



## MRC EXIM LIMITED

Our Company was originally incorporated as a public limited company under the Companies Act, 2013 pursuant to a certificate of incorporation issued by the Registrar of Companies, Maharashtra, Mumbai dated October 12, 2015 with the name 'MRC Exim Limited'. For further details of our Company, see "General Information" and "History and Certain Other Corporate Matters" on pages 33 and 70, respectively.

**Corporate Identification Number:** U74999MH2015PLC269095

**Registered Office:** 106, Siddhesh Apartment, 2<sup>nd</sup> Khattar gali, Thakurdwar Road, Charni Road East, Mumbai – 400 004, Maharashtra, India

Tel: +91 22 2203 1638; Fax: +91 22 2203 1638

**Website:** www.mrcexim.co.in, **E-mail:** info@mrcexim.co.in

**Contact Person:** Rekha Rani Naraniwal, Company Secretary and Compliance Officer

### PROMOTERS: KIRIT KUMAR SHAH AND CHANDU K. JAIN

**PUBLIC ISSUE OF 30,00,000 EQUITY SHARES OF FACE VALUE OF ₹ 10.00 EACH OF MRC EXIM LIMITED ("OUR COMPANY" OR "THE ISSUER") FOR CASH AT A PRICE OF ₹15.00 PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF ₹5.00 PER EQUITY SHARE) ("ISSUE PRICE") AGGREGATING TO ₹450.00 LAKHS ("THE ISSUE"). OF THE ISSUE, 1,52,000 EQUITY SHARES AGGREGATING TO ₹22.80 LAKHS WILL BE RESERVED FOR SUBSCRIPTION BY MARKET MAKER ("MARKET MAKER RESERVATION PORTION"). THE ISSUE LESS THE MARKET MAKER RESERVATION PORTION I.E. ISSUE OF 28,48,000 EQUITY SHARES OF FACE VALUE OF ₹ 10.00 EACH AT AN ISSUE PRICE OF ₹15.00 PER EQUITY SHARE AGGREGATING TO ₹427.20 LAKHS IS HERINAFTER REFERRED TO AS THE "NET ISSUE". THE ISSUE AND THE NET ISSUE WILL CONSTITUTE 28.79% AND 27.33%, RESPECTIVELY OF THE POST ISSUE PAID UP EQUITY SHARE CAPITAL OF OUR COMPANY. FOR FURTHER DETAILS, SEE "TERMS OF THE ISSUE" ON PAGE 148.**

**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 (THE "SEBI (ICDR) REGULATIONS"), AS AMENDED. IN TERMS OF RULE 19(2)(b)(i) OF THE SECURITIES CONTRACTS (REGULATION) RULES, 1957, AS AMENDED, THIS IS AN ISSUE FOR AT LEAST 25% OF THE POST-ISSUE PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY. 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, AS AMENDED. FOR FURTHER DETAILS, SEE "ISSUE PROCEDURE" ON PAGE 153.**

In terms of SEBI Circular No. CIR/CFD/POLICYCELL/11/2015, all potential investors shall participate in the Issue only through an Application Supported by Blocked Amount ("ASBA") process providing details about the bank account which will be blocked by the Self Certified Syndicate Banks ("SCSBs") for the same. For details in this regard, specific attention is invited to "Issue Procedure" on page 153. A copy of the Prospectus will be delivered for registration to the Registrar of companies as required under Section 26 of the Companies Act, 2013.

**THE FACE VALUE OF THE EQUITY SHARES IS ₹ 10.00 EACH AND THE ISSUE PRICE OF ₹15.00 IS 1.5 TIMES OF THE FACE VALUE**

### RISKS IN RELATION TO FIRST ISSUE

This being the first public issue of the Issuer, there has been no formal market for the securities of our Company. The face value of the Equity Shares of our Company is ₹10.00 and the Issue price of ₹15.00 per Equity Share is 1.5 times of the face value. The Issue Price (as determined by our Company in consultation with the Lead Manager, as stated under "Basis for the Issue Price" on page 55) should not be taken to be indicative of the market price of the Equity Shares after such Equity Shares are listed. No assurance can be given regarding an active and/or sustained trading in the Equity Shares 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 Issue. For taking an investment decision, investors must rely on their own examination of the Issuer and this Issue, including the risks involved. The Equity Shares have not been recommended or approved by the Securities and Exchange Board of India ("SEBI"), nor does SEBI guarantee the accuracy or adequacy of the contents of this Prospectus. **Specific attention of the investors is invited to "Risk Factors" on page 14.**

### 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 BSE Limited in terms of the Chapter XB of the SEBI (ICDR) Regulations, as amended from time to time. Our Company has received an in-principle approval letter dated November 14, 2017 from BSE Limited for using its name in the Offer Document for listing of our shares on the SME Platform of BSE Limited ("BSE"). For the purpose of this Issue, the Designated Stock Exchange will be the BSE.

### LEAD MANAGER TO THE ISSUE

### REGISTRAR TO THE ISSUE



**INVENTURE MERCHANT BANKER SERVICES PRIVATE LIMITED\***  
2<sup>nd</sup> Floor, Viraj Tower, Nr. Andheri Flyover (North End)  
Western Express Highway, Andheri (East) Mumbai – 400 069  
**Tel No:** +91 22 4075 1500;  
**Fax No:** +91 22 4075 1511;  
**Email:** sme.ipo@inventurerechantbanker.com  
**Investor Grievance Email:** redressal@inventurerechantbanker.com  
**Website:** www.inventurerechantbanker.com  
**SEBI Registration No:** INM000012003  
**Contact Person:** Arvind Gala

**PURVA SHAREREGISTRY (INDIA) PRIVATE LIMITED**  
No. 9, Shiv Shakti Ind. Estate, Gr. Floor, J. R. Boricha Marg  
Lower Parel, Mumbai-400 011  
**Tel:** +91 22 2301 6761/8261  
**Fax:** +91 22 2301 2517  
**Website:** www.purvashare.com  
**Email:** busicomp@vsnl.com  
**SEBI Regn No.** INR000001112  
**Contact Person:** Mr. Rajesh Shah

### ISSUE PROGRAMME

**ISSUE OPENS ON:**

Wednesday, December 6, 2017

**ISSUE CLOSES ON:**

Friday, December 8, 2017

\* The certificate of registration of Inventure Merchant Banker Services Private Limited as Merchant banker bearing number INM000012003 was valid for a period of five years effective from August 30, 2012 until August 29, 2017. Inventure Merchant Banker Services Private Limited has made an application to SEBI vide application dated June 7, 2017 in terms of Regulation 8A, under SEBI (Merchant Bankers) Regulation, 1992 for renewal of its said merchant banking license and for grant of permanent registration and has paid requisite fees of Rs. 9,00,000 (Rupees Nine Lakhs only) in accordance with schedule II of the SEBI (Merchant Bankers) Regulation, 1992.



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## SECTION I – GENERAL DEFINITIONS AND ABBREVIATIONS

*This Prospectus uses certain definitions and abbreviations which, unless the context otherwise indicates or implies, shall have the meanings as provided below. References to any legislation, act or regulation shall be to such legislation, act or regulation as amended from time to time.*

*The words and expressions used in this Prospectus but not defined herein, shall have, to the extent applicable, the meaning ascribed to such terms under the Companies Act, the SEBI Regulations, the SCRA, the Depositories Act or the rules and regulations made thereunder. Notwithstanding the foregoing, terms used in “Statement of Tax Benefits”, “Financial Statements” and “Main Provisions of the Articles of Association” on pages 57, 97 and 196, respectively, shall have the meaning given to such terms in such sections.*

*In case of any inconsistency between the definitions given below and definitions contained in the General Information Document, the definitions given below shall prevail.*

### Company Related Terms

| Term   | Description   |
|--|---|
| “MRC Exim Limited”, “MRC”, “We” or “us” or “our Company” or “the Issuer” | Unless the context otherwise requires, refers to MRC Exim Limited, a Company incorporated under the Companies Act, 2013 vide a certificate of incorporation dated April 29, 2016 issued by the Registrar of Companies, Mumbai and having its registered office at 106, Siddhesh Apartment, 2 <sup>nd</sup> Khattar gali, Thakurdwar Road, Charni Road East, Mumbai – 400 004, Maharashtra, India. |
| “you”, “your” or “yours”   | Prospective investors in this Issue   |
| AOA/Articles / Articles of Association                                   | Unless the context otherwise requires, refers to the Articles of Association of our Company, as amended from time to time.  |
| Audit Committee  | The committee of the Board of Directors constituted as the Company’s Audit Committee in accordance with Regulation 18 of the SEBI (LODR) Regulations and Section 177 of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014  |
| Board/ Board of Directors / Our Board                                    | The Board of Directors of our Company, including all duly constituted Committees thereof.   |
| Director(s)  | Director(s) on the Board of our Company, as appointed from time to time, unless otherwise specified.  |
| Equity Shareholders  | The holders of the Equity Shares  |
| Equity Shares/Shares   | The equity shares of our Company of a face value of ₹10.00 each unless otherwise specified in the context thereof   |
| Group Companies / Group Entities   | Such companies as covered under the applicable accounting standards, being Accounting Standard 18 or other entities as considered material in accordance with the Materiality Policy, as described in “Our Group Entities” on page 86.  |
| Key Management Personnel / KMP   | Key management personnel of our Company in terms of Regulation 2(1)(s) of the SEBI (ICDR) Regulations, Section 2(51) of the Companies Act, 2013. For details, please refer “Our Management” on page 73.   |
| MoA / Memorandum of Association  | The Memorandum of Association of our Company, as amended from time to time.   |
| Peer Reviewed Auditor  | The independent peer reviewed Auditor of our Company M/s. Choudhary Choudhary & Co., Chartered Accountants  |
| Promoter Group   | Persons and entities constituting the promoter group of our Company, pursuant to Regulation 2(1)(zb) of the SEBI (ICDR) Regulations.  |
| Promoters  | Kirit Kumar Shah and Chandu K. Jain   |
| Registered Office  | The registered office of our Company situated at 106, Siddhesh Apartment, 2 <sup>nd</sup> Khattar gali, Thakurdwar Road, Charni Road East, Mumbai – 400 004, Maharashtra, India.  |
| Restated Summary Statements  | Audited restated summary statements of assets and liabilities as at March 31, 2017 & March 31, 2016 and audited restated summary statements of profits and losses and cash flows for the financial year ended March 31, 2017 and period ended March 31, 2016 of the Company.  |
| Statutory Auditor  | The Statutory Auditor of our Company, being M/s. A. Puri & Co., Chartered Accountants.  |



## Issue Related Terms

| Term  | Description   |
|---|---|
| Acknowledgement Slip                          | The slip, document or counter foil issued by the Designated Intermediary to an Applicant as proof of having accepted the Application Form   |
| Allot / Allotment /Allotted                   | Unless the context otherwise requires, allotment of the Equity Shares pursuant to the Issue of Equity Shares to the successful Applicants.  |
| Allottee                                      | A successful Applicant to whom the Equity Shares are Allotted   |
| Applicant                                     | Any prospective investor who makes an application pursuant to the terms of the Prospectus and the Application Form. Pursuant to SEBI (Issue of Capital and Disclosure Requirements) (Fifth Amendment) Regulations, 2015, with effect from January 01, 2016 all applicants participating in this Issue are required to mandatorily use the ASBA facility to submit their Applications  |
| Application                                   | An indication to make an offer during the Issue Period by an Applicant, pursuant to submission of Application Form, to subscribe for or purchase our Equity Shares at the Issue Price including all revisions and modifications thereto, to the extent permissible under the SEBI (ICDR) Regulations  |
| Application Amount                            | The number of Equity Shares applied for and as indicated in the Application Form multiplied by the price per Equity Share payable by the Applicants on submission of the Application Form   |
| Application Form                              | The form in terms of which an Applicant shall make an Application and which shall be considered as the application for the Allotment pursuant to the terms of the Prospectus  |
| Application Supported by Blocked Amount/ ASBA | An application, whether physical or electronic, used by an Applicant authorizing a SCSB to block the application amount in the ASBA Account maintained with the SCSB.<br><i>Pursuant to SEBI Circular dated November 10, 2015 and bearing Reference No. CIR/CFD/POLICYCELL/11/2015 which shall be applicable for all public issues opening on or after January 01, 2016, all the investors shall apply through ASBA process only.</i> |
| ASBA Account                                  | Account maintained with an SCSB and specified in the Application Form which will be blocked by such SCSB to the extent of the appropriate Application Amount in relation to an Applicant by an Applicant  |
| ASBA Applicant(s)                             | Any prospective investors in this Issue who applies for Equity Shares of our Company through the ASBA process in terms of the Prospectus.   |
| Banker to the Issue                           | Bank which are clearing members and registered with SEBI as banker to an issue and with whom the Public Issue Account will be opened, in this case being ICICI Bank Limited.  |
| Basis of Allotment                            | The basis on which the Equity Shares will be Allotted to successful Applicants under the Issue, described in “ <i>Issue Procedure –Basis of Allotment</i> ” on page 162.  |
| Broker Centres                                | Broker centres notified by the Stock Exchanges, where the Applicants can submit the Application Forms to a Registered Broker. The details of such broker centres, along with the name and contact details of the Registered Brokers, are available on the website of the BSE on the following link- <a href="http://www.bseindia.com">www.bseindia.com</a>  |
| Broker to the Issue                           | All recognized members of the stock exchange would be eligible to act as the Broker to the Issue.   |
| Business Day                                  | Any day on which commercial banks are open for the business.  |
| CAN / Allotment Advice                        | The note or advice or intimation of Allotment, sent to each successful Applicant who has been or is to be Allotted the Equity Shares after approval of the Basis of Allotment by the Designated Stock Exchange.   |
| Client ID                                     | Client identification number of the Applicant’s beneficiary account   |
| Collection Centres                            | Centres at which the Designated Intermediaries shall accept the ASBA Forms  |
| Compliance Officer                            | The Company Secretary of our Company Rekha Rani Naraniwal   |
| Controlling Branches of the SCSBs             | Such branches of the SCSBs which coordinate with the Lead Manager, the Registrar to the Issue and the Stock Exchange and a list of which is available at <a href="http://www.sebi.gov.in">www.sebi.gov.in</a> or at such other website as may be prescribed by SEBI from time to time.  |
| Collecting Depository Participant or CDP      | A depository participant as defined under the Depositories Act, 1996, registered with SEBI and who is eligible to procure Applications at the Designated CDP Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI   |
| Demographic Details                           | The details of the Applicants including the Applicants’ address, names of the Applicants’ father/husband, investor status, occupations and bank account details   |
| Depository / Depositories                     | A depository registered with SEBI under the SEBI (Depositories and Participant) Regulations, 1996   |

| <b>Term</b>   | <b>Description</b>   |
|---|--|
| Depository Participant / DP   | A depository participant as defined under the Depositories Act.  |
| Designated CDP Locations  | Such locations of the CDPs where Applicants can submit the Application Forms to Collecting Depository Participants. The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept Application Forms are available on the website of the Stock Exchange ( <a href="http://www.bseindia.com">www.bseindia.com</a> )  |
| Designated Date   | The date on which the amounts blocked by the SCSBs are transferred from the ASBA Accounts to the Public Issue Account or unblock such amounts, as appropriate in terms of the Prospectus.  |
| Designated Intermediaries / Collecting Agent  | An SCSB with whom the bank account to be blocked, is maintained, a syndicate member (or sub-syndicate member), a Registered Broker, Designated CDP Locations for CDP, a registrar to an issue and share transfer agent (RTA) (whose names is mentioned on website of the stock exchange as eligible for this activity).  |
| Designated Market Maker / Market Maker  | In our case, Choice Equity Broking Private Limited.  |
| Designated RTA Locations  | Such locations of the RTAs where Applicants can submit the Application Forms to RTAs. The details of such Designated RTA Locations, along with names and contact details of the RTAs eligible to accept Application Forms are available on the website of the Stock Exchange ( <a href="http://www.bseindia.com">www.bseindia.com</a> )  |
| Designated SCSB Branches  | Such branches of the SCSBs which shall collect the Application Forms, a list of which is available on the website of SEBI 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> or at such other website as may be prescribed by SEBI from time to time   |
| Designated Stock Exchange   | BSE Limited  |
| Draft Prospectus / DP   | The Draft Prospectus dated September 4, 2017 filed with BSE Limited.   |
| Eligible NRI  | A non-resident Indian, resident in a jurisdiction outside India where it is not unlawful to make an offer or invitation under the Issue and in relation to whom the Prospectus constitutes an invitation to subscribe for the Equity Shares  |
| Eligible QFI  | Qualified Foreign Investors from such jurisdictions outside India where it is not unlawful to make an offer or invitation under the Issue and in relation to whom the Prospectus constitutes an invitation to purchase the Equity Shares offered thereby and who have opened dematerialised accounts with SEBI registered qualified depository participants as QFIs and are deemed as FPIs under the SEBI FPI Regulations  |
| First Applicant   | The Applicant whose name appears first in the Application Form or the Revision Form  |
| General Information Document  | The General Information Document for investing in public issues prepared and issued in accordance with the circulars (CIR/CFD/DIL/12/2013) dated October 23, 2013, notified by SEBI and updated pursuant to the circular (CIR/CFD/POLICYCELL/11/2015) dated November 10, 2015 and (SEBI/HO/CFD/DIL/CIR/P/2016/26) dated January 21, 2016 notified by the SEBI and included in “ <i>Issue Procedure – General Information Document for Investing in Public Issues</i> ” on page 173 |
| Issue / Public issue / Issue size / Initial Public issue / Initial Public Offer / Initial Public Offering/IPO | Public issue of 30,00,000 Equity Shares of face value of ₹10.00 each of our Company for cash at a price of ₹15.00 per Equity Share (including a share premium of ₹5.00 per Equity Share) aggregating to ₹450.00 lakhs by our Company, in terms of the Prospectus.  |
| Issue Agreement / MoU   | The agreement dated September 1, 2017 entered into amongst our Company and the Lead Manager, pursuant to which certain arrangements are agreed to in relation to the Issue   |
| Issue Closing Date  | The date on which the Issue closes for subscription. In this case being December 8, 2017   |
| Issue Opening Date  | The date on which the Issue opens for subscription. In this case being December 6, 2017  |
| Issue Period  | The period between the Issue Opening Date and the Issue Closing Date, inclusive of both days during which prospective Applicants can submit their Applications, including any revisions thereof  |
| Issue Price   | The price at which Equity Shares are being issued by our Company being ₹15.00 per Equity Share   |
| Lead Manager / LM   | The lead manager to the Issue, in this case being Inventure Merchant Banker Services Private Limited   |
| Listing Agreement   | Unless the context specifies otherwise, this means the Equity Listing Agreement to be signed   |





| <b>Term</b>   | <b>Description</b>  |
|---|---|
|   | between our Company and BSE Limited   |
| Market Maker Reservation Portion                    | 1,52,000 Equity Shares of ₹10.00 each at ₹15.00 per Equity Share aggregating to ₹22.80 lakhs reserved for subscription by the Market Maker.   |
| Materiality Policy                                  | The policy on identification of group companies, material creditors and material litigation, adopted by our Board on September 1, 2017, in accordance with the requirements of the SEBI (ICDR) Regulations.   |
| Net Issue   | The Issue (excluding the Market Maker Reservation Portion) of 28,48,000 Equity Shares of face value of ₹10.00 each at an Issue Price of ₹15.00 per equity share aggregating to ₹427.20 lakhs.   |
| Net Proceeds  | Proceeds of the Issue that will be available to our Company, which shall be the gross proceeds of the Issue less the issue expenses   |
| Non-Institutional Investors / NIIs                  | All Applicants, including Category III FPIs that are not QIBs or Retail Individual Investors who have made Application for Equity Shares for an amount of more than ₹ 2,00,000 (but not including NRIs other than Eligible NRIs)  |
| Prospectus  | The Prospectus to be filed with the RoC for this Issue in accordance with the provisions of Section 26 of the Companies Act, 2013 and the SEBI (ICDR) Regulations, including any addenda or corrigenda thereto.   |
| Public Issue Account                                | The account to be opened with the Banker to the Issue under Section 40 of the Companies Act, 2013 to receive monies from the ASBA Accounts on the Designated Date   |
| Qualified Institutional Buyers or QIBs              | A qualified institutional buyer as defined under Regulation 2(1)(zd) of the SEBI (ICDR) Regulations   |
| Registered Brokers                                  | Stock brokers registered with the stock exchanges having nationwide terminals   |
| Registrar Agreement                                 | The Agreement between the Registrar to the Issue and the Issuer Company dated August 31, 2017 in relation to the responsibilities and obligations of the Registrar to the Issue pertaining to the Issue   |
| Registrar and Share Transfer Agents or RTAs         | Registrar and share transfer agents registered with SEBI and eligible to procure Applications at the Designated RTA Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI  |
| Registrar to the Issue                              | Purva Sharegistry (India) Private Limited   |
| Retail Individual Investors/ RIIs                   | Applicants (including HUFs, in the name of Karta and Eligible NRIs) whose Application Amount for Equity Shares in the Issue is not more than ₹2,00,000/-  |
| Revision Form                                       | The form used by the Applicants to modify the quantity of Equity Shares or the Application Amount in any of their Application Forms or any previous Revision Form(s), as applicable   |
| Self Certified Syndicate Banks or SCSBs             | Banks registered with SEBI, offering services in relation to ASBA, a list of which is available on the website of SEBI at www.sebi.gov.in and updated from time to time and at such other websites as may be prescribed by SEBI from time to time   |
| SME Platform of BSE / SME Exchange / Stock Exchange | The SME Platform of BSE for listing of equity shares offered under Chapter XB of the SEBI (ICDR) Regulations  |
| Underwriter   | Inventure Merchant Banker Services Private Limited  |
| Underwriting Agreement                              | The agreement dated November 7, 2017 entered into among the Underwriter and our Company.  |
| Working Day(s)                                      | “Working Day” means all days, other than second and fourth Saturday of the month, Sunday or a public holiday, on which commercial banks in Mumbai are open for business; provided however, with reference to Issue Period, “Working Day” shall mean all days, excluding all Saturdays, Sundays or a public holiday, on which commercial banks in Mumbai are open for business; and with reference to the time period between the Issue Closing Date and the listing of the Equity Shares on the SME Platform of BSE Limited, “Working Day” shall mean all trading days of BSE Limited, excluding Sundays and bank holidays, as per the SEBI Circular SEBI/HO/CFD/DIL/CIR/P/2016/26 dated January 21, 2016 |

### Conventional and General Terms and Abbreviations

| <b>Term</b> | <b>Description</b>                                  |
|-------------|---|
| A/c         | Account   |
| AGM         | Annual General Meeting                              |
| AIF(s)      | Alternative Investment Funds                        |
| Air Act     | Air (Prevention and Control of Pollution) Act, 1981 |



| <b>Term</b>                                | <b>Description</b>  |
|--|---|
| AS   | Accounting Standards as issued by the Institute of Chartered Accountants of India   |
| ASBA                                       | Applications Supported by Blocked Amount  |
| Authorised Dealers                         | Authorised Dealers registered with RBI under the Foreign Exchange Management (Foreign Currency Accounts) Regulations, 2000  |
| AY   | Assessment Year   |
| B. A.                                      | Bachelor of Arts  |
| B.Com                                      | Bachelor of Commerce  |
| Banking Regulation Act                     | Banking Regulation Act, 1949  |
| BMW Rules                                  | Bio-Medical Waste (Management and Handling) Rules, 1998   |
| Bn   | Billion   |
| Breeding Rules                             | Breeding of and Experiments on Animals (Control and Supervision) Rules, 1998  |
| BSE  | BSE Limited (formerly known as Bombay Stock Exchange Limited)   |
| CAGR                                       | Compounded Annual Growth Rate   |
| Category I Foreign Portfolio Investor(s)   | FPIs registered as Category I Foreign Portfolio Investors under the SEBI FPI Regulations.   |
| Category II Foreign Portfolio Investor(s)  | An FPI registered as a category II foreign portfolio investor under the SEBI FPI Regulations  |
| Category III Foreign Portfolio Investor(s) | FPIs registered as category III FPIs under the SEBI FPI Regulations, which shall include all other FPIs not eligible under category I and II foreign portfolio investors, such as endowments, charitable societies, charitable trusts, foundations, corporate bodies, trusts, individuals and family offices                          |
| CBEC                                       | Central Board of Excise and Customs   |
| CDSL                                       | Central Depository Services (India) Limited   |
| Central Sales Tax Act                      | Central Sales Tax Act, 1956   |
| CEO  | Chief Executive Officer   |
| CFO  | Chief Financial Officer   |
| CIN  | Company Identification Number   |
| CIT  | Commissioner of Income Tax  |
| Companies Act                              | Companies Act, 1956 (without reference to the provisions thereof that have ceased to have effect upon notification of the Notified Sections) and the Companies Act, 2013, to the extent in force pursuant to the notification of the Notified Sections, read with the rules, regulations, clarifications and modifications thereunder |
| Companies Act 1956                         | Companies Act, 1956 (without reference to the provisions thereof that have ceased to have effect upon notification of the Notified Sections)  |
| Companies Act 2013                         | Companies Act, 2013, to the extent in force pursuant to the notification of the Notified Sections, read with the rules, regulations, clarifications and modifications thereunder  |
| Consolidated FDI Policy                    | The current consolidated FDI Policy, effective from June 7, 2016, issued by the Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India, and any modifications thereto or substitutions thereof, issued from time to time   |
| Copyright Act                              | The Copyright Act, 1957   |
| CPCSEA                                     | Committee for the Purpose of Control and Supervision on Experimentation with Animals  |
| CRO  | Contract Research Organization  |
| CSO  | Central Statistical Organisation  |
| CSR  | Corporate Social Responsibility   |
| Depositories Act                           | Depositories Act, 1996  |
| Depository                                 | A depository registered with the SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996  |
| DIN  | Director Identification Number  |
| DIPP                                       | Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, GoI   |
| DP   | Depository Participant  |
| DP ID                                      | Depository Participant's identity number  |
| DTC  | Direct Tax Code, 2013   |
| ECS  | Electronic Clearing System  |





| <b>Term</b>                                | <b>Description</b>   |
|--|--|
| EGM  | Extraordinary General Meeting  |
| Environment Protection Act                 | Environment Protection Act, 1986   |
| EPF Act                                    | Employees' Provident Funds and Miscellaneous Provisions Act, 1952  |
| EPS  | Earnings per share   |
| ESI Act                                    | Employees' State Insurance Act, 1948   |
| F&NG                                       | Father and Natural Guardian  |
| F&O  | Futures and Options  |
| FCNR Account                               | Foreign Currency Non Resident (Bank) account established in accordance with the FEMA   |
| FDI  | Foreign Direct Investment  |
| FEMA                                       | The Foreign Exchange Management Act, 1999 read with rules and regulations thereunder   |
| FEMA 20                                    | The Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000   |
| FII(s)                                     | Foreign Institutional Investors as defined under SEBI FPI Regulations  |
| Financial Year / Fiscal / Fiscal Year / FY | The period of 12 months commencing on April 1 of the immediately preceding calendar year and ending on March 31 of that particular calendar year                           |
| FIPB                                       | Foreign Investment Promotion Board   |
| FMC  | Forward Market Commission  |
| FOB  | Free on Board  |
| Foreign Portfolio Investor or FPIs         | A foreign portfolio investor, as defined under the SEBI FPI Regulations and registered with SEBI under applicable laws in India.   |
| FTA  | The Foreign Trade (Development and Regulation) Act, 1992   |
| FVCI                                       | Foreign Venture Capital Investors (as defined under the Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000) registered with SEBI |
| GDP  | Gross Domestic Product   |
| GIR Number                                 | General Index Registry Number  |
| GoI/Government                             | Government of India  |
| Hazardous Wastes Rules                     | Hazardous Wastes (Management, Handling and Transboundary Movement) Rules, 2008   |
| HUF(s)                                     | Hindu Undivided Family(ies)  |
| I.T. Act                                   | Income Tax Act, 1961, as amended from time to time   |
| ICAI                                       | Institute of Chartered Accountants of India  |
| ICSI                                       | Institute of Company Secretaries of India  |
| IFRS                                       | International Financial Reporting Standards  |
| IFSC                                       | Indian Financial System Code   |
| Income Tax Act                             | Income Tax Act, 1961   |
| Indian GAAP                                | Generally Accepted Accounting Principles in India  |
| INR or Rupee or ₹ or Rs.                   | Indian Rupee, the official currency of the Republic of India   |
| Insider Trading Regulations                | The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended.   |
| IPO  | Initial Public Offering  |
| ISIN                                       | International Securities Identification Number   |
| ISO  | International Standards Organization   |
| KMP  | Key Managerial Personnel   |
| KW   | Kilo Watt  |
| LIBOR                                      | London interbank offered rate  |
| Ltd.                                       | Limited  |
| M. A                                       | Master of Arts   |
| M. Com.                                    | Master of Commerce   |
| M.B.A                                      | Master of Business Administration  |
| MAPIN                                      | Market Participants and Investors' Integrated Database   |
| Maternity Benefit Act                      | Maternity Benefit Act, 1961  |
| MCA  | The Ministry of Corporate Affairs, GoI   |
| MCI  | Ministry of Commerce and Industry, GoI   |
| Minimum Wages Act                          | Minimum Wages Act, 1948  |



| Term                          | Description   |
|-------------------------------|---|
| Mn                            | Million   |
| MoEF                          | Ministry of Environment and Forests   |
| MoF                           | Ministry of Finance, Government of India  |
| MOU                           | Memorandum of Understanding   |
| Mutual Funds                  | Mutual funds registered with the SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996   |
| NA                            | Not Applicable  |
| NAV                           | Net asset value   |
| NIFTY                         | National Stock Exchange Sensitive Index   |
| NLEM 2011                     | National List of Essential Medicines – 2011   |
| No.                           | Number  |
| Non Resident                  | A person resident outside India, as defined under FEMA Regulations  |
| Non-Resident Indian/ NRI      | A person resident outside India, who is a citizen of India or a Person of Indian Origin as defined under FEMA Regulations, as amended   |
| Notified Sections             | The sections of the Companies Act, 2013 that have been notified by the MCA and are currently in effect  |
| NPV                           | Net Present Value   |
| NR/ Non-resident              | A person resident outside India, as defined under the FEMA and includes a Non-resident Indian   |
| NRE Account                   | Non-Resident External Account established and operated in accordance with the FEMA  |
| NRO Account                   | Non-Resident Ordinary Account established and operated in accordance with the FEMA  |
| NSDL                          | National Securities Depository Limited  |
| NWR                           | Negotiable Warehouse Receipt  |
| OCB                           | Overseas Corporate Bodies   |
| 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. <b>OCBs are not allowed to invest in this Issue.</b> |
| p.a.                          | per annum   |
| P/E Ratio                     | Price/Earnings Ratio  |
| PAC                           | Persons Acting in Concert   |
| PAN                           | Permanent account number  |
| PAT                           | Profit after tax  |
| Patents Act                   | Patents Act, 1970   |
| Payment of Bonus Act          | Payment of Bonus Act, 1965  |
| Payment of Gratuity Act       | Payment of Gratuity Act, 1972   |
| PCA Act                       | Prevention of Cruelty to Animals Act, 1960  |
| PIL                           | Public Interest Litigation  |
| PPP                           | Public private partnership  |
| Public Liability Act          | Public Liability Insurance Act, 1991  |
| Pvt./(P)                      | Private   |
| PWD                           | Public Works Department of state governments  |
| QFI(s)                        | Qualified Foreign Investor(s) as defined under the SEBI FPI Regulations   |
| QIC                           | Quarterly Income Certificate  |
| RBI                           | The Reserve Bank of India   |
| RoC or Registrar of Companies | The Registrar of Companies, Mumbai  |
| ROE                           | Return on Equity  |
| RONW                          | Return on Net Worth   |
| RTGS                          | Real Time Gross Settlement  |
| SCRA                          | Securities Contract (Regulation) Act, 1956, as amended from time to time  |
| SCRR                          | Securities Contracts (Regulation) Rules, 1957, as amended from time to time.  |
| SEBI                          | The Securities and Exchange Board of India constituted under the SEBI Act   |
| SEBI (ICDR) Regulations       | The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended, including instructions and   |



| <b>Term</b>                        | <b>Description</b>  |
|------------------------------------|---|
|                                    | clarifications issued by SEBI from time to time   |
| 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 (Venture Capital) Regulations | Securities Exchange Board of India (Venture Capital) Regulations, 1996 as amended from time to time.  |
| SEBI Act                           | Securities and Exchange Board of India Act, 1992  |
| SEBI FPI Regulations               | Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014  |
| SEBI FVCI Regulations              | Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000  |
| SEBI Takeover Regulations          | The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended from time to time.   |
| Sec.                               | Section   |
| SENSEX                             | Bombay Stock Exchange Sensitive Index   |
| SICA                               | Sick Industrial Companies (Special Provisions) Act, 1985  |
| SIPCOT                             | State Industries Promotion Corporation of Tamil Nadu Limited  |
| SITP                               | Scheme for integrated textile parks   |
| SME                                | Small and Medium Enterprise   |
| SSI                                | Small Scale Industry  |
| STT                                | Securities Transaction Tax  |
| TPH                                | Tonnes per hour   |
| Trademarks Act                     | The Trademarks Act, 1999  |
| TUFS                               | Technology Upgradation Fund Scheme  |
| U.S. GAAP                          | Generally Accepted Accounting Principles in the United States of America  |
| U.S. Securities Act                | The United States Securities Act, 1933  |
| US\$ or USD or US Dollar           | United States Dollar, the official currency of the United States of America   |
| USA or U.S. or US                  | United States of America  |
| VCF                                | Venture Capital Funds   |
| VCFs                               | Venture capital funds as defined in and registered with the SEBI under the Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996 or the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012, as the case may be |
| Wages Act                          | Payment of Wages Act, 1936  |
| Water Act                          | Water (Prevention and Control of Pollution) Act, 1974   |
| Workmen's Compensation Act         | Workmen's Compensation Act, 1923  |

Notwithstanding the foregoing:

1. In '*Main Provisions of the Articles of Association*' on page 196, defined terms shall have the meaning given to such terms in that section;
2. In '*Summary of Our Business*' and '*Our Business*' on page 28 and 64 respectively, defined terms shall have the meaning given to such terms in that section;
3. In '*Risk Factors*' on page 14, defined terms shall have the meaning given to such terms in that section;
4. In '*Statement of Tax Benefits*' on page 57, defined terms shall have the meaning given to such terms in that section;
5. In '*Management's Discussion and Analysis of Financial Conditions and Results of Operations*' on page 119, defined terms shall have the meaning given to such terms in that section.

## CERTAIN CONVENTIONS, USE OF FINANCIAL INFORMATION AND MARKET DATA AND CURRENCY OF PRESENTATION

In this Prospectus, the terms “we”, “us”, “our”, the “Company”, “our Company”, “MRC Exim Limited” and “MRC”, unless the context otherwise indicates or implies, refers to MRC Exim Limited.

### Certain Conventions

All references in this Prospectus to “India” are to the Republic of India. All references in this Prospectus to the “U.S.”, “USA” or “United States” are to the United States of America.

### Financial Data

Unless stated otherwise, the financial data in this Prospectus is derived from our audited financial statements for the financial year ended March 31, 2017 and period ended March 31, 2016 prepared in accordance with Indian GAAP, the Companies Act and restated in accordance with the SEBI (ICDR) Regulations which are included in this Prospectus, and set out in ‘*Financial Statements*’ on page 97.

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

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

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

### Currency and units of presentation

In this Prospectus, unless the context otherwise requires, all references to (a) ‘Rupees’ or ‘₹’ or ‘Rs.’ or ‘INR’ are to Indian rupees, the official currency of the Republic of India; (b) ‘US Dollars’ or ‘US\$’ or ‘USD’ or ‘\$’ are to United States Dollars, the official currency of the United States of America. All references to the word ‘Lakh’ or ‘Lac’ or ‘Lacs’, means ‘One hundred thousand’ and the word ‘Million’ means ‘Ten lakhs’ and the word ‘Crore’ means ‘Ten Million’ and the word ‘Billion’ means ‘One thousand Million’. Any percentage amounts, as set forth in “*Risk Factors*”, “*Our Business*”, “*Management’s Discussion and Analysis of Financial Conditions and Results of Operation*” and elsewhere in this Prospectus, unless otherwise indicated, have been calculated based on our Restated Financial Statement.

### Industry and Market Data

Unless stated otherwise, industry and market data used throughout this Prospectus has been obtained or derived from internal Company reports and industry and government publications, publicly available information and sources. Industry publications generally state that the information contained in those publications has been obtained from sources believed to be reliable but that their accuracy and completeness are not guaranteed and their reliability cannot be assured. Although, our Company believes that industry data used in this Prospectus is reliable, it has not been independently verified. Further, the extent to which the industry and market data presented in this Prospectus is meaningful depends on the reader’s familiarity with and understanding of, the methodologies used in compiling such data. There are no standard data gathering methodologies in the industry in which we conduct our business, and methodologies and assumptions may vary widely among different industry sources.



## FORWARD-LOOKING STATEMENTS

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

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

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

For a further discussion of factors that could cause our current plans and expectations and actual results to differ, please refer “*Risk Factors*”, “*Our Business*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” on page 14, 64 and 119 respectively.

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

## SECTION II - RISK FACTORS

*An investment in the Equity Shares involves a high degree of risk. You should carefully consider all the information in this Prospectus, including the risks and uncertainties summarised below, before making an investment in our Equity Shares. The risks described below are relevant to, the industries our Company is engaged in, our Company and our Equity Shares. To obtain a complete understanding of our Company, you should read this section in conjunction with 'Our Business' and 'Management's Discussion and Analysis of Financial Condition and Results of Operations' on page 64 and 119 respectively, of this Prospectus as well as the other financial and statistical information contained in this Prospectus. Prior to making an investment decision, prospective investors should carefully consider all of the information contained in 'Financial Statements' on page 97 of this Prospectus. Unless stated otherwise, the financial data in this section is as per our financial statements prepared in accordance with Indian GAAP, as restated.*

*If any one or more of the following risks as well as other risks and uncertainties discussed in this Prospectus were to occur, our business, financial condition and results of our operation could suffer material adverse effects, and could cause the trading price of our Equity Shares and the value of investment in the Equity Shares to materially decline which could result in the loss of all or part of your investment.*

*This Prospectus also contains forward looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of many factors, including the considerations described below and elsewhere in this Prospectus.*

*These risks are not the only ones that our Company face. Our business operations could also be affected by additional factors that are not presently known to us or that we currently consider to be immaterial to our operations. Unless specified or quantified in the relevant risk factors below, we are not in a position to quantify financial or other implication of any risks mentioned herein.*

### **Materiality**

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

- 1. Some events may not be material individually but may be material when considered collectively.*
- 2. Some events may have an impact which is qualitative though not quantitative.*
- 3. Some events may not be material at present but may have a material impact in the future.*

### **INTERNAL RISKS**

- 1. Our Company has very limited operating history that can provide an adequate basis on which to judge its future prospects and results of operations.***

Our Company was incorporated on October 12, 2015 and has commenced commercial activities in the lart quarter of FY 2016. As we have very limited operating history, it may not provide a meaningful basis for you to evaluate our business, financial performance and prospects. Accordingly, our results of operations for any prior periods may not be the indication of our future performance. You should consider our business and prospects in light of the risks, uncertainties, expenses and challenges that we will face as an early-stage company operating in a growing market. Going forward, we may not be successful in addressing the risks and uncertainties we will confront, which may materially and adversely affect our Company's results of operations, financial condition and business prospects.

- 2. There has been no regular trading in the equity shares of our Group Company, SSPN Finance Limited. SSPN finance is also listed on SME platform of BSE. In fact it was traded only on six trading days since April 1 2017. Further, we can't assure you that there will be regular trading in the Equity Shares of Our Company and an active trading market may not develop or be sustained after the Issue.***
- 3. Our business requires us to obtain and renew certain registrations, licenses and permits from government and regulatory authorities and the failure to obtain and renew them in a timely manner may adversely affect our business operations.***





Our business operations require us to obtain and renew from time to time, certain approvals, licenses, registrations and permits, some of which may expire and for which we may have to make an application for obtaining the approval or its renewal. We will be applying for certain approvals relating to our business. If we fail to maintain such registrations and licenses or comply with applicable conditions, or a regulatory authority claims we have not complied, with these conditions, our certificate of registration for carrying on a particular activity may be suspended and/or cancelled and we will not then be able to carry on such activity. This could materially and adversely affect our business, financial condition and results of operations. We cannot assure you that we will be able to obtain approvals in respect of such applications or any application made by us in the future. For more information about the licenses required in our business and the licenses and approvals applied for, please refer “*Government and Other Approvals*” on page 129 of this Prospectus, respectively.

**4. *Our success depends largely upon the services of our Promoters, Executive Directors and other key managerial personnel and our ability to attract and retain them.***

We are dependent on our Key Managerial Personnel for setting our strategic direction and managing our businesses. Our Promoters have over past one and half years have built relations with suppliers, customers and other persons who are connected with us. Accordingly, our Company’s performance is dependent upon the services of our Promoters, our Executive Directors and other key managerial personnel. Our future performance will depend upon the continued services of these persons. Demand for key managerial personnel in the industry is intense and our inability to attract and retain key managerial personnel may affect the operations of our Company.

**5. *Our inability to manage growth could disrupt our business and reduce our profitability.***

A principal component of our strategy is to continue to grow by expanding the size and geographical scope of our businesses, as well as the development of our new products portfolio. This growth strategy will place significant demands on our management, financial and other resources. It will require us to continuously develop and improve our operational, financial and internal controls. Continuous expansion increases the challenges involved in financial management, recruitment, training and retaining high quality human resources, preserving our culture, values and entrepreneurial environment, and developing and improving our internal administrative infrastructure. Any inability on our part to manage such growth could disrupt our business prospects, impact our financial condition and adversely affect our results of operations.

**6. *We have not made any alternate arrangements for meeting our capital requirements for the Objects of the issue. Further we have not identified any alternate source of financing the ‘Objects of the Issue’. Any shortfall in raising / meeting the same could adversely affect our growth plans, operations and financial performance.***

As on date, we have not made any alternate arrangements for meeting our capital requirements for the objects of the issue. We meet our capital requirements through our owned funds and internal accruals. Any shortfall in our net owned funds, internal accruals and our inability to raise debt in future would result in us being unable to meet our capital requirements, which in turn will negatively affect our financial condition and results of operations. Further we have not identified any alternate source of funding and hence any failure or delay on our part to raise money from this issue or any shortfall in the issue proceeds may delay the implementation schedule and could adversely affect our growth plans. For further details please refer to the chapter titled “Objects of the Issue” beginning on page 51 of the Prospectus.

**7. *The prices we are able to obtain for the iron, steel, alloys, aluminum and other products that we trade depend largely on prevailing market prices.***

The price of various metals has a significant impact on our profits. Metals have been subject to price fluctuations resulting from weather, domestic and foreign trade policies, shifts in supply and demand and other factors beyond our control. As a result, any fluctuation in prices could have a material adverse effect on our Company and our results of operations.

**8. *Substantial portion of our revenues has been dependent upon our few clients. The loss of any one or more of our major clients would have a material adverse effect on our business operations and profitability.***

For the financial year ended March 31, 2017, our top 5 customers contributed almost 86.19% of our sales. The loss of our major customers or a decrease in the volume of products sourced from us may adversely affect our revenues and profitability. We cannot assure you that we shall generate the same quantum of business, or any business at all, from these customers, and loss of business from one or more of them may adversely affect our operations and profitability.

**9. We are only dependent upon few suppliers for the material requirements of our trading business.**

For the financial year ended March 31, 2017, our top 5 suppliers contributed almost 91.69% of our purchases. Any problems faced by our supplier resulting in delays or non-adherence to quality requirements could adversely impact our ability to meet our customer's requirements in time and our operations would be affected to the extent we are unable to line up supplies from alternate suppliers.

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

We operate in a working capital intense industry therefore our business demands substantial funds towards working capital requirements. In case there are insufficient cash flows to meet our additional working capital requirement or we are unable to arrange the same from other sources or there are delays in disbursement of arranged funds, or we are unable to procure funds on favourable terms, at a future date, 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.

**11. Our Group Company, AA Plus Tradelink Limited has objects similar to our Company and which may be in conflict with Our Company. However, AA Plus Tradelink Limited is engaged in the business of trading and exports of mainly chemicals, metals and imitation products. Further, our Company has not entered into any non compete agreement with AA Plus Tradelink Limited.**

**12. We face intense competition in our businesses, which may limit our growth and prospects.**

Our Company faces significant competition from other manufacturers and traders. In particular, we compete with other traders operating in the markets in which we are present. Our competitors may have advantages over us, including, but not limited to:

- Substantially greater financial resources;
- Longer operating history than in certain of our businesses;
- Greater brand recognition among consumers;
- Larger customer bases in and outside India; or
- More diversified operations which allow profits from certain operations to support others with lower profitability.

These competitive pressures may affect our business, and our growth will largely depend on our ability to respond in an effective and timely manner to these competitive pressures.

**13. We have issued Equity Shares during the last one year from the date of filing of the Prospectus at a price that is below the Issue Price.**

During the last one year from the date of filing of the Prospectus we have issued Equity Shares at a price that is lower than the Issue Price as detailed in the following table:

| Date of allotment | Number of Equity Shares allotted | Face value (₹) | Issue Price (₹) | Nature of Consideration | Nature of allotment       | % of Pre-Issue Equity Share Capital | % of Post-Issue Equity Share Capital |
|-------------------|----------------------------------|----------------|-----------------|-------------------------|---------------------------|-------------------------------------|--------------------------------------|
| 18-Aug-17         | 4452540                          | 10.00          | Nil             | Nil                     | Bonus in the Ratio of 3:2 | 60%                                 | 42.73%                               |

For further details of the aforesaid allotment please refer "Capital Structure" on page 40 of this Prospectus.

**14. We do not own our Registered Office from which we operate.**

We do not own the premises on which our Registered Office is situated. Our Company has taken the registered office on lease basis from our Promoter, Chandu K. Jain. Our Promoter, Chandu K. Jain has given us a waiver letter from the payment of rent from April 1, 2016 till the conclusion of agreement, i.e. till September 11, 2018. We cannot assure you that we will have the right to occupy, these premises in the future, or that we will be able to continue with the



uninterrupted use of this property, which may impair our operations and adversely affect our financial condition. Further these agreements are not registered and may not be adequately stamped under Indian law. In the event of any such irregularity, we may not be able to enforce our rights under such agreements in the event of a dispute. For further details of our office premises please refer to the section titled "Our Business" on pages 64 of the Prospectus.

***15. Our results of operations are likely to vary from year to year and be unpredictable, which could cause the market price of the Equity Shares to be volatile.***

Our results of operations in any given year can be influenced by a number of factors, many of which are outside of our control and may be difficult to predict, including:

- our ability to acquire and retain clients for our services;
- maintaining high levels of customer satisfaction;
- costs relating to our operations;
- adhering to our high quality and process execution standards;
- pricing policies introduced by our competitors;
- the timing and nature of, and expenses incurred in, our marketing efforts;
- recruiting, training and retaining sufficient skilled technical and management personnel;
- developing and improving our internal administrative infrastructure, particularly our financial, operational, communications, and other internal systems;

Also, please refer “*Management's Discussion and Analysis of Financial Condition and Results of Operations*” on page 119 for details on the factors affecting our financial results. All of these factors, in combination or alone could negatively impact our revenues and may cause significant fluctuations in our results of operations. This variability and unpredictability could materially and adversely affect our results of operations and financial condition.

***16. Our Company has availed certain unsecured loans that are recallable by the lenders at any time.***

Our Company has availed certain unsecured loans that are recallable on demand by the lenders. For further details of these unsecured loans, please refer “*Financial Indebtedness*” on page 125. In case of any demand from lenders for repayment of such unsecured loans, the resultant cash outgo, may adversely affect our business operations and financial position of our Company.

***17. We have in the past entered into related party transactions and may continue to do so in the future, which may potentially involve conflicts of interest with the equity shareholders.***

We have entered into related party transactions with our Promoters, Promoter Group, Group Entities and Directors. For details of these transactions, please refer “*Related Party Transactions*” on page 95.

We cannot assure you that we will be able to maintain the terms of such transactions or in the event that we enter future transactions with related parties, that the terms of the transactions will be favourable to us. Additionally, while it is our belief that all our related party transactions have been conducted on an arm’s-length basis, we cannot provide assurance that we could have achieved more favourable terms had such transactions been entered with third parties. We may also enter related party transactions in the future, which could involve conflicts of interest, although going forward, all related party transactions that we may enter will be subject to audit committee or board or shareholder approval, as applicable, as under the Companies Act, 2013 and the SEBI (LODR) Regulations. As such, we can provide no assurance that these transactions will not adversely affect our business, results of operation, cash flows and financial condition.

***18. Any variation in the utilisation of the Net Proceeds as disclosed in this Prospectus shall be subject to certain compliance requirements, including prior Shareholders’ approval.***

We propose to utilize the Net Proceeds to meet additional working capital requirements. For further details of the proposed objects of the Issue, please refer “*Objects of the Issue*” on page 51.

In accordance with Section 27 of the Companies Act, 2013, we cannot undertake any variation in the utilization of the Net Proceeds as disclosed in this Prospectus without obtaining the shareholders’ approval through a special resolution. In the event of any such circumstances that requires us to undertake variation in the disclosed utilisation of the Net Proceeds, we may not be able to obtain the Shareholders’ approval in a timely manner, or at all. Any delay or inability in obtaining such Shareholders’ approval may adversely affect our business or operations. Further, our Promoters or controlling shareholders would be required to provide an exit opportunity to the shareholders who do not agree with our

proposal to modify the objects of the Issue as prescribed in the SEBI (ICDR) Regulations. If our shareholders exercise such exit option, our business and financial condition could be adversely affected. Therefore, we may not be able to undertake variation of objects of the Issue to use any unutilized proceeds of the Issue, if any, even if such variation is in the interest of our Company, which may restrict our ability to respond to any change in our business or financial condition, and may adversely affect our business and results of operations.

**19. Our funding requirements and deployment of the issue proceeds are based on management estimates and have not been independently appraised by any bank or financial institution.**

Our funding requirements and the deployment of the proceeds of the Issue are based on management estimates and our current business plan. The fund requirements and intended use of proceeds have not been appraised by bank or financial institution and are based on our estimates. In view of the competitive and dynamic nature of our business, we may have to revise our expenditure and fund requirements as a result of variations including in the cost structure, changes in estimates and other external factors, which may not be within the control of our management. This may entail rescheduling, revising or cancelling the planned expenditure and fund requirement and increasing or decreasing the expenditure for a particular purpose from its planned expenditure at the discretion of our board. In addition, schedule of implementation as described herein are based on management’s current expectations and are subject to change due to various factors some of which may not be in our control.

**20. Our Company’s management will have flexibility in utilizing the Net Proceeds. 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.**

The deployment of the funds towards the objects of the issue is entirely at the discretion of the Board of Directors/Management and is not subject to monitoring by external independent agency. As per SEBI (ICDR) Regulations, 2009, as amended, appointment of monitoring agency is required only for Issue size above ₹ 10,000.00 lakhs. Hence, we have not appointed any monitoring agency to monitor the utilization of Issue proceeds. However, the audit committee of our Board will monitor the utilization of Issue proceeds in terms of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Further, our Company shall inform about material deviations in the utilization of Issue proceeds to BSE and shall also simultaneously make the material deviations / adverse comments of the audit committee public. Any inability on our part to effectively utilize the Issue proceeds could adversely affect our financials.

**21. We have not made arrangements with any financial institution for funding of our balance working capital requirements. The failure to obtain additional financing may adversely affect our ability to grow and our future profitability.**

Additional working capital requirement has been estimated at ₹415.03 lakhs for the FY 2017-2018, of which ₹405.00 lakhs would be funded out of the Issue Proceeds, whereas the balance amount i.e. ₹10.03 lakhs would be arranged by way of borrowings or internal accruals. However, as on date of the Prospectus our Company has not identified any alternate source of funding for our working capital requirement. Our Company cannot assure you that we will be able to raise such additional financing on acceptable terms in a timely manner or at all. Any failure or delay on our part to mobilize the required resources or any shortfall in the Issue Proceeds can adversely affect our growth plan and profitability. For further details of our working capital requirement, please refer “Object for the Issue” on page 51.

**22. We have experienced negative cash flows in the past. Any such negative cash flows in the future could adversely affect our business, results of operations and prospects.**

The following table sets forth our cash flow for the periods indicated:

| Particulars                        | (₹ in lakhs)                                    |   |                                     |
|------------------------------------|---|---|-------------------------------------|
|                                    | For the financial year ended September 30, 2017 | For the financial year ended March 31, 2017 | For the period ended March 31, 2016 |
| Net Cash from Operating Activities | (23.34)   | (189.21)                                    | (545.57)                            |
| Net Cash from Investing Activities | --  | (58.95)                                     | (16.31)                             |
| Net Cash from Financing Activities | (12.69)   | --  | --                                  |

Cash flow of a company is a key indicator to show the extent of cash generated from operations to meet its capital expenditure, pay dividends, repay loans and make new investments without raising finance from external resources. Such



negative cash flows lead to a net decrease in cash and cash equivalents for financial year ended March 31, 2017. Any negative cash flow in future could adversely affect our operations and financial conditions and the trading price of our Equity Shares. For further details, please refer “*Financial Statements*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” on pages 97 and 119, respectively.

***23. We have not made any dividend payments in the past and our ability to pay dividends in the future will depend upon future earnings, financial condition, cash flows, working capital requirements, capital expenditures and restrictive covenants in our financing arrangements.***

In the past, we have not made dividend payments to the shareholders of our Company. The amount of our future dividend payments, if any, will depend upon various factors including our future earnings, financial condition, cash flows and requirement to fund operations and expansion of the business. There can be no assurance that we will be able to declare dividends. Any future determination as to the declaration and payment of dividends will be at the discretion of our Board of Directors. For further details, see “*Dividend Policy*” on page 96.

***24. Our Company has not registered the trademark. Our ability to use the trademark may be impaired if the same is not registered under our name.***

We have not registered the trademark and logo of our Company which we use. The registration for the said trademark in our name is important to retain our brand equity. If we do not register our trademark, we may lose the statutory protection available to us under the Trade Marks Act, 1999 for such trademark. We are unable to assure that the future viability or value of any of our intellectual. Our Company’s business may be affected due to our inability to protect our existing and future intellectual property rights. Currently, we do not enjoy the statutory protections accorded to a trademark registered in India and may not prohibit the use of such name and logo by anybody by means of statutory protection until it is registered.

***25. Our Company has not taken insurance cover hence we may not be able to protect ourselves from all losses and may In turn adversely affect our financial condition.***

Our Company has not taken any insurance cover at present. Hence we may not be able to protect ourselves from any damage or loss suffered by us. To the extent that we suffer loss or damage, our results of operations or cash flow may be affected.

***26. The requirements of being a listed company may strain our resources.***

We have no experience as a listed company and have not been subjected to the increased scrutiny of our affairs by shareholders, regulators and the public that is associated with being a listed company. As a listed company, we will incur significant legal, accounting, corporate governance and other expenses that we did not incur as an unlisted company. We will be subject to the SEBI (LODR) Regulations, which require us to file audited / unaudited reports periodically with respect to our business and financial condition. If we experience any delays, we may fail to satisfy our reporting obligations and/or we may not be able to readily determine and accordingly report any changes in our results of operations as timely as other listed companies.

As a listed company, we will need to maintain and improve the effectiveness of our disclosure controls and procedures and internal control over financial reporting, for which significant resources and management overview will be required. As a result, management’s attention may be diverted from other business concerns, which could adversely affect our business, prospects, financial condition and results of operations. Further, we may need to hire additional legal and accounting staff with appropriate and relevant experience and technical accounting knowledge and we cannot assure you that we will be able to do so in a timely manner or at all.

## **EXTERNAL RISKS**

***1. Political, economic or other factors that are beyond our control may have an adverse effect on our business and results of operations.***

The Indian financial market and the Indian economy are influenced by economic and market conditions in other countries, particularly in emerging market in Asian countries. Financial turmoil in Asia, Europe, the U.S. and elsewhere in the world in recent years has affected the Indian economy. Although economic conditions are different in each country, investors’ reactions to developments in one country can have adverse effects on the securities of companies in other countries, including India. A loss in investor confidence in the financial systems of other emerging markets may



cause increased volatility in Indian financial markets and, indirectly, in the Indian economy in general. Any worldwide financial instability, including the financial crisis and fluctuations in the stock markets in China and further deterioration of credit conditions in the U.S. or European markets, could also have a negative impact on the Indian economy. Any financial disruption could have an adverse effect on our business, future financial performance, shareholders' equity and the price of our Equity Shares.

Our performance, growth and market price of our Equity Shares are and will be dependent on the health of the Indian economy. There have been periods of slowdown in the economic growth of India. Demand for our services may be adversely affected by an economic downturn in domestic, regional and global economies. India's economic growth is affected by various factors including domestic consumption and savings, balance of trade movements, namely export demand and movements in key imports (oil and oil products), global economic uncertainty and liquidity crisis, volatility in exchange currency rates, and annual rainfall which affects agricultural production. Consequently, any future slowdown in the Indian economy could harm our business, results of operations, cash flows and financial condition. Also, a change in the Government or a change in the economic and deregulation policies could adversely affect economic conditions prevalent in the areas in which we operate in general and our business in particular and high rates of inflation in India could increase our costs without proportionately increasing our revenues, and as such decrease our operating margins.

2. ***Changing laws, rules and regulations and legal uncertainties in India, including adverse application of corporate and tax laws, may adversely affect our business and financial results.***

Our business and financial performance could be adversely affected by any change in laws or interpretations of existing laws, or the promulgation of new laws, rules and regulations applicable to us and our business including those relating to the industry in which we operate. There can be no assurance that the Government of India or state governments will not introduce new laws, regulations and policies which will require us to obtain additional approvals and licenses or impose onerous requirements on our business.

For example, the new Companies Act, 2013 contains significant changes to Indian company law, including in relation to the issue of capital by companies, disclosures in offer documents, related party transactions, corporate governance, audit matters, internal controls, shareholder class actions, restrictions on the number of layers of subsidiaries, prohibitions on loans to directors, insider trading and restrictions on directors and key management personnel from engaging in forward dealing. Moreover, effective April 1, 2014, companies exceeding certain net worth, revenue or profit thresholds are required to spend at least 2% of average net profits from the immediately preceding three financial years on corporate social responsibility projects, failing which an explanation is required to be provided in such companies' annual reports.

The Government of India has issued the Income Computation and Disclosure Standards ("ICDS") that will be applied in computing taxable income and payment of income taxes thereon, applicable with effect from the assessment period for Fiscal 2017. ICDS shall apply to all taxpayers following an accrual system of accounting for the purpose of computation of income under the heads of "profits and gains of business or profession" and "income from other sources". Such specific standards for computation of income taxes in India are relatively new, and the impact of the ICDS on our results of operations and financial condition is uncertain.

The GoI has proposed a comprehensive national goods and services tax (the "GST") regime that will combine taxes and levies by the Central and State Governments into a unified rate structure. Given the limited availability of information in the public domain concerning the GST, we are unable to provide any assurance as to this or any other aspect of the tax regime following the implementation of the GST.

We may incur increased costs and other burdens relating to compliance with such new requirements, which may also require significant management time and other resources, and any failure to comply may adversely affect our business, results of operations and prospects. Uncertainty in applicability, interpretation or implementation of any amendment to, or change in, law, regulation or policy, including due to an absence, or a limited body, of administrative or judicial precedent may be time consuming and costly for us to resolve and may impact the viability of our current business or restrict our ability to grow our business in the future.

3. ***Under Indian law, foreign investors are subject to investment restrictions that limit our ability to attract foreign investors, which may adversely affect the trading price of the Equity Shares.***

Under foreign exchange regulations currently in force in India, transfer of shares between non-residents and residents are freely permitted (subject to certain exceptions), if they comply with the valuation and reporting requirements specified by the RBI. If a transfer of shares is not in compliance with such requirements and does not fall under any of the exceptions specified by the RBI, then the RBI's or central government's prior approval is required. Additionally, shareholders who





seek to convert Rupee proceeds from a sale of shares in India into foreign currency and repatriate that foreign currency from India require a no objection or a tax clearance certificate from the Indian income tax authorities. We cannot assure you that any required approval from the RBI or any other governmental agency can be obtained on any particular terms or at all.

4. ***Significant differences exist between Indian GAAP and other accounting principles, such as US GAAP and IFRS, which may be material to an investor's assessment of our Company's financial condition.***

As stated in the reports of our Company's independent auditors included in the Prospectus, our Restated Financial Information is prepared and presented in accordance with the Companies Act and restated in accordance with the SEBI (ICDR) Regulations, consistently applied during the periods stated, except as provided in such reports, and no attempt has been made to reconcile any of the information given in the Prospectus to any other principles or to base it on any other standards such as US GAAP or IFRS. Each of US GAAP and IFRS differs in significant respects from Indian GAAP. Accordingly, the degree to which the Restated Financial Information included in this Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting practices. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Prospectus should accordingly be limited.

5. ***Investors may have difficulty enforcing foreign judgments against us or our management.***

We are a limited liability company incorporated under the laws of India. All our directors and executive officers are residents of India and all of our assets and such persons are located in India. As a result, it may not be possible for investors to effect service of process upon us or such persons outside of India, or to enforce judgments obtained against such parties outside of India.

Recognition and enforcement of foreign judgments is provided for under Section 13 of the Code of Civil Procedure, 1908 (“CPC”) on a statutory basis. Section 13 of the CPC provides that foreign judgments shall be conclusive regarding any matter directly adjudicated upon, except: (i) where the judgment has not been pronounced by a court of competent jurisdiction; (ii) where the judgment has not been given on the merits of the case; (iii) where it appears on the face of the proceedings that the judgment is founded on an incorrect view of international law or a refusal to recognise the law of India in cases to which such law is applicable; (iv) where the proceedings in which the judgment was obtained were opposed to natural justice; (v) where the judgment has been obtained by fraud; and (vi) where the judgment sustains a claim founded on a breach of any law then in force in India. Under the CPC, a court in India shall, upon the production of any document purporting to be a certified copy of a foreign judgment, presume that the judgment was pronounced by a court of competent jurisdiction, unless the contrary appears on record.

However, under the CPC, such presumption may be displaced by proving that the court did not have jurisdiction. India is not a party to any international treaty in relation to the recognition or enforcement of foreign judgments. Section 44A of the CPC provides that where a foreign judgment has been rendered by a superior court, within the meaning of that Section, in any country or territory outside of India which the Central Government has by notification declared to be in a reciprocating territory, it may be enforced in India by proceedings in execution as if the judgment had been rendered by the relevant court in India. However, Section 44A of the CPC is applicable only to monetary decrees not being of the same nature as amounts payable in respect of taxes, other charges of a like nature or of a fine or other penalties.

The United States and India do not currently have a treaty providing for reciprocal recognition and enforcement of judgments, other than arbitration awards, in civil and commercial matters. Therefore, a final judgment for the payment of money rendered by any federal or state court in the United States on civil liability, whether or not predicated solely upon the federal securities laws of the United States, would not be enforceable in India. However, the party in whose favour such final judgment is rendered may bring a new suit in a competent court in India based on a final judgment that has been obtained in the United States. The suit must be brought in India within three years from the date of the judgment in the same manner as any other suit filed to enforce a civil liability in India.

It is unlikely that a court in India would award damages on the same basis as a foreign court if an action was brought in India. Furthermore, it is unlikely that an Indian court would enforce a foreign judgment if that court were of the view that the amount of damages awarded was excessive or inconsistent with public policy or Indian practice. It is uncertain as to whether an Indian court would enforce foreign judgments that would contravene or violate Indian law. However, a party seeking to enforce a foreign judgment in India is required to obtain approval from the RBI under the FEMA to execute such a judgment or to repatriate any amount recovered.

***Risks Related to the Issue***

6. ***The Equity Shares have never been publicly traded, and, after the Issue, the Equity Shares may experience price and volume fluctuations, and an active trading market for the Equity Shares may not develop. Further, the price of the Equity Shares may be volatile, and you may be unable to resell the Equity Shares at or above the Issue Price, or at all.***

Prior to the Issue, there has been no public market for the Equity Shares, and an active trading market on the SME Platform of BSE may not develop or be sustained after the Issue. Our Company and the Lead Manager have appointed Choice Equity Broking Limited as Designated Market Maker for the Equity Shares of our Company. Listing and quotation does not guarantee that a market for the Equity Shares will develop, or if developed, the liquidity of such market for the Equity Shares. The Issue Price of the Equity Shares may not be indicative of the market price of the Equity Shares at the time of commencement of trading of the Equity Shares or at any time thereafter. The market price of the Equity Shares may be subject to significant fluctuations in response to, among other factors, variations in our operating results of our Company, market conditions specific to the industry we operate in, developments relating to India, volatility in the SME Platform of BSE, securities markets in other jurisdictions, variations in the growth rate of financial indicators, variations in revenue or earnings estimates by research publications, and changes in economic, legal and other regulatory factors.

7. ***You will not be able to immediately sell any of the Equity Shares you purchase in this Issue on the SME Platform of BSE.***

In accordance with Indian law and practice, permission for listing of the Equity Shares will not be granted until after the Equity Shares in this Issue have been allotted. Approval will require all other relevant documents authorizing the issue of the Equity Shares to be submitted. There could be failure or delays in listing the Equity Shares on the SME Platform of BSE. Further, certain actions must be completed before the Equity Shares can be listed and trading can commence. Investors' "book entry", or "Demat", accounts with Depository Participants are expected to be credited within three Working Days of the date on which the Basis of Allotment is approved by the Designated Stock Exchange. Thereafter, upon receipt of final approval from the Designated Stock Exchange, trading in the Equity Shares is expected to commence within 6 Working Days from Issue Closing Date.

We cannot assure you that the Equity Shares will be credited to the investors' demat account, or that the trading in the Equity Shares will commence in a timely manner or at all. Any failure or delay in obtaining the approvals would restrict your ability to dispose of the Equity Shares.

8. ***There are restrictions on daily movements in the price of the Equity Shares, which may adversely affect a shareholder's ability to sell, or the price at which it can sell, Equity Shares at a particular point in time.***

Following the Issue, our listed Equity Shares will be subject to a daily "circuit breaker" imposed on listed companies by BSE, which does not allow transactions beyond specified increases or decreases in the price of the Equity Shares. This circuit breaker operates independently of the index-based, market-wide circuit breakers generally imposed by SEBI on Indian stock exchanges. The percentage limit on our circuit breakers will be set by BSE based on the historical volatility in the price and trading volume of the Equity Shares.

BSE is not required to inform us of the percentage limit of the circuit breaker in effect from time to time and may change it without our knowledge. This circuit breaker will limit the upward and downward movements in the price of the Equity Shares. As a result of this circuit breaker, no assurance can be given regarding your ability to sell the Equity Shares or the price at which you may be able to sell the Equity Shares at any particular time.

9. ***There is no guarantee that the Equity Shares will be listed on the SME Platform of BSE in a timely manner or at all, and any trading closures at the BSE may adversely affect the trading price of the Equity Shares.***

In accordance with Indian law and practice, permission for listing of the Equity Shares will not be granted until after those Equity Shares have been issued and allotted. In addition, we are required to deliver the Prospectus for registration to the Registrar of Companies under the Companies Act, 2013. We cannot assure you that the Registrar of Companies will register such Prospectus in a timely manner or at all. Approval requires all other relevant documents authorizing the issuing of Equity Shares to be submitted. There could be a failure or delay in listing the Equity Shares on the SME Platform of BSE. Any delay in obtaining the approval would restrict your ability to dispose of the Equity Shares.

The regulation and monitoring of Indian securities markets and the activities of investors, brokers and other participants differ, in some cases significantly, from those in Europe and the U.S. The BSE and the NSE have in the past experienced



problems, including temporary exchange closures, broker defaults, settlements delays and strikes by brokerage firm employees, which, if continuing or recurring, could affect the market price and liquidity of the securities of Indian companies, including the Equity Shares, in both domestic and international markets. A closure of, or trading stoppage on the BSE could adversely affect the trading price of the Equity Shares.

10. ***Any future issuance of Equity Shares, or convertible securities or other equity linked securities by us and any sale of Equity Shares by our significant shareholders may dilute your shareholding and adversely affect the trading price of the Equity Shares.***

Any future issuance of the Equity Shares, convertible securities or securities linked to the Equity Shares by us may dilute your shareholding in the Company, adversely affect the trading price of the Equity Shares and our ability to raise capital through an issue of our securities. In addition, any perception by investors that such issuances or sales might occur could also affect the trading price of the Equity Shares. No assurance may be given that we will not issue additional Equity Shares. The disposal of Equity Shares by any of our significant shareholders, or the perception that such sales may occur may significantly affect the trading price of the Equity Shares. We cannot assure you that we will not issue Equity Shares or that such shareholders will not dispose of, pledge or encumber their Equity Shares in the future.

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

Under current Indian tax laws, unless specifically exempted, capital gains arising from the sale of equity shares in an Indian company are generally taxable in India. Any gain realized on the sale of listed equity shares on a stock exchange held for more than 12 months will not be subject to capital gains tax in India if STT has been paid on the transaction. STT will be levied on and collected by a domestic stock exchange on which the equity shares are sold. It is pertinent to note that pursuant to the Finance Bill, 2017, it has been proposed, that with effect from April 1, 2017, this exemption would only be available if the original acquisition of equity shares was chargeable to STT. The Central Government is expected to, however notify the transactions which would be exempt from the application of this new amendment. Any gain realized on the sale of equity shares held for more than 12 months, which are sold other than on a recognized stock exchange and on which no STT has been paid, will be subject to long term capital gains tax in India. Further, any gain realized on the sale of listed equity shares held for a period of 12 months or less will be subject to applicable short term capital gains tax in India. Capital gains arising from the sale of the equity shares will be exempt from taxation in India in cases where the exemption is provided under a treaty between India and the country of which the seller is resident, subject to the availability of certain documents. Generally, Indian tax treaties do not limit India's ability to impose tax on capital gains. As a result, residents of other countries may be liable for tax in India as well as in their own jurisdiction on a gain upon the sale of the Equity Shares.

**Prominent Notes:**

1. PUBLIC ISSUE OF 30,00,000 EQUITY SHARES OF FACE VALUE OF ₹ 10.00 EACH OF MRC EXIM LIMITED (“OUR COMPANY” OR “THE ISSUER”) FOR CASH AT A PRICE OF ₹15.00 PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF ₹5.00 PER EQUITY SHARE) (“ISSUE PRICE”) AGGREGATING TO ₹450.00 LAKHS (“THE ISSUE”). OF THE ISSUE, 1,52,000 EQUITY SHARES AGGREGATING TO ₹22.80 LAKHS WILL BE RESERVED FOR SUBSCRIPTION BY MARKET MAKER (“MARKET MAKER RESERVATION PORTION”). THE ISSUE LESS THE MARKET MAKER RESERVATION PORTION I.E. ISSUE OF 28,48,000 EQUITY SHARES OF FACE VALUE OF ₹ 10.00 EACH AT AN ISSUE PRICE OF ₹15.00 PER EQUITY SHARE AGGREGATING TO ₹427.20 LAKHS IS HEREINAFTER REFERRED TO AS THE “NET ISSUE”. THE ISSUE AND THE NET ISSUE WILL CONSTITUTE 28.79% AND 27.33%, RESPECTIVELY OF THE POST ISSUE PAID UP EQUITY SHARE CAPITAL OF OUR COMPANY.
2. For information on changes in our Company’s name, Registered Office and changes in the objects clause of the MOA of our Company, see “History and Certain Other Corporate Matters” on page 70.
3. Our Net worth as on September 30, 2017 was ₹752.32 lakhs and as on March 31, 2017 was ₹747.72 lakhs as per Restated Financial Statements.
4. Our Net Asset Value per Equity Share as at September 30, 2017 was ₹10.14 and as at March 31, 2017 was ₹25.19 as per Restated Financial Statements.
5. The average cost of acquisition per Equity Share by our Promoters is set forth in the table below:

| Name of the Promoter | Average cost of acquisition (in ₹) |
|----------------------|------------------------------------|
| Kirit Kumar Shah     | 9.77                               |
| Chandu K. Jain       | 9.997                              |

*Note: The average cost of acquisition of our Equity Shares by our Promoters has been calculated by taking into account the amount paid by each of them to acquire the Equity Shares, by way of fresh allotment or share transfer. The aforesaid average cost of acquisition of equity shares by our promoters has been certified by M/s. A.Puri & Co., Chartered Accountants vide certificate dated September 4, 2017. For further details relating to the allotment of Equity Shares to our Promoters, see “Capital Structure” on page 40.*

6. None of our Group Entities have any business or other interest in our Company, except as stated in “Financial Statements – Annexure XV – Related Party Disclosures” on page 95 and “Our Group Entities” on page 86, and to the extent of any Equity Shares held by them and to the extent of the benefits arising out of such shareholding.
7. This Issue is being made for at least 25% of the post to Rule 19(2) (b) (i) of the Securities Contracts (Regulation) Rules, as amended. This Issue is being made in terms of Chapter XB of the SEBI (ICDR) Regulations, as amended from time to time. As per Regulation 43(4) of the SEBI (ICDR) Regulations, as amended, since the Issue is a fixed price issue ‘the allocation’ is the net issue 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;
  - c) 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, accordingly the retail individual investors shall be allocated that higher percentage.

8. There has been no financing arrangement whereby the Promoter Group, our Directors and their relatives have financed the purchase, by any other person, of securities of our Company other than in the normal course of the business of the financing entity during the period of six months immediately preceding the date of this Prospectus.
9. Our Company was originally incorporated as a public limited company under the Companies Act, 2013 pursuant to a certificate of incorporation issued by the Registrar of Companies, Maharashtra, Mumbai dated October 12, 2015 with the name ‘MRC Exim Limited’.



10. Investors may contact the Lead Manager or the Company Secretary & Compliance Officer for any clarification, complaint or information pertaining to the Issue. The Lead Manager and our Company shall make all information available to the public and investors at large and no selective or additional information would be made available for a section of the investors in any manner whatsoever. For contact details of the Lead Manager and the Company Secretary & Compliance Officer please refer “*General Information*” on page 33.
11. The Directors / Promoters of our Company have no interest in our Company except to the extent of remuneration and reimbursement of expenses (if applicable) and to the extent of any Equity Shares held by them or their relatives and associates or held by the companies, firms and trusts in which they are interested as director, member, partner, and/or trustee, and to the extent of benefits arising out of such shareholding. For further details see “*Our Management*” on page 73.
12. No part of the Net Proceeds of the Issue will be utilized by our Company as consideration to our Promoters, members of the Promoter Group, Directors, Group Entities or key management personnel. Our Company has not entered into or is not planning to enter into any arrangement/ agreements with Promoters, Directors, key management personnel, associates or Group Entities in relation to the utilization of the Net Proceeds of the Issue.

## SECTION III – INTRODUCTION SUMMARY OF INDUSTRY

### **Indian Metals and Mining Industry Analysis**

Source: <https://www.ibef.org/industry/metals-and-mining-presentation>

India is the third-largest steel producer in the world. In 2015, India produced 91.46 million tonnes (MT) of finished steel. Driven by rising infrastructure development and growing demand for automotives, steel consumption is expected to reach 104 MT by 2017. During the month of September 2016, the consumption of finished steel was estimated at 6.7 MT, showing a significant improvement of 7.6 per cent year-on-year growth.

India's steel production is expected to increase from 100 MTPA to 112.5 MTPA by FY16 and 300 MTPA by 2025. The Government of India has allowed 100 per cent foreign direct investment (FDI) in the steel sector under the automatic route.

To meet the target of 300 MT capacities by 2025, the Government is planning to come up with a new and dynamic steel policy for the sector. The government is also planning to create independent regulators for steel and mining sectors.

A new scheme, 'The scheme for the promotion of R&D in the iron and steel sector', has been approved with budgetary provision of US\$ 24.6 million to initiate and implement the provisions of the scheme as per the 11th Five-Year Plan which has continued in the 12th Five Year Plan. The development of technology for Cold-Rolled Grain Oriented (CRGO) steel sheets and other value-added products is also included under the policy purview and is allocated US\$ 6.7 million.

### **Iron & Steel Industry in India**

Source: <https://www.ibef.org/industry/steel.aspx>

#### **Introduction**

India was the world's third-largest steel producer in 2016. @ The growth in the Indian steel sector has been driven by domestic availability of raw materials such as iron ore and cost-effective labour. Consequently, the steel sector has been a major contributor to India's manufacturing output.

The Indian steel industry is very modern with state-of-the-art steel mills. It has always strived for continuous modernisation and up-gradation of older plants and higher energy efficiency levels.

#### **Market Size**

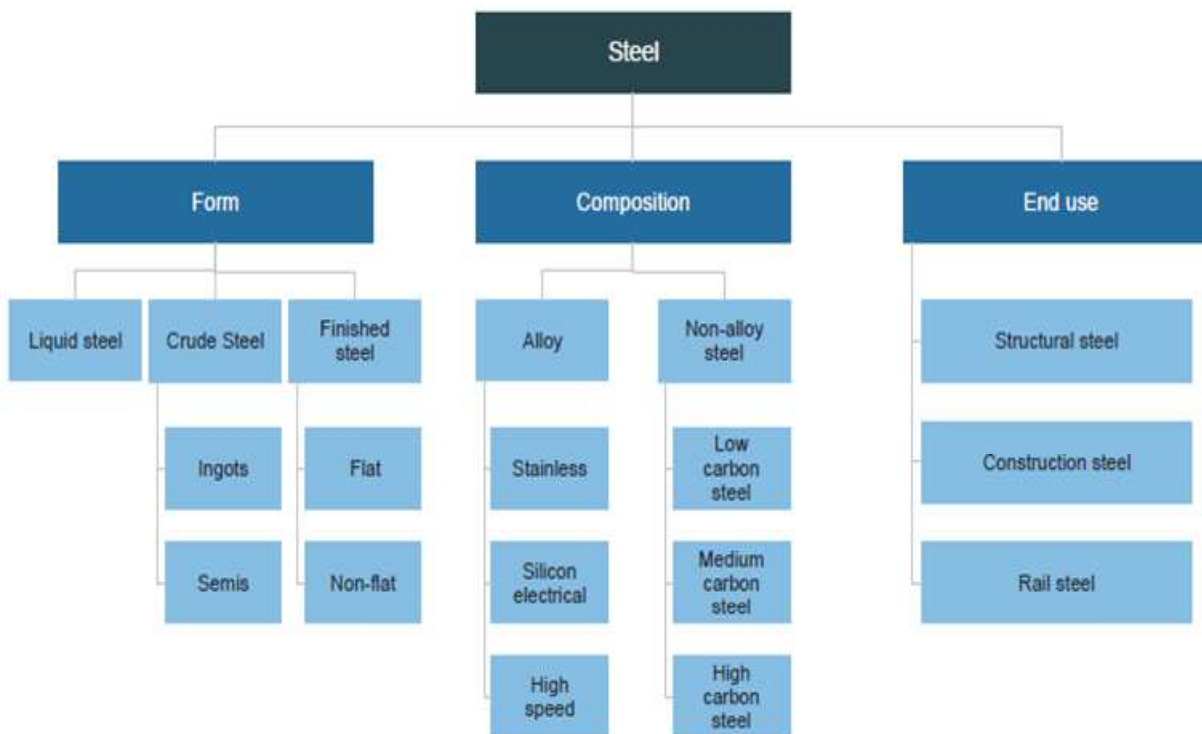
India's crude steel output grew 10.7 per cent year-on-year to 25.76 million tonnes (MT) during January-March 2017. India's crude steel output during April 2017 grew by 5.4 per cent year-on-year to 8.107 MT.

India's finished steel exports rose 102.1 per cent to 8.24 MT, while imports fell by 36.6 per cent to 7.42 MT in 2016-17. India's steel exports rose 142 per cent in April 2017 to 747,000 tonnes over April 2016, while imports fell by 23 per cent to 504,000 tonnes in April 2017 over April 2016. Total consumption of finished steel grew by 3.4 per cent year-on-year at 6.015 MT during April 2017.

#### **Structure of the Steel Sector**

Source: Presentation on Steel by IBEF, July 2017





### Market Size

India's crude steel output grew 10.7 per cent year-on-year to 25.76 million tonnes (MT) during January-March 2017. India's crude steel output during April 2017 grew by 5.4 per cent year-on-year to 8.107 MT. India's finished steel exports rose 102.1 per cent to 8.24 MT, while imports fell by 36.6 per cent to 7.42 MT in 2016-17. India's steel exports rose 142 per cent in April 2017 to 747,000 tonnes over April 2016, while imports fell by 23 per cent to 504,000 tonnes in April 2017 over April 2016. Total consumption of finished steel grew by 3.4 per cent year-on-year at 6.015 MT during April 2017.

### Government Initiatives

Some of the other recent government initiatives in this sector are as follows:

The Union Cabinet, Government of India has approved the National Steel Policy (NSP) 2017, as it seeks to create a globally competitive steel industry in India. NSP 2017 targets 300 million tonnes (MT) steel-making capacity and 160 kgs per capita steel consumption by 2030. Metal Scrap Trade Corporation (MSTC) Limited and the Ministry of Steel have jointly launched an e-platform called 'MSTC Metal Mandi' under the 'Digital India' initiative, which will facilitate sale of finished and semi-finished steel products.

The Ministry of Steel is facilitating setting up of an industry driven Steel Research and Technology Mission of India (SRTMI) in association with the public and private sector steel companies to spearhead research and development activities in the iron and steel industry at an initial corpus of Rs 200 crore (US\$ 30 million).

### Road ahead

India is expected to become the second largest steel producer in the world by 2018, based on increased capacity addition in anticipation of upcoming demand, and the new steel policy, that has been approved by the Union Cabinet in May 2017, is expected to boost India's steel production.\* Huge scope for growth is offered by India's comparatively low per capita steel consumption and the expected rise in consumption due to increased infrastructure construction and the thriving automobile and railways sectors.



## SUMMARY OF OUR BUSINESS

### Overview

Our Company is engaged in the business of trading of various industrial, metals and alloy products including iron and steel. We are a multi-product trading company with a diverse product portfolio. Our Company started the trading business from the last quarter of FY 2016. The portfolio of metal products currently being traded by our Company includes the following:

#### Industrial Products:

- GI Pipes
- Insulators
- Transmitter
- Heat Exchangers
- Conductors
- Water Pumps

#### Alloys & Metal Products:

- Graphite
- Cobalt
- Tungsten
- Aluminum & Aluminum Sections
- Iron & Steel
- Steel Products
- Coil & Steel Pipe
- D1 Tool Steel
- D2 Tool Steel
- Tool Steel HSD

We directly buy our required products from manufacturers. Hence we can get the products modified as per our customer's specifications. We look forward to every opportunity that exists in market and work to develop and enhance our current business and product portfolio. We are currently serving the corporate and other clients from fabrication and manufacturing industry.

### Our Competitive Strengths

- Experienced and Qualified management team
- Diversified Variety of Iron & Steel Products

### Our Business Strategy

- Focus on Increase in Volume of Sales
- Increase geographical presence
- Continue to develop client relationships

## SUMMARY FINANCIAL INFORMATION

**STATEMENT OF ASSETS AND LIABILITIES (AS RESTATED)**

(₹ Lakhs)

| Particulars                         | Note No. | 30.09.17        | 31.03.17        | 31.03.16      |
|-------------------------------------|----------|-----------------|-----------------|---------------|
| <b>Equity &amp; Liabilities</b>     |          |                 |                 |               |
| <b>Shareholders Fund</b>            |          |                 |                 |               |
| Share capital                       | I.1      | 742.09          | 296.84          | 208.84        |
| Reserves and surplus                | I.2      | 10.23           | 450.88          | 307.00        |
| <b>Total Shareholder's Fund</b>     |          | <b>752.32</b>   | <b>747.72</b>   | <b>515.83</b> |
| <b>Non Current Liabilities</b>      |          |                 |                 |               |
| Long Term Borrowings                | I.3      | 0.00            | 78.38           | 16.60         |
| Long term provisions                |          | 0.00            | 0.00            | 0.00          |
| Deferred Tax Liability              | I.4      | 0.00            | 0.00            | 0.00          |
| Other Long term Liabilities         |          | 0.00            | 0.00            | 0.00          |
| <b>Total Current Liabilities</b>    |          | <b>0.00</b>     | <b>78.38</b>    | <b>16.60</b>  |
| <b>Current Liabilities</b>          |          |                 |                 |               |
| Short Term Borrowings               | I.5      | 67.63           | 0.00            | 30.74         |
| Trade Payables                      | I.6      | 252.50          | 545.64          | 363.52        |
| Other Current Liabilities           |          | 0.00            | 0.00            | 0.00          |
| Short Term Provisions               | I.7      | 23.45           | 15.73           | 0.97          |
| <b>Total Current Liabilities</b>    |          | <b>343.57</b>   | <b>561.37</b>   | <b>395.23</b> |
| <b>Total Equity &amp; Liability</b> |          | <b>1,095.89</b> | <b>1,387.47</b> | <b>927.66</b> |
| <b>Non-Current Assets</b>           |          |                 |                 |               |
| a) Fixed Assets                     |          |                 |                 |               |
| Tangible Assets                     |          | 1.97            | 2.39            | 2.14          |
| Intangible Assets                   |          | 0.00            | 0.00            | 0.00          |
| <b>Total Fixed Assets (a)</b>       | I.8      | <b>1.97</b>     | <b>2.39</b>     | <b>2.14</b>   |
| b) Non Current Investments          | I.9      | 145.80          | 144.77          | 30.17         |
| c) Deffered Tax Assets (Net)        | I.4      | 0.76            | 0.79            | 1.09          |
| c) Long Term Loans and Advances     |          | 0.00            | 0.00            | 0.00          |
| d) Other Non Current Assets         |          | 0.00            | 0.00            | 0.00          |
| <b>Total Non Current Assets</b>     |          | <b>148.53</b>   | <b>147.96</b>   | <b>33.40</b>  |
| <b>Current assets</b>               |          |                 |                 |               |
| Current Investments                 |          | 0.00            | 0.00            | 0.00          |
| Inventories                         |          | 0.00            | 0.00            | 0.00          |
| Trade Receivables                   | I.10     | 221.87          | 503.98          | 392.71        |
| Cash and Cash Equivalents balances  | I.11     | 0.74            | 0.43            | 0.04          |
| Short Term Loans and advances       | I.12     | 724.52          | 734.66          | 501.26        |
| Other Current Assets                | I.13     | 0.25            | 0.44            | 0.25          |
| <b>Total Current Assets</b>         |          | <b>947.37</b>   | <b>1,239.51</b> | <b>894.26</b> |
| <b>Total Assets</b>                 |          | <b>1,095.90</b> | <b>1,387.47</b> | <b>927.67</b> |

**Note:** The above statement should be read with the Significant Accounting Policies and Notes on Financial Statements appearing in Annexure IV & V respectively.

**SUMMARY STATEMENT OF PROFIT AND LOSS, AS RESTATED**

| Particulars  | Note No. | 30.09.17      | 31.03.17       | 31.03.16      |
|--|----------|---------------|----------------|---------------|
| <b>Income</b>  |          |               |                |               |
| Revenue from Operations  | II.1     | 869.69        | 1612.08        | 392.71        |
| Other Income   | II.2     | 37.70         | 57.72          | 16.76         |
| Changes in inventories of finished goods, work-in-progress and Stock- in-trade |          | 0.00          | 0.00           | 0.00          |
| <b>Total Revenue</b>   |          | <b>907.39</b> | <b>1669.80</b> | <b>409.47</b> |
| <b>Expenditure</b>   |          |               |                |               |
| Purchase of Stock in Trade   | II.3     | 858.08        | 1591.77        | 390.70        |
| Other Expenses   | II.4     | 16.91         | 19.50          | 11.43         |
| Employee Benefit Expenses  | II.5     | 20.10         | 37.01          | 4.75          |
| <b>Total (B)</b>   |          | <b>895.09</b> | <b>1648.28</b> | <b>406.88</b> |
| <b>Profit Before Interest, Depreciation and Tax</b>                            |          | <b>12.30</b>  | <b>21.52</b>   | <b>2.59</b>   |
| Depreciation   |          | 0.76          | 1.82           | 0.77          |
| <b>Profit Before Interest and Tax</b>  |          | <b>11.54</b>  | <b>19.70</b>   | <b>1.83</b>   |
| Financial Charges  | II.6     | 1.94          | 2.49           | 0.00          |
| <b>Profit before Taxation</b>  |          | <b>9.60</b>   | <b>17.21</b>   | <b>1.83</b>   |
| Provision for Taxation   |          | 4.97          | 5.04           | 1.67          |
| Provision for Deferred Tax   |          | 0.03          | 0.30           | (1.09)        |
| <b>Total</b>   |          | <b>4.99</b>   | <b>5.33</b>    | <b>0.58</b>   |
| <b>Profit After Tax but Before Extra ordinary Items</b>                        |          | <b>4.61</b>   | <b>11.88</b>   | <b>1.25</b>   |
| Extraordinary Items  |          | 0.00          | 0.00           | 0.00          |
| Prior Period Items   |          | 0.00          | 0.00           | 0.00          |
| <b>Net Profit after adjustments</b>  |          | <b>4.61</b>   | <b>11.88</b>   | <b>1.25</b>   |
| <b>Net Profit Transferred to Balance Sheet</b>                                 |          | <b>4.61</b>   | <b>11.88</b>   | <b>1.25</b>   |

**Note:** The above statement should be read with the Significant Accounting Policies and Notes on Financial Statements appearing in Annexure IV & V respectively.

**SUMMARY STATEMENT OF CASH FLOW, AS RESTATED**

(₹ in Lakhs)

| PARTICULARS  | 30.09.17       | 31.03.17       | 31.03.16       |
|--|----------------|----------------|----------------|
| <b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>          |                |                |                |
| Profit Before Tax                                      | <b>9.60</b>    | <b>17.21</b>   | 1.83           |
| <i>Adjusted for :</i>                                  |                |                |                |
| a. Depreciation  | 0.76           | 1.82           | 0.77           |
| b. Interest Expenses & Finance Cost                    | 1.94           | 2.49           | 0.00           |
| c. Other Adjustments                                   |                |                | 0.00           |
| d. Dividend Income                                     | -              | -              | -              |
| e. Profit on sale of long term investments             | -              | -              | -              |
| f. Interest & Other Income                             | (37.70)        | (57.72)        | (16.76)        |
| <b>Operating profit before working capital changes</b> | <b>(25.40)</b> | <b>(36.19)</b> | <b>(14.17)</b> |
| <i>Adjusted for :</i>                                  |                |                |                |



|   |                |                 |                 |
|---|----------------|-----------------|-----------------|
| a. Decrease /(Increase) in Inventories                          | 0.00           | 0.00            | 0.00            |
| b. Decrease / ( Increase ) in trade receivable                  | 282.11         | (111.27)        | (392.71)        |
| c. ( Increase ) / Decrease in short term loans and advances     | 10.14          | (233.40)        | (501.26)        |
| d. Increase / ( Decrease ) in Trade Payables                    | (293.14)       | 182.12          | 363.52          |
| e. Increase / (Decrease) in short term provisions               | 7.72           | 14.76           | 0.97            |
| f. Increase / ( Decrease ) in other current liabilities         | 0.00           | 0.00            | 0.00            |
| g. ( Increase ) / Decrease in Other Current Assets              | 0.19           | (0.19)          | (0.25)          |
| <b>Cash generated from operations</b>                           | <b>(18.38)</b> | <b>(184.18)</b> | <b>(543.90)</b> |
| Income Tax Paid ( net of refunds )                              | 4.97           | 5.04            | 1.67            |
| <b>NET CASH GENERATED FROM OPERATION</b>                        | <b>(23.34)</b> | <b>(189.21)</b> | <b>(545.57)</b> |
| <b>B. CASH FLOW FROM INVESTING ACTIVITES</b>                    |                |                 |                 |
| a. Purchase (sale) of Fixed Assets                              | (0.34)         | (2.07)          | (2.91)          |
| b.( Purchase ) / Sale of non-current investment                 | (1.02)         | (114.60)        | (30.17)         |
| c. ( Increase ) / Decrease in Long term loans and advances      | 0.00           | 0.00            | 0.00            |
| d. Increase / ( Decrease ) in Long Term Provisions              | 0.00           | 0.00            | 0.00            |
| e. ( Increase ) / Decrease in Other Non Current Assets          | 0.00           | 0.00            | 0.00            |
| f. (Increase) in Misc. Expenses                                 | 0.00           | 0.00            | 0.00            |
| g. Interest & Other Income                                      | 37.70          | 57.72           | 16.76           |
| h. Dividend Income  |                |                 | -               |
| <b>Net cash (used) in investing activities</b>                  | <b>36.34</b>   | <b>(58.95)</b>  | <b>(16.31)</b>  |
| <b>C. CASH FLOW FROM FINANCING ACTIVITES</b>                    |                |                 |                 |
| a. Interest & Finance Cost                                      | (1.94)         | (2.49)          | 0.00            |
| b. Proceeds from share issued / application                     | 0.00           | 220.00          | 514.59          |
| c. ( Repayments ) / proceeds of long term borrowings            | (78.38)        | 61.78           | 16.60           |
| d. ( Repayments ) / proceeds of short term borrowings           | 67.63          | (30.74)         | 30.74           |
| <b>Net cash generated/(used) in financing activities</b>        | <b>(12.69)</b> | <b>248.56</b>   | <b>561.93</b>   |
| <b>Net Increase / ( Decrease ) in cash and cash equivalents</b> | <b>0.30</b>    | <b>0.39</b>     | <b>0.04</b>     |
| <b>Cash and cash equivalents at the beginning of the year</b>   | <b>0.43</b>    | <b>0.04</b>     | <b>0.00</b>     |
| <b>Cash and cash equivalents at the end of the year</b>         | <b>0.74</b>    | <b>0.43</b>     | <b>0.04</b>     |

Notes:

- The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in Accounting Standard -3 'Cash Flow Statement'. Previous year's figures have been regrouped / rearranged / recasted wherever necessary to make them comparable with those of current year.
- The above statement should be read with the Significant Accounting Policies and Notes on Financial Statements appearing in Annexure IV & V respectively.

## THE ISSUE

Following table summarises the present Issue in terms of this Prospectus:

| Particulars  | Details of Equity Shares  |
|--|---|
| <b>Issue of Equity Shares by our Company<sup>#</sup></b> | <b>Issue of 30,00,000 Equity Shares having face value of ₹10.00 each at a price of ₹15.00 per Equity Share (including a share premium of ₹5.00 per Equity share) aggregating ₹450.00 lakhs</b>      |
| <i>Of which:</i>   |   |
| Market Maker Reservation Portion                         | Issue of 1,52,000 Equity Shares having face value of ₹10.00 each at a price of ₹15.00 per Equity Share aggregating ₹22.80 lakhs   |
| Net Issue to the Public <sup>*</sup>                     | Issue of 28,48,000 Equity Shares having face value of ₹10.00 each at a price of ₹15.00 per Equity Share aggregating ₹427.20 lakhs   |
|  | <i>Of which:</i>  |
|  | 14,24,000 Equity Shares having face value of ₹10.00 each at a price of ₹15.00 per Equity Share aggregating ₹213.60 lakhs will be available for allocation to Retail Individual Investors            |
|  | 14,24,000 Equity Shares having face value of ₹10.00 each at a price of ₹15.00 per Equity Share aggregating ₹213.60 lakhs will be available for allocation to other than Retail Individual Investors |
| <b>Pre and Post Issue Share Capital of our Company</b>   |   |
| Equity Shares outstanding prior to the Issue             | 74,20,900 Equity Shares   |
| Equity Shares outstanding after the Issue                | 1,04,20,900 Equity Shares   |
| Objects of the Issue                                     | Please refer “ <i>Objects of the Issue</i> ” on page 51.  |

<sup>#</sup> Public issue of 30,00,000 Equity Shares of ₹10.00 each for cash at a price of ₹15.00 per Equity Share of our Company aggregating to ₹450.00 lakhs is being made in terms of Chapter XB of the SEBI (ICDR) Regulations, 2009, as amended from time to time. For further details see ‘Terms of the Issue’ on page 148.

The Issue has been authorised by our Board pursuant to a resolution dated July 1, 2017, and by our Equity Shareholders pursuant to a resolution passed at the extraordinary general meeting held on August 18, 2017.

\*As per Regulation 43(4) of the SEBI (ICDR) Regulations, as amended, as present issue is a fixed price offer 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:
  - i. Individual applicants other than retail individual investors; and
  - ii. Other investors including corporate bodies or institutions, irrespective of the number of specified securities applied for;
- c) The unsubscribed portion in either of the categories specified in (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, accordingly the retail individual investors shall be allocated that higher percentage.*





## GENERAL INFORMATION

Our Company was originally incorporated as a public limited company under the Companies Act, 2013 pursuant to a certificate of incorporation issued by the Registrar of Companies, Maharashtra, Mumbai dated October 12, 2015 with the name ‘MRC Exim Limited’.

|  |   |
|--|---|
| <b>Company Identification Number</b>             | U74999MH2015PLC269095   |
| <b>Address of Registered office of Companies</b> | 106, Siddhesh Apartment, 2 <sup>nd</sup> Khattar gali, Thakurdwar Road, Charni Road East, Mumbai – 400 004, Maharashtra, India<br>Tel: +91 22 2203 1638<br>Fax: +91 22 2203 1638<br>E-mail: info@mrcexim.co.in<br>Website: www.mrcexim.co.in                                  |
| <b>Address of Registrar of Companies</b>         | <b>Registrar Of Companies, Maharashtra, Mumbai</b><br>100, Everest Building,<br>Marine Drive, Mumbai - 400020<br>Maharashtra, India.<br>Tel: +91 22 2281 2639, +91 22 2288 3389, +91 22 2281 3760, +91 22 2281 2645<br>Fax: +91 22 2281 1977<br>E-mail: roc.mumbai@mca.gov.in |
| <b>Designated Stock Exchange</b>                 | BSE Limited   |
| <b>Listing of Shares offered in this Issue</b>   | SME Platform of BSE   |
| <b>Contact Person:</b>                           | <b>Chandu K. Jain</b><br>106, Siddhesh Apartment, 2 <sup>nd</sup> Khattar gali, Thakurdwar Road, Charni Road East, Mumbai – 400 004, Maharashtra, India<br>Tel: +91 22 2203 1638<br>Fax: +91 22 2203 1638<br>E-mail: info@mrcexim.co.in<br>Website: www.mrcexim.co.in         |

For details of the changes in our Name, Registered Office and other details, please refer “*History and Certain Other Corporate Matters*” on page 70.

### Our Board of Directors

Details regarding our Board of Directors as on the date of this Prospectus are set forth in the table hereunder:

| Sr. No. | Name and Designation  | DIN      | Address  |
|---------|---|----------|--|
| 1.      | <b>Kirit Kumar Shah</b><br><i>Managing Director</i>             | 02764071 | RM/1, Naido Bangala, Chandrapuri Chawl, Kedarmal Road, Malad(E), Mumbai – 400097, Maharashtra, India.                  |
| 2.      | <b>Chandu K. Jain</b><br><i>Director</i>                        | 02412955 | 503, Siddhachal Bldg., Hanuman Road ,Vile Parle(East), Mumbai – 400057, Maharashtra, India.                            |
| 3.      | <b>Nilamben Vijaykumar Mehra</b><br><i>Independent Director</i> | 07777282 | 4/91 Sudhrai Colony, Akota, Vadodara, Gujarat, India   |
| 4.      | <b>Jitendra D. Jain</b><br><i>Independent Director</i>          | 00062457 | D Block,1st Floor, Maratha Samaj Gruha Parmar Guruji Marg,Near KEM Hospital, Parel Mumbai – 400012, Maharashtra, India |

For detailed profile of our Managing Director and other Directors, please refer “*Our Management*” and “*Our Promoters and Promoter Group*” on page 73 and 83 respectively.

### Company Secretary and Compliance Officer

Our Company has appointed Rekha Rani Naraniwal, the Company Secretary of our Company, as the Compliance Officer, whose contact details are set forth hereunder.

**Rekha Rani Naraniwal**

106, Siddhesh Apartment,  
2<sup>nd</sup> Khattar gali, Thakurdwar Road,  
Charni Road East, Mumbai – 400 004,  
Maharashtra, India  
Tel: +91 22 2203 1638  
Fax: +91 22 2203 1638  
E-mail: info@mrcexim.co.in  
Website: www.mrcexim.co.in

**Chief Financial Officer**

Our Company has appointed Praful Jain, as the Chief Financial Officer. His contact details are set forth hereunder.

**Praful Jain**

106, Siddhesh Apartment,  
2<sup>nd</sup> Khattar gali, Thakurdwar Road,  
Charni Road East, Mumbai – 400 004,  
Maharashtra, India  
Tel: +91 22 2203 1638  
Fax: +91 22 2203 1638  
E-mail: info@mrcexim.co.in  
Website: www.mrcexim.co.in

**Details of Key Intermediaries pertaining to this Issue of our Company:**

| <b>Lead Manager of the Issue</b>   | <b>Registrar to the Issue</b>   |
|--|---|
| <b>Inventure Merchant Banker Services Private Limited*</b><br>2 <sup>nd</sup> Floor, Viraj Tower, Nr. Andheri Flyover (North End)<br>Western Express Highway, Andheri (East)<br>Mumbai – 400 069, Maharashtra, India<br>Tel No: +91 22 4075 1500;<br>Fax No: +91 22 4075 1511;1<br>Email: sme.ipo@inventuremerchantbanker.com<br>Investor Grievance Email:<br>redressal@inventuremerchantbanker.com<br>Website: www.inventuremerchantbanker.com<br>SEBI Registration No: INM000012003<br>Contact Person: Arvind Gala | <b>Purva Sharegistry (India) Private Limited</b><br>No. 9, Shiv Shakti Ind. Estate,<br>Gr. Floor, J. R. Boricha Marg,<br>Lower Parel, Mumbai-400 011<br><b>Tel:</b> +91 22 2301 6761/8261<br><b>Fax:</b> +91 22 2301 2517<br><b>Website:</b> www.purvashare.com<br><b>Email:</b> busicomp@vsnl.com<br><b>SEBI Regn No.</b> INR000001112<br><b>Contact Person:</b> Mr. Rajesh Shah |

*\* The certificate of registration of Inventure Merchant Banker Services Private Limited as Merchant banker bearing number INM000012003 was valid for a period of five years effective from August 30, 2012 until August 29, 2017. Inventure Merchant Banker Services Private Limited has made an application to SEBI vide application dated June 7, 2017 in terms of Regulation 8A, under SEBI (Merchant Bankers) Regulation, 1992 for renewal of its said merchant banking license and for grant of permanent registration and has paid requisite fees of Rs. 9,00,000 (Rupees Nine Lakhs only) in accordance with schedule II of the SEBI (Merchant Bankers) Regulation, 1992.*

| <b>Banker to the Company</b>  | <b>Legal Advisor to the Issue</b>   |
|---|---|
| <b>UCO Bank</b><br>Jashoda Niwas, Nehru Road,<br>Vile Parle East, Mumbai – 400057,<br>Maharashtra, India<br>Tel: +91 22 26125757<br>Fax: +91 22 26125757<br>Email: vilepa@ucobank.co.in<br>Website: www.ucobank.co.in<br>Contact Person: Mr. Vasudev Reddy Dunnuthala | <b>DRC Legal &amp; Associates</b><br>Francis Chawl, Opp Jayshree Hotel,<br>Dayal Das Road, Vile Parle (East),<br>Mumbai – 400 057<br>Maharashtra, India<br>Tel: +91 22 2610 4513<br>Email: drcllegal.associates@gmail.com<br><b>Contact Person:</b> D. R. Chaudhary |

| <b>Statutory &amp; Peer Review Auditor of the Company</b> | <b>Banker to the Issue</b> |
|---|----------------------------|
|---|----------------------------|




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**M/s. A. Puri & Co.**
**Chartered Accountants**

E/614, Crystal Plaza,  
New Link Road, Andheri West,  
Mumbai – 400053, Maharashtra, India  
Tel : +91 – 22 – 6236 2316  
E-mail: apoorie@yahoo.com  
Contact Person: Ashok Puri  
Membership Number: 013203  
Firm Registration No. 108231W

**ICICI Bank Limited**

Capital Market Division, 1st Floor, 122, Mistry Bhavan,  
Dinshaw Vachha Road, Backbay Reclamation,  
Churchgate, Mumbai-400 020  
**Tel:** +91 22 66818964/923/924  
**Fax:** +91 22 2261 1138  
**Email:** shweta.surana@icicibank.com  
**SEBI Regn No.** INB000000004  
**Contact Person:** Shweta Surana

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**Applicants can contact the Compliance Officer or the Lead Manager 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 Equity Shares in the respective beneficiary account and refund orders, etc. All complaints, queries or comments received by Stock Exchange / SEBI shall be forwarded to the Lead Manager, who shall respond to the same.**

Applicants may contact the Lead Manager for complaints, information or clarifications pertaining to the Issue.

All grievances may be addressed to the Registrar to the Issue with a copy to the relevant Designated Intermediary with whom the ASBA Form was submitted. The Applicant should give full details such as name of the sole or first Applicant, ASBA Form number, Applicant DP ID, Client ID, PAN, date of the ASBA Form, address of the Applicant, number of the Equity Shares applied for and the name and address of the Designated Intermediary where the ASBA Form was submitted by the Applicant. Further, the investor shall also enclose the Acknowledgment Slip from the Designated Intermediaries in addition to the documents/information mentioned hereinabove.

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

The list of SCSBs is available at <http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries> on the SEBI website, or at such other website as may be prescribed by SEBI from time to time. A list of the Designated Branches of the SCSBs with which an Applicant, not applying through Syndicate/ Sub Syndicate or through a Registered Broker, CRTA or CDP may submit the Application Forms available at <http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries> on the SEBI website, or at such other website as may be prescribed by SEBI from time to time.

**Registered Brokers**

The list of the Registered Brokers, including details such as postal address, telephone number and e-mail address, is provided on the website of Stock Exchange i.e. [www.bseindia.com](http://www.bseindia.com), as updated from time to time.

**RTAs**

The list of the RTAs eligible to accept application forms at the Designated RTA Locations, including details such as address, telephone number and e-mail address, are provided on the website of Stock Exchange i.e. [www.bseindia.com](http://www.bseindia.com), as updated from time to time.

**Collecting Depository Participants**

The list of the CDPs eligible to accept application forms at the Designated CDP Locations, including details such as name and contact details, are provided on the website of Stock Exchange i.e. [www.bseindia.com](http://www.bseindia.com), as updated from time to time. The list of branches of the SCSBs named by the respective SCSBs to receive deposits of the application forms from the Designated Intermediaries will be available on the website of the SEBI i.e. [www.sebi.gov.in](http://www.sebi.gov.in) and updated from time to time.

**Statement of Responsibility of the Lead Manager / Statement of inter-se allocation of responsibilities**

Since Inventure Merchant Banker Services Private Limited is the sole Lead Manager to this Issue, a statement of *inter se* allocation of responsibilities amongst Lead Managers is not required.

**Credit Rating**

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

### **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.

### **Expert Opinion**

Except as stated below, our Company has not obtained any expert opinions:

Our Company has received written consent from the Statutory Auditor namely, M/s. A Puri & Co., Chartered Accountants to include its name as required under Section 26(1)(a)(v) of the Companies Act, 2013 in this Prospectus and as “expert” as defined under section 2(38) of the Companies Act, 2013 in respect of the reports on the Restated Financial Statements and the statement of tax benefits, and such consent has not been withdrawn as on the date of this Prospectus.

### **Debenture Trustees**

This is an issue of equity shares; hence appointment of debenture trustee is not required.

### **Appraisal and Monitoring Agency**

The objects of the Issue have not been appraised by any agency.

The Objects of the Issue and means of finance, therefore, are based on internal estimates of our Company. In terms of Regulation 16 of the SEBI (ICDR) Regulations, we are not required to appoint a monitoring agency since the Issue size is not in excess of ₹50,000 lakhs.

### **Underwriting Agreement**

As per Regulation 106P(2) of SEBI (ICDR) Regulations, the Lead Manager has agreed to underwrite to a minimum extent of 15 % of the Issue out of its own account. The Company and the Lead Manager undertakes to appoint an Underwriter/s to the Issue and the particulars of such Underwriter/s and the summary of the terms of its appointment shall be included in the Prospectus prior to filing with the RoC.

This Issue is 100% Underwritten. The Underwriting agreement is dated November 7, 2017. Pursuant to the terms of the Underwriting Agreement, the obligations of the Underwriters are several and are subject to certain conditions specified therein.

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

| <b>Details of the Underwriter</b>   | <b>No. of shares underwritten*</b> | <b>Amount Underwritten (₹in lakhs)</b> | <b>% of the Total Issue Size Underwritten</b> |
|---|------------------------------------|--|---|
| <b>Inventure Merchant Banker Services Private Limited</b><br>2 <sup>nd</sup> Floor, Viraj Tower, Nr. Andheri Flyover (North End)<br>Western Express Highway, Andheri (East)<br>Mumbai – 400 069, Maharashtra, India<br>Tel No: +91 22 4075 1500;<br>Fax No: +91 22 4075 1511<br>Email: sme.ipo@inventuremerchantbanker.com<br>Website: www.inventuremerchantbanker.com<br>SEBI Registration No: INM000012003<br>Contact Person: Arvind Gala | 30,00,000                          | 450.00                                 | 100.00  |



In the opinion of our Board of Directors, the resources of the above mentioned Underwriter are sufficient to enable them to discharge the underwriting obligations in full. The abovementioned Underwriter is registered with SEBI under Section 12(1) of the SEBI Act or registered as broker with the Stock Exchange.

#### Details of the Market Making Arrangement for this Issue

The Company and the Lead Manager undertakes to appoint the Market Maker/s and the particulars of such Market Maker/s and the summary of the terms of its appointment shall be included in the Prospectus prior to filing with the RoC.

Our Company has entered into Market Making Agreement dated November 7, 2017, with the Lead Manager and Market Maker, duly registered with BSE to fulfil the obligations of Market Making:

The details of Market Maker are set forth below:

|                              |   |
|------------------------------|---|
| <b>Name</b>                  | <b>Choice Equity Broking Private Limited</b>  |
| <b>Office Address</b>        | Shree Shakambhari Corporate Park, Plot 156-158, JB Nagar, Andheri East, Mumbai – 400099, Maharashtra, India |
| <b>Tel no.</b>               | +91-22-6707 9999  |
| <b>Fax no.</b>               | +91-22-6707 9898  |
| <b>Email</b>                 | customercare@choiceindia.com  |
| <b>Website</b>               | www.choicebroking.in  |
| <b>Contact Person</b>        | Premkumar Harikrishnan  |
| <b>SEBI Registration No.</b> | INB011377331  |

The Market Maker shall fulfil the applicable obligations and conditions as specified in the SEBI (ICDR) Regulations, and its amendments from time to time and the circulars issued by BSE and SEBI regarding this matter from time to time. Following is a summary of the key details pertaining to the Market Making arrangement:

- 1) The Market Maker 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 shall inform the Stock Exchange in advance for each and every black out period when the quotes are not being offered by the Market Maker.
- 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 in that scrip provided that they sell their entire holding in that scrip in one lot along with a declaration to the effect to the selling broker.
- 3) After a period of three (3) months from the market making period, the market maker would be exempted to provide quote if the Equity Shares of market maker in our Company reaches to 25%. (Including the 5% of Equity Shares of the Issue.) Any Equity Shares allotted to Market Maker under this Issue over and above 5% of Issue Size would not be taken in to consideration of computing the threshold of 25%. As soon as the Shares of market maker in our Company reduce to 24%, the market maker will resume providing 2-way quotes.
- 4) There shall be no exemption/threshold on downside. However, in the event the market maker exhausts his inventory through market making process, the concerned stock exchange may intimate the same to SEBI after due verification.
- 5) Execution of the order at the quoted price and quantity must be guaranteed by the Market Maker, for the quotes given by him.
- 6) There would not be more than five Market Makers for a script at any point of time and the Market Makers may compete with other Market Makers for better quotes to the investors.
- 7) The shares of the Company will be traded in continuous trading session from the time and day the company gets listed on SME Platform of BSE and Market Maker will remain present as per the guidelines mentioned under BSE and SEBI circulars.
- 8) 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.

- 9) The Market Maker shall have the right to terminate said arrangement by giving a six month notice or on mutually acceptable terms to the Merchant Banker, who shall then be responsible to appoint a replacement Market Maker.

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 Maker either as a replacement of the current Market Maker or as an additional Market Maker subject to the total number of Designated Market Makers does not exceed five or as specified by the relevant laws and regulations applicable at that particular point of time. The Market Making Agreement is available for inspection at our Registered Office from 11.00 a.m. to 5.00 p.m. on working days.

- 10) **Risk containment measures and monitoring for Market Makers:** SME Platform of BSE will have all margins which are applicable on the BSE 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) **Punitive Action in case of default by Market Makers:** SME Platform of BSE 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 Stock Exchange will impose a penalty on the Market Maker 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 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:** The price band shall be 20% and the market maker spread (difference between the sell and the buy quote) shall be within 10% or as intimated by Exchange from time to time.

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: (a) 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; (b) 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 following spread will be applicable on the EMERGE Platform of NSE.

| Sr. No. | Market Price Slab (in ₹) | Proposed spread (in % to sale price) |
|---------|--------------------------|--------------------------------------|
| 1       | Up to 50                 | 9                                    |
| 2       | 50 to 75                 | 8                                    |
| 3       | 75 to 100                | 6                                    |
| 4       | Above 100                | 5                                    |

- 13) Pursuant to SEBI Circular number CIR/MRD/DSA/31/2012 dated November 27, 2012, limits on the upper side for market maker(s) during market making process has been made applicable, based on the issue size and as follows:

| Issue Size        | Buy quote exemption threshold (including mandatory initial inventory of 5% of the Issue Size) | Re-Entry threshold for buy quote (including mandatory initial inventory of 5% of the Issue Size) |
|-------------------|---|--|
| Up to ₹20 Crores  | 25%   | 24%  |
| ₹20 to ₹50 Crores | 20%   | 19%  |
| ₹50 to ₹80 Crores | 15%   | 14%  |
| Above ₹80 Crores  | 12%   | 11%  |





**Where there is any SEBI debarment order against the company/its promoters/directors, while the SEBI debarment is in force against the company/its promoters/directors, it shall be mandatory for the company to appoint a trading member of BSE as a market maker even after the completion of mandatory period of three years. In case of any default during market making the penalties/actions will be imposed as per the existing guidelines.**

**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 Equity Share capital of our Company, as on the date of this Prospectus and after giving effect to the Issue is set forth below:

| No.       | Particulars   | Amount (₹ in lakhs)     |                                |
|-----------|---|-------------------------|--------------------------------|
|           |   | Aggregate nominal value | Aggregate value at Issue Price |
| <b>A.</b> | <b>Authorised Share Capital</b>   |                         |                                |
|           | 1,05,00,000 Equity Shares of ₹10.00 each  | 1,050.00                | -                              |
| <b>B.</b> | <b>Issued, Subscribed and Paid-Up Share Capital before the Issue</b>  |                         |                                |
|           | 74,20,900 Equity Shares of ₹10.00 each  | 742.09                  | -                              |
| <b>C.</b> | <b>Present Issue in terms of this Prospectus</b>  |                         |                                |
|           | Issue of 30,00,000 Equity Shares for cash at a price of ₹15.00 per Equity Share   | 300.00                  | 450.00                         |
|           | <i>Which comprises:</i>   |                         |                                |
|           | 1,52,000 Equity Shares of ₹10.00 each at a price of ₹15.00 per Equity Share reserved as Market Maker portion  | 15.20                   | 22.80                          |
|           | Net Issue to the Public of 28,48,000 Equity Shares of ₹10.00 each at a price of ₹15.00 per Equity Share   | 284.80                  | 427.20                         |
|           | <i>Of which:</i>  |                         |                                |
|           | 14,24,000 Equity Shares of ₹10.00 each at a price of ₹15.00 per Equity Share will be available for allocation to Retail Individual Investors upto ₹2,00,000/-             | 142.40                  | 213.60                         |
|           | 14,24,000 Equity Shares of ₹10.00 each at a price of ₹15.00 per Equity Share will be available for allocation to Other than Retail Individual Investors above ₹2,00,000/- | 142.40                  | 213.60                         |
| <b>D.</b> | <b>Issued, Subscribed and Paid-up Share Capital after the Issue</b>   |                         |                                |
|           | 1,04,20,900 Equity Shares of ₹10.00 each  | 1,042.09                | -                              |
| <b>E.</b> | <b>Securities Premium Account</b>   |                         |                                |
|           | Before the Issue  |                         | Nil                            |
|           | After the Issue   |                         | 150.00                         |

*The Issue has been authorised by our Board pursuant to a resolution dated July 1, 2017, and by our Equity Shareholders pursuant to a resolution passed at the extraordinary general meeting held on August 18, 2017.*

### Notes to the Capital Structure

#### 1. Details of increase in authorised Share Capital:

The authorised share capital of our Company has been altered in the manner set forth below:

| Particulars of Change  |   | Date of Shareholders' Meeting | AGM/EGM |
|--|---|-------------------------------|---------|
| From   | To  |                               |         |
| ₹5,00,000 consisting of 50,000 Equity shares of ₹10.00 each.       |   | On incorporation              | -       |
| ₹5,00,000 consisting of 50,000 Equity shares of ₹10.00 each.       | ₹3,00,00,000 consisting of 30,00,000 Equity shares of ₹10.00 each.    | March 8, 2016                 | EGM     |
| ₹3,00,00,000 consisting of 30,00,000 Equity shares of ₹10.00 each. | ₹10,50,00,000 consisting of 1,05,00,000 Equity shares of ₹10.00 each. | July 7, 2017                  | EGM     |



## 2. History of Issued and Paid Up Share Capital of our Company

The history of the equity share capital of our Company is set forth below:

| Date of allotment | Number of Equity Shares allotted | Face value (₹) | Issue Price (₹) | Nature of Consideration | Nature of allotment       | Cumulative number of Equity Shares | Cumulative paid-up Equity Share capital (₹) | Cumulative Securities premium (₹) |
|-------------------|----------------------------------|----------------|-----------------|-------------------------|---------------------------|------------------------------------|---|-----------------------------------|
| 12-Oct-15         | 50,000                           | 10             | 10              | Cash                    | Subscription to MoA       | 50,000                             | 500,000                                     | Nil                               |
| 28-Mar-16         | 2038360                          | 10             | 25              | Cash                    | Preferential Allotment    | 2,088,360                          | 20,883,600                                  | 30,575,400                        |
| 7-Jul-16          | 200000*                          | 10             | 25              | Cash                    | Rights Allotment          | 2,288,360                          | 22,883,600                                  | 33,575,400                        |
| 31-Mar-17         | 680000                           | 10             | 25              | Cash                    | Rights Allotment          | 2,968,360                          | 29,683,600                                  | 43,775,400                        |
| 18-Aug-17         | 4452540                          | 10             | Nil             | Cash                    | Bonus in the Ratio of 3:2 | 7,420,900                          | 74,209,000                                  | Nil                               |

\* The Promoters of our Company did not participated in the rights issue and hence the equity shares were allotted to other investors.

The list of allottees for the above allotments is disclosed as under:

### 1. Allotment dated: October 12, 2015

| Name Of Allottee   | No. of Shares |
|--------------------|---------------|
| Kiritkumar M. Shah | 25000         |
| Santosh Paste      | 24500         |
| Dhananjay Patel    | 100           |
| Daya Vala          | 100           |
| Champaben Jain     | 100           |
| Sangeeta Jain      | 100           |
| Chandu Jain        | 100           |
| <b>Total</b>       | <b>50,000</b> |

### 2. Allotment dated: March 28, 2016

| Name Of Allottee   | No. of Shares |
|--------------------|---------------|
| Kiritkumar M. Shah | 477800        |
| Santosh Paste      | 156000        |
| Dhananjay Patel    | 124000        |
| Daya Vala          | 112000        |
| Anagha P Shetty    | 118760        |
| Anjani R. Patel    | 82400         |
| Ashok A Shah       | 90000         |
| Hemali H Shah      | 175480        |



|                    |                |
|--------------------|----------------|
| Hiren Parmar       | 80240          |
| Kalpana B Mistry   | 96000          |
| Paresh A. Gohil    | 117000         |
| Prakash B. Shetty  | 151680         |
| Pravin R. Chittoji | 36000          |
| Sapna V. Arsule    | 109000         |
| Sheetal Desai      | 112000         |
| <b>Total</b>       | <b>2038360</b> |

## 3. Allotment dated: July 7, 2016

| <b>Name Of Allottee</b> | <b>No. of Shares</b> |
|-------------------------|----------------------|
| Daya Vala               | 20000                |
| Ashok A Shah Huf        | 20000                |
| Hemali H Shah           | 20000                |
| Hiren Parmar            | 40000                |
| Kalpana B Mistry        | 20000                |
| Paresh A. Gohil         | 48000                |
| Pravin R. Chittoji      | 12000                |
| Sapna V. Arsule         | 20000                |
| <b>Total</b>            | <b>200000</b>        |

## 4. Allotment dated: March 31, 2017

| <b>Name Of Allottee</b> | <b>No. of Shares</b> |
|-------------------------|----------------------|
| Kiritkumar M. Shah      | 160000               |
| Daya Vala               | 60000                |
| Chandu Jain             | 100000               |
| Ashok A Shah            | 80000                |
| Vinodchandra Mehta      | 40000                |
| Kumarpal V Mehta        | 80000                |
| Kalpesh Mehta           | 80000                |
| Jikesh K Shah Huf       | 40000                |
| Jikesh K Shah           | 40000                |
| <b>Total</b>            | <b>680000</b>        |

## 5. Allotment dated: August 18, 2017

| <b>Name Of Allottee</b> | <b>No. of Shares</b> |
|-------------------------|----------------------|
| Kiritkumar M. Shah      | 994200               |
| Santosh Paste           | 270750               |
| Dhananjay Patel         | 186150               |
| Daya Vala               | 288150               |
| Champaben Jain          | 150                  |
| Sangeeta Jain           | 150                  |
| Chandu Jain             | 313650               |
| Anagha P Shetty         | 178140               |



|                    |                |
|--------------------|----------------|
| Anjani R. Patel    | 123600         |
| Ashok A Shah       | 255000         |
| Ashok A Shah Huf   | 30000          |
| Hemali H Shah      | 293220         |
| Hiren Parmar       | 180360         |
| Kalpana B Mistry   | 144000         |
| Paresh A. Gohil    | 247500         |
| Prakash B. Shetty  | 227520         |
| Pravin R. Chittoji | 72000          |
| Sapna V. Arsule    | 30000          |
| Sheetal Desai      | 168000         |
| Vinodchandra Mehta | 60000          |
| Kumarpal V Mehta   | 120000         |
| Kalpesh Mehta      | 150000         |
| Jikesh K Shah Huf  | 60000          |
| Jikesh K Shah      | 60000          |
| <b>Total</b>       | <b>4452540</b> |

### 3. Issue of Equity Shares for Consideration other than Cash.

Other than the Bonus issue of Equity Shares as mentioned in point no. 2 above, our Company has not allotted any Equity Shares for consideration other than cash, since its incorporation.

- No Equity Shares have been allotted pursuant to any scheme approved under Sections 391-394 of the Companies Act, 1956 or Section 230-233 of the Companies Act, 2013.
- We have not revalued our assets since inception and have not issued any equity share (including bonus shares) by capitalizing any revaluation reserves.
- Issue of Shares in the preceding two years*

Our Company was incorporated on October 12, 2015. Hence the entire paid-up share capital of our Company has been issued in the preceding two years.

### 7. Issue of Equity Shares in the last one year

Except for the following issue of Equity Shares, our Company has not issued any Equity Shares in the one year immediately preceding the date of the Prospectus at a price which is lower than the Issue Price.

| Date of allotment | Number of Equity Shares allotted | Face value (₹) | Issue Price (₹) | Nature of Consideration | Nature of allotment       | % of Pre-Issue Equity Share Capital | % of Post-Issue Equity Share Capital |
|-------------------|----------------------------------|----------------|-----------------|-------------------------|---------------------------|-------------------------------------|--------------------------------------|
| July 18, 2017     | 4452540                          | 10             | Nil             | Nil                     | Bonus in the Ratio of 3:2 | 60.00%                              | 42.73%                               |

### 8. Build Up of our Promoters' Shareholding, Promoters' Contribution and Lock-In

As on the date of this Prospectus, our Promoters hold 21,79,750 Equity Shares, constituting 29.37% of the pre-issued, subscribed and paid-up Equity Share capital of our Company.

a) **Build-up of our Promoters' shareholding in our Company**

| Date of Allotment / Transfer | Nature of acquisition (Allotment/ Acquired/ transfer) | Number of Equity Shares | Face Value per Equity Share (in ₹) | Issue Price /Acquisition Price / Transfer price per Equity Share (in ₹) | Nature of Consideration | Percentage of Pre-Issue Equity Share Capital (%) | Percentage of Post-Issue Equity Share Capital (%) | Source of Funds |
|------------------------------|---|-------------------------|------------------------------------|---|-------------------------|--|---|-----------------|
| <b>Kirit Kumar Shah</b>      |   |                         |                                    |   |                         |  |   |                 |
| 12-Oct-15                    | Subscription to MoA                                   | 25,000                  | 10                                 | 25  | Cash                    | 0.34   | 0.24  | Own Funds       |
| 28-Mar-16                    | Preferential Allotment                                | 477800                  | 10                                 | 25  | Cash                    | 6.44   | 4.59  | Own Funds       |
| 31-Mar-17                    | Rights Allotment                                      | 160000                  | 10                                 | 25  | Cash                    | 2.16   | 1.54  | Own Funds       |
| 18-Aug-17                    | Bonus in the Ratio of 3:2                             | 994,200                 | 10                                 | Nil   | Nil                     | 13.40  | 9.54  | N.A.            |
|                              | <b>Sub-total</b>                                      | <b>1,657,000</b>        |                                    |   |                         | <b>22.33</b>                                     | <b>15.90</b>                                      |                 |
| <b>Chandu K. Jain</b>        |   |                         |                                    |   |                         |  |   |                 |
| 12-Oct-15                    | Subscription to MoA                                   | 100                     | 10                                 | 25  | Cash                    | 0.00   | 0.00  | Own Funds       |
| 31-Mar-17                    | Rights Allotment                                      | 100,000                 | 10                                 | 25  | Cash                    | 1.35   | 0.96  | Own Funds       |
| 17-Aug-17                    | Transfer (Purchased from Sapna Arsule)                | 109,000                 | 10                                 | 25  | Cash                    | 1.47   | 1.05  | Own Funds       |
| 18-Aug-17                    | Bonus in the Ratio of 3:2                             | 313,650                 | 10                                 | Nil   | Nil                     | 4.23   | 3.01  | N.A.            |
|                              | <b>Sub-total</b>                                      | <b>522,750</b>          |                                    |   |                         | <b>7.04</b>                                      | <b>5.02</b>                                       |                 |
|                              | <b>Grand Total</b>                                    | <b>2,179,750</b>        |                                    |   |                         | <b>29.37</b>                                     | <b>20.92</b>                                      |                 |

Our Promoters have confirmed to the Company and the Lead Manager that the acquisition of the Equity Shares forming part of the Promoters' Contribution has been financed from personal funds/internal accruals and no financial assistance from any banks or financial institution has been availed by our Promoters for this purpose. All the Equity Shares held by our Promoters were fully paid-up on the respective dates of acquisition of such Equity Shares. As on the date of this Prospectus, none of the Equity Shares held by our Promoters are pledged.

b) **Details of Promoter's Contribution Locked-in for Three Years**

Pursuant to Regulations 32 and 36 of the SEBI (ICDR) Regulations, an aggregate of 20% of the fully diluted post-Issue Equity Share capital of our Company held by our Promoters shall be provided towards minimum promoters' contribution and locked-in for a period of three years from the date of Allotment ("**Minimum Promoters' Contribution**"). Details of the Equity Shares (eligible for inclusion in the Minimum Promoters' Contribution, in terms of Regulation 33 of the SEBI (ICDR) Regulations) forming part of Minimum Promoters' Contribution and proposed to be locked-in for a period of three years are as follows:

| Date of Allotment / Transfer | Nature of acquisition (Allotment/ Acquired/ transfer) | Number of Equity Shares | Face Value per Equity Share (in ₹) | Issue Price /Acquisition Price / Transfer price per Equity Share (in ₹) | Nature of Consideration | Percentage of Pre-Issue Equity Share Capital (%) | Percentage of Post-Issue Equity Share Capital (%) | Lock-in |
|------------------------------|---|-------------------------|------------------------------------|---|-------------------------|--|---|---------|
| <b>Kirit Kumar Shah</b>      |   |                         |                                    |   |                         |  |   |         |
| 12-Oct-15                    | Subscription to MoA                                   | 25,000                  | 10                                 | 25  | Cash                    | 0.34   | 0.24  | 3 Years |
| 28-Mar-16                    | Preferential Allotment                                | 477800                  | 10                                 | 25  | Cash                    | 6.44   | 4.59  | 3 Years |
| 31-Mar-17                    | Rights Allotment                                      | 160000                  | 10                                 | 25  | Cash                    | 2.16   | 1.54  | 3 Years |
| 18-Aug-17                    | Bonus in the Ratio of 3:2                             | 994,200                 | 10                                 | Nil   | Nil                     | 13.40  | 9.54  | 3 Years |
|                              | <b>Sub-total</b>                                      | <b>1,657,000</b>        |                                    |   |                         | <b>22.33</b>                                     | <b>15.90</b>                                      |         |
| <b>Chandu K. Jain</b>        |   |                         |                                    |   |                         |  |   |         |
| 12-Oct-15                    | Subscription to MoA                                   | 100                     | 10                                 | 25  | Cash                    | 0.00   | 0.00  | 3 Years |
| 31-Mar-17                    | Rights Allotment                                      | 100,000                 | 10                                 | 25  | Cash                    | 1.35   | 0.96  | 3 Years |
| 17-Aug-17                    | Transfer (Purchased from Sapna Arsule)                | 109,000                 | 10                                 | 25  | Cash                    | 1.47   | 1.05  | 3 Years |
| 18-Aug-17                    | Bonus in the Ratio of 3:2                             | 313,650                 | 10                                 | Nil   | Nil                     | 4.23   | 3.01  | 3 Years |
|                              | <b>Sub-total</b>                                      | <b>522,750</b>          |                                    |   |                         | <b>7.04</b>                                      | <b>5.02</b>                                       |         |
|                              | <b>Grand Total</b>                                    | <b>2,179,750</b>        |                                    |   |                         | <b>29.37</b>                                     | <b>20.92</b>                                      | 3 Years |

Our Promoters have granted consent to include such number of Equity Shares held by them as may constitute minimum 20% of the post issue Equity Share capital of our Company as Minimum Promoters' Contribution and have agreed not to sell or transfer or pledge or otherwise dispose of in any manner, the Minimum Promoters' Contribution from the date of filing of this Prospectus until the commencement of the lock-in period specified above, or for such other time as required under SEBI (ICDR) Regulations, except as may be permitted, in accordance with the SEBI (ICDR) Regulations.

For details on build-up of Equity Shares held by our Promoters, refer “– Build-up of our Promoter's shareholding in our Company” at page 40.

The Equity Shares that are being locked-in are not, and will not be, ineligible for computation of Promoters' Contribution under Regulation 33 of the SEBI (ICDR) Regulations. In this computation, as per Regulation 33 of the SEBI Regulations, our Company confirms that the Equity Shares locked-in do not, and shall not, consist of:

- (i) The Equity Shares acquired during the three years preceding the date of this Prospectus (a) for consideration other than cash and revaluation of assets or capitalisation of intangible assets, or (b) bonus shares issued out of revaluations reserves or unrealised profits or against equity shares which are otherwise ineligible for computation of Promoters' Contribution;
- (ii) The Equity Shares acquired during the one year preceding the date of this Prospectus, at a price lower than the price at which the Equity Shares are being offered to the public in the Issue;



- (iii) our Company has not been formed by conversion of a partnership firm into a company and hence, no Equity Shares have been issued in the one year immediately preceding the date of this Prospectus pursuant to conversion of a partnership firm; and
- (iv) Equity Shares held by the Promoters that are subject to any pledge or any other form of encumbrance.

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

c) *Equity Shares locked-in for one year*

Other than the Equity Shares held by our Promoters, which will be locked-in as minimum Promoter's contribution for three years, all pre-Issue Equity Shares shall be subject to lock-in for a period of one year from the date of Allotment in this Issue.

d) *Other requirements in respect of 'lock-in'*

Pursuant to Regulation 39 of the SEBI (ICDR) Regulations, the locked-in Equity Shares held by our Promoters can be pledged with any scheduled commercial bank or public financial institution as collateral security for loans granted by such scheduled commercial bank or public financial institution, provided that (i) the pledge of shares is one of the terms of sanction of the loan and (ii) if the shares are locked-in as Promoter's contribution for three years under Regulation 36(a) of the SEBI (ICDR) Regulations, then in addition to the requirement in (i) above, such shares may be pledged only if the loan has been granted by the scheduled commercial bank or public financial institution for the purpose of financing one or more of the objects of the Issue.

Pursuant to Regulation 40 of the SEBI (ICDR) Regulations, Equity Shares held by our Promoters, which are locked-in in accordance with Regulation 36 of the SEBI (ICDR) Regulations, may be transferred to and among our Promoters and any member of the Promoter Group, or to a new promoter or persons in control of our Company subject to continuation of the lock-in in the hands of the transferee for the remaining period and compliance with the SEBI Takeover Regulations, as applicable.

Further, pursuant to Regulation 40 of the SEBI (ICDR) Regulations, Equity Shares held by shareholders other than our Promoters which are locked-in in accordance with Regulation 37 of the SEBI (ICDR) Regulations, may be transferred to any other person holding shares which are locked-in, subject to continuation of the lock-in in the hands of the transferee for the remaining period and compliance with the SEBI Takeover Regulations, as applicable.



## 9. Our shareholding pattern

Pursuant to Regulation 31 of the SEBI (LODR) Regulations, the holding of specified securities is divided into the following three categories: (a) Promoter and Promoter Group; (b) Public; and (c) Non-Promoter - Non Public.

| Category (I) | Category of shareholder (II)   | Nos. of shares held (III) | No. of fully paid up equity shares held (IV) | No. of partly paid-up equity shares held (V) | No. of shares underlying Depository Receipts (VI) | Total nos. shares held (VII) = (IV) + (V) + (VI) | Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B+C2) (VIII) | Number of Voting Rights held in each class of securities (XI) |                      |                | No. of Shares Underlying Outstanding convertible securities (including Warrants) (X) | Shareholding as a % assuming full conversion of convertible securities (as a % of diluted share capital) As a % of (A+B+C2) (XI) = (VII) + (X) | Number of Locked in shares (XII) |          | Number of Shares pledged or otherwise encumbered (XIII) |          | Number of equity shares held in dematerialized form (XIV) |                                 |
|--------------|--------------------------------|---------------------------|--|--|---|--|---|---|----------------------|----------------|--|--|----------------------------------|----------|---|----------|---|---------------------------------|
|              |                                |                           |  |  |   |  |   | No of Voting Rights   |                      | Total          |  |  | Total as a % of (A+B+C)          | No.      | As a % of total Shares held (b)                         | No.      |   | As a % of total Shares held (b) |
|              |                                |                           |  |  |   |  |   | Class : Equity  | Classes : preference |                |  |  |                                  |          |   |          |   |                                 |
| (A)          | Promoter & Promoter Group      | 7                         | 3320200                                      | -  | -   | 3320200  | 44.74   | 3320200   | -                    | 3320200        | 44.74  | -  | -                                | -        | -   | -        | Nil   |                                 |
| (B)          | Public                         | 16                        | 4100700                                      | -  | -   | 4100700  | 55.26   | 4100700   | -                    | 4100700        | 55.26  | -  | -                                | -        | -   | -        | Nil   |                                 |
| (C)          | Non Promoter - Non Public      | -                         | -  | -  | -   | -  | -   | -   | -                    | -              | -  | -  | -                                | -        | -   | -        | -   |                                 |
| (C1)         | Shares underlying DRs          | -                         | -  | -  | -   | -  | -   | -   | -                    | -              | -  | -  | -                                | -        | -   | -        | -   |                                 |
| (C2)         | Shares held by Employee Trusts | -                         | -  | -  | -   | -  | -   | -   | -                    | -              | -  | -  | -                                | -        | -   | -        | -   |                                 |
|              | <b>Total</b>                   | <b>23</b>                 | <b>7402900</b>                               | <b>-</b>                                     | <b>-</b>  | <b>7402900</b>                                   | <b>100.00</b>   | <b>7402900</b>  | <b>-</b>             | <b>7402900</b> | <b>100.00</b>  | <b>-</b>   | <b>-</b>                         | <b>-</b> | <b>-</b>  | <b>-</b> | <b>Nil</b>  |                                 |

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

- Our Company will file the shareholding pattern of our Company in the form prescribed under Regulation 31 of SEBI (LODR) Regulations, one day prior to the listing of the Equity Shares. The shareholding pattern will be uploaded on the website of BSE before commencement of trading of our Equity Shares.
- There are no Equity Shares against which depository receipts have been issued.
- Other than the Equity Shares, there is no other class of securities issued by our Company

10. The shareholding pattern of our Promoters and Promoter Group before and after the Issue is set forth below:

| Sr. | Particulars           | Pre-Issue      |              | Post-Issue     |              |
|-----|-----------------------|----------------|--------------|----------------|--------------|
|     |                       | No. of Shares  | % Holding    | No. of Shares  | % Holding    |
| a)  | <b>Promoters</b>      |                |              |                |              |
|     | Kirit Kumar Shah      | 1657000        | 22.33        | 1657000        | 15.90        |
|     | Chandu K Jain         | 522750         | 7.04         | 522750         | 5.02         |
|     | <b>Total</b>          | <b>2179750</b> | <b>29.37</b> | <b>2179750</b> | <b>20.92</b> |
| b)  | <b>Promoter Group</b> |                |              |                |              |
|     | Santosh Paste         | 451250         | 6.08         | 451250         | 4.33         |
|     | Sangeeta Jain         | 500            | 0.01         | 500            | 0.00         |
|     | Hemali H Shah         | 488700         | 6.59         | 488700         | 4.69         |
|     | Jikesh K Shah Huf     | 100000         | 1.35         | 100000         | 0.96         |
|     | Jikesh K Shah         | 100000         | 1.35         | 100000         | 0.96         |
|     | <b>Total</b>          | <b>1140450</b> | <b>15.37</b> | <b>1140450</b> | <b>10.94</b> |
|     | <b>Grand Total</b>    | <b>3320200</b> | <b>44.74</b> | <b>3320200</b> | <b>31.86</b> |

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

| Name of the Promoters | No. of Equity Shares held | Average cost of Acquisition (in ₹) |
|-----------------------|---------------------------|------------------------------------|
| Kirit Kumar Shah      | 1657000                   | 9.77                               |
| Chandu K Jain         | 522750                    | 9.997                              |

12. None of our Directors or Key Managerial Personnel hold Equity Shares in our Company, other than as set forth below:

| Name                            | No. of Equity Shares held | Pre-Issue percentage of Shareholding |
|---------------------------------|---------------------------|--------------------------------------|
| <b>Directors</b>                |                           |                                      |
| Kirit Kumar Shah                | 1657000                   | 10.00                                |
| Chandu K Jain                   | 522750                    | 10.00                                |
| <b>Key Managerial Personnel</b> |                           |                                      |
| Nil                             | Nil                       | Nil                                  |

13. Particulars of top ten shareholders and the number of Equity Shares held by them are set forth below:

a. Our Company has 24 shareholders as on the date of this Prospectus and the number of Equity Shares held by the top 10 shareholders are as set forth below:

| Sr. No. | Name of shareholder | No. of Equity Shares | % of Issued Capital |
|---------|---------------------|----------------------|---------------------|
| 1.      | Kiritkumar M. Shah  | 1657000              | 22.33               |
| 2.      | Chandu K. Jain      | 522750               | 7.04                |
| 3.      | Hemali H Shah       | 488700               | 6.59                |
| 4.      | Daya S Vala         | 480250               | 6.47                |
| 5.      | Santosh Paste       | 451250               | 6.08                |
| 6.      | Ashok A Shah        | 425000               | 5.73                |
| 7.      | Paresh A. Gohil     | 412500               | 5.56                |
| 8.      | Prakash B. Shetty   | 379200               | 5.11                |
| 9.      | Dhananjay Patel     | 310250               | 4.18                |
| 10.     | Hiren Parmar        | 300600               | 4.05                |
|         | <b>Total</b>        | <b>5427500</b>       | <b>73.14</b>        |

b. Our Company had 24 shareholders ten days prior to the date of this Prospectus and the number of Equity Shares held by the top 10 shareholders are as set forth below:

| Sr. No. | Name of shareholder | No. of Equity Shares | % of Issued Capital |
|---------|---------------------|----------------------|---------------------|
|---------|---------------------|----------------------|---------------------|

|     |                    |                |              |
|-----|--------------------|----------------|--------------|
| 1.  | Kiritkumar M. Shah | 1657000        | 22.33        |
| 2.  | Chandu K. Jain     | 522750         | 7.04         |
| 3.  | Hemali H Shah      | 488700         | 6.59         |
| 4.  | Daya S Vala        | 480250         | 6.47         |
| 5.  | Santosh Paste      | 451250         | 6.08         |
| 6.  | Ashok A Shah       | 425000         | 5.73         |
| 7.  | Paresh A. Gohil    | 412500         | 5.56         |
| 8.  | Prakash B. Shetty  | 379200         | 5.11         |
| 9.  | Dhananjay Patel    | 310250         | 4.18         |
| 10. | Hiren Parmar       | 300600         | 4.05         |
|     | <b>Total</b>       | <b>5427500</b> | <b>73.14</b> |

c. *Particulars of the shareholders two years prior to the date of this Prospectus:*

Our Company was incorporated on April 29, 2016 and hence providing particulars of the shareholders of Company two years prior to the date of this Prospectus is not applicable.

14. Our Company does not have any Employee Stock Option Scheme / Employee Stock Purchase Plan for our employees and we do not intend to allot any shares to our employees under Employee Stock Option Scheme / Employee Stock Purchase Plan from the proposed Issue. As and when, options are granted to our employees under the Employee Stock Option Scheme, our Company shall comply with the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014.
15. 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 this Prospectus until the Equity Shares have been listed. Further, our Company presently does not have any intention or proposal to alter our capital structure for a period of six months from the date of opening of this Issue, by way of split / consolidation of the denomination of Equity Shares or further issue of Equity Shares (including issue of securities convertible into exchangeable, directly or indirectly, for our Equity Shares) whether preferential or otherwise, except that if we enter into acquisition(s) or joint venture(s), we may consider additional capital to fund such activities or to use Equity Shares as a currency for acquisition or participation in such joint ventures.
16. Except as disclosed below, none of our Promoters, members of our Promoter Group or our Directors or their immediate relatives have sold or purchased Equity Shares by any other person during the six months immediately preceding the date of this Prospectus:

| Date of sale / purchase | Name of Shareholder | Category       | Nature of Transactions     | Issue Price / Transfer Price (in ₹) | Number of Shares Transacted |
|-------------------------|---------------------|----------------|----------------------------|-------------------------------------|-----------------------------|
| August 17, 2017         | Chandu K. Jain      | Promoter       | Purchase from Sapna Arsule | 25.00                               | 1,09,000                    |
| November 24, 2017       | Sangeeta Jain       | Promoter Group | Champaben Jain             | 15.00                               | 250                         |

17. There have been no financial arrangements whereby our Promoters, Promoter Group, our Directors and their relatives have financed the purchase by any other person of securities of our Company, during a period of six months preceding the date of this Prospectus, other than in the normal course of business of the financing entity.
18. Our Company, our Promoters, our Directors and the Lead Manager to this Issue have not entered into any buy-back and/or standby or similar arrangements with any person for purchase of our Equity Shares issued by our Company through this Prospectus.
19. There are no safety net arrangements for this public issue.
20. An oversubscription to the extent of 10% of the Issue can be retained for the purposes of rounding off to the minimum allotment lot and multiple of one share thereafter, while finalizing the Basis of Allotment. Consequently, the actual allotment may go up by a maximum of 10% of the Issue as a result of which, the post-issue paid up capital after the Issue would also increase by the excess amount of allotment so made. In such an event, the Equity Shares held by the Promoters and subject to lock-in shall be suitably increased so as to ensure

that 20% of the Post Issue paid-up capital is locked in for 3 years.

21. Under-subscription in the net Issue, if any, in any category, would be allowed to be met with spill over from any other category or a combination of categories at the discretion of our Company in consultation with the Lead Manager and the BSE.
22. As on the date of filing of this Prospectus, there are no outstanding warrants, options or rights to convert debentures, loans or other financial instruments into our Equity Shares.
23. All the Equity Shares of our Company are fully paid up as on the date of this Prospectus. Further, since the entire money in respect of the Issue is being called on application, all the successful applicants will be issued fully paid-up equity shares.
24. As per RBI regulations, OCBs are not allowed to participate in this Issue.
25. Our Company has not raised any bridge loan against the proceeds of this Issue. However, depending on business requirements, we might consider raising bridge financing facilities, pending receipt of the Net Proceeds.
26. Our Company undertakes that at any given time, there shall be only one denomination for our Equity Shares, unless otherwise permitted by law.
27. Our Company shall comply with such accounting and disclosure norms as specified by SEBI from time to time.
28. No payment, direct or indirect in the nature of discount, commission, allowances or otherwise shall be made either by us or our Promoters to the persons who receive allotments, if any, in this Issue.
29. We have 23 (Twenty Three) Shareholders as on the date of this Prospectus.
30. Our Promoters and the members of our Promoter Group will not participate in this Issue.
31. Our Company has not made any public issue since its incorporation.
32. As on the date of this Prospectus, the Lead Manager and their respective associates (determined as per the definition of ‘associate company’ under Section 2(6) of the Companies Act, 2013) do not hold any Equity Shares in our Company. The Lead Manager and their respective affiliates may engage in transactions with and perform services for our Company in the ordinary course of business or may in the future engage in commercial banking and investment banking transactions with our Company, for which they may in the future receive customary compensation.
33. Our Company shall ensure that transactions in the Equity Shares by the Promoters and the Promoter Group between the date of filing this Prospectus and the Issue Closing Date shall be reported to the Stock Exchange within twenty-four hours of such transaction.
34. For the details of transactions by our Company with our Promoter Group, Group Companies please refer to paragraph titled “*Statement of Transactions with Related Parties, as Restated*” in ‘*Financial Statements*’ on page 97.

## OBJECTS OF THE ISSUE

The objects of the Net Proceeds (as defined below) of the Issue are:

### 1. Augmenting additional working capital requirements

We believe that listing will enhance our corporate image and visibility of brand name of our Company. We also believe that our Company will receive the benefits from listing of Equity Shares on the SME Platform of BSE. It will also provide liquidity to the existing shareholders and will also create a public trading market for the Equity Shares of our Company.

The main object clause of Memorandum of Association of our Company enables us to undertake the activities for which the funds are being raised by us through the 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 the main objects clause of our Memorandum of Association, see “*History and Certain Corporate Matters*” on page 70.

### Issue Proceeds and Net Proceeds

The details of the proceeds of the Issue are summarized in the table below:

| S. No. | Particulars  | Amount (₹ in lakhs) |
|--------|--|---------------------|
| 1.     | Gross Proceeds of the Issue  | 450.00              |
| 2.     | Issue Expenses   | 45.00               |
| 3.     | Net Proceeds of the Issue (excluding the Issue Expenses) (“ <b>Net Proceeds</b> ”) | 405.00              |

### Utilisation of Net Proceeds and Means of Finance

The proposed utilisation of the Net Proceeds is set forth below:

| S. No. | Object   | Amount Proposed to be Utilised from the Net Proceeds (₹ in lakhs) |
|--------|--|---|
| 1.     | Augmenting additional working capital requirements | 405.00  |
|        | <b>Total</b>                                       | <b>405.00</b>   |

We propose to meet the entire fund requirement from the Net Proceeds. Accordingly, we confirm that there is no requirement to make firm arrangements of finance under Regulation 4(2)(g) of the SEBI (ICDR) Regulations through verifiable means towards at least 75% of the stated means of finance, excluding the amount to be raised through the Issue or through existing identifiable internal accruals.

The fund requirements, the deployment of funds and the intended use of the Net Proceeds as described herein are based on our current business plan and management estimates and have not been appraised by any bank, financial institution or any other external agency. Given the dynamic nature of our business, we may have to revise our business plan from time to time and consequently our funding requirements and deployment on account of variety of factors such as our financial condition, business and strategy, including external factors such as market conditions, competitive environment, costs of commodities and interest/ exchange rate fluctuations which may not be within the control of our management.

In case of variations in the actual utilisation of funds earmarked for the purpose set forth above or shortfall in the Net Proceeds, increased fund requirement may be financed by our internal accruals and/ or debt, as required. If the actual utilisation towards the said Object is lower than the proposed deployment such balance will be used for general corporate purposes to the extent that the total amount to be utilised towards general corporate purposes will not exceed 25% of the gross proceeds from the Issue in accordance with Regulation 4(4) of the SEBI ICDR Regulations.

### Details of the Objects of the Issue

#### 1. Augmenting additional working capital requirements

Our business is working capital intensive. Considering the existing and future growth, the total net working capital needs of our Company, as assessed based on the internal workings of our Company is expected to reach ₹1092.74 lakhs for Fiscal 2017-18. The incremental working capital requirements for FY 2017-18 are expected to be ₹415.03 lakhs. Our

Company will meet the requirement to the extent of ₹405.00 lakhs from the Net Proceeds of the Issue and balance from internal accruals or unsecured loans at an appropriate time as per the requirement.

Details of Estimation of Working Capital requirement are as follows:

| Particulars   | 31-Mar-17       | No. of days | 31-Mar-18       | No. of days |
|---|-----------------|-------------|-----------------|-------------|
|   | (Rs. Lakhs)     |             | (Rs. Lakhs)     |             |
| <b>Current Assets</b>                                 |                 |             |                 |             |
| Inventories   | 0.00            |             | 287.04          | 40.15       |
| Debtors   | 503.98          | 114.11      | 714.93          | 100.00      |
| Loans and Advances                                    | 734.66          |             | 551.00          |             |
| Other Current Assets                                  | 0.44            |             | 0.00            |             |
| <b>Total</b>  | <b>1,239.08</b> |             | <b>1,552.97</b> |             |
| <b>Current Liabilities</b>                            |                 |             |                 |             |
| Sundry Creditors                                      | 545.64          | 125.12      | 393.93          | 58.00       |
| Provisions  | 15.73           |             | 36.30           |             |
| Other Current Liabilities                             | 0.00            |             | 30.00           |             |
| <b>Total</b>  | <b>561.38</b>   |             | <b>460.23</b>   |             |
| <b>Working Capital Gap</b>                            | <b>677.71</b>   |             | <b>1,092.74</b> |             |
| Less: Existing Bank Borrowings                        | 0.00            |             | 0.00            |             |
| <b>Net Working Capital Requirement</b>                | <b>677.71</b>   |             | <b>1,092.74</b> |             |
| <b>Proposed Working Capital to be funded from IPO</b> | <b>0.00</b>     |             | <b>405.00</b>   |             |
| Funding through Internal Accruals and Unsecured Loans |                 |             | 10.03           |             |
| Funded through Internal Accruals and Unsecured Loans  | 677.71          |             | 677.71          |             |

**Inventory:** We expect Inventory Holding days to be at appx.40 Days based on expected materials purchased for Fiscal 2017-18.

**Debtors:** We expect Debtors Holding days to be at appx.100 Days for Fiscal 2017-18 based on our Revenue from operations and business and funds availability we look forward to a better it slightly from previous year.

**Creditors** We expect Creditors payments days to be appx. 58 days so as to achieve better purchase terms and improve on our margins.

Our management, in accordance with the policies of our Board, will have flexibility in utilizing the proceeds earmarked for general corporate purposes.

### Issue Related Expenses

The total expenses of the Issue are estimated to be approximately ₹45.00 lakhs. The expenses of this Issue include, among others, underwriting and management fees, printing and distribution expenses, advertisement expenses and legal fees, if applicable. The estimated Issue expenses are as follows:





| Activity   | Estimated expenses | (₹ in lakhs)                                 |                                |
|--|--------------------|--|--------------------------------|
|  |                    | As a % of the total estimated Issue expenses | As a % of the total Issue size |
| Payment to Merchant Banker including, underwriting and selling commissions, brokerages, Advisors to the Company, payment to other intermediaries such as Legal Advisors, Registrars etc. and other out of pocket expenses. | 25.00              | 55.56  | 5.56                           |
| Advertising and marketing expenses   | 2.50               | 5.56   | 0.56                           |
| Printing and stationery expenses, distribution and postage   | 2.50               | 5.56   | 0.56                           |
| ROC, Regulatory and other expenses including Listing Fee   | 15.00              | 33.33  | 3.33                           |
| <b>Total estimated Issue expenses</b>  | <b>45.00</b>       | <b>100.00</b>                                | <b>10.00</b>                   |

### Schedule of implementation

The entire amount of Working capital will be utilized during FY 2017-18.

### Deployment of Funds in the Project

Our Company has incurred the following expenditure on the project till October 31, 2017. The same has been certified by our statutory auditors M/s A. Puri & Co., Chartered Accountants through their certificate dated November 20, 2017.

| Particulars           | Amount spent till October 31, 2017 (₹ Lakhs) |
|-----------------------|--|
| Public Issue Expenses | 3.78   |
| <b>Total</b>          | <b>3.78</b>                                  |

The above funds were deployed from the Company's internal accruals. The same will be recouped from the Issue Proceeds.

### Details of balance fund deployment

| Sr. No. | Particulars  | Expenses Already Incurred | (₹ in Lakhs)  |               |
|---------|--|---------------------------|---------------|---------------|
|         |  |                           | FY 2017-18    | Total         |
| 1       | Augmenting additional working capital requirements | 0.00                      | 405.00        | 405.00        |
| 2       | Public Issue Expenses                              | 3.78                      | 41.22         | 45.00         |
|         | <b>Total</b>                                       | <b>3.78</b>               | <b>446.22</b> | <b>450.00</b> |

### Interim Use of Funds

Pending utilization for the purposes described above, we undertake to temporarily deposit the funds from the Net Proceeds only in the scheduled commercial banks included in the Second Schedule of the Reserve Bank of India Act, 1934, for the necessary duration. In accordance with Section 27 of the Companies Act, 2013, our Company confirms that it shall not use the Net Proceeds for buying, trading or otherwise dealing in the equity shares of any other listed company.

### Appraisal Report

None of the objects for which the Net Proceeds from the Issue will be utilised have been appraised by any financial institutions/banks.

### Bridge Loan

As of the date of this Prospectus, our Company has not raised any bridge loans which are required to be repaid from the Net Proceeds. However, depending on its business requirements, our Company may consider raising bridge financing

facilities, pending receipt of the Net Proceeds.

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

In terms of Regulation 16 of the SEBI (ICDR) Regulations, we are not required to appoint a monitoring agency since the Issue size is not in excess of ₹100 Crores. Our Board will monitor the utilisation of Net Proceeds through its Audit Committee. Please refer “*Risk Factors - Our Company’s management will have flexibility in utilizing the Net Proceeds. 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*” on page 18.

Our Company will disclose the utilisation of the Net Proceeds under a separate head along with details in its balance sheet until the Net Proceeds remain unutilised, clearly specifying the purpose for which the Net Proceeds have been utilised.

### **Variation in Objects**

In accordance with Section 13(8) and Section 27 of the Companies Act, 2013, our Company shall not vary the Objects of the Issue without our Company being authorized 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 opportunity to the shareholders who do not agree to such proposal to vary the Objects of the Issue at the fair market value of the Equity Shares as on the date of the resolution of our Board recommending such variation in the terms of the contracts or the objects referred to in the Prospectus, in accordance with such terms and conditions as may be specified on this behalf by SEBI.

### **Other Confirmations**

No part of the Net Proceeds of the Issue will be utilized by our Company as consideration to our Promoters, members of the Promoter Group, Directors, Group Entities or key management personnel. Our Company has not entered into or is not planning to enter into any arrangement/ agreements with Promoters, Directors, key management personnel, associates or Group Entities in relation to the utilization of the Net Proceeds of the Issue.

## BASIS FOR ISSUE PRICE

The Issue Price is determined by our Company in consultation with the Lead Manager. The financial data presented in this section are based on our Company's restated financial statements. Investors should also refer to the sections titled 'Risk Factors' and 'Financial Information' on pages 14 and 97, respectively, to get a more informed view before making the investment decision.

### **Qualitative Factors**

For details of Qualitative factors please refer to the paragraph "Our Competitive Strengths" in "Our Business" beginning on page 60.

### **Quantitative Factors (Based on Standalone Financial Statements)**

#### 1. **Basic & Diluted Earnings Per Share (EPS):**

| Period                              | Basic and Diluted EPS (₹) | Weights |
|-------------------------------------|---------------------------|---------|
| Half Year ended September 30, 2017* | 0.06                      | 3       |
| FY 2017                             | 0.53                      | 2       |
| Period ended March 31, 2016         | 1.28                      | 1       |
| <b>Weighted Average</b>             | <b>0.42</b>               |         |

*Not Annualised\**

#### 2. **Price to Earnings (P/E) ratio in relation to Issue Price of ₹ 15.00:**

| Particulars  | P/E at the Issue Price (₹ 15) |
|--|-------------------------------|
| a. Based on EPS of ₹ 0.53 for the year ended March 31, 2017          | 28.24                         |
| b. Based on EPS of ₹ 0.06 for the Half Year ended September 30, 2017 | 241.63                        |
| c. Based on weighted average EPS of 0.84                             | 35.58                         |

#### a. Industry P/E

| <b>Industry P/E</b>     |       |
|-------------------------|-------|
| ▪ Highest – Binni Mills | 143.8 |
| ▪ Lowest – PTC India    | 11.1  |
| ▪ Average - Trading     | 65.8  |

Source: Capital Market, November 20 – December 3, 2017

#### 3. **Return on Net Worth: Not Available**

| Period                              | Return on Net Worth (%) | Weights |
|-------------------------------------|-------------------------|---------|
| Half Year ended September 30, 2017* | 0.61                    | 3       |
| FY 2017                             | 1.59                    | 2       |
| Period ended March 31, 2016         | 0.24                    | 1       |
| <b>Weighted Average</b>             | <b>5.25</b>             |         |

*\*Not Annualised*

#### 4. **Minimum Return on increased Net Worth required to maintain pre-Issue EPS:**

A) Based on Basic and Diluted EPS of ₹ 0.53 for the FY 2017

At the Issue Price of ₹ 15: 4.59% based on restated financial statements.

B) Based on Weighted average EPS of ₹ 0.42

At the Issue Price of ₹ 15: 3.64% based on restated financial statements.

C) Based on Basic and Diluted EPS of ₹ 0.06 for the Half Year ended September 30, 2017

At the Issue Price of ₹ 15: 0.52% based on restated financial statements.

5. *Net Asset Value per Equity Share*

- As of March 31, 2017 ₹25.19
- As of September 30, 2017 ₹10.14
- NAV per Equity Share after the Issue is ₹11.54
- Issue Price per Equity Share is ₹15.00

6. *Peer Comparison of Accounting Ratios*

| Particulars          | Face Value (₹) | EPS - TTM (₹)# | P/E Ratio | RONW (%) | NAV (₹) |
|----------------------|----------------|----------------|-----------|----------|---------|
| Kothari Products     | 10             | 16.6           | 11.7      | 8.1      | 276.2   |
| Rain Industries**    | 2              | 0.8            | --        | 5.1      | 27.4    |
| Ushdev International | 1              | --             | --        | -15.1    | 22.8    |
| MRC Exim Limited*    | 10             | 0.53           | 28.24     | 1.59     | 25.19   |

Source: Capital Market, November 20 – December 3, 2017

\*Based on March 31, 2017 restated financial statements.

\*\*As on December 31, 2016

# Standalone

The above mentioned peer group companies are very large and not comparable to us with respect to operational size and also on functional basis.

The face value of Equity Shares of our Company is ₹10 per Equity Share and the Issue price of ₹15 is 1.5 times of the face value.

The Issue Price of ₹15.00 is determined by our Company, in consultation with the Lead Manager is justified based on the above accounting ratios. For further details, please refer to the section titled 'Risk Factors', and chapters titled 'Our Business' and 'Financial Information' beginning on page 14, 60 and 97, respectively of the Prospectus.

**STATEMENT OF TAX BENEFITS**

To,

**Board of Director  
MRC Exim Limited**

106, Siddhesh Apartment, 2<sup>nd</sup> Khattar gali,  
Thakurdwar Road, Charni Road East, Mumbai – 400 004,  
Maharashtra.

Dear Sirs,

**Sub: Statement of possible special tax benefits (“the Statement”) available to MRC Exim Limited (“the Company”) and its shareholders prepared in accordance with the requirements in Schedule VIII-Clause (VII) (L) of the Securities 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 Management of the Company, states the possible special tax benefits available to the Company and the shareholders of the Company under the Income - Tax Act, 1961 (‘Act’) as amended by the Finance Act, 2017 (i.e applicable to Financial Year 2017-18 relevant to Assessment Year 2018-19), presently in force in India. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the Act. 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 which the Company may face in the future, the Company may or may not choose to fulfill.

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

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

- the Company or its shareholders will continue to obtain these benefits in future; or
- the conditions prescribed for availing the benefits have been/would be met.

The contents of this annexure are based on information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company and the provisions of the tax laws.

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

We shall not be liable to 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 of intentional misconduct.

The enclosed annexure is intended for your information and for inclusion in the Draft Prospectus / 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 written consent.

**For A. Puri & Co.**  
Chartered Accountants

**CA Ashok Puri**  
**Proprietor**  
Membership Number: 013203  
Firm Registration No. 108231W  
Place: Mumbai  
Dated: August 31, 2017



**Annexure**

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

Outlined below are the possible special tax benefits available to the Company and its shareholders under the current direct tax laws in India for the financial year 2017-18.

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

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

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

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

## SECTION IV: ABOUT THE COMPANY INDUSTRY OVERVIEW

*The information in this section has been extracted from reports publicly available documents and information, including, but not limited to, materials issued or commissioned by the Government of India and certain of its ministries, trade and industry-specific publications and other relevant third-party sources.*

*Industry websites and publications generally state that the information contained therein has been obtained from sources believed to be reliable, but their accuracy and completeness are not guaranteed and their reliability cannot be assured. While the Company has exercised reasonable care in relying on such government, industry, market and other relevant data in this document, it has not been independently verified by the Company or any of its advisors, nor the Lead Manager or any of its respective advisors, and should not be relied on as if it had been so verified.*

### **Indian Economy**

Source: <https://www.ibef.org/economy/indian-economy-overview>

#### **Introduction**

India has emerged as the fastest growing major economy in the world as per the Central Statistics Organisation (CSO) and International Monetary Fund (IMF). The Government of India has forecasted that the Indian economy will grow by 7.1 per cent in FY 2016-17. As per the Economic Survey 2016-17, the Indian economy should grow between 6.75 and 7.5 per cent in FY 2017-18. The improvement in India's economic fundamentals has accelerated in the year 2015 with the combined impact of strong government reforms, Reserve Bank of India's (RBI) inflation focus supported by benign global commodity prices.

India's consumer confidence index stood at 136 in the fourth quarter of 2016, topping the global list of countries on the same parameter, as a result of strong consumer sentiment, according to market research agency, Nielsen.

Moody's has affirmed the Government of India's Baa3 rating with a positive outlook stating that the reforms by the government will enable the country perform better compared to its peers over the medium term.

#### **Market Size**

India's gross domestic product (GDP) grew by 7 per cent year-on-year in October-December 2016 quarter, which is the strongest among G-20 countries, as per Organisation for Economic Co-operation and Development (OECD) Economic Survey of India, 2017. According to IMF World Economic Outlook Update (January 2017), Indian economy is expected to grow at 7.2 per cent during FY 2016-17 and further accelerate to 7.7 per cent during FY 2017-18.

The tax collection figures between April 2016 and January 2017 show an increase in Net Indirect taxes by 16.9 per cent and an increase in Net Direct Taxes by 10.79 per cent year-on-year, indicating a steady trend of healthy growth. The total number of e-filed Income Tax Returns rose 21 per cent year-on-year to 42.1 million in 2016-17 (till 28.02.17), whereas the number of e-returns processed during the same period stood at 43 million.

Corporate earnings in India are expected to grow by over 20 per cent in FY 2017-18 supported by normalisation of profits, especially in sectors like automobiles and banks, while GDP is expected to grow by 7.5 per cent during the same period, according to Bloomberg consensus.

India has retained its position as the third largest startup base in the world with over 4,750 technology startups, with about 1,400 new start-ups being founded in 2016, according to a report by NASSCOM.

India's labour force is expected to touch 160-170 million by 2020, based on rate of population growth, increased labour force participation, and higher education enrolment, among other factors, according to a study by ASSOCHAM and Thought Arbitrage Research Institute.

India's foreign exchange reserves stood at US\$ 366.781 billion as on March 17, 2017 as compared to US\$ 360 billion by end of March 2016, according to data from the RBI.



### **Indian Metals and Mining Industry Analysis**

Source: <https://www.ibef.org/industry/metals-and-mining-presentation>

India is the third-largest steel producer in the world. In 2015, India produced 91.46 million tonnes (MT) of finished steel. Driven by rising infrastructure development and growing demand for automobiles, steel consumption is expected to reach 104 MT by 2017. During the month of September 2016, the consumption of finished steel was estimated at 6.7 MT, showing a significant improvement of 7.6 per cent year-on-year growth.

India's steel production is expected to increase from 100 MTPA to 112.5 MTPA by FY16 and 300 MTPA by 2025. The Government of India has allowed 100 per cent foreign direct investment (FDI) in the steel sector under the automatic route.

To meet the target of 300 MT capacities by 2025, the Government is planning to come up with a new and dynamic steel policy for the sector. The government is also planning to create independent regulators for steel and mining sectors.

A new scheme, 'The scheme for the promotion of R&D in the iron and steel sector', has been approved with budgetary provision of US\$ 24.6 million to initiate and implement the provisions of the scheme as per the 11th Five-Year Plan which has continued in the 12th Five Year Plan. The development of technology for Cold-Rolled Grain Oriented (CRGO) steel sheets and other value-added products is also included under the policy purview and is allocated US\$ 6.7 million.

### **Engineering Industry in India**

Source: <https://www.ibef.org/industry/engineering-india.aspx>

The Indian Engineering sector has witnessed a remarkable growth over the last few years driven by increased investments in infrastructure and industrial production. The engineering sector, being closely associated with the manufacturing and infrastructure sectors, is of strategic importance to India's economy.

India on its quest to become a global superpower has made significant strides towards the development of its engineering sector. The Government of India has appointed the Engineering Export Promotion Council (EEPC) as the apex body in charge of promotion of engineering goods, products and services from India. India exports transport equipment, capital goods, other machinery/equipment and light engineering products such as castings, forgings and fasteners to various countries of the world.

The capital goods & engineering turnover in India is expected to reach US\$ 125.4 billion by FY17. India exports its engineering goods mostly to the US and Europe, which accounts for over 60 per cent of the total exports. Recently, India's engineering exports to Japan and South Korea have also increased with shipments to these two countries rising by 16 and 60 per cent respectively. Sri Lanka, Nepal and Bangladesh have also emerged as the major destinations for India's engineering exports.

According to data from the Engineering Export Promotion Council of India, engineering exports from India grew 11.33 per cent year-on-year to reach US\$ 65.23 billion in FY 2016-17.

The Indian engineering sector is of strategic importance to the economy owing to its intense integration with other industry segments. The sector has been de-licensed and enjoys 100 per cent FDI. With the aim to boost the manufacturing sector, the government has relaxed the excise duties on factory gate tax, capital goods, consumer durables and vehicles.

### **Iron & Steel Industry in India**

Source: <https://www.ibef.org/industry/steel.aspx>

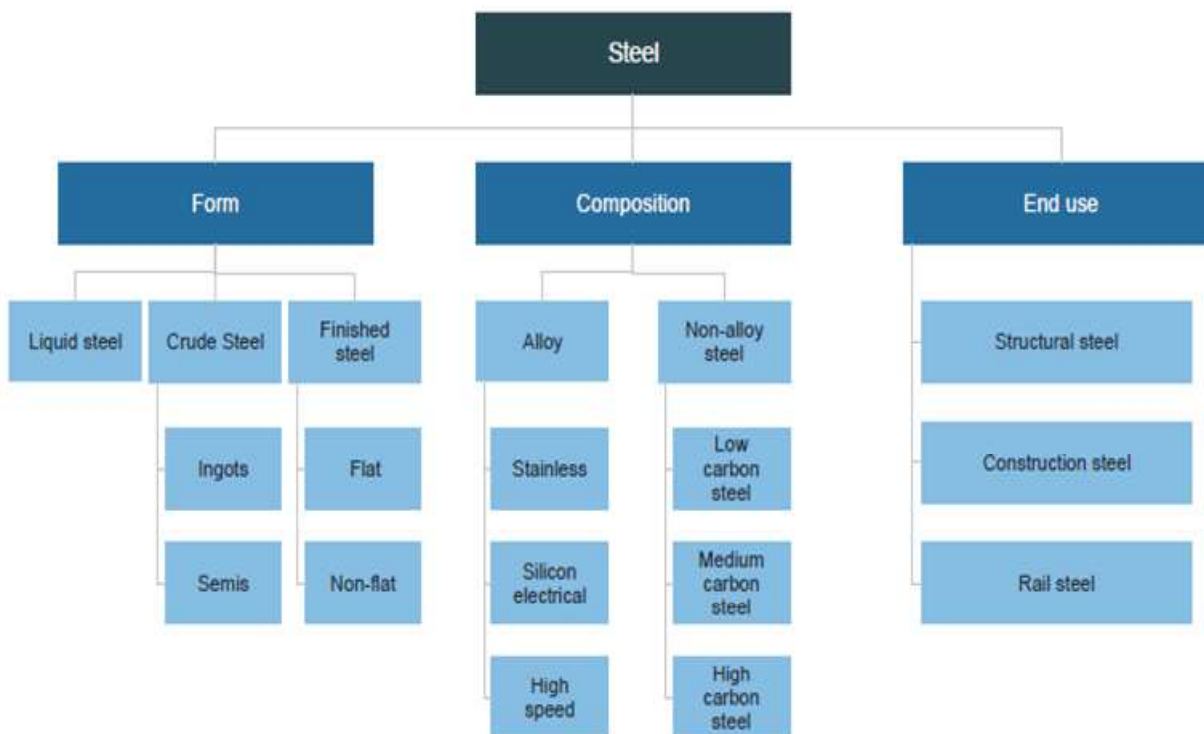
#### **Introduction**

India was the world's third-largest steel producer in 2016. @ The growth in the Indian steel sector has been driven by domestic availability of raw materials such as iron ore and cost-effective labour. Consequently, the steel sector has been a major contributor to India's manufacturing output.

The Indian steel industry is very modern with state-of-the-art steel mills. It has always strived for continuous modernisation and up-gradation of older plants and higher energy efficiency levels.

## Structure of the Steel Sector

Source: Presentation on Steel by IBEF, July 2017



## Market Size

India's crude steel output grew 10.7 per cent year-on-year to 25.76 million tonnes (MT) during January-March 2017. India's crude steel output during April 2017 grew by 5.4 per cent year-on-year to 8.107 MT.

India's finished steel exports rose 102.1 per cent to 8.24 MT, while imports fell by 36.6 per cent to 7.42 MT in 2016-17. India's steel exports rose 142 per cent in April 2017 to 747,000 tonnes over April 2016, while imports fell by 23 per cent to 504,000 tonnes in April 2017 over April 2016. Total consumption of finished steel grew by 3.4 per cent year-on-year to 6.015 MT during April 2017.

## Government Initiatives

Some of the other recent government initiatives in this sector are as follows:

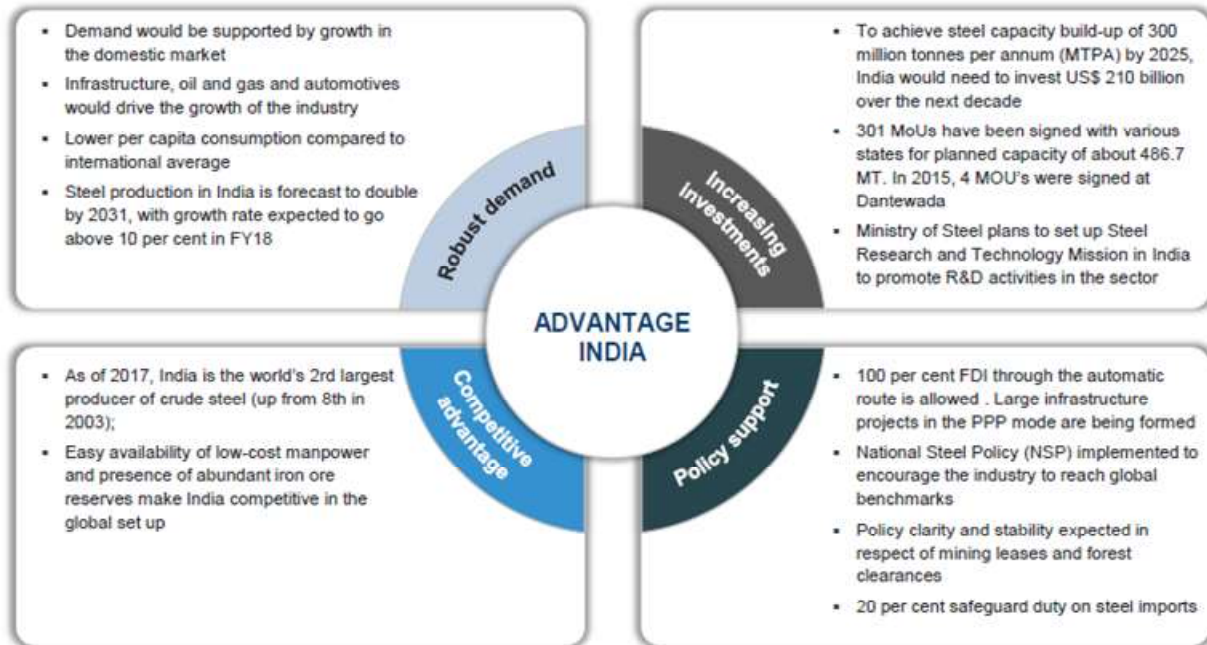
The Union Cabinet, Government of India has approved the National Steel Policy (NSP) 2017, as it seeks to create a globally competitive steel industry in India. NSP 2017 targets 300 million tonnes (MT) steel-making capacity and 160 kgs per capita steel consumption by 2030.

Metal Scrap Trade Corporation (MSTC) Limited and the Ministry of Steel have jointly launched an e-platform called 'MSTC Metal Mandi' under the 'Digital India' initiative, which will facilitate sale of finished and semi-finished steel products.

The Ministry of Steel is facilitating setting up of an industry driven Steel Research and Technology Mission of India (SRTMI) in association with the public and private sector steel companies to spearhead research and development activities in the iron and steel industry at an initial corpus of Rs 200 crore (US\$ 30 million).

### Advantage India

Source: Presentation on Steel by IBEF, July 2017



### Strong growth opportunities

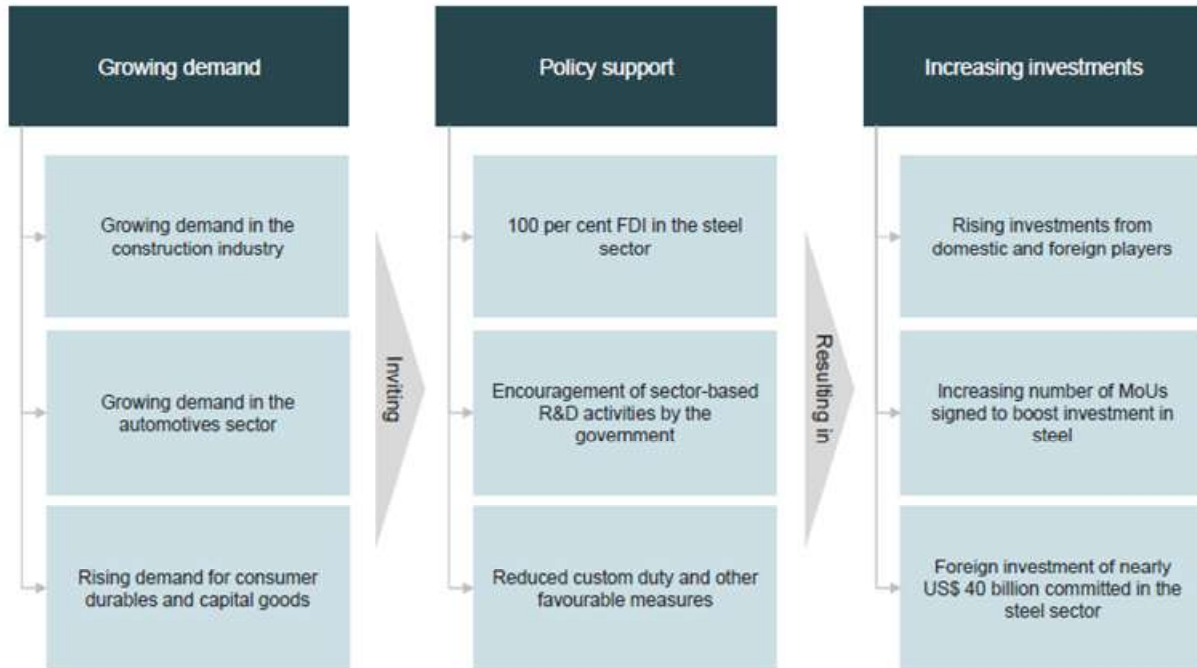
Source: Presentation on Steel by IBEF, July 2017

India's comparatively low per capita steel consumption and expected growth in consumption due to growing infrastructure construction, automobile and railways sectors has offered scope for growth National Mineral Development Corporation is expected to increase the iron ore production 75 million tonnes per annum (MTPA) until 2021 indicating new opportunities in the sector.

Domestic players' investments in expanding and upgrading manufacturing facilities are expected to reduce reliance on imports. In addition, the entry of international players would provide benefits in terms of capital resources, technical know how and more competitive industry dynamics

## Growth Drivers

Source: Presentation on Steel by IBEF, July 2017



## Road ahead

India is expected to become the second largest steel producer in the world by 2018, based on increased capacity addition in anticipation of upcoming demand, and the new steel policy, that has been approved by the Union Cabinet in May 2017, is expected to boost India's steel production.\* Huge scope for growth is offered by India's comparatively low per capita steel consumption and the expected rise in consumption due to increased infrastructure construction and the thriving automobile and railways sectors.

## OUR BUSINESS

*Following information is qualified in its entirety by, and should be read together with, the more detailed financial and other information included in the Prospectus, including the information contained in the section titled ‘Risk Factors’, beginning on page 14 of the Prospectus.*

*This section should be read in conjunction with, and is qualified in its entirety by, the more detailed information about our Company and its financial statements, including the notes thereto, in the sections titled ‘Risk Factors’ and ‘Financial Information’ and chapter titled ‘Management Discussion and Analysis of Financial Condition and Results of Operations’ beginning on page 14,97 and 119, respectively, of the Prospectus.*

*Unless the context otherwise requires, in relation to business operations, in this section of the Prospectus, all references to “we”, “us”, “our” and “our Company” are to MRC Exim Limited and Group Entities as the case may be.*

### Overview

Our Company is engaged in the business of trading of various industrial, metals and alloy products including iron and steel. We are a multi-product trading company with a diverse product portfolio. Our Company started the trading business from the last quarter of FY 2016. The portfolio of metal products currently being traded by our Company includes the following:

#### **Industrial Products:**

- GI Pipes
- Insulators
- Transmitter
- Heat Exchangers
- Conductors
- Water Pumps

#### **Alloys & Metal Products:**

- Graphite
- Cobalt
- Tungsten
- Aluminum & Aluminum Sections
- Iron & Steel
- Steel Products
- Coil & Steel Pipe
- D1 Tool Steel
- D2 Tool Steel
- Tool Steel HSD

We directly buy our required products from manufacturers. Hence we can get the products modified as per our customer’s specifications. We look forward to every opportunity that exists in market and work to develop and enhance our current business and product portfolio. We are currently serving the corporate and other clients from fabrication and manufacturing industry.

### Location

We operate from the following premises:

| Type of Facility  | Location   |
|-------------------|--|
| Registered Office | 106, Siddhesh Apartment, 2 <sup>nd</sup> Khattar gali, Thakurdwar Road, Charni Road East, Mumbai – 400 004, Maharashtra, India |

### Our Competitive Strengths

#### 1. Experienced and Qualified management team



Our Company is managed by a team of competent personnel having knowledge of core aspects of our Business. Our Managing Director viz. Mr. Kirit Kumar Shah guide our Company and is well assisted by our Key Managerial Persons who help us to build relations with our customers and have also facilitated us to entrench with new customers. Mr. Kirit Kumar Shah has an experience and exposure of over three decades in the metal and chemical business. We believe that our experience, knowledge and human resources will enable us to drive the business in a successful and profitable manner.

## **2. Diversified Variety of Iron & Steel Products**

We are a multi-product trading company with a diverse product portfolio including products such as GI Pipes, Insulators, Transmitter, Heat Exchangers, Conductors, Water Pumps, Graphite, Cobalt, Tungsten, Aluminium, Coil & Steel Pipe, D1 Tool Steel, D2 Tool Steel and Tool Steel HSD amongst others. We service our customers with products ranging to all sizes, grades and standards under one roof.

### **Our Business Strategy**

#### **1. Focus on Increase in Volume of Sales**

As part of our growth strategy we intend to focus on increase in volume of sales. As a trading company we want to focus on larger volume of sales and further addition of new products in our portfolio to achieve our targeted sales.

#### **2. Increase geographical presence**

We are currently located in Mumbai, Maharashtra. Our business is also mostly located in Maharashtra. Going forward we plan to establish our presence in the other regions. Our emphasis is on expanding the scale of our operations as well as growing our supply chain network, which we believe will provide attractive opportunities to grow our client base and revenues.

#### **3. Continue to develop client relationships**

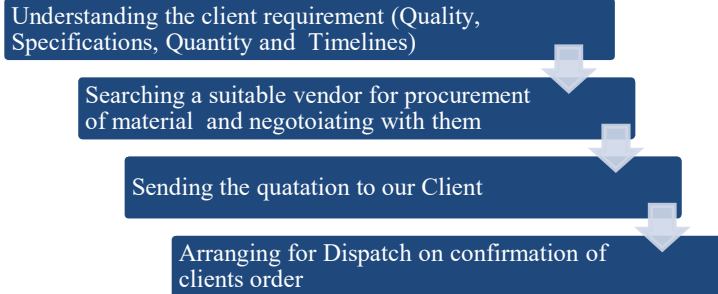
We plan to grow our business primarily by growing the number of client relationships, as we believe that increased client relationships will add stability to our business. We seek to build on existing relationships and also focus on bringing into our portfolio more clients. Our Company believes that business is a by-product of relationship. Our Company believes that a long-term client relationship with large clients fetches better dividends. Long-term relations are built on trust and continuous meeting with the requirements of the customers.

### **Our Major Products, Services and Processes**

Our portfolio of products currently being traded by our Company includes various industrial, metals and alloy products including iron and steel.

We operate as an intermediary in the Iron & Steel Industry. We are currently serving the corporate and other clients from fabrication and manufacturing industry. We procure our material from various manufacturers and traders. We procure orders from our clients and accordingly supply the material to customers.

Our business process generally include the following steps:



### **Plant and Machinery**

Since we are a trading company, we do not own any major plant and machinery.

### **Collaborations**

We have not entered into any technical or other collaboration.

### **Utilities & Infrastructure Facilities**

#### **Materials**

We buy the required materials/ products from various manufacturers and traders locally.

#### **Manpower**

Our Company is committed towards creating an organization that nurtures talent. We provide our employees an open atmosphere with a continuous learning platform that recognizes meritorious performance.

The following is a department-wise break-up of our employees as on the date of the Prospectus:

| <b>Sr. No.</b> | <b>Category</b>   | <b>Total</b> |
|----------------|-------------------|--------------|
| 1              | Senior Management | 4            |
| 2              | Middle Management | 2            |
| 3              | Others            | 3            |
|                | <b>Total</b>      | <b>9</b>     |

#### **Logistics**

We facilitate door-to-door delivery service to our customers through third party transport service providers. We outsource our transportation to transportation agencies.

#### **Past Production Figures Industry-wise**

The iron & steel industry is highly fragmented and is dominated by large number of traders and manufacturers. For details of the industry data please refer to section titles “Our Industry” beginning on page 59of the Prospectus.

#### **Competition**





We face the competition in our business from other existing traders and manufacturers of industrial, metals and alloy products. We compete with our competitors on a regional or product line basis. Many of our competitors have substantially large capital base and resources than we do and offer broader range products. We believe that the principal factors affecting competition in our business include client relationships, reputation, the abilities of employees, market focus and the relative quality and price of the services and products.

### **Approach to Marketing and Marketing Set-up**

Our top management and key executives enjoy the confidence of several corporate and retail clients and we currently market only to a selected setup of clients. We interact with our customers to get the feedback on the quality of products and services and improve the same as well.

### **Future Prospects**

The future plans of our Company are in line with the way the industry is thinking and planning ahead. Our Company is trying to increase the geographical areas of operations to cater to the growing market.

### **Capacity and Capacity Utilization**

Our Company is engaged in the trading business and hence capacity and capacity utilization cannot be determined.

### **Export Possibilities & Export Obligation**

Currently, we do not have any outstanding export obligations.

### **Property**

As on the date of the Prospectus our Company does not hold any property on ownership basis. The following table sets forth the details of the leasehold properties of our Company:

| <b>Description of Property</b>   | <b>Name of Lessor</b> | <b>Tenure</b>  | <b>Purpose</b>    |
|--|-----------------------|--|-------------------|
| 106, Siddhesh Apartment, 2 <sup>nd</sup> Khattar gali, Thakurdwar Road, Charni Road East, Mumbai – 400 004, Maharashtra, India | Chandu K. Jain HUF    | 36 months commencing from October 12, 2015 until September 11, 2018 at Monthly rental of Rs. 10000 * | Registered office |

\* Our Promoter, Chandu K. Jain has given us a waiver letter from the payment of rent from April 1, 2016 till the conclusion of aforesaid agreement.

### **Intellectual Property**

Our Company does not own any intellectual property rights as on date of the Prospectus.

### **Insurance**

Our Company has not taken any insurance cover at present. The Company will work towards taking insurance coverage to such amounts that will be sufficient to cover all normal risks associated with its operations and is in accordance with the industry standard.

## KEY INDUSTRIAL REGULATIONS AND POLICIES IN INDIA

The following description is a summary of certain sector-specific laws currently in force in India, which are applicable to our Company. The information detailed in this chapter has been obtained from publications available in the public domain. The description below may not be exhaustive, and is only intended to provide general information to investors, and is neither designed as, nor intended to substitute, professional legal advice. Judicial and administrative interpretations are subject to modification or clarification by subsequent legislative, judicial or administrative decisions. For information on regulatory approvals obtained by us, see “Government and Other Approvals” on page 129 of this Prospectus

### ***The Micro, Small and Medium Enterprises Development Act, 2006.***

Our company is registered as SME with the District Industries Center. Small and medium scale enterprises (SMEs) are understood in India as enterprises where the investment in plant and machinery or equipments is between ₹ 25 lakhs to ₹ 10 crores in case of a manufacturing industry and between ₹ 10 lakhs to ₹ 5 Crores in case of a service sector enterprise. This definition is provided in Section 7 of Micro, Small & Medium Enterprises Development Act, 2006 (MSMED Act) and was notified in September 2006. The Act provides for classification of enterprises based on their investment size and the nature of the activity undertaken by that enterprise.

### ***The Maharashtra Shops and Establishment Act 1948***

The Company has its registered office in the state of Maharashtra. Accordingly the provisions of the Maharashtra Shops and Establishments Act, 1948 are applicable to the Company. The provisions of the Act regulates the Conditions of work and employment in shops and commercial establishments and generally prescribe obligations in respect of inter alia registration, opening and closing hours, daily and weekly working hours, holidays, leave, health and safety measures, and wages for overtime work.

### **LABOUR LAWS**

Depending upon the nature of the activities undertaken by our Company, certain applicable labour laws and regulations include the following:

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

The Child Labour (Prohibition and Regulation) Act, 1986, (“**CLPRA Act**”) provides for prohibiting engagement of children below 14 years in factories, mines and hazardous employments and regulates the conditions of their employment in certain other employments. The CLPRA Act aims to regulate the number of hours, period of work and holidays to be given to child labourers. It specifies that the employer has to mandatorily furnish certain information regarding employment of child labour to the inspector and maintain a register which would contain details regarding the child labourers. The CLPRA Act also provides for health and safety measures to be complied with by the employer.

### ***Inter State Migrant Workmen (Regulation of Employment & Conditions of Service) Act, 1979 (“ISMW Act”)***

The ISMW Act regulates the employment of inter-state migrant workmen and provides for their conditions of services and for matter connected therewith. Under the provisions of the ISMW Act, every principal employer of an establishment which employs five or more inter-state migrant workmen (whether or not in addition to other workmen) on any day of the preceding 12 months has to register his establishment under ISMW Act. The ISMW Act also requires the principal employers and contractors to maintain registers with such details of the migrant workmen as may be prescribed. Any violation of the provisions of the ISMW Act and Rules prescribed thereunder is imprisonment which may extend to two years or with fine which may extend to ₹ 2,000 or with both.

### ***Sexual Harassment at Workplace (Prevention, Prohibition and Redressal) Act, 2013***

The Sexual Harassment at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (“**SHWPPR Act**”) aims to provide women protection against sexual harassment at the workplace and prevention and redressal of complaints of sexual harassment. The SHWPPR Act defines ‘sexual harassment’ to include any unwelcome acts or a sexually determined behaviour (inter alia whether directly or by implication). Workplace under the SHWPPR Act has been defined widely to include government bodies, private and public sector organisations, non-governmental organisations, organisations carrying on commercial, vocational, educational, entertainment, industrial, financial activities, hospitals and nursing homes, educational institutes, sports institutions and stadiums used for training individuals. The SHWPPR Act requires an employer to set up an ‘internal complaints committee’ at each office or branch, of an organization

employing at least 10 employees. Factors like mental trauma, medical expenses, loss in the career opportunity and income shall be taken into account while determining compensation. The duties of the employer and the district officer are provided in the SHWPPR Act.

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

The Maternity Benefit Act, 1961, as amended (“**Maternity Benefit Act**”) on 1<sup>st</sup> April, 2017 regulates the employment of pregnant women and ensures that they get paid leave for a specified period during and after their pregnancy. However, the relevant provision on the “work from home” option will come into effect from 1<sup>st</sup> July 2017. The Maternity Benefit Act is applicable to establishments in which 10 or more employees are employed, or were employed on any day of the preceding 12 months. The maximum period for which any woman shall be entitled to maternity benefit shall be 26 weeks, of which not more than Eight weeks shall precede the date of her expected delivery. For women who are expecting after having 2 children, the duration of paid maternity leave shall be 12 weeks (i.e., 6 weeks pre and 6 weeks post expected date of delivery). It also provides that every woman who adopts a child shall be entitled to 12 weeks of maternity leave, from the date of adoption. The MB Amendment Act has also introduced an enabling provision relating to “work from home” for women, which may be exercised after the expiry of the 26 weeks’ leave period depending on nature of work. Entitlement of six weeks of paid leave is also applicable in case of miscarriage or medical termination of pregnancy. The MB Amendment Act makes crèche facility mandatory for every establishment employing 50 or more employees. Women employees would be permitted to visit the crèche 4 times during the day.

### ***The Minimum Wages Act, 1948***

Under the Minimum Wages Act, 1948 (“**Minimum Wages Act**”) every employer is mandated to pay not less than the minimum wages to all employees engaged to do any work whether skilled, unskilled, manual or clerical (including out-workers) in any employment listed in the schedule to the Minimum Wages Act, in respect of which minimum rates of wages have been fixed or revised under the Minimum Wages Act.

### ***Maharashtra Profession Act, 1975***

Every person, engaged actively or otherwise in any profession, trade, calling or employment and falling under one or other classes mentioned in Schedule I of the Maharashtra State Tax on Professions, Trades, Callings and Employments Act, 1975, is liable to pay, to the State Government, tax prescribed under the said Schedule. Persons earning salary or wages are also covered. Employers are required to deduct Profession Tax, at prescribed rates, from salary/wages paid to employees, and to pay the tax to State Government on behalf of employees. Employer is liable to pay tax irrespective of deduction. Where any employee is covered by one or more entries other than entry 1 in Schedule I and rate of tax under any such other entry is more than rate of tax under entry I of that Schedule and if he issues to his employer, a certificate in Form IIB, or where employee is simultaneously engaged in employment of more than one employer and if such employee issues to his employer, a certificate in Form IIC, the employer(s) has not to deduct tax from the salary/wages payable and such employer(s) are not liable to deposit tax on behalf of such employee.

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

The GST Act levies tax on supply of goods and services throughout India to replace multiple taxes levied by the Central and State Governments on production, supply and sale of goods and providing of services in India. The GST Act is applicable from July 1, 2017 and bound together the Central Excise Duty, Commercial Tax, Value Added Tax (VAT), Food Tax, Central Sales Tax (CST), Introit, Octroi, Entertainment Tax, Entry Tax, Purchase Tax, Luxury Tax, Advertisement Tax, Service Tax, Customs Duty, Surcharges. Under GST, goods and services are taxed under five different categories that are 0%, 5%, 12%, 18%, 28%. GST is levied on all transactions such as supply, transfer, purchase, barter, lease, or import of goods and/or services. Transactions made within a single state are levied with Central GST (CGST) by the Central Government and State GST (SGST) by the government of that state. For inter-state transactions and imported goods or services, an Integrated GST (IGST) is levied by the Central Government. GST is a consumption based tax, therefore, taxes are paid to the state where the goods or services are consumed and not the state in which they were produced.

### **Other Laws and Regulations**

In addition to the above, our Company is also required to comply with the provisions of the Companies Act, and other applicable statutes imposed by the Centre or the State for its day-to-day operations. Our Company is also amenable to various central and state tax laws.

## HISTORY AND CERTAIN CORPORATE MATTERS

### Brief History of our Company

Our Company was originally incorporated as a public limited company under the Companies Act, 2013 pursuant to a certificate of incorporation issued by the Registrar of Companies, Maharashtra, Mumbai dated October 12, 2015 with the name 'MRC Exim Limited'. Our corporate identification number is U74999MH2015PLC269095.

The changes to the name of our Company were undertaken upon conversion of our Company from a private limited company to a public limited company.

The Promoters of our Company are Kirit Kumar Shah and Chandu K. Jain.

### Names of signatories to the Memorandum of Association of the Company and the number of Equity Shares subscribed by them:

The names of the signatories of the Memorandum of Association of the Company and the number of Equity Shares subscribed for by them at the time of signing of the Memorandum of Association: Kirit Kumar Shah (25,000 Equity Shares); Santosh Paste (24,500 Equity Shares); Dhananjay Patel, Daya Vala, Champaben Jain, Sangeeta Jain and Chandu K. Jain each 100 equity shares.

### Changes in our Registered Office:

As on the date of this Prospectus, our Registered Office is located at 106, Siddhesh Apartment, 2<sup>nd</sup> Khattar gali, Thakurdwar Road, Charni Road East, Mumbai – 400 004, Maharashtra, India. There has been no change in the address of the registered office of our Company since incorporation.

### Main Objects of our Company:

The main objects of our Company, as contained in our Memorandum of Association, are as set forth below:

To carry on the business of buying, selling, reselling, transporting, storing, developing, promoting, marketing or supplying, trading, dealing in any manner whatsoever in all type of goods, kinds, metals, jewelries on retail as well as on wholesale basis in India or elsewhere.

The main objects as contained in the Memorandum of Association enable our Company to carry on the business presently being carried out as well as to carry on the activities for which the funds are being raised in the Issue.

### Amendments to the Memorandum of Association

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

| Particulars of Change  |   | Date of Shareholders' Meeting | AGM/EGM |
|--|---|-------------------------------|---------|
| From   | To  |                               |         |
| ₹5,00,000 consisting of 50,000 Equity shares of ₹10.00 each.       | ₹3,00,00,000 consisting of 30,00,000 Equity shares of ₹10.00 each.    | March 8, 2016                 | EGM     |
| ₹3,00,00,000 consisting of 30,00,000 Equity shares of ₹10.00 each. | ₹10,50,00,000 consisting of 1,05,00,000 Equity shares of ₹10.00 each. | July 7, 2017                  | EGM     |

### Major Events and Milestones

The table below sets forth some of the key events in the history of our Company:

| Calendar Year | Event   |
|---------------|---|
| 2015          | Incorporation of our Company  |
| 2016          | Added alloy and aluminium section products in our trading portfolio |



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|      |   |
|------|---|
| 2017 | Added speciality steel such as D1, D2 tool steel in our trading portfolio |
|------|---|

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### **Other Details regarding our Company**

For details of our Company’s corporate profile, business, marketing, the description of our activities, services, market segment, the growth of our Company, standing of our Company in relation to prominent competitors with reference to our services, environmental issues, technology, market, major customers and geographical segment, please refer “*Our Business*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” on pages 64 and 119, respectively.

For details of the management of our Company and its managerial competence, please refer “*Our Management*” on page 73.

### **Revaluation of Assets**

Our Company has not revalued its assets since its incorporation.

### **Capital raising activities through equity or debt**

For details regarding our capital raising activities through equity and debt, please refer “*Capital Structure*” and “*Financial Indebtedness*” on pages 40 and 125 respectively.

### **Injunctions or restraining order against our Company.**

There are no injunctions or restraining orders against our Company.

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

Other than the guarantees given to our lenders and as disclosed in the section “*Financial Indebtedness*” on page 125, our Promoters have not given any guarantees to third parties that are outstanding as on the date of the Prospectus.

### **Changes in the Activities of our Company during the last five years**

Our Company was incorporated on April 29, 2016. Since then there have been no changes in the activities of our Company which may have had a material effect on the profits and loss account of our Company, including discontinuance of lines of business, loss of agencies or markets and similar factors.

### **Changes in the Management**

There has been no change in the management of our Company since inception.

### **Defaults or rescheduling of borrowings from financial institutions/ banks and conversion of loans into equity**

No defaults have been called by any financial institution or bank in relation to borrowings from financial institutions or banks. For details of our financing arrangements, please refer “*Financial Indebtedness*” on page 125. Further, except as stated in the section “*Capital Structure*” beginning on page 40, none of our loans have been rescheduled or been converted into Equity Shares.

### **Lock outs and strikes**

There have been no lock outs or strikes at any of the units of our Company.

### **Time and cost overruns**

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

### **Details regarding acquisition of business/undertakings, mergers, amalgamations and revaluation of assets**

Our Company has not acquired any business or undertaking, and has not undertaken any merger, amalgamation or



reevaluation of assets.

**Holding Company of our Company**

As of the date of the Prospectus, our Company does not have a holding company.

**Subsidiary of our Company**

As of the date of the Prospectus, our Company does not have a subsidiary company.

**Collaboration Agreements**

As on the date of the Prospectus, our Company is not a party to any collaboration agreements.

**Shareholders' Agreements**

As on the date of the Prospectus, our Company has not entered into any shareholders' agreements.

**Material Agreements**

We have not entered into any material contract, not being a contract entered into in the ordinary course of business carried on or intended to be carried on by us or contract entered into more than two years before the filing of the Prospectus.

**Strategic and Financial Partners**

As of the date of the Prospectus, our Company does not have any strategic or financial partners.

**Number of Shareholders**

Our Company has 23 (Twenty Three) shareholders on date of the Prospectus.

## OUR MANAGEMENT

### Board of Directors

Under our Articles of Association, we are required to have not less than three directors and not more than 15 Directors. As on the date of this Prospectus, we have 4 Directors on our Board.

Set forth below are details regarding our Board as on the date of this Prospectus:

| Name, Designation, Occupation, Term, DIN and Nationality  | Age (years) | Address   | Other Directorships                               |
|---|-------------|---|---|
| <b>Kirit Kumar Shah</b><br><b>Designation:</b> Managing Director<br><i>Executive and Non-Independent Director</i><br><b>Occupation:</b> Business<br><b>Term:</b> Three years w.e.f. April 1, 2017<br><b>DIN:</b> 02764071<br><b>Nationality:</b> Indian | 61          | RM/1, Naido Bangala,<br>Chandrapuri Chawl,<br>Kedarmal Road,<br>Malad(E), Mumbai –<br>400097, Maharashtra | <i>Nil</i>  |
| <b>Chandu K. Jain</b><br><b>Designation:</b> Director<br><i>Non-Executive and Non-Independent Director</i><br><b>Occupation:</b> Business<br><b>Term:</b> Liable to retire by rotation<br><b>DIN:</b> 02412955<br><b>Nationality:</b> Indian            | 48          | 503, Siddhachal Bldg.<br>Hanuman Road ,Vile<br>Parle(East), Mumbai –<br>400057, Maharashtra               | <i>Indian Companies</i><br>• SSPN Finance Limited |
| <b>Nilamben Vijaykumar Mehra</b><br><b>Designation:</b> Independent Director<br>Occupation: Service<br><b>Term:</b> Five years commencing from August 18, 2017<br><b>DIN:</b> 07777282<br><b>Nationality:</b> Indian                                    | 26          | 4/91 Sudhrai Colony,<br>Akota, Vadodara,<br>Gujarat   | <b>Nil</b>  |

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|  |    |   |   |
|--|----|---|---|
| <b>Jitendra D. Jain</b>                              | 43 | D Block,1st Floor,<br>Maratha Samaj Gruha<br>Parmar<br>Marg,Near<br>Hospital, Parel<br>Mumbai - 400012<br>Maharashtra | <i>Indian Companies</i><br>Guruji<br>KEM<br>• Oswal Resin's Private Limited<br>• Keosha Lifesaving Services<br>Privatelimited |
| <b>Designation:</b> Independent Director             |    |   |   |
| <b>Occupation:</b>                                   |    |   |   |
| <b>Term:</b> Five years commencing from May 10, 2017 |    |   |   |
| <b>DIN:</b> 00062457                                 |    |   |   |
| <b>Nationality:</b> Indian                           |    |   |   |

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### Brief Profile of our Directors

**Kirit Kumar Shah**, aged 62 years, is the Managing Director of our Company. He is an under graduate. Kiritkumar Shah is having experience of more than three decades in field of Trading & Marketing of Metals & Alloys. Has good knowledge of market opportunity & is well versed with market cycles. He handles and day to day business of our Company and provides strategic guidance to our Company. He has been on our Board since the incorporation of our Company.

**Mr. Chandu K Jain**, aged 48 Years, is the Non Executive Director of our Company. He is a Bachelors in Commerce from Mumbai University and a Chartered Accountant by profession. He is having an experience of over 2 decades in financial advisory services ranging from funds syndication, business development, credit risk management. Further he is also having metal trading experience of over 2 years. He is instrumental in handling the finance and fund management in our Company. He is a promoter director of our Company. He gives strategic direction to our Company. He has been on our Board since the incorporation of our Company.

**Nilamben Vijaykumar Mehra**, aged 26 years, is an Independent Director of our Company. She is an under graduate. She is having an experience of over 3years in customer care. She has been on our Board since March 27, 2017.

**Jitendra D. Jain**, aged 43 years, is an Independent Director of our Company. He has completed his Higher Secondary Certificate Examination. He has about 18 years of experience in the field of sales, marketing and administration of chemicals and metals. He has been on our Board since May 10, 2017.

### Further Confirmations:

- There are no arrangements or understanding with major shareholders, customers, suppliers or others, pursuant to which any of the Directors were selected as a Director.
- There is no service contracts entered into by the Directors with our Company providing for benefits upon termination of employment.
- None of the Directors is declared as wilful defaulters by the RBI or any bank or financial institution or consortium thereof.
- None of our Directors is or was a director of any listed company during the last five years preceding the date of this Prospectus, whose shares have been or were suspended from being traded on the Stock Exchange(s), during the term of their directorship in such company.
- None of our Directors is or was a director of any listed company which has been or was delisted from any stock exchange during the term of their directorship in such company.
- None of the Promoters, Persons forming part of our Promoter Group, Directors or persons in control of our Company, has been or is involved as a promoter, director or person in control of any other company, which is debarred from accessing the capital market under any order or directions made by SEBI or any other regulatory authority.





- No consideration in cash or shares or otherwise has been paid or agreed to be paid to any of our Directors or to the firms of companies in which they are interested by any person either to induce him to become or to help him qualify as a Director, or otherwise for services rendered by him or by the firm or company in which he is interested, in connection with the promotion or formation of our Company.
- None of the Directors is or was a director of any listed company which has been or was delisted from any recognized stock exchange in India during the term of their directorship in such company.

#### Relationship between our Directors

None of our Directors are related to each other.

#### Compensation of our Directors

Set forth below is the remuneration paid by our Company to our Directors in fiscal ended March 31, 2017

| Sr. No. | Name of Director | Remuneration paid in fiscal ended March 31, 2017 (₹ in lakhs) |
|---------|------------------|---|
| 1.      | Kirit M. Shah    | 2.50  |
| 2.      | Chandu Jain      | 2.50  |
|         | <b>Total</b>     | <b>Nil</b>  |

#### Terms and conditions of employment of our Managing Director

**Kirit Kuamr Shah**, was appointed as a director of our Company, upon incorporation and appointed as Managing Director of our Company *vide* resolution dated July 1, 2017 and August 18, 2017 passed by our Board of Directors and Shareholders, respectively for a period of three years commencing from April 1, 2017. The significant terms of his employment are as below:

|               |   |
|---------------|---|
| <b>Salary</b> | Basic salary of ₹25,000 per month   |
| <b>Term</b>   | Appointed as Managing Director for the period of three years w.e.f. April 1, 2017 up to April 17, 2020. |

#### Borrowing Powers of our Board

Our Articles of Association, subject to applicable law, authorize our Board to raise or borrow money or secure the payment of any sum of money for the purposes of our Company. Pursuant to a resolution passed by our shareholders at their meeting held on August 18, 2017, our shareholders have authorized our Board to borrow any sum of money from time to time notwithstanding that the sum or sums so borrowed together with the monies, if any, already borrowed by the company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) exceed the paid up capital and free reserves of the Company provided such amount does not exceed ₹25,00,00,000 (Rupees Twenty Five Crores Only) in excess of its paid up capital and free reserves which may have not been set apart for any purpose.

#### Corporate Governance

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

Our Board has been constituted in compliance with the Companies Act and SEBI (LODR) Regulations, to the extent applicable. Our Board functions either as a full board or through various committees constituted to oversee specific functions. In compliance with the requirements of the Companies Act and the SEBI (LODR) Regulations, to the extent applicable our Board of Directors consists of 6 (six) Directors (including one woman Director) of which three are non-executive Independent Directors which is in compliance with the requirements of Regulation 17 of SEBI (LODR) Regulations.

#### Committees of our Board

Our Board has constituted the following committees including those for compliance with corporate governance requirements:

a. *Audit Committee*

Our Audit Committee was constituted pursuant to a resolution of our Board dated September 1, 2017. The Audit Committee comprises:

| <b>Name of Director</b>   | <b>Status in Committee</b> | <b>Nature of Directorship</b> |
|---------------------------|----------------------------|-------------------------------|
| Jitendra D Jain           | Chairman                   | Independent Director          |
| Nilamben Vijaykumar Mehra | Member                     | Independent Director          |
| Chandu K. Jain            | Member                     | Director                      |

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

Set forth below are the scope, functions and the terms of reference of our Audit Committee, in accordance with Section 177 of the Companies Act, 2013 and Regulation 18 of the SEBI (LODR) Regulations.

A. *Powers of Audit Committee*

The Audit Committee shall have powers, including the following:

- To investigate any activity within its terms of reference;
- To seek information from any employee;
- To obtain outside legal or other professional advice; and
- To secure attendance of outsiders with relevant expertise, if it considers necessary.

B. *Role of Audit Committee*

The role of the Audit Committee shall include the following:

- Oversight of our Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- Recommendation for appointment, re-appointment and replacement, remuneration and terms of appointment of auditors of our Company;
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- Reviewing, with the management, the annual financial statements and auditor's report thereon 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 and 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; and
  - Modified opinion(s) in the draft audit report.
- Reviewing, the quarterly financial statements with the management before submission to the Board for approval;
- Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
- Review and monitor the auditor's independence and performance, and effectiveness of audit process;
- Approval or any subsequent modification of transactions of our Company with related parties;
- Scrutiny of inter-corporate loans and investments;
- Valuation of undertakings or assets of our Company, wherever it is necessary;
- Evaluation of internal financial controls and risk management systems;
- Monitoring the end use of funds raised through public offers and related matters;

- Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- Discussion with internal auditors of any significant findings and follow up there on;
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
- Discussion with statutory auditors before the commencement of the audit, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- To establish and review the functioning of the whistle blower mechanism;
- Approval of appointment of the chief financial officer (*i.e.*, the whole-time finance director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
- Carrying out any other terms of reference as may be decided by the Board or specified/ provided under the Companies Act, 2013 or the SEBI (LODR) Regulations or by any other regulatory authority; and
- Review of (1) management discussion and analysis of financial condition and results of operations; (2) statement of significant related party transactions (as defined by the audit committee), submitted by management; (3) management letters / letters of internal control weaknesses issued by the statutory auditors; (4) internal audit reports relating to internal control weaknesses; (5) the appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee; (6) statement of deviations including (a) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of the SEBI (LODR) Regulations; (b) annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7) of the SEBI (LODR) Regulations.

As required under Regulation 18 of the SEBI (LODR) Regulations, the Audit Committee shall meet at least four times in a year, and not more than four months shall elapse between two meetings. The quorum shall be two members present, or one-third of the members, whichever is greater, provided that there should be a minimum of two independent members present.

#### ***b. Stakeholders' Relationship Committee***

The Stakeholders' Relationship Committee was constituted by a resolution of our Board dated September 1, 2017. The Stakeholders' Relationship Committee comprises:

| <b>Name of Director</b>   | <b>Status in Committee</b> | <b>Nature of Directorship</b> |
|---------------------------|----------------------------|-------------------------------|
| Chandu K. Jain            | Chairman                   | Independent Director          |
| Nilamben Vijaykumar Mehra | Member                     | Independent Director          |
| Jitendra D Jain           | Member                     | Managing Director             |

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

Set forth below are the terms of reference of our Stakeholders' Relationship Committee.

- To look into the redressal of grievances of shareholders, debenture holders and other security holders;
- To investigate complaints relating to allotment of shares, approval of transfer or transmission of shares;
- To consider and resolve the grievances of the security holders of the company including complaints related to transfer of shares, non-receipt of balance sheet, non-receipt of declared dividends; and
- To carry out any other function as prescribed under the SEBI (LODR) Regulations as and when amended from time to time.

#### ***c. Nomination and Remuneration Committee***

The Nomination and Remuneration Committee was constituted by our Board on September 1, 2017. The scope and function of the Nomination and Remuneration Committee is in accordance with Section 178 of the Companies Act, 2013

and the SEBI (LODR) Regulations. The Nomination and Remuneration Committee include the following:

| <b>Name of Director</b>   | <b>Status in Committee</b> | <b>Nature of Directorship</b> |
|---------------------------|----------------------------|-------------------------------|
| Nilamben Vijaykumar Mehra | Chairman                   | Independent Director          |
| Chandu K. Jain            | Member                     | Independent Director          |
| Jitendra D Jain           | Member                     | Independent Director          |

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

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

- 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. The Nomination and Remuneration Committee shall, while formulating such policy ensure that (a) the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully; (b) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and (c) remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals;
- Devising a policy on diversity of board of directors;
- Identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall carry out evaluation of every director's performance;
- To extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.

#### **Shareholding of Directors in our Company**

Our Articles of Association do not require our Directors to hold qualification shares. As on date of the Prospectus, our Directors hold the following number of Equity Shares of our Company:

| <b>Name of Directors</b> | <b>Number of Equity Shares Held (Pre-Issue)</b> | <b>Percentage of pre-Issue capital</b> |
|--------------------------|---|--|
| Kirit Kumar Shah         | 1657000   | 22.33                                  |
| Chandu K. Jain           | 522750  | 7.04                                   |
| <b>Total</b>             | <b>2179750</b>                                  | <b>29.37</b>                           |

#### **Interest of our Directors**

Kirit Kuamr Shah being Managing Director of our Company may be interested to the extent of remuneration paid to him for services rendered as a Director of our Company and reimbursement of expenses payable to them. For details please refer “- *Terms and conditions of employment of our Managing Director and Whole-time Director*” above. Further, Chandu K. Jain being Non-executive Director of our Company and the sitting fees and reimbursement of expenses payable by our Company to him and Independent Directors may be interested to the extent of fees payable to them and/or the commission payable (if any) to them for attending meetings of the Board of Directors or a committee thereof.

Further, except as disclosed under “- *Shareholding of Directors in our Company*” above, none of our Directors hold any Equity Shares or any other form of securities in our Company. Our Directors may also be interested to the extent of Equity Shares, if any, held by them or held by the entities in which they are associated as promoters, directors, partners, proprietors or trustees or held by their relatives or that may be subscribed by or allotted to the companies, firms, ventures, trusts in which they are interested as promoters, directors, partners, proprietors, members or trustees, pursuant to the Issue. Further, our Directors may also be deemed to be interested to the extent of any dividend payable to them and other distributions in respect of the Equity Shares.



Our Directors, Kirit Kumar Shah and Chandu K. Jain may be interested to the extent our Company is promoted by them and they are subscribers to the Memorandum of Association of our Company on its incorporation. For details, please refer “*History and Certain Other Corporate Matters*” on page 70.

None of our Directors have any interest in any property acquired by our Company within two years of the date of the Prospectus or proposed to be acquired by it or in any transaction in acquisition of land and construction of building etc.

Further, our Promoter and Non Executive Director, Chandu K. Jain HUF has given his office to our Company to be used as registered office on leave and license basis. For further details please refer to paragraph titled ‘Property’ under section ‘Our Business’ beginning on page 64 of this Prospectus.

Further, our Directors may be directors on the board, or are members, or are partners, or are trustees of certain Group Entities and may be deemed to be interested to the extent of the payments made by our Company, if any, to such Group Entities. For the payments that are made by our Company to certain Group Entities, please refer “*Financial Statements*” on page 97.

Our Director, Chandu K. Jain may be interested to the extent the Company has availed unsecured loans from him which are repayable on demand. For further details, please refer “*Financial Statements*” and “*Financial Indebtedness*” on pages 97 and 125 respectively.

Other than as stated above and except as stated in the chapters “*Financial Statements*” and in “*Our Promoters and Promoter Group*” on pages 97 and 83, respectively, our Directors do not have any other interest in the business of our Company.

#### **Appointment of relatives of Directors to any office or place of profit**

Except as disclosed in the Prospectus, none of the relatives of our Directors currently hold any office or place of profit in our Company.

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

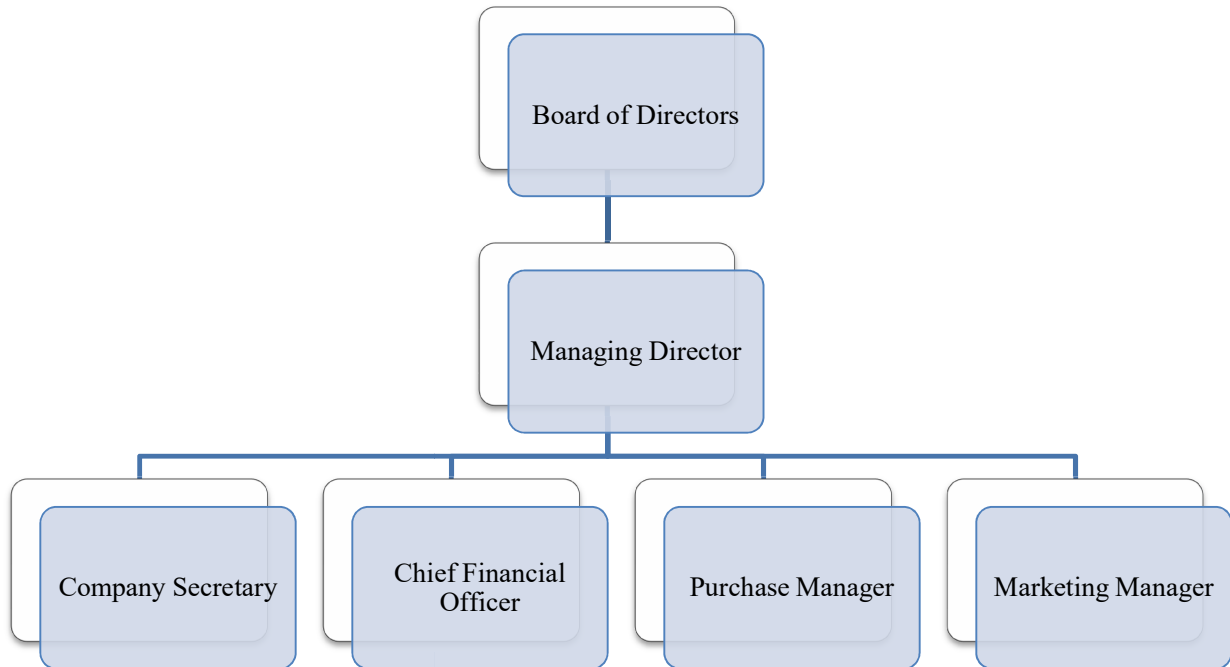
None of our Directors are a party to any bonus or profit sharing plan.

#### **Changes in our Board during the Last Three Years**

Except as disclosed below, there have been no changes in our Board during the last three years:

| <b>Name of Director</b>   | <b>Date of appointment</b> | <b>Date of cessation</b> | <b>Reason</b>                        |
|---------------------------|----------------------------|--------------------------|--------------------------------------|
| Kirit Kumar Shah          | April 1, 2017              | -                        | Reappointed as Managing Director     |
| Jitendra D. Jain          | May 10, 2017               | -                        | Appointed as a Independent Director  |
| Nilamben Vijaykumar Mehra | March 28, 2017             | -                        | Appointed as a Independent Director  |
| Santosh D. Paste          | May 10, 2017               | -                        | Appointed as an Independent Director |

## ORGANIZATION STRUCTURE



## OUR KEY MANAGERIAL PERSONNEL

Set forth below are the details of our key managerial personnel in addition to our Managing Director, Whole-time Director as on the date of the Prospectus. For details of our Managing Director, Whole-time Director please refer “*Our Management*” on page 73.

**Dhawal M. Sanghvi**, aged 27 years, is the Marketing Manager of our Company. He holds a bachelor of commerce degree from University of Mumbai and a master of business administration financial markets from Indira Gandhi National Open University. He has over 2 years of experience in marketing, investments and real estate. He has been associated with our Company since June 1, 2017. Since he is associated with our Company since June 1, 2017 in the fiscal ended March 31, 2017 he did not receive any remuneration.

**Praful Jain**, aged 34 Years, is the Chief Financial Officer of our Company. He holds a bachelor of commerce degree from University of Mumbai. He also hold a degree of Bachelor of Law from Mumbai University. He has experience of over 10 years in commodity trading and forex. He has been associated with our Company as the Chief Financial Officer with effect from August 1, 2017. Since he is associated with our Company since August 1, 2017, in the fiscal ended March 31, 2017 he did not receive any remuneration.

**Parag Laddha**, aged 28 years, is the Purchase Manager of our Company. He holds a Bachelors degree in Commerce from MDS University, Ajmer. He has been associated with our Company since April 1, 2017. He is a fresher. He look after the purchases and procurement documentation under the supervision of our Directors and CFO. Since he is associated with our Company since April 1, 2017, in the fiscal ended March 31, 2017 he did not receive any remuneration.

**Rekha Rani Naraniwal**, aged 26 years, is the Company Secretary & Compliance Officer of our Company. She has completed her BBA from MDS University, Ajmer. She is a qualified Company Secretary and a member of the Institute of Company Secretaries of India. She has experience of approximately over 1 year as as article assistant. She has been associated with our Company since August 1, 2017. During the fiscal ended March 31, 2017, she did not receive any remuneration.



### **Shareholding of KMP**

Except as disclosed in the Prospectus, none of the above mentioned key managerial personnel hold any Equity Shares in our Company. For details of shareholding of our Directors and key managerial personnel, please refer “*Capital Structure*” on page 40.

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

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

### **Nature of family relationship**

Except as disclosed in the Prospectus, none of the above mentioned key managerial personnel are related to each other and neither are they related to our Promoters or Directors.

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

As on the date of this Prospectus our Company does not have any performance linked bonus or profit sharing plan with any of our key managerial personnel.

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

There is no loan outstanding against any of the key managerial personnel as on date of this Prospectus.

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

The key managerial personnel of our Company do not have any interest in our Company other than to the extent of the remuneration or benefits to which they are entitled as per their terms of appointment, reimbursement of expenses incurred by them during the ordinary course of business. The key managerial personnel may also be deemed to be interested to the extent of any dividend payable to them and other distributions in respect of such Equity Shares, if any.

None of the key managerial personnel has been paid any consideration of any nature from our Company, other than their remuneration.

### **Employees Stock Option Scheme**

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

### **Payment or Benefit to officers of our Company**

Except as stated in the Prospectus and any statutory payments made by our Company, no non-salary amount or benefit has been paid, in two preceding years, or given or is intended to be paid or given to any of our Company’s officers except remuneration of services rendered as Directors, officers or employees of our Company.

Except as stated in the section “*Financial Statements*” on page 97 of the Prospectus, none of the beneficiaries of loans and advances and sundry debtors are related to our Company, our Directors or our Promoters.

Currently, our Company does not have any profit sharing plans or any employee stock option or purchase schemes for our employees.

### **Arrangements and Understanding with Major Shareholders**

None of our key managerial personnel or Directors has been appointed pursuant to any arrangement or understanding with our major shareholders, customers, suppliers or others. For more information, please refer “*History and Certain Other Corporate Matters*” on page 70.

### **Changes in our Company’s Key Managerial Personnel during the last three years**

Except as disclosed below, there have been no changes in our Key Managerial Personnel during the last three years



| <b>Name of Director</b> | <b>Date of appointment</b> | <b>Date of cessation</b> | <b>Reason</b> |
|-------------------------|----------------------------|--------------------------|---------------|
| Parag Laddha            | April 1, 2017              | -                        | Appointment   |
| Dhawal M. Sanghvi       | June 1, 2017               | -                        | Appointment   |
| Rekha Rani Naraniwal    | August 1, 2017             | -                        | Appointment   |
| Praful Jain             | August 1, 2017             | -                        | Appointment   |

### **Employees**

The details about our employees appear under the paragraph titled “*Our Business*” on page 64.



## OUR PROMOTERS AND PROMOTER GROUP

Our Promoters comprise Kirit Kumar Shah and Chandu K. Jain.

### Details of our Promoters



**Kirit Kumar Shah**, aged 62 years, is the Managing Director of our Company. He is an under graduate. Kiritkumar Shah is having experience of more than three decades in field of Trading & Marketing of Metals & Alloys. Has good knowledge of market opportunity & is well versed with market cycles. He handles day to day business of our Company and provides strategic guidance to our Company. He has been on our Board since the incorporation of our Company.

For a complete profile of Kirit Kumar Shah, i.e., his educational qualifications, professional experience, other directorships etc. please refer “*Our Management*” on page 73.

**Passport No:** Not Available

**Driving License:** Not Available

**Aadhar No.:** 4315 4591 9165

**Voters ID:** CRQ2639060

**Address:** RM/1, Naido Bangala, Chandrapuri Chawl, Kedarmal Road, Malad(E), Mumbai – 400097, Maharashtra

As on date of the Prospectus, Kirit Kumar Shah holds 1657000 Equity Shares representing 22.33% of the pre-issue paid-up share capital of our Company.

For details of other ventures of Kirit Kumar Shah, please refer “*Our Group Entities*” on page 86.



**Mr. Chandu K Jain**, aged 48 Years, is the Non Executive Director of our Company. He is a Bachelors in Commerce from Mumbai University and a Chartered Accountant by profession. He is having an experience of over 2 decades in financial advisory services ranging from funds syndication, business development, credit risk management. Further he is also having metal trading experience of over 2 years. He is instrumental in handling the finance and fund management in our Company. He is a promoter director of our Company. He gives strategic direction to our Company. He has been on our Board since the incorporation of our Company.

For a complete profile of Chandu K. Jain, i.e., his educational qualifications, professional experience, other directorships etc. please refer “*Our Management*” on page 73.

**Passport No:** J9258272

**Driving License:** MH-02-2001 60486

**Voters ID:** Not Available

**Aadhar No.:** 4419 1383 8527

**Address:** 503, Siddhachal Bldg. Hanuman Road ,Vile Parle (East), Mumbai – 400057, Maharashtra.

As on date of the Prospectus, Chandu K. Jain holds 522750 Equity Shares representing 7.04% of the pre-issue paid-up share capital of our Company.

For details of other ventures of Chandu K. Jain, please refer “*Our Group Entities*” on page 86.

We confirm that the PAN, bank account numbers and passport numbers of our Promoters will be submitted to BSE Limited on whose SME Platform the Equity Shares are proposed to be listed at the time of filing the Prospectus with

BSE Limited.

### **Interest of our Promoters**

Our Promoters are interested in our Company to the extent (i) that they have promoted our Company; (ii) of their respective shareholding and the shareholding of their respective relatives in our Company, if any, and the dividend payable, if any and other distributions in respect of the Equity Shares held by them or their relatives; (iii) of Kirit Kumar Shah Managing Director and the remuneration, sitting fees and reimbursement of expenses payable by our Company to him; of Chandu K. Jain being Non-executive Director of our Company and the sitting fees and reimbursement of expenses payable by our Company to him; (v) Kirit M. Shah and Chandu K. Jain are subscribers to the Memorandum of Association of our Company; and (vi) that our Company has undertaken transactions with them, or their relatives or entities in which our Promoters hold shares. For details regarding the shareholding of our Promoters in our Company, please refer “*Capital Structure*”, “*Our Management*” and “*Related Party Transactions*” on pages 40, 73 and 95, respectively.

Our Promoters do not have any interest in any property acquired by our Company within two years of the date of the Prospectus or proposed to be acquired by it or in any transaction in acquisition of land and construction of building etc.

Further, our Promoter and Non Executive Director, Chandu K. Jain HUF has given his office to our Company to be used as registered office on rent free basis. For further details please refer to paragraph titled ‘Property’ under section ‘Our Business’ beginning on page 64 of this Prospectus.

Other than as disclosed in the section “*Financial Statements - Annexure XV – Statement of Related Party Transactions*” on page 95, there are no sales/purchases between our Company and our Promoters and Promoter Group and Group Companies when such sales or purchases exceeding in value in the aggregate 10% of the total sales or purchases of our Company or any business interest between our Company, our Promoters, our Promoter Group and Group Companies as on the date of the last financial statements.

As on the date of the Prospectus, our Promoters may be interested to the extent of mortgaging personal properties and giving personal guarantee as security in relation to certain loans availed by our Company. Further, our Promoters may be interested to the extent the Company has availed unsecured loans from them which are repayable on demand. For further details, please refer “*Financial Statements - Annexure XV – Statement of Related Party Transactions*” and “*Financial Indebtedness*” on pages 95 and 125, respectively.

### **Change in the management and control of our Company**

Our Promoters are the original promoters of our Company and there has not been any change in the management or control of our Company.

### **Group Company**

For details of our group entities, please refer “*Our Group Entities*” on page 86 of the Prospectus.

### **Payment of Benefit to Promoters**

Except as stated above in “*Interest of Promoters*” and in “*Financial Statements- Annexure XV – Statement of Related Party Transactions*” on pages 84 and 95 of the Prospectus, there has been no payment of benefits to our Promoters, members of our Promoter Group and Group Entities, during the two years preceding the filing of the Prospectus.

### **Litigation**

For details relating to legal proceedings involving the Promoters, please refer ‘*Outstanding Litigations and Material Developments*’ on page 126 of the Prospectus.

### **Other Confirmations**

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



There is no litigation or legal action pending or taken by any ministry, department of the Government or statutory authority during the last five years preceding the date of the Prospectus against any of our Promoters.

As on the date of the Prospectus, our Promoters and members of our Promoter Group are not and have not ever been prohibited from accessing or operating in the capital markets, or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI or any other regulatory or governmental authority. Further, none of our Promoters was or is a promoter or person in control of any other company that is or has ever been debarred from accessing the capital markets under any order or direction made by SEBI or any other authority.

Our Promoters are not interested in any entity which holds any intellectual property rights that are used by our Company.

### **Guarantees**

Except as stated in “*Financial Indebtedness*” on page 125 of the Prospectus, our Promoters have not given any guarantee to any third party as of the date of the Prospectus.

### **Companies with which our Promoters have disassociated in the last three years**

Our Promoters have not disassociated themselves as a promoter(s) from any Company in three years preceding the date of the Prospectus.

**OUR PROMOTER GROUP**

In addition to the Promoters named above, the following individuals and entities form part of the Promoter Group:

**A. Individuals forming part of Promoter Group:**

| <b>Relationship</b> | <b>Mr. Kirit M. Shah</b>  | <b>Mr. Chandu K. Jain</b>              |
|---------------------|---|--|
| Father              | Madhhav Lal Shah  | Keshrimal Jain                         |
| Mother              | Manguben M. Shah  | Champaben Jain                         |
| Spouse              | Surekaben K. Shah   | Sangeeta Jain                          |
| Brother             | Bharat Kumar Shah<br>Anil Kumar Shah  | -                                      |
| Sister              | Sarojben Shah<br>Shakuntalabe A Shah  | Rashmi Jain, Pushapa Jain, Bharti Jain |
| Son                 | Jikesh K. Shah  | Mehul Jain, Rahul Jain                 |
| Daughter            | Jikisha K. Shah   | -                                      |
| Spouse's Father     | Seventilan Shankarlal patwa   | Fulchand Jain                          |
| Spouse's Mother     | Shardaben S. Patwa  | Anjuben Jain                           |
| Spouse's Brother    | Mahendrabhai S. Patwa<br>Surendrabhai S. Patwa<br>Girishbhai S. Patwa<br>Kamleshbhai S. Patwa | Dharmendra Jain                        |
| Spouse's Sister     | Indiraben N. Shah<br>Jyotsnaben D. Shah   | Damiyanti Jain                         |

**B. Entities forming part of Promoter Group:*****Companies***

- SSPN Finance Limited
- AA Plus Tradelink Limited

***LLPs***

SRC Wealth Creators Advisory LLP

***Partnership Firms***

Nil

***H.U.F.***

Kiritkumar M. Shah HUF  
Chandu K Jain HUF  
Keshrimal B. Jain HUF  
Jikesh K. Shah HUF

***Proprietary concern***

B.V. Carbon Products, Proprietor Keshrimal B. Jain



## OUR GROUP ENTITIES

As per the requirements of SEBI (ICDR) Regulations, for the purpose of identification of ‘Group Companies’, our Company considered companies as covered under the applicable accounting standards, being AS 18 (as mentioned in our restated financial statements), or other companies as considered material by our Board.

Based on above, our Board has identified following entities as our Group Entities. Set forth below are details of our Group Entity as on the date of this Prospectus.

### ***SSPN Finance Limited (SSPN)***

#### ***Corporate Information***

The Company was incorporated as ‘SSPN Finance Limited’ a public limited company under the Companies Act, 1956 pursuant to Certificate of Incorporation dated January 4, 2012 issued by the Registrar of Companies, Maharashtra, Mumbai. The Company received the Certificate of Commencement of Business on January 31, 2012 issued by the Registrar of Companies, Maharashtra, Mumbai. The corporate identification number is U65923MH2012PLC225735. The promoters are Mr. Chandu K. Jain, Mr. Keshrimal B. Jain and Chandu K. Jain HUF since incorporation.

The registered office SSPN is situated at Flat No 2 Vainatheya Chs Ltd, Plot No. 192 B, Near Sony Mony, S V Road Vile Parle (West), Mumbai – 400056, Maharashtra, India.

The equity shares of SSPN were listed on SME Platform of BSE on March 26, 2015. The company made the initial public issue of 7,50,000 Equity Shares of Rs.10/- each at a price of Rs.20/- each per equity share (Including a premium of Rs.10/- per equity share) for cash aggregating to Rs. 150.00 Lakhs. The issue opened for subscription on March 10, 2015 and closed for subscription on March 12, 2015. The issue was made to fund the long term working requirements of the Company.

#### **Performance vis-à-vis objects**

The IPO was made by SSPN to fund its long term working capital requirement for the purpose of the investment business. The Company has already deployed the IPO proceeds as per the object of the issue within the specified timeline.

#### **Stock Market Data**

There has been no trading in the Equity Shares of the Company since October 19, 2017.

The market capitalization of SSPN on BSE based on the closing price of ₹ 18 per equity share on October 19, 2017 was ₹ 3.41 Crore.

The details of the highest and lowest price on the BSE during the preceding six months are as follows:

| Month          | High (₹) | Low (₹) |
|----------------|----------|---------|
| October 2017   | 18.00    | 18.00   |
| September 2017 | 18.50    | 17.00   |
| August 2017*   | --       | --      |
| July 2017*     | --       | --      |
| June 2017*     | --       | --      |
| May 2017*      | --       | --      |

\*No trading during these months

#### **Main Objects**

The main objects of as per Memorandum of Association are as under:

1. To carry on the business of money lending and financing, whether by making loans or advances or by purchasing, discounting or accepting bills of exchange, promissory notes or other negotiable instruments or by giving guarantees or

otherwise, for any industrial, trade, commercial, agricultural or economic activities of individuals, firms, companies, associations of persons or bodies of individuals, whether incorporated or not.

2. To carry on business of providing finance by making loans or advances or otherwise for any activity other than its own, investment in gold finance, investment managements; excludes EL/ HP/ Housing Finance Companies (HFCs).

3. To carry on the business as acceptance houses, confirming houses or investors. However, the Company shall not carry on the business of banking as defined under the Banking Regulation Act, 1949.

3A. To carry on the business of marketing and dealing of financial products.

3B. To act as a Consultants for Capital Issues, Advisors to Capital Issues, Investment Consultants, Consultants and Management Advisors to Corporate Bodies, Individuals and Promoters in commercial, industrial management and policy matters and to make project evaluation, feasibility studies, project report, and surveys and to give expert advice and suggest ways and means for improving efficiency in business organization and concerns and industries of all kinds and/or to act as advisors/ consultants to issue of shares, stocks, bonds, debentures, commercial paper or other securities of bodies corporate or industrial undertaking and/or shares ,stocks, bonds, debentures, commercial paper or other securities issued to any government or semi-government authority or public authority of government under taking or stocks, bonds, debentures or of the securities

### Current Nature of Activities

The Company is financial services Company, offering the corporate and financial advisory services. These services encompass Project Advisory, Loan Syndication, Mergers & Acquisitions and Private Equity. It provide integrated solutions to its clients which includes managing crucial aspects like corporate finance, working capital finance, project finance and financial restructuring to corporate. The Corporate Advisory services clients ranging from medium-sized corporates, SMEs and family-managed businesses.

### Board of Directors

Currently, the Board of Directors of SSPN consists of:

| Sr. No. | Name                     | Designation          |
|---------|--------------------------|----------------------|
| 1.      | Ankur Krishnakant Choksi | Managing Director    |
| 2.      | Chandu Keshrimal Jain    | Director             |
| 3.      | Sunil Rikabchand Jain    | Independent Director |
| 4.      | Bhavana Pravin Purav     | Independent Director |

### Promoters of SSPN

The current promoters of SSPN are Chandu K Jain, Keshrimal B. Jain and Chandu K. Jain HUF.

### Financial Information

Certain details of the audited financial results of SSPN for financial years 2017, 2016 and 2015 are set forth below:

| Particulars  | For the period ended March 31 |        |        |
|--|-------------------------------|--------|--------|
|  | 2017                          | 2016   | 2015   |
| Share capital  | 189.32                        | 189.32 | 189.32 |
| Reserves and surplus (excluding revaluation reserves)          | 2.7                           | 198.12 | 189.03 |
| Sales Income and other income                                  | 45.30                         | 41.38  | 45.62  |
| Profit/(Loss) after tax  | 8.30                          | 9.14   | 0.84   |
| Earnings per share (face value of ₹10 each)(Basic and Diluted) | 0.44                          | 0.48   | 0.04   |
| Net asset value per share                                      | 10.14                         | 20.46  | 19.98  |

(₹ in Lakhs, except per share data)



### Shareholding pattern

Pursuant to Regulation 31 of the SEBI (LODR) Regulations, the holding of specified securities is divided into the following three categories: (a) Promoter and Promoter Group; (b) Public; and (c) Non-Promoter - Non Public. (As on September 30, 2017)

| Category (I) | Category of shareholder (II)   | No. of shares held (III) | No. of fully paid up equity shares held (IV) | No. of partly paid-up equity shares held (V) | No. of shares underlying Depository Receipts (VI) | Total nos. shares held (VII) = (IV) + (V) + (VI) | Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B+C2) (VIII) | Number of Voting Rights held in each class of securities (XI) |                      |                | No. of Shares Underlying Outstanding convertible securities (including Warrants) (X) | Shareholding as a % assuming full conversion of convertible securities (as a % of diluted share capital) As a % of (A+B+C2) (XI) = (VII) + (X) | Number of Locked in shares (XII) |                                 | Number of Shares pledged or otherwise encumbered (XIII) |                                 | Number of equity shares held in dematerialized form (XIV) |
|--------------|--------------------------------|--------------------------|--|--|---|--|---|---|----------------------|----------------|--|--|----------------------------------|---------------------------------|---|---------------------------------|---|
|              |                                |                          |  |  |   |  |   | No of Voting Rights   |                      | Total          |  |  | N                                | As a % of total Shares held (b) | N   | As a % of total Shares held (b) |   |
|              |                                |                          |  |  |   |  |   | Class : Equity  | Classes : preference |                |  |  |                                  |                                 |   |                                 |   |
| (A)          | Promoter & Promoter Group      | 4                        | 10,50,950                                    | -  | -   | 10,50,950  | 55.51   | 10,50,950   | -                    | 10,50,950      | 55.51  | -  | -                                | -                               | -   | -                               | 10,00,950   |
| (B)          | Public                         | 23                       | 842250                                       | -  | -   | 842250   | 44.49   | 842250  | -                    | 842250         | 44.49  | -  | -                                | -                               | -   | -                               | 750300  |
| (C)          | Non Promoter - Non Public      | -                        | -  | -  | -   | -  | -   | -   | -                    | -              | -  | -  | -                                | -                               | -   | -                               | -   |
| (C1)         | Shares underlying DRs          | -                        | -  | -  | -   | -  | -   | -   | -                    | -              | -  | -  | -                                | -                               | -   | -                               | -   |
| (C2)         | Shares held by Employee Trusts | -                        | -  | -  | -   | -  | -   | -   | -                    | -              | -  | -  | -                                | -                               | -   | -                               | -   |
|              | <b>Total</b>                   | <b>27</b>                | <b>1893200</b>                               | <b>-</b>                                     | <b>-</b>  | <b>1893200</b>                                   | <b>100.00</b>   | <b>1893200</b>  | <b>-</b>             | <b>1893200</b> | <b>100.00</b>  | <b>-</b>   | <b>-</b>                         | <b>-</b>                        | <b>-</b>  | <b>-</b>                        | <b>1751250</b>  |

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

**Mechanism for redressal of investor grievance**

All share related matters, namely transfer, transmission, transposition, dividend, change of name, address and signature of mandate and power of attorney, replacement, split, consolidation, dematerialisation and re-materialisation of shares, issue of duplicate certificates etc. are handled by SSPN's registrar and transfer agent being Bigshare Services Pvt. Ltd. ("RTA"). Investors correspond with RTA and SSPN, on all share related matters.

**Status of Complaints**

As per SEBI SCORES SSPN does not have any outstanding investor complaint.

*Other disclosures:*

The equity shares of SSPN are listed on SME Platform of BSE. No action has been taken against the company by any Stock Exchange or SEBI.

***Interest of our Promoters***

The Promoters are interested to the extent of their shareholding in SSPN. Chandu K. Jain holds 1,47,500 equity shares of ₹10/- each constituting 7.79% of the issued and paid up equity share capital of SSPN and Chandu K. Jain along with the other members of the Promoter Group holds 10,50,950 equity shares of ₹10/- constituting 55.51% of the issued and paid up equity share capital of SSPN.





## AA Plus Tradelink Limited

### Corporate Information

AA Plus Tradelink Limited (“AAPLUS”) was incorporated on March 21, 2016 as a private limited company under the Companies Act, 1956. CIN of AAPLUS is U74900MH2016PLC274726. The registered office of AAPLUS is situated at 24, Floor-2, Plot-155, Surat Jain Building, Premkumar Sharma Road, Gulala Wadi, Girgaon, Mumbai - 400004, Maharashtra.

In accordance with its main object clause AAPLUS is engaged in the business of trading in chemicals, metals and imitation products. There has been no change in the management of AAPLUS since its incorporation.

### Capital Structure and Shareholding Pattern

As on the date of this Prospectus, the authorized share capital of AAPLUS is ₹2,55,00,000/- (Rupees Two Crore Fifty Five Lakhs only) divided into 25,50,000 Equity Shares of ₹10/- each. The paid up share capital of AAPLUS is ₹59,96,000/- divided into 5,99,600 Equity Shares of ₹10/- each.

As on the date of this Prospectus, the shareholding pattern of AAPLUS is as follows:

| Name of Allottee         | No. of shares Allotted | % age Holding |
|--------------------------|------------------------|---------------|
| Anagha P. Shetty         | 72500                  | 3.44%         |
| Anjani R. Patel          | 84000                  | 3.99%         |
| Ashok A. Shah            | 116600                 | 5.54%         |
| Ashok A. Shah (HUF)      | 49400                  | 2.35%         |
| B.V. Carbon Products     | 360000                 | 17.09%        |
| Daya S. Vala             | 60000                  | 2.85%         |
| Hemali H. Shah           | 12000                  | 0.57%         |
| Hiren M. Parmar          | 40100                  | 1.90%         |
| Jikesh K. Shah           | 80000                  | 3.80%         |
| Jikesh K. Shah (HUF)     | 71800                  | 3.41%         |
| Jyotsnaben V. Mehta      | 42000                  | 1.99%         |
| Kalpesh V. Mehta         | 60000                  | 2.85%         |
| Kiritkumar M. Shah       | 67400                  | 3.20%         |
| Kiritkumar M. Shah (HUF) | 56000                  | 2.66%         |



|                           |                |                |
|---------------------------|----------------|----------------|
| Kumarpal V. Mehta         | 38000          | 1.80%          |
| MRC Exim Limited          | 450000         | 21.36%         |
| Neelam V. Mehra           | 46000          | 2.18%          |
| Paresh A. Gohil           | 14100          | 0.67%          |
| Prakash B. Shetty         | 29700          | 1.41%          |
| Prakash B. Shetty ( HUF ) | 77800          | 3.69%          |
| Pravin R. Chittoji        | 60100          | 2.85%          |
| Santosh D. Paste          | 20000          | 0.95%          |
| Santosh D. Paste ( HUF )  | 20000          | 0.95%          |
| Sapana V. Arsule          | 66000          | 3.13%          |
| Sheetal H. Desai          | 98800          | 4.69%          |
| Vinodchandra M. Mehta     | 14000          | 0.66%          |
| Chandu K. Jain            | 100            | 0.00%          |
| <b>Total</b>              | <b>2106400</b> | <b>100.00%</b> |

*Board of Directors*

As on the date of this Prospectus, the Board of Directors of AAPLUS consists of Anagha P. Shetty, Ashok A. Shah and Jay Vijaykumar Mehra.

*Financial Information*

| <b>Particulars</b>   | <b>2017</b> |
|--|-------------|
| Share capital  | 210.64      |
| Reserves and surplus (excluding revaluation reserves)          | 308.91      |
| Sales Income and other income                                  | 494.33      |
| Profit/(Loss) after tax  | 8.30        |
| Earnings per share (face value of ₹10 each)(Basic and Diluted) | 0.22        |
| Net asset value per share                                      | 24.67       |

*Significant Notes by Auditors*

Nil

**LLP:****SRC Wealth Creators Advisory LLP**

M/s. SRC Wealth Creators Advisory LLP is a Limited Liability Partnership formed under the LLP Act, 2008 on October 7, 2015. The LLP registration number is AAE-8759.

M/s. SRC Wealth Creators Advisory LLP has its office at 106, Siddhesh Apartment, 2<sup>nd</sup> Khattar gali, Thakurdwar Road, Charni Road East, Mumbai – 400 004, Maharashtra, India. The LLP is currently engaged in the business of corporate advisory and investments.

As on the date of the Prospectus, M/s. SRC Wealth Creators Advisory LLP has two partners, Chandu K. Jain and Sangeeta Jain. The partners share the profits and losses of M/s. SRC Wealth Creators Advisory LLP in the ratio of 50% and 50% between Chandu K. Jain and Sangeeta Jain, respectively.

**Financial Information**

| Particulars    | (₹ in Lakhs) |      |
|----------------|--------------|------|
|                | 2017         | 2016 |
| Total Income   | 0.068        | 0.78 |
| Net Profit     | 0.068        | 0.78 |
| Partners Funds | 1.78         | 1.78 |

**HUFs:****Kirit Kumar M. Shah HUF**

Mr. Kirit Kumar Shah is the karta of the HUF. The HUF is engaged in the business of investments.

Address: R 101, Naydu Bungla , Kedarmal Road , Malad ( East ) , Mumbai - 400 097 , Maharashtra , India

**Financial Information**

| Particulars  | (₹ in Lakhs)                  |       |
|--------------|-------------------------------|-------|
|              | For the period ended March 31 |       |
|              | 2017                          | 2016  |
| Total Income | 2.87                          | 2.48  |
| Profit       | 2.87                          | 2.48  |
| Capital A/c  | 67.2                          | 64.63 |

**Chandu K Jain HUF**

Mr. Chandu K Jain is the karta of the HUF. The HUF is engaged in the business of investments.

Address: 503, Siddhachal Bldg., Hanuman Road , Vile parle (East), Mumbai- 400057, Maharashtra, India

**Financial Information**

| Particulars  | (₹ in Lakhs)                  |        |        |
|--------------|-------------------------------|--------|--------|
|              | For the period ended March 31 |        |        |
|              | 2017                          | 2016   | 2015   |
| Total Income | 4.33                          | 9.41   | 3.83   |
| Capital A/c  | 131.75                        | 128.93 | 121.11 |



## **DISCLOSURES PERTAINING TO WILFUL DEFAULTERS**

Our Company, our Promoters, Group Entities and/or our Directors, have not been declared as wilful defaulters by the RBI or any bank or financial institution or consortium thereof. Further, our Company, our Promoters, Group Entities and/or our Directors, have not been debarred from dealing in securities and/or accessing capital markets by SEBI or any other regulatory or governmental authority. No disciplinary action has been taken by the SEBI or any stock exchanges against our Company, our Promoters or our Directors, that may have a material adverse effect on our business or financial position, nor, so far as we are aware, are there any such proceedings pending or threatened.



## RELATED PARTY TRANSACTIONS

For details of related party transactions of our Company during the fiscal ended March 31, 2017 as per the requirements under Accounting Standard 18 “*Related Party Disclosures*” issued by the Institute of Chartered Accountants of India and as reported in the Restated Financial Statements, please refer “*Financial Statements*” on page 97.



## **DIVIDEND POLICY**

The declaration and payment of dividends, if any, will be recommended by our Board of Directors and approved by our shareholders at their discretion, subject to the provision of the Articles of Association and the Companies Act. The dividends, if any, will depend on a number of factors, including but not limited to the earnings, capital requirements and overall financial position of our Company. In addition, our ability to pay dividends may be impacted by a number of other factors, including, restrictive covenants under the loan or financing documents we may enter into from time to time. For further details on restrictive covenants, please refer “*Financial Indebtedness*” on page 125. Our Company has no formal dividend policy. Our Board may also, from time to time, pay interim dividends. Our Company has not declared any dividends since its incorporation.



## SECTION V – FINANCIAL INFORMATION FINANCIAL STATEMENTS

### RESTATED FINANCIAL STATEMENTS

#### Auditor’s Report

To,  
The Board of Directors,  
**MRC Exim Limited**  
106, Siddhesh Apartment, 2nd Khattar Gali,  
Thakurdwar Road, Charni Road(East),  
Mumbai – 400004, Maharashtra, India

Dear Sirs,

We have examined the Restated Summary Financial Statements and Other Financial Information of MRC EXIM LIMITED; CIN: U74999MH2015PLC269095 (the ‘Company’) for the period from October 12, 2015 to March 31, 2016; financial year ended March 31, 2017 and 6 months period ended September 30, 2017 based on the audited financial statements reviewed by us annexed to this report and initialled by us for identification. The said Restated Summary Financial Statements and Other Financial Information have been prepared for the purposes of inclusion in the Prospectus / Prospectus (collectively hereinafter referred to as “Offer Document”) in connection with the proposed Initial Public Offer (“IPO”) of the Company in accordance with the requirements of:

- (i) Section 26 read with applicable provisions within Rule 4 to 6 of Companies (Prospectus and Allotment of Securities) Rules, 2014 of Companies Act, 2013, As amended (hereinafter referred to as the “Act”);
- (ii) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (the ‘SEBI Regulations’) issued by the Securities and Exchange Board of India (‘SEBI’); and the related clarifications issued by the Securities and Exchange Board of India as amended to date;
- (iii) The terms of our letter of engagement dated August 1, 2017 with the Company requesting us to carry out assignment in connection with the Offer Document being issued by the Company for its proposed IPO.
- (iv) In terms of Schedule VIII, Clause IX (9) of the SEBI (ICDR) Regulations, 2009 and other provisions relating to accounts of the MRC Exim Limited, we, M/s. A. Puri & 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.
- (v) Audit of the financial statements for the period from October 12, 2015 to March 31, 2016 and for financial year ended March 31, 2017 has been conducted by Company’s Statutory Auditor, M/s P V Thaker & Company, Chartered Accountants, Mumbai. The same have been reviewed and re-audited by us as required under the SEBI ICDR Regulations solely for the purpose of this restatement.
- (vi) The Proposed public issue will be for a fresh issue of equity shares of ₹ 10 each, at the issue price of ₹ 15 per Equity Share (referred to as ‘the issue’).
- (vii) Financial Information of the Company

The Restated Summary financial Statements and Other Financial Information have been prepared by the Company and approved by the Board of Directors of the Company.

#### **A. Restated Summary Financial Statements:**

1. We have examined the attached ‘Summary financial Statement of Assets and Liabilities, As Restated’ (Annexure I) as at March 31, 2016; 2017 and September 30, 2017 has been examined and the attached ‘Summary Statement of Profits and Losses, As Restated’ (Annexure II) and the attached ‘Summary Statement of Cash Flows, As Restated’ (Annexure III) for the period from October 12, 2015 to March 31, 2016; financial year ended March 31, 2017 and 6 months period ended September 30, 2017, which have been extracted by the management and approved by the board of directors. Representations have been taken from the management for the additional information for these years. (Annexure I, II and III are collectively referred to in this report as the “Restated Summary Financial Statements”).

2. The Restated Summary Financial Statements are after making adjustments and regroupings as in our opinion were appropriate and more fully described in the ‘Statement of Significant Accounting Policies’ and ‘Notes to the Restated Financial Statements’ (Annexure IV) and (Annexure V) respectively.
3. In accordance with the requirements of section 26 read with applicable provisions within Rule 4 to 6 of Companies (Prospectus and Allotment of Securities) Rules, 2014 of Companies Act, 2013, As amended (hereinafter referred to as the “Act”), the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2009 and terms of our engagement agreed with the company, and based on our examination of the Restated Summary Statements, we confirm that:
  - a. The Restated summary Financial Statement - the restated summary statement of assets and liabilities, the restated summary statement of profit and loss, and the restated summary statement of cash flow (“summary statements”) of the company, for the period from October 12, 2015 to March 31, 2016; financial year ended March 31, 2017 and 6 months period ended September 30, 2017 has been examined by us, as set out in annexure-I, II and III to this report read with and subject to the adjustment in Annexure V - Notes to the restated Financial statements and other observations as given herein after, are after making material adjustments and regrouping as in our opinion were appropriate and more fully described in Significant Accounting Policies, Notes to the financial statements (refer annexure- IV & V).
  - b. Based on and subject to our comments as above, we are of the opinion that restated financial information have been made after incorporating:
    - i. Adjustments if any, made for the changes in Accounting Policies and Estimates adopted by the Company with retrospective effect to reflect the significant accounting policies being adopted by company as on September 30, 2017 are explained in annexure V to this report.
    - ii. The “Restated Summary Financial Statements” have to be read in conjunction with the Significant Accounting Policies and Notes given in Annexure IV of this report.
    - iii. Amounts if any, relating to adjustments for previous years have been identified and adjusted in the statements in the year to which they relate;
    - iv. The extra-ordinary items that need to be disclosed separately in the Restated Summary financial Statements have been disclosed accordingly;
    - v. There are no qualifications in auditor’s reports for incorrect accounting policies that require Adjustment in the Restated Summary Statements.

Summary of significant accounting policies adopted by the Company and material adjustments carried out in the preparation of the Restated Summary Statements & the significant notes to thereto be enclosed as Annexure IV and Annexure V to this report.

#### **B. Other Financial Information:**

4. At the request of the company, we have also examined the following financial information (“Other Financial Information”) proposed to be included in the offer document prepared by the management and approved by the board of directors of the company and annexed to this report:
  - i Restated Statement of Share Capital - Annexure – I.1;
  - ii Restated Statement of Reserve & Surplus - Annexure – I.2 ;
  - iii Restated Statement of Long Term Borrowings - Annexure I.3;
  - iv Restated Statement of Deferred Tax liability/Assets (net)- Annexure I.4;
  - v Restated Statement of Short Term Borrowings- Annexure I.5;
  - vi Restated Statement of Trade Payables - Annexure I.6;
  - vii Restated Statement of Short Term Provision - Annexure I.7;
  - viii Restated Statement of Fixed Assets - Annexure I.8;
  - ix Restated Statement of Non-Current Investments - Annexure I.9;
  - x Restated Statement of Trade Receivables - Annexure I.10;
  - xi Restated Statement of Cash and Cash Equivalents - Annexure I.11;





- xii Restated Statement of Short Term Loans and Advances - Annexure I.12;
- xiii Restated Statement of Other Current Assets - Annexure I.13;
- xiv Restated Statement of Revenue from operations - Annexure II.1;
- xv Restated Statement of Other Income - Annexure II.2;
- xvi Restated Statement of Purchase of Stock in trade - Annexure II.3;
- xvii Restated Statement of Other Expenses - Annexure II.4;
- xviii Restated Statement of Employee Benefit Expenses - Annexure II.5;
- xix Restated Statement of Finance Cost - Annexure II.6;

**Other Annexure:**

- Annexure IV : Statement of Significant Accounting Policies
- Annexure V : Notes to the Re-stated Financial Statements
- Annexure VI : Statement of Accounting & Other Ratios, As Restated
- Annexure VII : Statement of Capitalization, As Restated
- Annexure VIII : Statement of Tax Shelter, As Restated
- Annexure IX : Statement of Principle Terms of Secured Loans and Assets Charged as Security.
- Annexure X : Statement of Related Parties & Transactions.
- Annexure XI : Statement of Dividends.
- Annexure XII : Changes in the Significant Accounting Policies.
- Annexure XIII : Contingent Liabilities.

5. In our opinion, the Restated Summary Financial Statements and the other Financial Information set forth in Annexure I to XVII read with the significant accounting policies and notes to the restated financial statements have been prepared in accordance with section 26 read with applicable provisions within Rule 4 to 6 of Companies (Prospectus and Allotment of Securities) Rules, 2014 of Companies Act, 2013 and the SEBI Regulations and the Guidance Note on the reports in Company Prospectus (Revised) issued by the Institute of Chartered Accountants of India (ICAI).

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 regrouping and adjustments, the amount reported in the financial information may not necessarily be the same as those appearing in the respective audited financial statements for the relevant years.

6. This report should not in any way construed as a reissuance or redrafting of any of the previous audit report issued by us or by any other firm of Chartered Accountants nor should this report be construed as new opinion on any of the financial statement referred to therein.
7. We have no responsibility to update our report for events and circumstances occurring after the date of the report.
8. This report is intended solely for your information and for inclusion in the Offer document in connection with the Company's proposed IPO of equity shares and is not to be used, referred to or distributed for any other purpose without our prior written consent.

**As per our Report Attached**

Thanking you,  
Yours faithfully,  
**For A. Puri & Co.**  
Chartered Accountants

**CA Ashok Puri**

**Proprietor**

Membership Number: 013203

Firm Registration No. 108231W

Date: November 24, 2017

**Annexure - I**
**Statement of Assets and Liabilities, As Restated**

(₹ Lakhs)

| Particulars                         | Note No. | 30.09.17        | 31.03.17        | 31.03.16      |
|-------------------------------------|----------|-----------------|-----------------|---------------|
| <b>Equity &amp; Liabilities</b>     |          |                 |                 |               |
| <b>Shareholders Fund</b>            |          |                 |                 |               |
| Share capital                       | I.1      | 742.09          | 296.84          | 208.84        |
| Reserves and surplus                | I.2      | 10.23           | 450.88          | 307.00        |
| <b>Total Shareholder's Fund</b>     |          | <b>752.32</b>   | <b>747.72</b>   | <b>515.83</b> |
| <b>Non Current Liabilities</b>      |          |                 |                 |               |
| Long Term Borrowings                | I.3      | 0.00            | 78.38           | 16.60         |
| Long term provisions                |          | 0.00            | 0.00            | 0.00          |
| Deferred Tax Liability              | I.4      | 0.00            | 0.00            | 0.00          |
| Other Long term Liabilities         |          | 0.00            | 0.00            | 0.00          |
| <b>Total Current Liabilities</b>    |          | <b>0.00</b>     | <b>78.38</b>    | <b>16.60</b>  |
| <b>Current Liabilities</b>          |          |                 |                 |               |
| Short Term Borrowings               | I.5      | 67.63           | 0.00            | 30.74         |
| Trade Payables                      | I.6      | 252.50          | 545.64          | 363.52        |
| Other Current Liabilities           |          | 0.00            | 0.00            | 0.00          |
| Short Term Provisions               | I.7      | 23.45           | 15.73           | 0.97          |
| <b>Total Current Liabilities</b>    |          | <b>343.57</b>   | <b>561.37</b>   | <b>395.23</b> |
| <b>Total Equity &amp; Liability</b> |          | <b>1,095.89</b> | <b>1,387.47</b> | <b>927.66</b> |
| <b>Non-Current Assets</b>           |          |                 |                 |               |
| a) Fixed Assets                     |          |                 |                 |               |
| Tangible Assets                     |          | 1.97            | 2.39            | 2.14          |
| Intangible Assets                   |          | 0.00            | 0.00            | 0.00          |
| Total Fixed Assets (a)              | I.8      | <b>1.97</b>     | <b>2.39</b>     | <b>2.14</b>   |
| b) Non Current Investments          | I.9      | 145.80          | 144.77          | 30.17         |
| c) Deffered Tax Assets (Net)        | I.4      | 0.76            | 0.79            | 1.09          |
| e) Long Term Loans and Advances     |          | 0.00            | 0.00            | 0.00          |
| d) Other Non Current Assets         |          | 0.00            | 0.00            | 0.00          |
| <b>Total Non Current Assets</b>     |          | <b>148.53</b>   | <b>147.96</b>   | <b>33.40</b>  |
| <b>Current assets</b>               |          |                 |                 |               |
| Current Investments                 |          | 0.00            | 0.00            | 0.00          |
| Inventories                         |          | 0.00            | 0.00            | 0.00          |
| Trade Receivables                   | I.10     | 221.87          | 503.98          | 392.71        |
| Cash and Cash Equivalents balances  | I.11     | 0.74            | 0.43            | 0.04          |
| Short Term Loans and advances       | I.12     | 724.52          | 734.66          | 501.26        |
| Other Current Assets                | I.13     | 0.25            | 0.44            | 0.25          |
| <b>Total Current Assets</b>         |          | <b>947.37</b>   | <b>1,239.51</b> | <b>894.26</b> |
| <b>Total Assets</b>                 |          | <b>1,095.90</b> | <b>1,387.47</b> | <b>927.67</b> |

**Note:** The above statement should be read with the Significant Accounting Policies and Notes on Financial Statements appearing in Annexure IV & V respectively.



## Annexure - II

**Summary Statement of Profit and Loss, As Restated**

(₹ Lakhs)

| Particulars  | Note No. | 30.09.17      | 31.03.17       | 31.03.16      |
|--|----------|---------------|----------------|---------------|
| <b>Income</b>  |          |               |                |               |
| Revenue from Operations  | II.1     | 869.69        | 1612.08        | 392.71        |
| Other Income   | II.2     | 37.70         | 57.72          | 16.76         |
| Changes in inventories of finished goods, work-in-progress and Stock- in-trade |          | 0.00          | 0.00           | 0.00          |
| <b>Total Revenue</b>   |          | <b>907.39</b> | <b>1669.80</b> | <b>409.47</b> |
|  |          |               |                |               |
| <b>Expenditure</b>   |          |               |                |               |
| Purchase of Stock in Trade   | II.3     | 858.08        | 1591.77        | 390.70        |
| Other Expenses   | II.4     | 13.08         | 19.50          | 11.43         |
| Employee Benefit Expenses  | II.5     | 20.10         | 37.01          | 4.75          |
|  |          |               |                |               |
| <b>Total (B)</b>   |          | <b>892.26</b> | <b>1648.28</b> | <b>406.88</b> |
| <b>Profit Before Interest, Depreciation and Tax</b>                            |          | <b>16.13</b>  | <b>21.52</b>   | <b>2.59</b>   |
| Depreciation   |          | 0.76          | 1.82           | 0.77          |
| <b>Profit Before Interest and Tax</b>  |          | <b>15.37</b>  | <b>19.70</b>   | <b>1.83</b>   |
| Financial Charges  | II.6     | 1.94          | 2.49           | 0.00          |
| <b>Profit before Taxation</b>  |          | <b>13.43</b>  | <b>17.21</b>   | <b>1.83</b>   |
| Provision for Taxation   |          | 4.97          | 5.04           | 1.67          |
| Provision for Deferred Tax   |          | 0.03          | 0.30           | (1.09)        |
| <b>Total</b>   |          | <b>4.99</b>   | <b>5.33</b>    | <b>0.58</b>   |
| <b>Profit After Tax but Before Extra ordinary Items</b>                        |          | <b>8.43</b>   | <b>11.88</b>   | <b>1.25</b>   |
| Extraordinary Items  |          | 3.82          | 0.00           | 0.00          |
| Prior Period Items   |          | 0.00          | 0.00           | 0.00          |
| <b>Net Profit after adjustments</b>  |          | <b>4.61</b>   | <b>11.88</b>   | <b>1.25</b>   |
| <b>Net Profit Transferred to Balance Sheet</b>                                 |          | <b>4.61</b>   | <b>11.88</b>   | <b>1.25</b>   |

**Note:** The above statement should be read with the Significant Accounting Policies and Notes on Financial Statements appearing in Annexure IV & V respectively.

## Annexure - III

**Summary Statement of Cash Flow, As Restated**

(₹ Lakhs)

| PARTICULARS  | 30.09.17       | 31.03.17       | 31.03.16       |
|--|----------------|----------------|----------------|
| <b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>          |                |                |                |
| Profit Before Tax                                      | <b>9.60</b>    | <b>17.21</b>   | 1.83           |
| <i>Adjusted for :</i>                                  |                |                |                |
| a. Depreciation  | 0.76           | 1.82           | 0.77           |
| b. Interest Expenses & Finance Cost                    | 1.94           | 2.49           | 0.00           |
| c. Other Adjustments                                   |                |                | 0.00           |
| d. Dividend Income                                     | -              | -              | -              |
| e. Profit on sale of long term investments             | -              | -              | -              |
| f. Interest & Other Income                             | (37.70)        | (57.72)        | (16.76)        |
|  |                |                |                |
| <b>Operating profit before working capital changes</b> | <b>(25.40)</b> | <b>(36.19)</b> | <b>(14.17)</b> |

|   |                |                 |                 |
|---|----------------|-----------------|-----------------|
| <i>Adjusted for :</i>   |                |                 |                 |
| a. Decrease /(Increase) in Inventories                          | 0.00           | 0.00            | 0.00            |
| b. Decrease / ( Increase ) in trade receivable                  | 282.11         | (111.27)        | (392.71)        |
| c. ( Increase ) / Decrease in short term loans and advances     | 10.14          | (233.40)        | (501.26)        |
| d. Increase / ( Decrease ) in Trade Payables                    | (293.14)       | 182.12          | 363.52          |
| e. Increase / (Decrease) in short term provisions               | 7.72           | 14.76           | 0.97            |
| f. Increase / ( Decrease ) in other current liabilities         | 0.00           | 0.00            | 0.00            |
| g. ( Increase ) / Decrease in Other Current Assets              | 0.19           | (0.19)          | (0.25)          |
|   |                |                 |                 |
| <b>Cash generated from operations</b>                           | <b>(18.38)</b> | <b>(184.18)</b> | <b>(543.90)</b> |
| Income Tax Paid ( net of refunds )                              | 4.97           | 5.04            | 1.67            |
| <b>NET CASH GENERATED FROM OPERATION</b>                        | <b>(23.34)</b> | <b>(189.21)</b> | <b>(545.57)</b> |
|   |                |                 |                 |
| <b>B. CASH FLOW FROM INVESTING ACTIVITES</b>                    |                |                 |                 |
| a. Purchase (sale) of Fixed Assets                              | (0.34)         | (2.07)          | (2.91)          |
| b.( Purchase ) / Sale of non-current investment                 | (1.02)         | (114.60)        | (30.17)         |
| c. ( Increase ) / Decrease in Long term loans and advances      | 0.00           | 0.00            | 0.00            |
| d. Increase / ( Decrease ) in Long Term Provisions              | 0.00           | 0.00            | 0.00            |
| e. ( Increase ) / Decrease in Other Non Current Assets          | 0.00           | 0.00            | 0.00            |
| f. (Increase) in Misc. Expenses                                 | 0.00           | 0.00            | 0.00            |
| g. Interest & Other Income                                      | 37.70          | 57.72           | 16.76           |
| h. Dividend Income  |                |                 | -               |
| <b>Net cash (used) in investing activities</b>                  | <b>36.34</b>   | <b>(58.95)</b>  | <b>(16.31)</b>  |
|   |                |                 |                 |
| <b>C. CASH FLOW FROM FINANCING ACTIVITES</b>                    |                |                 |                 |
| a. Interest & Finance Cost                                      | (1.94)         | (2.49)          | 0.00            |
| b. Proceeds from share issued / application                     | 0.00           | 220.00          | 514.59          |
| c. ( Repayments ) / proceeds of long term borrowings            | (78.38)        | 61.78           | 16.60           |
| d. ( Repayments ) / proceeds of short term borrowings           | 67.63          | (30.74)         | 30.74           |
|   |                |                 |                 |
| <b>Net cash generated/(used) in financing activities</b>        | <b>(12.69)</b> | <b>248.56</b>   | <b>561.93</b>   |
|   |                |                 |                 |
| <b>Net Increase / ( Decrease ) in cash and cash equivalents</b> | <b>0.30</b>    | <b>0.39</b>     | <b>0.04</b>     |
| <b>Cash and cash equivalents at the beginning of the year</b>   | <b>0.43</b>    | <b>0.04</b>     | <b>0.00</b>     |
| <b>Cash and cash equivalents at the end of the year</b>         | <b>0.74</b>    | <b>0.43</b>     | <b>0.04</b>     |

## Notes:

- The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in Accounting Standard -3 'Cash Flow Statement'. Previous year's figures have been regrouped / rearranged / recasted wherever necessary to make them comparable with those of current year.
- The above statement should be read with the Significant Accounting Policies and Notes on Financial Statements appearing in Annexure IV & V respectively.



## Annexure – I.1

**Restated Statement of Share Capital**

(₹ Lakhs)

| Particulars                        | 30.09.17 | 31.03.17 | 31.03.16 |
|------------------------------------|----------|----------|----------|
| Authorised                         |          |          |          |
| Equity shares of ₹ 10/- each       | 1,050.00 | 300.00   | 300.00   |
| Issued, Subscribed & Fully Paid-up |          |          |          |
| Equity shares of ₹ 10/- each       | 742.09   | 296.84   | 208.84   |

Note: The Company has only one class of equity shares of par value ₹ 10 each. Each equity shareholder is entitled to one vote per share held, and on liquidation entitled to receive balance of net assets remaining after settlement of all debts, creditors & preferential amounts, proportionate to their respective shareholding. No dividend is proposed.

**Reconciliation of No. of Shares Outstanding at the end of the year**

(No. of Equity Shares)

| Particulars                                     | 30.09.17  | 31.03.17  | 31.03.16  |
|---|-----------|-----------|-----------|
| Shares outstanding at the beginning of the year | 2,968,360 | 20,88,360 | 0.00      |
| Shares issued during the year                   | 0         | 8,80,000  | 20,88,360 |
| Bonus Issued during the year                    | 4452540   | 0.00      | 0.00      |
| Share outstanding at the end of the year        | 7,420,900 | 29,68,360 | 20,88,360 |

**Details of Shareholding more than 5% of the aggregate shares in the company**

| Particulars               | 30.09.17 | 31.03.17 | 31.03.16 |
|---------------------------|----------|----------|----------|
| <b>Kiritkumar M. Shah</b> |          |          |          |
| No. of Shares             | 1657000  | 662800   | 502800   |
| % Holding                 | 22.33%   | 22.33%   | 24.08%   |
| <b>Chandu K. Jain</b>     |          |          |          |
| No. of Shares             | 522750   |          |          |
| % Holding                 | 7.04%    |          |          |
| <b>Santosh Paste</b>      |          |          |          |
| No. of Shares             | 451250   | 180500   | 180500   |
| % Holding                 | 6.08%    | 6.08%    | 8.64%    |
| <b>Dhananjay Patel</b>    |          |          |          |
| No. of Shares             |          |          | 124100   |
| % Holding                 |          |          | 5.94%    |
| <b>Anagha P Shetty</b>    |          |          |          |
| No. of Shares             |          |          | 118760   |
| % Holding                 |          |          | 5.69%    |
| <b>Ashok A Shah</b>       |          |          |          |
| No. of Shares             |          | 170000   |          |
| % Holding                 |          | 5.73%    |          |
| <b>Daya S Vala</b>        |          |          |          |
| No. of Shares             | 480250   | 192100   | 112100   |
| % Holding                 | 6.47%    | 6.47%    | 5.37%    |
| <b>Hemali H Shah</b>      |          |          |          |
| No. of Shares             | 488700   | 195480   | 175480   |
| % Holding                 | 6.59%    | 6.59%    | 8.40%    |
| <b>Paresh A. Gohil</b>    |          |          |          |
| No. of Shares             | 412500   | 165000   | 117000   |
| % Holding                 | 5.56%    | 5.56%    | 5.60%    |
| <b>Prakash B. Shetty</b>  |          |          |          |



|                        |        |        |        |
|------------------------|--------|--------|--------|
| No. of Shares          | 379200 | 151680 | 151680 |
| % Holding              | 5.11%  | 5.11%  | 7.26%  |
| <b>Sapna V. Arsule</b> |        |        |        |
| No. of Shares          |        |        | 109000 |
| % Holding              |        |        | 5.22%  |
| <b>Sheetal Desai</b>   |        |        |        |
| No. of Shares          |        |        | 112000 |
| % Holding              |        |        | 5.36%  |

**Annexure – I.2****Restated Statement of Reserve & Surplus**

(₹ Lakhs)

| Particulars                               | 30.09.17     | 31.03.17      | 31.03.16      |
|---|--------------|---------------|---------------|
| <b>Statement of Profit &amp; Loss</b>     |              |               |               |
| Opening balance                           | 13.12        | 1.24          | 0.00          |
| Add: Profit for the year                  | 4.61         | 11.88         | 1.25          |
| <b>Profit available for appropriation</b> | <b>17.73</b> | <b>13.12</b>  | <b>1.24</b>   |
| Less: Utilised for Bonus Issue            | 7.50         | 0.00          | 0.00          |
| <b>Balance as at the end of the year</b>  | <b>10.23</b> | <b>13.12</b>  | <b>1.24</b>   |
| <b>Securities Premium Account</b>         |              |               |               |
| Opening balance                           | 437.75       | 305.75        | 0.00          |
| Add: Additions during the year            | 0.00         | 132.00        | 305.75        |
| Less: Utilised for Bonus Issue            | 437.75       | 0.00          | 0.00          |
| <b>Balance as at the end of the year</b>  | <b>0.00</b>  | <b>437.75</b> | <b>305.75</b> |
| <b>Total Reserve &amp; Surplus</b>        | <b>10.23</b> | <b>450.88</b> | <b>307.00</b> |

**Annexure – I.3****Restated Statement of Long Term Borrowings**

(₹ Lakhs)

| Particulars                      | 30.09.17    | 31.03.17     | 31.03.16     |
|----------------------------------|-------------|--------------|--------------|
| <b>Secured Loans</b>             | <b>0.00</b> | <b>0.00</b>  | <b>0.00</b>  |
| <b>Unsecured Loans</b>           |             |              |              |
| Globe Commercial Limited         | 0.00        | 34.67        | 0.00         |
| <b>From Shareholders:</b>        |             |              |              |
| SRC Wealth Creators Advisory LLP | 0.00        | 8.31         | 0.00         |
| Santosh D Paste                  | 0.00        | 16.60        | 16.60        |
| Chandu K. Jain                   | 0.00        | 18.80        | 0.00         |
| <b>Total</b>                     | <b>0.00</b> | <b>78.38</b> | <b>16.60</b> |



## Annexure – I.4

**Restated Statement of Deferred Tax liability/Assets (net)**

(₹ Lakhs)

| Particulars   | 30.09.17      | 31.03.17      | 31.03.16      |
|---|---------------|---------------|---------------|
| Opening Deferred Tax Liability / (Asset)            | (0.79)        | (1.09)        | 0.00          |
| <b>Deferred Tax Asset</b>                           |               |               |               |
| On the Block of Fixed Assets & Preliminary Expenses | 0.00          | 0.00          | 1.09          |
| On Other Items                                      | 0.00          | 0.00          | 0.00          |
| <b>Sub Total</b>                                    | <b>0.00</b>   | <b>0.00</b>   | <b>1.09</b>   |
|   |               |               |               |
| <b>Deferred Tax Liability</b>                       |               |               |               |
| On the Block of Fixed Assets & Preliminary Expenses | 0.03          | 0.30          | 0.00          |
| On Other Items                                      | 0.00          | 0.00          | 0.00          |
| <b>Sub Total</b>                                    | <b>0.03</b>   | <b>0.30</b>   | <b>0.00</b>   |
| Net Deferred Tax Liability / (Asset)                | 0.03          | 0.30          | (1.09)        |
| <b>Closing Deferred Tax Liability / (Asset)</b>     | <b>(0.76)</b> | <b>(0.79)</b> | <b>(1.09)</b> |

## Annexure – I.5

**Restated Statement of Short Term Borrowings**

(₹ Lakhs)

| Particulars                         | 30.09.17     | 31.03.17    | 31.03.16     |
|-------------------------------------|--------------|-------------|--------------|
| Over Draft against FD from UCO Bank | 3.31         | 0.00        | 30.74        |
| Unsecured Loans considered good     |              |             |              |
| Globe Commercial Limited            | 34.67        | 0.00        | 0.00         |
| Chandu K. Jain                      | 13.05        | 0.00        | 0.00         |
| Kirit M. Shah                       | 16.60        | 0.00        | 0.00         |
| <b>Total</b>                        | <b>67.63</b> | <b>0.00</b> | <b>30.74</b> |

## Annexure – I.6

**Restated Statement of Trade Payables**

(₹ Lakhs)

| Particulars      | 30.09.17      | 31.03.17      | 31.03.16      |
|------------------|---------------|---------------|---------------|
| Sundry Creditors | 252.50        | 545.64        | 363.52        |
| <b>Total</b>     | <b>252.50</b> | <b>545.64</b> | <b>363.52</b> |

## Annexure – I.7

**Restated Statement of Short Term Provision**

(₹ Lakhs)

| Particulars                            | 30.09.17     | 31.03.17     | 31.03.16    |
|--|--------------|--------------|-------------|
| Provision for Expenses                 | 22.56        | 15.63        | 0.92        |
| Provision for Professional Tax Payable | 0.89         | 0.10         | 0.05        |
| <b>Total</b>                           | <b>23.45</b> | <b>15.73</b> | <b>0.97</b> |

**Annexure – I.8**
**Restated Statement of Fixed Assets**

(₹ Lakhs)

| As At September 30, 2017 | Rate   | Addition    |             |             |             | Total       | Depreciation | Net Block |
|--------------------------|--------|-------------|-------------|-------------|-------------|-------------|--------------|-----------|
|                          |        | As On       | Before      | After       |             |             |              |           |
| Name Of Assets           | Of     | 1/4/2017    | 180 Days    | 180 Days    |             | for the     | AS ON        |           |
|                          | Dep.   |             |             |             |             | period      | 30/9/2017    |           |
| Computers & Peripherals  | 63.16% | 4.21        | 0.00        | 0.00        | 4.21        | 0.76        | 1.64         |           |
| Air Conditioner          |        | 0.00        | 0.34        | 0.00        | 0.34        | 0.00        | 0.34         |           |
| <b>TOTAL</b>             |        | <b>4.21</b> | <b>0.34</b> | <b>0.00</b> | <b>4.55</b> | <b>0.76</b> | <b>1.97</b>  |           |

| As At March 31, 2017    | Rate   | Addition    |             |             |             | Total       | Depreciation | Net Block |
|-------------------------|--------|-------------|-------------|-------------|-------------|-------------|--------------|-----------|
|                         |        | As On       | Before      | After       |             |             |              |           |
| Name Of Assets          | Of     | 1/4/2016    | 180 Days    | 180 Days    |             | For The     | As On        |           |
|                         | Dep.   |             |             |             |             | Year        | 31/3/2017    |           |
| Computers & Peripherals | 63.16% | 2.14        | 0.11        | 1.96        | 4.21        | 1.82        | 2.39         |           |
| <b>Total</b>            |        | <b>2.14</b> | <b>0.11</b> | <b>1.96</b> | <b>4.21</b> | <b>1.82</b> | <b>2.39</b>  |           |
| As At March 31, 2016    |        |             |             |             |             |             |              |           |
|                         | Rate   | Addition    |             |             |             | Total       | Depreciation | Net Block |
|                         |        | As On       | Before      | After       |             |             |              |           |
| Name Of Assets          | Of     | 1/4/2015    | 180 Days    | 180 Days    |             | For The     | As On        |           |
|                         | Dep.   |             |             |             |             | Year        | 31/3/2017    |           |
| Computers & Peripherals | 63.16% | 0.00        | 2.91        | 0.00        | 2.91        | 0.77        | 2.14         |           |
| <b>Total</b>            |        | <b>0.00</b> | <b>2.91</b> | <b>0.00</b> | <b>2.91</b> | <b>0.77</b> | <b>2.14</b>  |           |

**Annexure – I.9**
**Restated Statement of Non-Current Investments**

(₹ Lakhs)

| Particulars               | 30.09.17      | 31.03.17      | 31.03.16     |
|---------------------------|---------------|---------------|--------------|
| FD With Bank              | 33.30         | 32.27         | 30.17        |
| AA Plus Tradelink Limited | 112.50        | 112.50        | 0.00         |
| <b>Total</b>              | <b>145.80</b> | <b>144.77</b> | <b>30.17</b> |

**Annexure – I.10**
**Restated Statement of Trade Receivables**

(₹ Lakhs)

| Particulars                               | 30.09.17      | 31.03.17      | 31.03.16      |
|---|---------------|---------------|---------------|
| Debtors for the period exceeding 6 months | 0.00          | 32.01         | 0.00          |
| Other Debtors                             | 221.87        | 471.97        | 392.71        |
| <b>Total</b>                              | <b>221.87</b> | <b>503.98</b> | <b>392.71</b> |





## Annexure – I.11

## Restated Statement of Cash and Cash Equivalents

(₹ Lakhs)

| Particulars                            | 30.09.17    | 31.03.17    | 31.03.16    |
|--|-------------|-------------|-------------|
| Balances with banks in current account | 0.00        | 0.41        | 0.00        |
| Cash on hand                           | 0.74        | 0.02        | 0.04        |
| <b>Total</b>                           | <b>0.74</b> | <b>0.43</b> | <b>0.04</b> |

## Annexure – I.12

## Restated Statement of Short Term Loans and Advances

(₹ Lakhs)

| Particulars                      | 30.09.17      | 31.03.17      | 31.03.16      |
|----------------------------------|---------------|---------------|---------------|
| A A Plus Trade Link Limited      | 0.00          | 73.00         | 0.00          |
| Abhishek Enterprise              | 15.81         | 15.14         | 0.00          |
| Arihant Fire Protection          | 10.54         | 11.08         | 10.00         |
| Ashok A. Shah ( HUF )            | 0.00          | 5.00          | 0.00          |
| B V Carbon Products              | 55.69         | 0.00          | 17.00         |
| Deepak Trading Company           | 9.30          | 0.00          | 0.00          |
| Ecostruk Infra Pvt. Ltd          | 71.53         | 67.86         | 61.38         |
| Maa Momai Realty Pvt. Ltd        | 42.10         | 40.33         | 36.93         |
| Muzzamil Shaikh                  | 22.84         | 20.00         | 0.00          |
| Naman Regency Developer          | 34.26         | 34.57         | 0.00          |
| Navgrah Fastners Pvt. Ltd        | 0.00          | 1.20          | 46.23         |
| Navkaar Steel                    | 20.24         | 0.00          | 0.00          |
| Nutan J. Mehta                   | 51.69         | 49.04         | 0.00          |
| Obaid Shaikh                     | 22.57         | 21.70         | 0.00          |
| Om Navkar Skyline Pvt. Ltd       | 10.86         | 29.63         | 27.44         |
| Ostwal & Neum                    | 31.57         | 15.05         | 0.00          |
| Plaha & Mehta Associates         | 68.05         | 64.56         | 50.02         |
| Precision Impex                  | 0.00          | 32.13         | 0.00          |
| Sanghavi Electronics             | 16.68         | 15.83         | 0.00          |
| Seth Metal                       | 0.00          | 20.00         | 20.00         |
| Shagun Associates                | 45.68         | 43.33         | 0.00          |
| Shagun Construction              | 34.95         | 8.65          | 0.00          |
| Shagun Realty                    | 33.71         | 22.06         | 0.00          |
| Shri Navkar Developer            | 94.86         | 94.44         | 95.00         |
| SRC Wealth Creators Advisory LLP | 0.00          | 0.00          | 112.26        |
| Susheela Avenue                  | 26.43         | 25.07         | 0.00          |
| VM Homes                         | 5.16          | 0.00          | 0.00          |
| Upen Enterprise                  | 0.00          | 25.00         | 25.00         |
| <b>Total</b>                     | <b>724.52</b> | <b>734.66</b> | <b>501.26</b> |

## Annexure – I.13

## Restated Statement of Other Current Assets

(₹ Lakhs)

| Particulars          | 30.09.17    | 31.03.17    | 31.03.16    |
|----------------------|-------------|-------------|-------------|
| TDS Net of Provision | 0.00        | 0.19        | 0.00        |
| MVAT Deposit         | 0.25        | 0.25        | 0.25        |
| <b>Total</b>         | <b>0.25</b> | <b>0.44</b> | <b>0.25</b> |

**Annexure –II.1**
**Restated Statement of Revenue from operations**

(₹ Lakhs)

| Particulars                        | For the FY/Period ended |                 |               |
|------------------------------------|-------------------------|-----------------|---------------|
|                                    | 30.09.17                | 31.03.17        | 31.03.16      |
| Sale of Traded Products - Domestic | 869.69                  | 1,612.08        | 392.71        |
| <b>Total</b>                       | <b>869.69</b>           | <b>1,612.08</b> | <b>392.71</b> |

**Annexure –II.2**
**Restated Statement of Other Income**

(₹ Lakhs)

| Particulars          | For the FY/Period ended |              |              |
|----------------------|-------------------------|--------------|--------------|
|                      | 30.09.17                | 31.03.17     | 31.03.16     |
| Brokerage Received   | 0.00                    | 0.00         | 4.00         |
| Interest on deposits | 1.14                    | 2.34         | 0.19         |
| Interest on Advances | 36.56                   | 55.38        | 12.57        |
| <b>Total</b>         | <b>37.70</b>            | <b>57.72</b> | <b>16.76</b> |

**Annexure –II.3**
**Restated Statement of Purchase of Stock in trade**

(₹ Lakhs)

| Particulars               | For the FY/Period ended |                 |               |
|---------------------------|-------------------------|-----------------|---------------|
|                           | 30.09.17                | 31.03.17        | 31.03.16      |
| Purchases                 | 853.71                  | 1,570.73        | 390.70        |
| Freight & Carriage Inward | 4.37                    | 21.04           | 0.00          |
| <b>Total</b>              | <b>858.08</b>           | <b>1,591.77</b> | <b>390.70</b> |

**Annexure –II.4**
**Restated Statement of Other Expenses**

(₹ Lakhs)

| Particulars                 | For the FY/Period ended |          |          |
|-----------------------------|-------------------------|----------|----------|
|                             | 30.09.17                | 31.03.17 | 31.03.16 |
| Audit Fees                  | 0.00                    | 0.30     | 0.30     |
| Bank Charges                | 0.01                    | 0.04     | 0.03     |
| Books & periodicals         | 0.00                    | 0.00     | 0.15     |
| Brokerage                   | 0.00                    | 0.18     | 0.00     |
| Business Promotion Expenses | 0.75                    | 2.26     | 0.00     |
| Conveyance Expenses         | 1.58                    | 2.88     | 0.81     |
| Diwali Expenses             | 0.00                    | 0.54     | 0.00     |
| Electricity Expenses        | 0.06                    | 0.07     | 0.05     |
| Telephone & Mobile Charges  | 0.20                    | 0.61     | 0.41     |
| Sales Tax Paid              | 0.82                    | 6.62     | 0.10     |
| GST Paid                    | 1.01                    | 0.00     | 0.00     |
| Office Expenses             | 0.11                    | 3.05     | 1.79     |
| Office Rent                 | 0.00                    | 0.00     | 0.60     |
| Postage & Courier           | 0.17                    | 0.77     | 0.53     |
| Preliminary Expenses w/off  | 0.00                    | 0.00     | 4.55     |



|                       |              |              |              |
|-----------------------|--------------|--------------|--------------|
| Printing & stationery | 0.15         | 0.85         | 0.65         |
| Professional Fees     | 0.23         | 0.89         | 0.50         |
| Professional Tax      | 0.00         | 0.05         | 0.05         |
| Registration Charges  | 0.00         | 0.00         | 0.05         |
| ROC Expenses          | 7.13         | 0.00         | 0.00         |
| Sundry Expenses       | 0.86         | 0.40         | 0.15         |
| <b>Total</b>          | <b>16.91</b> | <b>19.50</b> | <b>11.43</b> |

#### Restated Statement of Extra Ordinary Items

(₹ Lakhs)

| Particulars           | For the FY/Period ended |             |             |
|-----------------------|-------------------------|-------------|-------------|
|                       | 30.09.17                | 31.03.17    | 31.03.16    |
| Public Issue Expenses | 3.82                    | 0.00        | 0.00        |
| <b>Total</b>          | <b>3.82</b>             | <b>0.00</b> | <b>0.00</b> |

#### Annexure –II.5

#### Restated Statement of Employee Benefit Expenses

(₹ Lakhs)

| Particulars            | For the FY/Period ended |              |             |
|------------------------|-------------------------|--------------|-------------|
|                        | 30.09.17                | 31.03.17     | 31.03.16    |
| Salaries & Welfare     | 15.60                   | 27.71        | 2.95        |
| Directors Remuneration | 4.50                    | 9.30         | 1.80        |
| <b>Total</b>           | <b>20.10</b>            | <b>37.01</b> | <b>4.75</b> |

#### Annexure –II.6

#### Restated Statement of Finance Cost

(₹ Lakhs)

| Particulars      | For the FY/Period ended |             |             |
|------------------|-------------------------|-------------|-------------|
|                  | 30.09.17                | 31.03.17    | 31.03.16    |
| Interest on loan | 1.30                    | 1.86        | 0.00        |
| Bank Interest    | 0.64                    | 0.63        | 0.00        |
| <b>Total</b>     | <b>1.94</b>             | <b>2.49</b> | <b>0.00</b> |

**Annexure –IV****Statement of Significant Accounting Policies****I. Company Overview**

MRC EXIM LIMITED, MUMBAI ('the Company'), was incorporated on 12 October 2016. It is a public limited company. The Company is mainly engaged in the business of trading, imports and exports of metals, allied alloys, import licenses and like products.

**II. System of Accounting:**

The Company is engaged in the business trading, imports and exports of metals, allied alloys, import licenses and like products. The above activities are carried out during the year with all the required approvals. Financial statements have been prepared on the historical cost convention and in accordance with Generally Accepted accounting principles.

**III. Basis of preparation of financial statements**

The financial statements are prepared and presented under the historical cost convention on the accrual basis of accounting and in accordance with the provisions of the Section 133 of the Companies Act, 2013 ('Act') read with Rule 7 of the Companies (Accounts) Rules 2014, the provision of the Act, (to the extent notified) and other accounting principles generally accepted in India, to the extent applicable. The financial statements are presented in Indian Rupees.

**IV. Current / non - current classification**

The Schedule III to the Act requires Assets and Liabilities to be classified as either Current or Non-current.

An asset is classified as current when it satisfies any of the following criteria

- a. it is expected to be realised in, or is intended for sale or consumption in, the entity's normal operating cycle;
- b. It is held primarily for the purpose of being traded;
- c. it is expected to be realised within 12 months after the Balance Sheet date; or
- d. it is cash or a cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

Current assets include the current portion of non-current financial assets. All other assets are classified as non-current

A liability is classified as current when it satisfies any of the following criteria:

- a. it is expected to be settled in the entity's normal operating cycle;
- b. it is held primarily for the purpose of being traded;
- c. it is due to be settled within twelve months after the Balance Sheet date; or
- d. the Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the Balance Sheet date.

Current liabilities include current portion of non-current financial liabilities. All other liabilities are classified as non-current

**V. Operating cycle**

Based on the nature of services and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current, non-current classification of assets and liabilities.

**VI. Fixed assets and depreciation/amortisation*****Tangible assets***

Tangible assets are stated at historical cost less accumulated depreciation and impairment, if any. Cost comprises of purchase price, duties, levies and other directly attributable expenses of bringing the asset to its working condition for the intended use.

Depreciation on tangible fixed assets (other than leasehold land, leasehold improvements) is provided on Written Down Value method based on useful life prescribed under Part C of Schedule II to the Act.

Depreciation in respect of all the assets is provided on written down value method over the useful lives of assets estimated by the Company. Depreciation for assets purchased/ sold during the period is proportionately charged. Intangible assets are amortised over their respective individual estimated useful lives on written down



value method, commencing from the date the asset is available to the Company for its use. The Company estimates the useful life of fixed assets as follows:

| <b>Assets Classification</b> | <b>Useful life</b> |
|------------------------------|--------------------|
| Computer                     | 3 years            |

#### **VII. Borrowing Cost**

Borrowing costs are interest and other costs incurred by the Company in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition of those tangible fixed assets which necessarily take a substantial period of time to get ready for their intended use are capitalized. Other borrowing costs are recognized as an expense in Statement of Profit and Loss in the period in which they are incurred.

#### **VIII. Investments**

Investments that are readily realizable and intended to be held for not more than a year from the date of acquisition are classified as current investments. All other investments are classified as long-term investments.

Long-term investments are carried at cost less any other than temporary diminution in value, determined separately for each individual investment. Any reductions in the carrying amount and any reversals of such reductions are charged or credited to the Statement of Profit and Loss.

#### **IX. Inventories**

There are no stocks left at the end of the year. However, the stock will be valued at lower of cost and net realisable value. Cost includes freight, octroi, duty, insurance and other incidental expenditure incurred in bringing the inventory to its current location and is determined on a specific basis for certain class of inventories and on Last-in first-out ('LIFO') basis for other balance class of inventories.

#### **X. Revenue recognition**

Revenue is recognized to the extent it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, and there is no uncertainty involved in ultimate collection.

##### *Sale of goods*

Revenue from sale of goods is recognized on transfer of all significant risks and rewards of ownership to the buyer which is generally on dispatch of goods to customers. Sales are stated net of trade discount, sales returns and sales tax/VAT etc.

##### *Other income*

- Interest income is recognized on time proportion basis.

#### **XI. Trade receivables and loans and advances**

Trade receivables and loans and advances are stated after making adequate provision for doubtful receivables and loans and advances.

#### **XII. Foreign currency transactions**

Transactions denominated in foreign currency will be recorded at the exchange rate prevailing on the date of the transactions. Exchange differences arising on foreign exchange transactions settled during the year will be recognized in the Statement of Profit and Loss.

Monetary assets and monetary liabilities denominated in foreign currency as at the Balance Sheet date are translated at the closing exchange rates on that date and the resultant exchange rate differences are recognized in the Statement of Profit and Loss.

All forward exchange contracts are backed by underlying transactions and the premium or discount arising at inception of such a forward exchange contract is amortised as expense or income over the life of the contract and the difference between the year end rate and rate on the date of the contract is recognized as exchange difference in the Statement of Profit and Loss.

### **XIII. Taxes**

Income tax expense comprises of current tax expense and deferred tax expense or credit.

#### *Current taxes*

Provision for current tax is recognized in accordance with the provisions of the Income-Tax Act, 1961 and is made annually based on the tax liability computed after considering tax disallowances, allowances and exemption.

#### *Deferred taxes*

Deferred tax assets and liabilities are recognized for the future tax consequences attributable to timing differences that result between the profits offered for income taxes and the profits as per the financial statements. Deferred tax assets and liabilities are measured using the tax rates and the tax laws that have been enacted or substantively enacted at the Balance Sheet date. Deferred tax assets are recognized only to the extent there is reasonable certainty that the assets can be realized in future; however, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognized only if there is virtual certainty of realization of such assets. Deferred tax assets are reviewed at each Balance Sheet date and written down or written up to reflect the amount that is reasonably / virtually certain (as the case may be) to be realized.

### **XIV. Earnings per share ('EPS')**

The basic earnings per share is computed by dividing the net profit attributable to the equity shareholders for the year by the weighted average number of equity shares outstanding during the year. The diluted earnings per share is computed by dividing the net profit attributable to the equity shareholders for the year by the weighted average number of equity and dilutive equity equivalent shares outstanding during the year, except where the results would be anti-dilutive.

### **XV. Provisions, contingent liabilities and contingent assets**

#### *Provisions*

The Company creates a provision when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Provisions are reviewed at each Balance Sheet date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources would be required to settle the obligation, the provision is reversed.

#### *Contingent liabilities*

Disclosure for a contingent liability is made without a provision in books, when there is an obligation that may, but probably will not, require outflow of resources.

#### *Contingent assets*

Contingent assets are not recognized in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the assets and related income are recognized in the period in which the change occurs.

### **XVI. Prior Period Expenditure:**

The expenditure relating to prior period has been accounted for and shown separately in the financial statement.

### **XVII. General**

Accounting Policies not specifically referred to are consistent with generally accepted Accounting Practices.

### **XVIII. Disclosures:**

Information required under the Companies Act, 2013 and other statutes are given to the extent applicable.



## Annexure –V

## Notes to the Re-stated Financial Statements

- The Company has not received any intimation from ‘suppliers’ regarding their status under the Micro, Small and Medium Enterprise Development Act, 2006 and hence disclosure requirements in this regard as per Schedule III of the Companies Act, 2013 could not be provided.

2. Material Adjustments

## In Profit and Loss Account

| Particulars                                      | (₹Lakhs)     |             |
|--|--------------|-------------|
|  | 31.03.17     | 31.03.16    |
| <b>Profit After Tax as per Books of Accounts</b> | <b>11.93</b> | <b>1.30</b> |
| Non provision of Professional tax now provided   | 0.05         | 0.05        |
| <b>Restated Profit After Tax</b>                 | <b>11.88</b> | <b>1.25</b> |

## In Balance Sheet

| Particulars           | (₹Lakhs) |          |          |
|-----------------------|----------|----------|----------|
|                       | 30.09.17 | 31.03.17 | 31.03.16 |
| Reserves and Surplus  | (0.10)   | (0.10)   | (0.05)   |
| Short Term Provisions | 0.10     | 0.10     | 0.05     |

## 3. Computation of earning per Shares

| Particulars  | 30.09.17  | 31.03.17  | 31.03.16 |
|--|-----------|-----------|----------|
| Amounts used as numerator in calculating Basis (Rs. lakhs)           | 4.61      | 11.88     | 1.25     |
| No. of Equity Shares used as denominator (Nos)<br>(Weighted Average) | 7,420,900 | 2,237,072 | 97,404   |
| Nominal value per Equity Share (Rs. )                                | 10        | 10        | 10       |
| Earning per Share (Rs.)  | 0.06      | 0.53      | 1.28     |

- Figures have been rounded off to the nearest Rupee and Previous year figures have been regrouped and recast wherever necessary.
- Non-adjustment Items:  
No Audit qualifications for the respective periods which require any corrective adjustment in these Restated Financial Statements of the Company have been pointed out during the last five years.
- Material Regroupings:  
Appropriate adjustments have been made in the restated summary statements of Assets and Liabilities Profits and Losses and Cash flows wherever required by reclassification of the corresponding items of income expenses assets and liabilities in order to bring them in line with the requirements of the SEBI Regulations.
- The Company does not possess information as to which of its supplier are Micro small and Medium Enterprise registered under The Micro small and Medium Enterprise Development Act 2006. Consequently the liability, if any, of interest which would be payable under The Micro small and Medium Enterprise Development Act 2006, cannot be ascertained. However, the Company has not received any claims in respect of such interest and as such, no provision has been made on the books of accounts.
- Other figures of the previous years have been regrouped / reclassified and / or rearranged wherever necessary.
- The balance of Sundry Creditors, Sundry Debtors, Loans Advances, Unsecured Loans, Current Liabilities are subject to confirmation and reconciliation.
- The contingent liabilities as at September 30, 2017 were Nil.



## Annexure –VI

## Statement of Accounting &amp; Other Ratios, As Restated

| Particulars   | 30.09.17  | 31.03.17  | 31.03.16  |
|---|-----------|-----------|-----------|
| Net Profit as restated (₹ in Lakhs)   | 4.61      | 11.88     | 1.25      |
| Net Worth (₹ in Lakhs)  | 752.32    | 747.72    | 515.83    |
| Return on Net worth (%)   | 0.61%     | 1.59%     | 0.24%     |
| Equity Share at the end of year (in Nos.)   | 7,420,900 | 29,68,360 | 20,88,360 |
| (Face Value ₹ 10)   | 10.00     | 10.00     | 10.00     |
| Weighted No. of Equity Shares   | 7,420,900 | 22,37,072 | 97,404    |
| Basic & Diluted Earnings per Equity Share   | 0.06      | 0.53      | 1.28      |
| Net Asset Value/Book Value per Equity share (Based on no of share at the end of year) | 10.14     | 25.19     | 24.70     |

Note:-

Earnings per share (₹) = Profit available to equity shareholders / Weighted No. of shares outstanding at the end of the year

Return on Net worth (%) = Restated Profit after taxation / Net worth x 100

Net asset value/Book value per share (₹) = Net worth / No. of equity shares

The Company does not have any revaluation reserves or extra-ordinary items.





## Annexure –VII

## Statement of Capitalization, As Restated

(₹ Lakhs)

| Particulars                         | Pre Issue        | Post Issue*     |
|-------------------------------------|------------------|-----------------|
|                                     | As at 30.09.2017 |                 |
| <b>Debt :</b>                       |                  |                 |
| Short term debt                     | 67.63            | 67.63           |
| Long term debt                      | 0.00             | 0.00            |
| <b>Total Debt</b>                   | <b>67.63</b>     | <b>67.63</b>    |
| <b>Shareholders Funds</b>           |                  |                 |
| Equity Share Capital                | 742.09           | 1,042.09        |
| Reserves and Surplus                | 10.23            | 160.23          |
| Less: Revaluation Reserves          | 0.00             | 0.00            |
| Less: Misc. Expenditure             | 0.00             | 0.00            |
| <b>Total Shareholders' Funds</b>    | <b>752.32</b>    | <b>1,202.32</b> |
| Long Term Debt/ Shareholders' Funds | 0.00             | 0.00            |
| Total Debt / Shareholders Fund      | 0.09             | 0.06            |

\* Based on assumption that issue will be fully subscribed.

**Annexure –VIII**
**Statement of Tax Shelter, As Restated**
**(₹ Lakhs)**

|   | 30.09.17      | 31.03.17      | 31.03.16      |
|---|---------------|---------------|---------------|
| <b>Profit Before Tax as per books of accounts</b>         | 9.61          | 17.21         | 1.83          |
| -- Normal Tax rate  | 0.31          | 0.31          | 0.31          |
| -- Minimum Alternative Tax rate                           | 0.20          | 0.20          | 0.20          |
| -- Short Term Capital Gain U/S 111(A)                     | 0.00          | 0.00          | 0.00          |
| <b>Notional Tax at normal rates</b>                       | 2.97          | 5.32          | 0.56          |
| <b>Tax at Special Rate</b>                                | 0.00          | 0.00          | 0.00          |
| <b>Total Tax (A)</b>                                      | 2.97          | 5.32          | 0.56          |
| <b>Permanent differences</b>                              |               |               |               |
| Other adjustments   | 0.00          | 0.00          | 0.00          |
| Disallowances   | 0.00          | 0.00          | 0.00          |
| <b>Total (B)</b>  | <b>0.00</b>   | <b>0.00</b>   | <b>0.00</b>   |
| <b>Timing Differences</b>                                 |               |               |               |
| Depreciation as per Books                                 | 0.76          | 1.82          | 0.77          |
| Depreciation as per Income Tax                            | 0.79          | 1.87          | 0.87          |
| Difference between tax depreciation and book depreciation | (0.03)        | (0.06)        | (0.11)        |
| Other adjustments   | (0.91)        | (0.91)        | 0.00          |
| Foreign income included in the statement                  | 0.00          | 0.00          | 0.00          |
| <b>Total (C)</b>  | <b>(0.94)</b> | <b>(0.97)</b> | <b>(0.11)</b> |
| <b>Net Adjustments (B+C)</b>                              | <b>(0.94)</b> | <b>(0.97)</b> | <b>(0.11)</b> |
| Tax expense/(savings) thereon (D)                         | (0.29)        | (0.30)        | (0.03)        |
| <b>Total Taxation (E = A+D)</b>                           | <b>2.68</b>   | <b>5.02</b>   | <b>0.53</b>   |
| Brought forward losses set off (Depreciation)             | 0.00          | 0.00          | 0.00          |
| Tax effect on the above (F)                               | 0.00          | 0.00          | 0.00          |
| Net tax for the year/period (E+F)                         | 2.68          | 5.02          | 0.53          |
| Interest on Delay in Tax Payment                          | 0.00          | 0.00          | 0.00          |
| Net Payable   | 2.68          | 5.02          | 0.53          |
| MAT Credit Utilised                                       | 0.00          | 0.00          | 0.00          |
| Tax Payable for the year                                  | 2.68          | 5.02          | 0.53          |
| Tax payable as per MAT                                    | 0.00          | 0.00          | 0.00          |
| Tax expense recognised                                    | 4.97          | 5.04          | 1.67          |



## Annexure –IX

## Statement of Principle Terms of Secured Loans and Assets Charged as Security

Outstanding secured loans as on September 30, 2017

| Sr. No. | Name of the Lender | Facility/Sanctioned Amount | Amount Outstanding (as on September 30, 2017) ₹ Lacs | Interest Rate | Repayment Schedule  | Security           |
|---------|--------------------|----------------------------|--|---------------|---------------------|--------------------|
| 1       | Uco Bank           | OD against FD              | 3.31   | 9.00%         | Repayable on Demand | Secured Against FD |
|         |                    | <b>Total</b>               | <b>3.31</b>  |               |                     |                    |

## Annexure –X

## Statement of Related Parties &amp; Transactions

The company has entered into following related party transactions for the periods covered under audit. Such parties and transactions are identified as per accounting standard 18 issued by Institute of Chartered Accountants of India.

| Name                             | Relationship   |
|----------------------------------|----------------|
| Chandu Jain                      | Promoter       |
| Kirit M. Shah                    | Promoter       |
| Hemali Shah                      | Promoter       |
| Jikesh Shah                      | Promoter       |
| Jikesh Shah HUF                  | Promoter       |
| Santosh Paste                    | Promoter Group |
| AA Plus Trade Link Limited       | Group Company  |
| SRC Wealth Creators Advisory LLP | Group Entity   |
| BV Carbon Products               | Group Entity   |

**Transactions with Related Parties:**

(₹ In lakhs)

| Particulars                | 30.09.17 | 31.03.17 | 31.03.16 |
|----------------------------|----------|----------|----------|
| <b>Remuneration</b>        |          |          |          |
| Kirit M. Shah              | 2.00     | 2.50     | 1.80     |
| Chandu Jain                | 2.50     | 2.50     | 0.00     |
| Santosh Paste              |          | 4.30     | 0.00     |
| <b>Investment</b>          |          |          |          |
| AA Plus Trade Link Limited | 0.00     | 112.50   | 0.00     |
| <b>Purchase of Goods</b>   |          |          |          |
| BV Carbon Products         | 0.00     | 72.99    | 0.00     |
| AA Plus Trade Link Limited | 593.35   | 0.00     | 0.00     |
| <b>Sale of Goods</b>       |          |          |          |
| BV Carbon Products         | 0.00     | 666.57   | 0.00     |
| <b>Unsecured Loans</b>     |          |          |          |
| Chandu Jain                | 13.05    | 18.80    | 0.00     |
| Santosh Paste              | 0.00     | 16.60    | 16.60    |



|  |        |        |        |
|--|--------|--------|--------|
| Kirit M. Shah                            | 16.60  | 0.00   | 0.00   |
| <b>Loans &amp; Advance Asset</b>         |        |        |        |
| <b>Loans &amp; Advance Given</b>         |        |        |        |
| BV Carbon Products                       | 0.00   | 249.76 | 43.97  |
| SRC Wealth Creators Advisory LLP         | 8.31   | 101.20 | 129.34 |
| AA Plus Trade Link Limited               | 0.00   | 116.00 | 0.00   |
|  |        |        |        |
| <b>Loans &amp; Advance Reveied Back</b>  |        |        |        |
| BV Carbon Products                       | 194.07 | 17.00  | 26.97  |
| SRC Wealth Creators Advisory LLP         | 0.00   | 221.77 | 17.08  |
| AA Plus Trade Link Limited               | 73.00  | 43.00  | 0.00   |
|  |        |        |        |
| <b>Loans and Advance Closing Balance</b> |        |        |        |
| BV Carbon Products                       | 55.69  | 249.76 | 17.00  |
| SRC Wealth Creators Advisory LLP         | 0.00   | -8.31  | 112.26 |
| AA Plus Trade Link Limited               | 0.00   | 73.00  | 0.00   |
|  |        |        |        |
| <b>Interest on Loan Received</b>         |        |        |        |
| SRC Wealth Creators Advisory LLP         | 0.00   | 1.73   | 0.00   |

**Annexure –XI****Statement of Dividends**

No Dividend Paid Till Date

**Annexure –XII****Changes in the Significant Accounting Policies**

There have been no changes in the accounting policies of the company for the period covered under audit.



## MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

### Overview

Our Company is engaged in the business of trading of various industrial, metals and alloy products including iron and steel. We are a multi-product trading company with a diverse product portfolio. Our Company started the trading business from the last quarter of FY 2016. The portfolio of metal products currently being traded by our Company includes the following:

#### Industrial Products:

- GI Pipes
- Insulators
- Transmitter
- Heat Exchangers
- Conductors
- Water Pumps

#### Alloys & Metal Products:

- Graphite
- Cobalt
- Tungsten
- Aluminum & Aluminum Sections
- Iron & Steel
- Steel Products
- Coil & Steel Pipe
- D1 Tool Steel
- D2 Tool Steel
- Tool Steel HSD

We directly buy our required products from manufacturers. Hence we can get the products modified as per our customer's specifications. We look forward to every opportunity that exists in market and work to develop and enhance our current business and product portfolio. We are currently serving the corporate and other clients from fabrication and manufacturing industry.

### Our Competitive Strengths

- Experienced and Qualified management team
- Diversified Variety of Iron & Steel Products

### Our Business Strategy

- Focus on Increase in Volume of Sales
- Increase geographical presence
- Continue to develop client relationships

For further details please refer to the section titled '*Our Business*' on page 60.

### Significant developments subsequent to the last financial year:

After the date of last financial year i.e. March 31, 2017, the Directors of our Company confirm that, there have not been any significant material developments.

### Key factors affecting the results of operation:

Our Company's future results of operations could be affected potentially by the following factors:

#### *Competition*

Our Company faces significant competition from other companies operating in the markets in India in which we operates. Some of these firms have greater resources and/or a more widely recognised brand than we have, which may give them a competitive advantage. Our ability to grow revenues will depend on demand for our products and services in preference to those of its competitors.

### ***Growth in the Indian economy***

General economic conditions in India have a significant impact on our results of operations. The Indian economy has grown rapidly over the past decade and is expected to continue to grow in the future. We believe growth in the overall economy has driven, and will drive, the underlying demand for our products

### ***Regulatory developments***

Our Company is regulated by the Companies Act and some of its activities are subject to supervision and regulation by statutory and regulatory authorities. It is therefore subject to changes in Indian law, as well as to changes in regulation and government policies and accounting principles.

### ***Metal Prices***

Metal prices in Indian as well Global markets will impact our business. Prices of metal changes very regularly and may impact demand for our products. Further to the extent we are unable to pass the increased prices to our clients, our business may be adversely impacted.

### **Discussion on Results of Operation:**

The following discussion on results of operations should be read in conjunction with the audited financial results of our Company for the period ended March 31, 2016 and Financial year ended March 31, 2017.

### **OUR SIGNIFICANT ACCOUNTING POLICIES**

For Significant accounting policies please refer *Significant Accounting Policies, “Annexure IV” beginning under “Auditors’ Report and Financial Information of our Company” on page 110.*

### **RESULTS OF OUR OPERATION**

#### **FOR THE HALF YEAR ENDED SEPTEMBER 30, 2017**

| <b>Particulars</b>                                      | <b>Amount (₹ in Lakhs)</b> | <b>% to Total Income</b> |
|---|----------------------------|--------------------------|
| <b>Income</b>   |                            |                          |
| <b>Revenue from Operations</b>                          | 869.69                     |                          |
| Other Income  | 37.70                      |                          |
| <b>Total Income</b>                                     | <b>907.39</b>              |                          |
| <b>Expenditure</b>                                      |                            |                          |
| Purchase of Stock in Trade                              | 858.08                     | 94.57%                   |
| Other Expenses  | 13.08                      | 1.44%                    |
| Employee Benefit Expenses                               | 20.10                      | 2.22%                    |
| <b>Total Expenditure</b>                                | <b>891.26</b>              | <b>98.22%</b>            |
| <b>PBIDT</b>  | <b>16.13</b>               | <b>1.78%</b>             |
| Depreciation  | 0.76                       | 0.08%                    |
| <b>Profit Before Interest and Tax</b>                   | <b>15.37</b>               | <b>1.69%</b>             |
| Interest & Financial Charges                            | 1.94                       | 0.21%                    |
| <b>Profit before Taxation</b>                           | <b>13.43</b>               | <b>1.48%</b>             |
| Tax Effect  | 4.99                       | 0.55%                    |
| <b>Profit After Tax but Before Extra ordinary Items</b> | <b>8.43</b>                | <b>0.93%</b>             |
| Extraordinary Items (Public Issue Expenses)             | 3.82                       | 0.42%                    |
| <b>Profit After Tax</b>                                 | <b>4.61</b>                | <b>0.51%</b>             |



## Turnover

We recorded trading turnover of ₹ 869.69 Lakhs which consists of various industrial, metals and alloy products including iron and steel by our company. We had other income of ₹ 37.70 Lakhs which consisted of interest received. Total income for the FY 2017 was ₹ 907.39 Lakhs.

## Operating Expenses

The total operating expenditure aggregated to ₹ 891.26 Lakhs which was 98.22% of the total income.

Purchase of stock in trade stood at ₹ 858.08 Lakhs which was 94.57% of the total operating expenses and 96.28% of the total income.

Other Expenses stood at ₹ 13.08 Lakhs which was 1.47% of the total operating expenses and 1.44% of the total income.

Employee benefit expenses stood at ₹ 20.10 Lakhs which was 2.26% of the total operating expenses and 2.22% of the total income.

## Depreciation

We incurred Depreciation cost of ₹ 0.76 Lakhs, which is 0.08% of our total income.

## Interest and Financial Charges

Interest and financial charges during the 6 months period ended September 30, 2017 stood at ₹1.94 Lakhs which was 0.21% of our total income.

## Profits

Our PBIDT stood at ₹ 16.13 Lakhs for the 6 months period ended September 30, 2017 with the PBIDT margin of 1.78%. We recorded PBT of ₹ 13.43 Lakhs and PBT margin stood at 1.38%.

Public issue expenses of ₹ 3.82 lakhs were considered extra ordinary item.

Hence we recorded Net Profit after extra ordinary item of ₹ 4.61 Lakhs. Our Net Profit Margin stood at 0.51%.

## FY 2017 AND PERIOD ENDED MARCH 31, 2016

No meaningful comparison is possible between two periods.

| Particulars                       | FY<br>31-Mar-17 | Period ended<br>31-Mar-16 |
|-----------------------------------|-----------------|---------------------------|
| <b>Income</b>                     |                 |                           |
| Revenue from Operations           | 1,612.08        | 392.71                    |
| Other Income                      | 57.72           | 16.76                     |
| <b>Total Income</b>               | <b>1,669.80</b> | <b>409.47</b>             |
|                                   |                 |                           |
| <b>Expenditure</b>                |                 |                           |
| <b>Purchase of Stock in Trade</b> | <b>1,591.77</b> | <b>390.70</b>             |
| % to Total Income                 | 95.33%          | 95.42%                    |
|                                   |                 |                           |
| <b>Other Expenses</b>             | <b>19.50</b>    | <b>11.43</b>              |
| % to Total Income                 | 1.17%           | 2.79%                     |
|                                   |                 |                           |
| <b>Employee Benefit Expenses</b>  | <b>37.01</b>    | <b>4.75</b>               |
| % to Total Income                 | 2.22%           | 1.16%                     |

|   |                 |               |
|---|-----------------|---------------|
| <b>Total Expenditure</b>                | <b>1,648.28</b> | <b>406.88</b> |
| % to Total Income                       | 98.71%          | 99.37%        |
| <b>PBIDT</b>                            | <b>21.52</b>    | <b>2.59</b>   |
| % to Total Income                       | 1.29%           | 0.63%         |
| <b>Depreciation</b>                     | <b>1.82</b>     | <b>0.77</b>   |
| % to Total Income                       | 0.11%           | 0.19%         |
| <b>Interest &amp; Financial Charges</b> | <b>2.49</b>     | <b>0.00</b>   |
| % to Total Income                       | 0.15%           | 0.00%         |
| <b>Profit before Taxation</b>           | <b>17.21</b>    | <b>1.83</b>   |
| % to Total Income                       | 1.03%           | 0.45%         |
| <b>Tax Effect</b>                       | <b>5.33</b>     | <b>0.58</b>   |
| % to Total Income                       | 0.32%           | 0.14%         |
| <b>Profit After Tax</b>                 | <b>11.88</b>    | <b>1.25</b>   |
| % to Total Income                       | 0.71%           | 0.30%         |

#### For the Financial Year ended March 31, 2017

##### Turnover

We recorded trading turnover of ₹ 1612.08 Lakhs which consists of various industrial, metals and alloy products including iron and steel by our company. During the year we added new products to our portfolio such as Aluminum extrusion products and specialty tool grade steel amongst others.

We had other income of ₹ 57.72 Lakhs which consisted of interest received. Total income for the FY 2017 was ₹ 1669.80 Lakhs.

##### Operating Expenses

The total operating expenditure aggregated to ₹ 1648.28 Lakhs which was 98.71% of the total income.

Purchase of stock in trade stood at ₹ 1591.77 Lakhs which was 96.57% of the total operating expenses and 95.332% of the total income.

Other Expenses stood at ₹ 19.50 Lakhs which was 1.18% of the total operating expenses and 1.17% of the total income.

Employee benefit expenses stood at ₹ 37.01 Lakhs which was 2.25% of the total operating expenses and 2.22% of the total income.

##### Depreciation

We incurred Depreciation cost of ₹ 1.82 Lakhs, which is 0.11% of our total income.

##### Interest and Financial Charges

Interest and financial charges during the FY 2017 stood at ₹2.49 Lakhs which was 0.15% of our total income.





## Profits

Our PBIDT stood at ₹ 21.52 Lakhs for the year ended March 31, 2017 with the PBIDT margin of 1.29%. We recorded PBT of ₹ 17.21 Lakhs and PBT margin stood at 1.03%. We recorded Net Profit of ₹ 11.88 Lakhs. Our Net Profit Margin stood at 0.71%.

**Related Party Transactions:** For further information please refer “*Related Party Transactions*” on page 95.

**Financial Market Risks:** We are exposed to financial market risks from changes in borrowing costs, interest rates and inflation.

**Interest Rate Risk:** Our Company is exposed to interest rate risks to the extent of our borrowings. Any future borrowings may increase our risk.

**Effect of Inflation:** We are affected by inflation as it has an impact on the operating cost, staff costs etc. In line with changing inflation rates, we rework our margins so as to absorb the inflationary impact.

## FACTORS THAT MAY AFFECT THE RESULTS OF THE OPERATIONS:

### 1. Unusual or infrequent events or transactions

To our knowledge there have been no unusual or infrequent events or transactions that have taken place during the last three years.

### 2. Significant economic changes that materially affected or are likely to affect income from continuing operations.

Our business has been subject, and we expect it to continue to be subject, to significant economic changes arising from the trends identified above in ‘*Factors Affecting our Results of Operations*’ and the uncertainties described in the section entitled ‘*Risk Factors*’ beginning on page 14 of the Prospectus. To our knowledge, except as we have described in the Prospectus, there are no known factors which we expect to bring about significant economic changes.

### 3. Known trends or uncertainties that have had or are expected to have a material adverse impact on sales, revenue or income from continuing operations.

Apart from the risks as disclosed under Section titled “*Risk Factors*” on page 14 in the Prospectus, in our opinion there are no other known trends or uncertainties that have had or are expected to have a material adverse impact on revenue or income from continuing operations.

### 4. Future changes in relationship between costs and revenues, in case of events such as future increase in labour or material costs or prices that will cause a material change are known.

Our Company’s future costs and revenues will be determined by demand/supply situation, government policies and prices quoted by service providers.

### 5. 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.

Increases in revenues are by and large linked to increases in volume of business.

### 6. Total turnover of each major industry segment in which the issuer company operated.

For details on the total turnover of the industry please refer to “*Industry Overview*” on page 59.

### 7. Status of any publicly announced new products or business segment.

Our Company has not announced any new product or business segment.

### 8. The extent to which business is seasonal.



Our Company's business is not seasonal in nature.

**9. Any significant dependence on a single or few suppliers or customers.**

**Customers' contribution:**

| <b>Particulars</b> | <b>Financial Year ended<br/>March 31, 2017</b> |
|--------------------|--|
| Top 5 (%)          | 86.19  |

**Suppliers Contribution:**

| <b>Particulars</b> | <b>Financial Year ended<br/>March 31, 2017</b> |
|--------------------|--|
| Top 5 (%)          | 91.69  |

**10. Competitive conditions.**

Competitive conditions are as described under “*Industry Overview*” and “*Our Business*” on pages 59 and 60, respectively.



## FINANCIAL INDEBTEDNESS

Our Company utilizes certain credit facilities from banks and financial institutions for conducting its business. Following is a summary of our Company's outstanding borrowings as on September 30, 2017:

| Sr. No.      | Nature of Borrowing  | Amount (₹ in lakhs) |
|--------------|----------------------|---------------------|
| 1.           | Secured Borrowings   | 3.31                |
| 2.           | Unsecured Borrowings | 64.32               |
| <b>Total</b> |                      | <b>67.63</b>        |

### Secured Borrowings

| Sr. No.      | Name of the Lender | Facility/Sanctioned Amount | Amount Outstanding (as on September 30, 2017) ₹ Lacs | Interest Rate | Repayment Schedule  | Security           |
|--------------|--------------------|----------------------------|--|---------------|---------------------|--------------------|
| 1            | Uco Bank           | OD against FD              | 3.31   | 9.00%         | Repayable on Demand | Secured Against FD |
| <b>Total</b> |                    |                            | <b>3.31</b>  |               |                     |                    |

### Unsecured Borrowings

Following are the details of the unsecured borrowings of our Company as on September 30, 2017:

(₹ in lakhs)

| Particulars              | Outstanding as on 31.03.17 | Repayment           |
|--------------------------|----------------------------|---------------------|
| Globe Commercial Limited | 34.67                      | Repayable on demand |
| Chandu K. Jain           | 13.05                      | Repayable on demand |
| Kirit Shah               | 34.67                      | Repayable on demand |
| <b>Total</b>             | <b>64.32</b>               |                     |

## SECTION VI – LEGAL AND OTHER INFORMATION OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

*Except as stated below there is no (i) pending criminal litigation involving our Company, Directors, Promoter or Group Companies; (ii) actions taken by statutory or regulatory authorities involving our Company, Directors, Promoter or Group Companies; (iii) outstanding claims involving our Company, Directors, Promoter or Group Companies for any direct and indirect tax liabilities; (iv) outstanding proceedings initiated against our Company for economic offences; (v) defaults or non-payment of statutory dues by our Company; (vi) material fraud against our Company in the last five years immediately preceding the year of this Prospectus; (vii) inquiry, inspection or investigation initiated or conducted under the Companies Act 2013 or any previous companies law against our Company during the last five years immediately preceding the year of this Prospectus and if there were prosecutions filed (whether pending or not); (viii) fines imposed or compounding of offences for our Company in the last five years immediately preceding the year of this Prospectus; (ix) litigation or legal action against our Promoter by any ministry or Government department or statutory authority during the last five years immediately preceding the year of this Prospectus; (x) pending litigations involving our Company, Directors, Promoter, Group Companies or any other person, as determined to be material by the Company's Board of Directors in accordance with the SEBI (ICDR) Regulations; or (xi) outstanding dues to creditors of our Company as determined to be material by our Company's Board of Directors in accordance with the SEBI (ICDR) Regulations and dues to small scale undertakings and other creditors.*

*Our Company, our Promoter and/or our Directors, have not been declared as wilful defaulters by the RBI or any governmental authority, have not been debarred from dealing in securities and/or accessing capital markets by the SEBI and no disciplinary action has been taken by the SEBI or any stock exchanges against our Company, our Promoter or our Directors, that may have a material adverse effect on our business or financial position, nor, so far as we are aware, are there any such proceedings pending or threatened.*

*Unless otherwise stated, all proceedings are pending as of the date of this Prospectus. All information provided below is as of the date of this Prospectus.*

### **LITIGATION INVOLVING OUR COMPANY**

Nil

### **LITIGATION INVOLVING THE DIRECTORS**

Nil

### **LITIGATION INVOLVING OUR PROMOTERS**

Nil

### **LITIGATION INVOLVING OUR GROUP ENTITIES**

Nil

### **TAX PROCEEDINGS**

Nil

### **MATERIAL FRAUDS AGAINST OUR COMPANY**

There have been no material frauds committed against our Company in the five years preceding the year of this Prospectus.

### **PROCEEDINGS INITIATED AGAINST OUR COMPANY FOR ECONOMIC OFFENCES**

There are no proceedings initiated against our Company for any economic offences.

### **NON PAYMENT OF STATUTORY DUES**



As on the date of the Prospectus there have been no (i) instances of non-payment or defaults in payment of statutory dues by our Company, (ii) over dues to companies or financial institutions by our Company, (iii) defaults against companies or financial institutions by our Company, or (iv) contingent liabilities not paid for.

#### **PAST CASES WHERE PENALTIES WERE IMPOSED**

There are no past cases where penalties were imposed on our Company by concerned authorities/courts.

#### **OUTSTANDING LITIGATION AGAINST OTHER PERSONS AND COMPANIES WHOSE OUTCOME COULD HAVE AN ADVERSE EFFECT ON OUR COMPANY**

As on the date of the Prospectus, there is no outstanding litigation against other persons and companies whose outcome could have a material adverse effect on our Company.

#### **PAST INQUIRIES, INSPECTIONS OR INVESTIGATIONS**

There have been no inquiries, inspections or investigations initiated or conducted under the Companies Act 2013 or any previous company law in the last five years immediately preceding the year of the Prospectus in the case of Company, Promoters, Directors. Other than as described above, there have been no prosecutions filed (whether pending or not) fines imposed, compounding of offences in the last five years immediately preceding the year of the Prospectus.

Further, there is no legal action pending or taken by any Ministry or Department of the Government or a statutory authority against the promoters during the last five years immediately preceding the year of the issue of the Prospectus and any direction issued by such Ministry or Department or statutory authority upon conclusion of such litigation or legal action.

#### **OUTSTANDING DUES TO CREDITORS**

As per the Materiality Policy, our Board has approved that each creditor, to whom our Company individually owes a net aggregate amount that exceeds 5.00% of the trade payables as per the Restated Financial Statements for the most recent financial year, shall be considered as a material creditor of our Company. Our Board has also approved that dues owed by our Company to small scale undertakings as per the Restated Financial Statements for the most recent financial year shall be disclosed in a consolidated manner.

As of September 30, 2017, our Company, in its ordinary course of business, has no amount which is due towards trade creditors. As per the above policy, consolidated information of outstanding dues, as at September 30, 2017, owed to small scale undertakings, material dues to trade creditors separately, giving details of number of cases and aggregate amount for such dues is as under:

| <i>(₹ in lakhs)</i>              |                        |                           |
|----------------------------------|------------------------|---------------------------|
| <b>Particulars</b>               | <b>Number of cases</b> | <b>Amount Outstanding</b> |
| Dues to small scale undertakings | Nil                    | Nil                       |
| Material dues to creditors       | 1                      | 228.70                    |
| Other dues to creditors          | 6                      | 15.73                     |

Further, our Company has not received any intimation from suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosure, if any, in relation to amount unpaid as at the year end together with interest payable as required under the said Act have not been furnished. Our Company does not owe any small scale industries or any MSMEs any amounts exceeding ₹1 lakh which is outstanding for more than 30 days. There are no disputes with such entities in relation to payments to be made to them.

The details pertaining to net outstanding dues towards our creditors are available on the website of our Company at <http://www.mrcexim.co.in>. It is clarified that such details available on our website do not form a part of this Prospectus. Anyone placing reliance on any other source of information, including our Company's website, <http://www.mrcexim.co.in>, would be doing so at their own risk.



## **MATERIAL DEVELOPMENTS**

Except as stated in “*Management’s Discussion and Analysis of Financial Condition and Results of Operation*” on page 119, there have not arisen, since the date of the last financial statements disclosed in the Prospectus, any circumstances which materially and adversely affect or are likely to affect our profitability taken as a whole or the value of our assets or our ability to pay our liabilities within the next 12 months.



## GOVERNMENT AND OTHER APPROVALS

*In view of the licenses / permissions / approvals / no-objections / certifications / registrations, (collectively “Authorizations”) from the Government of India and various statutory / regulatory / governmental authorities listed below, our Company can undertake this Issue and our current business activities and to the best of our knowledge, no further approvals from any governmental or statutory or regulatory authority or any other entity are required to undertake this Issue or continue our business activities. Unless otherwise stated, these approvals are all valid as on the date of the Prospectus.*

*The main objects clause of the Memorandum of Association and objects incidental to the main objects enable our Company to undertake its existing business activities. For further details in connection with the regulatory and legal framework within which we operate, please refer “Key Regulations and Policies” on page 68 of the Prospectus.*

### A. Corporate / General Authorizations

| Sr. No. | Authorisation granted  | Issuing Authority              | Registration No./Reference No./License No. | Date of Issue    | Valid up to           |
|---------|--|--------------------------------|--|------------------|-----------------------|
| 1.      | Certificate of incorporation in the name of “MRC Exim Limited” | Registrar of Companies, Mumbai | U74999MH2015PLC269095                      | October 12, 2015 | Valid until cancelled |

### B. Issue Related Authorizations

- Our Board of Directors has, pursuant to a resolution passed at its meeting held on July 1, 2017, authorised the Issue subject to the approval by the shareholders of our Company under Section 62(1)(c) of the Companies Act, 2013 and approvals by such other authorities as may be necessary.
- The shareholders of our Company have authorised the Issue, pursuant to a special resolution under Section 62(1)(c) of the Companies Act, 2013, passed at their AGM held on August 18, 2017.
- Our Company has obtained in-principle approval dated November 14, 2017 from the BSE Limited.
- Our Company's International Securities Identification Number (“ISIN”) is INE333Y01017.

### C. Tax Related Authorisations

| Sr. No. | Authorisation Granted                         | Issuing Authority                                 | Registration No. / Reference No. / License No. | Applicable Act/ Regulation                                  | Valid up to           |
|---------|---|---|--|---|-----------------------|
| 1.      | Permanent Account Number (PAN)                | Income Tax Department, GoI                        | AAJCM9802G                                     | Income Tax Act, 1961  | Valid until cancelled |
| 2.      | Tax Deduction Account Number (TAN)            | Income Tax Department, GoI                        | MUMM50814B                                     | Income Tax Act, 1961  | Valid until cancelled |
| 3.      | Taxpayers Identification Number under VAT     | Maharashtra Sales Tax Department                  | 27721170245V                                   | The Central Sales Tax (Registration & Turnover Rules), 1957 | Valid until cancelled |
| 4.      | Central Sales Tax Registration Number         | Central Sales Tax                                 | 27721170245C                                   |   | Valid until cancelled |
| 5.      | GSTIN Certificate of Provisional Registration | Government of India And Government of Maharashtra | 27AAJCM9802G1Z9                                | GST Act   | Valid until cancelled |

**D. Business Related Authorisations**

| <b>Sr. No.</b> | <b>Authorization granted</b>  | <b>Issuing Authority</b>                              | <b>Registration No./Reference No./License No.</b> | <b>Validity</b>          |
|----------------|-------------------------------|---|---|--------------------------|
| 1.             | Importer Exporter Code Number | Office of the Addl. Director General of Foreign Trade | 0315911603  | Valid until cancellation |
| 2.             | Udyog Aadhaar Memorandum      | Ministry of Micro, Small & Medium Enterprises         | UAN – MH18E0011862                                | Valid until cancellation |

**E. Approvals applied for but not yet received in the usual course of business:**

| <b>Sr. No.</b> | <b>Authorization granted</b>  | <b>Issuing Authority</b> | <b>Application Date</b> |
|----------------|-------------------------------|--------------------------|-------------------------|
| 1.             | Professional Tax Registration | Profession Tax Officer   | August 16, 2017         |





## OTHER REGULATORY AND STATUTORY DISCLOSURES

### Authority for the Issue

#### Corporate Approvals

- Our Board has, pursuant to its resolution dated July 1, 2017, authorized the Issue, subject to the approval of the Equity Shareholders of our Company under Section 62(1)(c) of the Companies Act 2013.
- Our Equity Shareholders have, pursuant to a resolution dated August 18, 2017, under Section 62(1)(c) of the Companies Act, authorized the Issue.

We have received in-principle approval from BSE *vide* their letter dated November 14, 2017 to use the name of BSE in this Offer Document for listing of our Equity Shares on SME Platform of BSE. BSE is the Designated Stock Exchange.

### Prohibition by SEBI, the RBI or other Governmental Authorities

None of our Company, our Promoters, our Promoter Group, our Directors, our Group Entities and persons in control of our Company are or have ever been prohibited from accessing or operating in the capital market or restrained from buying, selling or dealing in securities under any order or direction passed by the SEBI or any other governmental authorities. Neither our Promoters, nor any of our Directors or persons in control of our Company were or are a promoter, director or person in control of any other company which is debarred from accessing the capital market under any order or directions made by the SEBI or any other governmental authorities. Further, there has been no violation of any securities law committed by any of them in the past and no such proceedings are currently pending against any of them.

Neither our Company, nor any of our Promoters, Group Entities, nor our Directors, nor the relatives (as per the Companies Act) of our Promoters are or have been identified as wilful defaulters by the RBI or any other governmental authorities.

The listing of securities of our Company has never been refused at any time by any stock exchange in India or abroad.

### Association with Securities Market

We confirm that none of our Directors are associated with the securities market in any manner except for trading on day to day basis for the purpose of investment.

### Eligibility for this Issue

Our Company is in compliance with the following conditions specified in Regulation 4(2) of the SEBI Regulations to the extent applicable.

- a. Our Company, our Directors and the companies with which our Directors are associated as directors or promoters or persons in control have not been prohibited from accessing or operating in the capital markets under any order or direction passed by SEBI;
- b. Our Company has applied to the SME Platform of BSE for obtaining their in-principle listing approval for listing of the Equity Shares under this Issue and has received the in-principle approval from the SME Platform of BSE pursuant to its letter dated November 14, 2017. For the purposes of this Issue, BSE shall be the Designated Stock Exchange;
- c. Our Company has entered into the tripartite agreements with NSDL & CDSL along with our Registrar for facilitating trading in dematerialized mode.
- d. The Equity Shares are fully paid and there are no partly paid-up Equity Shares as on the date of filing this Prospectus.

Further, in compliance with Regulation 4 (5) of the SEBI (ICDR) Regulations, none of our Company, Promoters or Directors is a Wilful Defaulter, as on the date of this DP.

Our Company is an “Unlisted Issuer” in terms of the SEBI (ICDR) Regulations; and this Issue is an “Initial Public Offer” in terms of the SEBI (ICDR) Regulations.

Our Company is eligible for the Issue in accordance with Regulation 106(M)(2) and other provisions of Chapter XB of the SEBI (ICDR) Regulations, as we are an Issuer whose post issue face value capital exceed ten crores rupees, and propose to list the same on the Small and Medium Enterprise Exchange (“SME Exchange”, in this case being the SME Platform of BSE)

We confirm that:

- a) In accordance with Regulation 106(P) of the SEBI (ICDR) Regulations, this Issue has been hundred percent underwritten and that the Lead Manager to the Issue has underwritten more than 15% of the Total Issue Size. For further details pertaining to said underwriting please refer to “*General Information – Underwriting*” on page 36.
- b) In accordance with Regulation 106(R) of the SEBI (ICDR) Regulations, we shall ensure that the total number of proposed allottees in the Issue is greater than or equal to fifty, otherwise, the entire application money will be refunded forthwith. If such money is not repaid within Eight (8) days from the date our Company becomes liable to repay it, then our Company and every officer in default shall, on and from expiry of eight (8) 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, we have not filed any Draft Offer Document with SEBI nor has SEBI issued any observations on our Offer Document. Also, we shall ensure that our Lead Manager submits 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, we have entered into an agreement with the Lead Manager and Market Maker to ensure compulsory Market Making for a minimum period of three years from the date of listing of equity shares offered in this Issue. For further details of the arrangement of market making please refer to the section titled “*General Information – Details of the Market Making Arrangements for this Issue*” on page 37.

We further confirm that we shall be complying with all the other requirements as laid down for such an offer 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/s.

As per Regulation 106(M)(3) of SEBI (ICDR) Regulations, 2009, the provisions of Regulations 6(1), 6(2), 6(3), Regulation 8, Regulation 9, Regulation 10, Regulation 25, Regulation 26, Regulation 27 and Sub-regulation (1) of Regulation 49 of SEBI (ICDR) Regulations, 2009 shall not apply to us in this Issue.

- e) There has been no change in the promoter/s of the Company in the preceding one year from date of filing application to BSE for listing on SME Platform of BSE.
- f) Our Company does not have track record of distributable profits in terms of section 123 of Companies Act for at least two years out of immediately preceding three financial years. However as on March 31, 2017 our Company has networth of more than ₹5.00 crores.
- g) The distributable Profit, Net tangible Assets and Net worth of our Company as per the restated financial statements for financial year ended March 31, 2017 is as set forth below:

|                                     | (₹ in lakhs)                   |
|-------------------------------------|--------------------------------|
| <b>Particulars</b>                  | <b>FY ended March 31, 2017</b> |
| Distributable Profit <sup>(1)</sup> | 11.88                          |
| Net tangible Assets <sup>(2)</sup>  | 826.10                         |
| Net Worth <sup>(3)</sup>            | 747.72                         |

1. *Distributable profits have been computed in terms section 123 of the Companies Act, 2013.*

2. *‘Net tangible assets’ are defined as the sum of all net assets (i.e. non current assets, current assets less current liabilities) of our Company, excluding deferred tax asset and intangible assets as defined in Accounting Standard 26 (AS 26) issued by the Institute of Chartered Accountants of India.*

3. *“Net Worth” has been defined as the aggregate of the paid up share capital, share application money (excluding the portion included in other current liabilities) and reserves and surplus excluding revaluation reserve and after deducting miscellaneous expenditure, if any.*



- h) As on the date of this Prospectus, our Company has a paid up capital of ₹742.09 lakhs which is more than ₹100 lakhs and the Post Issue Paid-up Equity Share Capital will be ₹1042.09 lakhs which is more than ₹1,000 lakhs.
- i) Our Company has not been referred to the Board for Industrial and Financial Reconstruction (BIFR).
- j) There is no winding up petition against the Company, which has been admitted by the court or a liquidator has not been appointed.
- k) We confirm that no material regulatory or disciplinary action by a stock exchange or regulatory authority has been taken in the past three years against our Company.
- l) We have a website: [www.mrcexim.co.in](http://www.mrcexim.co.in)

#### **Compliance with Part A of Schedule VIII of the SEBI (ICDR) Regulations**

Our Company is in compliance with the provisions specified in Part A of the SEBI (ICDR) Regulations. No exemption from eligibility norms has been sought under Regulation 109 of the SEBI (ICDR) Regulations, with respect to the Issue. Further, our Company has not been formed by the conversion of a partnership firm into a company.

#### **DISCLAIMER CLAUSE OF SEBI**

**IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF OFFER DOCUMENT TO SEBI SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE OFFER DOCUMENT. THE LEAD MERCHANT BANKER, INVENTURE MERCHANT BANKER SERVICES PRIVATE LIMITED HAS CERTIFIED THAT THE DISCLOSURES MADE IN THE OFFER DOCUMENT ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 IN FORCE FOR THE TIME BEING. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING AN INVESTMENT IN THE PROPOSED ISSUE.**

**IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS PROSPECTUS, THE LEAD MERCHANT BANKER, INVENTURE MERCHANT BANKER SERVICES PRIVATE LIMITED IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE LEAD MERCHANT BANKER, INVENTURE MERCHANT BANKER SERVICES PRIVATE LIMITED HAS FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED NOVEMBER 26, 2017 WHICH READS 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 THIS 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, 1956, THE COMPANIES ACT, 2013 (TO THE EXTENT NOTIFIED), 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 FULFIL THEIR UNDERWRITING COMMITMENTS.
  5. WE CERTIFY THAT WRITTEN CONSENT FROM PROMOTERS 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 PROMOTERS CONTRIBUTION SUBJECT TO LOCK-IN SHALL NOT BE DISPOSED / SOLD / TRANSFERRED BY THE PROMOTERS DURING THE PERIOD STARTING FROM THE DATE OF FILING OF 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 PROMOTERS 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 PROMOTERS 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 PROMOTERS' 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 THE STOCK EXCHANGE MENTIONED IN THIS 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 ALL THE SHARES SHALL BE ISSUED IN DEMATERIALIZED FORM IN COMPLIANCE WITH THE PROVISIONS OF SECTION 29 OF THE COMPANIES ACT, 2013 AND THE DEPOSITORIES ACT, 1996 AND THE REGULATIONS MADE THEREUNDER.
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 OF 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. WE ENCLOSE STATEMENT ON PRICE INFORMATION OF PAST ISSUES HANDLED BY MERCHANT BANKER, AS PER FORMAT SPECIFIED BY THE BOARD THROUGH CIRCULAR.
17. WE CERTIFY THAT PROFITS FROM RELATED PARTY TRANSACTIONS HAVE ARISEN FROM LEGITIMATE BUSINESS TRANSACTIONS.

THE FILING OF THIS OFFER DOCUMENT DOES NOT, HOWEVER, ABSOLVE OUR COMPANY FROM ANY LIABILITIES UNDER SECTION 63 OR SECTION 68 OF THE COMPANIES ACT, 1956 (SECTION 34 OR SECTION 36 OF THE COMPANIES ACT, 2013 OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY 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 MERCHANT BANKER ANY IRREGULARITIES OR LAPSES IN THE OFFER DOCUMENT.

ADDITIONAL CONFIRMATIONS/ CERTIFICATIONS 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 COMPLIANCE.
- (4) WE CONFIRM THAT AGREEMENTS HAVE BEEN ENTERED INTO WITH THE DEPOSITORIES FOR DEMATERIALIZATION OF THE SPECIFIED SECURITIES OF THE ISSUER.
- (5) WE CERTIFY THAT AS PER THE REQUIREMENTS OF FIRST PROVISOR 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.

*Note: The filing of this Prospectus does not, however, absolve our Company from any liabilities under section 34, section 36 and Section 38 (1) 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 LM 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 Section 26 and 30 of the Companies Act, 2013.*

#### **Disclaimer Clause of BSE**

BSE Limited (“BSE”) has given vide its letter dated November 14, 2017 permission to our Company to use its name in this offer document as one of the stock exchanges on which our Company’s securities are proposed to be listed on the SME Platform. BSE has scrutinized this offer document for its limited internal purpose of deciding on the matter for granting the aforesaid permission to this Company. BSE does not in any manner:

- i. Warrant, certify or endorse the correctness or completeness of any of the contents of this offer document; or
- ii. Warrant that this Company’s securities will be listed or will continue to be listed on BSE; or
- iii. Take any responsibility for the financial or other soundness of this Company, its Promoters, its management or any scheme or project of this Company;

and it should not for any reason be deemed or construed that this offer document has been cleared or approved by the BSE. Every person who desires to apply for or otherwise acquires any securities in this Company may do so pursuant to independent inquiry, investigations and analysis and shall not have any claim against BSE whatsoever by reason of 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 for any other reason whatsoever.

#### **CAUTION – Disclaimer from our Company, our Directors and the Lead Manager**

Our Company, its Directors and the Lead Manager accept no responsibility for statements made otherwise than in this Prospectus or in the advertisements or any other material issued by or at our instance and anyone placing reliance on any other source of information, including our website, www.mrcexim.co.in, would be doing so at his or her own risk.

The Lead Manager accepts no responsibility, save to the limited extent as provided in the MOU / Issue Agreement entered into between the Lead Manager and our Company dated September 1, 2017 and the Underwriting Agreement dated November 7, 2017 entered into between the Underwriter and our Company and the Market Making Agreement dated November 7, 2017 entered into among the Lead Manager, the Market Maker and our Company.





All information shall be made available by our Company and the Lead Manager to the Applicants and public 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 collection centres or elsewhere.

The Lead Manager and their respective associates and affiliates may engage in transactions with, and perform services for our Company, our Group Entities and our respective affiliates and associates in the ordinary course of business, and have engaged, or may in the future engage in commercial banking and investment banking transactions with our Company or our Group Entities or their respective affiliates or associates for which they have received, and may in future receive compensation.

**Note:**

**Investors who apply 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 of our Company and will not offer, sell, pledge or transfer the Equity Shares of our Company to any person who is not eligible under applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of our Company. Our Company, the 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 Equity Shares of our Company.**

**Statement on Price Information of Past Issues handled by Inventure Merchant Banker Services Private Limited:-**

Price information of past issues handled by Inventure Merchant Banker Services Private Limited

| Sr No | Issue Name                 | Issue Size ₹(Cr.) | Issue price (₹) | Listing date      | Opening price on listing date | Closing price on listing date | % Change in Price on listing date (Closing) vs. Issue Price | Benchmark index on listing date (Closing) | Closing price as on 10 <sup>th</sup> calendar day from listing day | Benchmark index as on 10 <sup>th</sup> calendar days from listing day (Closing) | Closing price as on 20 <sup>th</sup> calendar day from listing day | Benchmark index as on 20 <sup>th</sup> calendar days from listing day (Closing) | Closing price as on 30 <sup>th</sup> calendar day from listing day | Benchmark index as on 30 <sup>th</sup> calendar days from listing day (Closing) |
|-------|----------------------------|-------------------|-----------------|-------------------|-------------------------------|-------------------------------|---|---|--|---|--|---|--|---|
| 1     | Univastu India Limited#    | 5.99              | 40              | July 27, 2017     | 48                            | 40.20                         | 0.50  | 10,020.65                                 | 40.60  | 10,066.40   | 42.45  | 9,897.30  | 43.65  | 9,857.05  |
| 2.    | Vanta Bio Science Limited* | 7.56              | 50              | October 6, 2017   | 51.10                         | 50.20                         | 0.40  | 31,814.22                                 | 45.10  | 32,633.64   | 67.60  | 33,147.13   | 60.00  | 33,731.19   |
| 3.    | Secur Credentials Limited# | 30.07             | 205             | November 13, 2017 | 208.00                        | 198.60                        | (3.12)  | 10,224.95                                 | 257.30   | 10348.75  | --   | --  | --   | --  |

**Summary statement of price information of past issues handled by Inventure Merchant Banker Services Private Limited**

| Financial Year | Total no. of IPOs | Total Funds Raised (₹ Cr.) | Nos. of IPOs trading at discount on listing date |                |               | Nos. of IPOs trading at premium on listing date |                |               | Nos. of IPOs trading at discount as on 30 <sup>th</sup> calendar day from listing |                |               | Nos. of IPOs trading at premium as on 30 <sup>th</sup> calendar day from listing |                |               |
|----------------|-------------------|----------------------------|--|----------------|---------------|---|----------------|---------------|---|----------------|---------------|--|----------------|---------------|
|                |                   |                            | Over 50%   | Between 25-50% | Less than 25% | Over 50%  | Between 25-50% | Less than 25% | Over 50%  | Between 25-50% | Less than 25% | Over 50%   | Between 25-50% | Less than 25% |
| 2015-16        | --                | --                         | --   | --             | --            | --  | --             | --            | --  | --             | --            | --   | --             | --            |
| 2016-17        | --                | --                         | --   | --             | --            | --  | --             | --            | --  | --             | --            | --   | --             | --            |
| 2017-18        | 3                 | 43.62                      | --   | --             | 1             | --  | --             | 2             | --  | --             | --            | --   | --             | 2             |





### **Track records of past issues handled by Inventure Merchant Banker Services Private Limited**

For details regarding the track record of the Inventure Merchant Banker Services Private Limited, as specified under Circular reference CIR/MIRSD/1/2012 dated January 10, 2012 issued by the SEBI, please refer to the website of Inventure Merchant Banker Services Private Limited at [www.inventuremerchantbanker.com](http://www.inventuremerchantbanker.com)

### **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 not minors, HUFs, companies, corporate bodies and societies registered under the applicable laws in India and authorised to invest in shares, Indian Mutual Funds registered with SEBI, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), or trusts under applicable trust law and who are authorised under their constitution to hold and invest in shares, public financial institutions as specified in Section 2 (72) of the Companies Act, 2013, scheduled commercial banks, mutual fund registered with SEBI, FII and sub-account (other than a sub-account which is a foreign corporate or foreign individual) registered with SEBI, Alternative Investment Fund, multilateral and bilateral development financial institution, venture capital fund registered with SEBI, foreign venture capital investor registered with SEBI, state industrial development corporation, insurance company registered with Insurance Regulatory and Development Authority, provident fund with minimum corpus of ₹2,500 lakhs, pension fund with minimum corpus of ₹2,500 lakhs, National Investment Fund set up by resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of the 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 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 the Company this Prospectus does not, however, constitute an invitation to purchase 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 this Prospectus comes is required to inform himself or herself about, and to observe, any such restrictions. Any dispute arising out of this Offer will be subject to the jurisdiction of appropriate court(s) in Mumbai, India only.

No action has been, or will be, taken to permit a public offering in any jurisdiction where action would be required for that purpose, except that the Draft Prospectus has been filed with BSE for its observations and BSE shall give its observations in due course. Accordingly, the Equity Shares represented hereby may not be offered or sold, directly or indirectly, and this Prospectus may not be distributed, in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of this Prospectus nor any sale hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of our Company since the date hereof or that the information contained herein is correct as of any time subsequent to this date.

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.

Further, each applicant where required agrees that such applicant will not sell or transfer any Equity Shares or create any economic interest therein, including any off-shore derivative instruments, such as participatory notes, issued against the Equity Shares or any similar security, other than pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with applicable laws and legislations in each jurisdiction, including India.

### **Filing**

The Draft Prospectus shall not be filed with SEBI, nor will SEBI issue any observation on the Offer Document in term of Regulation 106(M)(3) of SEBI (ICDR) Regulations. However, a copy of the Prospectus shall be filed with SEBI at the Corporate Finance Department at their Office situated at: Plot No. C 4-A , G Block, Near Bank of India, Bandra Kurla Complex, Bandra East, Mumbai - 400051, Maharashtra, India.

A copy of the Prospectus, along with the documents required to be filed under Section 26 of the Companies Act, 2013 will be delivered for registration with the RoC, Mumbai situated at 100, Everest Building, Marine Drive, Mumbai – 400020, Maharashtra, India.

### **Listing**

In terms of Chapter XB of the SEBI (ICDR) Regulations, 2009, application shall be made to SME Platform of BSE for obtaining permission for listing of the Equity Shares being offered and sold in the Issue on its SME Platform of BSE after the allotment in the Issue.

If the permissions to deal in, and for an official quotation of, the Equity Shares are not granted by BSE, our Company will forthwith repay, all moneys received from the applicants in pursuance of the Prospectus. If such money is not repaid within the prescribed time, then our Company and every officer in default shall be liable to repay the money, with interest, as prescribed under applicable law.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at BSE are taken within six Working Days of the Issue Closing Date.

The Company has obtained approval from BSE vide letter dated November 14, 2017 to use the name of BSE in this Offer document for listing of equity shares on SME Platform of BSE.

### **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.”*

The liability prescribed under Section 447 of the Companies Act, 2013, includes imprisonment for a term of not less than six months extending up to ten years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending up to three times of such amount.

### **Consents**

Consents in writing of the Directors, the Promoters, Chief Financial Officer, the Company Secretary & Compliance Officer, the Statutory Auditor, the Banker to the Company, the Lead Manager, Registrar to the Issue, Banker to the Issue, Legal Advisor to the Issue, Underwriter to the Issue and Market Maker to the Issue to act in their respective capacities, will be obtained and 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.

### **Expert Opinion**

Our Company has received written consent from the Statutory Auditor namely, M/s. A. Puri & Co., Chartered Accountants to include its name as required under Section 26(1)(a)(v) of the Companies Act, 2013 in this Prospectus and as “expert” as defined under section 2(38) of the Companies Act, 2013 in respect of the report on the Restated Financial Statements and Statement of Tax Benefits, and such consent has not been withdrawn as on the date of this Prospectus.

### **Issue Related Expenses**

The total expenses of the Issue are estimated to be approximately ₹45.00 lakhs. The expenses of this Issue include, among others, underwriting and management fees, printing and distribution expenses, advertisement expenses and legal fees, if applicable. The estimated Issue expenses are as follows:

*(₹ in lakhs)*



| Activity   | Estimated expenses | As a % of the total estimated Issue expenses | As a % of the total Issue size |
|--|--------------------|--|--------------------------------|
| Payment to Merchant Banker including, underwriting and selling commissions, brokerages, Advisors to the Company, payment to other intermediaries such as Legal Advisors, Registrars etc. and other out of pocket expenses. | 25.00              | 55.56  | 5.56                           |
| Advertising and marketing expenses   | 2.50               | 5.56   | 0.56                           |
| Printing and stationery expenses, distribution and postage   | 2.50               | 5.56   | 0.56                           |
| ROC, Regulatory and other expenses including Listing Fee   | 15.00              | 33.33  | 3.33                           |
| <b>Total estimated Issue expenses</b>  | <b>45.00</b>       | <b>100.00</b>                                | <b>10.00</b>                   |

### Details of Fees Payable

#### Fees Payable to the Lead Manager

The total fees payable to the Lead Manager (including underwriting fees) will be as per the Memorandum of Understanding and Underwriting Agreement among our Company and the Lead Manager, copy of which is available for inspection at the Registered Office of our Company.

#### Fees Payable to the Registrar to the Issue

The fees payable to the Registrar to the Issue will be as per the Agreement signed by our Company and the Registrar to the Issue dated August 31, 2017, a copy of which is available for inspection at our Registered Office.

The Registrar to the Issue will be reimbursed for all out-of-pocket expenses including cost of stationery, postage, stamp duty and communication expenses. Adequate funds will be provided by the Company to the Registrar to the Issue to enable them to send refund orders or allotment advice by registered post/ speed post/ under certificate of posting.

#### Fees Payable to Others

The total fees payable to the Legal Advisor, Statutory Auditor and Advertisers, etc. will be as per the terms of their respective engagement letters, if any.

#### Commission and Brokerage Paid on Previous Issues of our Equity Shares

Since this is the Initial Public Offer of the Company, no sum has been paid or has been payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of the Equity Shares since inception of the Company.

#### Previous Rights and Public Issues during the Last Five Years

We have not made any previous rights and/or public issues during the last five years, and are an “Unlisted Issuer” in terms of the SEBI (ICDR) Regulations and this Issue is an “Initial Public Offering” in terms of the SEBI (ICDR) Regulations.

#### Previous Issues of Shares otherwise than for Cash

Except as stated in “*Capital Structure*” on page 40, we have not made any previous issues of shares for consideration otherwise than for cash.

#### Previous capital issue during the last three years by listed Group Companies and Subsidiary of our Company

None of the Group Companies of our Company are listed. Further, none of our Group Companies have made any public or rights issue of securities in the preceding three years.

#### Performance vis-à-vis objects

Our Company is an “Unlisted Issuer” in terms of the SEBI (ICDR) Regulations, and this Issue is an “Initial Public Offering” in terms of the SEBI (ICDR) Regulations. Therefore, data regarding promise versus performance is not applicable to us.

Other than as detailed below, none of the Group Entities has made public issue of equity shares during the period of ten years immediately preceding the date of filing draft offer document with the BSE.

#### **SSPN Finance Limited (SSPN):**

The equity shares of SSPN were listed on SME Platform of BSE on March 26, 2015. The company made the initial public issue of 7,50,000 Equity Shares of Rs.10/- each at a price of Rs.20/- each per equity share (Including a premium of Rs.10/- per equity share) for cash aggregating to Rs. 150.00 Lakhs. The issue opened for subscription on March 10, 2015 and closed for subscription on March 12, 2015. The issue was made to fund the long term working requirements of the Company.

The IPO was made by SSPN to fund its long term working capital requirement for the purpose of the investment business. The Company has already deployed the IPO proceeds as per the object of the issue within the specified timeline.

#### **Outstanding Debentures or Bond Issues or Redeemable Preference Shares**

As on the date of this Prospectus, our Company has no outstanding debentures, bonds or redeemable preference shares.

#### **Partly Paid-Up Shares**

As on the date of this Prospectus, there are no partly paid-up Equity Shares of our Company.

#### **Outstanding Convertible Instruments**

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

#### **Option to Subscribe**

- a. Investors will get the allotment of specified securities in dematerialization form only.
- b. The equity shares, on allotment, shall be traded on stock exchange in demat segment only.

#### **Stock Market Data for our Equity Shares**

Our Company is an “Unlisted Issuer” in terms of the SEBI (ICDR) Regulations, and this Issue is an “Initial Public Offering” in terms of the SEBI (ICDR) Regulations. Thus there is no stock market data available for the Equity Shares of our Company.

#### **Investor Grievances and Redressal System**

The Company has appointed Purva Shareregistry (India) Private Limited as the Registrar to the Issue, to handle the investor grievances in co-ordination with the Compliance Officer of the Company. All grievances relating to the present Issue may be addressed to the Registrar with a copy to the Compliance Officer, giving full details such as name, address of the applicant, number of Equity Shares applied for, amount paid on application and name of bank and branch. The Company would monitor the work of the Registrar to ensure that the investor grievances are settled expeditiously and satisfactorily.

The Registrar to the Issue, namely, Purva Shareregistry (India) Private Limited, will handle investor’s grievances pertaining to the Issue. A fortnightly status report of the complaints received and redressed by them would be forwarded to the Company. The Company would also be co-coordinating with the Registrar to the Issue in attending to the grievances to the investor.

All grievances relating to the ASBA process may be addressed to the SCSBs, giving full details such as name, address of the applicant, number of Equity Shares applied for, amount paid on application and the Designated Branch of the SCSB where the Application Form was submitted by the Applicant. We estimate that the average time required by us or the



Registrar to the Issue or the SCSBs for the redressal of routine investor grievances will be seven business days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, we will seek to redress these complaints as expeditiously as possible.

Our Board by a resolution on May 9, 2017 constituted a Stakeholders Relationship Committee. For further details, please refer to the “*Our Management*” on page 73.

The Company assures that the Board of Directors in respect of the complaints, if any, to be received shall adhere to the following schedules:

| Sr. No. | Nature of Complaint                             | Time Table   |
|---------|---|--|
| 1.      | Non receipt of Demat Credit of Shares           | Within 7 days of receipt of complaint subject to production of satisfactory evidence |
| 2.      | Any other complaint in relation to Public Issue | Within 7 days of receipt of complaint with all relevant details.                     |

Redressal of investors’ grievance is given top priority by the Company. The Committee oversees redressal of complaints of shareholders/investors and other important investor related matters. The Company has adequate arrangements for redressal of investor complaints as follows:

Our Company has appointed Rekha Rani Naraniwal as the Company Secretary and Compliance Officer and he may be contacted at the following address:

**Rekha Rani Naraniwal**  
 106, Siddhesh Apartment,  
 2<sup>nd</sup> Khattar gali, Thakurdwar Road,  
 Charni Road East, Mumbai – 400 004,  
 Maharashtra, India  
 Tel: +91 22 2203 1638  
 Fax: +91 22 2203 1638  
 E-mail: info@mrcexim.co.in  
 Website: www.mrcexim.co.in

Investors can contact the Company Secretary and 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 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, 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.

### **Status of Investor Complaints**

We confirm that we have not received any investor complaint during the three years preceding the date of this Prospectus and hence there are no pending investor complaints as on the date of this Prospectus.

### **Disposal of Investor Grievances by Listed Companies under the Same Management as the Company**

As on the date of this Prospectus our Company does not have any Listed Group Company.

### **Changes in Auditors during the last three financial years**

M/s P.V. Thaker & Company was the statutory auditor of our Company for the period ended March 31, 2016 and FY 2017. We have appointed M/s A. Puri & Co., Chartered Accountants as the statutory auditors in the AGM held on August 18, 2017 as they are peer review certified in terms of SEBI Regulations.

### **Capitalisation of Reserves or Profits**



Save and except as stated in “*Capital Structure*” on page 40, our Company has not capitalized its reserves or profits at any time since inception.

**Revaluation of assets**

Our Company has not revalued its assets since incorporation.



## SECTION VII – ISSUE RELATED INFORMATION ISSUE STRUCTURE

This Issue is being made in terms of Regulation 106(M)(2) of Chapter XB of the SEBI (ICDR) Regulations, 2009, as amended from time to time, whereby, an issuer whose post issue face value capital exceed ten crores rupees, and propose to list the same on the Small and Medium Enterprise Exchange ("SME Exchange", in this case being the SME Platform of BSE). For further details regarding the salient features and terms of such an issue please refer "*Terms of the Issue*" and "*Issue Procedure*" on page 148 and 153, respectively.

### Following is the Issue structure:

PUBLIC ISSUE OF 30,00,000 EQUITY SHARES OF FACE VALUE OF ₹ 10.00 EACH OF MRC EXIM LIMITED ("OUR COMPANY" OR "THE ISSUER") FOR CASH AT A PRICE OF ₹15.00 PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF ₹5.00 PER EQUITY SHARE) ("ISSUE PRICE") AGGREGATING TO ₹450.00 LAKHS ("THE ISSUE"). OF THE ISSUE, 1,52,000 EQUITY SHARES AGGREGATING TO ₹22.80 LAKHS WILL BE RESERVED FOR SUBSCRIPTION BY MARKET MAKER ("MARKET MAKER RESERVATION PORTION"). THE ISSUE LESS THE MARKET MAKER RESERVATION PORTION I.E. ISSUE OF 28,48,000 EQUITY SHARES OF FACE VALUE OF ₹ 10.00 EACH AT AN ISSUE PRICE OF ₹15.00 PER EQUITY SHARE AGGREGATING TO ₹427.20 LAKHS IS HEREINAFTER REFERRED TO AS THE "NET ISSUE". THE ISSUE AND THE NET ISSUE WILL CONSTITUTE 28.79% AND 27.33%, RESPECTIVELY OF THE POST ISSUE PAID UP EQUITY SHARE CAPITAL OF OUR COMPANY.

| Particulars   | Net Issue to Public <sup>^</sup>   | Market Maker reservation portion |
|---|--|----------------------------------|
| <b>Number of Equity Shares</b>  | 28,48,000 Equity Shares  | 1,52,000 Equity Shares           |
| <b>Percentage of Issue Size available for allocation</b>                      | 94.93% of the Issue Size<br><br>(50% for the Retail Individual Investors and the balance 50% for Other than Retail Individual Investors).  | 5.07% of the Issue Size          |
| <b>Basis of Allotment/Allocation if respective category is oversubscribed</b> | Proportionate subject to minimum allotment of 8,000 Equity Shares and Further allotment in multiples of 8,000 Equity Shares each.<br><br>For further details please refer to the section titled " <i>Issue Procedure – Basis of Allotment</i> " on page 162. | Firm Allotment                   |
| <b>Mode of Application*</b>   | All Applications by the Applicants must be made compulsorily through ASBA mode (Online or Physical).   | Through ASBA mode                |
| <b>Minimum Application Size</b>   | <b><u>For OIB and NII:</u></b><br>Such number of Equity Shares in multiples of 8,000 Equity Shares such that the Application Value exceeds ₹2,00,000<br><br><b><u>For Retail Individuals:</u></b><br>8,000 Equity Shares                                     | 1,52,000 Equity Shares           |
| <b>Maximum Application</b>  | <b><u>For OIB and NII:</u></b><br>The maximum application size is the Net Issue to public subject to limits the  | 1,52,000 Equity Shares           |

| Particulars              | Net Issue to Public <sup>^</sup>  | Market Maker reservation portion   |
|--------------------------|---|--|
|                          | investor has to adhere under the relevant laws and regulations as applicable.<br><br><b><u>For Retail Individuals:</u></b><br>8,000 Equity Shares |  |
| <b>Mode of Allotment</b> | Dematerialized Form   | Dematerialized Form  |
| <b>Trading Lot</b>       | 8,000 Equity Shares   | 8,000 Equity Shares. However the Market Makers may accept odd lots if any in the market as required under the SEBI (ICDR) Regulations. |
| <b>Terms of payment</b>  | The SCSBs shall be authorized to block such funds in the bank account of the Applicant that are specified in the ASBA Application Form.           |  |

<sup>^</sup>As per Regulation 43(4) of the SEBI (ICDR) Regulations, as amended, as present issue is a fixed price issue 'the allocation' is the net issue to the public category shall be made as follows: (a) 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, accordingly the retail individual investors shall be allocated that higher percentage.**

\* In case of joint Application, the Application Form should contain only the name of the first Applicant whose name should also appear as the first holder of the beneficiary account held in joint names. 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.

### Withdrawal of the Issue

The Company, in consultation with the Lead Manager, reserves the right not to proceed with the Issue at any time before the Issue Opening Date, without assigning any reason thereof. Notwithstanding the foregoing, the Issue is also subject to obtaining the following:

1. The final listing and trading approvals of BSE for listing of Equity Shares offered through this issue on its SME Platform, which the Company shall apply for after Allotment and,
2. The final ROC approval of the Prospectus after it is filed with the ROC.

In case, the Company wishes to withdraw the Issue after Issue opening but before allotment, the Company will give public notice giving reasons for withdrawal of Issue. The public notice will appear in two widely circulated national newspapers (One each in English and Hindi) and one in regional newspaper.

The Lead Manager, through the Registrar to the Issue, will instruct the SCSBs to unblock the ASBA Accounts within one Working Day from the day of receipt of such instruction. The notice of withdrawal will be issued in the same newspapers where the pre-Issue advertisements have appeared and the Stock Exchange will also be informed promptly. If our Company withdraws the Issue after the Issue Closing Date and subsequently decides to undertake a public offering of Equity Shares, our Company will file a fresh offer document with the stock exchange where the Equity Shares may be proposed to be listed.

### Issue Programme

|                           |                         |
|---------------------------|-------------------------|
| <b>Issue Opening Date</b> | <b>December 6, 2017</b> |
| <b>Issue Closing Date</b> | <b>December 8, 2017</b> |

Applications and any revisions to the same will be accepted only between 10.00 a.m. and 5.00 p.m. (Indian Standard Time) during the Issue Period at the Application Centres mentioned in the Application Form except that on the Issue Closing Date applications will be accepted only between 10.00 a.m. and 3.00 p.m. (Indian Standard Time).

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 BSE after taking into account the total number of Applications received up to the closure of timings and reported by Lead Manager to BSE within half an hour of such closure.

It is clarified that Applications not uploaded in the book, would be rejected. In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical Application Form, for a particular Applicant, the details as per physical application form of that Applicant may be taken as the final data for the purpose of Allotment.

Applications will be accepted only on Working days i.e. all trading days of stock exchanges excluding Sunday and bank holidays as per SEBI circular No. SEBI/HO/CFD/DIL/CIR/P/2016/26 dated January 21, 2016.

## TERMS OF THE ISSUE

*The Equity Shares being offered are subject to the provisions of the Companies Act, SEBI (ICDR) Regulations, 2009 our Memorandum and Articles of Association, the terms of this Prospectus, Prospectus, Application Form, the Revision Form and other terms and conditions as may be incorporated in the allotment advices and other documents/certificates that may be executed in respect of the Issue. The Equity Shares shall also be subject to laws 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, the Stock Exchange, 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 investors applying in a public issue shall use only Application Supported by Blocked Amount (ASBA) facility for making payment.*

*Further vide the said circular Registrar to the Issue and Depository Participants have been also authorized to collect the application forms. Investor may visit the official website of the concerned for any information on operationalization of this facility of form collection by the Registrar to the Issue and Depository Participants as and when the same is made available.*

### **Ranking of Equity Shares**

The Equity Shares being issued in the Issue shall be subject to the provisions of the Companies Act and the Memorandum and Articles of Association and shall rank *pari-passu* with the existing Equity Shares of our Company including rights in respect of the rights to receive dividends and other corporate benefits, if any, declared by us after the date of Allotment. 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 our Company after the date of Allotment. For further details, please refer “Main Provisions of Articles of Association” on page 196.

### **Authority for the Issue**

This Issue has been authorized by a resolution of the Board passed at their meeting held on July 1, 2017 subject to the approval of shareholders through a special resolution to be passed pursuant to section 62 (1) (c) of the Companies Act, 2013. The shareholders have authorized the Issue by a special resolution in accordance with Section 62 (1) (c) of the Companies Act, 2013 passed at the AGM of the Company held on August 18, 2017.

### **Mode of Payment of Dividend**

The declaration and payment of dividend will be as per the provisions of Companies Act, 1956 and Companies Act, 2013, Article of Association, the provision of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 any other rules, regulations or guidelines as may be issued by Government of India in connection to recommendation 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 dividend, in cash as per the provisions of the Companies Act and our Articles of Association.

### **Face Value and Issue Price per Share**

The face value of the Equity Shares is ₹10.00 each and the Issue Price is ₹15.00 per Equity Share.

The Issue Price is determined by our Company in consultation with the Lead Manager and is justified under “Basis for Issue Price” on page 55. At any given point of time there shall be only one denomination for the Equity Shares.

### **Compliance with SEBI (ICDR) Regulations**

Our Company shall comply with all requirements of the SEBI (ICDR) Regulations. Our Company shall comply with all disclosure and accounting norms as specified by SEBI from time to time.

### **Rights of the Equity Shareholders**

Subject to applicable laws, rules, regulations and guidelines and the Articles of Association, the Equity shareholders shall



have the following rights:

- Right to receive dividend, if declared;
- Right to attend general meetings and exercise voting rights, unless prohibited by law;
- Right to vote on a poll either in person or by proxy;
- Right to receive offer for rights shares and be allotted bonus shares, if announced;
- Right to receive surplus on liquidation subject to any statutory and preferential claim being satisfied;
- Right of free transferability subject to applicable law, including any RBI rules and regulations; and
- Such other rights, as may be available to a shareholder of a listed public limited company under the Companies Act, the terms of the listing agreements with the Stock Exchange(s) and the Memorandum and Articles of Association of our Company.

For a detailed description of the main provisions of the Articles of Association relating to voting rights, dividend, forfeiture and lien and/or consolidation/splitting, please refer “*Main Provisions of Articles of Association*” on page 196.

### **Jurisdiction**

Exclusive jurisdiction for the purpose of this Issue is with the competent courts/authorities in Mumbai, India.

**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. 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 number of Equity Shares applied for do not exceed the applicable limits under laws or regulations.**

### **Joint Holders**

Where two or more persons are registered as the holders of any Equity Shares, they shall be deemed to hold the same as joint – tenants with benefits of survivorship.

### **Nomination Facility to Investor**

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 our 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 the provisions of Section 72 of the Companies Act, 2013 shall upon the production of such evidence as may be required by the Board, elect either:

- a) to register himself or herself as the holder of the Equity Shares; or
- b) to make such transfer of the Equity Shares, as the deceased holder could have made.

Further, the Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of ninety 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 dematerialized mode 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 investor wants to change the nomination, they are requested to inform their respective depository participant.

**Minimum Subscription**

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

*In accordance with Regulation 106 P (1) of the SEBI (ICDR) Regulations, our Issue shall be hundred percent underwritten. Thus, the underwriting obligations shall be for the entire hundred percent of the offer through this Prospectus and shall not be restricted to the minimum subscription level.*

*In accordance with Regulation 106(R) of the SEBI (ICDR) Regulations, our Company shall ensure that the number of prospective allottees to whom the Equity Shares will allotted will not be less than 50 (Fifty).*

*Further, the minimum application size in terms of number of specified securities shall not be less than Rupees One Lakh per application.*

**Minimum Number of Allottees**

The minimum number of allottees in this Issue shall be 50 shareholders. In case the minimum number of prospective allottees is less than 50, no allotment will be made pursuant to this Issue and the monies collected shall be refunded within 15 days of closure of Issue.

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.

**Arrangements for Disposal of Odd Lots**

The trading of the equity shares will happen in the minimum contract size of 8,000 shares in terms of the SEBI circular No. CIR/MRD/DSA/06/2012 dated February 21, 2012. However, the market maker shall buy the entire shareholding of a shareholder in one lot, where value of such shareholding is less than the minimum contract size allowed for trading on the SME Platform of BSE.

**Minimum Application Value; Market Lot and Trading Lot**

In terms of Section 29 of Companies Act, 2013, the Equity Shares shall be allotted only in dematerialised form. As per the SEBI Regulations, the trading of the Equity Shares shall only be in dematerialised form. In this context, two agreements have been signed among our Company, the respective Depositories and the Registrar and Share Transfer Agent to the Issue:

- 1) Tripartite agreement dated September 7, 2017 between our Company, NSDL and the Registrar and Share Transfer Agent to the Issue.
- 2) Tripartite agreement dated October 4, 2017 between our Company, CDSL and the Registrar and Share Transfer Agent to the Issue.

Trading of the Equity Shares will happen in the minimum contract size of 8,000 Equity Shares in terms of the SEBI circular No. CIR/MRD/DSA/06/2012 dated February 21, 2012 and the same may be modified by BSE from time to time by giving prior notice to investors at large. Allocation and allotment of Equity Shares through this Issue will be done in multiples of 8,000 Equity Share subject to a minimum allotment of 8,000 Equity Shares to the successful Applicants.

**Application by Eligible NRIs, FIIs registered with SEBI, VCFs registered with SEBI and QFIs**

It is to be understood that there is no reservation for Eligible NRIs or FIIs registered with SEBI or VCFs or QFIs. Such Eligible NRIs, QFIs, FIIs registered with SEBI will be treated on the same basis with other categories for the purpose of Allocation.



### Restrictions, if any on Transfer and Transmission of Equity Shares

Except for the lock-in of the pre-Issue capital of our Company, Promoters' minimum contribution as provided in "Capital Structure" on page 40, and except as provided in the Articles of Association there are no restrictions on transfer of Equity Shares. Further, there are no restrictions on the transmission of shares/debentures and on their consolidation/splitting, except as provided in the Articles of Association. For details, please refer "Main Provisions of Articles of Association" on page 196.

### Option to receive Equity Shares in Dematerialized Form

Pursuant to Section 29 of the Companies Act, the Equity Shares in the Issue shall be allotted only in dematerialised form. Further, as per the SEBI (ICDR) Regulations, the trading of the Equity Shares shall only be in dematerialised form on the Stock Exchange.

### Migration to Main Board

Our Company may migrate to the main board of BSE from the SME Platform on a later date subject to the following:

- a) If the Paid up Capital of the company is likely to increase above Rs.25 crores by virtue of any further issue of capital by way of rights, preferential issue, bonus issue etc. (which has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the Promoters in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal and for which the company has obtained in-principal approval from the main board), we shall have to apply to BSE 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.

OR

- b) If the Paid up Capital of the company is more than Rs.10 crores but below Rs.25 crores, we 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 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.

Provided where there is any SEBI debarment order against the company/its promoters/directors, such company will not be eligible to migrate from SME to Main Board of BSE till such SEBI debarment order is in force. Accordingly, while seeking migration from the SME Board to the Main Board, our Company would be required to submit an undertaking that the Company / its Promoters / Directors have not been debarred by SEBI.

### Market Making

The shares offered through this Issue are proposed to be listed on the SME Platform of BSE, wherein the Lead Manager to this Issue shall ensure compulsory Market Making through the registered Market Makers of the SME Platform for a minimum period of three years from the date of listing on the SME Platform of BSE. For further details of the agreement entered into between the Company, the Lead Manager and the Market Maker please refer "General Information – Details of the Market Making Arrangement for this Issue" on page 37.

In accordance with the SEBI Circular No.CIR/MRD/DSA/31/2012 dated November 27, 2012; it has decided to make applicable limits on the upper side for the Market Maker during market making process taking into consideration the Issue size in the following manner:

| Issue size             | Buy quote exemption threshold<br>(including mandatory initial<br>inventory of 5% of issue size) | Re-entry threshold for buy quotes<br>(including mandatory initial<br>inventory of 5% of issue size) |
|------------------------|---|---|
| Upto ₹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 following shall apply to market makers while managing their inventory during the process of market making:

The exemption from threshold shall not be applicable for the first three months of market making and the market maker shall be required to provide two way quotes during this period irrespective of the level of holding.

Any initial holdings over and above such 5% of issue size would not be counted towards the inventory levels prescribed.

Apart from the above mandatory inventory, only those shares which have been acquired on the platform of the exchange during market making process shall be counted towards the Market Maker's threshold. Threshold limit will take into consideration, the inventory level across market makers.

The Market Maker shall give two way quotes till it reaches the upper limit threshold; thereafter it has the option to give only sell quotes. Two way quotes shall be resumed the moment inventory reaches the prescribed re-entry threshold.

In view of the Market Maker obligation, there shall be no exemption/threshold on downside. However, in the event the Market Maker exhausts its inventory through market making process on the platform of the exchange, the concerned stock exchange may intimate the same to SEBI after due verification.

Provided, where there is any SEBI debarment order against the company/its promoters/directors, while the SEBI debarment is in force against the company/its promoters/directors, it shall be mandatory for the company to appoint a trading member of BSE as a market maker even after the completion of mandatory period of three years. In case of any default during market making the penalties/actions will be imposed as per the existing guidelines.

### **New Financial Instruments**

The Issuer Company is not issuing any new financial instruments through this Issue.

### **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.

*The above information is given for the benefit of the Applicants. The Applicants are advised to make their own enquiries about the limits applicable to them. Our Company and the Lead Manager do not accept any responsibility for the completeness and accuracy of the information stated hereinabove. Our Company and the Lead Manager are not liable to inform the investors of any amendments or modifications or changes in applicable laws and regulations, which may occur after the date of the Prospectus. Applicants are advised to make their independent investigations and ensure that the number of Equity Shares applied for do not exceed the applicable limits under laws and regulations.*



## ISSUE PROCEDURE

All Applicants should review the General Information Document for Investing in Public Issues prepared and issued in accordance with the circular (CIR/CFD/DIL/12/2013) dated October 23, 2013 notified by SEBI (“General Information Document”) and including SEBI circular bearing number CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 and SEBI circular bearing number SEBI/HO/CFD/DIL/CIR/P/2016/26 dated January 21, 2016 included below under section “PART B – General Information Document”, which highlights the key rules, processes and procedures applicable to public issues in general in accordance with the provisions of the Companies Act 2013 (to the extent notified), the Companies Act, 1956 (to the extent not repealed by the Companies Act, 2013), the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957 and the SEBI (ICDR) Regulations as amended. The General Information Document has been updated to include reference to the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014, SEBI (LODR) 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 portions of the General Information Document which are applicable to this Issue.

Pursuant to the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements)(Fifth Amendment)Regulations, 2015, there have been certain changes in the issue procedure for initial public offerings including making ASBA Process mandatory for all investors, allowing registrar, share transfer agents, collecting depository participants and stock brokers to accept application forms. Also, Regulation 65, sub regulation (1) and (2) of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements)(Fifth Amendment)Regulations, 2015 have certain changes in public issue, the lead merchant banker shall submit final post-issue report as specified in Part C of Schedule XVI, within seven days of the date of finalization of 2 basis of allotment or within seven days of refund of money in case of failure of issue. Further, SEBI, by its circular No. (CIR/CFD/POLICYCELL/11/2015) dated November 10, 2015, reduced the time taken for listing after the closure of an issue to six working days. These changes are applicable for all public issues which open on or after January 1, 2016.

**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. 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. All the Applicants shall ensure that the ASBA Account has sufficient credit Balance such that the full Application Amount can be blocked by the SCSB at the time of submitting the application. 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. Our Company and the Lead Manager are not liable for any amendments, modifications or change in applicable laws or regulations, which may occur after the date of this Prospectus.

ASBA Applicants are required to submit ASBA Applications to the Selected Branches / Offices of the RTAs, DPs, Designated Bank Branches of SCSBs. The lists of banks that have been notified by SEBI to act as SCSB (Self Certified Syndicate Banks) for the ASBA Process are provided on <http://www.sebi.gov.in>. For details on designated branches of SCSB collecting the Application Form, please refer the above mentioned SEBI link. The list of Stock Brokers, Depository Participants (“DP”), Registrar to an Issue and Share Transfer Agent (“RTA”) that have been notified by BSE Limited to act as intermediaries for submitting Application Forms are provided on <http://www.bseindia.com>. For details on their designated branches for submitting Application Forms, please see the above mentioned BSE website. Pursuant to the SEBI (Issue of Capital and Disclosure Requirements) (Fifth Amendment) Regulations, 2015, the ASBA process become mandatory for all investors w.e.f. January 1, 2016 and it allows the registrar, share transfer agents, depository participants and stock brokers to accept application forms.

In case of Non-Institutional Applicants and Retail Individual Applicants, Our Company would have a right to reject the applications only on technical grounds.

Pursuant to the SEBI (Issue of Capital and Disclosure Requirements) (Fifth Amendment) Regulations, 2015, the ASBA process become mandatory for all investors w.e.f. January 1, 2016 and it allows the registrar, share transfer agents, depository participants and stock brokers to accept application forms.



## **PART-A**

### **FIXED PRICE ISSUE PROCEDURE**

The Issue is being made in compliance with the provisions of Reg. 106(M)(1) of Chapter XB of the SEBI (ICDR) Regulations, 2009 and through the Fixed Price Process wherein 50% of the Net Issue to Public is being offered to the Retail Individual Applicants and the balance shall be offered to Non Retail Category i.e. QIBs and Non-Institutional Applicants. However, if the aggregate demand from the Retail Individual Applicants is less than 50%, then the balance Equity Shares in that portion will be added to the non retail portion offered to the remaining investors including QIBs and NIIs and vice-versa subject to valid Applications being received from them at or above the Issue Price.

Subject to the valid Applications being received at or above the Issue Price, allocation to all categories in the Net Issue, shall be made on a proportionate basis, except for the Retail Portion where Allotment to each Retail Individual Applicants shall not be less than the minimum lot, subject to availability of Equity Shares in Retail Portion, and the remaining available Equity Shares, if any, shall be allotted on a proportionate basis. Under subscription, if any, in any category, would be allowed to be met with spillover from any other category or a combination of categories at the discretion of our Company in consultation with the Lead Manager and the Stock Exchange.

**Investors should note that according to section 29(1) of the Companies Act, 2013, allotment of Equity Shares to all successful Applicants will only be in the dematerialised form. The Application Forms which do not have the details of the Applicant’s depository account including DP ID, PAN and Beneficiary Account Number shall be treated as incomplete and rejected. In case DP ID, Client ID and PAN mentioned in the Application Form and entered into the electronic system of the stock exchange, do not match with the DP ID, Client ID and PAN available in the depository database, the application is liable to be rejected. 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.**

### **APPLICATION FORM**

Copies of the Application Form and the abridged prospectus will be available at the offices of the Lead Manager, the Designated Intermediaries, and Registered Office of our Company. An electronic copy of the Application Form will also be available for download on the websites of the BSE (www.bseindia.com), the SCSBs, the Registered Brokers, the RTAs and the CDPs at least one day prior to the Issue Opening Date.

ASBA Applicants shall ensure that the Applications are made on Application Forms bearing the stamp of the Designated Intermediary, submitted at the Collection Centres only (except in case of electronic Application Forms) and the Application Forms not bearing such specified stamp are liable to be rejected.

| <b>Category</b>  | <b>Colour<sup>(1)</sup></b> |
|--|-----------------------------|
| Indian Public / eligible NRI’s applying on a non-repatriation basis (ASBA)                                 | White                       |
| Non-Residents including eligible NRI’s, FPI’s, FII’s, FVCI’s, etc. applying on a repatriation basis (ASBA) | Blue                        |

(1) Excluding electronic Application Form.

Applicants shall only use the specified Application Form for the purpose of making an Application in terms of this Prospectus. An Investor, intending to subscribe to this Issue, shall submit a completed application form to any of the following Intermediaries (Collectively called “Designated Intermediaries”)

| <b>Sr. No.</b> | <b>Designated Intermediaries</b>  |
|----------------|---|
| 1.             | An SCSB, with whom the bank account to be blocked, is maintained.   |
| 2.             | A syndicate member (or sub-syndicate member)  |
| 3.             | A stock broker registered with a recognized stock exchange (and whose name is mentioned on the website of the stock exchange as eligible for this activity)(‘broker’) |
| 4.             | A depository participant (‘DP’)(whose name is mentioned on the website of the Stock Exchange as eligible for this activity)   |
| 5.             | A registrar to an issue and share transfer agent (‘RTA’)(whose name is mentioned on the website of the stock exchange as eligible for this activity)                  |





The aforesaid intermediary shall, at the time of receipt of application, give an acknowledgement to investor, by giving the counter foil or specifying the application number to the investor, as proof of having accepted the application form, in physical form or electronic mode respectively.

The upload of the details in the electronic bidding system of the stock exchange will be done by:

|  |  |
|--|--|
| <b>For the applications submitted by the investors to SCSB</b>                     | After accepting the form, SCSB shall capture and upload the relevant details in the electronic bidding system as specified by the stock exchange and may begin blocking funds available in the Bank account specified in the form, to the extent of the application money specified.   |
| <b>For applications submitted by investors to intermediaries other than SCSBs:</b> | After accepting the application form, respective Intermediary shall capture and upload the relevant details in the electronic bidding system of the stock exchange. Post uploading, they shall forward a schedule as per prescribed format along with the application forms to designated branches of the respective SCSBs for blocking of funds within one day of closure of the Issue. |

### **Availability of the 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, Registrar to the Issue, as mentioned in the Application Form. The application forms may also be downloaded from the website of BSE i.e www.bsesme.com.

Designated Intermediaries shall submit Application Forms to SCSBs and shall not submit it to any non-SCSB bank.

### **Who Can Apply?**

1. Indian nationals resident in India, who are not minors (except through their Legal Guardians), in single or joint names (not more than three);
2. Hindu Undivided Families or HUFs, in the individual name of the Karta. The Applicant should specify that the Application is being made in the name of the HUF in the Application Form as follows: —Name of Sole or First Applicant: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta. Applications by HUFs would be considered at par with those from individuals;
3. Companies, Corporate Bodies and Societies registered under the applicable laws in India and authorized to invest in equity shares;
4. Mutual Funds registered with SEBI;
5. 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;
6. Indian financial institutions, scheduled commercial banks (excluding foreign banks), regional rural banks, cooperative banks (subject to RBI regulations and the SEBI Regulations and other laws, as applicable);
7. FIIs and sub-accounts registered with SEBI, other than a sub-account which is a foreign corporate or foreign individual under the QIB portion;
8. Sub-accounts of FIIs registered with SEBI, which are foreign corporate or foreign individuals only under the Non-Institutional Applications portion;
9. Venture Capital Funds registered with SEBI;
10. Foreign Venture Capital Investors registered with SEBI;
11. Eligible Qualified Foreign Investors;
12. Foreign Nationals and other non-residents (subject to eligibility norms specified in SEBI FPI Regulations, 2014 and other applicable provisions);

13. Multilateral and bilateral development financial institutions;
14. State Industrial Development Corporations;
15. Trusts/societies registered under the Societies Registration Act, 1860, as amended, or under any other law relating to trusts/societies and who are authorized under their respective constitutions to hold and invest in equity shares;
16. Scientific and/or industrial research organizations authorized in India to invest in equity shares;
17. Insurance companies registered with Insurance Regulatory and Development Authority;
18. Provident Funds with a minimum corpus of ₹250 million and who are authorised under their constitution to hold and invest in equity shares;
19. Pension Funds with a minimum corpus of ₹250 million and who are authorised under their constitution to hold and invest in equity shares;
20. Limited liability partnerships;
21. National Investment Fund set up by resolution no. F.NO.2/3/2005-DDII dated November 23, 2005 of the Government of India, published in the Gazette of India;
22. Nominated Investor and Market Maker;
23. Insurance funds set up and managed by the army, navy or air force of the Union of India and by the Department of Posts, India;
24. Any other person eligible to Apply in this Issue, under the laws, rules, regulations, guidelines and policies applicable to them and under Indian laws.
25. As per the existing policy of the Government of India, OCBs cannot participate in this Issue. 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.
26. Applications not to be made by:
  1. Minors (except through their Guardians)
  2. Partnership firms or their nominations
  3. Overseas Corporate Bodies

**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.**

### **Maximum and Minimum Application Size**

#### **a) For Retail Individual Applicants:**

The Application must be for a minimum of 8,000 Equity Shares and in multiples of 8,000 Equity Shares thereafter, so as to ensure that the Application Amount payable by the Applicant does not exceed ₹2,00,000. In case of revision of the Application, the Retail Individual Applicants have to ensure that the Application Amount does not exceed ₹2,00,000.

#### **b) For Other Applicants [Non-Institutional Applicants and Qualified Institutional Buyer(s) (QIB)]:**

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 8,000 Equity Shares thereafter. Application cannot be submitted for more than the Issue Size. However, the maximum application size by a QIB investor should not exceed the investment limits prescribed for them by applicable laws. **A QIB and a Non-Institutional Applicant cannot withdraw or lower the size of their Application at any stage and are required to pay the entire Application Amount upon submission of the**



**Application.** Under the 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.

The identity of QIBs applying in the Net Issue shall not be made public during the Issue Period. In case of revision in Application, 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.

The above Information is given for the benefits of the Applicants. Our Company and the Lead Manager do not accept any responsibility for the completeness and accuracy of the information stated in this section. 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.

#### **Participation by associates and affiliates of the Lead Manager and the Syndicate Members**

The Lead Manager shall not be allowed to subscribe to this Issue in any manner except towards fulfilling their underwriting obligations. However, the associates and affiliates of the Lead Manager may subscribe to Equity Shares in the Issue in non Retail Portion, where the allocation is on a proportionate basis and such subscription may be on their own account or on the behalf of their clients.

#### **Option to subscribe in the Issue**

- a) As per Section 29(1) of the Companies Act, 2013, allotment of Equity Shares shall be dematerialized form only. Investors will not have the option of getting of specified securities in physical form. However, they may get the specified securities re-materialized subsequent to allotment.
- 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 Equity Shares that can be held by him/her/it under the relevant regulations/statutory guidelines and applicable laws.

#### **Applications by Indian Public including eligible NRIs applying on Repatriation Basis**

Application Forms have been made available for eligible NRIs at our Registered Office and at the Registered Office of the Lead manager. Eligible NRIs may obtain copies of Application Form from our Registered Office and the registered offices of the Lead Manager and the Designated Intermediaries. Eligible NRI Applicants 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 permissions 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 condition on 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 of 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 the permission of the RBI and the subject to the Indian tax laws and Regulations and any other applicable laws.

#### **Applications by Indian Public including eligible NRIs applying on Non-Repatriation Basis**

Application must be made only in the names of individuals, Limited Companies or Statutory Corporations/institutions and not in the name of Minors, Foreign Nationals, Non Residents Indian (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 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 should authorize their SCSB to block their NRE/FCNR accounts as well as NRO accounts.

#### **Applications by FPI (including FIIs and QFIs)**

On January 7, 2014, the SEBI notified the Securities and Exchange Board of India (Foreign Portfolio Investor) Regulations 2014 (“**SEBI FPI Regulations**”) pursuant to which the existing classes of portfolio investors namely, ‘foreign institutional investors’ and ‘qualified foreign investors’ will be subsumed under a new category namely, ‘foreign portfolio investors’ or ‘FPIs’. On March 13, 2014, the RBI amended FEMA 20 and specified conditions and requirements with respect to investment by FPIs in Indian companies.

In terms of the SEBI FPI Regulations, any qualified foreign investor or FII who holds a valid certificate of registration from SEBI shall be deemed to be an FPI until the expiry of the block of three years for which fees have been paid as per the SEBI FII Regulations. An FII or a sub-account may participate in this Issue, in accordance with Schedule 2 of the FEMA Regulations, until the expiry of its registration with SEBI as an FII or a sub-account. An FII shall not be eligible to invest as an FII after registering as an FPI under the SEBI FPI Regulations. Further, a qualified foreign investor who had not obtained a certificate of registration as an FPI could only continue to buy, sell or otherwise deal in securities until January 6, 2015. Hence, such qualified foreign investors who have not registered as FPIs under the SEBI FPI Regulations shall not be eligible to participate in this Issue.

In case of Applications made by FPIs, a certified copy of the certificate of registration issued by the designated depository participant under the FPI Regulations is required to be attached to the Application Form, failing which our Company reserves the right to reject any application without assigning any reason. An FII or subaccount may, subject to payment of conversion fees under the SEBI FPI Regulations, participate in the Issue, until the expiry of its registration as a FII or sub-account, or until it obtains a certificate of registration as FPI, whichever is earlier. Further, in case of Applications made by SEBI-registered FIIs or sub-accounts, which are not registered as FPIs, a certified copy of the certificate of registration as an FII issued by SEBI is required to be attached to the Application Form, failing which our Company reserves the right to reject any Application without assigning any reason.

In terms of the SEBI FPI Regulations, the Issue of Equity Shares to a single FPI or an investor group (which means the same set of ultimate beneficial owner(s) investing through multiple entities) must be below 10.00% of our post-Issue Equity Share capital. Further, in terms of the FEMA Regulations, the total holding by each FPI shall be below 10.00% of the total paid-up Equity Share capital of our Company and the total holdings of all FPIs put together shall not exceed 24.00% of the paid-up Equity Share capital of our Company. The aggregate limit of 24.00% may be increased up to the sectorial cap by way of a resolution passed by the Board of Directors followed by a special resolution passed by the Shareholders of our Company and subject to prior intimation to RBI. In terms of the FEMA Regulations, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs as well as holding of FIIs (being deemed FPIs) shall be included.

As per the circular issued by SEBI on November 24, 2014, these investment restrictions shall also apply to subscribers of offshore derivative instruments (“ODIs”). Two or more subscribers of ODIs having a common beneficial owner shall be considered together as a single subscriber of the ODI. In the event an investor has investments as a FPI and as a subscriber of ODIs, these investment restrictions shall apply on the aggregate of the FPI and ODI investments held in the underlying company. FPIs are permitted to participate in the Issue subject to compliance with conditions and restrictions which may be specified by the Government from time to time.

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 22 of the SEBI FPI Regulations, an FPI, other than Category III foreign portfolio and unregulated broad based funds, which are classified as Category II foreign portfolio investor by virtue of their investment manager being appropriately regulated, may issue or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by an FPI against securities held by it that are listed or proposed to be listed on any recognized stock exchange in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only to persons who are regulated by an appropriate regulatory authority; and (ii) such offshore derivative instruments are issued after compliance with know your client’ norms. An FPI is also required to ensure that no further issue or transfer of any offshore derivative instrument is made by or on behalf of it to any persons that are not regulated by an appropriate foreign regulatory authority.

FPIs who wish to participate in the Issue are advised to use the Application Form for Non-Residents (blue in color). FPIs are required to apply through the ASBA process to participate in the Issue.

### **Applications by Mutual Funds**

With respect to Applications by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged along with the Application Form. Failing this, our Company reserves the right to reject the Application without assigning any reason thereof.



Applications made by asset management companies or custodians of Mutual Funds shall specifically state names of the concerned schemes for which such Applications are made.

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.

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 case of index funds or sector or industry specific schemes. No Mutual Fund under all its schemes should own more than 10% of any company's paid-up share capital carrying voting rights.

#### **Applications by SEBI registered Venture Capital Funds, Alternative Investment Fund (AIF) and Foreign Venture Capital Investors**

The Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996 as amended, (the “SEBI VCF Regulations”) and the Securities and Exchange Board of India (Foreign Venture Capital Investor) Regulations, 2000, as amended, among other things prescribe the investment restrictions on VCFs and FVCIs registered with SEBI. Further, the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012 (the “SEBI AIF Regulations”) prescribe, amongst others, the investment restrictions on AIFs.

The holding by any individual VCF registered with SEBI in one venture capital undertaking should not exceed 25% of the corpus of the VCF. Further, VCFs and FVCIs can invest only up to 33.33% of the investible funds by way of subscription to an initial public offering.

The category I and II AIFs cannot invest more than 25% of the corpus in one Investee Company. A category III AIF cannot invest more than 10% of the corpus in one Investee Company. A venture capital fund registered as a category I AIF, as defined in the SEBI AIF Regulations, cannot invest more than 1/3rd of its corpus by way of subscription to an initial public offering of a venture capital undertaking. Additionally, the VCFs which have not re-registered as an AIF under the SEBI AIF Regulations shall continue to be regulated by the VCF Regulation until the existing fund or scheme managed by the fund is wound up and such funds shall not launch any new scheme after the notification of the SEBI AIF Regulations.

All FIIs and FVCIs should note that refunds, dividends and other distributions, if any, will be payable in Indian Rupees only and net of Bank charges and commission.

**Our Company or the Lead Manager will not be responsible for loss, if any, incurred by the Applicant on account of conversion of foreign currency.**

**There is no reservation for Eligible NRIs, FPIs and FVCIs and all Applicants will be treated on the same basis with other categories for the purpose of allocation.**

#### **Applications by Limited Liability Partnerships**

In case of Applications made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Application Form. Failing this, our Company reserves the right to reject any Application without assigning any reason thereof. Limited Liability Partnerships can participate in the Issue only through the ASBA Process.

#### **Applications by Insurance Companies**

In case of Applications made by insurance companies registered with the IRDA, a certified copy of certificate of registration issued by IRDA must be attached to the Application Form. Failing this, our Company reserves the right to reject any Application without assigning any reason thereof. The exposure norms for insurers, prescribed under the Insurance Regulatory and Development Authority (Investment) Regulations, 2000 (“IRDA Investment Regulations”), as amended, as amended, are broadly set forth below:

- 1) Equity shares of a company: the least of 10.00% of the investee company's subscribed capital (face value) or 10.00% of the respective fund in case of life insurer or 10.00% of investment assets in case of general insurer or reinsurer;
- 2) The entire group of the investee company: not more than 15% of the respective fund in case of a life insurer or 15% of investment assets in case of a general insurer or reinsurer or 15% of the investment assets in all companies belonging to the group, whichever is lower; and
- 3) The industry sector in which the investee company belongs to: not more than 15% of the fund of a life insurer or a general insurer or a reinsurer or 15% of the investment asset, whichever is lower.

The maximum exposure limit, in the case of an investment in equity shares, cannot exceed the lower of an amount of 10% of the investment assets of a life insurer or general insurer and the amount calculated under (a), (b) and (c) above, as the case may be. Insurance companies participating in this Issue shall comply with all applicable regulations, guidelines and circulars issued by IRDAI from time to time.

### **Applications under Power of Attorney**

In case of applications made pursuant to a power of attorney by limited companies, corporate bodies, registered societies, Mutual Funds, insurance companies and provident funds with minimum corpus of ₹25 Crores (subject to applicable law) and pension funds with a minimum corpus of ₹25 Crores a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/or bye laws must be lodged with the Application Form. Failing this, our Company reserves the right to accept or reject any application in whole or in part, in either case, without assigning any reason therefore.

In addition to the above, certain additional documents are required to be submitted by the following entities:

- (a). With respect to applications by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged along with the Application Form. Failing this, our Company reserves the right to accept or reject any application, in whole or in part, in either case without assigning any reasons thereof.
- (b). With respect to applications by insurance companies registered with the Insurance Regulatory and Development Authority, in addition to the above, a certified copy of the certificate of registration issued by the Insurance Regulatory and Development Authority must be lodged with the Application Form as applicable. Failing this, our Company reserves the right to accept or reject any application, in whole or in part, in either case without assigning any reasons thereof.
- (c). With respect to applications made by provident funds with minimum corpus of ₹25 Crores (subject to applicable law) and pension funds with a minimum corpus of ₹25 Crores, a certified copy of a certificate from a chartered accountant certifying the corpus of the provident fund/pension fund must be lodged along with the Application Form. Failing this, our Company reserves the right to accept or reject such application, in whole or in part, in either case without assigning any reasons thereof.

Our Company in its absolute discretion, reserves the right to relax the above condition of simultaneous lodging of the power of attorney along with the Application Form, subject to such terms and conditions that our Company, the lead manager may deem fit.

***Our Company, in its absolute discretion, reserves the right to permit the holder of the power of attorney to request the Registrar to the Issue that, for the purpose of printing particulars and mailing of the Allotment Advice / CANs / letters notifying the unblocking of the bank accounts of ASBA applicants, the Demographic Details given on the Application Form should be used (and not those obtained from the Depository of the application). In such cases, the Registrar to the Issue shall use Demographic Details as given on the Application Form instead of those obtained from the Depositories.***

***The above information is given for the benefit of the Applicants. The Company and the Lead Manager are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of the Prospectus. Applicants are advised to make their independent investigations and ensure that the number of Equity Shares applied for do not exceed the applicable limits under laws or regulations.***

### **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, our 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 Banking companies**

In case of Applications made by banking companies registered with RBI, certified copies of:

- (i) The certificate of registration issued by RBI, and
- (ii) The approval of such banking company's investment committee are required to be attached to the Application Form, failing which our Company reserves the right to reject any Application without assigning any reason therefore.

The investment limit for banking companies in non-financial services companies as per the Banking Regulation Act, 1949 (the “**Banking Regulation Act**”), and Master Circular – Para-banking Activities dated July 1, 2015 is 10% of the paid-up share capital of the investee company or 10% of the banks' own paid-up share capital and reserves, whichever is less. Further, the investment in a non-financial services company by a banking company together with its subsidiaries, associates, joint ventures, entities directly or indirectly controlled by the bank and mutual funds managed by asset management companies controlled by the banking company cannot exceed 20% of the investee company's paid-up share capital. A banking company may hold up to 30% of the paid-up share capital of the investee company with the prior approval of the RBI provided that the investee company is engaged in non-financial activities in which banking companies are permitted to engage under the Banking Regulation Act.

### **Applications by Self Certified Syndicate Banks (SCSBs)**

SCSBs participating in the Issue are required to comply with the terms of the SEBI circulars dated September 13, 2012 and January 2, 2013. Such SCSBs are required to ensure that for making applications on their own account using ASBA, they should have a separate account in their own name with any other SEBI registered SCSBs. Further, such account shall be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account for ASBA applications.

### **Information for the Applicants**

- a) Our Company shall file the Prospectus with the Registrar of Companies at least three working days before the Issue Opening Date.
- b) Our Company and the Lead Manager 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 a Regional newspaper with wide circulation. This advertisement, subject to the provisions of the Companies Act, shall be in the format prescribed in Part A of Schedule XIII of the ICDR Regulations.
- c) Copies of the Application Form along with the Abridged prospectus and copies of the Prospectus will be available at the offices of the Lead Manager, Registrar to the Issue, the Designated Intermediaries, and Registered Office of our Company. An electronic copy of the Application Form will also be available for download on the websites of the BSE ([www.bseindia.com](http://www.bseindia.com)), the SCSBs, the Registered Brokers, the RTAs and the CDPs at least one day prior to the Issue Opening Date.
- d) Applicants who are interested in subscribing to the Equity Shares should approach any of the Application Collecting Intermediaries or their authorized agent(s).
- e) Application 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 Intermediaries. Application Form submitted by Applicants whose beneficiary account is inactive shall be rejected.
- f) The Application Form can be submitted either in physical or electronic mode, to the Application Collecting Intermediaries. Further Application Collecting Intermediary may provide the electronic mode of collecting either

through an internet enabled collecting and banking facility or such other secured, electronically enabled mechanism for applying and blocking funds in the ASBA Account.

- g) Except for the 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 participating transaction in the securities market, irrespective of the amount of the 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 person 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.

#### **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 and acknowledge by the Designated Intermediary.

**The Applicants should note that in case the PAN, the DP ID and Client ID mentioned in the Application Form and entered into the electronic system of the Stock Exchange does not match with the PAN, DP ID and Client ID available in the database of Depositories, the Application Form is liable to be rejected.**

#### **Applicant’s Depository Account and Bank Details**

**Please note that, providing bank account details in the space provided in the application form is mandatory and applications that do not contain such details are liable to be rejected.**

Applicants should note that on the basis of name of the Applicants, Depository Participant’s name, Depository Participant Identification number and Beneficiary Account Number provided by them in the Application Form, the Registrar to the Issue will obtain from the Depository the demographic details including address, Applicants bank account details, MICR code and occupation (hereinafter referred to as ‘Demographic Details’). These Demographic Details would be used for all correspondence with the Applicants including mailing of the Allocation Advice. The Demographic Details given by Applicants in the Application Form would not be used for any other purpose by the Registrar to the Issue. By signing the Application Form, the Applicant would be deemed to have authorized the depositories to provide, upon request, to the Registrar to the Issue, the required Demographic Details as available on its records.

#### **Procedure and Time Schedule for Allotment of Equity Shares**

The Issue will be conducted through the “Fixed Price Method” pursuant to which the Designated Intermediary will accept Applications for the Equity Shares during the Issue Period. The Issue Period will commence on December 6, 2017 and expire on December 8, 2017. Following the expiration of the Issue Period, our Company, in consultation with the Lead Manager, will determine the basis of allotment and entitlement to allotment based on the applications received and subject to the confirmation by the Stock Exchange. Successful Applicants will be provided with a confirmation of their allocation for the Equity Shares within a prescribed time. The SEBI (ICDR) Regulations, 2009 require our Company to complete the allotment to successful Applicants within 4 days of the expiration of the Issue Period. The Equity Shares will then be credited and allotted to the investors demat accounts maintained with the relevant depository participant. Upon approval by the Stock Exchange, the Equity Shares will be listed and trading will commence.

#### **Payment Instructions**

All Applicants are required to use the ASBA facility to make payment.

#### **Basis of Allotment**

Allotment will be made in consultation with BSE Limited (The Designated Stock Exchange). In the event of oversubscription, the allotment will be made on a proportionate basis in marketable lots as set forth here:





1. The total number of shares to be allocated to each category as a whole shall be arrived at on a proportionate basis i.e. the total number of shares applied for in that category multiplied by the inverse of the over subscription ratio (number of applicants in the category x number of shares applied for).
2. The number of shares to be allocated to the successful applicants will be arrived at on a proportionate basis in marketable lots (i.e. total number of shares applied for into the inverse of the over subscription ratio).
3. For applications where the proportionate allotment works out to less than 8,000 equity shares the allotment will be made as follows:
  - a) Each successful applicant shall be allotted 8,000 Equity Shares; and
  - b) The successful applicants out of the total applicants for that category shall be determined by the withdrawal of lots in such a manner that the total number of shares allotted in that category is equal to the number of shares worked out as per (2) above.
4. If the proportionate allotment to an applicant works out to a number that is not a multiple of 8,000 equity shares, the number in excess of the multiple of 8,000 would be rounded off to the nearest multiple of 8,000, subject to minimum allotment of 8,000 Equity Share.
5. If the shares allotted on a proportionate basis to any category is more than the shares allotted to the applicants in that category, the balance available shares for allocation shall be first adjusted against any category, where the allotted shares are not sufficient for proportionate allotment to the successful applicants in that category, the balance shares, if any, remaining after such adjustment will be added to the category comprising of applicants applying for the minimum number of shares. If as a result of the process of rounding off to the lower nearest multiple of 8,000 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.
6. The above proportionate allotment of shares in an Issue that is oversubscribed shall be subject to the reservation for small individual applicants as described below:
  - a) A minimum of 50% of the net offer of shares to the Public shall initially be made available for allotment to retail individual investors as the case may be.
  - b) The balance net offer of shares to the public shall be made available for allotment to a) individual applicants other than retail individual investors and b) other investors, including Corporate Bodies/ Institutions irrespective of number of shares applied for.
  - c) 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.

As per Regulation 43 (4) of SEBI (ICDR) Regulations, 2009 as amended, 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.

'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 Limited.

The Executive Director / Managing Director of BSE Limited - 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, 2009.

**As per the RBI regulations, OCBs are not permitted to participate in the Issue.**

**There is no reservation for Non Residents, NRIs, FIIs and foreign venture capital funds and all Non Residents, NRI, FII and Foreign Venture Capital Funds applicants will be treated on the same basis with other categories for the purpose of allocation.**

**Terms of Payment / Payment Instructions**

The entire Issue price of ₹40/- per share is payable on application. In case of allotment of lesser number of Equity Shares than the number applied, The Registrar shall instruct the SCSBs to unblock the excess amount paid on Application to the Applicants.

- All Applicants are required to make use ASBA for applying in the Issue;
- Application Amount cannot be paid in cash, through money order, cheque or through postal order or through stock invest;
- Applicants may submit the Application Form in physical mode to the Designated Intermediaries;
- Applicants must specify the Bank Account number in the Application Form. The Application Form submitted by an Applicant and which is accompanied by cash, demand draft, money order, postal order or any mode of payment other than blocked amounts in the ASBA Account maintained with an SCSB, will not be accepted;
- Applicants should ensure that the Application Form is also signed by the ASBA Account holder(s) if the Applicant is not the ASBA Account holder;
- Applicants shall note that for the purpose of blocking funds under ASBA facility clearly demarcated funds shall be available in the account;
- From one ASBA Account, a maximum of five Applications can be submitted;
- Applicants applying directly through the SCSBs should ensure that the Application Form is submitted to a Designated Branch of a SCSB where the ASBA Account is maintained;
- Upon receipt of the Application Form, the Designated Branch of the SCSB may verify if sufficient funds equal to the Application Amount are available in the ASBA Account, as mentioned in the Application Form;
- If sufficient funds are available in the ASBA Account, the SCSB may block an amount equivalent to the Application Amount mentioned in the Application Form and may upload the details on the Stock Exchange Platform;
- If sufficient funds are not available in the ASBA Account, the Designated Branch of the SCSB may not upload such Applications on the Stock Exchange platform and such Applications are liable to be rejected;
- Upon submission of a completed Application Form each Applicant may be deemed to have agreed to block the entire Application Amount and authorized the Designated Branch of the SCSB to block the Application Amount specified in the Application Form in the ASBA Account maintained with the SCSBs;
- The Application Amount may remain blocked in the aforesaid ASBA Account until finalisation of the Basis of Allotment and consequent transfer of the Application Amount against the Allotted Equity Shares to the Public Issue Account, or until withdrawal or failure of the Issue, or until withdrawal or rejection of the Application, as the case may be;
- SCSBs applying in the Issue must apply through an ASBA Account maintained with any other SCSB; else their Applications are liable to be rejected.

**Unblocking of ASBA Account**

- a. Once the Basis of Allotment is approved by the Designated Stock Exchange, the Registrar to the Issue 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) The Details of rejected 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 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 six Working Days of the Issue Closing Date.

### **Electronic Registration of Applications**

1. The Designated Intermediary will register the Applications using the on-line facilities of the Stock Exchange. There will be at least one on-line connectivity facility in each city, where a stock exchange is located in India and where Applications are being accepted. The Lead Manager, our Company and the Registrar are not responsible for any acts, mistakes or errors or omission and commissions in relation to,
  - (i) The Applications accepted by the Designated Intermediary,
  - (ii) The Applications uploaded by the Designated Intermediary,
  - (iii) The Applications accepted but not uploaded by the Designated Intermediary, or
  - (iv) The Applications accepted and uploaded without blocking funds.
2. The Designated Intermediary shall be responsible for any acts, mistakes or errors or omission and commissions in relation to, (i) the Applications accepted by the Designated Intermediary, (ii) the Applications uploaded by the Designated Intermediary, (iii) the Applications accepted but not uploaded by the Designated Intermediary and (iv) the Applications accepted and uploaded without blocking funds. It shall be presumed that for Applications uploaded by the Designated Intermediary, the full Application Amount has been blocked.
3. In case of apparent data entry error either by the Designated Intermediary in entering the Application Form number in their respective schedules other things remaining unchanged, the Application Form may be considered as valid and such exceptions may be recorded in minutes of the meeting submitted to Stock Exchange.
4. The Designated Intermediary will undertake modification of selected fields in the Application details already uploaded within before 1.00 p.m. of the next Working Day from the Issue Closing Date.
5. The Stock Exchange will offer an electronic facility for registering Applications for the Issue. This facility will be available with the Designated Intermediary and their authorized agents during the Issue Period. The Designated Branches or the Agents of the Designated Intermediary can also setup facilities for off-line electronic registration of Applications subject to the condition that they will subsequently upload the off-line data file into the on-line facilities on a regular basis. On the Issue Closing Date, the Designated Intermediary 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. Applicants are cautioned that a high inflow of high volumes on the last day of the Issue Period may lead to some Applications received on the last day not being uploaded and such Applications will not be considered for allocation.
6. At the time of registering each Application submitted by an Applicant, Designated Intermediary shall enter the following details of the investor in the on-line system, as applicable:
  - 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;
  - Location of the Banker to the Issue or Designated Branch, as applicable, and 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 Designated 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 Designated Intermediary does not guarantee that the Equity Shares shall be allocated / allotted either by our Company.
9. Such acknowledgement will be non-negotiable and by itself will not create any obligation of any kind.
10. In case of QIB Applicants, the Lead Manager has the right to accept the Application or reject it. However, the rejection should be made at the time of receiving the Application and only after assigning a reason for such rejection in writing. In case on Non-Institutional Applicants and Retail Individual Applicants, Applications would be rejected on technical grounds.
11. The permission given by the Stock Exchange 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 Exchange; 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 Promoters, 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 Exchange.
12. Only Applications that are uploaded on the online IPO system of the Stock Exchange shall be considered for allocation/Allotment. The Designated Intermediary will be given time till 1.00 p.m. on the next working day after the Issue Closing Date to verify the PAN, DP ID and Client ID uploaded in the online IPO system during the Issue Period, after which the Registrar 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.

### **General Instructions:**

#### ***Do's:***

- Check if you are eligible to apply as per the terms of the Prospectus and under applicable law rules, regulations, guidelines and approvals;
- Ensure that you have Applied at the Issue Price;
- Read all the instructions carefully and complete the Application Form in the prescribed form;
- Ensure that the details about the PAN, DP ID and Client ID are correct and the Applicant's depository account is active, as Allotment of the Equity Shares will be in the dematerialised form only;
- 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;
- With respect to Applications by SCSBs, ensure that you have a separate account in your own name with any other SCSB having clear demarcated funds for applying under the ASBA process and that such separate account (with any other SCSB) is used as the ASBA Account with respect to your Application;
- Ensure that you request for and receive an acknowledgement of the Application from the concerned Designated Intermediary, for the submission of your Application Form;
- Ensure that you have funds equal to the Application Amount in the ASBA Account maintained with the SCSB before submitting the Application Form under the ASBA process to the respective member of the syndicate (in the Specified Locations), the SCSBs, the Registered Broker (at the Broker Centres) the RTA (at the Designated RTA Locations) or CDP (at the Designated CDP Locations);
- Instruct your respective banks to not release the funds blocked in the ASBA Account for any other purpose;
- Submit revised Application to such Designated Intermediary through whom the original Application was placed and obtain a revised acknowledgement;
- Except for Applications (i) on behalf of the Central or State Governments and the officials appointed by the courts, who, in terms of the SEBI circular dated June 30, 2008, may be exempt from specifying their PAN for transacting in the securities market, and (ii) Applications by persons resident in the state of Sikkim, who, in terms of the SEBI circular dated July 20, 2006, may be exempted from specifying their PAN for transacting in the securities market, all Applicants should mention their PAN allotted under the IT Act. The exemption for the Central or the State Government and officials appointed by the courts and for investors residing in the State of Sikkim 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. All other applications in which PAN is not mentioned will be rejected;

- Ensure that the Demographic Details (as defined below) are updated, true and correct in all respects;
- Ensure that thumb impressions and signatures other than in the languages specified in the Eighth Schedule to the Constitution of India are attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal;
- Ensure that the signature of the First Applicant, in case of joint Application, is included in the Application Forms;
- Ensure that the name(s) given in the Application Form is/are exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case of joint Application, the Application Form should contain only the name of the First Applicant whose name should also appear as the first holder of the beneficiary account held in joint names;
- Ensure that the category and sub-category is indicated;
- Ensure that in case of Application under power of attorney or by limited companies, corporate, trust etc., relevant documents are submitted;
- Ensure that Application submitted by any person outside India should be in compliance with applicable foreign and Indian laws;
- Applicants should note that in case the DP ID, Client ID and the PAN mentioned in their Application Form and entered into the online IPO system of the Stock Exchange by the relevant Designated Intermediary, as the case may be, do not match with the DP ID, Client ID and PAN available in the Depository database, then such Applications are liable to be rejected. Where the Application Form is submitted in joint names, ensure that the beneficiary account is also held in the same joint names and such names are in the same sequence in which they appear in the Application Form;
- Ensure that you tick the correct investor category, as applicable, in the Application Form to ensure proper upload of your Application in the online IPO system of the Stock Exchange;
- Ensure that the Application Form is delivered within the time prescribed as per the Application Form and the Prospectus;
- Ensure that you have mentioned the correct ASBA Account number in the Application Form;
- Ensure that the entire Application Amount is paid at the time of submission of the Application or in relation to the ASBA Applications, ensure that you have correctly signed the authorization/undertaking box in the Application Form, or have otherwise provided an authorisation to the SCSB via the electronic mode, for blocking funds in the ASBA Account equivalent to the Application Amount mentioned in the Application Form;
- Ensure that you receive an acknowledgement from the Designated Branch of the SCSB, for the submission of your Application Form.

***Dont's:***

- Do not Apply for lower than the minimum Application size;
- Do not Apply /revise Application Amount to less than or higher than the Issue Price;
- Do not Apply on another Application Form after you have submitted an Application to the Lead Manager, the SCSBs or the Registered Brokers, as applicable;
- Do not pay the Application Amount in cash, by money order or by postal order or by stock invest;
- The payment of the Application Amount in any mode other than blocked amounts in the bank account maintained with an SCSB shall not be accepted;
- Do not send Application Forms by post; instead submit the same to the Designated Intermediaries only;
- Do not Apply for an Application Amount exceeding ₹200,000 if you are applying under the Retail category;
- Do not fill up the Application Form such that the Equity Shares applied for exceeds the Issue size and/ or investment limit or maximum number of the Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations or under the terms of the Prospectus;
- Do not submit the General Index Register number instead of the PAN;
- Do not instruct your respective banks to release the funds blocked in the ASBA Account for any other purpose;
- Do not submit incorrect details of the DP ID, Client ID 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 on incomplete or illegible Application Forms or on Application Forms in a colour prescribed for another category of Applicant;
- Do not submit an Application in case you are not eligible to acquire Equity Shares under applicable law or your relevant constitutional documents or otherwise;
- Do not Apply if you are not competent to contract under the Indian Contract Act, 1872, as amended (other than minors having valid depository accounts as per Demographic Details provided by the Depositories);

- Do not withdraw your Application or lower the size of your Application (in terms of quantity of the Equity Shares or the Application Amount) at any stage, if you are a QIB or a Non-Institutional Investor;
- Do not submit more than five Application Forms per ASBA Account;

The Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

### **Other Instructions**

#### **Joint Applications in the case of Individuals**

Applications may be made in single or joint names (not more than three). In the case of joint Applications, all payments will be made out in favour of the Applicant whose name appears first in the Application Form or Revision Form. All communications will be addressed to the First Applicant and will be dispatched to his or her address as per the Demographic Details received from the Depository.

#### **Multiple Applications**

An Applicant should submit only one Application (and not more than one) for the total number of Equity Shares required. Two or more Applications will be deemed to be multiple Applications if the sole or First Applicant is one and the same.

In this regard, the procedures which would be followed by the Registrar to the Issue to detect multiple applications are given below:

- i. All applications are electronically strung on first name, address (1st line) and applicant's status. Further, these applications are electronically matched for common first name and address and if matched, these are checked manually for age, signature and father/ husband's name to determine if they are multiple applications.
- ii. Applications which do not qualify as multiple applications as per above procedure are further checked for common DP ID/ beneficiary ID. In case of applications with common DP ID/ beneficiary ID, are manually checked to eliminate possibility of data entry error to determine if they are multiple applications.
- iii. Applications which do not qualify as multiple applications as per above procedure are further checked for common PAN. All such matched applications with common PAN are manually checked to eliminate possibility of data capture error to determine if they are multiple applications.

In case of a mutual fund, a separate Application can be made in respect of each scheme of the mutual fund registered with SEBI and such Applications in respect of more than one scheme of the mutual fund will not be treated as multiple Applications provided that the Applications clearly indicate the scheme concerned for which the Application has been made.

In cases where there are more than 20 valid applications having a common address, such shares will be kept in abeyance, post allotment and released on confirmation of "know your client" norms by the depositories. The Company reserves the right to reject, in our absolute discretion, all or any multiple Applications in any or all categories.

#### **Permanent Account Number or PAN**

Pursuant to the circular MRD/DoP/Circ 05/2007 dated April 27, 2007, SEBI has mandated Permanent Account Number ("PAN") to be the sole identification number for all participants transacting in the securities market, irrespective of the amount of the transaction w.e.f. July 2, 2007. Each of the Applicants should mention his/her PAN allotted under the IT Act. **Applications without this information will be considered incomplete and are liable to be rejected.** It is to be specifically noted that Applicants should not submit the GIR number instead of the PAN, as the Application is liable to be rejected on this ground.

#### **Right to Reject Applications**

In case of QIB Applicants, the Company in consultation with the LM may reject Applications provided that the reasons for rejecting the same shall be provided to such Applicant in writing. In case of Non Institutional Applicants, Retail Individual Applicants who applied, the Company has a right to reject Applications based on technical grounds.





## Grounds of Rejections

Application Form can be rejected on the below mentioned technical grounds either at the time of their submission to any of the Designated Intermediaries, or at the time of finalisation of the Basis of Allotment. Applicants are advised to note that the Applications are liable to be rejected, *inter-alia*, on the following grounds, which have been detailed at various places in this GID:-

- Application by persons not competent to contract under the Indian Contract Act, 1872, as amended, (other than minors having valid Depository Account as per Demographic Details provided by Depositories);
- Applications by OCBs;
- In case of partnership firms, Application for Equity Shares made in the name of the firm. However, a limited liability partnership can apply in its own name;
- In case of Applications under power of attorney or by limited companies, corporate, trust etc., relevant documents not being submitted along with the Application Form;
- Applications by persons prohibited from buying, selling or dealing in the shares directly or indirectly by SEBI or any other regulatory authority;
- Applications by any person outside India if not in compliance with applicable foreign and Indian laws;
- PAN not mentioned in the Application Form, except for Applications by or on behalf of the Central or State Government and officials appointed by the court and by the investors residing in the State of Sikkim, provided such claims have been verified by the Depository Participant;
- In case no corresponding record is available with the Depositories that matches the DP ID, the Client ID and the PAN;
- Applications for lower number of Equity Shares than the minimum specified for that category of investors;
- The amounts mentioned in the Application Form does not tally with the amount payable for the value of the Equity Shares Applied for;
- Applications for amounts greater than the maximum permissible amounts prescribed by the regulations;
- Submission of more than five Application Form as through a single ASBA Account;
- Applications for number of Equity Shares which are not in multiples of the number of Equity Shares which are not in multiples as specified in the Prospectus;
- Multiple Applications as defined in the GID and the Prospectus;
- Application Forms are not delivered by the Applicants within the time prescribed as per the Application Form, Issue Opening Date advertisement and as per the instructions in the Prospectus and the Application Forms;
- Inadequate funds in the bank account to block the Application Amount specified in the Application Form at the time of blocking such Application Amount in the bank account;
- Where no confirmation is received from SCSB for blocking of funds;
- Applications by Applicants not submitted through ASBA process;
- Applications not uploaded on the terminals of the Stock Exchange; and
- Applications by SCSBs wherein a separate account in its own name held with any other SCSB is not mentioned as the ASBA Account in the Application Form.
- 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 the Stock Exchange.

**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 exchange do not match with PAN, the DP ID and client ID available in the depository database, the application form is liable to be rejected.**

## Signing of Underwriting Agreement

Vide an Underwriting Agreement dated November 7, 2017 this issue is 100% Underwritten.

## Filing of the Prospectus with the ROC

The Company will file a copy of the Prospectus with the ROC in terms of 26 of the Companies Act, 2013.

## Pre-Issue Advertisement

Subject to Section 30 of the Companies Act, 2013 the Company shall, after registering the Prospectus with the ROC, publish a pre-Issue advertisement, in the form prescribed by the SEBI Regulations, in one widely circulated English language national daily newspaper; one widely circulated Hindi language national daily newspaper and one regional newspaper with wide circulation. This advertisement, in addition to the information that has to be set out in the statutory advertisement, shall indicate the Issue Price.

#### **Issuance of a Confirmation of Allocation Note (“CAN”)**

1. Upon approval of the basis of allotment by the Designated Stock Exchange, the Lead Manager or Registrar to the Issue shall send to the Brokers a list of their Applicants who have been allocated Equity Shares in the Issue.
2. The Registrar will then dispatch a CAN to their Applicants who have been allocated Equity Shares in the Issue. The dispatch of a CAN shall be deemed a valid, binding and irrevocable contract for the Applicant.

#### **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.
- (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) credit of shares to the successful Applicants Depository Account will be completed within six 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 five Working Days from the Issue Close Date.

#### **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 BSE where the Equity Shares are proposed to be listed are taken within 6 (Six) Working Days of closure of the Issue.

In accordance with the Companies Act, the requirements of the Stock Exchange and the SEBI Regulations, the Company further undertakes that:

- 1) Allotment of Equity Shares shall be made within 3 (Three) Working Days of the Issue Closing Date;
- 2) Giving of Instructions for refund by unblocking of amount via ASBA not later than 4(Four) Working Days of the Issue Closing Date, would be ensured; and
- 3) If such money is not repaid within 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 eight days, be liable to repay such application money, with interest as prescribed under SEBI (ICDR) Regulations, the Companies Act, 2013 and applicable law. Further, in accordance with Section 40 of the Companies Act, 2013, the Company and each officer in default may be punishable with fine and/or imprisonment in such a case.

#### **Undertakings by our Company**

Our Company undertakes the following:

- (i) If our Company does not proceed with the Issue after the Issue Closing Date the reason thereof shall be given as a public notice to be issued by our Company within two days of the Issue Closing Date. The public notice shall be





issued in the same newspapers where the pre-Issue advertisements were published. The Stock Exchange on which the Equity Shares are proposed to be listed shall also be informed promptly;

- (ii) If our Company withdraws the Issue after the Issue Closing Date, our Company shall be required to file a fresh offer document with the Stock Exchange(s)/RoC/SEBI, in the event our Company subsequently decide to proceed with the Issue;
- (iii) That the complaints received in respect of the Issue shall be attended to by our Company expeditiously and satisfactorily;
- (iv) All steps for completion of the necessary formalities for listing and commencement of trading at the Stock Exchange where the Equity Shares are proposed to be listed are taken within six Working Days of the Issue Closing Date;
- (v) Allotment will be made or the Application money will be refunded within six Working Days from the Issue Closing Date or such lesser time as specified by SEBI or the application money will be refunded to the Applicants forthwith, failing which interest will be due to be paid to the Applicants at the rate of 15% per annum for the delayed period;
- (vi) Where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the Applicant within six Working Days from the Issue Closing Date, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;
- (vii) That funds required for making refunds to unsuccessful Applicants as per the mode(s) disclosed shall be made available to the Registrar to the Issue by our Company;
- (viii) That no further issue of Equity Shares shall be made until the Equity Shares offered through the Prospectus are listed or until the Application monies are refunded on account of non-listing, under-subscription etc.;
- (ix) Adequate arrangements shall be made to collect all Application Forms from the Applicants;
- (x) That the certificates of the securities/refund orders to Eligible NRIs shall be dispatched within specified time; and
- (xi) Our Company shall not have recourse to the proceeds from the Issue until the approval for trading of the Equity Shares from the Stock Exchange where listing is sought has been received.

#### **Utilization of Issue Proceeds**

Our Board certifies that:

- (i) All monies received from the Issue shall be transferred to separate bank account other than the bank account referred to in sub-section (3) of section 40 of the Companies Act, 2013;
- (ii) Details of all monies utilised out of the Issue referred to in sub item (i) shall be disclosed and continue to be disclosed until the time any part of the Issue proceeds remains unutilised, under an appropriate separate head in the balance-sheet of the Issuer indicating the purpose for which such monies had been utilised;
- (iii) Details of all unutilised monies out of the Issue referred to in sub-item (i) shall be disclosed under an appropriate separate head in the balance sheet of our Company indicating the form in which such unutilised monies have been invested; and
- (iv) Our Company shall comply with the requirements of the SEBI (LODR) Regulations in relation to the disclosure and monitoring of the utilisation of the proceeds of the Issue.

Our Company declares that all monies received out of the Public Issue shall be credited/ 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.

Our Company shall not have recourse to the Issue Proceeds until the approval for listing and trading of the Equity Shares from the Stock Exchange where listing is sought has been received.

#### **Withdrawal of the Issue**

Our Company in consultation with the Lead Manager reserves the right not to proceed with the Issue at anytime, including after the Issue Closing Date but before the Board meeting for Allotment, without assigning any reason. Notwithstanding the foregoing, the Issue is also subject to obtaining the final listing and trading approvals of the Stock Exchange, which the Company shall apply for after Allotment.

In case, the Company wishes to withdraw the Issue after Issue Opening but before allotment, the Company will give public notice giving reasons for withdrawal of Issue. The public notice will appear in two widely circulated national newspapers (one each in English and Hindi) and one in regional newspaper. The Stock Exchange where the Equity Shares are proposed to be listed shall also be informed promptly.

If the Company withdraws the Issue after the Issue Closing Date, the Company will be required to file a fresh Offer Document with the Stock Exchange.

### **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 had signed the following tripartite agreements with the Depositories and the Registrar and Share Transfer Agent:

- (a) Agreement dated September 7, 2017 between NSDL, the Company and the Registrar to the Issue;
- (b) Agreement dated October 4, 2017, 2017 between CDSL, the Company and the Registrar to the Issue.

The Company's shares bear an ISIN INE333Y01017

- An Applicant applying for Equity Shares must have at least one beneficiary account with either of the Depository Participants of either NSDL or CDSL prior to making the Application.
- The Applicant must necessarily fill in the details (including the Beneficiary Account Number and Depository Participant's identification number) appearing in the Application Form or Revision Form.
- Allotment to a successful Applicant will be credited in electronic form directly to the beneficiary account (with the Depository Participant) of the Applicant.
- Names in the Application Form or Revision Form should be identical to those appearing in the account details in the Depository. In case of joint holders, the names should necessarily be in the same sequence as they appear in the account details in the Depository.
- If incomplete or incorrect details are given under the heading 'Applicants Depository Account Details' in the Application Form or Revision Form, it is liable to be rejected.
- The Applicant is responsible for the correctness of his or her Demographic Details given in the Application Form vis à vis those with his or her Depository Participant.
- Equity Shares in electronic form can be traded only on the stock exchange having electronic connectivity with NSDL and CDSL. The Stock Exchange where our Equity Shares are proposed to be listed have electronic connectivity with CDSL and NSDL.
- The trading of the Equity Shares of the Company would be in dematerialized form only for all investors.

### **Communications**

All future communications in connection with the Applications made in this Issue should be addressed to the Registrar to the Issue quoting the full name of the sole or First Applicant, Application Form number, Applicants Depository Account Details, number of Equity Shares applied for, date of Application form, name and address of the Banker to the Issue where the Application was submitted and cheque or draft number and issuing bank 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.



## **PART-B**

### **General Information Document for Investing in Public Issues**

*This General Information Document highlights the key rules, processes and procedures applicable to public issues in accordance with the provisions of the Companies Act, 2013 (to the extent notified and in effect), the Companies Act, 1956 (without reference to the provisions thereof that have ceased to have effect upon the notification of the Companies Act, 2013), the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957 and the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009. 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 Applicants should rely on their own examination of the Issuer and the Issue, and should carefully read the Draft Prospectus / Prospectus before investing in the Issue.*

#### **SECTION 1: PURPOSE OF THE GENERAL INFORMATION DOCUMENT (GID)**

This document is applicable to the public issues undertaken inter-alia through Fixed Price Issues. The purpose of the “General Information Document for Investing in Public Issues” is to provide general guidance to potential Applicants in IPOs, on the processes and procedures governing IPOs, undertaken in accordance with the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (“SEBI ICDR Regulations, 2009”).

Applicants should note that investment in equity and equity related securities involves risk and Applicant should not invest any funds in the Issue unless they can afford to take the risk of losing their investment. The specific terms relating to securities and/or for subscribing to securities in an Issue and the relevant information about the Issuer undertaking the Issue; are set out in the Prospectus filed by the Issuer with the Registrar of Companies (“RoC”). Applicants should carefully read the entire Prospectus and the Application Form and the Abridged Prospectus of the Issuer in which they are proposing to invest through the Issue. In case of any difference in interpretation or conflict and/or overlap between the disclosure included in this document and the Prospectus, the disclosures in the Prospectus shall prevail. The Prospectus of the Issuer is available on the websites of Stock Exchange, on the website of the LM to the Issue and on the website of Securities and Exchange Board of India at [www.sebi.gov.in](http://www.sebi.gov.in).

For the definitions of capitalized terms and abbreviations used herein Applicants may refer to the section “Glossary and Abbreviations”.

#### **SECTION 2: BRIEF INTRODUCTION TO IPOs ON SME EXCHANGE**

##### **2.1 Initial Public Offer (IPO)**

An IPO means an offer of specified securities by an unlisted Issuer to the public for subscription and may include an Offer for Sale of specified securities to the public by any existing holder of such securities in an unlisted Issuer.

For undertaking an IPO, an Issuer is *inter-alia* required to comply with the eligibility requirements of in terms of either Regulation 26(1) or Regulation 26(2) of the SEBI ICDR Regulations, 2009, if applicable. For details of compliance with the eligibility requirements by the Issuer, Applicants may refer to the Prospectus.

The Issuer may also undertake IPO under 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 crores rupees shall issue its specified securities in accordance with provisions of this Chapter.
- Regulation 106M (2): An issuer, whose post issue face value capital, is more than ten crores rupees and up to twenty five crores rupees, may also issue specified securities in accordance with provisions of this Chapter.

The present Issue is being made under Regulation 106M (1) of Chapter XB of SEBI (ICDR) 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, 2013 and the Companies Act, 1956 to the extent applicable (the “Companies Act”), The Securities Contracts (Regulation) Rules, 1957 (the “SCRR”), industry- specific regulations, if any, and other applicable laws for the time being in force.

Following are the eligibility requirements for making an SME IPO under Regulation 106M of Chapter XB of SEBI (ICDR) Regulation:

- (a) In accordance with regulation 106(P) of the SEBI (ICDR) Regulations, Issue has to be 100% underwritten and the 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 at least ₹3 crores and is positive as per the latest audited financial results.
- (f) The Net worth (excluding revaluation reserves) of the Issuer shall be at least ₹3 crores 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 Crores.
- (i) The Issuer shall mandatorily facilitate trading in demat securities.
- (j) The Issuer should not been referred to Board for Industrial and Financial Reconstruction.
- (k) No petition for winding up is admitted by a court or a liquidator has not been appointed of competent jurisdiction against the Company.
- (l) No material regulatory or disciplinary action should have been taken by any stock exchange or regulatory authority in the past three years against the Issuer.
- (m) The Company should have a website.
- (n) There has been no change in the promoter(s) of the Company in the one year preceding the date of filing application to BSE for listing on SME segment.

Issuer shall also comply with all the other requirements as laid down for such an Issue under Chapter X-B of SEBI (ICDR) Regulations and subsequent circulars and guidelines issued by SEBI and the Stock Exchange.

As per Regulation 106(M)(3) of SEBI (ICDR) Regulations, 2009, the provisions of Regulations 6(1), 6(2), 6(3), Regulation 8, Regulation 9, Regulation 10, Regulation 25, Regulation 26, Regulation 27 and Sub regulation (1) of Regulation 49 of SEBI (ICDR) Regulations, 2009 shall not apply to this Issue.

Thus Company is eligible for the Issue in accordance with regulation 106M (1) and other provisions of chapter XB of the SEBI (ICDR) Regulations as the post issue face value capital does not exceed ₹ 2500 lakhs. Company also complies with the eligibility conditions laid by the SME Platform of BSE for listing of our Equity Shares.

### **2.3 Details of our Company fulfilling Requirements**

Our Company fulfils Requirements as specified in the SEBI ICDR Regulations, 2009, the Companies Act, 2013 and the Companies Act, 1956 to the extent applicable (the “Companies Act”), The Securities Contracts (Regulation) Rules, 1957 (the “SCRR”), industry- specific regulations, if any, and other applicable laws for the time being in force.



## **2.4 Types of Public Issues – Fixed Price Issues and Book Built Issues**

In accordance with the provisions of the SEBI ICDR Regulations, 2009, an Issuer can either determine the Issue Price through the Book Building Process (“**Book Built Issue**”) or undertake a Fixed Price Issue (“**Fixed Price Issue**”). An Issuer may mention Floor Price or Price Band in the RHP (in case of a Book Built Issue) and a Price or Price Band in the Prospectus (in case of a fixed price Issue) and determine the price at a later date before registering the Prospectus with the Registrar of Companies.

The cap on the Price Band should be less than or equal to 120% of the Floor Price. The Issuer shall announce the Price or the Floor Price or the Price Band through advertisement in all newspapers in which the pre-issue advertisement was given at least five Working Days before the Issue Opening Date, in case of an IPO and at least one Working Day before the Issue Opening Date, in case of an FPO.

The Floor Price or the Issue price cannot be lesser than the face value of the securities.

Applicants should refer to the Prospectus or Issue advertisements to check whether the Issue is a Book Built Issue or a Fixed Price Issue.

## **2.5 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).

## **2.6 Migration To Main Board**

SME Issuer may migrate to the Main Board of Stock Exchange 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 Stock Exchange 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.

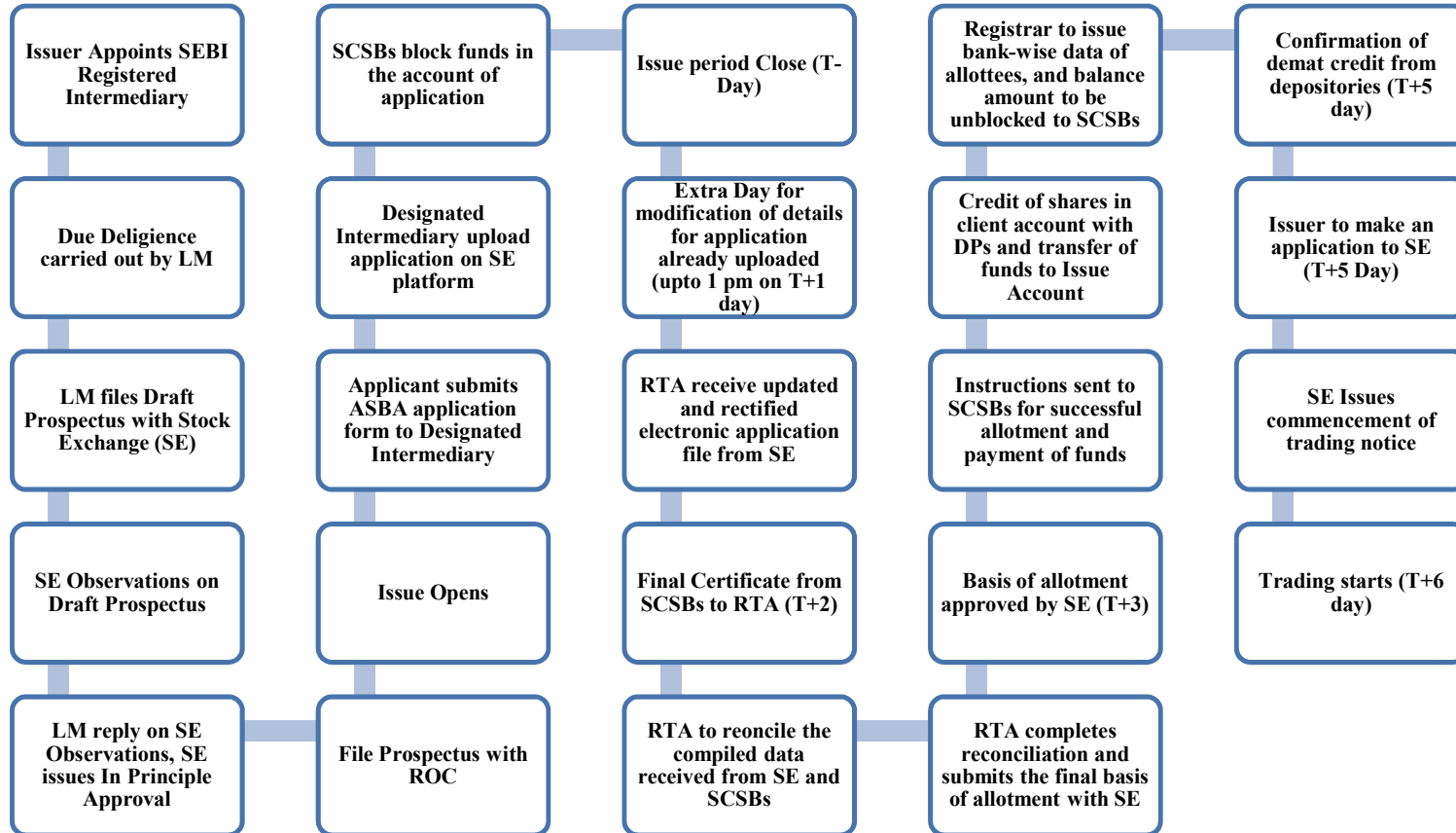
OR

- b) If the Paid up Capital of the company is more than ₹ 10 crores and upto ₹ 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.

Provided where there is any SEBI debarment order against the company/its promoters/directors, such company will not be eligible to migrate from SME to Main Board of BSE till such SEBI debarment order is in force. Accordingly, while seeking migration from the SME Board to the Main Board, our Company would be required to submit an undertaking that the Company / its Promoters / Directors have not been debarred by SEBI.

## **2.7 Flowchart of Timelines**

A flow chart of process flow in Fixed Price and Book Built Issues is as follows.





### **SECTION 3: CATEGORY OF INVESTORS ELIGIBLE TO PARTICIPATE IN AN ISSUE**

**Each Applicant should check whether it is eligible to apply under applicable law.** Furthermore, certain categories of Applicants, such as NRIs, FPIs and FVCIs may not be allowed to apply in the Issue or to hold Equity Shares, in excess of certain limits specified under applicable law. Applicants are requested to refer to the Prospectus for more details.

Subject to the above, an illustrative list of Applicants is as follows:

- Indian nationals resident in India who are not incompetent to contract in single or joint names (not more than three) or in the names of minors as natural/legal guardian;
- Hindu Undivided Families or HUFs, in the individual name of the Karta. The Applicant should specify that the application is being made in the name of the HUF in the Application Form as follows: Name of Sole or First applicant: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta. Applications by HUFs would be considered at par with those from individuals;
- Companies, Corporate Bodies and Societies registered under the applicable laws in India and authorized to invest in the Equity Shares under 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 bearing the stamp of an SCSB as available or downloaded from the websites of the Stock Exchange. Application Forms are available with the registered office of the Issuer, and office of the RTA and at the office of the Lead Manager. Application Forms are available with the Designated Branches of the SCSBs and at the Registered and Corporate Office of the Issuer. 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:

| <b>Category</b>  | <b>Colour of the Application Form</b> |
|--|---------------------------------------|
| Resident Indian, Eligible NRIs applying on a non-repatriation basis  | White                                 |
| NRIs, FVCIs, FII, their Sub-Accounts (other than Sub-Accounts which are foreign corporate(s) or foreign individuals applying under the QIB), FPIs, QFIs, on a repatriation basis | Blue                                  |

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 (FIXED PRICE ISSUE) FORM**

Applicants may note that forms not filled completely or correctly as per instructions provided in the 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:





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PLEASE FILL IN BLOCK LETTERS

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|  |   |   |
|--|---|---|
| <b>COMMON BID CUM APPLICATION FORM</b> | <b>XYZ LIMITED - INITIAL PUBLIC ISSUE - R</b>       | <b>FOR RESIDENT INDIANS, INCLUDING RESIDENT QIBs AND ELIGIBLE NRIs APPLYING ON A NON-REPATRIATION BASIS</b> |
|  | Address : ..... Contact Details: ..... CIN No. .... |   |

LOGO **TO, THE BOARD OF DIRECTORS XYZ LIMITED**

**BOOK BUILT ISSUE**  
ISIN : .....

Bid cum Application Form No. \_\_\_\_\_

|                                 |                                 |   |  |
|---------------------------------|---------------------------------|---|--|
| SYNDICATE MEMBER'S STAMP & CODE | BROKER/SCSB/DP/RTA STAMP & CODE | <b>1. NAME &amp; CONTACT DETAILS OF SOLE / FIRST BIDDER</b> |  |
|                                 |                                 | Mr. / Ms. _____   |  |
|                                 |                                 | Address _____   |  |
|                                 |                                 | Tel. No (with STD code) / Mobile _____ Email _____          |  |
| BANK BRANCH SERIAL NO.          | SCSB SERIAL NO.                 | <b>2. PAN OF SOLE / FIRST BIDDER</b>                        |  |
|                                 |                                 | _____   |  |

|   |  |
|---|--|
| <b>3. BIDDER'S DEPOSITORY ACCOUNT DETAILS</b> <input type="checkbox"/> NSDL <input type="checkbox"/> CDSL | <b>6. INVESTOR STATUS</b>  |
| For NSDL, enter 8 digit DP ID followed by 8 digit Client ID / For CDSL, enter 16 digit Client ID          | <input type="checkbox"/> Individual(s) - IND<br><input type="checkbox"/> Hindu Undivided Family* - HUF<br><input type="checkbox"/> Bodies Corporate - CO<br><input type="checkbox"/> Banks & Financial Institutions - FI<br><input type="checkbox"/> Mutual Funds - MF<br><input type="checkbox"/> Non-Resident Indians - NRI (Non-Repatriation basis)<br><input type="checkbox"/> National Investment Fund - NIF<br><input type="checkbox"/> Insurance Funds - IF<br><input type="checkbox"/> Insurance Companies - IC<br><input type="checkbox"/> Venture Capital Funds - VCF<br><input type="checkbox"/> Alternative Investment Funds - AIF<br><input type="checkbox"/> Others (Please specify) - OTH |

| 4. BID OPTIONS (ONLY RETAIL INDIVIDUAL BIDDERS CAN BID AT "CUT-OFF") |  |   |   |   |   |   |   |   |   | 5. CATEGORY |  |  |                          |
|--|--|---|---|---|---|---|---|---|---|-------------|--|--|--------------------------|
| Bid Options  | No. of Equity Shares, Bid (In Figures)<br>(Bids must be in multiples of Bid Lot as advertised) |   |   |   |   | Price per Equity Share (₹) * "Cut-off"<br>(Price in multiples of ₹ 1/- only) (In Figures) |   |   |   |             | <input type="checkbox"/> Retail Individual Bidder<br><br><input type="checkbox"/> Non-Institutional Bidder<br><br><input type="checkbox"/> QIB |  |                          |
|  |  | 8 | 7 | 6 | 5 | 4   | 3 | 2 | 1 | Bid Price   |  |  | Retail Discount          |
| Option 1   |  |   |   |   |   |   |   |   |   |             |  |  | <input type="checkbox"/> |
| (OR) Option 2  |  |   |   |   |   |   |   |   |   |             |  |  | <input type="checkbox"/> |
| (OR) Option 3  |  |   |   |   |   |   |   |   |   |             |  |  | <input type="checkbox"/> |

|   |   |
|---|---|
| <b>7. PAYMENT DETAILS</b>                           | <b>PAYMENT OPTION : FULL PAYMENT <input type="checkbox"/> PART PAYMENT <input type="checkbox"/></b> |
| Amount paid (₹ in figures) _____ (₹ in words) _____ |   |

ASBA Bank A/c No. \_\_\_\_\_

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 ABREGEED PROSPECTUS AND THE GENERAL INFORMATION DOCUMENT FOR INVESTING IN PUBLIC ISSUES ("GID") 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 CUM APPLICATION FORM GIVEN OVERLEAF.

|   |   |  |
|---|---|--|
| <b>8A. SIGNATURE OF SOLE / FIRST BIDDER</b> | <b>8B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(S) (AS PER BANK RECORDS)</b>   | <b>BROKER / SCSB / DP / RTA STAMP (Acknowledging upload of Bid in Stock Exchange system)</b> |
| Date : _____                                | I/We authorize the SCSB to do all acts as are necessary to make the Application in the line<br>1) _____<br>2) _____<br>3) _____ |  |

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|      |                    |                                 |  |
|------|--------------------|---------------------------------|--|
| LOGO | <b>XYZ LIMITED</b> | <b>Initial Public Issue - R</b> | <b>Acknowledgement Slip for Broker/SCSB/DP/RTA</b> |
|      |                    |                                 | Bid cum Application Form No. _____                 |

|  |                                  |  |
|--|----------------------------------|--|
| DPID / CLID  | PAN of Sole / First Bidder       |  |
| Amount paid (₹ in figures) _____ Bank & Branch _____ | Stamp & Signature of SCSB Branch |  |
| ASBA Bank A/c No. _____                              |                                  |  |
| Received from Mr./Ms. _____                          |                                  |  |
| Telephone / Mobile _____ Email _____                 |                                  |  |

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|   |  |          |          |   |                                    |
|---|--|----------|----------|---|------------------------------------|
| <b>XYZ LIMITED - INITIAL PUBLIC ISSUE - R</b> | Option 1                               | Option 2 | Option 3 | Stamp & Signature of Broker / SCSB / DP / RTA | Name of Sole / First Bidder        |
| No. of Equity Shares                          |  |          |          |   |                                    |
| Bid Price                                     |  |          |          |   |                                    |
| Amount Paid (₹)                               |  |          |          |   |                                    |
| ASBA Bank A/c No. _____                       | <b>Acknowledgement Slip for Bidder</b> |          |          |   |                                    |
| Bank & Branch _____                           |  |          |          |   | Bid cum Application Form No. _____ |

| <p style="writing-mode: vertical-rl; transform: rotate(180deg);">TEAR HERE</p>  | <p><b>COMMON BID CUM APPLICATION FORM</b></p> <p><b>XYZ LIMITED - INITIAL PUBLIC ISSUE - NR</b></p> <p>Address : _____ Contact Details: _____ CIN No. _____</p>  | <p><b>FOR NON-RESIDENTS, INCLUDING ELIGIBLE NRIs, FPIs OR FVCI'S, ETC. APPLYING ON A REPATRIATION BASIS</b></p> |   |   |  |   |  |                          |   |  |  |                     |  |                         |   |                               |                     |                             |                          |             |                          |                                      |  |  |                          |             |                          |  |  |  |                          |  |          |
|---|--|---|---|---|--|---|--|--------------------------|---|--|--|---------------------|--|-------------------------|---|-------------------------------|---------------------|-----------------------------|--------------------------|-------------|--------------------------|--------------------------------------|--|--|--------------------------|-------------|--------------------------|--|--|--|--------------------------|--|----------|
| <p style="writing-mode: vertical-rl; transform: rotate(180deg);">PLEASE FILL IN BLOCK LETTERS</p>   | <p>LOGO <b>TO, THE BOARD OF DIRECTORS XYZ LIMITED</b></p> <p style="text-align: center;"><b>BOOK BUILT ISSUE</b></p> <p style="text-align: center;">ISIN : _____</p>   | <p>Bid cum Application Form No. _____</p>   |   |   |  |   |  |                          |   |  |  |                     |  |                         |   |                               |                     |                             |                          |             |                          |                                      |  |  |                          |             |                          |  |  |  |                          |  |          |
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| <p style="writing-mode: vertical-rl; transform: rotate(180deg);">TEAR HERE</p>  | <table border="1" style="width:100%; border-collapse: collapse;"> <tr> <td style="width:20%; text-align: center;"><b>XYZ LIMITED - INITIAL PUBLIC ISSUE - NR</b></td> <td style="width:30%;">Option 1    Option 2    Option 3</td> <td style="width:20%;">Stamp &amp; Signature of Broker / SCSB / DP / RTA</td> <td style="width:30%;">Name of Sole / First Bidder</td> </tr> <tr> <td>No. of Equity Shares _____</td> <td> </td> <td> </td> <td> </td> </tr> <tr> <td>Bid Price _____</td> <td> </td> <td> </td> <td> </td> </tr> <tr> <td>Amount Paid (₹) _____</td> <td> </td> <td> </td> <td> </td> </tr> <tr> <td>ASBA Bank A/c No. _____</td> <td> </td> <td> </td> <td> </td> </tr> <tr> <td>Bank &amp; Branch _____</td> <td> </td> <td> </td> <td> </td> </tr> </table>  | <b>XYZ LIMITED - INITIAL PUBLIC ISSUE - NR</b>  | Option 1    Option 2    Option 3  | Stamp & Signature of Broker / SCSB / DP / RTA   | Name of Sole / First Bidder  | No. of Equity Shares _____  |  |                          |   | Bid Price _____                                      |  |                     |  | Amount Paid (₹) _____   |   |                               |                     | ASBA Bank A/c No. _____     |                          |             |                          | Bank & Branch _____                  |  |  |                          | <p> </p>    |                          |  |  |  |                          |  |          |
| <b>XYZ LIMITED - INITIAL PUBLIC ISSUE - NR</b>  | Option 1    Option 2    Option 3   | Stamp & Signature of Broker / SCSB / DP / RTA   | Name of Sole / First Bidder   |   |  |   |  |                          |   |  |  |                     |  |                         |   |                               |                     |                             |                          |             |                          |                                      |  |  |                          |             |                          |  |  |  |                          |  |          |
| No. of Equity Shares _____  |  |   |   |   |  |   |  |                          |   |  |  |                     |  |                         |   |                               |                     |                             |                          |             |                          |                                      |  |  |                          |             |                          |  |  |  |                          |  |          |
| Bid Price _____   |  |   |   |   |  |   |  |                          |   |  |  |                     |  |                         |   |                               |                     |                             |                          |             |                          |                                      |  |  |                          |             |                          |  |  |  |                          |  |          |
| Amount Paid (₹) _____   |  |   |   |   |  |   |  |                          |   |  |  |                     |  |                         |   |                               |                     |                             |                          |             |                          |                                      |  |  |                          |             |                          |  |  |  |                          |  |          |
| ASBA Bank A/c No. _____   |  |   |   |   |  |   |  |                          |   |  |  |                     |  |                         |   |                               |                     |                             |                          |             |                          |                                      |  |  |                          |             |                          |  |  |  |                          |  |          |
| Bank & Branch _____   |  |   |   |   |  |   |  |                          |   |  |  |                     |  |                         |   |                               |                     |                             |                          |             |                          |                                      |  |  |                          |             |                          |  |  |  |                          |  |          |

**4.1.1 FIELD NUMBER 1: NAME AND CONTACT DETAILS OF THE SOLE/FIRST APPLICANT**

- (a) Applicants should ensure that the name provided in this field is exactly the same as the name in which the Depository Account is held.



- (b) **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 (including letters notifying the unblocking of the bank accounts of Applicants) 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 Registered Broker and the Registrar to the Issue only for correspondence(s) related to an Issue and for no other purposes.
- (c) **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.
- (d) **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.”*

The liability prescribed under Section 447 of the Companies Act, 2013 includes imprisonment for a term which shall not be less than six months extending up to 10 years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending up to three times of such amount.

- (e) **Nomination Facility to Applicant:** Nomination facility is available in accordance with the provisions of Section 72 of the Companies Act, 2013. In case of allotment of the Equity Shares in dematerialized form, there is no need to make a separate nomination as the nomination registered with the Depository may prevail. For changing nominations, the Applicants should inform their respective Depository Participant.

#### 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.
- (d) Application Forms which provide the General Index Register Number instead of PAN may be rejected.
- (e) Applications by Applicants whose demat accounts have been 'suspended for credit' are liable to be rejected pursuant to the circular issued by SEBI on July 29, 2010, bearing number CIR/MRD/DP/22/2010. Such accounts are classified as “Inactive demat accounts” and demographic details are not provided by depositories.

#### 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 unblocking of ASBA Account 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 Applicant's sole risk.

#### 4.1.4 **FIELDNUMBER4:APPLICATIONDETAILS**

- (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 Applicants

The Application must be for a minimum of 8,000 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 8,000 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 ₹200,000 and in multiples of 8,000 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 and a NII Applicant cannot withdraw or lower its quantity or price in its application once the application is submitted and is required to pay 100% 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 different Designated 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 subaccounts) 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 RII's 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, FIIs/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 NUMBER 7: PAYMENT DETAILS**

- (a) All Applicants are required to make payment of 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 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) 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.
- (c) In terms of SEBI Circular No. CIR/CFD/POLICYCELL/11/2015, all potential investors shall participate in the Issue only through ASBA process providing details about the bank account which will be blocked by the SCSBs for the same.

##### 4.1.7.1 **Payment instructions for Applicants**

- (i) Applicants may submit the Application Form either (i) in physical mode to the Designated Branch of an SCSB where the Applicants have ASBA Account, or (ii) in electronic mode through the internet banking facility offered by an SCSB authorizing blocking of funds that are available in the ASBA account specified in the Application Form, or (iii) in physical mode to any Designated Intermediary.



- (ii) Applicants should specify the Bank Account number in the Application Form. The Application Form submitted by an Applicant and which is accompanied by cash, demand draft, money order, postal order or any mode of payment other than blocked amounts in the ASBA Account maintained with an SCSB, may not be accepted.
- (iii) 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.
- (iv) Applicants shall note that that for the purpose of blocking funds under ASBA facility clearly demarcated funds shall be available in the account.
- (v) From one ASBA Account, a maximum of five Application Forms can be submitted.
- (vi) 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.
- (vii) Applicants applying through a Registered Broker, RTA or CDP should note that Application Forms submitted to them may not be accepted, if the SCSB where the ASBA Account, as specified in the Application Form, is maintained has not named at least one branch at that location for the Registered Brokers, RTA or CDP, as the case may be, to deposit Application Forms.
- (viii) 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.
- (ix) 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.
- (x) 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.
- (xi) Upon submission of a completed Application Form each Applicant may be deemed to have agreed to block the entire Application Amount and authorized the Designated Branch of the SCSB to block the Application Amount specified in the Application Form in the ASBA Account maintained with the SCSBs.
- (xii) The Application Amount may remain blocked in the aforesaid ASBA Account until finalisation of the Basis of allotment and consequent transfer of the Application Amount against the Allotted Equity Shares to the Public Issue Account, or until withdrawal or failure of the Issue, or until withdrawal or rejection of the Application, as the case may be.
- (xiii) SCSBs applying in the Issue must apply through an ASBA Account maintained with any other SCSB; else their Applications are liable to be rejected.

#### 4.1.7.2 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 Applications, if any, along with reasons for rejection, 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 Applicant 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 Amount in the relevant ASBA Account within six



Working Days of the Issue Closing Date.

#### 4.1.7.3 **Discount** (if applicable)

- (a) The Discount is stated in absolute rupee terms.
- (b) Applicants applying under RII category, Retail Individual Shareholder and employees 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 Amount less Discount (if applicable).

Applicant may note that in case the net payment (post Discount) is more than two lakhs Rupees, the system automatically considers such applications for allocation under Non-Institutional Category. These applications are neither eligible for Discount nor fall under RII category.

#### 4.1.8 **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 Accountholder(s) is also required.
- (c) 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 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.

#### 4.1.9 **ACKNOWLEDGEMENT AND FUTURE COMMUNICATION**

- (a) Applicants should ensure that they receive the Acknowledgement Slip duly signed and stamped by the Designated Intermediary, as applicable, for submission of the Application Form.
- (b) 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, unblock fund, the Applicants should contact the Registrar to the Issue.
  - ii. In case of Applications submitted to the Designated Branches of the SCSBs, the Applicants should contact the relevant Designated Branch of the SCSB.
  - iii. In case of queries relating to uploading of Applications by a Registered Broker, the Applicants should contact the relevant Registered Broker
  - iv. In case of Application submitted to the RTA, the Applicants should contact the RTA.
  - v. In case of Application submitted to the DP, the Applicants should contact the relevant DP.
  - vi. Applicant may contact our Company Secretary and Compliance Officer or LM in case of any other complaints in relation to the Issue.
- (c) 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.
  - ii. Name and address of the Designated Branch, as the case may be, where the application was submitted.
  - iii. ASBA Account number in which the amount equivalent to the Amount was blocked.

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

- (b) RII may revise their applications till closure of the Issue period or withdraw their applications until finalization of allotment.
- (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.

I. A sample Revision form is reproduced below:

II.

|   |  |  |
|---|--|--|
| <b>COMMON BID REVISION FORM</b>   | XYZ LIMITED - INITIAL PUBLIC ISSUE - R<br>Address : ..... Contact Details: ..... CIN No .....    | <b>FOR RESIDENT INDIANS, INCLUDING RESIDENT QIBs, AND ELIGIBLE NRI APPLICING ON A NON-REPATRIATION BASIS</b> |
| LOGO  | TO:<br>THE BOARD OF DIRECTORS<br>XYZ LIMITED   | BOOK BUILT ISSUE<br>ISIN : .....   |
|   |  | Bid cum Application Form No. [ ]   |
| <b>PLEASE CHANGE MY BID</b>   |  |  |
| <b>4. FROM (AS PER LAST BID OR REVISION)</b>  |  |  |
| Bid Options   | No. of Equity Shares Bid<br>(Bids must be in multiples of Bid Lot as advertised)<br>(In Figures) | Price per Equity Share (₹) "Cut-off" (Price in multiples of ₹ 1/- only)<br>(In Figures)                      |
|   | 8   7   6   5   4   3   2   1  | Bid Price   Retail Discount   Net Price   "Cut-off" (Please tick)  |
| Option 1  |  |  |
| (OR) Option 2   |  |  |
| (OR) Option 3   |  |  |
| <b>5. TO (Revised Bid) (Only Retail Individual Bidders can Bid at "Cut-off")</b>  |  |  |
| Bid Options   | No. of Equity Shares Bid<br>(Bids must be in multiples of Bid Lot as advertised)<br>(In Figures) | Price per Equity Share (₹) "Cut-off" (Price in multiples of ₹ 1/- only)<br>(In Figures)                      |
|   | 8   7   6   5   4   3   2   1  | Bid Price   Retail Discount   Net Price   "Cut-off" (Please tick)  |
| Option 1  |  |  |
| (OR) Option 2   |  |  |
| (OR) Option 3   |  |  |
| <b>6. PAYMENT DETAILS</b>   |  |  |
| Additional Amount Paid (₹ in figures) [ ] (₹ in words) [ ]  |  | PAYMENT OPTION : FULL PAYMENT <input type="checkbox"/> PART PAYMENT <input type="checkbox"/>                 |
| ASBA Bank A/c No. [ ]   |  |  |
| Bank Name & Branch [ ]  |  |  |
| <small>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 ABBREVIATED PROSPECTUS AND THE GENERAL INFORMATION DOCUMENT FOR INVESTING IN PUBLIC ISSUES ("GID") 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.</small> |  |  |
| <b>7A. SIGNATURE OF SOLE/ FIRST BIDDER</b>  |  | <b>7B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(S)</b><br>(AS PER BANK RECORD(S))                               |
| [ ]<br>Date : [ ]   |  | [ ]<br>I/We authorize the SCSB to do all acts as are necessary to make the Application in the issue.         |
| <b>BROKER / SCSB / DP / RTA STAMP</b> (Acknowledging upload of Bid in Stock Exchange system)  |  |  |
| TEAR HERE   |  |  |
| LOGO  | XYZ LIMITED<br>BID REVISION FORM - INITIAL PUBLIC ISSUE - R                                      | Acknowledgement Slip for Broker/SCSB/ DP/RTA   |
|   |  | Bid cum Application Form No. [ ]   |
| PAN of Sole / First Bidder [ ]  |  |  |
| DPID / CLID [ ]   |  |  |
| Additional Amount Paid (₹) [ ] Bank & Branch [ ]  |  | Stamp & Signature of SCSB Branch [ ]   |
| ASBA Bank A/c No. [ ]   |  |  |
| Received from Mr./Ms. [ ]   |  |  |
| Telephone / Mobile [ ] Email [ ]  |  |  |
| TEAR HERE   |  |  |
| <b>XYZ LIMITED - BID REVISION FORM - INITIAL PUBLIC ISSUE - R</b>   | Option 1   Option 2   Option 3   | Stamp & Signature of Broker / SCSB / DP / RTA  |
| No. of Equity Shares  | [ ]  | [ ]  |
| Bid Price   | [ ]  | [ ]  |
| Additional Amount Paid (₹) [ ]  |  | Name of Sole / First Bidder [ ]  |
| ASBA Bank A/c No. [ ]   |  | <b>Acknowledgement Slip for Bidder</b>   |
| Bank & Branch [ ]   |  | Bid cum Application Form No. [ ]   |

III.

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 FORM 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 not exceed ₹ 2,00,000/-. In case amount exceeds ₹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) All Applicants are required to make payment of the full application amount along with the Revision Form.
- (b) Applicant may Issue instructions to block the revised amount in the ASBA Account, to Designated Branch through whom such Applicant had placed the original application to enable the relevant SCSB to block the additional application amount, if any.

### **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.

## **4.3 SUBMISSION OF REVISION FORM/APPLICATION FORM**

### **4.3.1 Applicants may submit completed application form/Revision Form in the following manner:-**

| <b>Mode of Application</b> | <b>Submission of Application Form</b> |
|----------------------------|---------------------------------------|
| ALL Application            | To the Designated Intermediary        |

## **SECTION 5: ISSUE PROCEDURE IN FIXED PRICE ISSUE**

**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 the Designated Intermediaries.

Applicants may submit an Application Form either in physical form to the Designated Intermediaries or in the electronic form to the SCSB or the Designated Branches of the SCSBs authorising blocking of funds that are available in the bank account specified in the Application Form only. The Application Form is also made available on the websites of the Stock Exchange 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 percent 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.

### **GROUND S OF TECHNICAL REJECTIONS**

Application Form can be rejected on the below mentioned technical grounds either at the time of their submission to any of the Designated Intermediaries, or at the time of finalisation of the Basis of Allotment. Applicants are advised to note

that the Applications are liable to be rejected, *inter-alia*, on the following grounds, which have been detailed at various places in this GID:-

- Application by persons not competent to contract under the Indian Contract Act, 1872, as amended, (other than minors having valid Depository Account as per Demographic Details provided by Depositories);
- Applications by OCBs;
- In case of partnership firms, Application for Equity Shares made in the name of the firm. However, a limited liability partnership can apply in its own name;
- In case of Applications under power of attorney or by limited companies, corporate, trust etc., relevant documents not being submitted along with the Application Form;
- Applications by persons prohibited from buying, selling or dealing in the shares directly or indirectly by SEBI or any other regulatory authority;
- Applications by any person outside India if not in compliance with applicable foreign and Indian laws;
- PAN not mentioned in the Application Form, except for Applications by or on behalf of the Central or State Government and officials appointed by the court and by the investors residing in the State of Sikkim, provided such claims have been verified by the Depository Participant;
- In case no corresponding record is available with the Depositories that matches the DP ID, the Client ID and the PAN;
- Applications for lower number of Equity Shares than the minimum specified for that category of investors;
- The amounts mentioned in the Application Form does not tally with the amount payable for the value of the Equity Shares Applied for;
- Applications for amounts greater than the maximum permissible amounts prescribed by the regulations;
- Submission of more than five Application Form as through a single ASBA Account;
- Applications for number of Equity Shares which are not in multiples Equity Shares which are not in multiples as specified in the Prospectus;
- Multiple Applications as defined in this GID and the Prospectus;
- Application Forms are not delivered by the Applicants within the time prescribed as per the Application Form, Issue Opening Date advertisement and as per the instructions in the Prospectus and the Application Forms;
- Inadequate funds in the bank account to block the Application Amount specified in the Application Form at the time of blocking such Application Amount in the bank account;
- Where no confirmation is received from SCSB for blocking of funds;
- Applications by Applicants not submitted through ASBA process;
- Applications not uploaded on the terminals of the Stock Exchange; and
- Applications by SCSBs wherein a separate account in its own name held with any other SCSB is not mentioned as the ASBA Account in the Application Form.
- 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.

**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 exchange by the brokers do not match with PAN, the DP ID and client ID available in the depository database, the application form is liable to be rejected.**

For details of instructions in relation to the Application Form, Applicants may refer to the relevant section of the GID.

#### **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 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 8,000 equity shares the allotment will be made as follows:
- i. Each successful Applicant shall be allotted 8,000 equity shares; and
  - ii. The successful Applicants out of the total applicants for that category shall be determined by the withdrawal 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 8,000 equity shares, the Applicant would be allotted Shares by rounding off to the nearest multiple of 8,000 equity shares subject to a minimum allotment of 8,000 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 8,000 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 the 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 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 SEBI (ICDR) Regulations.

## 7.2 DESIGNATED DATE AND ALLOTMENT OF EQUITYSHARES

- (a) **Designated Date:** On the Designated Date, the Registrar to the Issue shall instruct the SCSBs to transfer funds represented by allocation of Equity Shares from ASBA Accounts into the Public Issue Account.
- (b) **Issuance of Allotment Advice:** Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Registrar shall upload the same on its website. On the basis of the approved Basis of Allotment, the Issuer shall pass necessary corporate action to facilitate the Allotment and credit of Equity Shares. Applicants are advised to instruct their Depository Participant to accept the Equity Shares that may be allotted to them pursuant to the Issue. Pursuant to confirmation of such corporate actions, the Registrar will dispatch Allotment Advice to the Applicants who have been Allotted Equity Shares in the Issue.
- (c) The dispatch of Allotment Advice shall be deemed a valid, binding and irrevocable contract.
- (d) Issuer will ensure that:(i) the Allotment of Equity Shares; and (ii) credit of shares to the successful Applicants Depository Account will be completed within six 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 five Working Days from the Issue Close 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 the Stock Exchange are taken within six Working Days of the Issue Closing Date. The Registrar to the Issue may give instructions for credit to Equity Shares the beneficiary account with CDPs, and dispatch the Allotment Advice within six Working Days of the Issue Closing Date.

### **8.2 GROUNDS FOR UNBLOCKING OF FUND/REFUND**

#### **8.2.1 NON RECEIPT OF LISTING PERMISSION**

An Issuer makes an application to the Stock Exchange for permission to deal in/list and for an official quotation of the Equity Shares. The Stock Exchange from where such permission is sought are disclosed in this Prospectus. The Designated Stock Exchange may be as disclosed in the Draft Prospectus/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, the Issuer may forthwith take steps to refund, without interest, all moneys received from Applicants. 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 NON RECEIPT OF 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 read with Companies (Prospectus and Allotment of Securities) Rules, 2014, as amended, if the “amount stated in the prospectus as minimum amount” has not been subscribed and the sum payable on application is not received within a period of 30 days from the date of the Prospectus or such other period as may be specified by the Securities and Exchange Board, 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 to Underwriters within sixty days from the date of closure of the Issue, the Issuer shall forthwith refund the entire subscription amount received. If there is a delay beyond eight days after the Issuer becomes liable to pay the amount, the Issuer shall pay interest at the rate of 15% p.a.

#### **8.2.3 MINIMUM NUMBER OF ALLOTTEES**

The Issuer may ensure that the number of prospective Allotees 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 UNBLOCKING OF FUND/REFUND**

Within six 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 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 if demat credits are not made to Applicants or instructions for unblocking of funds in the ASBA Account are not dispatched within the 6 Working days of the Issue Closing Date.

The Issuer may pay interest at 15% per annum for any delay beyond 15 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.*

| <b>Term</b>                                   | <b>Description</b>   |
|---|--|
| Allotment/Allot/Allotted                      | The allotment of Equity Shares pursuant to the Issue to successful Applicants.   |
| Allottee                                      | An 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 Exchange.   |
| Applicant                                     | The Applicant whose name appears first in the Application Form or Revision Form.   |
| 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                                   | An indication to make an offer during the Issue Period by an Applicant, pursuant to submission of Application Form, to subscribe for or purchase our Equity Shares at the Issue Price including all revisions and modifications thereto, to the extent permissible under the SEBI (ICDR) Regulations.  |
| 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 an Applicant shall make an Application and which shall be considered as the application for the Allotment pursuant to the terms of the Prospectus (Except Book Building Process).   |
| Application Supported by Blocked Amount/ ASBA | The application (whether physical or electronic) by an Applicant to make an Application authorizing the relevant SCSB to block the Application Amount in the relevant ASBA Account.<br>Pursuant to SEBI Circular dated November 10, 2015 and bearing Reference No.CIR/CFD/POLICYCELL/11/2015 which shall be applicable for all public issues opening on or after January 01, 2016, all potential investors shall participate in the Issue only through ASBA process providing details about the bank account which will be blocked by the SCSBs. |
| ASBA Account                                  | Account maintained with an SCSB and specified in the Application Form which will be blocked by such SCSB to the extent of the appropriate Application Amount in relation to an Application by an Applicant.  |
| 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(s) may be opened, and as disclosed in the Prospectus and Application Form of the Issuer.   |
| Basis of Allotment                            | The basis on which the Equity Shares may be Allotted to successful Applicants under the Issue.   |
| Book Building Process/ Book Building Method   | The book building process as provided under SEBI (ICDR) Regulations.   |
| 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                                 | Companies Act, 1956 (without reference to the provisions thereof that have ceased to have effect upon notification of the Notified Sections) and the Companies Act, 2013, to the extent in force pursuant to the notification of the Notified Sections, read with the rules, regulations, clarifications and modifications there under.  |
| 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.  |
| Depositories                                  | National Securities Depository Limited and Central Depository Services (India) Limited.  |
| Designated Date                               | The date on which the amounts blocked by the SCSBs are transferred from the ASBA   |

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|   | Accounts to the Public Issue Account following which the board of directors may give delivery instructions for the transfer of the Equity Shares constituting the Issue.   |
| Designated Intermediaries / Collecting Agent              | Syndicate Members, Sub-Syndicate/Agents, SCSBs, Registered Brokers, Brokers, the CDPs and RTAs, who are authorized to collect Application Forms from the Applicants, in relation to the Issue.   |
| Designated CDP Locations                                  | Such locations of the CDPs where Applicants can submit the Application Forms to Collecting Depository Participants. The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept Application Forms are available on the website of the Stock Exchange ( <a href="http://www.bsesme.com">www.bsesme.com</a> ).                             |
| Designated RTA Locations                                  | Such locations of the RTAs where Applicants can submit the Application Forms to RTAs. The details of such Designated RTA Locations, along with names and contact details of the RTAs eligible to accept Application Forms are available on the website of the Stock Exchange ( <a href="http://www.bsesme.com">www.bsesme.com</a> ).   |
| Designated SCSB Branches                                  | Such branches of the SCSBs which shall collect the Application Forms, a list of which is available on the website of SEBI 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> or at such other website as may be prescribed by SEBI from time to time.  |
| Designated Stock Exchange                                 | The designated stock exchange as disclosed in the Draft Prospectus/Prospectus of the Issuer.   |
| Discount  | Discount to the Issue Price that may be provided to Applicants in accordance with the SEBI (ICDR) Regulations.   |
| DP  | Depository Participant.  |
| DP ID   | Depository Participant's Identification Number.  |
| 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 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.   |
| Fixed Price Issue/ Fixed Price Process/Fixed Price Method | The Fixed Price process as provided under SEBI (ICDR) Regulations, in terms of which the Issue is being made.  |
| 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.  |
| FPI(s)  | Foreign Portfolio Investor.  |
| FPO   | Further public offering.   |
| 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 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 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. Applicants may refer to the Prospectus for the Issue Period. |
| 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.  |
| Net Issue   | The Issue less Market Maker Reservation Portion.   |
| NECS  | National Electronic Clearing Service.  |





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| NEFT  | National Electronic Fund Transfer.  |
| NRE Account   | Non-Resident External Account.  |
| 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 Draft Prospectus/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.  |
| NRO Account   | Non-Resident Ordinary Account.  |
| 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 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 the provisions of Section 26 of the Companies Act, 2013.  |
| 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.   |
| RTGS  | Real Time Gross Settlement.   |
| 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 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.  |
| Retail Individual Investors / RIIs                  | Investors who applies 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.  |
| 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) Regulation.  |
| Stock Exchange/SE                                   | The Stock Exchange as disclosed in the Draft Prospectus/ Prospectus of the Issuer where the Equity Shares Allotted pursuant to the Issue are proposed to be listed.   |
| Self Certified Syndicate Banks or SCSBs             | Banks registered with SEBI, offering services in relation to ASBA, a list of which is available on the website of SEBI at <a href="http://www.sebi.gov.in">www.sebi.gov.in</a> and updated from time to time and at   |



|                        |   |
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|                        | such other websites as may be prescribed by SEBI from time to time.   |
| 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).   |
| Syndicate Member(s)/SM | The Syndicate Member(s) as disclosed in the Prospectus.   |
| Working Day(s)         | “Working Day” means all days, other than second and fourth Saturday of the month, Sunday or a public holiday, on which commercial banks in Mumbai are open for business; provided however, with reference to Issue Period, “Working Day” shall mean all days, excluding all Saturdays, Sundays or a public holiday, on which commercial banks in Mumbai are open for business; and with reference to the time period between the Issue Closing Date and the listing of the Equity Shares on the SME Segment of BSE Limited, “Working Day” shall mean all trading days of BSE Limited, excluding Sundays and bank holidays, as per the SEBI Circular SEBI/HO/CFD/DIL/CIR/P/2016/26 dated January 21, 2016. |





## RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated primarily through the Industrial Policy, 1991 of the Government of India and FEMA. While the Industrial Policy, 1991 prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. Under the Industrial Policy, unless specifically restricted, foreign investment is freely permitted in all sectors of Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. The government bodies responsible for granting foreign investment approvals are FIPB and the RBI.

The Government has from time to time made policy pronouncements on FDI through press notes and press releases. The DIPP, issued the consolidated FDI Policy by way of circular no. D/o IPP F. No. 5(1)/2016-FC-1 dated June 7, 2016 (“**FDI Policy**”), which with effect from June 7, 2016, consolidates and supersedes all previous press notes, press releases and clarifications on FDI issued by the DIPP that were in force and effect as on June 6, 2016. The Government proposes to update the consolidated circular on FDI Policy once every year and therefore, FDI Policy 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 foreign direct investment (“**FDI**”) Policy and transfer does not attract the provisions of the SEBI 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 SEBI and RBI.

As per the existing policy of the Government of India, OCBs cannot participate in the Issue.

**The Equity Shares have not been and will not be registered under the U.S. Securities Act, or any state securities laws in the United States, and, unless so registered, may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws in the United States. Accordingly, the Equity Shares are being offered and sold outside the United States in offshore transactions in compliance with Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those offers and sales occur.**

**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 number of Equity Shares Applied for do not exceed the applicable limits under laws or regulations.**

## SECTION VIII – MAIN PROVISIONS OF THE ARTICLES OF ASSOCIATION

I. 1. The articles in Table “F” in the first Schedule to the Companies Act, 2013, save as reproduced herein shall apply to this Company to the same extent as are not provided for in these Articles, the regulations for the management of the Company and for observance of the members thereof and their representatives shall, subject to any exercise of the Company’s power to modify, alter or add to its regulations be such as are contained in these Articles.

### INTERPRETATION

2. (1) In these regulations—

(a) “the Act” means the Companies Act, 2013,

(b) “the seal” means the common seal of the company.

(2) Unless the context otherwise requires, words or expressions contained in these regulations shall bear the same meaning as in the Act or any statutory modification thereof in force at the date at which these regulations become binding on the company.

## SHARE CAPITAL AND VARIATION OF RIGHTS

II. 1. Subject to the provisions 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.

2. (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,—

(a) one certificate for all his shares without payment of any charges; or

(b) several certificates, each for one or more of his shares, upon payment of twenty rupees for each certificate after the first.

(ii) Every certificate shall be under the seal and shall specify the shares to which it relates and the amount paid-up thereon.

(iii) 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 share to one of several joint holders shall be sufficient delivery to all such holders.

3. (i) 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, a new certificate may be issued in lieu thereof, and 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. Every certificate under this Article shall be issued on payment of twenty rupees for each certificate.

(ii) The provisions of Articles (2) and (3) shall *mutatis mutandis* apply to debentures of the company.

4. Except as required by law, no person shall be recognised by the company as holding any share upon any trust, and the company shall not be bound by, or be compelled in any way to recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any share, or any interest in any fractional part of a share, or (except only as by these regulations or by law otherwise provided) any other rights in respect of any share except an absolute right to the entirety thereof in the registered holder.

5. (i) The company may exercise the powers of paying commissions conferred by sub-section (6) of section 40, provided that the rate per cent. or the amount of the commission paid or agreed to be paid shall be disclosed in the manner required by that section and rules made thereunder.

(ii) The rate or amount of the commission shall not exceed the rate or amount prescribed in rules made under sub-section (6) of section 40.



(iii) The commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in the one way and partly in the other.

6. (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.

(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 holding at least one-third of the issued shares of the class in question.

7. 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.

8. Subject to the provisions of section 55, any preference shares may, with the sanction of an ordinary resolution, 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 shares may, by special resolution, determine.

#### LIEN

9. (i) The company shall have a first and paramount lien—

(a) 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

That fully paid shares shall be free from all lien and that in the case of partly paid shares the Issuer's lien shall be restricted to moneys called or payable at a fixed time in respect of such shares;

(b) 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:

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.

(ii) 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.

10. 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

(b) until the expiration of fourteen days after a notice in writing stating and 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.

11. (i) To give effect to any such sale, the Board may authorise some person to transfer the shares sold to the purchaser thereof.

(ii) The purchaser shall be registered as the holder of the shares comprised in any such transfer.

(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.

12. (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.

(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.

## CALLS ON SHARES

**13.** (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) and not by the conditions of allotment thereof made payable at fixed times:

Provided that no call shall exceed one-fourth of the nominal value of the share or be payable at less than one month from the date fixed for the payment of the last preceding call.

Provided that the Board shall not give the option or right to call on shares to any Person except with the sanction of the Company in the General Meeting.

(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.

(iii) A call may be revoked or postponed at the discretion of the Board.

**14.** 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 instalments.

**15.** The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.

**16.** (i) 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 thereof to the time of actual payment at ten per cent. per annum or at such lower rate, if any, as the Board may determine.

(ii) The Board shall be at liberty to waive payment of any such interest wholly or in part.

**17.** (i) Any sum which by the terms of issue of a share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the share or by way of premium, shall, for the purposes of these regulations, be deemed to be a call duly made and payable on the date on which by the terms of issue such sum becomes payable.

(ii) In case of non-payment of such sum, all the relevant provisions of these regulations as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.

**18.** The Board—

(a) may, if it thinks fit, receive from any member willing to advance the same, all or any part of the monies uncalled and unpaid upon any shares held by him; and

(b) upon all or any of the monies so advanced, may (until the same would, but for such advance, become presently payable) pay interest at such rate not exceeding, unless the company in general meeting shall otherwise direct, twelve per cent. per annum, as may be agreed upon between the Board and the member paying the sum in advance.

(c) That any amount paid up in advance of calls on any share may carry interest but shall not in respect thereof confer a right to dividend or to participate in profits;

## TRANSFER OF SHARES

**19.** (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.

**20.** The Board may, subject to the right of appeal conferred by section 58 decline to register—

(a) the transfer of a share, not being a fully paid share, to a person of whom they do not approve; or

(b) any transfer of shares on which the company has a lien.



(c) That registration of transfer shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Issuer on any account whatsoever;

**21.** The Board may decline to recognise any instrument of transfer unless—

(a) the instrument of transfer is in the form as prescribed in rules made under sub-section (1) of section 56;

(b) the instrument of transfer is accompanied by the certificate of the shares to which it relates, and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer; and

(c) the instrument of transfer is in respect of only one class of shares.

**22.** On giving not less than seven days' previous notice in accordance with section 91 and rules made thereunder, the registration of transfers may be suspended at such times and for such periods as the Board may from time to time determine:

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.

### **TRANSMISSION OF SHARES**

**23.** (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 recognised by the company as having any title to his interest in the shares.

(ii) 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.

**24.** (i) Any person becoming entitled to a share in consequence 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—

(a) to be registered himself as holder of the share; or

(b) to make such transfer of the share as the deceased or insolvent member could have made.

(ii) 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.

**25.** (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.

(ii) If the person aforesaid shall elect to transfer the share, he shall testify his election by executing a transfer of the share.

(iii) All the limitations, restrictions and provisions of these regulations relating to the right to transfer and the registration of transfers 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.

**26.** 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 share, 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:

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.

**27.** In case of a One Person Company—

(i) on the death of the sole member, the person nominated by such member shall be the person recognised by the company as having title to all the shares of the member;

(ii) the nominee on becoming entitled to such shares in case of the member's death shall be informed of such event by the Board of the company;

(iii) such nominee shall be entitled to the same dividends and other rights and liabilities to which such sole member of the company was entitled or liable;

(iv) on becoming member, such nominee shall nominate any other person with the prior written consent of such person who, shall in the event of the death of the member, become the member of the company.

### FORFEITURE OF SHARES

**28.** If a member fails to pay any call, or instalment 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 instalment remains unpaid, serve a notice on him requiring payment of so much of the call or instalment as is unpaid, together with any interest which may have accrued.

**29.** The notice aforesaid shall—

(a) name a further day (not being earlier than the expiry of fourteen days from the date of service of the notice) on or before which the payment required by the notice is to be made; and

(b) state 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.

**30.** If the requirements of any such notice as aforesaid are not complied with, any share in respect of which the notice has been given may, at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect.

**31. (i)** A forfeited share may be sold or otherwise disposed of on such terms and in such manner as the Board thinks fit.

(ii) At any time before a sale or disposal as aforesaid, the Board may cancel the forfeiture on such terms as it thinks fit.

**32. (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 payable by him to the company in respect of the shares.

(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.

**33. (i)** A duly verified declaration in writing that the declarant is a director, the manager or the secretary, of the company, and that a share in the company has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share;

(ii) The company may receive the consideration, if any, given for the share on any sale or disposal thereof and may execute a transfer of the share in favour of the person to whom the share is sold or disposed of;

(iii) The transferee shall thereupon be registered as the holder of the share; and

(iv) The transferee shall not be bound to see to the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale or disposal of the share.

**34.** The provisions of these regulations as to forfeiture shall apply in the case of nonpayment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the nominal value of the share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.

### ALTERATION OF CAPITAL

**35.** The company may, from time to time, by ordinary resolution increase the share capital by such sum, to be divided into shares of such amount, as may be specified in the resolution.



**36.** Subject to the provisions of section 61, the company may, by ordinary resolution,—

- (a) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;
- (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;
- (c) sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the memorandum;
- (d) cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person.

**37.** Where shares are converted into stock,—

- (a) the holders of stock may transfer the same or any part thereof in the same manner as, and subject to the same regulations under which, the shares from which the stock arose might before the conversion have been transferred, or as near thereto as circumstances admit:

Provided that the Board may, from time to time, fix the minimum amount of stock transferable, so, however, that such minimum shall not exceed the nominal amount of the shares from which the stock arose.

- (b) the holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, voting at meetings of the company, and other matters, as if they held the shares from which the stock arose; but no such privilege or advantage (except participation in the dividends and profits of the company and in the assets on winding up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage.
- (c) such of the regulations of the company as are applicable to paid-up shares shall apply to stock and the words “share” and “shareholder” in those regulations shall include “stock” and “stock-holder” respectively.

**38.** The company may, by special resolution, reduce in any manner and with, and subject to, any incident authorised and consent required by law,—

- (a) its share capital;
- (b) any capital redemption reserve account; or
- (c) any share premium account.

#### **CAPITALISATION OF PROFITS**

**39.** (i) The company in general meeting may, upon the recommendation of the Board, resolve—

- (a) that it is desirable to capitalise any part of the amount for the time being standing to the credit of any of the company’s reserve accounts, or to the credit of the profit and loss account, or otherwise available for distribution; and
- (b) that such sum be accordingly set free for distribution in the manner specified in clause (ii) amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.

(ii) The sum aforesaid shall not be paid in cash but shall be applied, subject to the provision contained in clause (iii), either in or towards—

- (A) paying up any amounts for the time being unpaid on any shares held by such members respectively;
- (B) paying up in full, unissued shares of the company to be allotted and distributed, credited as fully paid-up, to and amongst such members in the proportions aforesaid;
- (C) partly in the way specified in sub-clause (A) and partly in that specified in sub-clause (B);
- (D) A securities premium account and a capital redemption reserve account may, for the purposes of this regulation, be applied in the paying up of unissued shares to be issued to members of the company as fully paid bonus shares;

(E) The Board shall give effect to the resolution passed by the company in pursuance of this regulation.

**40.** (i) Whenever such a resolution as aforesaid shall have been passed, the Board shall—

(a) make all appropriations and applications of the undivided profits resolved to be capitalized thereby, and all allotments and issues of fully paid shares if any; and

(b) generally do all acts and things required to give effect thereto.

(ii) The Board shall have power—

(a) to make such provisions, by the issue of fractional certificates or by payment in cash or otherwise as it thinks fit, for the case of shares becoming distributable in fractions; and

(b) to authorise any person to enter, on behalf of all the members entitled thereto, into an agreement with the company providing for the allotment to them respectively, credited as fully paid-up, of any further shares to which they may be entitled upon such capitalisation, or as the case may require, for the payment by the company on their behalf, by the application thereto of their respective proportions of profits resolved to be capitalised, of the amount or any part of the amounts remaining unpaid on their existing shares;

(iii) Any agreement made under such authority shall be effective and binding on such members.

#### **BUY-BACK OF SHARES**

**41.** Notwithstanding anything contained in these articles but subject to the provisions of sections 68 to 70 and any other applicable provision of the Act or any other law for the time being in force, the company may purchase its own shares or other specified securities.

#### **GENERAL MEETINGS**

**42.** All general meetings other than annual general meeting shall be called extraordinary general meeting.

**43.** (i) The Board may, whenever it thinks fit, call an extraordinary general meeting.

(ii) 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**

**44.** (i) 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.

(ii) Save as otherwise provided herein, the quorum for the general meetings shall be as provided in section 103.

**45.** The chairperson, if any, of the Board shall preside as Chairperson at every general meeting of the company.

**46.** 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.

**47.** 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.

**48.** In case of a One Person Company—

(i) the resolution required to be passed at the general meetings of the company shall be deemed to have been passed if the resolution is agreed upon by the sole member and communicated to the company and entered in the minutes book maintained under section 118;

(ii) such minutes book shall be signed and dated by the member;





(iii) the resolution shall become effective from the date of signing such minutes by the sole member.

### ADJOURNMENT OF MEETING

49. (i) The Chairperson may, with the consent of any meeting at which a quorum is present, and shall, if so directed by the meeting, adjourn the meeting from time to time and from place to place.

(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.

(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.

(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.

### VOTING RIGHTS

50. Subject to any rights or restrictions for the time being attached to any class or classes of shares,—

(a) on a show of hands, every member present in person shall have one vote; and

(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.

51. A member may exercise his vote at a meeting by electronic means in accordance with section 108 and shall vote only once.

52. (i) 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 exclusion of the votes of the other joint holders.

(ii) For this purpose, seniority shall be determined by the order in which the names stand in the register of members.

53. 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.

54. Any business other than that upon which a poll has been demanded may be proceeded with, pending the taking of the poll.

55. 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.

56. (i) No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes.

(ii) Any such objection made in due time shall be referred to the Chairperson of the meeting, whose decision shall be final and conclusive.

### PROXY

57. The instrument appointing a proxy and the power-of-attorney or other authority, if any, under which it is signed or a notarised copy of that power 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 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.

58. An instrument appointing a proxy shall be in the form as prescribed in the rules made under section 105.

59. 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:

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.

### BOARD OF DIRECTORS

60. The number of the directors and the names of the first directors shall be determined in writing by the subscribers of the memorandum or a majority of them.

61. Unless otherwise provided under the Companies Act, 2013, the number of Directors shall not be less than three and more than twelve. The first Directors of the Company are:

1. MR. KIRIT KUMAR SHAH
2. MR. SANTOSH PASTE
3. MR. CHANDU JAIN

62. (i) The remuneration of the directors shall, in so far as it consists of a monthly payment, be deemed to accrue from day-to-day.

(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—

(a) in attending and returning from meetings of the Board of Directors or any committee thereof or general meetings of the company; or

(b) in connection with the business of the company.

63. The Board may pay all expenses incurred in getting up and registering the company.

64. The company may exercise the powers conferred on it by section 88 with regard to the keeping of a foreign register; and the Board may (subject to the provisions of that section) make and vary such regulations as it may think fit respecting the keeping of any such register.

65. 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.

66. Every director 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.

67. (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.

(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.

### PROCEEDINGS OF THE BOARD

68. (i) The Board of Directors may meet for the conduct of business, adjourn and otherwise regulate its meetings, as it thinks fit.

(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.

69. (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 a second or casting vote.

**70.** 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.

**71. (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.

**72. (i)** The Board may, subject to the provisions 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.

**73. (i)** A committee may elect a Chairperson of its meetings.

(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 members present may choose one of their members to be Chairperson of the meeting.

**74. (i)** A committee may meet and adjourn as it thinks fit.

(ii) Questions arising at any meeting of a committee shall be determined by a majority of votes of the members present, and in case of an equality of votes, the Chairperson shall have a second or casting vote.

**75.** All acts done in any meeting of the Board or of a committee thereof or by any person acting as a director, shall, notwithstanding that it may be afterwards discovered that there was some defect in the appointment of any one or more of such directors or of any person acting as aforesaid, or that they or any of them were disqualified, be as valid as if every such director or such person had been duly appointed and was qualified to be a director.

**76.** Save as otherwise expressly provided in the Act, a resolution in writing, signed by all the members of the Board or of a committee thereof, for the time being 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, duly convened and held.

**77.** In case of a One Person Company—

(i) where the company is having only one director, all the businesses to be transacted at the meeting of the Board shall be entered into minutes book maintained under section 118;

(ii) such minutes book shall be signed and dated by the director;

(iii) the resolution shall become effective from the date of signing such minutes by the director.

#### **CHIEF EXECUTIVE OFFICER, MANAGER, COMPANY SECRETARY OR CHIEF FINANCIAL OFFICER**

**78.** Subject to the provisions of the Act,—

(i) A chief executive officer, manager, company secretary or chief financial officer may be appointed by the Board for such term, at such remuneration and upon such conditions as it may think fit; and any chief executive officer, manager, company secretary or chief financial officer so appointed may be removed by means of a resolution of the Board;

(ii) A director may be appointed as chief executive officer, manager, company secretary or chief financial officer.

**79.** A provision of the Act or these regulations requiring or authorising a thing to be done by or to a director and chief executive officer, manager, company secretary or chief financial officer shall not be satisfied by its being done by or to

the same person acting both as director and as, or in place of, chief executive officer, manager, company secretary or chief financial officer.

### THE SEAL

**80.** (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 authorised by it in that behalf, and except in the presence of at least two directors and of the secretary or such other person as the Board may appoint for the purpose; and those two directors and the secretary or other person aforesaid shall sign every instrument to which the seal of the company is so affixed in their presence.

### DIVIDENDS AND RESERVE

**81.** The company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board.

**82.** Subject to the provisions of section 123, the Board may from time to time pay to the members such interim dividends as appear to it to be justified by the profits of the company.

**83.** (i) The Board may, before recommending any dividend, set aside out of the profits of the company such sums as it thinks fit as a reserve or reserves which shall, at the discretion of the Board, be applicable for any purpose to which the profits of the company may be properly applied, including provision for meeting contingencies or for equalizing dividends; and pending such application, may, at the like discretion, either be employed in the business of the company or be invested in such investments (other than shares of the company) as the Board may, from time to time, think fit.

(ii) The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.

**84.** (i) Subject to the rights of persons, if any, entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid, but if and so long as nothing is paid upon any of the shares in the company, dividends may be declared and paid according to the amounts of the shares.

(ii) No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this regulation as paid on the share.

(iii) All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid; but if any share is issued on terms providing that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly.

**85.** The Board may deduct from any dividend payable to any member all sums of money, if any, presently payable by him to the company on account of calls or otherwise in relation to the shares of the company.

**86.** (i) Any dividend, interest or other monies payable in cash in respect of shares may be paid by cheque or warrant sent through the post directed to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint holders who is first named on the register of members, or to such person and to such address as the holder or joint holders may in writing direct.

(ii) Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.

**87.** Any one of two or more joint holders of a share may give effective receipts for any dividends, bonuses or other monies payable in respect of such share.

**88.** Notice of any dividend that may have been declared shall be given to the persons entitled to share therein in the manner mentioned in the Act.

**89.** No dividend shall bear interest against the company. There shall be no forfeiture of unclaimed dividends before the claim becomes barred by law;



## ACCOUNTS

**90.** (i) The Board shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations, the accounts and books of the company, or any of them, shall be open to the inspection of members not being directors.

(ii) No member (not being a director) shall have any right of inspecting any account or book or document of the company except as conferred by law or authorised by the Board or by the company in general meeting.

## WINDING UP

**91.** Subject to the provisions of Chapter XX of the Act and rules made thereunder—

(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.

(ii) For the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members.

(iii) The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts 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.

## INDEMNITY

**92.** Every officer of the company shall be indemnified out of the assets of the company against any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or in which relief is granted to him by the court or the Tribunal.

## SECTION IX – OTHER INFORMATION

### MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following contracts (not being contracts entered into in the ordinary course of business carried on by our Company or contracts entered into more than two (2) years before the date of filing of this Prospectus) which are or may be deemed material have been entered or are to be entered into by our Company. These contracts, copies of which will be attached to the copy of the Prospectus will be delivered to the RoC for registration and also the documents for inspection referred to hereunder, may be inspected at the Registered Office of our Company located at 106, Siddhesh Apartment, 2<sup>nd</sup> Khattar Gali, Thakurdwar Road, Charni Road East, Mumbai – 400 004, Maharashtra, India, from 10.00 a.m. to 5.00 p.m. on working days from the date of the Prospectus until the Issue Closing Date.

#### **Material Contracts**

1. Memorandum of Understanding dated September 1, 2017 between our Company and the Lead Manager.
2. Agreement between Purva Sharegistry (India) Private Limited and our Company dated August 31, 2017 appointing them as the Registrar to the Issue.
3. Underwriting Agreement dated November 7, 2017 between our Company and Underwriter.
4. Market Making Agreement dated November 7, 2017 between our Company, Lead Manager and Market Maker.
5. Tripartite agreement among the NSDL, our Company and Registrar to the Issue dated September 7, 2017.
6. Tripartite agreement among the CDSL, our Company and Registrar to the Issue dated October 4, 2017.
7. Public Issue Account Agreement dated November 15, 2017 between our Company, the Lead Manager, Banker to the Issue and Registrar to the Issue.

#### **Material Documents**

1. Certificate of Incorporation of our Company dated October 12, 2015, issued by the Registrar of Companies, Mumbai.
2. Certified true copy of the Memorandum and Articles of Association of our Company, as amended.
3. Certified true copy of the resolution passed at the meeting of the Board of Directors dated July 1, 2017 authorizing the Issue.
4. Certified true copy of the special resolution of the Shareholders passed at the Annual General Meeting dated August 18, 2017 authorizing the Issue.
5. Statement of Tax Benefits dated August 31, 2017 issued by our Statutory Auditor, M/s. A. Puri & Co, Chartered Accountants.
6. Report of the Statutory Auditor, M/s. A. Puri & Co., Chartered Accountants dated November 24, 2017, on the Restated Financial Statements included in this Prospectus.
7. Copies of annual report of our Company for year ended March 31, 2017 and period ended March 31, 2016 and audited financial statements for the 6 months period ended September 30, 2017.
8. Certified true copy of the resolutions dated August 18, 2017 passed by our Shareholders, appointing Kirit Kumar Shah as the Managing Director of our Company.
9. Consents of Directors, Chief Financial Officer, Company Secretary and Compliance Officer, Statutory Auditor, Legal Advisor to the Issue, Banker to our Company, the Lead Manager, Registrar to the Issue, Underwriter, Market Maker, Bankers to the Issue to act in their respective capacities.
10. Due Diligence Certificate dated September 4, 2017 from the Lead Manager to BSE.



11. Due Diligence Certificate dated November 26, 2017 from the Lead Manager to SEBI.
12. Copy of in-principle approval from BSE *vide* letter dated November 14, 2017 to use the name of BSE in this document for listing of Equity Shares on SME Platform of BSE.

Any of the contracts or documents mentioned in the Prospectus may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, subject to compliance of the provisions contained in the Companies Act and other relevant statutes.

## DECLARATION

We, the undersigned, hereby declare that, all the relevant provisions of the Companies Act, and the guidelines issued by the Government of India or the guidelines and regulations 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 and Exchange Board of India Act, 1992 or rules made there under or regulations or guidelines 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 all the Directors of MRC Exim Limited

| Name and designation  | Signature |
|---|-----------|
| <b>Kirit Kumar Shah</b><br><i>Managing Director</i>             | Sd/-      |
| <b>Chandu K. Jain</b><br><i>Director</i>                        | Sd/-      |
| <b>Nilamben Vijaykumar Mehra</b><br><i>Independent Director</i> | Sd/-      |
| <b>Jitendra D. Jain</b><br><i>Independent Director</i>          | Sd/-      |

### Signed by the – Chief Financial Officer

Sd/-  
**Praful Jain**  
*Chief Financial Officer*

### Signed by the – Company Secretary and Compliance Officer

Sd/-  
**Rekha Rani Naraniwal**  
*Company Secretary & Compliance Officer*

Place: Mumbai

Date: November 26, 2017