the company will be liable to retire by rotation at every annual general meeting according to length of term of directorship they are holding in the company.
Powers of Directors	62	<b>Directors to manage the affairs of the Company</b>  The Director shall have the power of complete management of the Company's affairs inter alia regarding shares, loans, investment and to exercise all such powers and to do all things and acts, as the Company is authorized to do by its Memorandum of Association or required to be exercised under statute or Articles for the benefit of Company's business but subject to the provisions of the Act, these Articles or any direction given by the members in the General Meeting.
	63	<b>Partnership</b>  Whenever it is decided in the interest of the Company to enter into partnership or to amalgamate or merge with or to take over any individual, firm, limited liability partnership, undertaking organization or Company, the Board can authorize any of its directors to sign and execute partnership deed, amalgamation agreement, merger agreement, or take over agreement, or limited liability partnership agreement and other documents and accept all rights and obligations of the other party on behalf of the Company.
Borrowing Powers	64	<b>Borrowings</b>  The Board may borrow funds for the purpose of the Company by deposit, loans or issue of debentures, convertible debentures, or in any

		other form either unsecured or on such security and on such terms and conditions as may be decided by the Board subject to provisions of section 71, section 73, section 179, section 180 and section 186 of the Act read with rules made there under
Proceedings of the Board of Directors	65	<b>Board Meetings</b> i) The Board of Directors may meet for the conduct of business, adjourn and otherwise regulate its meetings, as it thinks fit. Subject to directors shall meet at least 4 (Four) times in a year provided the gap between two such board meeting shall not be more than for 120 days. ii) A director may, and the manager or secretary on the requisition of a director shall, at any time, summon a meeting of the Board.
	66	i) Save as otherwise expressly provided in the Act, questions arising at any meeting of the Board shall be decided by a majority of votes. ii) In case of an equality of votes, the chairperson of the Board, if any, shall have second or casting vote.
	67	The continuing directors may act notwithstanding any vacancy in the Board; but, if and so long as their number is reduced below the quorum fixed by the Act 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 of summoning a general meeting of the company, but for no other purpose.
	68	i) The Board may elect a chairperson of its meetings and determine the period for which he is to hold office. ii) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the directors present may choose one of their number to be Chairperson of the meeting.
	69	i) The Board may, subject to the provision of the Act, delegate any of its powers to committees consisting of such member or members of its body as it thinks fit. ii) Any committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may be imposed on it by the Board.
	70	Save as otherwise expressly provided in the Act, a resolution in writing signed entitled to receive notice of a meeting of the Board or committee, shall be valid and effective as if it had been passed at a meeting of the Board or committee, shall be valid and effective as if it had been passed at a meeting of the Board or committee, duly convened and held.
	71	<b>Chairman</b> Every Board meeting duly constituted, if not adjourned for want of quorum, shall be chaired by the Chairman or other Directors as may be agreed upon and shall decide any business by simple majority
	72	<b>Circular Board resolution</b> The Board can pass resolutions by circulation provided it is duly circulated along with papers and is approved by majority and by such number of Directors as are required for quorum. And if not less than one third (1/3) of total number of board of directors of the company for time

		being require that any resolution under circulation must be decided at a meeting then the particular resolution is to be decided by board meeting only.
	73	<p><b>Delegation of Powers</b></p> <p>The Board may delegate any of its powers to a committee of the Board constituted or to any other person as may be decided and such committee meetings shall be governed in the same manner as that of the Board Meetings.</p>
	74	<p><b>Directors may contract with the Company</b></p> <p>The Directors may directly or indirectly, enter into contract with the Company and even being interested in the business after disclosing the facts, but such interested director shall not participate and vote in the meeting in which the matter of contract or arrangement is discussed and resolved.</p>
	75	<p><b>General authority</b></p> <p>Where it has been provided in the Act that the company shall have any right, privilege or authority or that the Company could carry out any transactions only if the Company is so authorized by its Articles, then and in that case this Regulation hereby authorizes and empowers the Company to have such right, privilege or authority and to carry out such transaction as have been permitted by the Act without there being any specific Regulation in that behalf herein provided. Few illustrations of such rights, privilege, authorities and transactions the following are set out with relevant Sections.</p> <p>Section 55 to issue Redeemable Preference Shares.</p> <p>Section 50 to accept unpaid share capital although not called up and to pay interest on such amount at a rate, which may be determined by the Board.</p> <p>Section 51 to pay dividend in proportion to amount paid-up.</p> <p>Section 61 to alter the share capital of the Company.</p> <p>Section 66 to reduce the share capital.</p> <p>Section 48 to alter rights of the holders if special class of shares.</p> <p>Section 88 to keep foreign register of Members and debenture holders.</p> <p>Section 161 to appoint additional Directors.</p> <p>Section 163 to adopt proportional representation for the appointment of Directors.</p> <p>Section 161 authorizing the Board to appoint alternate Directors, etc.</p>

		Section 286 to make liability of its Directors or any Director or Manager unlimited.
Seal	76	i) The Board shall provide for the safe custody of the seal. ii) The seal of the company shall not be affixed to any instrument except by the authority of a resolution of the board or of a committee of the board authorized by it in that behalf, and except in the presence of at least two directors or any other person as the board may appoint for the purpose; and those two directors and or other person aforesaid shall sign every instrument to which the seal of the company is so affixed in their presence
Dividend	77	Dividend payment and rate.  1) Subject to the provisions of section 123 the Act, the dividend can be paid either out of the profits of the company for the that financial year or out of profits of the company for any previous financial year or years at the rate declared at the General Meeting but not exceeding as recommended by the Board in proportion to the capital paid up on shares after providing for depreciation and reserves in compliance with section 123 of the Act. 2) If dividend is declared by the company out of the profits for previous financial years due to inadequacy or no profit in a year in which dividend is declared then it shall not exceed the rates at which dividend was declared by it in three years immediately preceding that year. 3) Interim dividend can be recommended and declared by the board out of the surplus in the profit and loss account and out of profits in the financial year in which such interim dividend is sought to be declared.
	78	<b>Creation of Reserve after dividend declaration.</b>  Before recommending any dividend the Board may set aside certain amount of profits as Reserves, which shall be applied in the manner as may be from time to time decided by the Board. The Board can carry forward the profits without declaring dividend or can declare interim dividend without general meeting resolution.
	79	<b>Mode of payment of Dividend</b>  Dividend shall be paid by cheque or warrant payable to the member whose name appears on the Register of Members in a particular day as may be decided by the Board.
Capitalization	80	Subject to the provisions of the Act if resolved at the general meeting any monies, investments or assets forming part of undivided profits standing to the credit of reserve fund at the disposal of the Company and available for dividends or as share premium account may be capitalized and distributed among the members who are entitled for dividend and in the same proportion, be applied to make the partly paid shares as fully paid for in issuing fully paid bonus shares or partly in one way and partly in the other.
Accounts	81	<b>Proper books of accounts</b>  The Company shall keep at its Registered Office or such other place as



		may be decided by the Board, books of accounts giving true and fair view of the state of affairs of the Company.
	82	<p><b>Annual Accounts</b></p> <p>Board shall cause to be prepared and placed before the Company in Annual General Meeting audited Balance Sheet and Profit and Loss Account, copy of which should be sent to all the members entitled thereto along with the notice of the meeting.</p> <p>Accounts once adopted may be amended at a later meeting of the shareholders by ordinary resolutions subject to provisions of section 130 or 131 of the Act.</p>
Audit	83	<p><b>Audit of Accounts</b></p> <p>The Auditors appointed as per the provisions of the Act shall audit the Accounts of the Company. Subject to provisions of section 130 or 131 and Article No 44 the Accounts when audited and approved at the Annual General Meeting shall be conclusive.</p>
Sweat Equity Shares	84	Subject to the provisions of Section 54 of the Companies Act and rules there under the Company shall have power to issue the Sweat Equity Shares by passing special resolution in the general meeting of the company
Buy-back of Shares	85	Notwithstanding anything contained in these articles, the company shall, to the extent permitted by the under section 68 to section 70 of Act and applicable rules and regulations, have the right to buy back its own shares or other specified securities out of its free reserves or security premium account or the proceeds of any shares or other specified securities or otherwise as permissible, subject to and in accordance with the applicable provisions of the Act and the rules and regulations as may be prescribed there under by passing special resolution in the general meeting of the company or passing resolution in the board meeting as per the percentage of buy back of securities.
Postal Ballot	86	Notwithstanding anything contained in these Articles of Association, the Company in case of resolutions relating to such business as the Central government may, by notification declare to be conducted only by postal ballot and in respect of any item of business other than ordinary business and any business in respect of which directors and auditors have a right to be heard at meeting transact by means of postal ballot instead of transacting such business at a general meeting of the company, subject to the provisions of Section 110 of the Act and applicable rules as may be prescribed from time to time. If such resolution is assented to by the requisite majority of the shareholders by means of postal ballot, it shall be deemed to have been passed at general meeting convened in that behalf
Secretary	87	The Directors may from time to time on such terms and conditions appoint or remove any individual or firm to perform any functions required to be performed by Secretary or Manager under the Act and to execute such other as may be decided by the Board.
Winding up	88	Subject to the provisions of Chapter XX of the Act and rules made there under

		<p>i) If the company shall be wound up, the liquidator may, with the sanction of a special resolution of the company and any other sanction required by the Act, divide amongst the members, in specie or kind, the whole or any part of the assets of the company , whether they shall consist of property of the same kind or not.</p> <p>ii) For the purpose aforesaid, the liquidator may set value as he deems fair upon any property to be dividend as aforesaid and may determine how such division shall be carried out as between the members or different classes of members.</p> <p>iii) The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trust for the benefit of the contributories if he considers necessary, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability.</p>
Indemnity	89	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 judgement 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.
Secrecy	90	Every Director, Secretary, Auditor and any other officer or employee of the Company shall, if so required by the Directors, before entering upon duties, sign a declaration pledging to observe a strict secrecy in respect of all the affairs of the Company
Secrecy restriction	91	Subject as conferred by law no member shall be entitled to visit or inspect any accounts, books, documents or works of the Company without the permission of the Directors or require discovery of any of the Company trade secrets, process or any other matter which would in the opinion of the Directors be expedient in the interest of the Company not to the Directors.

## SECTION IX: OTHER INFORMATION

### MATERIAL CONTRACTS AND MATERIAL DOCUMENTS FOR INSPECTION

The following contracts (not being contracts entered into in the ordinary course of business carried on by our Company or entered into more than two (2) years before the date 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, to be delivered to the Registrar of Companies, Mumbai, Maharashtra, for registration and also the documents for inspection referred to hereunder, may be inspected at the Registered Office of our Company at 306-A, Bhabha Building, N.M. Joshi Marg, Delisle Road, Mumbai – 400 011 from 11.00 a.m. to 5.00 p.m. on working days from the date of the Prospectus until the Issue Closing Date.

#### Material Contracts

1. Agreement dated June 29, 2016 executed between our Company and the Lead Manager.
2. Memorandum of Understanding dated June 20, 2016 executed among our Company and the Registrar to the Issue.
3. Market Making Agreement dated February 3, 2017 among our Company, the Lead Manager and the Market Maker.
4. Underwriting Agreement dated February 3, 2017 among our Company and the Underwriter
5. Tripartite Agreement dated September 8, 2015 executed amongst NSDL, our Company and the Registrar to the Issue.
6. Tripartite Agreement dated September 9, 2015 executed amongst CDSL, our Company and the Registrar to the Issue.

#### Material Documents

1. Certificate of Incorporation of our Company dated April 1, 1999 upon incorporation as Nitiraj Engineers Private Limited
2. Certificate of Incorporation dated June 22, 2015 issued consequent upon conversion to Public Limited Company.
3. Our Company's Memorandum of Association and Articles of Association as amended.
4. Copies of Audited Financial Statements of our Company for 6 months period ended September 30, 2016 and financial years ended March 31, 2016, 2015, 2014, 2013 and 2012.
5. Peer Review Auditors Report dated January 27, 2017 on Restated Financial Statements of our Company for 6 months period ended September 30, 2016 and financial years ended March 31, 2016, 2015, 2014, 2013 and 2012.
6. Copy of the Statement of Tax Benefits dated January 27, 2017 from the Statutory Auditors of our Company.
7. Copy of the Board Resolution passed at the meeting of Board of Directors held on May 25, 2016 authorizing the present Issue.
8. Copy of the Special Resolution passed by the shareholders of our Company, at the Extra Ordinary General Meeting held on June 20, 2016 authorizing the present Issue
9. Copy of Resolution passed by the Shareholders of our Company at the Annual General Meeting held on September 30, 2015 appointing Mr. Rajesh R Dhatwal as Managing Director of our Company
10. Consents of the LM, Registrar to the Issue, Market Maker, Underwriter, Statutory Auditor of our Company, Peer Review Auditor, Promoters, Directors of our Company as on date in their capacity as Managing Director/Whole-time Director/Non Executive Independent Director, Chief Financial Officer, Company Secretary & Compliance Officer of our Company and Bankers to our Company.

11. In-principal approval letter dated September 16, 2016 issued by National Stock Exchange of India Limited, to use the name of NSE in the Prospectus for Listing of Equity Shares of our Company on NSE EMERGE
12. Due Diligence Certificate dated June 30, 2016 from Lead Manager filed with National Stock Exchange of India Limited along with filing of Draft Prospectus
13. Copy letter dated February 24, 2016 issued by HDFC Bank Limited sanctioning various credit facilities to our Company

### Declaration

We, hereby certify and declare that, all the relevant provisions of the Companies Act and the rules, regulations and guidelines issued by the Government of India or the rules, regulations and guidelines issued by the 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 this Prospectus is contrary to the provisions of the Companies Act, the Securities Contracts (Regulation) Act, 1956, the Securities and Exchange Board of India Act, 1992, each as amended or rules made there under or guidelines and regulations issued, as the case may be. We further certify that all the disclosures and statements made in this Prospectus are true and correct.

Signed by Directors, Chief Financial Officer and Company Secretary & Compliance Officer of our Company

Name & Designation	Signature
Rajesh Raghunath Bhatwal Managing Director & CFO	Sd/-
Shakuntala Rajesh Bhatwal	Sd/-
Yi Hung Sin	Sd/-
Anil Nandkishor Bangad	Sd/-
Pradeep Chandrakant Shah	Sd/-
Shabbir Sadruddin Masani	Sd/-

Signed by Company Secretary & Compliance Officer

Sd/-

**Rachna Kothari**