



## SUPREME ENGINEERING LIMITED

Our Company was originally incorporated as a private limited company, at Maharashtra, India under the Companies Act, 1956 in the name of Supreme Heatreaters Private Limited vide Certificate of Incorporation dated April 20, 1987. Subsequently, fresh certificate of incorporation consequent upon change of name from Supreme Heatreaters Private Limited to Supreme Engineering Private Limited dated January 9, 2018 was issued by RoC, Mumbai. Further, pursuant to conversion of our Company to a public limited company, a fresh certificate of incorporation was issued by Registrar of Companies, Mumbai on January 10, 2018. For details of changes in name and registered offices of our Company, please refer to the section titled "History and Certain Corporate matters" beginning on page 131 of this Red Herring Prospectus.

**Registered Office:** R-223, M.I.D.C. Complex, Rabale, Thane Belapur Road, Navi Mumbai 400 701, Maharashtra, India.  
**Telephone:** +91 22 2769 2232; **Facsimile:** +91 22 2769 0341; **Contact Person:** Mrs. Krupali Thakkar, Company Secretary & Compliance Officer  
**E-mail:** info@supremesteels.com; **Website:** www.supremesteels.com; **Corporate Identity Number:** U99999MH1987PLC043205

**OUR PROMOTERS: MR. SANJAY CHOWDHRI, SANJAY CHOWDHRI HUF AND MRS. LALITA CHOWDHRI**

**PUBLIC ISSUE OF UPTO 65,84,000\* EQUITY SHARES OF FACE VALUE OF ₹10 EACH ("EQUITY SHARES") OF SUPREME ENGINEERING LIMITED ("COMPANY" OR "ISSUER") FOR CASH AT A PRICE OF ₹[●] PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF ₹[●] PER EQUITY SHARE) ("OFFER PRICE"), AGGREGATING UP TO ₹[●] LAKHS ("THE ISSUE") CONSISTING OF FRESH ISSUE OF UPTO 65,76,000 EQUITY SHARES AGGREGATING TO ₹[●] LAKHS ("FRESH ISSUE") AND AN OFFER FOR SALE OF 8,000 EQUITY SHARES BY MRS. LALITA CHOWDHRI ("PROMOTER SELLING SHAREHOLDER") AGGREGATING TO ₹[●] LAKHS ("OFFER FOR SALE"). THE ISSUE COMPRISES OF UPTO 3,32,000 EQUITY SHARES OF FACE VALUE ₹10 EACH FOR CASH AT A PRICE OF ₹[●] PER EQUITY SHARE, AGGREGATING UP TO ₹[●] LAKHS WHICH WILL BE RESERVED FOR SUBSCRIPTION BY THE MARKET MAKER TO THE ISSUE (THE "MARKET MAKER RESERVATION PORTION"). THE ISSUE LESS MARKET MAKER RESERVATION PORTION I.E. ISSUE OF UPTO 62,52,000 EQUITY SHARES OF FACE VALUE OF ₹10 EACH FOR CASH AT A PRICE OF ₹[●] PER EQUITY SHARE, AGGREGATING UP TO ₹[●] LAKHS IS HERINAFTER REFERRED TO AS THE "NET ISSUE". THE ISSUE AND THE NET ISSUE WILL CONSTITUTE [●]% AND [●]% RESPECTIVELY OF THE POST ISSUE PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY.**

**THE FACE VALUE OF THE EQUITY SHARES IS ₹10 EACH AND THE ISSUE PRICE IS [●] TIMES AND [●] TIMES THE FACE VALUE AT THE LOWER AND UPPER PRICE BAND RESPECTIVELY.**

THE FACE VALUE OF THE EQUITY SHARES IS ₹10 EACH. THE PRICE BAND AND THE MINIMUM BID LOT WILL BE DECIDED BY OUR COMPANY IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGER ("BRLM") AND WILL BE ADVERTISED IN ALL EDITIONS OF THE ENGLISH NATIONAL NEWSPAPER BUSINESS STANDARD, ALL EDITIONS OF THE HINDI NATIONAL NEWSPAPER BUSINESS STANDARD AND IN THE REGIONAL NEWSPAPER NAVSHAKTI, EACH WITH WIDE CIRCULATION, AT LEAST FIVE (5) WORKING DAYS PRIOR TO THE BID/ OFFER OPENING DATE WITH THE RELEVANT FINANCIAL RATIOS CALCULATED AT THE FLOOR PRICE AND THE CAP PRICE AND SHALL BE MADE AVAILABLE TO THE SME PLATFORM OF NATIONAL STOCK EXCHANGE OF INDIA LIMITED ("NSE EMERGE", REFERRED TO AS THE "STOCK EXCHANGE") FOR THE PURPOSE OF UPLOADING ON THEIR WEBSITE.

In case of any revisions in the Price Band, the Bid/Offer Period will be extended by at least three additional Working Days after such revision of the Price Band, subject to the Bid/Offer Period not exceeding ten (10) Working Days. Any revision in the Price Band and the revised Bid/Offer Period, if applicable, will be widely disseminated by notification to the Stock Exchange, by issuing a press release, and also by indicating the change on the website of the BRLM and the terminals of Syndicate Members

**THIS ISSUE IS BEING MADE IN TERMS OF CHAPTER XB OF THE SEBI (ICDR) REGULATIONS, 2009 (AS AMENDED) FOR FURTHER DETAILS, PLEASE REFER TO SECTION TITLED "ISSUE RELATED INFORMATION" BEGINNING ON PAGE 208 OF THIS RED HERRING PROSPECTUS.**

In terms of SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 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 section titled "Issue Procedure" beginning on page 216 of this Red Herring Prospectus. A copy of Red Herring Prospectus and Prospectus will be delivered for registration to the Registrar of Companies as required under Section 26, Section 28 and Section 32 respectively of the Companies Act, 2013.

### RISK IN RELATION TO THE FIRST ISSUE

This being the first Public Issue of our Company, there has been no formal market for the Equity Shares of our Company. The face value of the Equity Shares is ₹10 each. The Floor Price is [●] times the face value and the Cap Price is [●] times the face value. The Issue Price (as determined by our Company, in consultation with the BRLM as stated in the section titled "Basis for Issue Price" beginning on page 76 of this Red Herring Prospectus, should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active or sustained trading in the Equity Shares of our Company or regarding the price at which the Equity Shares will be traded after listing.

### GENERAL RISKS

Investment in equity and equity related securities involves 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 our Company and the Issue including the risks involved. The Equity Shares offered in the Issue 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 Red Herring Prospectus. Specific attention of the investors is invited to the section titled "Risk Factors" beginning on page 16 of this Red Herring Prospectus.

### ISSUER'S AND PROMOTER SELLING SHAREHOLDER'S ABSOLUTE RESPONSIBILITY

Our Company, having made all reasonable inquiries, accepts responsibility for and confirm that this Red Herring Prospectus contains all information with regard to our Company and the Issue, which is material in the context of this Issue; that the information contained in this Red Herring Prospectus is true and correct in all material aspects and is not misleading in any material respect; that the opinions and intentions expressed herein are honestly held; and that there are no other facts, the omission of which makes this Red Herring Prospectus as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect. The Promoter Selling Shareholder assumes responsibility only for statements in relation to such promoter selling shareholder included in the Red Herring Prospectus.

### LISTING

The Equity Shares offered through the Red Herring Prospectus are proposed to be listed on the EMERGE Platform of National Stock Exchange of India Limited ("NSE EMERGE"). In terms of the Chapter XB of the SEBI (ICDR) Regulations, 2009, as amended from time to time. Our Company has received an In-Principle Approval letter dated August 10, 2018 from NSE for using its name in the offer document for listing of our equity shares on the EMERGE Platform of NSE. For the purpose of this Issue, the designated Stock Exchange will be the National Stock Exchange of India Limited ("NSE").

### BOOK RUNNING LEAD MANAGER

### REGISTRAR TO THE ISSUE



#### CKP FINANCIAL SERVICES PRIVATE LIMITED

906, Jay Antariksh 13/14, Makawana Road,  
Marol Naka, Andheri (East)  
Mumbai 400 059, India.

Telephone: +91 9322997964/ 022-49749802

Email: [info@ckpfinancialservices.com](mailto:info@ckpfinancialservices.com)

Investor grievance email: [investors@ckpfinancialservices.com](mailto:investors@ckpfinancialservices.com)

Contact Person: Mr. Brijesh Parekh/ Ms. Janvi Talajia

Website: [www.ckpfinancialservices.com](http://www.ckpfinancialservices.com)

SEBI registration number: INM000012449

CIN: U74120MH2015PTC270984

#### BIGSHARE SERVICES PRIVATE LIMITED

1<sup>st</sup> Floor, Bharat Tin Works Building  
Opp. Vasant Oasis, Makwana Road  
Marol, Andheri (East), Mumbai 400059, India.

Telephone: 022 6263 8200; Facsimile: 022 6263 8299

Email: [ipo@bigshareonline.com](mailto:ipo@bigshareonline.com)

Investor grievance email: [investor@bigshareonline.com](mailto:investor@bigshareonline.com)

Contact Person: Babu Rapheal

Website: [www.bigshareonline.com](http://www.bigshareonline.com)

SEBI Registration Number: INR000001385

CIN: U99999MH1994PTC076534

### ISSUE PROGRAMME

**BID/ISSUE OPENS ON: FRIDAY, AUGUST 24, 2018**

**BID/ISSUE CLOSES ON: WEDNESDAY, AUGUST 29, 2018**

\*Number of shares may need to be adjusted for lot size upon determination of issue price

\*\*Subject to finalization of basis of allotment

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

**The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and application may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.**

## SECTION I: GENERAL

### DEFINITIONS AND ABBREVIATIONS

This Red Herring Prospectus uses certain definitions and abbreviation which, unless the context otherwise indicates or implies, shall have the respective meanings given below. References to statutes, regulations, rules, guidelines and policies will be deemed to include all amendments and modifications thereto.

As on date of this Red Herring Prospectus, our Company does not have any subsidiaries. Consequently, all references to "our Company", "the Issuer", "we", "our", "us" or "Supreme Engineering Limited" is to Supreme Engineering Limited, a company incorporated under the previous Companies Act, 1956 and having its Registered Office at R-223, M.I.D.C. Complex, Rabale, Thane Belapur Road, Navi Mumbai 400 701, Maharashtra, India.

The words and expression used in this Red Herring Prospectus, but not defined herein, shall have the same meaning ascribed to such terms under the SEBI (ICDR) Regulations, the Companies Act, the SCRA, the Depositories Act and the rules and regulations made thereunder as the case may be. Notwithstanding the foregoing, the terms not defined but used in the sections titled "Statement of Possible Special Tax Benefits"; "Financial Information"; "Outstanding Litigation and Material Developments"; and "Main Provisions of Articles of Association" beginning on pages 79, 155, 190 and 248 respectively, shall have the meanings ascribed to such terms in these respective sections.

#### Company & Selling Shareholder related terms

Term	Description
Articles/ Articles of Association/ AoA	The articles of association of our Company, as amended
Audit Committee	Audit committee of our Company constituted in accordance with Regulation 18 of the SEBI Listing Regulations and Section 177 of the Companies Act, 2013
Auditor/ Statutory Auditors	Statutory Auditors of our Company being, M/s. H L Saini & Co., Chartered Accountants.
Board of Directors/ our Board	The board of directors of our Company, as duly constituted from time to time
Director(s)	The director(s) on our Board, unless otherwise specified. For further details of our Directors, please refer to section titled "Our Management" beginning on page 135 of this Red Herring Prospectus.
Listing Agreement	The equity listing agreement to be entered into by our Company with the Stock Exchanges
Equity Shares	The equity shares of our Company of face value of ₹10 each
Group Companies/ Entities	The companies included under the definition of "Group Companies" under the SEBI (ICDR) Regulations and other entities as identified by the Company in its Materiality Policy. For further details, please refer to section titled "Our Group Companies" beginning on page 150 of this Red Herring Prospectus.
Key Managerial Personnel/ KMP	The key management personnel of our Company in terms of the SEBI (ICDR) Regulations and the Companies Act disclosed in section titled "Our Management" beginning on page 135 of this Red Herring Prospectus.
Materiality Policy	The policy on identification of group companies, material creditors and material litigation, adopted by our Board on May 21, 2018 in accordance with the requirements of the SEBI (ICDR) Regulations.
Memorandum/ Memorandum of Association/ MoA	The memorandum of association of our Company, as amended
Nomination and Remuneration Committee	Nomination and remuneration committee of our Company constituted in accordance with Regulation 18 of the SEBI Listing Regulations and Companies Act, 2013
Peer Reviewed Auditor	Peer Reviewed Auditor of our Company being, M/s. R.T. Jain & Co. LLP, Chartered Accountants
Promoters	The promoters of our Company, being, Mr. Sanjay Chowdhri, Sanjay Chowdhri HUF and Mrs. Lalita Chowdhri.
	For further details, please refer to section titled "Our Promoters and Promoter Group"

	beginning on page 147 of this Red Herring Prospectus.
Promoter Group	Includes such persons and entities constituting the promoter group of our Company in terms of Regulation 2(1)(zb) of the SEBI (ICDR) Regulations and as disclosed under section titled "Our Promoters and Promoter Group" beginning on page 147 of this Red Herring Prospectus.
Registered Office	The registered office of our Company located at R-223, M.I.D.C. Complex, Rabale, Thane Belapur Road, Navi Mumbai 400 701, Maharashtra, India.
RoC/ Registrar of Companies	The Registrar of Companies, Mumbai situated at 100, Everest, Marine Drive, Mumbai 400002, Maharashtra, India.
Restated Financial Information	The restated financial information of our Company which comprises of the restated standalone balance sheet, the restated standalone profit and loss and the restated standalone cash flow information for financial years ended March 31, 2018, March 31, 2017, March 31, 2016, March 31, 2015, March 31, 2014 and March 31, 2013 together with the annexures and notes thereto, which have been prepared in accordance with the Companies Act and restated in accordance with the SEBI (ICDR) Regulations.
Selling Shareholder/ Promoter Selling Shareholder	Mrs. Lalita Chowdhri
Stakeholders' Relationship Committee	Stakeholder's relationship committee of our Company constituted in accordance with Regulation 18 of the SEBI Listing Regulations and Companies Act, 2013
Subsidiary of our Company	Our Company does not have any subsidiary as on the date of this Red Herring Prospectus.

#### Issue related terms

Term	Description
Acknowledgement Slip	The slip or document issued by the Designated Intermediary to a Bidder as proof of registration of the Bid.
Allotment/ Allot/ Allotted	Unless the context otherwise requires, allotment of the Equity Shares pursuant to the Fresh Issue and transfer of the respective portion of the Offered Shares by the Selling Shareholders pursuant to the Offer for Sale to the successful Bidder/investors
Allottee(s)	Successful Bidders(s) to whom Equity Shares have been allotted/transferred.
Allotment Advice	Note or advice or intimation of Allotment sent to the successful Bidders who have been or are to be Allotted the Equity Shares after the Basis of Allotment has been approved by the Designated Stock Exchange.
ASBA / Application Supported by Blocked Amount	An application, whether physical or electronic, used by Bidders, to make a Bid authorising an SCSB to block the Bid Amount in the ASBA Account
Application Supported by Blocked Amount Form/ASBA Form	An application from, whether physical or electronic, used by ASBA Bidders/Applicants, which will be considered as the application for Allotment in terms of the Red Herring Prospectus.
ASBA Account	An account maintained with an SCSB and specified in the Bid-cum-Application Form submitted by Bidders for blocking the Bid Amount mentioned in the Bid-cum-Application Form
ASBA form	An application form, whether physical or electronic, used by Bidders which will be considered as the application for Allotment in terms of this Red Herring Prospectus.
Banker(s) to the Issue	The banks which are clearing members and registered with SEBI as Banker to an Issue with whom the Public Issue Account will be opened and in this case being HDFC Bank Limited
Basis of Allotment	The basis on which Equity Shares will be Allotted to the successful Bidders under the Issue and which is described under section titled "Issue Procedure" beginning on page 216 of this Red Herring Prospectus.
Bid	An indication to make an Issue during the Bid/Issue Period by a Bidder pursuant to submission of the Bid-cum-Application Form, to subscribe to or purchase the Equity Shares at a price within the Price Band, including all revisions and modifications thereto as permitted under the SEBI (ICDR) Regulations in accordance with the Red Herring Prospectus and Bid-cum-Application Form
Bid Amount	The highest value of optional Bids indicated in the Bid-cum-Application Form and in the case of Retail Individual Bidders Bidding at Cut Off Price, the Cap Price multiplied by the number of Equity Shares Bid for by such Retail Individual Bidder and mentioned in the Bid-

Term	Description
	cum-Application Form and payable by the Retail Individual Bidder or blocked in the ASBA Account upon submission of the Bid in the Issue
Bid/ Issue Closing Date	The date after which the Syndicate, the Designated Branches and the Registered Brokers will not accept any Bids, which shall be notified in all editions of the English national newspaper Business Standard, all editions of the Hindi national newspaper Business Standard and in the regional newspaper NavShakti, each with wide circulation and in case of any revision, the extended Bid/Issue Closing Date shall also be notified on the website and terminals of the Syndicate and SCSBs, as required under the SEBI (ICDR) Regulations
Bid/ Issue Opening Date	The date on which the Syndicate, the Designated Branches and the Registered Brokers shall start accepting Bids, which shall be notified in all editions of the English national newspaper Business Standard, all editions of the Hindi national newspaper Business Standard and in the regional newspaper NavShakti, each with wide circulation and in case of any revision, each with wide circulation, and in case of any revision, the extended Bid/Issue Opening Date also to be notified on the website and terminals of the Syndicate and SCSBs, as required under the SEBI (ICDR) Regulations.
Bid/ Issue Period	The period between the Bid/Issue Opening Date and the Bid/Issue Closing Date, inclusive of both days, during which Bidders can submit their Bids, including any revisions thereof.
Bid-cum-Application form	The form used by a Bidder, to make a Bid and which will be considered as the application for Allotment in terms of the Red Herring Prospectus
Bidder	Any prospective investor who makes a Bid/Application pursuant to the terms of the DRHP/RHP/Prospectus and the Bid-cum-Application Form. In case of issues undertaken through the fixed price process, all references to a Bidder/Applicants should be construed to mean an Applicant
Book Building Process	Book building process, as provided in Schedule XI of the SEBI (ICDR) Regulations, in terms of which the Issue is being made
Book Running Lead Manager/ or BRLM	The BRLM to the Issue being CKP Financial Services Private Limited
Broker Centres	Broker centres notified by the Stock Exchanges, where the Bidders can submit the Bid-cum-Application forms to a Registered Broker. The details of such broker centres, along with the names and contact details of the Registered Brokers, are available on the website of National Stock Exchange of India Limited.
Business Day	Monday to Saturday (except 2nd & 4th Saturday of a month and public holidays)
CAN or Confirmation of Allocation Note	The note or advice or intimation sent to each successful Bidder indicating the Equity Shares which will be Allotted/ transferred, after approval of Basis of Allotment by the Designated Stock Exchange.
Cap Price	The higher end of the Price Band, above which the Issue Price will not be finalised and above which no Bids will be accepted
Client ID	Client Identification Number maintained with one of the Depositories in relation to demat account.
Collecting Depository Participant or CDPs	A depository participant as defined under the Depositories Act, 1996, registered with SEBI and who is eligible to procure Bids at the Designated CDP Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI
Cut-off Price	Issue Price, which shall be any price within the Price Band finalised by our Company and the Promoter Selling Shareholder in consultation with the BRLM.  Only Retail Individual Bidders are entitled to Bid at the Cut-off Price. QIBs and Non-Institutional Bidders are not entitled to Bid at the Cut-off Price.
Controlling Branch/Designated Branch	Such branch of the SCSBs which coordinate Applications under this Issue by the ASBA Applicants with the Registrar to the Issue and the Stock Exchanges and a list of which is available at <a href="http://www.sebi.gov.in">http://www.sebi.gov.in</a> or at such other website as may be prescribed by SEBI from time to time
Depositories	Depositories registered with SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996, as amended from time to time, being NSDL and CDSL
Demographic Details	The demographic details of the Bidders such as their address, PAN, occupation and bank account details

Term	Description
Designated Branches	Such branches of the SCSBs which may collect the Bid-cum-Application Forms used by Bidders/Applicants ( <i>excluding Anchor Investor</i> ) and a list of which is available on <a href="http://www.sebi.gov.in/cms/sebi_data/attachdocs/1316087201341.html">http://www.sebi.gov.in/cms/sebi_data/attachdocs/1316087201341.html</a>
Designated CDP Locations	Such locations of the CDPs where Bidders can submit the Bid-cum-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 Bid-cum-Application Forms are available on the respective websites of the Stock Exchanges ( <a href="http://www.bseindia.com">www.bseindia.com</a> and <a href="http://www.nseindia.com">www.nseindia.com</a> )
Designated Date	The date on which the Collection Banks transfer funds from the public issue Accounts, and the SCSBs issue instructions for transfer of funds from the ASBA Accounts, to the Public Issue Account or the Refund Account, as appropriate, in terms of the Red Herring Prospectus following which the Board of Directors may Allot Equity Shares to successful Bidders in the Fresh Issue and the Promoter Selling Shareholder may give delivery instructions for the transfer of the Issued Shares.
Designated Intermediary(ies)	Syndicate, Sub-Syndicate Members/agents, SCSBs, Registered Brokers, CDPs and RTAs, who are authorized to collect ASBA Forms from the Bidders, in relation to the Issue
Designated RTA Locations	Such centres of the RTAs where Bidder can submit the Bid cum Application Forms. The details of such Designated RTA Locations, along with the names and contact details of the RTAs are available on the respective websites of the Stock Exchange ( <a href="http://www.nseindia.com">www.nseindia.com</a> ) and updated from time to time
Designated Stock Exchange	National Stock Exchange of India Limited
Designated CDP Locations	Such centres of the CDPs where Bidders can submit the Bid-cum-Application Forms. The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept Bid-cum-Application Forms are available on the website of the Stock Exchange ( <a href="http://www.nseindia.com">www.nseindia.com</a> ) and updated from time to time
Draft Red Herring Prospectus or DRHP	The Draft Red Herring Prospectus dated August 07, 2018 issued in accordance with the SEBI (ICDR) Regulations, which does not contain complete particulars of the price at which the Equity Shares will be Allotted and the size of the Issue
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 promoters and immediate relatives of the promoters. For further details, Bidder/Applicant may refer to the Red Herring Prospectus.
Equity Shares	Equity Shares of the Issuer
FCNR Account	Foreign Currency Non-Resident Account
First/sole Bidder	Bidder whose name shall be mentioned in the Bid-cum-Application Form or the Revision Form and in case of joint Bids, whose name shall also appear as the first holder of the beneficiary account held in joint names
FII(s)	Foreign Institutional Investors as defined under the SEBI (Foreign Institutional Investors) Regulations, 1995 and registered with SEBI under applicable laws in India
Floor Price	The lower end of the Price Band, subject to any revision thereto, at or above which the Issue Price will be finalised and below which no Bids will be accepted
FPIs	Foreign Portfolio Investors as defined under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014
Issuer/Company	The Issuer proposing the initial public offering/further public offering as applicable
Issue/ Offer	The initial public offer of upto 65,84,000 Equity Shares of face value of ₹10 each for cash at a price of ₹[●] each, aggregating up to ₹[●] comprising of comprising the Fresh Issue of upto 65,76,000 Equity Shares of face value ₹10 each for cash at a price of ₹[●] each, aggregating up to ₹[●] lakhs and Offer for sale of 8,000 Equity Shares by Mrs. Lalita Chowdhri aggregating up to ₹[●] Lakhs.
Issue Price/ Offer Price	The final price at which Equity Shares will be Allotted in terms of the Red Herring Prospectus. The Issue Price will be decided by our Company in consultation with the BRLM on the Pricing Date in accordance with the Book-Building Process and the Red Herring Prospectus. Unless otherwise stated or the context otherwise implies, the term Issue Price refers to the Issue Price applicable to investors other than Anchor Investors.



Term	Description
Maximum RII Allottees	The maximum number of RIIs who can be Allotted the minimum Bid Lot. This is computed by dividing the total number of Equity Shares available for Allotment to RIIs by the minimum Bid Lot
MICR	Magnetic Ink Character Recognition - nine-digit code as appearing on a cheque leaf
Mutual Fund(s)	A mutual fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996, as amended from time to time
Mutual Funds Portion	5% of the QIB Category (excluding the Anchor Investor Portion) available for allocation to Mutual Funds only, being such number of equity shares as disclosed in the DRHP/RHP/Prospectus and Bid-cum-Application Form
NRE Account	Non-Resident External Account
NRI	NRIs from such jurisdictions outside India where it is not unlawful to make an offer or invitation under the Issue and in relation to whom the DRHP/RHP/Prospectus constitutes an invitation to subscribe to or purchase the Equity Shares
NRO Account	Non-Resident Ordinary Account
Net Issue	The Issue less reservation portion
Non-Institutional Investors or NIIs	All Bidders/Applicants, including sub accounts of FIIs registered with SEBI which are foreign corporates or foreign individuals and FPIs which are Category III foreign portfolio investors, that are not QIBs or RIBs and who have Bid for Equity Shares for an amount of more than ₹200,000 (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 DRHP/RHP/Prospectus and the Bid-cum-Application Form
Non-Resident	A person resident outside India, as defined under FEMA and includes FIIs and FPIs
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
Issue/ Offer Agreement	The agreement dated May 15, 2018 between the Company, the Promoter Selling Shareholder and the BRLM, pursuant to which certain terms are agreed to in relation to the Issue/ Offer and subsequent Addendum to Issue Agreement dated August 07, 2018.
Offer for Sale/ OFS	The offer for sale of upto 8,000 Equity Shares aggregating upto ₹[●] Lakhs by the Promoter Selling Shareholder at the Offer Price in terms of the Red Herring Prospectus. For further details in relation to Promoter Selling Shareholder, see “The Issue” on page 45 of this Red Herring Prospectus.
Other Investors	The final price, less discount (if applicable) at which the Equity Shares may be Allotted to Bidders other than Anchor Investors, in terms of the Prospectus. Equity Shares will be Allotted to Anchor Investors at the Anchor Investor Offer Price. The Offer Price may be decided by the Issuer in consultation with the BRLM
PAN	Permanent Account Number allotted under the Income Tax Act, 1961
Price Band	Price band of a minimum price of ₹[●] per Equity Share (Floor Price) and the maximum price of ₹[●] per Equity Share (Cap Price) including revisions thereof.  The Price Band and the minimum Bid Lot size for the Offer will be decided by our Company and Promoter Selling Shareholder in consultation with the BRLM and will be advertised at least five Working Days prior to the Bid/Issue Opening Date, all editions of the English national newspaper Business Standard, all editions of the Hindi national newspaper Business Standard and in the regional newspaper NavShakti, each with wide circulation
Pricing date	The date on which our Company and Promoter Selling Shareholder in consultation with the BRLM, will finalise the Issue Price
Prospectus	The Prospectus to be filed with the RoC on or after the Pricing Date in accordance with Section 26 of the Companies Act, 2013, and the SEBI (ICDR) Regulations containing, inter alia, the Issue Price, the size of the Issue and certain other information
Public Issue Account	Account opened with the Banker to the Issue i.e. HDFC Bank Limited under Section 40 of the Companies Act, 2013 to receive monies from the SCSBs from the bank accounts of the bidders on the Designated Date.

<b>Term</b>	<b>Description</b>
Public Issue Agreement/ Banker to the Issue Agreement	Agreement dated June 04, 2018 entered into among the Issuer, the Promoter Selling Shareholders, the Registrar to the Offer, the Book Running Lead Manager, the Syndicate Member, the Public Issue Bank and the Refund Bank for collection of the Bid Amounts and where applicable, remitting refunds, if any, on the terms and conditions thereof and subsequent Addendum to the Public Issue Agreement dated August 07, 2018.
Qualified Institutional Buyers or QIBs	Qualified Institutional Buyers as defined under Regulation 2(1)(zd) of the SEBI (ICDR) Regulations, 2009.
Red Herring Prospectus or RHP	This Red Herring Prospectus dated August 11, 2018, issued in accordance with Section 32 of the Companies Act, 2013, and the provisions of the SEBI (ICDR) Regulations, which will not have complete particulars of the price at which the Equity Shares will be offered and the size of the Issue, including any addenda or corrigenda thereto.  The Red Herring Prospectus will be registered with the RoC at least three days before the Bid/Issue Opening Date and will become the Prospectus upon filing with the RoC on or after the Pricing Date.
Refund Account(s)	The account opened with the Refund Bank(s), from which refunds, if any, of the whole or part of the Bid Amount (excluding refund to Bidders) shall be made.
Refund Bank(s) / Refund Banker(s)	Bank which is / are clearing member(s) and registered with the SEBI as Bankers to the Issue at which the Refund Account will be opened, in this case being HDFC Bank Limited
Refund through electronic transfer of funds	Refunds through NECS, direct credit, RTGS or NEFT, as applicable
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
Registered Broker	Individuals or companies registered with SEBI as "Trading Members" (except Syndicate/Sub-Syndicate Members) who hold valid membership of NSE having right to trade in stocks listed on Stock Exchanges, through which investors can buy or sell securities listed on stock exchanges, a list of which is available on <a href="http://www.nseindia.com/membership/dynaContent/find_a_broker.htm">http://www.nseindia.com/membership/dynaContent/find_a_broker.htm</a>
Registrar /Registrar to the Issue	Registrar to the Issue, in this case being Bigshare Services Private Limited having office at 1st Floor, Bharat Tin Works Building, Opp. Vasant Oasis, Makwana Road, Marol, Andheri (East), Mumbai 400059, India.
Reserved Category / Categories	Categories of persons eligible for making Bids under reservation portion.
Revision Form	Form used by the Bidders, to modify the quantity of the Equity Shares or the Bid Amount in any of their Bid-cum-Application Forms or any previous Revision Form(s)
Reservation Portion	The portion of the Issue reserved for category of eligible Bidders as provided under the SEBI (ICDR) Regulations.
SCSB/ Self Certified Syndicate Banker	shall mean a Banker to an Issue registered under SEBI (Bankers to an Issue) Regulations, 1994, as amended from time to time, and which offer the service of making Bids/Application/s Supported by Blocked Amount including blocking of bank account and a list of which is available on <a href="http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised%20Intermediaries">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
Share Escrow Agreement	The Agreement dated August 07, 2018 entered into among the Promoter Selling Shareholder, our Company, BRLM and the Share Escrow Agent in connection with the transfer of Equity Shares under the Offer for Sale by the Promoter Selling Shareholders and credit of such Equity Shares to the demat account of the Allotees
Share Escrow Agent	Escrow agent appointed pursuant to the Share Escrow Agreement, namely Bigshare Services P Ltd
Specified Locations	Bidding centres where the Syndicate shall accept Bid-cum-Application Forms from Bidders, a list of which is available on the website of SEBI ( <a href="http://www.sebi.gov.in">www.sebi.gov.in</a> ) and updated from time to time
Stock Exchanges / SE	The stock exchanges as disclosed in the DRHP/RHP/Prospectus of the Issuer where the Equity Shares Allotted pursuant to the Issue are proposed to be listed. In this case being EMERGE Platform of NSE

Term	Description
Syndicate or Members of the Syndicate	The BRLM and the Syndicate Members
Syndicate Agreement	Agreement dated 02 June, 2018 entered into amongst the BRLM, the Syndicate Members, our Company in relation to the procurement of Bid-cum-Application Forms by Syndicate and subsequent Addendum to Syndicate Agreement dated August 07, 2018.
Syndicate Members	Intermediaries registered with SEBI who are permitted to carry out activities as an underwriter, namely, Rikhav Securities Limited
Underwriter	CKP Financial Services Private Limited
Underwriting Agreement	The agreement dated 02 June, 2018 entered into between the Underwriters, Promoter Selling Shareholder and our Company and subsequent Addendum to Issue Agreement dated August 07, 2018.
Working Day	Shall mean 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 the time period between (a) announcement of Price Band; and (b) Bid/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 Bid/Issue Closing Date and the listing of the Equity Shares on the Stock Exchanges, "Working Day" shall mean all trading days of Stock Exchanges, excluding Sundays and bank holidays.

#### Technical/Industry Related Terms/Abbreviations

Term	Description
BF-BOF	Blast Furnace – Blast Oxygen Furnace
CAGR	Compounded Annual Growth Rate
CDI	Coal Dust Injection
CDR	Corporate Debt Restructuring
CIL	Coal India Limited
CIS	Commonwealth of Independent States
COP	Conference of the Parties
CPSE	Central Public Sector Enterprises
CRZ	Coastal Regulation Zone
CRGO	Cold Rolled Grain Oriented
DPE	Department of Public Enterprises
DRI	Direct Reduced Iron
EAF	Electric Arc Furnace
EBT	Eccentric Bottom Tap
FDI	Foreign Direct Investment
FTA	Free Trade Agreement
GDP	Gross Domestic Product
GST	Goods and Services Tax
IF	Induction Furnace
INDC	Intended Nationally Determined Contribution
MMSCMD	Million Metric Standard Cubic Meter Per Day
MoPNG	Ministry of Petroleum & Natural Gas
MoS	Ministry of Steel
MTPA	Million Tonnes Per Annum
NMDC	National Mineral Development Corporation
NPA	Non-Performing Assets
PCI	Pulverized Coal Injection
PPP	Public Private Partnership
R&D	Research and Development
REC	Renewable Energy Certificates
R-LNG	Regasified Liquefied Natural Gas
UHP	Ultra High Power

Term	Description
UNDP	United Nations Development Programme
Unit I	Special Steels Division, Khopoli
Unit II	Wire Division, Rabale
VAT	Value Added Tax
WTO	World Trade Organization

### Conventional and General Terms

Term	Description
AIF(s)	The alternative investment funds, as defined in, and registered with SEBI under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012
Category I foreign portfolio investor(s)	FPIs who are registered as "Category I foreign portfolio investor" under the SEBI FPI Regulations
Category II foreign portfolio investor(s)	FPIs who are registered as "Category II foreign portfolio investor" under the SEBI FPI Regulations
Category III foreign portfolio investor(s)	FPIs who are registered as "Category III foreign portfolio investor" under the SEBI FPI Regulations
Client ID	The client identification number maintained with one of the Depositories in relation to demat account
Companies Act, 1956	Companies Act, 1956 ( <i>without reference to the provisions thereof that have ceased to have effect upon notification of the sections of the Companies Act, 2013</i> ) along with the relevant rules made thereunder
Companies Act/ Companies Act, 2013	Companies Act, 2013, to the extent in force pursuant to the notification of sections of the Companies Act, 2013, along with the relevant rules, regulations, clarifications, circulars and notifications made thereunder
Competition Act	The Competition Act, 2002
Consolidated FDI Policy	Consolidated FDI Policy (Circular 1 of 2015) dated May 12, 2015 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.
CST Act	Central Sales Tax Act, 1956
Demographic Details	Details of the Bidders including the Bidder's address, name of the Bidder's father/ husband, investor status, occupation and bank account details
Depository	A depository registered with SEBI under the Depositories Act, 1996
Depository Participant/ DP	A depository participant registered with SEBI under the Depositories Act
Depositories	NSDL and CDSL
Depositories Act	The Depositories Act, 1996
DP/ Depository Participant	A depository participant as defined under the Depositories Act
FCNR Account	Foreign currency non-resident account
FEMA	Foreign Exchange Management Act, 1999 read with rules and regulations thereunder
FII(s)	Foreign Institutional Investors as defined under the SEBI FPI Regulations.
Financial Year/ Fiscal/ Fiscal Year/ F.Y.	Period of twelve (12) months ended March 31 of that particular year, unless otherwise stated
Foreign Portfolio Investor or FPI	Foreign Portfolio Investors, as defined under the SEBI FPI Regulations and registered with SEBI under applicable laws in India.
FVCI	Foreign Venture Capital Investor, registered under the FVCI Regulations
FVCI Regulations	Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000, as amended
IT Act	The Income Tax Act, 1961, as amended
IT Rules	The Income Tax Rules, 1962, as amended
Indian GAAP	Generally Accepted Accounting Principles in India
Ind AS	New Indian Accounting Standards notified by Ministry of Corporate Affairs on February 16, 2015, applicable from Financial Year commencing April 1, 2016
LLP Act	The Limited Liability Partnership Act, 2008
Notified Sections	The sections of the Companies Act, 2013 that have been notified by the Government as having

Term	Description
	come into effect prior to the date of this Red Herring Prospectus.
NRE Account	Non-resident external account
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 was eligible to undertake transactions pursuant to the general permission granted to OCBs under FEMA
RBI Act	Reserve Bank of India Act, 1934
RoC	The Registrar of Companies, Maharashtra
SCRA	Securities Contracts (Regulation) Act, 1956, as amended
SCRR	Securities Contracts (Regulation) Rules, 1957, as amended
SEBI	The Securities and Exchange Board of India, constituted under the SEBI Act
SEBI Act	Securities and Exchange Board of India Act, 1992, as amended
SEBI AIF Regulations	Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012, as amended
SEBI FII Regulations	Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995, as amended
SEBI FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014, as amended
SEBI FVCI Regulations	Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000, as amended
SEBI (ICDR) Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended
SEBI Listing Regulations / SEBI (LODR) Regulations	SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended
SEBI Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended
SEBI VCF Regulations	The Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996
Securities Act	U.S. Securities Act of 1933, as amended
State Government	The government of a state of the Union of India
Stock Exchange	National Stock Exchange of India Limited
Sub-account	Sub-accounts registered with SEBI under the SEBI FII Regulations other than sub-accounts which are foreign corporates or foreign individuals
VCFs	Venture Capital Funds as defined and registered with SEBI under the SEBI VCF Regulations
Wilful Defaulter	Wilful defaulter as defined under Regulation 2(zn) of the SEBI (ICDR) Regulations

#### General terms/ Abbreviations

Term	Description
Rs. or ₹ or Rupees or INR	Indian Rupees
ACIT	Assistant Commissioner of Income Tax
AGM	Annual General Meeting
APEDA	Agricultural and Processed Food Products Export Development Authority
AS/Accounting Standards	Accounting Standards issued by the Institute of Chartered Accountants of India
A.Y.	Assessment year
BPLR	Bank Prime Lending Rate
CAGR	Compounded annual growth rate
CARO	Companies (Auditor's Report) Order, 2003
CCI	Competition Commission of India
CDSL	Central Depository Services (India) Limited
CIN	Corporate Identification Number
CSR	Corporate Social Responsibility
DCIT	Deputy Commissioner of Income Tax
DCST	Deputy Commissioner of Sales Tax

<b>Term</b>	<b>Description</b>
DIN	Director Identification Number
DP ID	Depository participant's identification
DTC	Direct Taxes Code
ECS	Electronic Clearing System
EBITDA	Earnings before Interest, Tax Depreciation and Amortisation
EGM	Extraordinary General Meeting of the Shareholders of the Company
EPS	Earnings Per Share
FDI	Foreign direct investment
FIPB	Foreign Investment Promotion Board
GAAR	General anti avoidance rules
GFSI	Global Food Safety Initiative
GIR	General index register
GoI/ Government	Government of India
GoM	Government of Maharashtra
GST	Goods and Services Tax Act
HNI	High Net worth Individual
HUF	Hindu Undivided Family.
ICAI	Institute of Chartered Accountants of India
IFRS	International Financial Reporting Standards
Indian GAAP	Generally Accepted Accounting Principles in India
IPC	Indian Penal Code, 1860
IPO	Initial Public Offering
IRDA	Insurance Regulatory and Development Authority
Ltd.	Limited
MCA	Ministry of Corporate Affairs, Government of India
MoU	Memorandum of understanding
N.A.	Not Applicable
NAV	Net asset value being paid up equity share capital plus free reserves ( <i>excluding reserves created out of revaluation</i> ) less deferred expenditure not written off ( <i>including miscellaneous expenses not written off</i> ) and debit balance of profit and loss account, divided by number of issued Equity Shares.
NCR	National Capital Region
NECS	National Electronic Clearing Services
NEFT	National Electronic Fund Transfer
No.	Number
NoC	No objection certificate
NR	Non-resident
NSDL	National Securities Depository Limited.
NSE EMERGE	EMERGE Platform of National Stock Exchange of India Limited
NTA	Net Tangible Assets
p.a.	Per annum
P/E Ratio	Price earnings ratio
PAN	Permanent account number allotted under the Income Tax Act, 1961
PAT	Profit after tax
PBT	Profit before tax
PCB	Pollution Control Board
Pvt.	Private
RBI	Reserve Bank of India
RoC	Registrar of Companies
RONW	Return on net worth
RTGS	Real Time Gross Settlement
STT	Securities Transaction Tax
UIN	Unique identification number
U.S. GAAP	Generally Accepted Accounting Principles in the United States of America
VAT	Value added tax
YoY	Year on Year

## CURRENCY CONVENTIONS, USE OF FINANCIAL, INDUSTRY AND MARKET DATA AND CURRENCY PRESENTATION

### Certain Conventions

Unless otherwise specified or the context otherwise requires, all references to "India" in this Red Herring Prospectus are to the Republic of India, all references to the "U.S.", the "USA" or the "United States" are to the United States of America, together with its territories and possessions.

Unless stated otherwise, all references to page numbers in this Red Herring Prospectus are to the page numbers of this Red Herring Prospectus.

### Financial Data

Unless stated otherwise, financial data included in this Red Herring Prospectus is derived from the Restated Financial Information, prepared in accordance with the Companies Act and restated in accordance with SEBI (ICDR) Regulations.

In this Red Herring Prospectus, any discrepancies in any table between the total and the sum of the amounts listed are due to rounding off. All figures in decimals have been rounded off to the second decimal place and all percentage figures have been rounded off to two decimal places and accordingly there may be consequential changes in this Red Herring Prospectus.

Our Company's Financial Year commences on April 1 and ends on March 31 of the next year; accordingly, all references to a particular Financial Year or Fiscal, unless stated otherwise, are to the twelve (12) month period ended on March 31 of that year. The Restated Financial Information for Financial Years ended March 31, 2018; March 31, 2017; March 31, 2016; March 31, 2015; March 31, 2014 and March 31, 2013 are included in this Red Herring Prospectus.

There are significant differences between Indian GAAP, U.S. GAAP and IFRS. The reconciliation of the financial information to IFRS or U.S. GAAP financial information has not been provided. Our Company has not attempted to explain those differences or quantify their impact on the financial data included in this Red Herring Prospectus, and it is urged that you consult your own advisors regarding such differences and their impact on our financial data. Accordingly, the degree to which the financial information included in this Red Herring Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting practices, Indian GAAP, Ind AS, the Companies Act and the SEBI (ICDR) Regulations. Any reliance by persons not familiar with Indian accounting practices, Indian GAAP, Ind AS, the Companies Act, the SEBI Regulations on the financial disclosures presented in this Red Herring Prospectus should accordingly be limited.

Unless otherwise indicated, any percentage amounts, as set forth in this Red Herring Prospectus, including in sections titled "Risk Factors", "Our Business", "Management's Discussion and Analysis of Financial Condition and Results of Operations" beginning on pages 16; 112; and 181 respectively, have been calculated on the basis of the Restated Financial Information prepared in accordance with the Companies Act and restated in accordance with the SEBI (ICDR) Regulations.

In this Red Herring Prospectus, all figures in decimals have been rounded off to the second decimal place and all percentage figures have been rounded off to two decimal places.

### Currency and Units of Presentation

All references to: "Rupees", "Rs.", "INR" or "₹" are to Indian Rupees, the official currency of the Republic of India.

Our Company has presented certain numerical information in this Red Herring Prospectus in "million" units. One million represents 1,000,000 and one billion represents 1,000,000,000. In this Red Herring Prospectus, any discrepancies in any table between the total and the sums of the amounts listed therein are due to rounding-off.

### Exchange Rates

This Red Herring Prospectus does contain conversion of any other currency amounts into Indian Rupees.

## **Industry and Market Data**

Unless stated otherwise, Industry and Market data and various forecasts used throughout this Red Herring Prospectus have been obtained from publically available Information, Industry Sources and Government Publications. Industry Sources as well as Government Publications generally state that the information contained in those publications has been obtained from sources believed to be reliable but their accuracy and completeness and underlying assumptions are not guaranteed and their reliability cannot be assured. Although we believe that industry data used in this Red Herring Prospectus is reliable, it has not been independently verified by the Book Running Lead Manager or our Company or any of their affiliates or advisors. Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in the section "Risk Factors" on page 16 of this Red Herring Prospectus. Accordingly, investment decisions should not be based solely on such information.

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

Although, we believe that the industry and market data used in this Red Herring Prospectus is reliable, neither we nor the BRLM nor any of their respective affiliates or advisors have prepared or verified it independently. The extent to which the market and industry data used in this Red Herring Prospectus is meaningful depends on the reader's familiarity with and understanding of the methodologies used in compiling such data.

In accordance with the SEBI (ICDR) Regulations, we have included in the section titled "Basis for Issue Price" beginning on page 76 of this Red Herring Prospectus, information pertaining to the peer group companies of our Company. Such information has been derived from publicly available data of the peer group companies.



## FORWARD LOOKING STATEMENTS

This Red Herring Prospectus contains certain "forward-looking statements". These forward-looking statements generally can be identified by words or phrases such as "aim", "anticipate", "believe", "expect", "estimate", "intend", "objective", "plan", "project", "will", "will continue", "will pursue" or other words or phrases of similar import. Similarly, statements that describe our strategies, objectives, plans or goals are also forward-looking statements. All forward-looking statements are subject to risks, uncertainties and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement.

Actual results may differ materially from those suggested by forward-looking statements due to risks or uncertainties associated with expectations relating to, *inter alia*, regulatory changes pertaining to the industries in India in which we operate and our ability to respond to them, our ability to successfully implement our strategy, our growth and expansion, technological changes, our exposure to market risks, general economic and political conditions in India which have an impact on its business activities or investments, the monetary and fiscal policies of India, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India and globally, changes in domestic laws, regulations and taxes and changes in competition in the industries in which we operate.

These forward-looking statements and any other projections contained in this Red Herring Prospectus (*whether made by us or any third party*) are predictions and involve known and unknown risks, uncertainties, assumptions and other factors that may cause the actual results, performance or achievements to be materially different than those contemplated by the relevant forward-looking statements. Certain important factors that could cause actual results to differ materially from our expectations include, but are not limited to, the following:

1. Our ability to compete effectively;
2. Our Company's inability to meet its substantial working capital requirements or maintain its existing credit facilities;
3. Our Company's inability to meet the consistent quality requirements of its customers or a change in customer preferences;
4. Competition in the industry that we operate;
5. Regulatory changes pertaining to the industries in India in which our Company has its businesses and our ability to respond to them,
6. General economic and political conditions in India and globally, which have an impact on our business activities
7. Any adverse outcome in legal proceedings in which our Company, our Promoters, Directors or key managerial personnel may be involved

For further discussion of factors that could cause the actual results to differ from our estimates and expectations, please refer to section titled "Risk Factors"; "Our Business"; and "Management's Discussion and Analysis of Financial Condition and Results of Operations" beginning on pages 16; 112 and 181 respectively of this Red Herring Prospectus.

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. The forward-looking statements contained in this Red Herring Prospectus are based on the beliefs of our management, as well as the assumptions made by and information currently available to our management. Although, we believe that the expectations reflected in such forward-looking statements are reasonable at this time, we cannot assure investors that such expectations will prove to be correct. Given these uncertainties, investors are cautioned not to place undue reliance on such forward-looking statements. If any of these risks and uncertainties materializes, or if any of the underlying assumptions prove to be incorrect, the actual results of operations or financial condition could differ materially from that described herein as anticipated, believed, estimated or expected. All subsequent written and oral forward-looking statements attributable to us are expressly qualified in their entirety by reference to these cautionary statements.

Our Company, the BRLM, Promoter Selling Shareholder, the Syndicate Members or their respective affiliates do not have any obligation to, and do not intend to, update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with SEBI requirements, our Company and the BRLM will ensure that investors are informed of material developments until the time of the grant of final listing and trading permissions with respect to Equity Shares being offered in this Issue, by the Stock Exchanges. Our Company will ensure that investors are informed of material developments in relation to statements about our Company in this Red Herring Prospectus, the Prospectus until the Equity Shares are allotted to the investors. Further, in accordance with Regulation 51A of the SEBI (ICDR) Regulations, our Company may be required to undertake an annual updation of the disclosures made in the Red Herring Prospectus and make it publicly available in the manner specified by SEBI.

## SECTION II: RISK FACTORS

*Any investment in equity securities involves a high degree of risk. You should carefully consider all of the information in this Red Herring Prospectus, including the risks and uncertainties described below, before making an investment in our Equity Shares. To obtain a more complete understanding, you should read this section together with section titled "Our Business" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" beginning on pages 112 and 181 respectively, as well as the other financial and statistical information contained in this Red Herring Prospectus.*

*Any of the following risks, as well as the other risks and uncertainties discussed in this Red Herring Prospectus, could have an adverse effect on our business, financial condition, results of operations and prospects and could cause the trading price of our Equity Shares to decline, which could result in the loss of all or a part of your investment. The risks and uncertainties described in this section are not the only risks that we may face. Additional risks and uncertainties not known to us or that we currently believe to be immaterial may also have an adverse effect on our business, results of operations, financial condition and prospects.*

*This Red Herring Prospectus 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 certain factors, including the considerations described below and elsewhere in this Red Herring Prospectus.*

*The financial and other related implications of risks concerned, wherever quantifiable, have been disclosed in the risk factors mentioned below. However, there are certain risk factors where the effect is not quantifiable and hence has not been disclosed in such risk factors. You should not invest in this offering unless you are prepared to accept the risk of losing all or part of your investment, and you should consult your tax, financial and legal advisors about the particular consequences to you of an investment in the Equity Shares.*

*The financial information in this section is, unless otherwise stated, derived from our Restated Financial Statements prepared in accordance with Indian GAAP, as per the requirements of the Companies Act 2013 and SEBI (ICDR) Regulations. The risk factors have been determined on the basis of their materiality. Some events may not be material individually but may be found to be material collectively, some events may have a material impact qualitatively instead of quantitatively and some events may not be material at present but may have material impacts in the future.*

### Internal Risk Factors

1. ***We currently supply to public sector undertakings in the strategic sectors such as defence, aerospace, nuclear power and heavy industries. A decline or reprioritization or change in policies on these strategic initiatives by the Government of India and its undertakings in the future will have a material adverse impact on our business, financial condition, results of operations, growth prospects and cash flows.***

Most of the revenue generated from *Unit I- Special Steels Division* is derived from the work undertaken and sub-contracted by public sector undertakings under government orders in the defence, aerospace, nuclear power and heavy industries amounting to approximately 45% of the total revenue as per restated financial information ending March 31, 2018. The expenditure programme of the Government of India (GOI) and its undertakings are mostly dependent on the policies and strategic initiatives the GOI has planned and desires to implement over a period of time. Any shift in India's defence, space and nuclear priorities and GOI spending, changes in security levels, general economic conditions and developments, and other factors may affect the funding plans of the GOI and its undertakings.

2. ***We are exposed to the risk of increase in the price of our raw materials and dependence on suppliers for supply of the raw materials. Further, if we are unable to source quality raw materials required for our business at competitive prices, our business, results of operations and profitability may be adversely affected.***

The primary raw materials used by our Company for manufacturing our products are scrap, ferro alloys, billets and wire rods. There is limited availability and supply of raw materials such as scrap and wire rods which are used by our Company for manufacturing products. Shortage in supply of the raw materials we use in our business may result in an increase in the price of the products. In past, the prices of these products have fluctuated drastically with the change in their global supply and demand, which has impacted our cost of procurement of these raw materials. In the event that the price of our raw materials further increase, we may not be able to pass the price increase to our customers on our existing fixed contracts and our business, financial condition and results of operations may be adversely affected. Further, we are significantly dependent on our key suppliers and sub-contractors to provide us

with critical components and raw materials, parts and assemblies that we need to manufacture our products. Our business is affected by the price, quality, availability and the timely delivery of the component parts that we use to manufacture our products. Our business, therefore, could be adversely impacted by factors affecting our suppliers, by increased costs of such components or Government regulation of supplier's country. It may be difficult for us to find a replacement for certain suppliers without significant delay, thereby impacting our ability to complete our customer obligations in a satisfactory and timely manner. Further we are exposed to the price volatility of some critical imported raw materials such as scrap, nickel, chromium and molybdenum from a number of countries. In view of the fluctuation in the value of the Rupee against the foreign currencies in which we pay for such imports, we face a degree of foreign exchange risk. We do not hedge against currency rate fluctuations in respect of our purchase contracts, given the duration of our purchase contracts. This exposes us to exchange rate movements which may have a material effect on our operating results in a given period. Thus, we cannot assure that we will not suffer any loss because of the fluctuation of the value of the Rupee, which may have a material adverse effect on our cash flows, revenue and financial condition.

3. ***We design, manufacture products that require advanced technologies. Many of our contracts contain performance obligations that require innovative design capabilities, are technologically complex. The introduction of new products and technologies involves risks and we may not realize the degree or timings of benefits initially anticipated.***

We design, develop and manufacture technologically advanced and innovative products applied by our customers in a variety of environments. Problems and delays in development or delivery as a result of issues with respect to design, technology, licensing and patent rights, labour, learning curve assumptions or materials and components could prevent us from achieving contractual requirements. We seek to achieve growth through the design, development, production, sale and support of innovative products that incorporate advanced technologies. The product requirements of our customers change and evolve regularly, and we invest substantial amounts in research and development efforts to pursue advancements in a wide range of technologies and products. If our products ramp-up efforts are delayed or if the suppliers cannot deliver on time or perform to our standards, we may not meet our customers' production schedules, which could result in material additional costs, including penalties that could be assessed under existing contractual provisions. Our ability to realize the anticipated benefits of our technological advancements depends on a variety of factors, including meeting development, production, certification and regulatory approval schedules, execution of internal and external performances plans, availability of supplier and internally- produced parts and materials, performance of suppliers and subcontractors, hiring and training of qualified personnel, achieving cost and production efficiencies identification of emerging technological trends in our target end markets, validation of innovative technologies, the level of customer interest in new technologies and products, and customer acceptance of our products and products that incorporate technologies we develop. These systems and end products may incorporate additional technologies manufactured by third parties and involve additional risks and uncertainties. As a result, the performance and market acceptance of these larger systems and end products could affect the level of customer interest and acceptance of our own products. Any development efforts divert resources from other potential investments in our businesses, and these efforts may not lead to the development of new technologies or products on a timely basis or meet the needs of our customers as fully as competitive offerings. In addition, the markets for our products or products that incorporate our technologies may not develop or grow as we anticipate. We or our customers, suppliers or subcontractors may encounter difficulties in developing and producing new products and may not realize the degree or timing of benefits initially anticipated or may otherwise suffer significant adverse financial consequences. Due to the design complexity of our products, we may in the future experience delays in completing the development and introduction of new products.

4. ***The industry in which we operate is highly competitive and increased consolidation may have an adverse effect on our results of operations and financial condition.***

We believe that the key competitive factors affecting our business include access to low cost raw materials, product quality, changes in manufacturing technology, workforce skill and productivity, cash operating costs, pricing power with large buyers and access to outside funds. Although, we believe that we are currently a competitive manufacturer of special alloys and other products, we cannot give any assurance that we will be able to compete effectively against our current or emerging competitors with respect to each of these key competitive factors. In particular, we face competition from other alloy manufacturers, some of which have greater resources and larger production capacities. Such companies may be able to negotiate preferential prices for certain products or receive discounted prices for bulk purchases of certain metals that may not be available to us. Competitors may, whether through consolidation or growth, present more credible integrated and/or lower cost solutions than we do. There can be no assurance that we can continue to compete effectively with our competitors in the future, and any such failure may have an adverse effect on our business, financial condition and results of operations. If there is consolidation in our industry, we

could be placed in a disadvantageous competitive position relative to other manufacturers and our results of operations and financial condition could be materially and adversely affected. In addition, a variety of known and unknown events could have a material adverse impact on our ability to compete. For example, changes in the level of technology development by competitors, dramatic reductions in pricing policies, irrational market behavior by competitors, increases in tariffs or the imposition of trade barriers, could all affect our ability to compete effectively. Any such event could have a material adverse impact on our results of operations and financial condition.

5. ***The capacity of our Special Steels division and Wire division is not fully utilized, consecutively, if there is also any under-utilization of our proposed expanded capacities, this in turn could affect our ability to fully absorb fixed costs and thus may adversely impact our financial performance.***

Even though the capacity utilization of our plants has increased over time, the capacities of various product lines at our current units have not been fully utilized over the last three financial years. For details regarding the existing installed and utilized capacity, please refer to section titled "Our Business" beginning on page 112 of this Red Herring Prospectus. Further, we propose to expand our production capacities based on our estimates of market demand and profitability. In the event of non-materialization of our estimates and expected order flow for our products and/ or failure of optimum utilization of our capacities, due to factors including adverse economic scenario, change in demand or for any other reason, our capacities may not be fully utilized thereby impairing our ability to fully absorb our fixed cost and may adversely impact our financial performance.

We sell most of our products in India and we face competition in our business from domestic and international alloy manufacturers. Due to the commodity nature of our products, competition in these markets is based primarily on demand and price. As a result, to remain competitive in our market, we must continuously strive to reduce our production, transportation and distribution costs, improve our operating efficiencies and secure our raw materials requirements. If we fail to do so, other manufacturers of similar products may be able to sell their products at prices lower than our prices, which would have an adverse effect on our market share and results of operations. Increased consolidation in our industry means that many of our competitors may benefit from greater economies of scale, including the ability to negotiate preferential prices for products or receive discounted prices for bulk purchases of raw materials that may not be available to us. Also, if the primary metal producers from whom we procure our raw materials were to set-up their in-house alloy manufacturing units, we would face stiff competition for selling those specific/comparable products at competitive rates and this could materially adversely affect our operating margins superior to our products.

6. ***Our business is dependent on the delivery of an adequate and uninterrupted supply of electric power at a reasonable cost and any supply insufficiency or interruption could adversely affect our business, financial condition and results of operations.***

We are dependent on adequate and uninterrupted supply of electric power at a reasonable cost. Power is supplied through an overhead line of 22 KV from MSEB to our Unit I (*Khopoli - Special Steels division*); and Unit II (*Rabale - Wire division*) respectively. Power is stepped down to 415V through a transformer for catering to the respective existing loads. For details regarding respective load sanctioned and load proposed from MSEB, please refer to section titled "Our Business" beginning on page 112 of this Red Herring Prospectus. Further, we have installed Diesel Generators of 125 KVA and 180 KVA for back-up power at our Unit I (*Khopoli - Special Steels division*); and Unit II (*Rabale - Wire division*), respectively. Therefore, we are dependent on public utilities for all of our power requirements. An adequate, uninterrupted and cost-effective supply of electrical power is critical to our operations. While, we believe that the current supply of electricity will be sufficient to meet our existing and future requirements, we cannot assure you that we will have an adequate, uninterrupted or cost-effective supply of electrical power, the lack of which could adversely affect our business, financial condition, results of operations and prospects

7. ***We rely on contractors for the implementation of various aspects of our regular as well as expansion activities, and are therefore exposed to execution risks, including in relation to the timing or quality of their services, equipment or supplies.***

We rely on the availability of skilled and experienced contractors for most of our regular semi-skilled and unskilled workforce at our manufacturing units at Unit I (*Khopoli - Special Steels division*); and Unit II (*Rabale - Wire division*). As on date, we employ a work force of around 105 contract labour stationed at our Unit I (*Khopoli - Special Steels division*); and Unit II (*Rabale - Wire division*). Also, implementation of our expansion plans will be carried out by third party contractors. We do not have direct control over the timing or quality of the services and supplies provided by third parties. Third party contracts for our regular as well as expansion activities expose us to

various risks, including credit risk, settlement risk, operational risk, legal risk and reputation risk. The execution risks we face include the following:

- contractors hired by us may not be able to complete installation of machinery on time, and within budgeted costs or to the agreed specifications and standards;
- as we expand, we may have to use contractors with whom we are not familiar, which may increase the risk of cost overruns or lower our return on capital, installation defects and failure to meet scheduled completion dates; and
- our regular labour contractors engage contract laborers, we may be held responsible under applicable Laws for wage payments to such laborers should our contractors default on wage payments. Further, pursuant to the provisions of the Contract Labour (Regulation and Abolition) Act, 1970, we may be required to retain such contract laborers as our employees. Any requirement to fund such payments and any such orders from a court or any other regulatory authority may adversely affect our business and results of our operations.

Further, as a result of increased industrial development in India in recent years, the demand for contractors and agencies with specialist design, engineering and project management skills and services has increased, resulting in a shortage of and increasing costs of services of such contractors and agencies. We cannot be certain that such skilled and experienced contractors and agencies will continue to be available to us at reasonable rates in the future. Any deterioration in our relationships with our identified suppliers or our failure to renegotiate acceptable terms may result in our incurring substantial additional costs, beyond our budgeted expenditure, in identifying and entering into alternative arrangements with other suppliers.

Further, third party defaults that disrupt or otherwise affect our operations and that are not adequately resolved or cured in a timely manner may render us liable to regulatory intervention, cause damage to our reputation and adversely affect our business, results of operations and financial condition.

8. ***If we do not continue to invest in new technologies and equipment, our technologies and equipment may become obsolete and our cost of manufacturing may increase relative to our competitors, which may have an adverse impact on our business, results of operations and financial condition.***

Our profitability and competitiveness depend on our ability to maintain a low cost of operations, including our ability to process and supply sufficient quantities of our special alloy products as per the agreed specifications. If we are unable to respond or adapt to changing trends and standards in technologies and equipment, or otherwise adapt our technologies and equipment to changes in market conditions or requirements, in a timely manner and at a reasonable cost, we may not be able to compete effectively and our business, results of operations and financial condition may be adversely affected.

9. ***We are dependent on third party transportation providers for the delivery of raw materials and final products.***

Continuous increase in transportation costs or unavailability of transportation services for our products, may have an adverse effect on our business, financial condition, results of operations and prospects. We use third party transportation providers for the supply of most of our raw materials and for delivery of our products to our customers. Transportation strikes could have an adverse effect on our receipt of raw materials and our ability to deliver our products to our customers. Non-availability of trucks and railway wagons could also adversely affect our receipt of raw materials and the delivery of our products. In addition, transportation costs in India have been steadily increasing over the past several years. While usually the end consumer bears the freight cost, we may not always be able to pass on these costs to our customers. Continuing increases in transportation costs or unavailability of transportation services for our products may have an adverse effect on our business, financial condition, results of operations and prospects.

10. ***We are dependent on contract labour for our manufacturing activities at our Unit I (Khopoli - Special Steels division); and Unit II (Rabale - Wire division).***

Our operations may be adversely affected by strikes, work stoppages or increased wage demands by our or our contractors' workforce or any other industrial unrest or dispute. While we have not experienced any major industrial unrest or dispute in the past, we cannot be certain that we will not suffer any disruption to our operations due to strikes, work stoppages or increased wage demands in the future. Further, if our or our contractor's work force unionizes in the future, collective bargaining efforts by labor unions may divert our management's attention and result in increased costs. We may be unable to negotiate acceptable collective wage settlement agreements with

those workers who have chosen to be represented by unions, which may lead to union-initiated strikes or work stoppages. Any shortage of skilled and experienced workers caused by such industrial unrest or disputes may adversely affect our business, results of operations and financial condition. Further, under Law, we may be held liable for wage payments or benefits and amenities made available to contract workers engaged by our independent contractors, if any of our contractor's default on their obligations to provide such wages, benefits and amenities. Any requirement to discharge such payment obligations, benefits or amenities or to absorb a significant portion of the contract workforce on our own rolls may adversely affect our business, results of operations and financial condition.

11. ***There are outstanding legal proceedings by our Company which may adversely affect our business, financial condition and results of operations.***

There are outstanding legal proceedings by our Company. These proceedings are pending at different levels of adjudication before various courts, enquiry officers and appellate forums. Such proceedings could divert management time and attention and consume financial resources in their defence. Further, an adverse judgment in some of these proceedings could have an adverse impact on our business, financial condition and results of operations. A summary of the outstanding proceedings by our Company, as disclosed in this offer document, to the extent quantifiable, have been set out below:

No.	Nature of proceedings	Number of outstanding cases	Amount involved (₹ in Lakhs)
<b><i>Cases filed by our Company</i></b>			
1.	Criminal	1	10.00
2.	Civil	2	24.49
<b><i>Taxation Matters relating to our Company</i></b>			
1.	Indirect Tax	3	209.50

Decisions in such proceedings adverse to our interests may affect our reputation and standing and may have a material adverse effect on our business, results of operations and financial condition. For further details, please refer to section titled "Outstanding Litigation and Material Developments" beginning on page 190 of this Red Herring Prospectus.

12. ***Certain qualifications have been noted by Peer Review Auditors in their report on the Restated Financial Statements.***

In connection with the restatement of our Company's financial statements, our Peer Review Auditor noted certain Qualification for fiscal years ended 2018, 2017, 2016, 2015, 2014 and 2013. We have taken steps to Address and remedy the deficiencies as described below:

(i) ***The Company has not maintained fixed assets register as per Companies Act, 2013.***

Management Response: - The Company has not maintained asset-wise detailed fixed assets register. However the Company has a policy to physically verify the assets on regular basis and the Company is in the process of updating the fixed assets register

(ii) ***The company has not maintained stock records on daily basis and value of closing stock has been derived by physical verification of stock as on that date.***

Management Response: - The Company contends that due to its nature of business of manufacturing in numerous items of steel of different grades, qualities and mix, it is not possible and feasible to maintain day to day quantitative records of purchase, consumption, production and sales. Therefore in absence of relevant records we are not in position to state the quantitative detail required to be disclosed in respect of goods manufactured by the Company. However physical verification of stock in trade was carried out on the last day of every year. Accordingly the valuation of closing stock was done by the management and certified by management as correct.

(iii) ***The Company has not provided for provision of excise duty on closing stock of finished goods as per guidance note on treatment of excise duty issued by ICAI.***

Management Response - The non-provision of excise duty on closing stock of manufactured goods does not impact the profitability as it just results in shifting of profit from one year to another.

- (iv) *The Company is required to maintain cost records as per Section 148 read with Section 143(3)(b) of the Companies Act, 2013 w.e.f 1<sup>st</sup> April, 2014. However, based on our examination of books of accounts produced by the management, it is found that the company has not maintained such cost records.*

Management Response - The Company is in the process of maintaining cost records and will be shortly appointing a cost auditor.

- (v) *The company has not provided for gratuity liability based on actuarial valuation as required by AS -15.*

Management Response – The Company has a policy of paying gratuity to employees upon retirement. Till now the company was treating gratuity expenses as short term compensated expense. Going forward the company will get actuarial valuation done and provide for full liability for gratuity in the financials

13. *Our Company has experienced negative cash flows and any negative cash flows in the future could adversely affect our financial conditions and results of operations.*

We have experienced negative cash flows in the past. Following are the details of our cash flow position during the last five (5) financial years based on Restated Financial Statements are set out below:

(₹ in Lakhs)

Particulars	For the Year ended				
	March 31, 2018	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014
Net Cash from/ (used) in Operating Activities	599.30	766.13	991.84	(1335.63)	(1023.93)
Net Cash from/ (used) in Investing Activities	121.68	(309.59)	58.69	(741.43)	(616.96)
Net Cash from/ (used) Financing Activities	(547.41)	(398.84)	(1,033.28)	1,958.61	942.31

Cash flow of our Company is a key indicator to show the extent of cash generated from operations to meet capital expenditure, pay dividends, repay loans and to make new investments without raising finance from external resources. Any operating losses or negative cash flows could adversely affect our results of operations and financial conditions. If we are not able to generate sufficient cash flows, it may adversely affect our business and financial operations. For more information, regarding cash flows, please refer to section titled "Restated Cash Flow Statements - Annexure III" beginning on page 157 of this Red Herring Prospectus.

14. *We may be subject to export obligations for certain machines imported by us in the past.*

*During the establishment of our Unit at Khopoli, we have imported machines in the year 2007. Our Company had an export obligation to the tune of Rs. 400 Lakhs approximately at the time of the import of the machinery. Over the last 10 years, our Company has exported more than Rs. 600 Lakhs of our products overseas and therefore are the opinion that the export obligation undertaken at the time of the import of the machinery has been fully complied with. However, we have not received any acknowledgement or intimation of compliance of our export obligations from the DGFT. In the event we are informed by the DGFT of any deficiency in our export obligations and are directed to comply with the same, this may require diverting our operations for domestic supply to comply with the remaining export obligations, which may affect our operations and financial results.*

15. *We have high working capital requirements. If we experience insufficient cash flows to enable us to make required payments on our debt or fund working capital requirements, there may be an adverse effect on our results of operations.*

Our business requires a significant amount of working capital. In many cases, significant amounts of working capital is required to finance the purchase of materials and the manufacturing process of the same before payments are received from customers. Our working capital requirements may increase from time to time, for e.g. for certain higher volume clients, we may be required to extend additional credit considering the same on case to case basis. In addition, our working capital requirements have increased in recent years due to the heavy growth in our volumes and liquidity issues in certain sectors to whom we supply our products. All of these factors may result, or have resulted, in increases in our working capital requirements. For further details of our working capital estimates please refer to section titled "Objects of the Issue" beginning on page 68 of this Red Herring Prospectus. If we are unable to finance our working capital needs, or secure other financing as projected, on acceptable commercial terms, it may

adversely affect our business and growth prospects. Failure to manage our inventory could have an adverse effect on our net sales, profitability, cash flow and liquidity. The results of operations of our business are dependent on our ability to effectively manage our inventory (raw material and finished goods). To effectively manage our inventory, we must be able to accurately estimate customer demand and supply requirements and purchase new inventory accordingly. If our management misjudges the expected customer demand, it could adversely impact the operational results by causing either a shortage of products or an accumulation of excess inventory.

16. ***Our operations are hazardous processes that can cause personal injury and loss of life, severe damage to and destruction of property and equipment and environmental damage, as a result of which we could suffer material liabilities, loss of revenues and increased expenses.***

Our operations are subject to various risks associated with the inherently hazardous manufacturing process of special alloys. Hazards associated with our operations include accidents involving moving machinery, on-site transport, forklifts and overhead cranes; explosions, and resulting fires, in annealing furnaces, push-pull pickling or shearing lines, fires in control rooms, electrical switch rooms, laboratories, transformers and lubricating oil rooms; and exposure to, through inhalation or contact with, hazardous chemicals including acids, chemicals, carbon monoxide, fire and heat. These hazards may cause severe damage to and destruction of property and equipment, environmental damage and personal injury or even fatalities among our personnel. Any of these may result in temporary or lengthy interruptions of operations, damage to our business reputation and corporate image and the imposition of civil and criminal liabilities. Our employees, members of the public or government authorities may bring claims against us arising out of these hazardous production processes. We have various checks and balances in place and no such incident has occurred in the recent past. We have put in place safety equipment like helmets, safety gears and firefighting equipment, we cannot assure you that we or our contractors shall not be subject to legal proceedings or liabilities pursuant thereof, in the future for any incidents. Safety hazards may also adversely affect public perception of our business and the perception of our suppliers, customers and workers, leading to adverse effect on our business. In the event it is determined by appropriate authorities that provisions and measures for safety within our manufacturing units were inadequate, the licenses granted to us for operations at our units may be revoked or suspended, thereby adversely affecting our business and results of operations.

17. ***Our business is dependent on our operating facilities. The loss or shutdown of our facilities could have a material adverse effect on our business, financial condition and results of operations.***

Our manufacturing facilities at Unit I (*Khopoli - Special Steels division*); and Unit II (*Rabale - Wire division*) are subject to operating risks, such as shutdowns due to the breakdown or failure of equipment, power supply or processes, performance below expected levels of output or efficiency, adequate utilization rates, obsolescence of equipment, labor disputes, strikes, lockouts, industrial accidents, disruption by extremist groups, or any other reason, and the need to comply with the directives and regulations of the Government of India ("GoI") and state government authorities. Moreover, we are required to carry out planned shutdowns of our facilities for scheduled maintenance, statutory inspections and testing. During our planned shutdowns, however, our manufacturing activities are diminished, and our results of operations may be adversely affected. Further, our operations involve a significant degree of integration, and our results of operations are dependent on the successful operation of each of our equipment. Although, we take precautions to minimize the risk of any significant operational problems at our units, our business, financial condition, results of operations and prospects may be adversely affected by any disruption of operations at our facilities.

18. ***We require certain approvals, licenses, registrations and permits for our business, and the failure to obtain or renew them in a timely manner may adversely affect our operations.***

Our Company requires certain statutory and regulatory registrations, licenses, permits and approvals for our business and operations. As on date of this Red Herring Prospectus, our Company is not in possession of EPF and ESIC Registration Certificates but are registered with said organisations and regularly file returns with said organisations. Further, the Company has made applications for renewal of Factory License and Consent under Section 26 by the Maharashtra Pollution Control Board for Unit I. In future, we may be required to renew such registrations and approvals and obtain new registrations and approvals for our operations, including expansion of existing operations. While we believe that we will be able to renew or obtain such registrations and approvals, as and when required, there can be no assurance that the relevant authorities will renew or issue any such registrations or approvals in the time frame anticipated by us or at all. Failure to obtain and renew such registrations and approvals with statutory time frame attracts penal provisions. If we are unable to renew, maintain or obtain the required registrations or approvals, it may result in the interruption of our operations and may have a material adverse effect on our revenues



and operations. For further details please refer to section titled "Government and Other Approvals" beginning on page 193 of the Red Herring Prospectus.

19. ***Our Company does not have any technical support services contracts which may adversely affect our results of operations.***

We have not entered into any technical support services for the maintenance and smooth functioning of our equipment and machineries, which may affect our performance. Our manufacturing processes involve daily use of technical equipment and machineries. They require periodic maintenance checks and technical support in an event of technical breakdown or malfunctioning. We service and maintain our equipment and machineries internally without the outside technical support and have not entered into any technical support service agreements with any competent third party. Our failure to reduce the downtime in case of technical breakdowns may adversely affect our productivity, business and results of operations.

20. ***Our Company has converted the unsecured loan of a total of Rs. 658.41 lakhs into Equity Shares.***

Our Company was advanced unsecured loan of a total of Rs. 685.41 Lakhs by Promoters, Promoter Group members and other persons during the year 2016-17 and upto 9 months period ended December 31, 2017. These unsecured loan were required by the Company to meet certain temporary cash flow requirements. During last financial year and the 9 months period, an amount of Rs. 600.00 Lakhs from the unsecured loan from promoter group members was converted into 60,00,000 equity shares at a Price of Rs. 10/- each and an amount of Rs. 85.41 Lakhs from the unsecured loan from others was converted into 2,19,000 equity shares at a Price of Rs. 39/- each at the request of the lenders. Such conversion may be at prices lower than the issue price at which shares shall be issued under this Red Herring Prospectus.

21. ***Our Company has unsecured loans that may be recalled by the lenders at any time.***

Our Company availed an unsecured loan from various financial institutions which is currently outstanding and may be recalled by them at any time. The outstanding amount of the said unsecured loans from these financial institutions as at March 31, 2018 is ₹1257.59 lakhs. In the event these or any of them seeks a repayment of such loan, our Company would need to find alternative sources of financing, which may not be available on commercially reasonable terms, or at all. If we are unable to procure such financing, we may not have adequate working capital to undertake new projects or complete our ongoing projects. As a result, any such demand may affect our business, cash flows, financial condition and results of operations. For further details on financing arrangements entered into by our Company, please refer to section titled "Financial Indebtedness" beginning on page 188 of this Red Herring Prospectus.

22. ***The average cost of acquisition of Equity Shares by our Promoters, may be less than the Issue Price.***

Our Promoters average cost of acquisition of Equity Shares in our Company may be lower than the Issue Price as may be decided by the Company and Promoter Selling Shareholder in consultation with the BRLM. We cannot assure you that the Issue Price as decided in the Issue will be less than the average cost of acquisition of Equity Shares of our Promoters. For further details regarding average cost of acquisition of Equity Shares by our Promoters in our Company and build-up of Equity Shares by our Promoters in our Company, please refer chapter titled "Capital Structure" beginning on page 54 of this Red Herring Prospectus.

23. ***Our Company have issued certain Equity Shares in the last one (1) year preceding the filing of this Red Herring Prospectus, at a price which may be less than the Issue price.***

Our Company may have made issue of specified securities at a price lower than the Issue Price during the preceding one (1) year before the date of filing of this Red Herring Prospectus. The same will be disclosed on determination of Issue Price by the Company in consultation with the BRLM and shall be set out under the section titled "Capital Structure" of the Prospectus.

24. ***There have been instances in the past where we have not made certain regulatory filings with the RoC and there were certain instances of discrepancies in relation to certain statutory filings and corporate records of our Company.***

With respect of the allotments made prior to 2005, we do not have any ROC Forms filed for allotment, the details of which are provided under the section titled "Capital Structure" beginning on page 54 of this Red Herring

Prospectus. Further, there have been certain discrepancies in relation to statutory and corporate filings and records of our Company. We have also been unable to trace the complete set of documents pertaining to secretarial and other statutory records, including any supporting documents and all RoC filings made by our Company prior to 2005. We cannot assure you that these form filings and corporate records will be available in the future or that we will not be subject to any penalty imposed by the competent regulatory authority in this respect or that we will not incur additional expenses arising from our inability to furnish correct particulars in respect of the RoC filings or other statutory and corporate records, or for misrepresentation of facts which may occur due to non-availability of documents. There have been instances in the past where we have not made certain regulatory filings with the RoC and there were certain instances of discrepancies in relation to certain statutory filings and corporate records of our Company.

25. ***Our customers are mainly government organizations and certain private sector entities with whom there is no long term arrangement.***

Our customers are mainly government organizations and certain private sector entities who issue purchase orders for any requirement of our products like speciality steel. Purchase orders issued by these entities are generally dependent on projects undertaken by the Government of India and its entities for EPC, defence and aerospace related sensitive industries. Though over the years we have received continuous orders from these entities, there can be no assurance that these orders shall continue and whether our Company will be able to enter into long term contracts with these entities. Such uncertainty of orders may affect the growth prospects of our Company due to its inability of entering into long term contracts.

26. ***Fluctuating prices of raw materials may affect our operations.***

We procure raw materials i.e. steel, nickel, chromium and their scrap, ingots from domestic and international markets at the existing market rates. However, the prices of these materials are subject to rapid fluctuations owing to changes in demand-supply forces which are not within our control. Increase in prices lead to an increase in cost of production, thereby increasing the price of our final product. This would have an adverse impact on our business, financial condition and results of operations.

27. ***Delay in production schedule may delay the delivery of our Products.***

On the receipt of an order from the client, as a part of our standard procedures, we prepare a production schedule for the delivery of our Products in time to the client. The production schedule involves all processes including procurement of raw materials, processing of the raw materials and packaging of the Products till delivery. In the event of any delay in the implementation of our standard processes for manufacturing our Products, the schedule of production can get delayed. In the event of any such delay, internal to the Company, may lead to delays in delivery of our Products to the client leading to dis-satisfaction and imposition of penalties by the client. We may also be removed from the approved list of vendors for our clients which may adversely affect our operations and financials.

28. ***Our Company in certain instances issues product guarantees and warranties to its customers.***

Our Company in certain instances issues product guarantees and warranties to some of its customers generally where they require a certification to be issued to other parties in large and critical assignments. As a part of the order, our Company is under an obligation to issue a product guarantee or warranty for the products manufactured by us for the client. This guarantee or warranty generally has a term of one year from the date of delivery. In the event of any untoward incident where the material or product supplied by our Company is considered to be defective or deficient in quality and also the cause for any loss or damage to the end user or our client, there may be claims of damages against our Company from the client or the end user, which may adversely affect our operations, business and financial stability of our Company.

29. ***A portion of the proceeds of the Issue will be utilized for pre-payment of unsecured loans availed by our Company from various Banks and financial intuitions.***

One of the Objects of the Issue is for pre-payment of term loan aggregating to Rs. [●] Lakhs availed by our Company from various Banks and Financial Institutions. The funds were utilised by our Company for working capital purposes and also for capital expenditure and the loan were disbursed in the period April 2014 to March 2018. For further details, please refer to section titled "Objects of the Issue" beginning on page 68 of this Red Herring Prospectus.

30. ***Our Company has not placed orders for its plant and machinery. In case of any escalation in prices of these machineries, our total project cost may increase which in turn will adversely affect our Company's financials.***

Our Company has received quotations from various suppliers for the plant and machinery. However, our Company is yet to place order for 100% of its total plant & machinery requirements. For details of the quotations received, please refer section titled "Objects of the Issue" beginning on page 68 of the Red Herring Prospectus.

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 change the objects of the Issue or vary the terms of such contracts, at a price and manner as prescribed by SEBI. Additionally, the requirement on Promoters or controlling shareholders to provide an exit opportunity to such dissenting shareholders may deter the Promoters or controlling shareholders from agreeing to the variation of the proposed utilisation of the Net Proceeds, even if such variation is in the interest of our Company. Further, we cannot assure you that the Promoters or the controlling shareholders of our Company will have adequate resources at their disposal at all times to enable them to provide an exit opportunity at the price prescribed by SEBI.

In light of these factors, we may not be able to undertake variation of objects of the Issue to use any unutilized proceeds of the Issue, if any, or vary the terms of any contract referred to in the Red Herring Prospectus, even if such variation is in the interest of our Company. This may restrict our Company's ability to respond to any change in our business or financial condition by re-deploying the unutilised portion of Net Proceeds, if any, or varying the terms of contract, which may adversely affect our business and results of operations.

31. ***Any failure to adhere to quality control and standards of our clients will adversely affect the business, results of operations or financial condition of our Company.***

The quality of our product is critical to the success of our business. These factors depend significantly on the effectiveness of our quality control systems and standard operating procedures adopted by our Company at our manufacturing plants. Our units have been approved by various Defence Public Sector Undertakings, Public Sector Undertakings, Ordinance factories and undertakings belonging to aerospace, automotive and energy sectors. Since our products form an integral part of the critical end use equipment manufactured for defence, power and aerospace industries, it is important for us to maintain the high qualitative standards as required by these industries. The manufacturing stages of special alloys and other products are consistently and regularly supervised through various quality control equipment and qualified personnel. Each product is monitored and checked for quality right from the inception stage to the final stage of manufacturing. Both the manufacturing units have strong quality management systems certified by ISO 9001. However, any failure or deterioration of our quality control systems could adversely affect our business, results of operations and financial condition of our Company.

32. ***Trade receivables form a major part of our current assets and net worth. Failure to manage our trade receivables could lead to bad debts and thus have an adverse effect on our net sales, profitability, cash flow and liquidity.***

Our Company's business is working capital intensive and hence, trade receivables form a major part of our current assets and net worth. As on March 31, 2018 our trade receivables amount to Rs. 5265.05 Lakhs. Our Company has written off bad debts on account of non-recoverability of the dues from the Debtors which amounted to Rs. 11.09 lakhs for the financial year ended March 31, 2018 and Rs. 21.57 Lakhs in F.Y. 2016-17. However, our Company is in regular follow up with such Debtors, but we cannot assure about recovery of such bad debts. We cannot assure that our Company will be able to effectively manage its trade receivables in future.

Any such failure in management of trade receivables could result into bad debts, delays in recoveries and / or write-offs which could lead to a liquidity crunch, thereby adversely affecting our business and results of operations. A liquidity crunch may also result in case of increased working capital borrowings and, consequently, higher finance cost which will adversely impact our profitability.

33. ***We may be subject to labour unrest, slowdowns and increased wage costs.***

India has stringent labour legislation that protects the interests of workers, including legislation that sets forth detailed procedures for the establishment of unions, dispute resolution and employee removal, and legislation that imposes certain financial obligations on employers upon retrenchment. Our employees are not unionised. However, in the event that employees at our facilities seek to unionise, it may become difficult for us to maintain flexible labour policies which may increase our costs and adversely affect our business. A potential increase in the salary

scale of our employees or the disruption in services due to any potential strikes and lock-outs which may affect our business operations.

34. ***Our manufacturing activities are dependent upon availability of skilled and unskilled labour.***

Our manufacturing activities are dependent on availability of skilled and unskilled labour. Non-availability of labour at any time or any disputes with them may affect our production schedule and timely delivery of our products to customers which may adversely affect our business and result of operations.

35. ***We have a substantial amount of debt. If we fail to comply with the covenants in our financing agreements, some of our financing agreements may be terminated, which could adversely affect our business and financial condition.***

We have incurred a substantial amount of debt including working capital credit facilities, presently outstanding at ₹5979.14 lakhs on March 31, 2018. As of March 31, 2018, our debt to equity ratio was 1.47:1.

We have entered into agreements with certain banks and financial institutions for short term and long-term borrowings, which contain restrictive covenants, including, but not limited to, requirements that we obtain consent from the lenders prior to altering our capital structure, further issuing any shares, effecting any scheme of amalgamation or reconstitution, restructuring or changing the management, declaring dividends, or creating any charge or lien on our assets, selling or otherwise disposing off our fixed assets which are charged to the lenders, undertaking new projects or effecting any scheme of expansion, investing in any entity including group companies, undertaking guarantee obligations on behalf of any other entity, entering into secured or unsecured borrowing arrangements with any other lender, or entering into any contractual obligation which is of a long term nature or which significantly affects our Company. There can be no assurance that we will be able to comply with these financial or other covenants or that we will be able to obtain consents necessary to take the actions that we believe are required to operate and grow our business. Our Company is yet to obtain consents from these bankers. Furthermore, our ability to make payments on and refinance our indebtedness will depend on our ability to generate cash from our future operations. We may not be able to generate enough cash flow from operations or obtain enough capital to service our debt. In addition, lenders under our credit facility could foreclose on and sell our assets if we default under our credit facilities. For further details, please refer to section titled "Financial Indebtedness" beginning on page 188 of this Red Herring Prospectus.

Any failure to comply with the conditions and covenants in our financing agreements that is not waived by our lenders or guarantors or otherwise cured could lead to a termination of our credit facilities, acceleration of all amounts due under such facilities or trigger cross-default provisions under certain of our other financing agreements, any of which could adversely affect our financial condition and our ability to conduct and implement our business plans.

36. ***The use of the proceeds of the Issue are based entirely on management estimates and pending such utilization, we may invest in interim investments which may result in financial loss.***

The objects for which the funds are being raised in this Issue have not been appraised by any bank or financial institution. All the figures included under the section titled "Objects of the Issue" beginning on page 68 are based on our own estimates. We may need to revise our expenditure and fund requirement which may not be within the control of our management. In the event of an increase in expenditure and fund requirement, we shall intend to try and meet these increased requirements through our internal accruals and additional debt/ equity arrangements. This may entail rescheduling or revising the plant expenditure and fund requirements and increasing or decreasing the expenditure for a particular purpose at the discretion of the board.

Our Fresh Issue size is less than ₹10,000 lakhs, we are not required to appoint a monitoring agency under the SEBI (ICDR) Regulations. Hence, the deployment of the Net Proceeds will be at the discretion of our Company and is not subject to any monitoring by any independent agency. We cannot assure you that we will be able to monitor and report the deployment of the Net Proceeds in a manner similar to that of a monitoring agency. Additionally, various risks and uncertainties, including those set out in this "Risk Factors" section, may limit or delay our Company's efforts to use the Net Proceeds and to achieve profitable growth in our business. Furthermore, pursuant to section 27 of the Companies Act 2013, any variation in the Objects of the Offer would require a special resolution of our Shareholders, and our Promoters or Controlling Shareholders will be required to provide an exit opportunity to our shareholders who do not agree to such variations. If our shareholders exercise such an exit option, our business and financial condition could be materially and adversely affected.

37. ***Our Group Companies have objects similar to that of our Company's business. This may be a potential source of conflict of interest for us and which may have an adverse effect on our business, financial condition and results of operations.***

Our Group Companies, Economic Forge Private Limited and A.S.C Engineers Private Limited have certain objects similar to that of our Company's business and could offer services that are related to the business of our Company as they belong to the Steel Industry and thus in the same line of business. Although as on date of this RHP, the aforesaid companies are not into the manufacture of the same products as our Company, future conflicts of interests may arise in allocating business opportunities amongst our Company and our Group Companies in circumstances where our respective interests diverge. This may be a potential source of conflict of interest in addressing business opportunities, strategies, implementing new plans and affixing priorities. There can be no assurance that our Promoters or our Group Companies will not compete with our existing business or any future business that we may undertake or that their interests will not conflict with ours. Any such present and future conflicts could have an adverse effect on our reputation, business, results of operations and financial condition.

38. ***Our inability to meet the consistent quality requirements of our customers, or adapt to changes in, the preferences of our customers could adversely affect our business.***

We must consistently satisfy the quality requirements of our customers. We must also continue to invest in new technology and processes so that we continue to adapt our products to anticipate the requirements of our customers. If we are unable to provide the quality desired by, or adapt our product to anticipate the requirements of, our customers, our growth and business may be adversely affected. Any such change in requirements of our customers which we are not able to meet, could adversely affect our business, results of operation and financial condition.

39. ***Any failure to adhere to our standard operating procedures and have effective quality control systems at our manufacturing plants will adversely affect the business, results of operations or financial condition of our Company.***

The quality of our product is critical to the success of our business. These factors depend significantly on the effectiveness of our quality control systems and standard operating procedures adopted by our Company at our manufacturing plants. Any failure or deterioration of our quality control systems could adversely affect our business, results of operations and financial condition of our Company.

40. ***Our insurance policies may not protect us against all potential losses, which could adversely affect our business and results of operations.***

Operating our business involves many risks, which, if not insured, could adversely affect our business and results of operations. We believe that the extent of our insurance coverage is consistent with industry practice. We believe that we maintain all material insurance policies that are customary for companies operating in similar businesses. We have availed standard fire and special insurance policy cover to insure building, Plant and Machinery, Furniture, Fixtures and Fitting, and stock at Unit I (*Khopoli – Special Steels Division*) of our Company. Additionally, we also have availed Burglary Policy for our Unit I (*Khopoli – Special Steels Division*) and standard fire and special perils insurance policy to insure Building, Plant & Machinery, Electrical Installations, Office Equipment and Furniture & Fittings at Unit II (*Rabale- Wire Division*) of our Company. We cannot assure you that any claim under the insurance policies maintained by us will be honored fully, in part, or in a timely manner. While, we maintain insurance against inventory loss, we cannot assure you that such insurance will be adequate to cover the entirety of all potential losses.

41. ***If we fail to comply with environmental laws and regulations or face environmental litigation, our results of operation may be adversely affected.***

Our manufacturing process is subject to various national and state environmental laws and regulations. Environmental laws and regulations in India are becoming more stringent, and the scope and extent of new environmental regulations, including their effect on our operations, cannot be predicted with any certainty. In case of any change in environmental or pollution regulations, we may be required to invest in, among other things, environmental monitoring, pollution control equipment and emissions management.

Our operations generate smoke due to the melting and heating process. The emission is as per the pollution board norms. Our operations presently do not involve discharge of smoke, however, we are subject to applicable laws and regulation concerning the discharge of smoke during our manufacturing operations. If the regulations to which we

are subject change, we cannot assure you that we will at all times be in compliance with these regulatory requirements. Any violation of these regulations may result in fines, criminal sanctions, revocation of operating permits or shutdown of our facilities. Due to the possibility of unanticipated regulatory or other developments, the amount and timing of future environmental expenditures may vary substantially from those currently anticipated. We cannot assure you that our costs of complying with current and future environmental laws and our liabilities will not adversely affect our business, results of operations or financial condition.

42. ***Our Company has entered into certain related party transactions and may continue to do so. Any such related party transaction may have an adverse effect on the business, financial condition and results of operations of our Company.***

Our Company has entered into related party transactions in ordinary course of its business at arm's length basis. We cannot assure you that any future related party transactions that would be entered into by our Company may be on favorable terms as against if such transactions would have been entered into with unrelated parties. Further, the Companies Act, 2013 has brought into effect significant changes to the Indian company law framework including specific compliance requirements such as obtaining prior approval from audit committee, board of directors and shareholders for certain related party transactions. We cannot assure you that such transactions, individually or in the aggregate, will not have an adverse effect the business, results of operations and financial condition of our Company. For further details of related party transactions, please refer to Chapter titled "Related Party Transactions" beginning on page 153 of this Red Herring Prospectus.

43. ***Our Promoters, Director and certain of the members of our Promoter Group have interests in us other than reimbursement of expenses incurred and normal remuneration or benefits.***

Our Promoters, Director and certain of the members of our Promoter Group may be regarded as having an interest in our Company other than reimbursement of expenses incurred and normal remuneration or benefits. Our Promoters, Director and certain members of our Promoter Group may be deemed to be interested to the extent of Equity Shares held by them, as well as to the extent of any dividends, bonuses or other distributions on such Equity Shares. We cannot assure you that our Promoters, Directors and our members of Promoter Group, if they are also our shareholders, will exercise their rights as shareholders to the benefit and best interest of our Company. For further details, please refer to section titled "Capital Structure"; and "Our Promoters and Promoter Group" beginning on pages 54; and 147 respectively of this Red Herring Prospectus.

44. ***Certain RoC forms filed by our Company in relation to satisfaction of charge are not appearing on the website of Ministry of Corporate Affairs and hence reflects the loan amount as outstanding.***

The Company had created and modified certain charges prior to the year 2006, to the tune of ₹ 648.25 lakhs has been satisfied by our Company. However, the satisfaction of charge does not reflect on the website of Ministry of Corporate Affairs thereby showing an outstanding amount to that effect as on the date of this Red Herring Prospectus. The Company in the process obtaining No Objection Certificate from the Banker to the Company and filing said documents for satisfaction of charge with the Registrar of Companies.

45. ***Our Promoters will continue to retain control over our Company after completion of the Issue, which will allow him to influence the outcome of matters submitted for approval of our shareholders.***

Our Promoters currently own 80.46% of our Equity Shares. Following the completion of the Issue, our Promoters will continue to hold majority shareholding of our post-Issue Equity Share capital. As a result, they will have the ability to influence matters requiring shareholder's approval, including the ability to appoint Directors to our Board and the right to approve significant actions at Board and at shareholders' meetings, including the issue of Equity Shares and dividend payments, business plans, mergers and acquisitions, any consolidation or joint venture arrangements, any amendment to our Memorandum of Association and Articles of Association. We cannot assure you that our Promoters will not have conflicts of interest with other shareholders or with our Company. Any such conflict may adversely affect our ability to execute our business strategy or to operate our business.

**External Risks**

46. ***Financial instability in other countries, particularly countries with emerging markets, could disrupt Indian markets and our business and cause the trading price of the Equity Shares to decrease.***

The Indian financial markets and the Indian economy are influenced by economic and market conditions in other countries, particularly emerging market countries in Asia. 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 of investor confidence in the financial systems of other emerging markets may cause volatility in Indian financial markets and in the Indian economy. Any worldwide financial instability could also have a negative effect on the Indian economy. Accordingly, any significant financial disruption could have an adverse effect on our business, financial condition and results of operations.

47. ***International prices of metals depend on the global demand and supply position and politico-economic issues.***

The international prices of metals are dependent on global and domestic demand. International politico-economic events further determine the increase or decline in domestic and international prices. For example, China's requirements for metals for its own industry determine the price of various metals around the world. Further, anti-dumping duties imposed by GOI on particular countries also affect the price of commodities, including metals.

48. ***Our ability to raise foreign capital may be constrained by Indian law.***

As an Indian company, we are subject to exchange controls that regulate borrowing in foreign currencies. Such regulatory restrictions limit our financing sources for our operations and could constrain our ability to obtain financing on favourable terms and refinance existing indebtedness. In addition, we cannot assure you that required approvals will be granted to us without onerous conditions, or at all. Limitations on foreign debt may have an adverse effect on our business, financial condition and results of operations.

49. ***Changing laws, rules and regulations and legal uncertainties, including adverse application of corporate and tax laws, may adversely affect our business, results of operations, financial condition and prospects.***

The regulatory and policy environment in which we operate is evolving and subject to change. Our business is subject to a significant number of state tax regimes and changes in legislations governing them, implementing them or the regulator enforcing them in any one of those jurisdictions could adversely affect our results of operations. The applicable categories of taxes and tax rates also vary significantly from state to state, which may be amended from time to time. The final determination of our tax liabilities involves the interpretation of local tax laws and related regulations in each jurisdiction as well as the significant use of estimates and assumptions regarding the scope of future operations and results achieved and the timing and nature of income earned and expenditures incurred. Changes in the operating environment, including changes in tax law, could impact the determination of our tax liabilities for any given tax year. Taxes and other levies imposed by the Government or State Governments that affect our industry include GST, income tax and other taxes, duties or surcharges introduced from time to time and any adverse changes in any of the taxes levied by the Government or State Governments could adversely affect our competitive position and profitability. Such changes, including the instances mentioned below, may adversely affect our business, results of operations, financial condition and prospects, to the extent that we are unable to suitably respond to and comply with any such changes in applicable law and policy.

50. ***Civil unrest, acts of violence including terrorism or war involving India or other countries could materially and adversely affect the financial markets and our business.***

Any major hostilities involving India or other countries or other acts of violence, including civil unrest or including acts of terrorism or similar events that are beyond our control, could have a material adverse effect on the Indian and/or global economies and our business. Terrorist attacks and other acts of violence may adversely affect the Indian stock markets, where our Equity Shares will trade, and the global equity markets generally. Such events could also potentially lead to a severe economic recession, which could adversely affect our business, results of operations, financial condition and cash flows, and more generally, any of these events could lower confidence in India's economy.

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

51. ***Political instability and significant changes in Government policy could adversely affect economic conditions in India generally and our business in particular.***

Changes in exchange rates and controls, interest rates, Government policies, taxation, social and ethnic instability and other political and economic developments in and affecting India may have an adverse effect on our results of operations.

India has a mixed economy with a large public sector and an extensively regulated private sector. The role of the Government and that of the state governments in the Indian economy and their effect on producers, consumers, service providers and regulators has remained significant over the years. Both state and central governments have, in the past, among other things, imposed controls on the prices of a broad range of goods and services, restricted the ability of businesses to expand existing capacity and reduce the number of their employees and determined the allocation to businesses of raw materials and foreign exchange. Since 1991, successive Governments have pursued policies of economic liberalisation, including significantly relaxing restrictions in the private sector. Nevertheless, the role of the Government and state governments in the Indian economy as producers, consumers and regulators has remained significant. There can be no assurance that the Government's past liberalization policies or political stability will continue in the future. Elimination or substantial change of such policies or the introduction of policies that negatively affect the steel industry could have an adverse effect on our business. Any significant change in India's economic liberalisation and deregulation policies could disrupt business and economic conditions in India generally and our business in particular.

52. ***Any variation in the utilisation of the Net Proceeds or in the terms of any contract as disclosed in the Red Herring Prospectus would be subject to certain compliance requirements, including prior shareholders' approval.***

We propose to utilise the Net Proceeds for Working Capital requirements, Repayment of High Cost Debt, Capital Expenditure for Acquisition of Plant & Machinery & Upgradation of existing technology. For further details of the proposed objects of the Issue, please refer to section titled "*Objects of the Issue*" beginning on page 68 of this Red Herring Prospectus. At this stage, we cannot determine with any certainty if we would require the Net Proceeds to meet any other expenditure or fund any exigencies arising out of competitive environment, business conditions, economic conditions or other factors beyond our control. In accordance with Section 27 of the Companies Act, 2013, we cannot undertake any variation in the utilisation of the Net Proceeds or in the terms of any contract as disclosed in the Red Herring Prospectus without obtaining the shareholders' approval through a special resolution. In the event of any such circumstances that require 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 change the objects of the Issue or vary the terms of such contracts, at a price and manner as prescribed by SEBI. Additionally, the requirement on Promoters or controlling shareholders to provide an exit opportunity to such dissenting shareholders may deter the Promoters or controlling shareholders from agreeing to the variation of the proposed utilisation of the Net Proceeds, even if such variation is in the interest of our Company. Further, we cannot assure you that the Promoters or the controlling shareholders of our Company will have adequate resources at their disposal at all times to enable them to provide an exit opportunity at the price prescribed by SEBI.

In light of these factors, we may not be able to undertake variation of objects of the Issue to use any unutilized proceeds of the Issue, if any, or vary the terms of any contract referred to in the Red Herring Prospectus, even if such variation is in the interest of our Company. This may restrict our Company's ability to respond to any change in our business or financial condition by re-deploying the unutilised portion of Net Proceeds, if any, or varying the terms of contract, which may adversely affect our business and results of operations.

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

We are not a listed company, nor any of our group companies are listed companies. We have not been subjected to the increased scrutiny of our affairs by shareholders, regulators and the public at large 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 Equity Listing Agreements with the Stock Exchanges which will require us to file audited annual and half yearly reports 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 promptly as other



listed companies.

Further, 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, including keeping adequate records of daily transactions to support the existence of effective disclosure controls and procedures and internal control over financial reporting. In order to maintain and improve the effectiveness of our disclosure controls and procedures and internal control over financial reporting, significant resources and management attention will be required.

As a result, our management's attention may be diverted from other business concerns, which may adversely affect our business, prospects, financial condition and results of operations. In addition, we may need to hire additional legal and accounting staff with appropriate listed company experience and technical accounting knowledge, but we cannot assure you that we will be able to do so in a timely and efficient manner.

54. ***Any downgrading of India's debt rating by an international rating agency could adversely affect our business.***

Any adverse revisions to India's credit ratings for domestic and international debt by domestic or international rating agencies may adversely affect our ability to raise additional financing, and the interest rates and other commercial terms at which such additional financing is available. This could have an adverse effect on our business and financial performance, ability to obtain financing for capital expenditures and the price of the Equity Shares.

55. ***The trading volume and market price of the Equity Shares may be volatile following the Issue.***

The market price of the Equity Shares may fluctuate as a result of, among other things, the following factors, some of which are beyond our control:

- quarterly variations in our results of operations;
- results of operations that vary from the expectations of securities analysts and investors;
- results of operations that vary from those of our competitors;
- changes in expectations as to our future financial performance, including financial estimates by research analysts and investors;
- a change in research analysts' recommendations;
- announcements by us or our competitors of significant acquisitions, strategic alliances, joint operations or capital commitments;
- announcements by third parties or governmental entities of significant claims or proceedings against us;
- new laws and governmental regulations applicable to our industry;
- additions or departures of key management personnel;
- changes in exchange rates;
- changes in the price of oil or gas;
- fluctuations in stock market prices and volume; and
- general economic and stock market conditions.

Changes in relation to any of the factors listed above could adversely affect the price of the Equity Shares.

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

Any future issuance of the Equity Shares (including under ESOPs), convertible securities or securities linked to the Equity Shares by us may dilute your shareholding in our 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 may occur, including complying with the minimum public shareholding norms applicable to listed companies in India, may significantly affect the trading price of the Equity Shares. There can be no assurance that we will not issue further Equity Shares or that the shareholders will not dispose of, pledge or otherwise encumber the 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.

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

Under the Income Tax Act, capital gains arising from the sale of equity shares in an Indian company within 12 months of purchase are generally taxable in India. Any gain realized on the sale of shares on a stock exchange held for more than 12 months will not be subject to capital gains tax in India if the STT has been paid on the sale transaction. The STT is collected by the Indian stock exchange on which equity shares are sold. Any gain realized on the sale of shares held for more than 12 months to an Indian resident, which are sold other than on a recognized stock exchange and as a result of which no STT has been paid, will be subject to long term capital gains tax in India. The recent Finance Act 2017 amendments provided that where the shares have been acquired on or after October 1, 2004 and on which STT has not been paid at the time of acquisition, then the exemption of long term capital gains under section 10(38) of the Income Tax Act would not be available. This amendment further provides that the Government will notify certain modes of acquisition to which the recent amendment made by Finance Act 2017 would not be applicable and the shares acquired by such modes of acquisition would continue to get the benefit of section 10(38) of the Income Tax Act. The Government has issued a notification dated June 5, 2017 listing out certain modes of acquisition where the benefit of section 10(38) will not be applicable, subject to certain exceptions.

Capital gains arising from the sale of shares will be exempt from taxation in India in cases where an exemption is provided under a tax treaty between India and the country of which the seller is a resident. Generally, Indian tax treaties do not limit India's ability to impose tax on capital gains. As a result, residents of other countries may be liable for tax in India as well as in their own jurisdictions on gains arising from a sale of the shares subject to relief that may be available under the applicable tax treaty or under the laws of their own jurisdiction.

Additionally, in terms of the Finance Bill, 2018, tabled before the Parliament, it has been proposed that the exemption on long term capital gains tax be withdrawn and such tax becoming payable in the hands of the investors. The tax payable by an assessee on the capital gains arising from transfer of long term capital asset (to be introduced as section 112A of the Income Tax Act, 1961) shall be calculated on such long term capital gains at the rate of 10%, where the Long term capital gains exceed ₹100,000, subject to certain exceptions in case of a resident individuals and HUF. However, the Finance Bill, 2018 has not yet been passed by the Parliament yet. As such, there is no certainty on the impact the Finance Bill, 2018 may have on our business and operations or on the industry in which we operate.

58. ***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 restrictions), if they comply with the pricing guidelines and reporting requirements specified by the RBI. If the transfer of shares, which are sought to be transferred, is not in compliance with such pricing guidelines or reporting requirements or falls under any of the exceptions specified by the RBI, then the prior approval of RBI will be 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 investors that any required approval from the RBI or any other governmental agency can be obtained on any particular terms or at all. For further details, please refer to section titled "Restrictions on Foreign Ownership of Indian Securities" beginning on page 247 of this Red Herring Prospectus.

59. ***Our ability to pay dividends in the future will depend on our earnings, financial condition, working capital requirements, capital expenditures and restrictive covenants of our financing arrangements.***

Our ability to pay dividends in the future will depend on a number of factors, including but not limited to the earnings, working capital requirements, contractual obligations, applicable legal restrictions and overall financial condition of our Company. We may decide to retain all of our Company's earnings to finance the development and expansion of our Company's business and therefore, our Company may not declare dividends on the Equity Shares. Any future determination as to the declaration and payment of dividend will be at the discretion of our Board and will depend on factors that our Board deems relevant, including among others, our future earnings, financial condition, cash requirements, business prospects and any other financing arrangements. For details of dividends paid by our Company in the past, please refer to section titled "Dividend Policy" beginning on page 154 of this Red Herring Prospectus.

**Risks Related to the Issue**

60. ***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 Stock Exchanges may not develop or be sustained after the Issue. 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 is proposed to be determined through a book-building process and 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 Stock Exchanges, 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.

61. ***You will not be able to immediately sell any of the Equity Shares you purchase in this Issue on the Stock Exchanges.***

Under the SEBI (ICDR) Regulations, we are permitted to allot Equity Shares within four (4) Working Days of the Bid/Issue Closing Date. Consequently, the Equity Shares you purchase in the Issue may not be credited to your book or dematerialized account with the Depository Participants until fifth (5) Working Days after the Bid/Issue Closing Date. You can start trading in the Equity Shares only after they have been credited to your dematerialized account and listing and trading permissions are received from the Stock Exchanges.

62. ***The Issue Price of the Equity Shares may not be indicative of the market price of the Equity Shares after the Issue.***

The Issue Price of the Equity Shares will be determined by our Company in consultation with the BRLM through the Book Building Process. This price will be based on numerous factors, as described under section titled "Basis for Issue Price" beginning on page 76 of this Red Herring Prospectus and may not be indicative of the market price for the Equity Shares after the Issue. The market price of the Equity Shares could be subject to significant fluctuations after the Issue, and may decline below the Issue Price.

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

After the completion of the Issue, our Promoters and significant shareholders will own, directly and indirectly, majority of our outstanding 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 our 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. Except as disclosed in the section titled "Capital Structure" beginning on page 54 of this Red Herring Prospectus, no assurance may be given that our significant shareholders will not dispose of, pledge or encumber their Equity Shares in the future.

64. ***Holders of Equity Shares may be restricted in their ability to exercise pre-emptive rights under Indian law and thereby suffer future dilution of their ownership position.***

Under the Companies Act, a company incorporated in India must offer its equity shareholders pre-emptive rights to subscribe and pay for a proportionate number of equity shares to maintain their existing ownership percentages prior to issuance of any new equity shares, unless the pre-emptive rights have been waived by the adoption of a special resolution by holders of three-fourths of the equity shares voting on such resolution.

However, if the law of the jurisdiction that you are in does not permit the exercise of such pre-emptive rights without our filing an offering document or registration statement with the applicable authority in such jurisdiction, you will be unable to exercise such pre-emptive rights, unless we make such a filing. If we elect not to file a registration statement, the new securities may be issued to a custodian, who may sell the securities for your benefit. The value such custodian receives on the sale of any such securities and the related transaction costs cannot be predicted. To the extent that you are unable to exercise pre-emptive rights granted in respect of our Equity Shares, your proportional interests in our Company may be reduced.

**Prominent Notes to Risk Factors**

1. Public Issue of upto 65,84,000 equity shares of face value of ₹10 each ("**Equity Shares**") of Supreme Engineering Limited ("**Company**" or "**Issuer**") for cash at a price of ₹[●] per equity share (including a share premium of ₹[●] per equity share) aggregating up to ₹[●] lakhs (the "**Issue**") comprising of Fresh Issue of upto 65,76,000 equity shares ("**Fresh Issue**") and Offer for Sale of upto 8,000 equity shares ("**Offer for Sale**") by Mrs. Lalita Chowdhri ("**Promoter Selling Shareholder**"). The Issue comprises of upto 3,32,000 Equity Shares of face value ₹10 each for cash at a price of ₹[●] per Equity Share, aggregating ₹[●] lakhs which will be reserved for subscription by the Market Maker to the issue (the "**Market Maker Reservation Portion**"). The Issue less Market Maker Reservation Portion i.e. Issue of upto 62,52,000 Equity Shares of face value of ₹10 each for cash at a price of ₹[●] per Equity Share, aggregating ₹[●] is hereinafter referred to as the "**Net Issue**". The Issue and the Net Issue will constitute [●]% and [●]% respectively of the post Issue paid-up equity share capital of our Company.
2. As at March 31, 2018 and March 31, 2017 our Company's net worth was ₹2902.90 lakh and ₹1674.13 lakh respectively as per our Company's Restated Financial Statements. For more information, please refer to section titled "Financial Statements" beginning on page 151 of this Red Herring Prospectus.
3. As at March 31, 2018 and March 31, 2017 our Company's net asset value per equity share (after giving effect of bonus) was ₹15.76 and ₹15.22 respectively as per our Company's Restated Financial Statements. For more information, please refer to section titled "Financial Statements" beginning on page 155 of this Red Herring Prospectus.
4. The average cost of acquisition of Equity Shares by our Promoters, Mr. Sanjay Chowdhri, Sanjay Chowdhri HUF and Mrs. Lalita Chowdhri is ₹3.70, ₹4.02 and ₹2.94 respectively. For further details, please refer to section titled "Capital Structure" beginning on page 54 of this Red Herring Prospectus. The average cost of acquisition per Equity Share by our Promoters has been calculated by taking the average of the amounts paid by each of our Promoters to acquire the Equity Shares.
5. Our Company was originally incorporated as a private limited company, at Maharashtra, India under the Companies Act, 1956 in the name of Supreme Heatreaters Private Limited vide Certificate of Incorporation dated April 20, 1987. Subsequently, fresh certificate of incorporation consequent upon change of name from Supreme Heatreaters Private Limited to Supreme Engineering Private Limited dated January 9, 2018 was issued by RoC, Mumbai. Further, pursuant to conversion of our Company to a public limited company, a fresh certificate of incorporation was issued by Registrar of Companies, Mumbai on January 10, 2018. For details of changes in name and registered offices of our Company, please refer to the section titled "History and Certain Corporate matters" beginning on page 131 of this Red Herring Prospectus.

6. Our Company has two (2) Group Companies as on the date of this Red Herring Prospectus. For further details, please refer to section titled "Our Group Companies" beginning on page 150 of this Red Herring Prospectus.
7. There has been no financing arrangement whereby our Promoter Group, directors of our Promoter, our Directors and their relatives have financed the purchase by any other person of securities of our Company other than in normal course of the business of the financing entity during the period of six (6) months immediately preceding the date of filing of the Red Herring Prospectus.
8. Investors may contact the BRLM or the Company Secretary & Compliance Officer for any complaint/clarification/information pertaining to the Issue. For contact details of the Book Running Lead Manager and the Company Secretary & Compliance Officer, please refer to chapter titled "General Information" beginning on page 46 of this Red Herring Prospectus.

## SECTION III: INTRODUCTION

### SUMMARY OF INDUSTRY

*The information in this section includes extracts from publicly available information, data and statistics and has been derived from various government publications and industry sources. Neither we nor any other person connected with the Issue have verified this information. The data may have been re-classified by us for the purposes of presentation. Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but that their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured and, accordingly, investment decisions should not be based on such information. You should read the entire Red Herring Prospectus, including the information contained in the sections titled "Risk Factors" and "Financial Statements" and related notes beginning on page 16 and 155 Red Herring Prospectus. For further details, please refer to section titled "Industry Overview" beginning on page 81 of this Red Herring Prospectus.*

### BACKGROUND OF MANUFACTURING SECTOR

World manufacturing production continued to grow in the fourth quarter of 2017, maintaining the upward trend that has been observed since the beginning of the year. Industrialized economies gained further strength in manufacturing production and confirmed their dynamic growth. Developing and emerging industrial economies achieved a much higher growth of manufacturing output than industrialized economies.

Industrialized economies account for most of the global industrial output. The increased growth pace in these countries has a positive impact on the global economy as a whole. Signs of recovery in the manufacturing sectors of industrialized economies are likely to boost the growth prospects in developing economies. The growth trend observed in the first half of 2017 was largely maintained in the second half of the year. Steady progress over several consecutive quarters contributed to sustained global industrial growth in subsequent periods

Improvements in business conditions, rising consumer spending and promising investment plans are some of the driving forces behind the positive developments in global manufacturing. On the other hand, risks to global growth arising from the uncertainty of the Brexit negotiations, changes in global trade arrangements or high geopolitical uncertainty have not yet dissipated.

Industrialized economies as a whole registered a relatively high growth rate of 3.5 per cent in the fourth quarter of 2017 compared to the same period of 2016. This was the highest growth performance of manufacturing output in a year-by-year comparison in the post-crisis period. The manufacturing output of developing and emerging industrial economies increased by 6.1 per cent in the fourth quarter of 2017 in comparison to the same period of the previous year.

*(Source: World Manufacturing Production, Statistics for Quarter IV, 2017, United Nations Industrial Development Organization, [www.unido.org](http://www.unido.org))*

### BACKGROUND OF STEEL INDUSTRY

Steel is a product of large and technologically complex industry having strong forward and backward linkages in terms of material flows and income generation. It is also one of the most important products of the modern world and of strategic importance to any industrial nation. From construction, industrial machinery to consumer products, steel finds its way into a wide variety of applications. It is also an industry with diverse technologies based on the nature and extent of raw materials used. In India, steel has an output multiplier effect of nearly 1.4X on GDP and employment multiplier factor of 6.8X.

A vibrant Steel industry has historically been the foundation of a nation's rapid Industrial Development. On account of rapid industrial development, from a small capacity of 22 MT in FY 1991-92 prior to deregulation, India has become the 3<sup>rd</sup> largest steel producer in the world with a production of 90 MT and a capacity of 122 MT in FY 2015-16. Today, the Indian steel industry contributes approximately 2% to the country's GDP and employs about 5 lakh people directly and about 20 lakh people indirectly<sup>1</sup>. The National Steel Policy 2017 (NSP 2017) is an effort to steer the industry to achieve its full potential, enhance steel production with focus on high end value added steel while being globally competitive.

The National Steel Policy 2005 (NSP 2005) sought to indicate ways and means of consolidating the gains flowing out of the then economic order and charted out a road map for sustained and efficient growth of the Indian steel industry.

However, the unfolded developments in India as also worldwide, both on the demand and supply sides of the steel market, have warranted a relook at the different elements of the NSP 2005. India's competitive advantage in steel production is driven, to a large extent, from the indigenous availability of high grade iron ore and non-coking coal – the two critical inputs of steel production. In addition, it also has a vast and rapidly growing market for steel, strong MSME sector and a relatively young work force with competitive labour costs.

Driven by the positive demand outlook and prevailing high prices of steel in the period post 2004, the Indian steel sector witnessed a wave of investments in the states of Odisha, Jharkhand, Karnataka and Chhattisgarh. Substantial new capacity was created and existing plants were modernized. A significant portion of these investments were funded by banks and other forms of borrowings.

India became the 3<sup>rd</sup> largest producer of steel in 2015 and is now well on track to emerge as the 2<sup>nd</sup> largest producer after China. There is significant potential for growth given the low per capita steel consumption of 61 Kg in India, as compared to world average of 208 Kg. Indian economy is rapidly growing with enormous focus on infrastructure and construction sector. Several initiatives mainly, affordable housing, expansion of railway networks, development of domestic shipbuilding industry, opening up of defence sector for private participation, and the anticipated growth in the automobile sector, are expected to create significant demand for steel in the country. Further, while the main focus of the industry is on the domestic market, being in close vicinity of the developed west and developing east, provides it a strategic location that augurs well for the industry seeking opportunities for exports of finished goods and imports of some scarcely available raw materials.

The Indian steel industry is structured in between three broad categories based on route wise production viz. BF-BOF, EAF and IF. BF-BOF route producers have large integrated steel making facilities which utilize iron ore and coking coal for production of steel. Unlike other large steel producers, the Indian steel industry is also characterized by the presence of a large number of small steel producers who utilize sponge iron, melting scrap and non-coking coal (EAF/IF route) for steelmaking. As on March 2016, there were 308 sponge iron producers that use iron ore/ pellets and non-coking coal/gas providing feedstock for steel production; 47 electric arc furnaces & 1128 induction furnaces that use sponge iron and/or melting scrap to produce semi-finished steel and 1392 re-rollers that rolls out semi finished steel into finished steel products for consumer end use.

Over the past two decades, the Indian steel industry has developed capabilities of producing a wide range of value added steel at par with global best practices addressing diverse needs of the end user industries. However, India still needs to make a special effort to domestically produce number of value added products like automotive steel for high end applications, electrical steel (CRGO), special steel and alloys for Power equipment, Aerospace, Defense and Nuclear applications.

However, the Indian steel sector is disadvantaged due to limited availability of some of the essential raw material such as high grade lumpy Manganese ore & Chromite, coking coal, steel grade limestone, refractory raw material, Nickel, Ferrous Scrap etc. Due to shortage of domestic coking coal, both in terms of quantity and quality, pig iron producers/ BF operators in India have to significantly depend on import of coking coal. In the recent past, multiple issues have also adversely impacted the steel sector, viz. cancellations of iron ore and coal mine allocations, delays in land acquisition, environmental clearances, which led to many of the projects facing significant cost and time overruns. Additionally, companies also faced substantially increased operating costs on account of increased logistics & raw material costs and other charges.

Post 2011, global prices of steel began to decline, marking the beginning of a down turn in the global steel industry triggered by slowdown in global demand and over capacities in a number of countries including China. By July 2015, prices had fallen by 50% compared to January 2011 - their lowest in decades, as cheap imports flooded world steel markets. This significant structural asymmetry between demand and supply also affected large number of Indian companies leading to surge in imports resulting in weak pricing conditions, low profitability, lower capacity utilization and even closure of capacities in some cases.

In the new environment, the industry has to be steered with appropriate policy support to ensure that production of steel matches the anticipated pace of growth in consumption. Special emphasis is needed to ensure that the industry follows a sustainable path of development in respect of environmental friendliness, mineral conservation, quality of steel products, use of technology and indigenous R&D efforts to ensure that the country can, over time, reach global efficiency benchmarks to become a world leader in steel production technology, as well as in production of high end steel.

*(Source: National Steel Policy, 2017 & Ministry of Steel, JPC)*

## SUMMARY OF BUSINESS

### Business Overview

Our Company, Supreme Engineering Limited (SEL), was incorporated in the year 1987 as Supreme Heatreaters Private Limited and is engaged in the business of manufacturing special alloys and special wire products. We have two manufacturing units Unit I being the Special Steels division, located at Khopoli, and engaged with the manufacturing of special alloys such as super alloys, precipitation hardening steels, martensitic stainless steel, austenitic stainless steel, ultra high strength steel and high speed steels which have their end use in sectors such as aerospace, space, defence, nuclear power thermal power, oil & gas, and heavy engineering; and Unit II being the Wire division, located at Rabale, Navi Mumbai, engaged with the manufacturing of wires, bright bars, fine wires and profiles. These products find their end use in sectors such as automotive, oil & gas, industrial machinery and hand tools industries.

Over the years, our Company has expanded its operations by investing in high-end technology & infrastructure and presently has these two (2) units. Both these units have different product processing capabilities with modern infrastructure. Our Special steels division is equipped with advanced technology such as Vacuum Induction Melting (VIM), Argon-oxygen decarburisation (AOD), Electro-slag Refining (ESR), Radial Forging Machine (GFM), Rolling Mill, Heat treatment furnaces, bright bar plant & machine shop for manufacturing special alloys. Manufacturing facilities at the wire division include heat-treatment furnaces, coil to coil peeling machines, drawings machines, bright bar plant and cold-rolling facilities. Our units have been approved by various Defence Public Sector Undertakings, Public Sector Undertakings, Ordnance factories and undertakings belonging to aerospace, automotive and energy sectors. Our Company's special steel products are import substitutes and a part of the initiatives taken by public sector undertakings.

Since our products form an integral part of the critical end use equipment manufactured for defence, power and aerospace industries, it is important for us to maintain the high qualitative standards as required by these industries. The manufacturing stages of special alloys and other products are consistently and regularly supervised through various quality control equipment and qualified personnel. Each product is monitored and checked for quality right from the inception stage to the final stage of manufacturing. Both the manufacturing units have strong quality management systems certified by ISO 9001.

Our Company is promoted and managed by Mr. Sanjay Chowdhri, who is an engineer having an experience of over three (3) decades in the field of metallurgy. The management team of our Company exhibits a synergy of both, experience and enthusiasm in the field of engineering and operations.

For fiscal 2018, 2017 and 2016, our total revenues were ₹ 15,226.13 lakhs, ₹12,086.04 lakhs and ₹11,364.69 lakhs, respectively. Our Profit After Tax for the similar period mentioned above was ₹ 465.36 lakhs, ₹215.04 lakhs and ₹112.29 lakhs, respectively.

### Our Competitive Strengths

We believe that the following are our primary competitive strengths:

1. ***Our Special Steels Division at Khopoli is approved by the end users being public sector undertakings in the aerospace, defence and power sectors.***

We process special alloys such as superalloys, precipitation hardening steels, martensitic stainless steel, austenitic stainless steel, high strength steel and high speed steels at our Special Steels division at Khopoli. We have been supplying these special alloy products to various public sector undertakings which are then used in the manufacturing of equipment and supplies for the defence, aerospace and power sector. Our end users include various Defence Public Sector Undertakings, Public Sector Undertakings, Ordnance factories and undertakings belonging to aerospace, automotive and energy sectors. Due to the criticality of end-use, the approval process is stringent and requires compliance of various quality standards, which we have maintained over the years and received approvals from our end users.



2. ***Technological advantage.***

Our Company has installed and established advanced technology and infrastructure at our manufacturing units. We have installed advanced melting, hot-working and heat-treatment technologies for high quality and customized processing of these products. We process these products as per customer's specifications and requirements. For this purpose, we have various testing facilities like hardness, tensile, microscopic and MPI testing machines, which ensure quality control and adherence to the specifications of the customer. As regards our Special Steels Division, we have installed advanced technology like vacuum induction melting, argon oxygen decarburization, electro-slag re-melting and radial forging machine. Our Company consciously dedicates resources to remain technologically updated to ensure the competitive advantage in our business.

3. ***Long standing relationship with our customers.***

We believe in constantly addressing customer needs by our products, both existing and new. Our longstanding relationship with customers has helped us in obtaining repeat business from them. Our Unit II (*Rabale – Wire Division*) manufactures precision profiles and wires used in the oil & gas and automotive sectors. We have received repeat orders from customers in these sectors and we have developed strong client relationship over the years. Repeat orders from the same customer give stability to our Wire Division operations and a competitive advantage in acquiring new clients and increasing this business.

4. ***Wide product range and customised product offering.***

At both the units, we have developed the infrastructure to customize our product offerings. This allows us to understand the customer requirement and offer the right product to exactly suit their need. In addition to this, we offer a wide product range i.e. wide range of alloys offered in a wide size range to enable us to cater to maximum requirement.

5. ***Strong culture for research and development.***

We are a research driven company with R&D efforts focused on innovating and improving our processing methods. Research and development is critical to the success and growth of our business and operations. Our R&D team is formed by engineers from various fields as a part of the team. A considerable amount of research is required at every stage of our business. We have an in-house research and development team which has access to advanced technology and equipment to tests various alloys of different grades and configurations to get the right mix for our end users. This R&D has helped us to undertake various indigenous projects under the "Make in India" initiative. We have in the past and are currently undertaking various indigenization projects for international alloys for both public sector undertakings as well as private companies.

6. ***Experienced Promoter and proficient management team with low attrition rates.***

Our business processes are entirely dependent on scientific and engineering aspects. Our Company has been promoted by Mr. Sanjay Chowdhri, a qualified engineer an experience of over three decades in the field of metallurgy. The management team of our Company exhibits a synergy of both, which includes both, second generation qualified engineers as well as other experienced persons in the field of finance, management, personnel administration and engineering. We believe this combination enables continuous updation, innovation and development providing a distinctive competitive advantage in the industry. We have a low attrition rates and many of our employees have been working with us for the past many years. This reflects strongly on the work ethic and work culture followed at our organization

**Our Strategies**

Our business objective is to grow our revenues and profits through increased and diverse product portfolio and thereby increasing our market presence. Our business strategy focuses on the following elements:

1. ***Indigenization of special alloys that are currently imported into the country.***

Our country imports many special alloys from foreign countries for defence, space, aerospace, nuclear and power industries. As a part of the Make in India programme initiated by the Government of India, we have developed and are in the process of entering into contracts with public sector undertakings for indigenization of special steels & alloys used in critical sectors such as defence, aerospace, nuclear and power. These products include super alloys of nickel, cobalt, special steels and such other products. The manufacturing of these products requires special engineering techniques which our

Company is able and capable of executing. The manufacturing of these products has the potential of earning high returns considering the fact that there are not many players in our industry who have the capacity to enter and execute sophisticated manufacturing of such special alloys.

**2. *Focusing on the public sector for contracts considering the planned expenditure on infrastructure and privatization of the defence and allied sectors.***

Bulk of our sales in the past have been in the sectors of Oil & Gas, Power & Automotive. With the approvals received from various Defence, Aerospace, Nuclear & Power Public Sector Undertakings, other Public Sector Undertakings, Ordnance factories and undertakings belonging to aerospace, automotive and energy sectors. In the recent past, sales in these sectors have been rising. The initial prototype/sample orders have been executed, and now bulk requirement of large values are expected from these sectors/organizations. Considering the thrust being given to defence, aerospace and nuclear power sectors by the Government of India, we propose to shift our focus to public sector undertakings in these sectors for our next stage of growth. The significant allocation of resources by the Government of India for these sectors, including infrastructure, is expected to generate requirements of products offered by our Company like special steels, alloys and superalloys.

For the current financial year 2018-19, we have a strong order book of orders in hand and also have sent quotes for tenders from such undertakings in the aerospace, defence and nuclear & power sectors, as mentioned below. We are already taking steps to procure contracts from public sector undertakings for this purpose and we intend to bid for more such contracts in the near future.

Sector	Order book ((in ₹ in Lakhs)	Quoted Tenders (in ₹ in Lakhs)
Aerospace	381.14	1,670.76
Defence	502.68	162.73
Nuclear & Power	1,168.51	692.63

**3. *We plan to increase our manufacturing capacity and working capital.***

From the Objects of the Issue, inter alia, we intend to install (i) phosphating tank with heating system; (ii) upgradation GFM long forging machine; (iii) ESR to manufacture larger ingots and (iv) rolling mill for special alloys. We also intend to set up a wet drawing equipment which will enable us to draw wires below 1mm which are used for needle applications and ring traveler in the medical, automotive and textile industries. Further, we shall be installing universal testing machine, impact testing, stress rupture machines to upgrade our internal testing facilities. The installation of the above equipment shall increase our processing capacity significantly.

**4. *To capitalise on saleable Land for better working capital management***

Our Company owns of a considerable land bank adjoining our factory unit (Unit I- Special Steels Division) at Khopoli, Khalapur. Of such land bank, 6 acres (24,341.2 sq mtrs) of factory land at Khopoli, Khalapur are estimated to have value of Rs. 1866.97 Lakhs as per the current valuation rules of the state of Maharashtra.

Our Company has recently sold 56 Gunta (5,666.05 sq mtrs) of land area outside of the factory premises for a mutually agreed consideration amounting to Rs. 478 Lakhs, of which Rs. 91 Lakhs has been received and the balance payments are expected to be received in the first two quarters of Financial Year 2018-19. Further, a section of such land admeasuring 8,640 sq mtrs, has been allotted for development by way of a development agreement entered into with M/s Babubhai Construction Co. and the total estimated sale area after development shall be approximately 1,84,440 sq ft (17,135.04 sq mtrs). As per said agreement, the developers shall hand over 40% of the sales proceeds post development to Supreme Engineering Ltd sale in the event of availability of additional FSI or development potential. As per the current valuation rules of the state of Maharashtra, our Company may be in receipt of an approximate amount of Rs. 2021.93 Lakhs.

The above funds would be used towards reduction of dependency on high cost debt and help to better manage the working capital requirements of our Company which in turn will aid in maintaining a good debt equity ratio, improve profitability as well as make available funds for expansion of operations, if required.

**Manufacturing facilities**

We presently operate from two (2) manufacturing facilities located in Khopoli and Rabale in the State of Maharashtra, India. These facilities are ISO 9001 certified.

Location	Facility	Products Manufactured/Services Offered
<b><i>Existing Facilities</i></b>		
<p><b><u>Unit I (Khopoli – Special Steels Division):</u></b></p> <p>Village Vihari, Opp Khopoli Railway Station, Tal Khalapur, Khopoli – 410203. Maharashtra, India.</p>	<ul style="list-style-type: none"> <li>▪ Induction Melting under Vacuum</li> <li>▪ Electro-slag Refining</li> <li>▪ Radial Forging machine</li> <li>▪ Rolling mill</li> <li>▪ Heat-treatment furnaces</li> <li>▪ Bright Bar plant</li> <li>▪ Testing facilities</li> <li>▪ Machine shop</li> </ul>	<ul style="list-style-type: none"> <li>▪ Super alloys</li> <li>▪ Special stainless steels</li> <li>▪ Ultra high strength steels</li> <li>▪ ESR Alloy steels</li> <li>▪ Tool Steels</li> <li>▪ High Speed Steels</li> </ul>
<p><b><u>Unit II (Rabale – Wire Division):</u></b></p> <p>R-223, M.I.D.C. Complex, Rabale, Thane Belapur Road, Navi Mumbai 400 701, Maharashtra, India.</p>	<ul style="list-style-type: none"> <li>▪ Annealing</li> <li>▪ Coil to coil Peeling</li> <li>▪ Wire drawing</li> <li>▪ Pickling</li> <li>▪ De-coiling</li> <li>▪ Cutting</li> <li>▪ Grinding</li> <li>▪ Cold rolling</li> <li>▪ Testing facilities</li> </ul>	<ul style="list-style-type: none"> <li>▪ Drawn wires</li> <li>▪ Profiles</li> <li>▪ Bright bars</li> <li>▪ Bearing components</li> </ul>

**SUMMARY OF FINANCIAL INFORMATION**

The following tables set forth the Restated Financial Statements for the financial years ended March 31, 2018, 2017, 2016, 2015, 2014 and 2013 and are presented under section titled "Financial Information" beginning on page 155 of this Red Herring Prospectus. The summary financial statements presented below should be read in conjunction with the Restated Financial Statements, the notes and annexures thereto and "Management's Discussion and Analysis of Financial Condition and Results of Operations" beginning on page 181 of this Red Herring Prospectus.

**STATEMENT OF ASSETS AND LIABILITIES AS RESTATED**
**ANNEXURE - I**  
(₹ In Lakhs)

Sr. No.	Particulars	As at March 31,					
		2018	2017	2016	2015	2014	2013
	<b>EQUITY AND LIABILITIES</b>						
1)	<b>Shareholders Funds</b>						
	a. Share Capital	1,841.90	300.00	300.00	300.00	300.00	300.00
	b. Reserves & Surplus	1,061.00	1,374.13	1,159.09	1,046.80	973.03	954.03
2)	Share Application Money Pending Allotment	-	-	4.00	4.00	4.00	4.00
3)	<b>Non Current Liabilities</b>						
	a. Long Term Borrowings	2,577.83	4,290.06	3,909.96	4,342.74	2,226.51	1,549.18
	b. Deferred Tax Liabilities	177.35	111.98	70.85	40.22	-	-
4)	<b>Current Liabilities</b>						
	a. Short Term Borrowings	5,518.30	4,205.40	4,212.22	4,065.87	3,592.62	2,761.46
	b. Trade Payables	5,361.72	2,861.86	157.53	2,133.62	2,742.87	2,175.61
	c. Other Current Liabilities	849.56	923.79	1,484.73	440.11	641.40	573.27
	d. Short Term Provisions	176.85	106.79	58.37	36.97	14.38	14.67
	<b>TOTAL</b>	<b>17,564.51</b>	<b>14,174.01</b>	<b>11,356.75</b>	<b>12,410.33</b>	<b>10,494.81</b>	<b>8,332.22</b>
	<b>ASSETS</b>						
1)	<b>Non Current Assets</b>						
	a. Fixed Assets						
	i. Tangible Assets	3,284.25	2,989.83	2,536.31	2,502.64	1,504.99	1,494.81
	ii. Intangible Assets	-	-	-	-	-	-
	Less: Accumulated Depreciation	1,097.11	1,015.79	846.02	755.17	662.19	594.00
	ii. Intangible Assets under development	-	-	-	-	-	-
	ii. Capital Work in Progress	165.03	607.13	727.13	810.52	1,097.01	795.67
	<b>Net Block</b>	<b>2,352.17</b>	<b>2,581.17</b>	<b>2,417.42</b>	<b>2,557.99</b>	<b>1,939.81</b>	<b>1,696.48</b>
	b. Deferred Tax Assets (Net)	-	-	-	-	1.10	12.17
	c. Non-current Investments	693.31	693.16	693.34	698.91	645.18	242.18
	d. Long Term Loans & Advances	262.31	236.29	296.43	183.96	213.41	186.25
	e. Other Non Current Assets	134.69	129.14	145.29	161.43	177.57	193.72
2)	<b>Current Assets</b>						
	a. Current Investment	-	-	-	-	-	-
	b. Inventories	8,170.85	5,878.23	4,605.98	3,859.02	3,763.28	3,110.65
	c. Trade Receivables	5,265.05	4,030.48	2,729.31	2,578.40	2,899.85	1,700.48
	d. Cash and Cash Equivalents	497.90	324.34	266.64	249.39	367.86	1,066.44
	e. Short Term Loans & Advances	170.18	300.39	201.59	2,121.02	486.32	122.80
	f. Other Current Assets	18.05	0.81	0.75	0.21	0.43	1.05
	<b>TOTAL</b>	<b>17,564.51</b>	<b>14,174.01</b>	<b>11,356.75</b>	<b>12,410.33</b>	<b>10,494.81</b>	<b>8,332.22</b>

For R T Jain & Co LLP  
Chartered Accountants  
FRN - 103961W/ W100182

For and on behalf of Board of Directors

(CA Bankim Jain)  
Partner  
Mem No- 139447

(Director)

(Director)

(CFO)

(CS)

Mumbai, May 21, 2018

Mumbai, May 21, 2018

## STATEMENT OF PROFIT AND LOSS AS RESTATED

ANNEXURE - II  
(₹ In Lakhs)

Sr. No.	Particulars	For the year ended March 31,					
		2018	2017	2016	2015	2014	2013
<b>A</b>	<b>INCOME</b>						
	Revenue from Operations	15,174.46	12,039.84	11,305.94	7,877.79	7,601.00	5,799.02
	Other Income	51.67	46.20	58.75	82.06	126.54	45.60
	<b>Total Income (A)</b>	<b>15,226.13</b>	<b>12,086.04</b>	<b>11,364.69</b>	<b>7,959.85</b>	<b>7,727.54</b>	<b>5,844.62</b>
<b>B</b>	<b>EXPENDITURE</b>						
	Cost of materials Consumed	12,908.83	12,230.87	9,711.53	7,281.01	6,774.88	4,681.32
	Purchase of Stock-in-Trade	505.12	685.02	757.12	279.97	453.27	244.93
	Changes in inventories of finished goods, traded goods and work-in-progress	(416.78)	(2,411.63)	(442.64)	(801.52)	(496.10)	(177.12)
	Employee benefit expenses	176.12	152.08	131.69	139.91	111.12	90.72
	Finance costs	911.50	768.09	746.85	630.85	566.18	564.64
	Depreciation and amortisation expense	156.05	185.90	132.09	109.13	109.94	123.16
	Other Expenses	253.06	193.79	185.12	205.41	178.18	220.62
	<b>Total Expenses (B)</b>	<b>14,493.90</b>	<b>11,804.12</b>	<b>11,221.76</b>	<b>7,844.76</b>	<b>7,697.47</b>	<b>5,748.27</b>
<b>C</b>	<b>Profit before extraordinary items and tax(A-B)</b>	<b>732.23</b>	<b>281.92</b>	<b>142.93</b>	<b>115.09</b>	<b>30.07</b>	<b>96.35</b>
	Extraordinary items	-	-	-	-	-	-
<b>D</b>	<b>Profit before tax</b>	<b>732.23</b>	<b>281.92</b>	<b>142.93</b>	<b>115.09</b>	<b>30.07</b>	<b>96.35</b>
	<i>Tax expense :</i>						
	(i) Current tax	201.50	57.48	-	-	-	-
	(ii) Deferred tax	65.37	41.12	30.64	41.32	11.07	(296.58)
	(iii) MAT Credit Entitlement	-	(31.72)	-	-	-	-
<b>E</b>	<b>Total Tax Expense</b>	<b>266.87</b>	<b>66.88</b>	<b>30.64</b>	<b>41.32</b>	<b>11.07</b>	<b>-296.58</b>
<b>F</b>	<b>Profit for the year/ period (D-E)</b>	<b>465.36</b>	<b>215.04</b>	<b>112.29</b>	<b>73.77</b>	<b>19.00</b>	<b>392.93</b>

For R T Jain & Co LLP  
Chartered Accountants  
FRN - 103961W/ W100182

For and on behalf of Board of Directors

(Director)

(Director)

(CA Bankim Jain)  
Partner  
Mem No- 139447

(CFO)

(CS)

Mumbai, May 21, 2018

Mumbai, May 21, 2018

STATEMENT OF CASH FLOW AS RESTATED

ANNEXURE - III

(In Lakhs)

Particulars	2018	2017	2016	2015	2014	2013
	<b>Cash Flow From Operating Activities:</b>					
Net Profit before tax as per Profit And Loss A/c	732.25	281.94	142.92	115.09	30.08	96.34
<b>Adjustments for:</b>						
Depreciation & Amortisation Expense	156.05	185.91	132.09	109.13	109.94	123.16
Finance Cost	911.49	768.09	746.85	630.85	566.18	564.64
Profit on Sale of Car	(14.98)	-	(4.60)	-	-	-
Profit on Sale of Machinery	-	-	-	-	(101.58)	-
Profit on Sale of Investments	-	-	0.11	-	-	-
Interest Income	(17.75)	(23.74)	(23.78)	(23.44)	(21.60)	(19.89)
<b>Operating Profit Before Working Capital Changes</b>	<b>1,767.06</b>	<b>1,212.19</b>	<b>993.38</b>	<b>831.63</b>	<b>583.03</b>	<b>764.25</b>
Adjusted for (Increase)/ Decrease in:						
Inventories	(2,292.63)	(1,272.24)	(746.96)	(95.74)	(652.62)	(566.53)
Trade Receivables	(1,234.57)	(1,301.17)	(150.91)	321.45	(1,199.37)	21.97
Long Term Loans and advances	(42.17)	60.16	(112.47)	29.45	(27.17)	(28.85)
Short Term Loans and advances	130.20	(98.78)	(,919.43)	(1,634.70)	(363.53)	(84.29)
Other Current & Non Current Assets	(22.79)	(0.06)	(0.53)	0.21	0.63	124.42
Trade Payables	2,499.86	2,704.33	(1,976.09)	(609.25)	567.26	(580.26)
Other Current Liabilities	(74.22)	(560.94)	(,044.61)	(201.27)	68.12	537.65
Short term Provisions	70.06	48.42	21.40	22.59	(0.29)	7.10
<b>Cash Generated From Operations Before Extra-Ordinary Items</b>	<b>800.80</b>	<b>791.89</b>	<b>991.84</b>	<b>(1335.63)</b>	<b>(1023.93)</b>	<b>195.46</b>
Add:- Extra-Ordinary Items	-	-	-	-	-	-
<b>Cash Generated From Operations</b>	<b>800.80</b>	<b>791.89</b>	<b>991.84</b>	<b>(1335.63)</b>	<b>(1023.93)</b>	<b>195.46</b>
Net Income Tax paid/ refunded	(201.50)	(25.77)	-	-	-	-
<b>Net Cash Flow from/(used in) Operating Activities: (A)</b>	<b>599.30</b>	<b>766.13</b>	<b>991.84</b>	<b>(1,335.63)</b>	<b>(1,023.93)</b>	<b>195.46</b>
<b>Cash Flow From Investing Activities:</b>						
Purchase of Fixed Assets (including capital work in progress)	(46.42)	(333.51)	19.22	(711.15)	(337.13)	(323.72)
Proceeds from Sale of Fixed Assets	150.50	-	10.00	-	101.58	-
Proceeds from Sale of Investments	-	-	5.11	-	-	-
Investment in MFs	-	-	(5.00)	-	-	-
Investment in Properties and Others	(0.15)	0.18	5.57	(53.73)	(403.00)	(201.82)
Interest Income	17.75	23.74	23.78	23.44	21.60	19.89
<b>Net Cash Flow from/(used in) Investing Activities: (B)</b>	<b>21.68</b>	<b>(309.59)</b>	<b>58.69</b>	<b>(741.43)</b>	<b>(616.96)</b>	<b>(505.64)</b>
<b>Cash Flow from Financing Activities:</b>						
Proceeds from Issue of Shares	763.41	-	-	-	-	-
Repayment of Share Application Money	-	(4.00)	-	-	-	-
Net Increase/(Decrease) in Short Term Borrowings	1,312.90	(6.83)	146.35	473.26	831.16	2,761.46
Net Increase/(Decrease) in Long Term Borrowings	(1,712.23)	380.07	(432.78)	2,116.20	677.33	(1,078.47)
Interest paid	(911.49)	(768.09)	(746.85)	(630.85)	(566.18)	(564.64)
<b>Net Cash Flow from/(used in) Financing Activities ( C)</b>	<b>(547.41)</b>	<b>(398.84)</b>	<b>(1,033.28)</b>	<b>1,958.61</b>	<b>942.31</b>	<b>1,118.35</b>
Net Increase/(Decrease) in Cash & Cash Equivalents (A+B+C)	173.56	57.70	17.24	(118.46)	(698.59)	808.17
Cash & Cash Equivalents As At Beginning of the Year / Period	324.34	266.64	249.39	367.86	(,066.44)	258.28
<b>Cash &amp; Cash Equivalents As At End of the Year / Period</b>	<b>497.90</b>	<b>324.34</b>	<b>266.64</b>	<b>249.39</b>	<b>367.86</b>	<b>1,066.44</b>

For R T Jain & Co LLP  
Chartered Accountants  
FRN - 103961W/ W100182

For and on behalf of Board of Directors

(CA Bankim Jain)  
Partner  
Mem No- 139447

(Managing Director)

(Director)

(CFO)

(Company Secretary)

Mumbai, May 21, 2018

Mumbai, May 21, 2018

**THE ISSUE**

The following is the summary of the Issue.

<b>Issue/ Offer of Equity Shares<sup>(1)</sup></b>	Upto 65,84,000* Equity Shares of ₹10 each fully paid-up of our Company for cash at a price of ₹[●] per Equity Share aggregating to ₹[●] lakhs.
<i>Out of which:</i>	
Fresh Issue <sup>(2)</sup>	Upto 65,76,000 Equity Shares of ₹10 each fully paid-up of our Company for cash at a price of ₹[●] per Equity Share aggregating to ₹[●] lakhs.
Offer for Sale <sup>(2)(3)</sup>	Upto 8,000 Equity Shares of ₹10 each fully paid-up of our Company for cash at a price of ₹[●] per Equity Share aggregating to ₹[●] lakhs.
<b>The Issue consists of:</b>	
Market Maker Reservation Portion	Upto 3,32,000* Equity Shares of ₹10 each fully paid-up of our Company for cash at a price of ₹[●] per Equity Share aggregating to ₹[●] lakhs.
Net Issue to the Public	Upto 62,52,000* Equity Shares of ₹10 each fully paid-up of our Company for cash at a price of ₹[●] per Equity Share aggregating to ₹[●] lakhs.
<i>Out of which:</i>	
<b>Non- Institutional Portion<sup>(4)</sup></b> (Allocation to Retail Individual Investors for upto ₹2.00 lakhs)	Upto [●] Equity Shares of ₹10 each fully paid-up of our Company for cash at a price of ₹[●] per Equity Share aggregating to ₹[●] lakhs.
<b>Retail Portion<sup>(4)</sup></b> Allocation to other investors for above ₹2.00 lakhs	Upto [●] Equity Shares of ₹10 each fully paid-up of our Company for cash at a price of ₹[●] per Equity Share aggregating to ₹[●] lakhs.
<b>Pre and Post-Issue Equity Shares</b>	
Equity Shares outstanding prior to the Issue	1,84,19,000 Equity Shares of ₹10 each
Equity Shares outstanding after the Issue	Upto 2,49,95,000 Equity Shares of ₹10 each
<b>Objects of the Issue</b>	Please refer to the section titled " <i>Objects of the Issue</i> " beginning on page 68 of this Red Herring Prospectus.

\*Number of shares may need to be adjusted for lot size upon determination of issue price

- (1) This issue is being made in terms of Chapter XB of the SEBI (ICDR) Regulations. For further details, please refer to section titled "*Terms of the Issue*" beginning on page 208 of this Red Herring Prospectus.
- (2) The present issue has been authorised by our Board by way of resolution passed at its meeting held on August 01, 2018 and by our Shareholders by way of a special resolution passed pursuant to Section 62(1)(c) of the Companies Act, 2013 at the EGM held on August 06, 2018.
- (3) The Offer for sale of upto 8,000 equity shares by Mrs. Lalita Chowdhri, has been authorized by the Promoter Selling Shareholder by her consent letter dated August 01, 2018. The Equity Shares being offered by Promoter Selling Shareholder have been held for a period of at least one year prior to the date of this Red Herring Prospectus, calculated in the manner as set out under Regulation 26(6) of SEBI (ICDR) Regulations and are eligible for being offered for sale in the Offer.
- (4) As per Regulation 43, sub regulation (4) of the SEBI (ICDR) Regulations, the allocation in the net issue to public shall be 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 corporates or institutions, irrespective of the number of specified securities applied for.

The unsubscribed portion in either of the categories specified in (a) or (b) above may be allocated to the applicants in the other category. For the purpose of Regulation 43(4), if the retail individual investor category is entitled to more than fifty percent, on proportionate basis, the retail individual investors shall be allocated at a higher percentage.

## GENERAL INFORMATION

Our Company was originally incorporated as a private limited company, at Maharashtra, India under the Companies Act, 1956 in the name of Supreme Heatreaters Private Limited vide Certificate of Incorporation dated April 20, 1987. Subsequently, fresh certificate of incorporation consequent upon change of name from Supreme Heatreaters Private Limited to Supreme Engineering Private Limited dated January 9, 2018 was issued by RoC, Mumbai. Further, pursuant to conversion of our Company to a public limited company, a fresh certificate of incorporation was issued by RoC, Mumbai on January 10, 2018. For details of changes in name and registered offices of our Company, please refer to the section titled "History and Certain Corporate matters" beginning on page 131 of this Red Herring Prospectus.

### Registered Office of our Company

#### Supreme Engineering Limited

R-223, M.I.D.C. Complex, Rabale  
Thane Belapur Road, Navi Mumbai 400 701  
Maharashtra, India.  
Telephone: +91 22 2769 2232  
Facsimile: +91 22 2769 0341  
CIN: U99999MH1987PLC043205  
Website: www.supremesteels.com  
Email id: info@supremesteels.com

### Designated Stock Exchange

National Stock Exchange of India Limited  
Exchange Plaza, C-1, Block G  
Bandra Kurla Complex, Bandra (East)  
Mumbai 400 051, Maharashtra, India.

### Address of the Registrar of Companies

Our Company is registered at the Registrar of Companies, Mumbai, located at 100, Everest, Marine Drive, Mumbai 400002, Maharashtra, India.

### Board of Directors

Our Company's board comprises of the following Directors:

Name, Nature of Directorship and DIN	Age	Residential Address
<b>Ms. Lalita Sanjay Chowdhri</b> <b>Chairperson &amp; Non- Executive Director</b> DIN: 00096419	51 years	Row House 9, Divya Swapna Housing, Dr. Gidwani Marg, Near Shalimar Petrol Pump, Chembur, Mumbai 400 074, India.
<b>Mr. Sanjay Rattan Prakash Chowdhri</b> <b>Managing Director</b> DIN: 00095990	54 years	Row House 9, Divya Swapna Housing, Dr. Gidwani Marg, Near Shalimar Petrol Pump, Chembur, Mumbai 400 074, India.
<b>Mr. Abhinav Sanjay Chowdhri</b> <b>Executive Director</b> DIN: 07121484	29 years	Row House 9, Divya Swapna Housing, Dr. Gidwani Marg, Near Shalimar Petrol Pump, Chembur, Mumbai 400 074, India.
<b>Mr. Jayaraman Kannan</b> <b>Independent Director</b> DIN: 08050352	62 years	Plot 37, Bharat Ratna Colony, Saidabad, Hyderabad 500 059, India.
<b>Mr. Prakash Vithalrao Deshmukh</b> <b>Independent Director</b> DIN No: 02376494	65 years	Elite Embassy, Flat No.20, Ram Nagar Colony, Bavdhan, Pune 411 021, India.

For further details of the Board of Directors, please refer to the section titled "Our Management" beginning on page 135 of this Red Herring Prospectus.



**Company Secretary and Compliance Officer**

**Ms. Krupali Thakkar**

Supreme Engineering Limited  
R-223, M.I.D.C. Complex, Rabale  
Thane Belapur Road, Navi Mumbai 400 701  
Maharashtra, India.  
Telephone: +91 22 2769 2232  
Facsimile: +91 22 2769 0341  
CIN: U99999MH1987PLC043205  
Website: www.supremesteels.com  
Email id: cs@supremesteels.com

Investors may 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 Allotment Advice, credit of Allotted Equity Shares in the respective beneficiary account, or Refund Orders.

**Chief Financial Officer of our Company**

**Mr. Gopal Mishra**

**Supreme Engineering Limited**

R-223, M.I.D.C. Complex, Rabale  
Thane Belapur Road, Navi Mumbai 400 701  
Maharashtra, India.  
Telephone: +91 22 2769 2232  
Facsimile: +91 22 2769 0341  
CIN: U99999MH1987PLC043205  
Website: www.supremesteels.com  
Email id: cfo@supremesteels.com

<b>Book Running Lead Manager</b>	
<p><b>CKP Financial Services Private Limited</b> 906, Jay Antariksh 13/14, Makawana Road, Marol Naka Marol, Andheri (East) Mumbai 400 059, India. Telephone: +91 9322997964/ 022- 49749802 Email: <a href="mailto:info@ckpfinancialservices.com">info@ckpfinancialservices.com</a> Investor grievance email: <a href="mailto:investors@ckpfinancialservices.com">investors@ckpfinancialservices.com</a> Contact Person: Mr. Brijesh Parekh/ Ms. Janvi Talajia Website: <a href="http://www.ckpfinancialservices.com">www.ckpfinancialservices.com</a> SEBI registration number: INM000012449 CIN: U74120MH2015PTC270984</p>	
<b>Legal Counsel to the Issue</b>	<b>Registrar to the Issue</b>
<p><b>Desai &amp; Diwanji</b> <b>Advocates &amp; Solicitors</b> Lentin Chambers, Dalal Street Fort, Mumbai 400 001, India. Telephone: +91 22 3984 1000 Facsimile: +91 22 2265 8245 Contact Person: Ms. Praachi Doshi</p>	<p><b>Bigshare Services Private Limited</b> 1<sup>st</sup> Floor, Bharat Tin Works Building Opp. Vasant Oasis, Makwana Road Marol, Andheri (East), Mumbai 400059, India. Telephone: 022 6263 8200 Facsimile: 022 6263 8299 Email: <a href="mailto:ipo@bigshareonline.com">ipo@bigshareonline.com</a> Investor grievance email: <a href="mailto:investor@bigshareonline.com">investor@bigshareonline.com</a> Contact Person: Babu Rapheal Website: www.bigshareonline.com SEBI Registration Number: INR000001385 CIN: U99999MH1994PTC076534</p>
<b>Advisor to the Company</b>	<b>Statutory Auditors</b>

<p><b>Shree Krishna Corporate Advisors LLP</b> 101, Rathore House, Opp. Kanakia Wall Street Above BFC Forex, Near Sangam Cinema Andheri Kurla Road, Chakala Andheri (East), Mumbai 400 093, India. Telephone: +91 22 6127 4774 Email: <a href="mailto:skcafa@gmail.com">skcafa@gmail.com</a> Contact Person: Mr. Sushil Birla Website: <a href="http://www.skca.co.in">www.skca.co.in</a></p>	<p><b>M/s. H L Saini &amp; Co., Chartered Accountants</b> 201 2nd floor, Shreeji Darshan, Tata road No.2, Near Roxy cinema, Opera House, Mumbai-400004 Telephone: 022 23681563 E-mail: <a href="mailto:cahlsaini@rediffmail.com">cahlsaini@rediffmail.com</a> Contact Person: Mr. H L Saini Firm Registration 136961 W</p>
<b>Peer Reviewed Auditors</b>	<b>Banker to the Issue/ Refund Banker</b>
<p><b>M/s. R.T. Jain &amp; Co. LLP</b> 2nd Floor, Lotus Building, 59, Mohammad Ali Road, Mumbai 400 003, India. Telephone: +91 22 2346 4955 E-mail: <a href="mailto:info@rtjainandco.com">info@rtjainandco.com</a> Contact Person: CA Bankim Jain Firm Registration No.: 103916W/ W100182 Peer Reviewed Certificate No.: 009710</p>	<p><b>HDFC Bank Limited</b> HDFC Bank Limited, FIG-OPS Department- Lodha, I Think Techno Campus O-3 Level, Next to Kanjurmarg, Railway Station, Kanjurmarg (East) Mumbai- 400042 Telephone: 022 30752927/ 28/ 2914 Fax: 25799801 E-mail: <a href="mailto:Vincent.Dsouza@hdfcbank.com">Vincent.Dsouza@hdfcbank.com</a> , <a href="mailto:Siddharth.Jadhav@hdfcbank.com">Siddharth.Jadhav@hdfcbank.com</a> , <a href="mailto:Prasanna.Uchil@hdfcbank.com">Prasanna.Uchil@hdfcbank.com</a> , <a href="mailto:Neerav.Desai@hdfcbank.com">Neerav.Desai@hdfcbank.com</a> Website: <a href="http://www.hdfcbank.com">www.hdfcbank.com</a> Contact Person: Vincent Dsouza, Siddharth Jadhav, PrasannaUchil SEBI Cert Registration No: INBI00000063 CIN No.: L65920MH1994PLC080618</p>
<b>Syndicate Member</b>	<b>Bankers to our Company</b>
<p><b>Rikhav Securities Limited</b> B, Matruchhaya, 4th floor, S.N. Road, Mulund (W), Mumbai- 80 Telephone: 022-25935353 Fax: 022-25935300 Email: <a href="mailto:info@rikhav.net">info@rikhav.net</a> Website: <a href="http://www.rikhav.net">www.rikhav.net</a> Contact Person: Mr. Hitesh Lakhani</p>	<p><b>Bank of India</b> Thane (Main) Branch, Shivaji Path, Post box No. 43, Opp. M.H. High School, Thane (W) 400601 Telephone: 25337616/ 25331677/ 25418512/ 25331942 Fax: 25333408 E-mail: <a href="mailto:Thane.NaviMumbai@bankofindia.co.in">Thane.NaviMumbai@bankofindia.co.in</a> Website: <a href="http://www.bankofindia.co.in">www.bankofindia.co.in</a> Contact Person: Mr. Ashish Ghatole</p>

Investors may contact our Company Secretary and Compliance Officer and / or the Registrar to the Issue and/ or the BRLM, 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.

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.

**Statement of *inter se* allocation of Responsibilities for the Issue**

Since CKP Financial Services Private Limited is the sole Book Running Lead Manager to this Issue and all the responsibilities relating to the co-ordination and other activities in relation to the Offer shall be performed by them and hence, a statement of *inter se* allocation of responsibilities is not applicable.

**Self-Certified Syndicate Banks (SCSBs)**

The list of banks that have been notified by SEBI to act as the SCSBs for the ASBA process is provided on the website of SEBI at <http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries>, as updated from time to time. For a list of branches of the SCSBs named by the respective SCSBs to receive the ASBA Forms from the Designated Intermediaries, see the above-mentioned link.

**Registered Brokers**

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

**Registrar to the Issue and Share Transfer Agents**

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 websites of Stock Exchange at [www.nseindia.com](http://www.nseindia.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 websites of Stock Exchange at [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 ([www.sebi.gov.in](http://www.sebi.gov.in)) and updated from time to time.

**Experts**

Our Company has received written consent from the Peer Reviewed Auditors namely, M/s. R.T. Jain & Co., Chartered Accountants to include their name as required under Section 26(1)(a)(v) of the Companies Act, 2013 in this Red Herring Prospectus and as an "Expert" as defined under Section 2(38) of the Companies Act, 2013, in respect of the reports of the Statutory Auditors on the Restated Financial Statements dated January 18, 2018 and the Statement of Possible Special Tax Benefits dated January 18, 2018, included in this Red Herring Prospectus and such consent has not been withdrawn as on the date of this Red Herring Prospectus.

**Brokers to the Issue**

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

**Credit Rating**

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

**Trustees**

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

**Debenture Trustees**

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

**IPO Grading**

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

### Monitoring Agency

In terms of Regulation 16(1) of the SEBI (ICDR) Regulations, since the size of the present Issue is less than ₹10,000 lakhs, our Company is not required to appoint a monitoring agency for the purposes of this Issue.

Although in terms of the Securities Listing Regulations, the Audit Committee of our Company, would be monitoring the utilization of the proceeds of the Issue.

### Appraising Entity

None of the purposes for which the Net Proceeds are proposed to be utilized have been financially appraised by any banks or financial institution.

### Withdrawal of the Issue

Our Company and/or Promoter Selling Shareholder in consultation with the Book Running Lead Managers, reserve the right not to proceed with the Issue at any time before the Issue Opening Date without assigning any reason thereof.

If our Company and/or Promoter Selling Shareholder withdraws the Issue anytime after the Issue Opening Date but before the allotment of Equity Shares, a public notice within two (2) Working Days of the Issue Closing Date, providing reasons for not proceeding with the Issue shall be issued by our Company. The notice of withdrawal will be issued in the same newspapers where the pre-Issue advertisements have appeared and the Stock Exchange will also be informed promptly.

The BRLM, through the Registrar to the Issue, will instruct the SCSBs to unblock the ASBA Accounts within one (1) working Day from the day of receipt of such instruction. If our Company withdraws the Issue after the Issue Closing Date and subsequently decides to proceed with an Issue of the Equity Shares, our Company will file a fresh Draft Red Herring Prospectus with the stock exchange where the Equity Shares may be proposed to be listed. Notwithstanding the foregoing, the Issue is subject to obtaining (i) the final listing and trading approvals of the Stock Exchange with respect to the Equity Shares issued through the Red Herring Prospectus, which our Company will apply for only after Allotment; and (ii) the final RoC approval of the Prospectus.

### Underwriting

The Issue is 100% underwritten by the BRLM in their capacity of Underwriter to the issue. Pursuant to the terms of the Underwriting Agreement dated June 02, 2018 and subsequent Addendum to Issue Agreement dated August 07, 2018 entered into by us with Underwriter, the obligations of the Underwriter are subject to certain conditions specified therein. The Underwriters are registered with SEBI or registered as brokers with the stock exchange. The Details of the Underwriting commitments are as under:

( ₹ in lakhs)			
Name, Address, Telephone, Fax, and Email of the Underwriters	Indicated number of Equity Shares to be Underwritten	Amount Underwritten**	% of the total Issue size Underwritten
<b>CKP Financial Services Private Limited</b> 906, Jay Antariksh 13/14, Makawana Road, Marol Naka, Andheri (East), Mumbai 400 059, India. Telephone: +91 9322997964/ 022 49749802 Email: <a href="mailto:info@ckpfinancialservices.com">info@ckpfinancialservices.com</a> Investor grievance email: <a href="mailto:investors@ckpfinancialservices.com">investors@ckpfinancialservices.com</a> Contact Person: Mr. Brijesh Parekh Website: <a href="http://www.ckpfinancialservices.com">www.ckpfinancialservices.com</a> SEBI registration number: INM000012449 CIN: U74120MH2015PTC270984	Upto 65,84,000 Equity Shares	[●]	[●]

*\*\*After the determination of the Issue Price, our Company will enter into the Underwriting Agreement with the Underwriter for the Equity Shares proposed to be offered through the Issue. Pursuant to the terms of the Underwriting Agreement, the obligations of the Underwriters are several and are subject to certain conditions specified therein.*

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

### Details of Market Making Arrangement for the Issue

Our Company has entered into Market Making Agreement dated June 02, 2018 with the following Market Maker and subsequent Addendum to Issue Agreement dated August 07, 2018 to fulfil the obligations of Market Making for this issue:

<b>Name</b>	Rikhav Securities Limited
<b>Correspondence Address:</b>	B, Matruchhaya, 4 <sup>th</sup> floor, S.N. Road, Mulund (W), Mumbai- 80
<b>Tel No.:</b>	022-25935353
<b>Fax No.:</b>	022-25935300
<b>E-mail:</b>	info@rikhav.net
<b>Website:</b>	www.rikhav.net
<b>Contact Person:</b>	Mr. Hitesh Lakhani

The Market Maker shall fulfil the applicable obligations and conditions as specified in the SEBI (ICDR) Regulations and the circulars issued by the NSE and SEBI regarding this matter.

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

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

Manager reserve the right to appoint other Market Makers either as a replacement of the current Market Maker or as an additional Market Maker subject to the total number of Designated Market Makers does not exceed five (5) or as specified by the relevant laws and regulations applicable at that particulars point of time. The Market Making Agreement is available for inspection at our registered office from 11.00 a.m. to 5.00 p.m. on Working Days.

#### 11. Risk containment measures and monitoring for Market Makers:

NSE EMERGE Platform will have all margins, which are applicable on the NSE main board viz., Mark-to-Market, Value-At-Risk (VAR) Margin, Extreme Loss Margin, Special Margins and Base Minimum Capital etc. NSE can impose any other margins as deemed necessary from time-to-time.

#### 12. Price Band and Spreads:

SEBI Circular bearing reference no: CIR/MRD/DP/ 02/2012 dated January 20, 2012, has laid down that for issue size up to ₹250 Crores, the applicable price bands for the first day shall be:

- 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.
- 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 SME Exchange/ EMERGE Platform.

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

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.

#### 13. Punitive Action in case of default by Market Makers:

NSE SME Exchange (EMERGE Platform) will monitor the obligations on a real time basis and punitive action will be initiated for any exceptions and/or non-compliances. Penalties / fines may be imposed by the Exchange on the Market Maker, in case he is not able to provide the desired liquidity in a particular security as per the specified guidelines. These penalties / fines will be set by the Exchange from time to time. The Exchange will impose a penalty on the Market Maker 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.

14. Pursuant to SEBI Circular number CIR/MRD/DSA/31/2012 dated November 27, 2012, limits on the upper side for market makers 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)
Upto ₹20 Crore	25%	24%
₹20 Crore to ₹50 Crore	20%	19%
₹50 Crore to ₹80 Crore	15%	14%
Above ₹80 Crore	12%	11%

15. 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.

## 16. **Book Building Process**

The Book Building Process, with reference to the Issue, refers to the process of collection of Bids on the basis of the Red Herring Prospectus and the Bid-cum-Application Forms. The Price Band, the Bid lot size for the issue will be decided by our company and in consultation with the BRLM, which would be announced at least five (5) Working Days before the opening of the Bid/Issue. The Issue Price shall be determined by our Company and Promoter Selling Shareholder, in consultation with the BRLM, in accordance with the Book Building Process, after the Bid/ Issue Closing Date.

### **Illustration of Book Building Process and Price Discovery Process**

For an illustration of the Book Building Process and the price discovery process, please refer to section titled "Issue Procedure – Part B – Basis of Allocation – Illustration of Book Building Process and Price Discovery Process" beginning on page 214 of this Red Herring Prospectus.

## CAPITAL STRUCTURE

*Certain forms filed with Registrar of Companies (prior to 2005) of the Company and bank statements of the Company and Promoters are not traceable. With respect to changes in capital structure, these unavailable forms include forms for increase in authorised share capital forms, share capital allotment forms, annual returns, etc. Hence, this chapter is prepared based on the ROC search report, data provided by management, available financial data and to the best of information available.*

Our Company's share capital, as of the date of filing this Red Herring Prospectus, before and after the proposed Issue, is set forth below:

( ₹ in lakhs except share data)

No	Particulars	Nominal Value	Aggregate value at Issue Price
<b>A</b>	<b>Authorised Share Capital*</b>		
	2,51,00,000 Equity Shares of ₹10 each	2,510.00	
<b>B</b>	<b>Issued, Subscribed and Paid Up Capital before the Issue</b>		
	1,84,19,000 Equity Shares of ₹10 each	1,841.90	
<b>C</b>	<b>Present Issue in terms of the Red Herring Prospectus**</b>		
	Fresh Issue of upto 65,76,000 Equity Shares of ₹[●] each aggregating to ₹[●] lakhs	[●]	[●]
	Offer for Sale of upto 8,000 Equity Shares of ₹[●] each aggregating to ₹[●] lakhs	[●]	[●]
<b>D</b>	<b>Issued, Subscribed and Paid-up Capital after the Issue</b>		
	Upto 2,49,95,000 Equity Shares of ₹10 each	[●]	[●]
<b>E</b>	<b>Securities Premium Account</b>		
	Before the Issue	121.51	
	After the Issue	[●]	

*\*For details of the changes in the authorized share capital of our Company, please refer to section titled "History and Certain Corporate Matters" beginning on page 131 of this Red Herring Prospectus.*

*\*\*The Issue/Offer has been authorized by our Board pursuant to a resolution dated August 01, 2018 and by our Equity Shareholders pursuant to a resolution passed at the Extra Ordinary General Meeting held on August 06, 2018.*



**Notes on Capital Structure**
**1. Equity Share Capital History of our Company**

The following is the history of the Equity Share capital of our Company:

Date of Allotment	Number of Equity Shares	Face Value per Equity Share (₹)	Issue Price per Equity Share (₹)	Nature of Consideration (Cash/ Other than Cash)	Nature of allotment	Cumulative Number of Equity Shares	Cumulative Share Capital (₹)	Cumulative Share Premium (₹)
March 27, 1987	20	100.00	100.00	Cash	Subscription to the Memorandum of Association <sup>(1)</sup>	20	2,000.00	-
September 12, 1987	9,980	100.00	100.00	Cash	Further issue of Equity Shares <sup>(2)</sup>	10,000	10,00,000.00	-
December 13, 1991	5,000	100.00	100.00	Cash	Further issue of Equity Shares <sup>(3)</sup>	15,000	15,00,000.00	-
December 11, 1995	15,000	100.00	100.00	Other than Cash	Bonus Issue <sup>(4)</sup>	30,000	30,00,000.00	-
March 30, 1996	10,000	100.00	100.00	Cash	Further issue of Equity Shares <sup>(5)</sup>	40,000	40,00,000.00	-
November 28, 1997	35,000	100.00	100.00	Cash	Further issue of Equity Shares <sup>(6)</sup>	75,000	75,00,000.00	-
June 25, 1998	16,000	100.00	100.00	Cash	Further issue of Equity Shares <sup>(7)</sup>	91,000	91,00,000.00	-
December 25, 1999	9,000	100.00	100.00	Cash	Further issue of Equity Shares <sup>(8)</sup>	100,000	100,00,000.00	-
March 27, 2008	100,000	100.00	100.00	Cash	Further issue of Equity Shares <sup>(9)</sup>	200,000	200,00,000.00	-
<b>Total (Pre sub-division)</b>	<b>200,000</b>	<b>100.00</b>	-	-	-	<b>200,000</b>	<b>200,00,000.00</b>	-
<i>At the Shareholders Meeting held on September 15, 2017 a resolution was passed for Sub-division of the face value of Equity Shares from ₹100 to ₹10. The Equity Shares on sub-division of the face value then amounted to 20,00,000 Equity Shares of ₹10 each. After subdivision the restated position is as under:</i>								
<b>Total (Post sub-division)</b>	<b>20,00,000</b>	<b>10.00</b>	-	-	-	<b>20,00,000</b>	<b>200,00,000.00</b>	-
September 19, 2017	10,00,000	10.00	10.00	Other than Cash	Conversion of Preference Shares to Equity Shares <sup>(10)</sup>	30,00,000	3,00,00,000.00	-
September 26, 2017	90,00,000	10.00	10.00	Other than Cash	Bonus Issue <sup>(11)</sup>	1,20,00,000	12,00,00,000.00	-

Date of Allotment	Number of Equity Shares	Face Value per Equity Share (₹)	Issue Price per Equity Share (₹)	Nature of Consideration (Cash/ Other than Cash)	Nature of allotment	Cumulative Number of Equity Shares	Cumulative Share Capital (₹)	Cumulative Share Premium (₹)
September 26, 2017	60,00,000	10.00	10.00	Cash	Rights Issue by Conversion of Unsecured Loan <sup>(12)</sup>	1,80,00,000	18,00,00,000.00	-
February 1, 2018	2,19,000	10.00	39.00	Cash	Further issue of Equity Shares by Conversion of Unsecured Loan <sup>(13)</sup>	1,82,19,000	18,21,90,000.00	63,51,000.00
February 1, 2018	2,00,000	10.00	39.00	Cash	Further issue of Equity Shares <sup>(14)</sup>	1,84,19,000	18,41,90,000.00	58,00,000.00
<b>Total</b>	<b>1,84,19,000</b>							

**Notes:**

- (1) Initial subscription to the MOA by Mr. Sanjay R. Chowdhri and Mrs. Sumitra Sanjay Chowdhri.
- (2) Further allotment of 875 Equity Shares to Mr. Ratan P. Chowdhri, 500 Equity Shares to Ratan P. Chowdhri (HUF), 4,840 Equity Shares to Mr. Sanjay R. Chowdhri, 800 Equity Shares to S.R. Chowdhri (HUF), 1,000 Equity Shares to Mrs. Lalita Sanjay Chowdhri, 990 Equity Shares to Mrs. Sumitra Sanjay Chowdhri, 575 Equity Shares to Mr. Abhinav Sanjay Chowdhri and 400 Equity Shares to Mr. Pranav Sanjay Chowdhri.
- (3) Further allotment of 437 Equity Shares to Mr. Ratan P. Chowdhri, 250 Equity Shares to Ratan P. Chowdhri (HUF), 2,425 Equity Shares to Mr. Sanjay R. Chowdhri, 400 Equity Shares to S.R. Chowdhri (HUF), 500 Equity Shares to Mrs. Lalita Sanjay Chowdhri, 500 Equity Shares to Mrs. Sumitra Sanjay Chowdhri, 288 Equity Shares to Mr. Abhinav Sanjay Chowdhri and 200 Equity Shares to Mr. Pranav Sanjay Chowdhri.
- (4) Bonus Issue in the ratio of 1: 1 by the Company. Allotment of 1,312 Equity Shares to Mr. Ratan P. Chowdhri, 750 Equity Shares to Ratan P. Chowdhri (HUF), 7,275 Equity Shares to Mr. Sanjay R. Chowdhri, 1,200 Equity Shares to S.R. Chowdhri (HUF), 1,500 Equity Shares to Mrs. Lalita Sanjay Chowdhri, 1,500 Equity Shares to Mrs. Sumitra Sanjay Chowdhri, 863 Equity Shares to Mr. Abhinav Sanjay Chowdhri and 600 Equity Shares to Mr. Pranav Sanjay Chowdhri.
- (5) Further allotment of 876 Equity Shares to Mr. Ratan P. Chowdhri, 500 Equity Shares to Ratan P. Chowdhri (HUF), 4,850 Equity Shares to Mr. Sanjay R. Chowdhri, 800 Equity Shares to S.R. Chowdhri (HUF), 1,000 Equity Shares to Mrs. Lalita Sanjay Chowdhri, 1,000 Equity Shares to Mrs. Sumitra Sanjay Chowdhri, 574 Equity Shares to Mr. Abhinav Sanjay Chowdhri and 400 Equity Shares to Mr. Pranav Sanjay Chowdhri.
- (6) Further allotment of 3062 Equity Shares to Mr. Ratan P. Chowdhri, 1,750 Equity Shares to Ratan P. Chowdhri (HUF), 16,975 Equity Shares to Mr. Sanjay R. Chowdhri, 2,800 Equity Shares to S.R. Chowdhri (HUF), 3,500 Equity Shares to Mrs. Lalita Sanjay Chowdhri, 3,500 Equity Shares to Mrs. Sumitra Sanjay Chowdhri, 2,013 Equity Shares to Mr. Abhinav Sanjay Chowdhri and 1,400 Equity Shares to Mr. Pranav Sanjay Chowdhri.
- (7) Further allotment of 1,400 Equity Shares to Mr. Ratan P. Chowdhri, 800 Equity Shares to Ratan P. Chowdhri (HUF), 7,760 Equity Shares to Mr. Sanjay R. Chowdhri, 1,280 Equity Shares to S.R. Chowdhri (HUF), 1,600 Equity Shares to Mrs. Lalita Sanjay Chowdhri, 1,600 Equity Shares to Mrs. Sumitra Sanjay Chowdhri, 920 Equity Shares to Mr. Abhinav Sanjay Chowdhri and 640 Equity Shares to Mr. Pranav Sanjay Chowdhri.

- (8) Further allotment of 788 Equity Shares to Mr. Ratan P. Chowdhri, 450 Equity Shares to Ratan P. Chowdhri (HUF), 4,365 Equity Shares to Mr. Sanjay R. Chowdhri, 720 Equity Shares to S.R. Chowdhri (HUF), 900 Equity Shares to Mrs. Lalita Sanjay Chowdhri, 900 Equity Shares to Mrs. Sumitra Sanjay Chowdhri, 517 Equity Shares to Mr. Abhinav Sanjay Chowdhri and 360 Equity Shares to Mr. Pranav Sanjay Chowdhri.
- (9) Further allotment of 250 Equity Shares to Mr. Ratan P. Chowdhri, 59,500 Equity Shares to Mr. Sanjay R. Chowdhri, 20,000 Equity Shares to S.R. Chowdhri (HUF), 1,00,000 Equity Shares to Mrs. Lalita Sanjay Chowdhri, 4,250 Equity Shares to Mr. Abhinav Sanjay Chowdhri and 6,000 Equity Shares to Mr. Pranav Sanjay Chowdhri.
- (10) Conversion of 10,00,000 Preference Shares into Equity Shares by Allotment of 1,00,000 Equity Shares to Ratan P. Chowdhri (HUF), 7,50,000 Equity Shares to Sanjay R. Chowdhri (HUF) and 1,50,000 Equity Shares to Mrs. Lalita Chowdhri.
- (11) Bonus Issue in the ratio of 3:1 by the Company. Allotment of 2,70,000 Equity Shares to Mr. Ratan P. Chowdhri, 4,50,000 Equity Shares to Ratan P. Chowdhri (HUF), 32,40,000 Equity Shares to Mr. Sanjay R. Chowdhri, 30,90,000 Equity Shares to S.R. Chowdhri (HUF), 10,50,000 Equity Shares to Mrs. Lalita Sanjay Chowdhri, 3,00,000 Equity Shares to Mrs. Sumitra Sanjay Chowdhri, 3,00,000 Equity Shares to Mr. Abhinav Sanjay Chowdhri and 3,00,000 Equity Shares to Mr. Pranav Sanjay Chowdhri.
- (12) Allotment of Equity Shares pursuant to the Rights Issue. Allotment of Equity Shares on conversion of unsecured loans of the Promoter and Promoter Group and renunciation of Rights Shares. Allotment of 27,30,000 Mr. Sanjay R. Chowdhri, 23,20,000 Equity Shares to S.R. Chowdhri (HUF), 3,20,000 Equity Shares to Mrs. Lalita Sanjay Chowdhri, 2,20,000 Equity Shares to Mr. Abhinav Sanjay Chowdhri, 10,000 Equity Shares to Mr. Pranav Sanjay Chowdhri, 1,30,000 Equity Shares to M/s. Profile Steel Bars and 2,70,00 Equity Shares to M/s. Slim Instant.
- (13) Further allotment on conversion of unsecured loans to Equity Shares. 40,000 Equity Shares to Lalitkumar Agarwal (HUF), 1,00,000 Equity Shares to Mr. Lalitkumar Agarwal, 25,000 Equity Shares to Mrs. Sarita Agarwal, 15,000 Equity Shares to Ms. Sejal Shah, 3,000 Equity Shares to Ms. Anaisha Shah, 6,000 Equity Shares to Mr. Satish Agarwal, 6,000 Equity Shares to Ms. Anju Agarwal and 6,000 Equity Shares to Mr. Sresth Agarwal.
- (14) Further allotment (Preferential Allotment) of 50,000 Equity Shares to Gunchandra Mehta (HUF), 50,000 Equity Shares to Mr. Pankaj Prasoon, 50,000 Equity Shares to Mr. Israr Ali Khan and 50,000 Equity Shares to Mr. Utsav Shrivastav.

## 2. Preference Share Capital History of our Company

The following is the history of the Preference Share capital and redemption of Preference Share Capital of our Company:

Date of Allotment/Redemption	Number of Preference Shares	Face Value per Preference Share	Issue/Redemption Price per Preference Share
November 28, 1997	25,000 <sup>(1)</sup>	100	100
June 25, 1998	21,000 <sup>(2)</sup>	100	100
December 25, 1999	4,000 <sup>(3)</sup>	100	100
March 30, 2002	45,000 <sup>(4)</sup>	100	100
March 5, 2008 (Redemption)	(95,000) <sup>(5)</sup>	100	100
December 16, 2008	1,00,000 <sup>(6)</sup>	100	100
<b>Total (Pre-sub division)</b>	<b>1,00,000</b>	<b>100</b>	<b>100</b>
<i>At the Preference Shareholders Meeting held on September 15, 2017 a resolution was passed for Sub-division of the face value of Preference Shares from ₹100 to ₹10. The Preference Shares on sub-division of the face value then amounted to Preference Shares of ₹10 each.</i>			
<b>Total (Post-sub division)</b>	<b>10,00,000<sup>(7)</sup></b>	<b>10</b>	<b>10</b>
<i>As on date of RHP, there are no outstanding Preference Shares of the Company by virtue of Conversion of said 10,00,000 preference shares into 10,00,000 Equity Shares</i>			

**Notes:**

- (1) Issue of 7,775 Preference Shares to Mr. Ratan P. Chowdhri, 4,725 Preference Shares to Ratan P. Chowdhri (HUF), 8,334 Preference Shares to Mr. Sanjay R. Chowdhri, 2,778 Preference Shares to Mrs. Lalita Sanjay Chowdhri and 1,388 Preference Shares to Mrs. Sumitra Sanjay Chowdhri.
- (2) Issue of 6,535 Preference Shares to Mr. Ratan P. Chowdhri, 3,965 Preference Shares to Ratan P. Chowdhri (HUF), 7,000 Preference Shares to Mr. Sanjay R. Chowdhri, 2,333 Preference Shares to Mrs. Lalita Sanjay Chowdhri and 1,167 Preference Shares to Mrs. Sumitra Sanjay Chowdhri.
- (3) Issue of 1,245 Preference Shares to Mr. Ratan P. Chowdhri, 755 Preference Shares to Ratan P. Chowdhri (HUF), 1,333 Preference Shares to Mr. Sanjay R. Chowdhri, 444 Preference Shares to Mrs. Lalita Sanjay Chowdhri and 223 Preference Shares to Mrs. Sumitra Sanjay Chowdhri.
- (4) Issue of 12,445 Preference Shares to Mr. Ratan P. Chowdhri, 7,555 Preference Shares to Ratan P. Chowdhri (HUF), 13,333 Preference Shares to Mr. Sanjay R. Chowdhri, 4,445 Preference Shares to Mrs. Lalita Sanjay Chowdhri, 2,222 Preference Shares to Mrs. Sumitra Sanjay Chowdhri and 5,000 Preference Shares to Ms. Seema Awasti.
- (5) Redemption of 28,000 Preference Shares of Mr. Ratan P. Chowdhri, 17,000 Preference Shares of Ratan P. Chowdhri (HUF), 30,000 Preference Shares of Mr. Sanjay R. Chowdhri, 10,000 Preference Shares to Ms. Lalita Sanjay Chowdhri, 5,000 Preference Shares of Mrs. Sumitra Sanjay Chowdhri and 5,000 Preference Shares of Ms. Seema Awasti.
- (6) Issue of 10,000 Preference Shares to Ratan P. Chowdhri (HUF), 75,000 Preference Shares to S. R. Chowdhri (HUF) and 15,000 Preference Shares to Mrs. Lalita Sanjay Chowdhri.
- (7) Conversion of 10,00,000 Preference Shares into Equity Shares by Allotment of 1,00,000 Equity Shares to Ratan P. Chowdhri (HUF), 7,50,000 Equity Shares to Sanjay R. Chowdhri (HUF) and 1,50,000 Equity Shares to Mrs. Lalita Chowdhri.

**3. Issue of Equity Shares in the last one (1) year**

Our Company may have made issue of specified securities at a price lower than the Issue Price during the preceding one (1) year before the date of filing of this Red Herring Prospectus: The same will be disclosed on determination of Issue Price by the Company in consultation with the BRLM.

4. Our Company has not issued any Equity Shares out of revaluation reserves.

**5. Equity Shares issued for consideration other than cash**

Other than as set out below, our Company has made no other issues of Equity Shares for consideration other than cash as on the date of this Red Herring Prospectus:

Date of Allotment	Number of Equity Shares	Face Value per Equity Share ( ₹ )	Issue Price per Equity Share ( ₹ )	Reason/ Nature of allotment	Name of Allottees
September 19, 2017	10,00,000	10.00	10.00	Conversion of Preference Shares to Equity Shares	Ratan P. Chowdhri (HUF), Sanjay R. Chowdhri (HUF) & Lalita Chowdhri.
September 26, 2017	90,00,000	10.00	10.00	Bonus Issue of 3 equity shares for every 1 equity share held	Mr. Ratan P. Chowdhri, Ratan P. Chowdhri (HUF), Mr. Sanjay R. Chowdhri, S.R. Chowdhri (HUF), Mrs. Lalita Sanjay Chowdhri, Mrs. Sumitra Sanjay Chowdhri, Mr. Abhinav Sanjay Chowdhri and Mr. Pranav Sanjay Chowdhri.

6. **Build-up of our Promoter's Shareholding, Promoter's Contribution and Lock-in**

(a) **Build-up of our Promoter's shareholding in our Company**

Our Promoters are Mr. Sanjay Chowdhri, Sanjay Chowdhri HUF, and Mrs. Lalita Chowdhri. As on the date of this Red Herring Prospectus, our Promoters hold 58,49,500 Equity Shares, which constitutes approximately 80.46% of the issued, subscribed and paid-up Equity Share capital of our Company.

Set forth below is the build-up of the equity shareholding of our Promoters, since the incorporation of our Company.

i) **Mr. Sanjay Chowdhri**

Date of Allotment/ Acquisition/ Sale	Number of Equity Shares	Face Value per Equity Share ( ₹ )	Issue/ Acquisition/ Sale Price per Equity Share ( ₹ )	Nature of Considera tion	Nature of transaction	% of pre- Issue equity share capital*	% of post- Issue equity share capital*	Sources of funds
March 27, 1987	10	100.00	100.00	Cash	Subscription to the MOA	-	[●]	Own Funds
September 12, 1987	4,840	100.00	100.00	Cash	Preferential Allotment	0.26	[●]	Own Funds
December 13, 1991	2,425	100.00	100.00	Cash	Preferential Allotment	0.13	[●]	Own Funds
December 11, 1995	7,275	100.00	100.00	Other than Cash	Bonus Issue	0.39	[●]	NA
March 30, 1996	4,850	100.00	100.00	Cash	Preferential Allotment	0.26	[●]	Own Funds
November 28, 1997	16,975	100.00	100.00	Cash	Preferential Allotment	0.92	[●]	Own Funds
June 25, 1998	7,760	100.00	100.00	Cash	Preferential Allotment	0.42	[●]	Own Funds
December 25, 1999	4,365	100.00	100.00	Cash	Preferential Allotment	0.24	[●]	Own Funds
March 27, 2008	59,500	100.00	100.00	Cash	Preferential Allotment	3.23	[●]	Own Funds
<b>Total (Pre-sub division)</b>	<b>1,08,000</b>	100.00	-	-	-	-		
<i>At the Shareholders Meeting held on September 15, 2017 a resolution was passed for Sub-division of the face value of Equity Shares from ₹100 to ₹10.</i>								
<b>Total (Post-sub division)</b>	<b>10,80,000</b>	10.00	-	-	-			
September 26, 2017	32,40,000	10.00	10.00	Other than Cash	Bonus Issue	17.59	[●]	NA
September 26, 2017	27,30,000	10.00	10.00	Cash	Conversion of Unsecured Loans by Rights Issue	14.82	[●]	Own Funds
September 27, 2017	(85,500)	10.00	10.00	Cash	Transfer of Equity Shares	(0.46)	[●]	NA
December 15, 2017	(45,000)	10.00	10.00	Cash	Transfer of Equity Shares	(0.24)	[●]	NA
January 29, 2018	(60,000)	10.00	10.00	Cash	Transfer of Equity Shares	(0.33)	[●]	NA
February 8, 2018	(2,00,000)	10.00	10.00	Cash	Transfer of Equity Shares	(1.09)	[●]	NA
<b>Total</b>	<b>6,659,500</b>							

\*For calculating the pre and post issue shareholding percentage, number of equity shares has been considered after giving effect to sub-division of equity shares.

## ii) Sanjay Chowdhri HUF

Date of Allotment/ Acquisition/ Sale	Number of Equity Shares	Face Value per Equity Share ( ₹ )	Issue/ Acquisition/ Sale Price per Equity Share ( ₹ )	Nature of Consideration (Cash/ Other than Cash)	Nature of transaction	% of pre- Issue equity share capital*	% of post- Issue equity share capital*	Sources of funds
September 12, 1987	800	100.00	100.00	Cash	Preferential Allotment	0.04	[●]	Own Funds
December 13, 1991	400	100.00	100.00	Cash	Preferential Allotment	0.02	[●]	Own Funds
December 11, 1995	1,200	100.00	100.00	Other than Cash	Bonus Issue	0.07	[●]	NA
March 30, 1996	800	100.00	100.00	Cash	Preferential Allotment	0.04	[●]	Own Funds
November 28, 1997	2,800	100.00	100.00	Cash	Preferential Allotment	0.15	[●]	Own Funds
June 25, 1998	1,280	100.00	100.00	Cash	Preferential Allotment	0.07	[●]	Own Funds
December 25, 1999	720	100.00	100.00	Cash	Preferential Allotment	0.04	[●]	Own Funds
March 27, 2008	20,000	100.00	100.00	Cash	Preferential Allotment	1.09	[●]	Own Funds
<b>Total (Pre-sub division)</b>	<b>28,000</b>	100.00	-	-	-			
<i>At the Shareholders Meeting held on September 15, 2017 a resolution was passed for Sub-division of the face value of Equity Shares from ₹100 to ₹10.</i>								
<b>Total (Post-sub division)</b>	<b>280,000</b>	10.00	-	-	-			
September 18, 2017	7,50,000	10.00	10.00	Other than Cash	Conversion of Preference Shares to Equity Shares	4.07	[●]	NA
September 26, 2017	30,90,000	10.00	10.00	Other than Cash	Bonus Issue	16.78	[●]	NA
September 26, 2017	23,20,000	10.00	10.00	Cash	Conversion of Unsecured Loans by Rights Issue	12.60	[●]	Own Funds
<b>Total</b>	<b>64,40,000</b>					<b>34.96</b>		

\*For calculating the pre and post issue shareholding percentage, number of equity shares has been considered after giving effect to sub-division of equity shares.

## iii) Mrs. Lalita Chowdhri

Date of Allotment/ Acquisition/ Sale	Number of Equity Shares	Face Value per Equity Share ( ₹ )	Issue/ Acquisition/ Sale Price per Equity Share ( ₹ )	Nature of Consideratio n (Cash/ Other than Cash)	Nature of transaction	% of pre- Issue equity share capital*	% of post- Issue equity share capital*	Sources of funds
September 12, 1987	1,000	100.00	100.00	Cash	Preferential Allotment	0.05	[●]	Own Funds
December 13, 1991	500	100.00	100.00	Cash	Preferential Allotment	0.03	[●]	Own Funds
December 11, 1995	1,500	100.00	100.00	Other than Cash	Bonus Issue	0.08	[●]	NA
March 30, 1996	1,000	100.00	100.00	Cash	Preferential Allotment	0.05	[●]	Own Funds
November 28, 1997	3,500	100.00	100.00	Cash	Preferential Allotment	0.19	[●]	Own Funds
June 25, 1998	1,600	100.00	100.00	Cash	Preferential Allotment	0.09	[●]	Own Funds
December 25, 1999	900	100.00	100.00	Cash	Preferential Allotment	0.05	[●]	Own Funds
March 27, 2008	9,200 800**	100.00	100.00	Cash	Preferential Allotment	0.50 0.04	[●] -	Own Funds
<b>Total (Pre-sub division)</b>	<b>20,000</b>	100.00			-			
<i>At the Shareholders Meeting held on September 15, 2017 a resolution was passed for Sub-division of the face value of Equity Shares from ₹100 to ₹10.</i>								
<b>Total (Post-sub division)</b>	<b>2,00,000</b>	10.00		-	-			
September 18, 2017	1,50,000	10.00	10.00	Other than Cash	Conversion of Preference Shares to Equity Shares	0.81	[●]	NA
September 26, 2017	10,50,000	10.00	10.00	Other than Cash	Bonus Issue	5.70	[●]	NA
September 26, 2017	3,20,000	10.00	10.00	Cash	Conversion of Unsecured Loans by Rights Issue	1.74	[●]	Own Funds
<b>Total</b>	<b>17,20,000</b>							

\*For calculating the pre and post issue shareholding percentage, number of equity shares has been considered after giving effect to sub-division of equity shares.

\*\*Out of total holdings of Mrs. Lalita Chowdhri, shares aggregating to 8,000 Equity Shares are offered for sale through this Red Herring Prospectus.

All the Equity Shares held by our Promoters were fully paid-up as on the respective dates of acquisition of such Equity Shares. Our Promoters have confirmed to our Company and the BRLM that the Equity Shares held by our Promoters has been financed from their personal funds, as the case may be, and no loans or financial assistance from any bank or financial institution has been availed of by him for such purpose.

As on the date of this Red Herring Prospectus, none of the Equity Shares held by our Promoter is subject to any pledge. Our Company has not issued any preference shares to our Promoter as on the date of this Red Herring Prospectus.

**(b) Shareholding of our Promoters & Promoter Group**

The table below presents the shareholding of our Promoters and Promoter Group, who hold Equity Shares as on the date of filing of this Red Herring Prospectus:

Particulars	Pre-Issue		Post-Issue*	
	Number of Shares	Percentage (%) holding	Number of Shares	Percentage (%) holding
Mr. Sanjay Chowdhri	66,59,500	36.16	66,59,500	[●]
Sanjay Chowdhri HUF	64,40,000	34.96	64,40,000	[●]
Mrs. Lalita Chowdhri	17,20,000	9.34	17,12,000	[●]
Mr. Abhinav Chowdhri	7,50,000	4.07	7,50,000	[●]
Pranav Chowdhri	6,80,000	3.69	6,80,000	[●]
Ratan Chowdhri (HUF)	6,00,000	3.26	6,00,000	[●]
Ms. Sumitra Chowdhri	4,00,000	2.17	4,00,000	[●]
Mr. Ratan Chowdhri	3,60,000	1.95	3,60,000	[●]
Mrs. Tanvi Chowdhri	70,500	0.38	70,500	[●]
<b>Total</b>	<b>1,76,80,000</b>	<b>95.99</b>	<b>1,76,72,000</b>	

\*Assuming full subscription to the Issue.

Note: The Company undertakes that all Equity Shares held by our Promoters shall be in dematerialized form prior to the listing of Equity Shares.

**(c) Details of Promoters' Contribution Locked-in for three (3) 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 considered as the minimum Promoter's contribution and locked in for a period of three (3) years from the date of Allotment ("**Minimum Promoter's Contribution**"). All Equity Shares held by our Promoters are eligible for inclusion in the Minimum Promoter's Contribution, in terms of Regulation 33 of the SEBI (ICDR) Regulations.

Accordingly, Equity Shares aggregating to 20% of the post-Issue capital of our Company, held by our Promoters shall be locked-in for a period of three (3) years from the date of Allotment in the Issue. The details of lock in are as follows:

Details of Promoter's Contribution*							
Date on which the Equity Shares were Allotted/ Acquired/ when made fully paid up	Number of Equity Shares Locked in	Face Value (₹)	Issue Price (₹)	Consideration	Nature of Transaction	% of post-Issue share capital	Period of Lock-in
<b>Mr. Sanjay Chowdhri</b>							
[●]	[●]	[●]	[●]	[●]	[●]	[●]	3 years from the date of allotment under the Issue
<b>Sanjay Chowdhri HUF</b>							
[●]	[●]	[●]	[●]	[●]	[●]	[●]	3 years from the date of allotment under the Issue
<b>Mrs. Lalita Chowdhri</b>							
[●]	[●]	[●]	[●]	[●]	[●]	[●]	3 years from the date of allotment under the Issue
<b>Total</b>	[●]			[●]			

\*Details of Minimum Promoter's Contribution shall be determined after finalizing the basis of allotment.



For details on the build-up of the Equity Share capital held by our Promoters, please refer to "Build-up of our Promoter's shareholding in our Company" in section titled "Capital Structure" beginning on page 54 of this Red Herring Prospectus.

Our Promoters have given consent to include such number of Equity Shares held by him as may constitute 20% of the fully diluted post-Issue Equity Share capital of our Company as Minimum Promoter's Contribution. Our Promoters have agreed not to sell, transfer, charge, pledge or otherwise encumber in any manner the Minimum Promoter's Contribution from the date of filing this Red Herring Prospectus, until the expiry 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.

The minimum Promoter's Contribution has been brought in to the extent of not less than the specified minimum lot and from persons identified as "promoter" under the SEBI (ICDR) Regulations.

The Equity Shares that are being locked-in are not, and will not be, ineligible for computation of Minimum Promoter's Contribution under Regulation 33 of the SEBI (ICDR) Regulations. In this regard, we confirm that:

- (i) the Equity Shares offered as part of the Minimum Promoter's Contribution do not comprise Equity Shares acquired during the three (3) years preceding the date of this Red Herring Prospectus for consideration other than cash and where revaluation of assets or capitalisation of intangible assets was involved or bonus issue out of revaluations reserves or unrealised profits or against Equity Shares that are otherwise ineligible for computation of Minimum Promoters' Contribution;
- (ii) the Minimum Promoter's Contribution does not include Equity Shares acquired during the one (1) year preceding the date of this Red Herring 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 (1) year immediately preceding the date of this Red Herring Prospectus pursuant to conversion of a partnership firm; and
- (iv) the Equity Shares held by our Promoters and offered as part of the Minimum Promoter's Contribution are not subject to any pledge.

**(d) Details of Equity Shares Locked-in for One (1) Year**

In terms of Regulation 37 of the SEBI (ICDR) Regulations, the entire pre-Issue Equity Share capital will be locked-in for a period of one (1) year from the date of Allotment in the Issue, except (a) the Minimum Promoter's Contribution which shall be locked in as above.

**(e) Other requirements in respect of lock-in**

Pursuant to Regulation 39 of the SEBI (ICDR) Regulations, Equity Shares held by our Promoters and locked-in for one (1) year may be pledged only with scheduled commercial banks or public financial institutions as collateral security for loans granted by such banks or public financial institutions, provided that such pledge of the Equity Shares is one of the terms of the sanction of the loan. Equity Shares locked-in as Minimum Promoter's Contribution for three (3) years can be pledged only if in addition to fulfilling the aforementioned requirements, such loans have been granted by such banks or financial institutions for the purpose of financing one or more of the objects of the Issue.

In terms of Regulation 40 of the SEBI (ICDR) Regulations, Equity Shares held by our Promoters may be transferred between our Promoters and Promoter Group or a new promoter or persons in control of our Company, subject to continuation of lock-in applicable to the transferee for the remaining period and compliance with provisions of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended (the "**Takeover Regulations**").

Further, in terms of Regulation 40 of the SEBI (ICDR) Regulations, Equity Shares held by persons other than our Promoters prior to the Issue and locked-in for a period of one (1) year, may be transferred to any other person holding Equity Shares which are locked in along with the Equity Shares proposed to be transferred, subject to the continuation of the lock in applicable to the transferee and compliance with the provisions of the Takeover Regulations.



7. Shareholding Pattern of our Company

The table below presents the shareholding pattern of our Company as on the date of this Red Herring Prospectus.

(Face value of Equity Shares of ₹10 each)

Category (I)	Category of shareholder (II)	Nos. of shareholders (III)	No. of fully paid up equity shares held (IV)	No. of Partly paid-up equity shares held (V)	No. of shares underlying Depository Receipts (VI)	Total nos. shares held (VII) = (IV)+(V)+(VI)	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities (IX)			No. of Shares Underlying Outstanding convertible securities (including Warrants) (X)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI) = (VII)+(X) As a % of (A+B+C2)	Number of Locked in shares** (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form *** (XIV)
								Class Equity Shares	Class s eg:y	Tot al			No. (a)	As a % of total Shares held (b)	No. (a)	As a % of total Shares held (b)	
(A)	Promoter & Promoter Group	9	1,76,80,000	-	-	1,76,80,000	95.99	-	-	95.99	95.99	-	-	-	-	-	[●]
(B)	Public	16	7,39,000	-	-	7,39,000	4.01	-	-	4.01	4.01	-	-	-	-	-	[●]
(C)	Non-Promoter-Non Public	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C1)	Shares underlying DRs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C2)	Shares held by Employee Trusts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	<b>Total</b>	<b>25</b>	<b>1,84,19,000</b>	<b>-</b>	<b>-</b>	<b>1,84,19,000</b>	<b>100</b>	<b>100</b>	<b>-</b>	<b>100</b>	<b>100</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

\*\*All Pre-IPO Equity Shares of our Company will be locked in as mentioned above prior to Listing of Shares on NSE EMERGE

\*\*\*In terms of SEBI Listing Regulations, our Company shall ensure that the Equity Shares held by the Promoters / members of the Promoter Group shall be dematerialised prior to listing of Equity shares

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

8. The BRLM and their respective associates do not hold any Equity Shares as on the date of this Red Herring Prospectus.
9. The BRLM 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.
10. Except as mentioned below, none of the Directors hold Equity Shares in our Company as on the date of this Red Herring Prospectus:

Particulars	Pre-Issue		Post-Issue		
	Number of Shares	Percentage (%) holding	Number of Shares	Percentage (%) holding	
Mr. Sanjay Chowdhri	66,59,500	36.16%	66,59,500		[•]
Mrs. Lalita Chowdhri	17,20,000	9.34%	17,12,000		[•]
Mr. Abhinav Chowdhri	7,50,000	4.07%	7,50,000		[•]
<b>Total</b>	<b>91,29,500</b>	<b>49.57%</b>	<b>91,21,500</b>		<b>[•]</b>

11. Except as mentioned below, none of the Key Managerial Personnel hold Equity Shares in our Company as on the date of this Red Herring Prospectus:

Particulars	Pre-Issue		Post-Issue		
	Number of Shares	Percentage (%) holding	Number of Shares	Percentage (%) holding	
Mr. Pranav Chowdhri	6,80,000	3.69%	6,80,000		[•]

12. As on the date of this Red Herring Prospectus, our Company has twenty five (25) shareholders.

13. **Top Ten Shareholders of our Company**

- a. The top ten (10) shareholders of our Company as of the date of the filing of the Red Herring Prospectus and ten (10) days prior to filing with the Stock Exchange are as follows:

No.	Name of the Shareholder	Number of Equity Shares
1.	Mr. Sanjay Chowdhri	66,59,500
2.	Sanjay R Chowdhri HUF	64,40,000
3.	Mrs. Lalita Chowdhri	17,20,000
4.	Mr. Abhinav Chowdhri	7,50,000
5.	Mr. Pranav Chowdhri	6,80,000
6.	Ratan P Chowdhri HUF	6,00,000
7.	Ms. Sumitra Chowdhri	4,00,000
8.	Mr. Ratan Chowdhri	3,60,000
9.	Mr. Utsav Shrivastav	2,23,000
10.	Mr. Lalitkumar Agrawal	1,00,000
<b>Total</b>		<b>1,79,32,500</b>

b. The top eight (8) shareholders of our Company as of two (2) years prior to the filing of the Red Herring Prospectus with SEBI are as follows:

No.	Name of the Shareholder	Number of Equity Shares*	Number of Equity Shares (Post Subdivision)
1.	Mr. Sanjay Chowdhri	1,08,000	1,080,000
2.	Sanjay R Chowdhri HUF	28,000	280,000
3.	Mrs. Lalita Chowdhri	20,000	200,000
4.	Ms. Sumitra Chowdhri	10,000	100,000
5.	Mr. Abhinav Chowdhri	10,000	100,000
6.	Mr. Pranav Chowdhri	10,000	100,000
7.	Mr. Ratan Chowdhri	9,000	90,000
8.	Ratan P Chowdhri HUF	5,000	50,000
<b>Total</b>		<b>2,00,000</b>	<b>20,00,000</b>

\*Note- Face Value per share of the above shares, 2 years prior to filing of Offer Document (i.e. prior to subdivision) was ₹ 100 per Equity Share.

14. None of our Promoters, members of our Promoter Group or our Directors or their immediate relatives have sold or purchased, or financed the sale or purchase of, Equity Shares by any other person, other than in the normal course of business of the financing entity, during the six (6) months immediately preceding the date of this Red Herring Prospectus.
15. Our Company, our Promoters, members of our Promoter Group, our Directors and the BRLM have not entered into any buy-back and/or standby arrangements for the purchase of Equity Shares being offered through this Issue from any person.
16. No person connected with the Issue, including, but not limited to, our Company, the members of the Syndicate, our Directors, Promoters or the members of our Promoter Group, Promoter Selling Shareholder shall offer in any manner whatsoever any incentive, whether direct or indirect, in cash, in kind or in services or otherwise to any Bidder for making a Bid. Further, no payment, direct or indirect benefit in the nature of discount, commission and allowance or otherwise shall be offered or paid either by our Company or our Promoters to any person in connection with making an application for or receiving any Equity Shares pursuant to this Issue.
17. As on the date of this Red Herring Prospectus, there are no Equity Shares held by the members of our Promoter Group that are pledged.
18. The Equity Shares are fully paid-up and there are no partly paid-up Equity Shares as on the date of this Red Herring Prospectus.
19. There are no outstanding warrants, options or rights to convert debentures, loans or other convertible instruments into Equity Shares as on the date of this Red Herring Prospectus.
20. As on the date of this Red Herring Prospectus, our Company has not allotted any Equity Shares pursuant to any scheme approved under Sections 391 to 394 of the Companies Act, 1956 or Sections 230-234 of the Companies Act, 2013.
21. There will be no further issue of Equity Shares 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 filing of the Red Herring Prospectus with SEBI until the Equity Shares have been listed on the Stock Exchanges or all application monies have been refunded, as the case may be.
22. Our Company presently does not intend or propose to alter the capital structure for a period of six (6) months from the Bid/Issue Opening Date, by way of split or consolidation of the denomination of Equity Shares, or further issue of Equity Shares (including issue of securities convertible into or exchangeable for, directly or indirectly into Equity Shares), whether on a preferential basis or issue of bonus or rights or further public issue of Equity Shares or qualified institutions placement. However, if our Company enters into acquisitions, joint ventures or other arrangements, our Company may, subject to necessary approvals, consider raising additional capital to fund such activity through issue of further Equity Shares.
23. None of our Promoters or the members of our Promoter Group will participate in the Issue.

24. There shall be only one denomination of the Equity Shares, unless otherwise permitted by law. We shall comply with such disclosure and accounting norms as may be specified by SEBI from time to time.
25. There has been no financing arrangement whereby our Promoters, members of our Promoter Group, our Directors or their relatives have financed the purchase by any other person of securities of our Company other than in normal course of the business of the financing entity during the period of six (6) months immediately preceding the date of this Red Herring Prospectus.
26. Our Company shall ensure that any transactions in the Equity Shares by our Promoters and the Promoter Group during the period between the date of registering the Red Herring Prospectus filed in relation to this Issue with the RoC and the date of closure of the Issue shall be reported to the Stock Exchanges within twenty-five (25) hours of the transactions.
27. Our Company has not revalued its assets since incorporation.
28. A Bidder cannot make a Bid exceeding the number of Equity Shares offered through this Issue and subject to the investment limits or maximum number of Equity Shares that can be held by them under applicable law. For further information, please refer to section titled "Issue Procedure", beginning on page 216 of this Red Herring Prospectus.

**OBJECTS OF THE ISSUE**

The Offer comprises of the Fresh Issue of upto 65,76,000 Equity Shares and Offer for Sale by the Promoter Selling Shareholders of 8,000 Equity Shares of our Company at an Offer Price of ₹[●] per Equity Share.

Collectively, Offer for Sale & Fresh Issue of Equity Shares are referred to as the “Issue”/“Offer” which amounts to 65,84,000 Equity Shares.

**Offer for Sale**

The proceeds of the Offer for Sale shall be received by the Promoter Selling Shareholder only and our Company will receive proceeds from the fresh issue of equity shares. All expenses in relation to the Offer shall be borne by the Company as the promoter selling shareholder is only offering upto 8,000 shares so as to comply with the regulatory requirements of minimum lot size, pricing and minimum public shareholding.

**Fresh Issue**

Our Company proposes to utilize the proceeds from the issue towards funding the following objects and achieve the benefits of listing on the EMERGE platform of National Stock Exchange of India Limited.

The Objects of the Issue is to raise resources to:

- part finance the Working Capital requirements
- part repayment of High Cost Debt
- finance Capital expenditure for the following purpose:
  - (A) Acquisition of Plant & Machinery
  - (B) Up-gradation of existing technology
- meet General Corporate Expenses
- meet IPO Issue Expenses

Further we believe that the listing of our equity shares will benefit the Company by enhancing its visibility, corporate image, brand name and create public market for equity shares in India. The main object clause of our Memorandum of Association and objects incidental to the attainment of the main objects enables us to undertake the existing activities and the activities for which funds are being raised by us through this Issue.

The details of utilization of Proceeds are as per the table set forth below:

Expenditure Items	Amount (₹ In Lakhs)
Part finance the Working Capital requirements	700.00
Part repayment of High Cost Debt	[●]
Capital Expenditure	95.07
General Corporate Purpose	[●]
IPO Issue expenses	[●]
<b>Total</b>	<b>[●]</b>

**Means of Finance**

Source	Amount(₹ In Lakhs)
Proceeds from the Issue	[●]
Less: Issue Expense	[●]
<b>Total</b>	<b>[●]</b>

The requirements of the objects detailed above are intended to be funded from the Proceeds of the Issue and internal accruals. Accordingly, we confirm that there is no requirement for us to make firm arrangements of finance through verifiable means towards at least 75% of the stated means of finance, excluding the amount to be raised from the proposed Issue.

Our management, in response to the competitive and dynamic nature of the industry, will have the discretion to revise its business plan from time to time, and consequently, our funding requirement and deployment of funds may also change. In accordance with the policies of our Board, our management will have flexibility in utilizing the proceeds earmarked for general corporate purposes.

**Details of the objects of the issue:**
**1. To part finance the working capital requirement**

Our business is working capital intensive. Our working capital requirements are being financed from bank and financial institution and also internal accruals and other sources like unsecured loans from promoters.

As on March 31, 2016 and March, 2017 Our Company net working capital consisted of ₹1891.42 Lakhs and ₹ 2436.42 Lakhs respectively, based on the restated financial statements.

The details of our Company working capital requirement are based on restated financial statement as at March 2018 and as estimated for FY 2019 are as under:

Particulars	Amount (₹ in Lakhs)	
	March 2018 (Audited)	2018-2019 (estimated)
<b>Current Assets</b>		
Raw material	2620.63	1349.83
Consumables	12.01	13.21
Finished Goods	1095.07	1566.21
Work-in Progress (WIP)	4443.14	5220.70
Trade Receivables	5265.05	6842.88
Short term loans & advances		202.76
	162.67	
Other Current Assets	147.47	162.22
Fixed deposits – Margin	445.87	445.87
Cash and Cash Equivalents	52.10	91.80
<b>Total (A)</b>	<b>14244.02</b>	<b>15895.48</b>
<b>Current Liabilities</b>		
Trade Payables	5361.72	4997.80
Other Current Liabilities	849.57	598.77
Short Term Provisions	148.99	219.37
Short term Borrowing	5518.30	5500.00
<b>Total (B)</b>	<b>11878.57</b>	<b>11315.94</b>
<b>Net Working Capital (A)-(B)</b>	<b>2365.45</b>	<b>4579.54</b>
<b>Incremental working Capital</b>	-	<b>2214.09</b>
<b>Sources of Working Capital</b>		
- Internal Accruals/ Unsecured Loans from Promoters	-	1514.09
- IPO proceeds	-	700.00

The total working capital requirements for the FY ended March 2019 are expected to be ₹ 4579.54 lakhs. The incremental working capital requirement for the year ending March 31, 2019 will be ₹ 2214.09 lakhs which will be met through internal accruals and/or unsecured loans from promoters and the balance portion will be met through net proceeds from the IPO to the extent of 700 lakhs in the financial year 2018-19.

The Company has, in the preceding three years, made capital expenditure by way of addition of machines to increase capacity of production; this has led to an increase in the Working Capital requirement to complete work-orders and to achieve estimated and projected turnover.

Our Company has been sanctioned working capital facilities from Bank of India amounting to ₹5500 Lakhs. For further details please refer to chapter titled “Financial Indebtedness” on page 188 of this Red Herring Prospectus.

**Assumption for working capital requirements**
**(In Months)**

Particulars	Holding level as on March 31, 2018 (Audited)	Holding level as on March 31, 2019 (Estimated)
<b>Current Assets</b>		
Raw Material	2.22	1.05
Work-in Progress	3.67	3.29
Finished Goods	0.91	0.99
Trade Receivables	4.31	4.00
<b>Current Liabilities</b>		
Trade Payables	4.52	3.90

**Justification for “Holding Period” levels:**

The justifications for the holding levels mentioned in the table above are provided below:

<i>Assets- Current Assets</i>	
<b>Inventories</b>	<p>Holding Level of Inventories has been calculated based on cost of production which comprises to cost of material consumed, changes in inventory and purchase of stock-in trade.</p> <p><b>Raw Material:</b> Our major raw materials are Steel and Alloys. The raw material inventory holding level in F.Y. 2017-18 is 1.50 months (Approx. 65 days) which is projected to be 1.05 months in F.Y. 2018-19. The steel price has been steadily increasing since January 2018; hence in view of the same, the company has thought to stock up on its raw material inventory requirements at the prevailing prices.</p> <p><b>Work-In-Progress:</b> Holding level of work-in-progress is 3.67 months in FY 2017-18 and 3.29 months in FY 2018-19. The Company caters to Government, Semi-Government and Public Sector Undertakings in the field of defense, nuclear and aerospace, wherein, generally there are 3 layers of inspection from respective departments before dispatch of the final product. This inspection generally process takes 3 to 4 months which warrants the company to hold inventory as work in progress.</p> <p><b>Finished Goods:</b> The finished goods inventory holding level in F.Y. 2017-18 is 0.91 months and which is expected to Increase to 0.99 months in F.Y. 2018-19. The company holds inventory to 30 to 40 days every year which is in line with industry requirements/ standards.</p>
<b>Trade receivables</b>	Debtor holding period is 4.31 months in F.Y. 2017-18 which may decrease slightly to 4 months in FY 2018-19. Since the Company is dealing with public as well as private organizations, it takes 90-120 days to realize the debtors as per industry practice.
<i>Liabilities- Current Liabilities</i>	
<b>Trade Payables</b>	The credit period in F.Y. 2017-18 was 4.52 months and is expected decrease to 3.90 months during FY 2018-19.

The working capital projections as approved by the Board by the resolution dated May 7, 2018.



## 2. Repayment of high cost debt

We intend to utilize the issue Proceeds amount of ₹ [●] Lakhs for part repayment of high cost debt as per following table:

Financial Institution (Lender)	Sanctioned Amount (₹ in Lakhs)	Rate of Interest	Outstanding amount as on April 30, 2018 (₹ in Lakhs)	Purpose	Repayment of Issue Proceeds
Deutsche Bank	50.00	16.00%	37.51	Term loan	[●]
Edelweiss Retail Finance Ltd	35.10	18.50%	15.95	Term loan	[●]
Magma Fincorp limited	25.00	19.56%	8.70	Term loan	[●]
Shriram city union finance	25.00	20.00%	7.78	Term loan	[●]
Fullerton India Credit	19.32	19.50%	6.15	Term loan	[●]
HDB financial service	19.25	18.00%	10.89	Term loan	[●]
Jain Sons Finlease Ltd	150.00	18.25%	76.66	Term loan	[●]
HDFC Bank	19.50	16.00%	15.17	Business Loan	[●]
Bajaj Finserv	35.35	19.50%	16.22	Business Loan	[●]
Ganjam Trading Company Pvt. Ltd	300.00	18.00%	300.00	Unsecured Loan	[●]
M/s Puranik Builders	626.33	18.00%	626.33	Unsecured Loan	[●]
<b>Total</b>			<b>1121.36</b>		[●]

\*The details in the above table may vary depending on allocation for this object of the Issue

## 3. Capital Expenditure:

Our Company intends to utilise an amount of ₹ 95.07 lakhs for the funding of capital expenditure towards acquisition of Plant & Machinery of ₹ 65.07 Lakhs and towards up-gradation of technology at a cost of ₹ 30.00 lakhs proposed to be incurred by our Company that will result Increase in capacity of Plant and higher profitability. The details of the proposed capital expenditure are as below:

### (A) Acquisition of Plant & Machinery – ₹ 65.07 Lakhs

The detailed bifurcation of cost is as follows:

Sr. No.	Particulars	Quotation Price Including taxes	Supplier	Date of Quotation	Uses of Plant & Machinery	(₹ In Lakhs)
						Benefits
1.	Wet drawing Machine	5.8	M/s Kalipur Wire Industries, Navi Mumbai	21.05.2018	Fine wire drawing below 1mm	Manufacture of wires below 1mm thickness which is used mainly for ring traveller and needle application. This product will give us a new market segment and high added value and margins.
2.	Ammonia cracker Machine	4.25	M/s United Enterprises, Thane, Maharashtra	22.05.2018	This will be for generating hydrogen atmosphere for annealing which is required for	Better surface finish and appearance which is required in fine wires.

Supreme Engineering Limited

Sr. No.	Particulars	Quotation Price Including taxes	Supplier	Date of Quotation	Uses of Plant & Machinery	Benefits
					fine wires.	
3.	Solar Modules	13.51	M/s Waaree Energies Limited, Chembur, Mumbai	18.05.2018	Generating electricity	Cost reduction in electricity
4.	Testing machines (Universal testing Machine, Extensometer Broaching and Impact testing Machine)	10.76	Blue Star Engineering & Electronics Limited, Mumbai	21.05.2018	Testing machine	Setting up of In house testing facilities.
5.	A. Model M-1 Centre-less Grinder	10.00	M/s Quality Steel Processor, Navi Mumbai	25.01.2018	Bar Grinding	Fast grinding machines. These Machines Increases productivity and saves time.
	B Model M-1 Centre-less Grinder	15.00				
6.	Fume scrubber (including fabrication)	5.75	Omega Plast Industries, Thane	16.12.2017	Acid fume scrubbing	Pollution control.
	<b>Total</b>	<b>₹ 65.07 Lakhs</b>				

Note:

1. No second hand Machineries are proposed to be purchased out of the proceeds of the Issue.
2. The vendors of Machineries are not related to Promoters or Promoter Group Companies.

**(B) Up gradation of the existing technology – ₹30.00 Lakhs**

The Company needs equipment to upgrade technology of following existing Plant & Machinery (for lowering operational cost and increasing productivity.)

Our Company plans to upgrade the technology of its various plants for lowering operational cost and increasing productivity. The detailed bifurcation of cost is as follows:

(₹ in Lakhs)					
Sr. No.	Particulars	Price as per quotation	Date of Quotation	Supplier	Benefits
1.	GFM Long Forging Machine	23.32 (EUR 29,402.50 * ₹ 79.32) (Rate Conversion Date- 07.02.2018)	01.03.2017	M/s GFM Gmbh,4403, Steyr Ennser Strasse14, Austria	Upgrading the GFM by replacement of one hammer unit. The GFM is a heavily utilised machine and responsible for all the hot-working conducted in our plant. By the replacement of hammer unit, The factory will get higher productivity and better accuracy in our machine. It will also reduce the downtime. The up gradation involves purchase of hammer unit and commissioning by the engineer from GFM, Austria.
2.	Phosphating tank heating system	1.65	11.12.2017	M/s Neo Flame Engineers, Mumbai	Upgrading the heating system to an automatic cut off system for heating. Since we use gas burners and the temperature required is around 90 degrees. Lot of heat is wasted as the current burner doesn't switch off at the desired temp automatically. Automatic controlled system will allow it to cut off and reduce cost upto 25%
3.	ESR to make larger/longer ingots	1.36	19.08.2017	Inventys Research Company Pvt. Ltd., Bandra, Navi Mumbai	Upgrading the second ESR by increasing the capacity from 1 ton to 2 tons for a single piece. Nuclear power & Thermal power have many requirements where single pc weight of 2 tons is required; with the increase in capacity we will be able to serve these requirements in these critical sectors. The up gradation involves mechanical & electronic upgrades. The electronic upgrades includes change of PLC to accurately monitor melt rates
4.	Wire Drawing  1000 MM wire drawing Machine	1.92  1.75	21.05.2018  15.02.2018	M/s Kalipur Wire Industries, Navi Mumbai  M/s Laxmi Gears, Navi Mumbai	Upgrading change a single blocker drums to a two and three blocker drum. This will increase productivity by having a higher yield with the time and electricity consumption being the same. It will allow higher reduction in wire drawing with no changes in the running cost leading to jump in production capacity.
	<b>Total</b>	<b>30.00</b>			

## 5. IPO Issue Expenses

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

Activity Expense	Amount* (₹ in Lakhs)	Percentage of Total Estimated Issue Expenses*	Percentage of Issue Size*
Fees of the BRLM, underwriting commission, brokerage and selling commission (including commissions to SCSBs for ASBA Applications) and Commission payable to Registered Brokers	[●]	[●]	[●]
Processing fee to the SCSBs for processing Bid-cum-Application Forms procured by Syndicate/Sub Syndicate and submitted to SCSBs or procured by Registered Brokers	[●]	[●]	[●]
Advertising and marketing expenses, printing and stationery, distribution, postage etc.	[●]	[●]	[●]
Listing fees and other regulatory expenses	[●]	[●]	[●]
Fees to Registrar to the Issue, Legal advisors, Auditors, PR firm and other Advisors etc.	[●]	[●]	[●]
<b>Total estimated Issue expenses</b>	<b>[●]</b>	<b>[●]</b>	<b>[●]</b>

\*Will be disclosed in the Prospectus, i.e. post finalization of issue price.

## 6. General Corporate Purpose

Our management in accordance with the policy of our board will have flexibility in utilizing the proceeds earmarked for general corporate purpose. Subject to such utilization not exceeding 25% of the Issue Proceeds, in compliance with the SEBI Regulations. In accordance with the policies setup by our board, we have flexibility in applying the remaining proceeds after meeting issue expenses for general corporate purpose including but not restricted to, meeting operating expenses, strengthening of our business development and marketing capabilities, meeting exigencies which the Company in the ordinary course of business may not foresee or any other purpose as approved by our board of Directors, subject to compliance with the necessary provisions of the Companies Act.

### Schedule of Implementation & Deployment of Funds

Our Company proposes to deploy the issue proceeds immediately on completion of the IPO and the same is expected to be completed by FY 2018-19.

### Details of Funds already deployed till date and sources of funds deployed

The funds deployed up to May 15, 2018 pursuant to the object of this Issue from internal accruals, as certified by the Auditor of our Company, M/s. H L Saini & Co., Chartered Accountants on May 15, 2018 towards Issue related expenses amounts to ₹16.67 Lakhs.

### Appraisal

The fund requirements and deployment is based on internal management estimates and has not been appraised by any bank or financial institution

### Bridge Financing Facilities

We have not availed any bridge financing facilities for the meeting the expenses as stated under the Objects of the Issue.

**Interim Use of Funds**

Pending utilization of the Issue Proceeds for the Objects of the Issue described above, our Company shall deposit the funds only in Scheduled Commercial Banks included in the Second Schedule of Reserve Bank of India Act, 1934.

In accordance with Section 27 of the Companies Act, 2013, our Company confirms that, pending utilisation of the proceeds of the Issue as described above, it shall not use the funds from the Issue Proceeds for any investment in equity and/or real estate products and/or equity linked and/or real estate linked products.

**Monitoring of Utilization of Funds**

Since the Issue size does not exceed ₹10,000 Lakhs, the appointment of a monitoring agency as per Regulation 16 of the SEBI ICDR Regulations is not required. As required under the SEBI Listing Regulations, the Audit Committee appointed by our Board will monitor the utilisation of the Issue proceeds. We will disclose the utilisation of the proceeds of the Issue, including interim use, under a separate head in our quarterly/half yearly financial disclosures and annual audited financial statements until the Issue Proceeds remain unutilised, to the extent required under the applicable law and regulation. We will indicate investments, if any, of unutilised proceeds of the Issue in our Balance Sheet for the relevant Financial Years subsequent to listing of our Equity Shares on the EMERGE Platform of NSE.

Pursuant to SEBI Listing Regulations, 2015, our Company shall on a half yearly basis disclose to the Audit Committee the uses and applications of the proceeds of the Issue. On an annual basis, our Company shall prepare a statement of funds utilised for purposes other than those stated in the Red Herring Prospectus and place it before the Audit Committee. Such disclosure shall be made only until such time that all the proceeds of the Issue have been utilised in full. The statement shall be certified by the statutory auditors of our Company.

Our Company shall be required to inform material deviations in the utilisation of the proceeds of the Issue to the Stock Exchange(s) and shall also be required to simultaneously make the material deviations/adverse comments of the Audit committee/monitoring agency public through advertisement in newspapers.

No part of the Proceeds from the Issue will be paid by us as consideration to our Promoters, Promoter Group, our Directors, Group Companies or Key Managerial Personnel, except in the normal course of our business.

**Variation in objects**

In accordance with Section 13(8) and Section 27 of the Companies Act, 2013 and applicable rules, 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 through postal ballot. In addition, the notice issued to the Shareholders in relation to the passing of such special resolution (the "Postal Ballot Notice") shall specify the prescribed details as required under the Companies Act and applicable rules. The Postal Ballot Notice shall simultaneously be published in the newspapers, one in English, one in Hindi and one in Marathi, the vernacular language of the jurisdiction where the Registered Office is situated. Our Promoters or controlling Shareholders will be required to provide an exit opportunity to such Shareholders who do not agree to the proposal to vary the objects, at such price, and in such manner, as may be prescribed by SEBI, in this regard. Investor may note that the Promoter Selling Shareholder are not liable under Section 27 of the Companies Act or any other applicable law or regulation (including any direction or order by any regulatory authority, court or tribunal) for any variation of (i) terms of the contract referred to in this Red Herring Prospectus and /or (ii) Object of the Offer.

**Basic terms of the issue**

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

### BASIS FOR ISSUE PRICE

The Issue Price of ₹[●] per Equity Share will be determined by our Company in consultation with the BRLM on the basis of market demand for the Equity Shares through the Book Building Process and on the basis of the following qualitative and quantitative factors.

The face value of the Equity Shares of our Company is ₹ 10 each and the Issue Price is [●] times of the face value at the lower end of the Price Band and [●] times the face value at the higher end of the Price Band.

#### Qualitative Factors

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

- Experienced Promoter and proficient management team with low attrition rates
- Wide product range and customised product offering
- Long standing relationship with our customers
- Technological advantage
- Strong culture for research and development

For further details, refer to heading “Our Competitive Strengths” under section titled “Our Business” beginning on page 112 of this Red Herring Prospectus.

#### Quantitative Factors

The information presented below relating to the Company is based on the restated financial statements of the Company for the Financial Years 2018, 2017 and 2016 prepared in accordance with Indian GAAP. Some of the quantitative factors, which form the basis or computing the price, are as follows:

##### 1. Basic and Diluted Earnings per Share (EPS) as per Accounting Standard 20

Year Ended	Basic EPS ( ₹ )	Diluted EPS ( ₹ )	Weight
March 31, 2018	3.17	3.17	3.00
March 31, 2017	1.84	1.70	2.00
March 31, 2016	0.96	0.89	1.00
<b>Weighted Average</b>	<b>2.36</b>	<b>2.30</b>	

#### Notes:

1. Ratios have been calculated as below

$$\text{Basic Earnings Per Share After Bonus(EPS) ( ₹ )} = \frac{\text{Restated Profit after Tax available to equity Shareholders}}{\text{Weighted Average Number of Equity Shares at the end of the Year/Period after adjustment for issue of bonus shares}}$$

$$\text{Diluted Earnings Per Share After Bonus(EPS) ( ₹ )} = \frac{\text{Restated Profit after Tax available to equity Shareholders}}{\text{Weighted Average Number of Equity Shares at the end of the Year/Period adjusted for dilutive factor after adjustment for issue of bonus shares}}$$

2. Earnings per share calculations are in accordance with Accounting Standard 20 “Earnings per Share” prescribed by the Companies (Accounting Standard) Rules, 2006
3. Effects of the following actions in March 2018 have been taken into consideration while calculating EPS: Sub-division of face value of equity and preference share capital, conversion of preference share capital in to equity share capital and Bonus Issue.
4. The face value per equity share is ₹10.

**2. Price to Earnings (P/E) ratio in relation to Issue Price of ₹ [●] per Equity Share of ₹ 10 each fully paid up**

Particulars	P/E Ratio
P/E ratio based on Basic EPS for FY 2017-18	[●]
P/E ratio based on Diluted EPS for FY 2017-18	[●]
P/E ratio based on Weighted Average Basic EPS for FY 2017-18	[●]
P/E ratio based on Weighted Average Diluted EPS for FY 2017-18	[●]
<b>*Industry P/E</b>	
Highest	38.95
Lowest	20.08
Average	29.51

\* Industry comprises of Bharat Forge Limited and Mishra Dhatu Nigam Limited.

**3. Return on Net worth (RoNW)**

Return on Net Worth (RoNW) as per restated financial statements.

Year Ended	RONW (%)	Weight
March 31, 2018	16.03	3.00
March 31, 2017	12.85	2.00
March 31, 2016	7.70	1.00
<b>Weighted Average</b>	<b>13.58</b>	

Note: Return on Networth has been calculated as per the following formula:

$$RONW = \frac{\text{Net profit / loss after tax, as restated}}{\text{Networth excluding preference share capital and revaluation reserve}}$$

**4. Minimum Return on Total Net Worth Post Issue needed to maintain Pre-Issue Basic & Diluted EPS for the year ended March 31, 2018 (based on restated financials)**

Particulars	Amount (₹)
At Floor Price	[●]
At Cap Price	[●]

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

Particulars	Amount (in ₹)
Net Asset Value per Equity Share as of March 31, 2018	15.76
Net Asset Value per Equity Share after the Issue	[●]
Issue Price per equity share	[●]

Net Asset Value per Equity Share has been calculated as net worth divided by number of equity shares at the end of the year. Total no of shares taken to calculate the NAV is after taking into consideration Bonus

Note: Net Asset Value has been calculated as per the following formula:

$$NAV = \frac{\text{Net worth excluding preference share capital and revaluation reserve}}{\text{Outstanding number of Equity shares outstanding during the year / period}}$$

Issue Price per Equity Share will be determined on conclusion of the Book Building Process.

## 6. Comparison with industry peers

Particulars	Face Value (In ₹)	EPS (In ₹)		P/E Ratio	RONW (%)	NAV (In ₹)
		Basic	Diluted			
Supreme Engineering Limited	10.00	3.17	3.17	[●]	16.03	15.76
<b>Industry Peers</b>						
Mishra Dhatu Nigam Limited	10.00	7.01	7.01	20.08	16.64	42.12
Bharat Forge Limited	2.00	16.38	16.38	38.95	16.11	100.53

### Notes:

1. Considering the nature of business of the company, the peers are not strictly comparable. However, above companies have been included for broad comparison.
2. The figures for the Company are based on the financial results for the year ended March 31, 2018.
3. The figures for the industry peers are based on the consolidated financial results for the year ended March 31, 2018.
4. P/E ratio has been computed as the current market price of the companies sourced from the NSE website as on August 07, 2018 as divided by their respective EPS.
5. Networth for the companies has been computed as sum of issued, subscribed and paid-up share capital and reserved & surplus.
6. Net Asset Value is computed as Networth of the Companies as at March 31, 2018, divided by the closing outstanding number of fully paid-up equity shares as sourced from the shareholding pattern as on March 31, 2018 filed with the stock exchanges.
7. The Issue Price of Supreme Engineering Limited is ₹[●] per Equity Share has been determined by the company in consultation with the Book Running Lead Manager and is justified based on the above accounting ratios. Supreme Engineering Limited is a Book Built issue and price band for the same shall be published 5 working days before opening of the issue in English and Hindi National newspapers and one regional newspaper with wide circulation.

For further details, see section titled “Risk Factors” beginning on page 16 and the financials of the Company including profitability and return ratios, as set out in the section titled “Financial Statements” beginning on page 151 of this Red Herring Prospectus for a more informed view.



**STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS**

To  
The Board of Directors  
Supreme Engineering Limited  
R-223, MIDC Complex, Thane Belapur Road  
Rabale, Navi Mumbai 400701.

Dear Sirs,

Sub: Statement of possible special tax benefits (“the Statement”) available to Supreme Engineering 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, 2018 (i.e applicable to Financial Year 2018-19 relevant to Assessment Year 2019-20), 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 Red Herring Prospectus/ Red Herring 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 **R T Jain & Co. LLP**  
**Chartered Accountants**  
FRN - 103961W/ W100182

Sd/-  
(CA Bankim R Jain)  
**Partner**  
Membership No. – 139447

Mumbai, May 21, 2018



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

Outlined below are the possible benefits available to the Company and its shareholders under the current direct tax laws in India for the Financial Year 2018-19.

**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.

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**SECTION IV: ABOUT THE COMPANY AND THE INDUSTRY**


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**INDUSTRY OVERVIEW**

*The information in this section includes extracts from publicly available information, data and statistics and has been derived from various government publications and industry sources. Neither we nor any other person connected with the Issue have verified this information. The data may have been re-classified by us for the purposes of presentation. Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but that their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured and, accordingly, investment decisions should not be based on such information. You should read the entire Red Herring Prospectus, including the information contained in the sections titled “Risk Factors” and “Financial Statements” and related notes beginning on page 16 and 155 of this Red Herring Prospectus.*

Our Company falls under the Manufacturing Sector and further under the Steel Industry. The analysis of the Sector and Industry may be approached by analysing both, the domestic as well as the global markets. The broad view of our Industry shall consist of analysis of the Manufacturing Sector at the preface followed by the Steel Industry.

**BACKGROUND OF MANUFACTURING SECTOR**

World manufacturing production continued to grow in the fourth quarter of 2017, maintaining the upward trend that has been observed since the beginning of the year. Industrialized economies gained further strength in manufacturing production and confirmed their dynamic growth. Developing and emerging industrial economies achieved a much higher growth of manufacturing output than industrialized economies.

Industrialized economies account for most of the global industrial output. The increased growth pace in these countries has a positive impact on the global economy as a whole. Signs of recovery in the manufacturing sectors of industrialized economies are likely to boost the growth prospects in developing economies. The growth trend observed in the first half of 2017 was largely maintained in the second half of the year. Steady progress over several consecutive quarters contributed to sustained global industrial growth in subsequent periods

Improvements in business conditions, rising consumer spending and promising investment plans are some of the driving forces behind the positive developments in global manufacturing. On the other hand, risks to global growth arising from the uncertainty of the Brexit negotiations, changes in global trade arrangements or high geopolitical uncertainty have not yet dissipated.

Industrialized economies as a whole registered a relatively high growth rate of 3.5 per cent in the fourth quarter of 2017 compared to the same period of 2016. This was the highest growth performance of manufacturing output in a year-by-year comparison in the post-crisis period. The manufacturing output of developing and emerging industrial economies increased by 6.1 per cent in the fourth quarter of 2017 in comparison to the same period of the previous year.

*(Source: World Manufacturing Production, Statistics for Quarter IV, 2017, United Nations Industrial Development Organization, www.unido.org)*

**BACKGROUND OF STEEL INDUSTRY**

Steel is a product of large and technologically complex industry having strong forward and backward linkages in terms of material flows and income generation. It is also one of the most important products of the modern world and of strategic importance to any industrial nation. From construction, industrial machinery to consumer products, steel finds its way into a wide variety of applications. It is also an industry with diverse technologies based on the nature and extent of raw materials used. In India, steel has an output multiplier effect of nearly 1.4X on GDP and employment multiplier factor of 6.8X.

A vibrant Steel industry has historically been the foundation of a nation’s rapid Industrial Development. On account of rapid industrial development, from a small capacity of 22 MT in FY 1991-92 prior to deregulation, India has become the 3<sup>rd</sup> largest steel producer in the world with a production of 90 MT and a capacity of 122 MT in FY 2015-16. Today, the Indian steel industry contributes approximately 2% to the country’s GDP and employs about 5 lakh people directly and about 20 lakh people indirectly<sup>2</sup>. The National

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<sup>2</sup> As per the MECON Estimates

Steel Policy 2017 (NSP 2017) is an effort to steer the industry to achieve its full potential, enhance steel production with focus on high end value added steel while being globally competitive.

The National Steel Policy 2005 (NSP 2005) sought to indicate ways and means of consolidating the gains flowing out of the then economic order and charted out a road map for sustained and efficient growth of the Indian steel industry. However, the unfolded developments in India as also worldwide, both on the demand and supply sides of the steel market, have warranted a relook at the different elements of the NSP 2005.

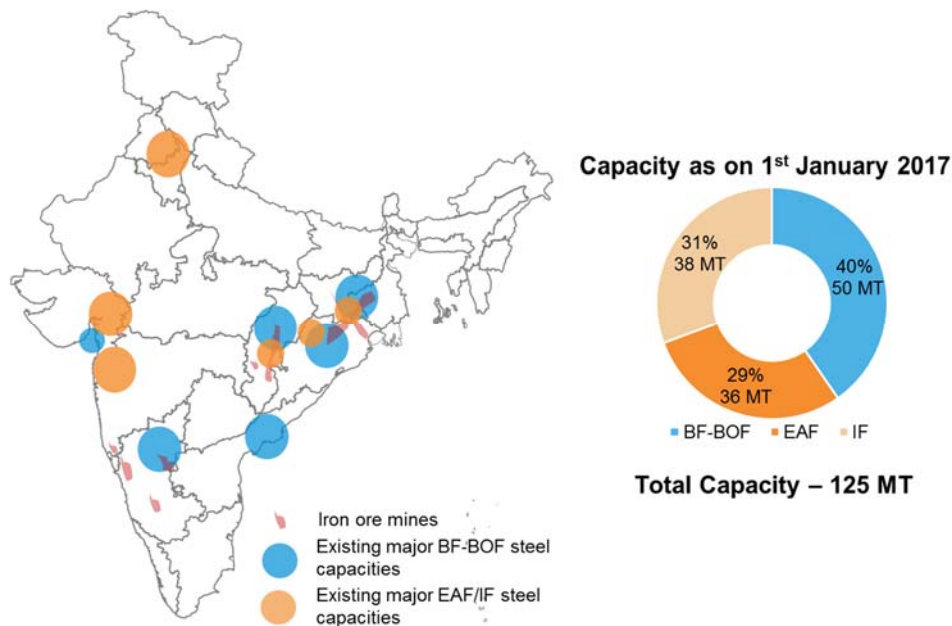
India's competitive advantage in steel production is driven, to a large extent, from the indigenous availability of high grade iron ore and non-coking coal – the two critical inputs of steel production. In addition, it also has a vast and rapidly growing market for steel, strong MSME sector and a relatively young work force with competitive labour costs.

Driven by the positive demand outlook and prevailing high prices of steel in the period post 2004, the Indian steel sector witnessed a wave of investments in the states of Odisha, Jharkhand, Karnataka and Chhattisgarh. Substantial new capacity was created and existing plants were modernized. A significant portion of these investments were funded by banks and other forms of borrowings.

India became the 3<sup>rd</sup> largest producer of steel in 2015 and is now well on track to emerge as the 2<sup>nd</sup> largest producer after China. There is significant potential for growth given the low per capita steel consumption of 61 Kg in India, as compared to world average of 208 Kg. Indian economy is rapidly growing with enormous focus on infrastructure and construction sector. Several initiatives mainly, affordable housing, expansion of railway networks, development of domestic shipbuilding industry, opening up of defence sector for private participation, and the anticipated growth in the automobile sector, are expected to create significant demand for steel in the country. Further, while the main focus of the industry is on the domestic market, being in close vicinity of the developed west and developing east, provides it a strategic location that augurs well for the industry seeking opportunities for exports of finished goods and imports of some scarcely available raw materials.

The Indian steel industry is structured in between three broad categories based on route wise production viz. BF-BOF, EAF and IF. BF-BOF route producers have large integrated steel making facilities which utilize iron ore and coking coal for production of steel. Unlike other large steel producers, the Indian steel industry is also characterized by the presence of a large number of small steel producers who utilize sponge iron, melting scrap and non-coking coal (EAF/IF route) for steelmaking. As on March 2016, there were 308 sponge iron producers that use iron ore/ pellets and non-coking coal/gas providing feedstock for steel production; 47 electric arc furnaces & 1128 induction furnaces that use sponge iron and/or melting scrap to produce semi-finished steel and 1392 re-rollers that rolls out semi finished steel into finished steel products for consumer end use.

**Figure 1: Current steel footprint in India**



(Source: Ministry of Steel, JPC)

Over the past two decades, the Indian steel industry has developed capabilities of producing a wide range of value added steel at par with global best practices addressing diverse needs of the end user industries. However, India still needs to make a special effort to domestically produce number of value added products like automotive steel for high end applications, electrical steel (CRGO), special steel and alloys for Power equipment, Aerospace, Defense and Nuclear applications.

However, the Indian steel sector is disadvantaged due to limited availability of some of the essential raw material such as high grade lumpy Manganese ore & Chromite, coking coal, steel grade limestone, refractory raw material, Nickel, Ferrous Scrap etc. Due to shortage of domestic coking coal, both in terms of quantity and quality, pig iron producers/ BF operators in India have to significantly depend on import of coking coal.

In the recent past, multiple issues have also adversely impacted the steel sector, viz. cancellations of iron ore and coal mine allocations, delays in land acquisition, environmental clearances, which led to many of the projects facing significant cost and time overruns. Additionally, companies also faced substantially increased operating costs on account of increased logistics & raw material costs and other charges.

Post 2011, global prices of steel began to decline, marking the beginning of a down turn in the global steel industry triggered by slowdown in global demand and over capacities in a number of countries including China. By July 2015, prices had fallen by 50% compared to January 2011 - their lowest in decades, as cheap imports flooded world steel markets. This significant structural asymmetry between demand and supply also affected large number of Indian companies leading to surge in imports resulting in weak pricing conditions, low profitability, lower capacity utilization and even closure of capacities in some cases.

In the new environment, the industry has to be steered with appropriate policy support to ensure that production of steel matches the anticipated pace of growth in consumption. Special emphasis is needed to ensure that the industry follows a sustainable path of development in respect of environmental friendliness, mineral conservation, quality of steel products, use of technology and indigenous R&D efforts to ensure that the country can, over time, reach global efficiency benchmarks to become a world leader in steel production technology, as well as in production of high end steel.

*(Source: National Steel Policy, 2017 & Ministry of Steel, JPC)*

## **GLOBAL ECONOMIC OVERVIEW**

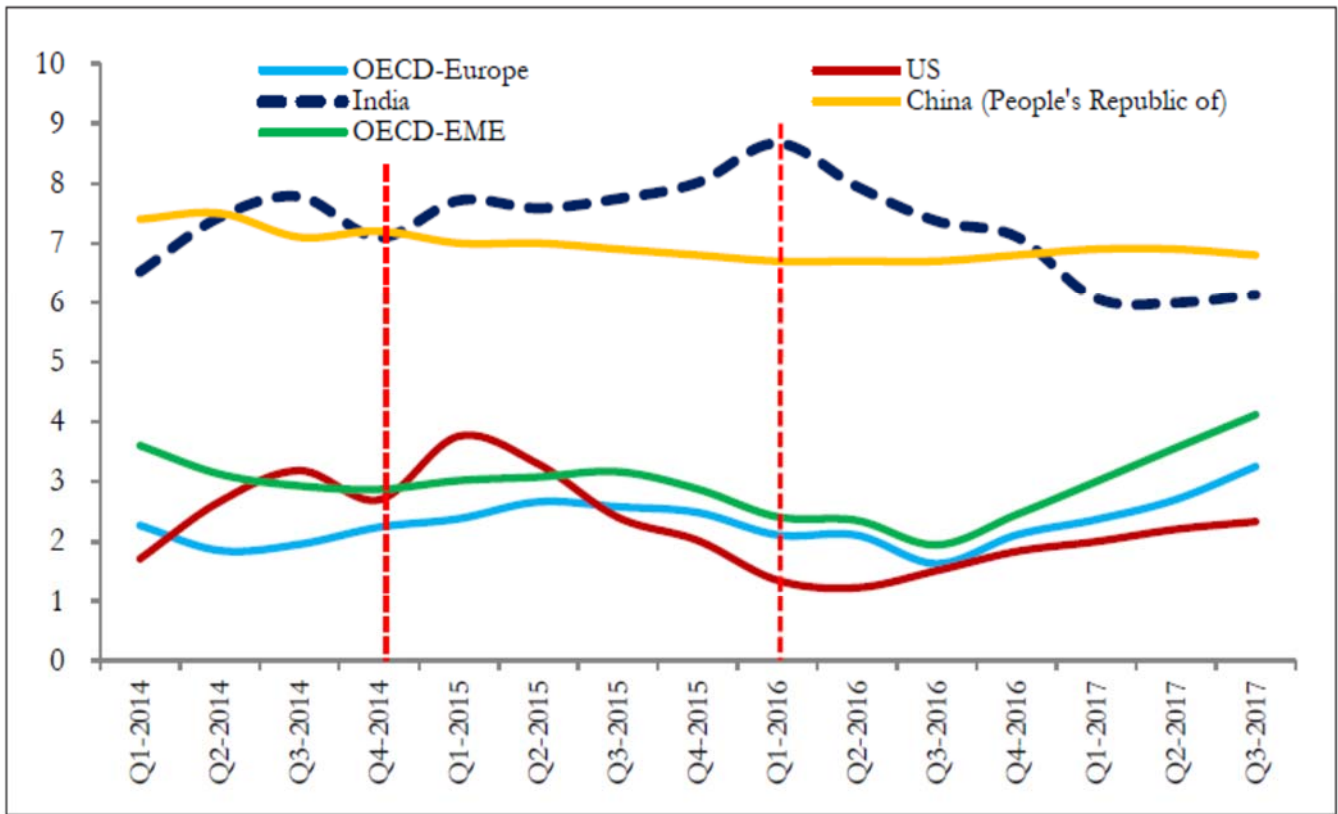
According to the International Monetary Fund (IMF), the global economy is experiencing a near-synchronous recovery, the most broad-based since 2010. In 2017, roughly three-quarters of countries experienced improvements in their growth rates, the highest share since 2010. The latest World Economic Outlook (WEO) of the IMF shows global GDP growth accelerated to around 3.6 percent in 2017 from 3.2 percent in 2016, and the forecast for 2018 has been upgraded by 0.2 percentage points to 3.9 percent. Although rebounding, global growth is still well below levels reached in the 2000s.

The global economy has been gathering pace and is expected to accelerate from 3.2 per cent in 2016 to 3.7 per cent in 2018. World trade volume growth is projected to increase from 2.4 per cent in 2016 to 4.2 per cent and 4.0 per cent respectively in 2017 and 2018. This can be expected to provide further boost to India's exports, which have already shown an acceleration in the current financial year.

There are signs of revival of investment activity in the economy and the recent pick up in the growth of fixed investment can be expected to maintain momentum in the coming year. The policy rates can be expected to remain fairly stable if the inflation rate does not deviate much from its current levels. This, along with the still favourable interest rate regime prevailing in the global markets could provide greater certainty to the investment climate. The reform measures undertaken in 2017-18 can be expected to strengthen further in 2018-19 and reinforce growth momentum. On the other hand, downside risk to higher growth emanate from higher crude oil prices, which (going by current indications) can be expected to increase by about 10-15 per cent over and above the likely average price of around US\$ 56-57 per barrel (for Indian basket) for 2017-18. Protectionist tendencies in some of the countries could have an impact on exports growth, while the possibility of tightening of monetary conditions in the developed countries could lead to lower capital inflows. This monetary tightening could also lead to the possibility of financial stress and therefore can be a downside risk. On balance, there is a strong possibility of growth in 2018-19 to be higher than what it is expected to be in 2017-18. Growth of GDP in 2018-19 could be in the range of 7.0 to 7.5 per cent.

India currently ranks 60th out of 127 on the Global Innovation Index (GII) 2017, improving from 66th rank in 2016. According to the Global Competitiveness Report 2017-18, India's capacity for innovation has been lower than that of many countries like the USA, the UK, South Korea, but it is better than that of China. However, in terms of patent applications per million population, India significantly lags behind other BRICS countries and in terms of company spending on R&D, India ranks marginally below China.

**India's Comparative Growth, 2014 Q1-2017 Q3**



Source: OECD, Survey calculations. Growth rate of seasonally adjusted real GDP.

(Source: Economic Survey 2017-18, [www.indiabudget.nic.in](http://www.indiabudget.nic.in))

**REVIEW OF MAJOR DEVELOPMENTS IN INDIAN ECONOMY**

**OVERVIEW: THE SHORT TERM**

The past year has been marked by some major reforms. The transformational Goods and Services Tax (GST) was launched in July 2017. With a policy change of such scale, scope, and complexity, the transition unsurprisingly encountered challenges of policy, law, and information technology systems, which especially affected the informal sector. Expeditious responses followed to rationalize and reduce rates, and simplify compliance burdens.

The new Indian Bankruptcy Code (IBC) was introduced which has provided a resolution framework that will help corporates clean up their balance sheets and reduce their debts. And in another critical move, the government announced a large recapitalization package (about 1.2 percent of GDP) to strengthen the balance sheets of the public sector banks (PSBs). As these twin reforms take hold, firms should finally be able to resume spending and banks to lend especially to the critical, but-currently-stressed sectors of infrastructure and manufacturing.

In the second half of the year, the economy witnessed robust signs of revival. Economic growth improved as the shocks began to fade, corrective actions were taken, and the synchronous global economic recovery boosted exports. Reflecting the cumulative actions to improve the business climate, India jumped 30 spots on the World Bank’s Ease of Doing Business rankings, while similar actions to liberalize the foreign direct investment (FDI) regime helped increase flows by 20 percent. And the cumulative policy record combined with brightening medium-term growth prospects received validation (as argued for in Box 1 of last year’s Economic Survey, Volume I) in the form of a sovereign ratings upgrade, the first in 14 years.

## OVERVIEW: THE MEDIUM TERM

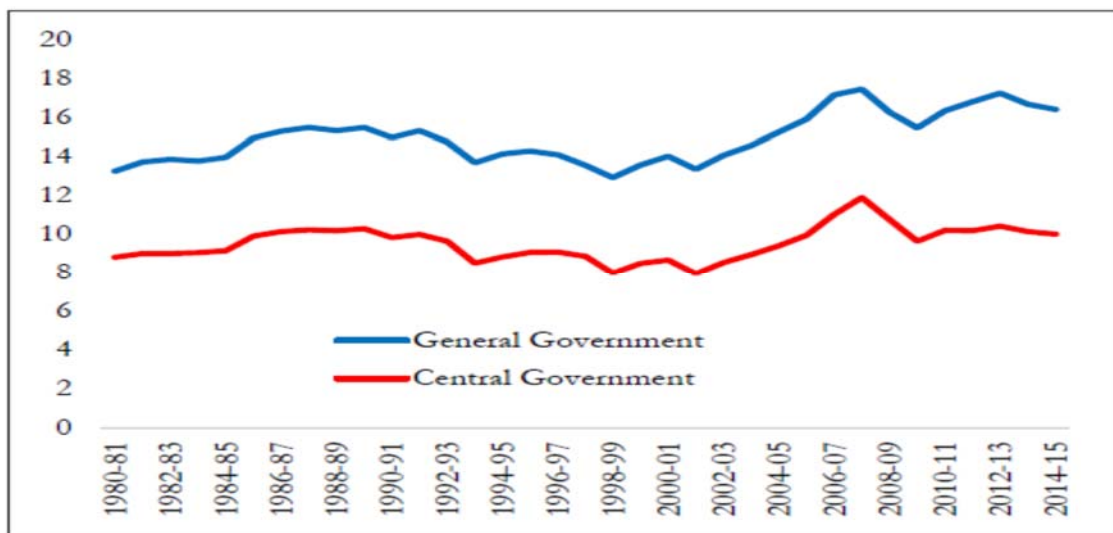
India has created one of the most effective institutional mechanisms for cooperative federalism, the GST Council. At a time when international events have been marked by a retreat into economic nativism and the attendant seizing of control, Indian states and the center have offered up a refreshing counter-narrative, voluntarily choosing to relinquish and then pool sovereignty for a larger collective cause.

The 2015-16 Survey highlighted in Chapter 2 that facilitating “exit” has been one of India’s most intractable challenges, evoking the generalization that over the last 50 years India had gone from “socialism with limited entry to marketism without exit.” The IBC resolution process could prove a valuable technology for tackling this long-standing problem in the Indian corporate sector. The recently proposed Financial Resolution and Deposit Insurance (FRDI) bill would do the same for financial firms.

A major plank of government policy has been to rationalize government resources, redirecting them away from subsidies towards public provision of essential private goods and services at low prices, especially to the poor. Government data suggests that progress has been made in providing bank accounts, cooking gas, housing, power, and toilets (amongst others), holding out the prospect that the lives of the poor and marginalized will improve in meaningful ways. The pace and magnitude of this improvement will depend upon the extent to which increased physical availability/provision is converted into greater actual use: toilet building into toilet use, bank accounts into financial inclusion, cooking gas connections into consistent gas offtake, and village electrification into extensive household connections.

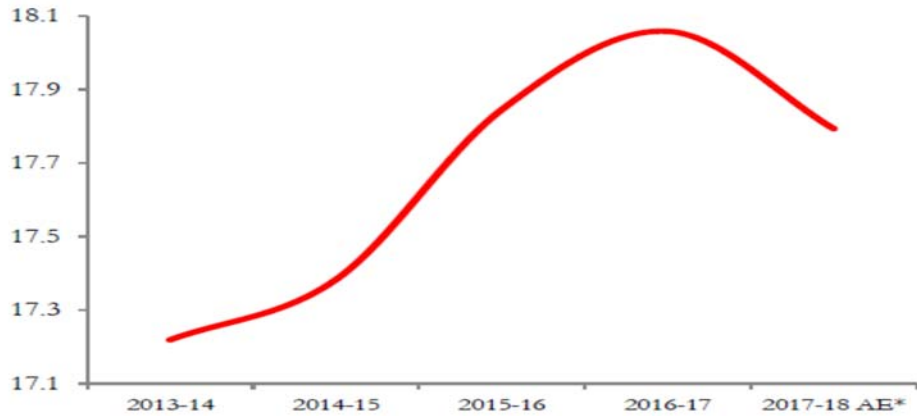
India has two underlying macroeconomic vulnerabilities, its fiscal and current accounts, both of which tend to deteriorate when oil prices rise. Overcoming the fiscal vulnerability requires breaking the inertia of the tax-GDP ratio. It is striking that the center’s tax-GDP ratio is no higher than it was in the 1980s, despite average economic growth of 6.5 percent, the most rapid in India’s history.(Figure 2) The GST could help break this fiscal stasis, with positive spillovers for macro-economic stability. Also, there is evidence of a noteworthy increase in the number of tax filers in the demonetization-GST period.

**Figure 2. Tax Revenue (in percent of GDP)**

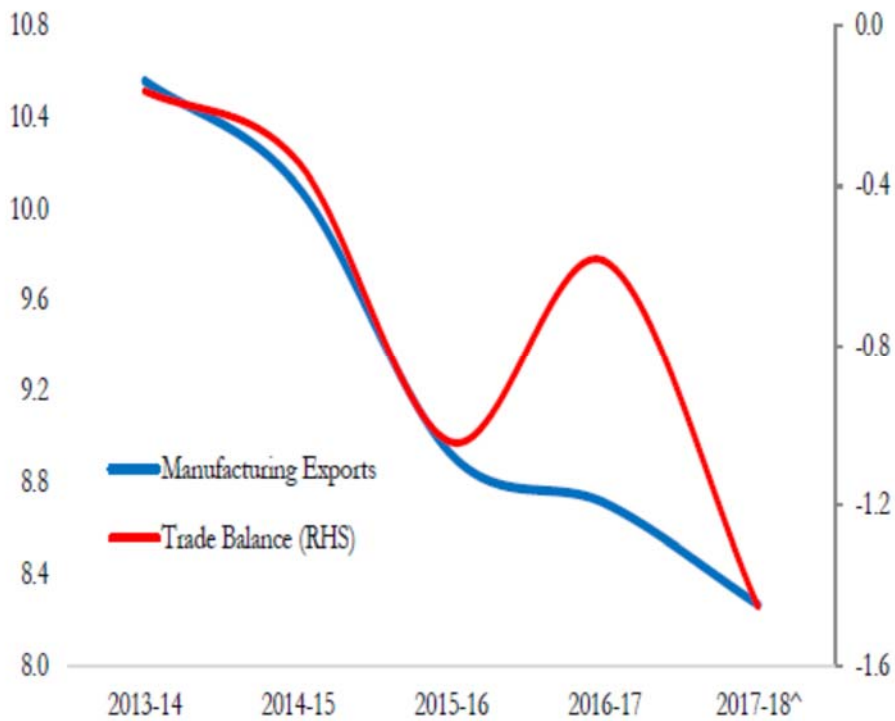


Reviving manufacturing and making the sector internationally competitive have been the twin goals of the Make in India program, underpinned by a strategy of reducing the costs of doing business. As a result, the share of manufacturing in GDP has improved slightly (Figure 4). However, the international competitiveness of manufacturing has not made great strides, reflected in the declining manufacturing export-GDP ratio and manufacturing trade balance (Figure 5).

**Figure 4. Manufacturing Gross Value Added (GVA) (in percentage of GDP)**



**Figure 5. Manufacturing Exports and Trade Balance (in percentage of GDP)**



(Source: DGCIS, Survey calculations)

\* AE – Advanced Estimates by CSO. Manufacturing exports exclude oil, gold and silver.

^The 2017-18 trade estimate annualizes April-November trade data, based on the average share of the first 8 months in the yearly total during the last three years.

### External Sector

For all the gloom pervading the world, these are the best of economic times for humanity and especially for those living in poorer countries. The global “bads” – war, violence, deprivation and poverty – are at unprecedentedly low levels (Pinker & Goldstein, 2016; Gates & Gates, 2014). Meanwhile, the global “goods” – standards of living, access to essential services, and material well-being more generally – have improved at a historically unprecedented pace to reach levels never witnessed in humanity’s history. This is particularly true of India, which has been one of the world’s most dynamic performers since 1980.



Economic convergence, the process of poorer countries “catching-up” with richer countries and closing gaps in standards of living, has been a big driver of some of these developments. Since the mid-1980s, the process of catch-up has broadened, as the number of poor countries growing faster than advanced economies has substantially increased. Furthermore, the rate of catch-up has also accelerated. In other words, there has been “convergence with a vengeance” (Subramanian, 2011).

The global economy has been gathering pace and is expected to accelerate from 3.2 per cent in 2016 to 3.7 per cent in 2018. World trade volume growth is projected to increase from 2.4 per cent in 2016 to 4.2 per cent and 4.0 per cent respectively in 2017 and 2018. Commodity prices (fuel and nonfuel) are also expected to grow in contrast to decline in the last few years. India’s external sector has continued to be resilient and strong in 2017-18 so far and the balance of payments (BoP) situation continued to be comfortable. Current account deficit (CAD) was 1.8 per cent of GDP, merchandise exports grew by 12 per cent, net services receipts grew by 14.6 per cent, net foreign investment grew by 17.4 per cent, and external debt indicators improved in H1 of 2017-18.

India’s foreign exchange reserves reached US\$ 409.4 billion on December 29, 2017, with a growth of 14.1 per cent on a YoY basis from end-December 2016 and growth of 10.7 per cent from end-March 2017. The foreign exchange reserves were US\$ 413.8 billion on 12th January 2018. The foreign exchange reserves in nominal terms (including the valuation effects) increased by US\$ 30.3 billion during H1 of 2017 as compared to an increase of US\$ 11.8 billion during the same period of preceding year. The import cover of India’s foreign exchange reserves increased to 11.1 months at end-September 2017.

During 2017-18 (up to December 2017), the rupee generally traded with an appreciating bias against the US dollar, barring intermittent depreciation in September and October 2017. The rupee strengthened by 2.5 per cent to a level of Rs. 64.24 per US dollar during December 2017 from the level of Rs. 65.88 per US dollar during March 2017 on the back of significant capital flows. The appreciating trend vis-à-vis US\$ has continued in January so far. During 2017-18 (April-December), on an average, the rupee has also appreciated against other major currencies besides the US dollar. The appreciation of the rupee (in real effective exchange rate (REER) terms) indicates that India’s exports may have become slightly less competitive.

In the last few years, the value of Rupee has been relatively stable vis-à-vis US\$. The rupee depreciated by much higher levels between 2011-12 and 2013-14 than between 2014-15 and 2016-17. Not only this, within year fluctuations have been much less.

The Government has taken many initiatives in the different services sector, which include digitization, e-visas, infrastructure status to Logistics, Start-up India, schemes for the housing sector, etc., which could give a further fillip to the services sector. The prospects look bright with good performance of sub sectors like Tourism, Aviation, and Telecom. The downward risk however lies in the external environment for software and business services.

### **Fiscal Position**

The fiscal deficit for the first eight months of 2017-18 reached 112 percent of the total for the year, far above the 89 percent norm (average of last 5 years), largely because of a shortfall in non-tax revenue, reflecting reduced dividends from government agencies and enterprises. Expenditure also progressed at a fast pace, reflecting the advancing of the budget cycle by a month which gave considerable leeway to the spending agencies to plan in advance and start implementation early in the financial year. Partially offsetting these trends will be disinvestment receipts which are likely to exceed budget targets.

Government measures to curb black money and encourage tax formalization, including demonetization and the GST, have increased personal income tax collections substantially (excluding the securities transactions tax). From about 2 percent of GDP between 2013-14 and 2015-16, they are likely to rise to 2.3 percent of GDP in 2017-18, a historic high. Precise estimates of the government’s contribution to this improvement vary depending on the methodology used. As a result of the budget overruns, the central government’s fiscal deficit until November 2017 was Rs. 6.1 lakh crore compared to the budgeted Rs. 5.5 lakh crore. In contrast, state governments seem to be hewing closely to their targeted fiscal consolidation in part because the center has guaranteed them a large increase in their indirect tax take, as part of the GST agreement.

Based on the firm footing provided by the discernible improvements in most fiscal indicators, viz. revenue buoyancy, expenditure quality, tax devolution and deficits, the Government, in partnership with the States, ushered in the long-awaited Goods and Service Tax (GST) with effect from July 2017. The GST was unveiled after comprehensive preparations and multi-stage consultations, yet the sheer magnitude of change meant that it needed to be carefully managed. The Government is navigating the change and challenges, including the possibility that a substantial portion of the last-month (March 2018) GST collections may spill over to the next financial year.

The growth in direct tax collections of the Centre kept pace with the previous year, with a growth of 13.7 per cent. The budgeted growth for indirect taxes for the full year 2017-18 is 7.6 per cent; the actual growth till November is 18.3 per cent. The eventual outcome in indirect taxes during this year will depend on the final settlement of GST accounts between the Centre and the States and the likelihood that only taxes for eleven months (excluding IGST on imports) will be realized. The States' share in taxes grew by about 25 per cent during 2017-18 (Apr-Nov), much higher than the growth in centre's net tax revenue at 12.6 per cent and of gross tax revenue at 16.5 per cent. The total expenditure of the Government increased by 14.9 per cent during 2017-18 (Apr-Nov), as compared to 12.6 per cent in the same period of the previous year. The revenue expenditure grew by 13.1 per cent and capital expenditure by 29.3 per cent during the first eight months of the current year. The advancing of the budget cycle and processes by almost a month gave considerable leeway to the spending agencies to plan in advance and start implementation early in the financial year, leading to progression of Central expenditure at a robust pace.

With the expected revenues from GST becoming increasingly clearer, the fiscal balance of the General Government vis-à-vis budget estimates will depend on the emerging patterns of revenue expenditure in the fourth quarter.

*(Source: Economic Survey 2017-18, www.indiabudget.nic.in)*

## **OUTLOOK FOR 2018-19**

Projecting India's growth for 2018-19 requires understanding what happened in 2017-18. The latter was unusual, especially when set against the international context. The outlook for 2018-19 will be determined by economic policy in the run-up to the next national election. If macro-economic stability is kept under control, the ongoing reforms are stabilized, and the world economy remains buoyant as today, growth could start recovering towards its medium term economic potential of at least 8 percent.

The acceleration of global growth should in principle provide a solid boost to export demand. Certainly, it has done so in the past, particularly in the mid-2000s when the booming global economy allowed India to increase its exports by more than 26 percent per annum. This time, the export response to world growth has been in line with the long-term average, but below the response in the mid-2000s. Perhaps it is only a matter of time until exports start to grow at a healthy rate. Remittances are already perking up, and may revive further due to higher oil prices.

Private investment seems poised to rebound, as many of the factors exerting a drag on growth over the past year finally ease off. Translating this potential into an actual investment rebound will depend on the resolution and recapitalization process. If this process moves ahead expeditiously, stressed firms will be put in the hands of stronger ownership, allowing them to resume spending. But if resolution is delayed, so too will the return of the private capex cycle. And if this occurs public investment will not be able to step into the breach, since it will be constrained by the need to maintain a modicum of fiscal consolidation to head off market anxieties.

There is likely to be reduction in real interest rates in 2018-19 compared to the 2017-18 average. At the same time, average oil prices are forecast by the IMF to be about 12 percent higher in 2018-19, which will crimp real incomes and spending—assuming the increase is passed on into higher prices, rather than absorbed by the budget through excise tax reductions or by the oil marketing companies.

Putting all these factors together, a pick-up in growth to between 7 and 7.5 percent in 2018-19 can be forecasted, re-instating India as the world's fastest growing major economy. This forecast is subject to upside potential and downside risks.

The biggest source of upside potential will be exports. If the relationship between India's exports and world growth returns to that in the boom phase, and if world growth in 2018 is as projected by the IMF, then that could add another ½ percentage point to growth.

Another key determinant of growth will be the implementation of the IBC process. Here timeliness in resolution and acceptance of the IBC solutions must be a priority to kick-start private investment. The greater the delays in the early cases, the greater the risk that uncertainty will soon shroud the entire IBC process. It is also possible that expeditious resolution may require the government to provide more resources to PSBs, especially if the haircuts required are greater than previously expected, the ongoing process of asset quality recognition uncovers more stressed assets, and if new accounting standards are implemented.

A key policy question will be the fiscal path for the coming year. Given the imperative of establishing credibility after this year, given the improved outlook for growth (and hence narrowing of the output gap), and given the resurgence of price pressures, fiscal policy should ideally have targeted a reasonable fiscal consolidation. However, setting overly ambitious targets for consolidation—especially in a pre-election year—based on optimistic forecasts that carry a high risk of not being realized will not garner credibility either. Pragmatically steering between these extremes would suggest the following: a modest consolidation that credibly signals a return to the path of gradual but steady fiscal deficit reductions.

Against this overall economic and political background, economic management will be challenging in the coming year. If the obvious pitfalls (such as fiscal expansion) are avoided and the looming risks are averted that would be no mean achievement.

### **Fiscal outlook**

Based on the firm footing provided by the discernible improvements in most fiscal indicators, viz. revenue buoyancy, expenditure quality, tax devolution and deficits, the Government, in partnership with the States, ushered in the long-awaited Goods and Service Tax (GST) with effect from July 2017. The GST was unveiled after comprehensive preparations and multi-stage consultations, yet the sheer magnitude of change meant that it needed to be carefully managed. The Government is navigating the change and challenges, including the possibility that a substantial portion of the last-month (March 2018) GST collections may spill over to the next financial year.

The total expenditure of the Government increased by 14.9 per cent during 2017-18 (Apr-Nov), as compared to 12.6 per cent in the same period of the previous year. The revenue expenditure grew by 13.1 per cent and capital expenditure by 29.3 per cent during the first eight months of the current year. The advancing of the budget cycle and processes by almost a month gave considerable leeway to the spending agencies to plan in advance and start implementation early in the financial year, leading to progression of Central expenditure at a robust pace. This coupled with front-loading of some expenditure and increased interest outgo, exerted pressure on fiscal deficit which stood at 112 per cent of budget estimates by November 2017. This growth will to an extent, normalize as the year progresses

Key policy question will be the fiscal path for the coming year. Given the imperative of establishing credibility after this year, given the improved outlook for growth (and hence narrowing of the output gap), and given the resurgence of price pressures, fiscal policy should ideally have targeted a reasonable fiscal consolidation. However, setting overly ambitious targets for consolidation—especially in a pre-election year—based on optimistic forecasts that carry a high risk of not being realized will not garner credibility either. Pragmatically steering between these extremes would suggest the following: a modest consolidation that credibly signals a return to the path of gradual but steady fiscal deficit reductions.

Against this overall economic and political background, economic management will be challenging in the coming year. If the obvious pitfalls (such as fiscal expansion) are avoided and the looming risks are averted that would be no mean achievement.

Persistently high oil prices (at current levels) remain a key risk. They would affect inflation, the current account, the fiscal position and growth, and force macroeconomic policies to be tighter than otherwise.

With the expected revenues from GST becoming increasingly clearer, the fiscal balance of the General Government vis-à-vis budget estimates will depend on the emerging patterns of revenue expenditure in the fourth quarter

*(Source: Economic Survey 2017-18, [www.indiabudget.nic.in](http://www.indiabudget.nic.in))*

**The macroeconomic policy stance for 2018-19**

Macroeconomic developments this year have been marked by swings. In the first half, India’s economy temporarily “decoupled,” decelerating as the rest of the world accelerated – even as it remained the second-best performer amongst major countries, with strong macroeconomic fundamentals. The reason lay in the series of actions and developments that buffeted the economy: demonetization, teething difficulties in the new GST, high and rising real interest rates, an intensifying overhang from the TBS challenge, and sharp falls in certain food prices that impacted agricultural incomes

In the second half of the year, the economy witnessed robust signs of revival. Economic growth improved as the shocks began to fade, corrective actions were taken, and the synchronous global economic recovery boosted exports. Reflecting the cumulative actions to improve the business climate, India jumped 30 spots on the World Bank’s Ease of Doing Business rankings, while similar actions to liberalize the foreign direct investment (FDI) regime helped increase flows by 20 percent. And the cumulative policy record combined with brightening medium-term growth prospects received validation in the form of a sovereign ratings upgrade, the first in 14 years.

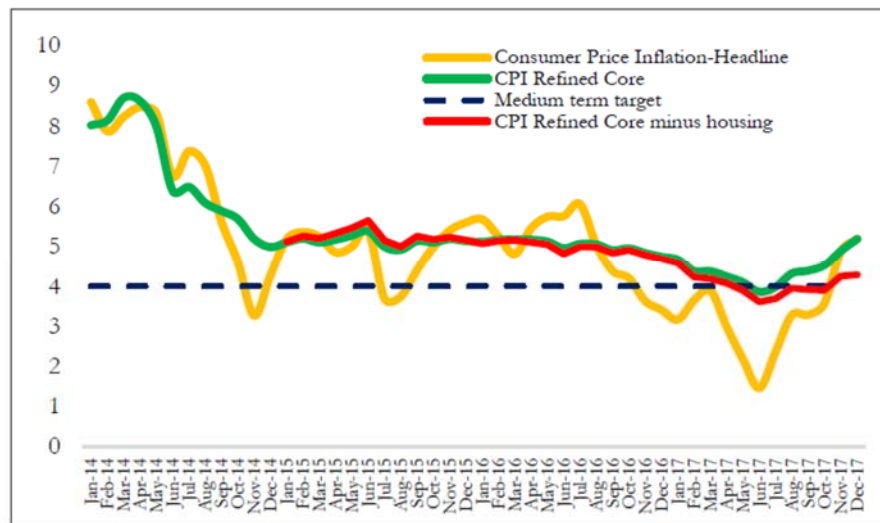
These solid improvements were tinged with anxieties relating to macro-economic stability. Fiscal deficits, the current account, and inflation were all higher than expected, albeit not threateningly so, reflecting in part higher international oil prices—India’s historic macroeconomic vulnerability.

Recent macroeconomic developments are a reminder that the battle for macro-economic stability is never won, that even major victories (such as those post-2014) are always provisional, and that vigilance is always needed. India has two underlying macroeconomic vulnerabilities, its fiscal and current accounts, both of which tend to deteriorate when oil prices rise.

After 13 months of continuously undershooting the inflation target by an average of 130 basis points, headline inflation for the first time crossed the RBI’s 4 percent target in November, posting a rate of 5.2 percent in December 2017 (Figure 24). The recent upswing in inflation stems from rising global oil prices (not all of which has been passed on to consumers), unseasonal increases in the prices of fruits and vegetables, and the 7th Pay Commission housing rent allowances, which mechanically increase inflation. Stripped of all these factors, underlying inflation has been increasing at a more modest pace, reaching 4.3 percent at end-December—in part because firms are passing the incidence of GST on to final consumers only gradually.

The current account deficit has also widened in 2017-18 and is expected to average about 1.5-2 percent of GDP for the year as a whole. The current account deficit can be split into a manufacturing trade deficit, an oil and gold deficit, a services deficit, and a remittances deficit (Figure 25). In the first half of 2017-18, the oil and gold balance has improved (smaller deficit of \$47 billion) but this has been offset by a higher trade deficit (\$18 billion) and a reduced services surplus (\$37 billion), the latter two reflecting a deterioration in the economy’s competitiveness.

**Figure 24. Inflation: CPI and Variants\***  
(percent, year-on-year)



Source: MoSPI, Survey calculations.

\*CPI Refined Core is obtained by stripping out the volatile food and fuel components.

Despite these developments, the overall external position remains solid. The current account deficit is well below the 3 percent of GDP threshold beyond which vulnerability emerges. Meanwhile, foreign exchange reserves have reached a record level of about \$432 billion (spot and forward) at end-December 2017, well above prudent norms.

If macroeconomic stability is kept under control, the ongoing reforms are stabilized, and the world economy remains buoyant as today, growth could start recovering towards its medium term economic potential of at least 8 percent.

Persistently high oil prices (at current levels) remain a key risk. They would affect inflation, the current account, the fiscal position and growth, and force macroeconomic policies to be tighter than otherwise.

One eventuality to guard against is a classic emerging market “sudden stall” induced by sharp corrections to elevated stock prices. (Box 9 suggests that India’s stock price surge is different from that in other countries but does not warrant sanguine-ness about its sustainability.) Savers, already smarting from reduced opportunities in the wake of demonetization, from depressed gold prices, and from lower nominal interest rates, would feel aggrieved, leading to calls for action. Stock price corrections could also trigger capital outflows, especially if monetary policy unwinds less hesitantly in advanced countries and if oil prices remain high. Policy might then have to respond with higher interest rates, which could choke off the nascent recovery. The classic emerging market dilemma of reconciling the trade-off between macro-stability and growth could then play itself out.

(Source: Economic Survey 2017-18, [www.indiabudget.nic.in](http://www.indiabudget.nic.in))

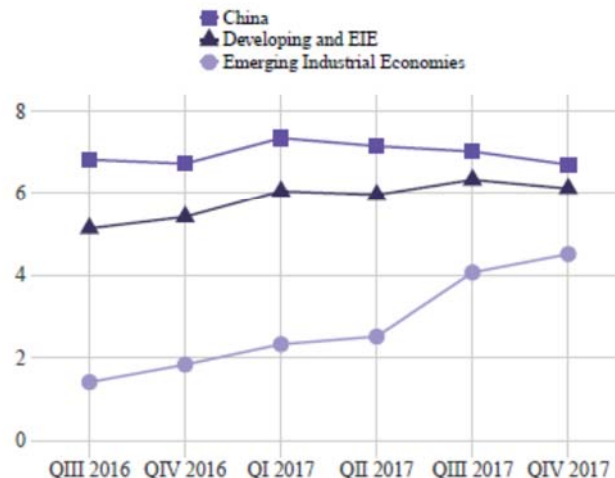
**GLOBAL MANUFACTURING SECTOR**

**Manufacturing sector growth in Developing and emerging industrial economies**

Global manufacturing output rose by 4.7 per cent in the fourth quarter of 2017 compared to the same quarter of the previous year. This impressive gain was attributable to strong growth since the beginning of the year. The disaggregated data highlight the thriving performance of major industrialized economies with a significant share in global manufacturing output, particularly the United States, Japan, Germany, Italy as well as France.

In the fourth quarter of 2017, overall manufacturing growth in developing and emerging industrial regions remained strong at 6.1 percent (Figure 3). Latin America continued to recover from its downturn in 2016. Brazil’s manufacturing sector, which suffered considerable losses a year ago, largely recovered during 2017. In the last quarter of 2017, Brazil’s manufacturing output rose by 6.5 per cent. Impressive growth was also observed in Argentina and Mexico, however, negative growth prevailed in Ecuador, Peru, Uruguay and Colombia. Manufacturing growth was largely stable and high in Asian economies.

Figure 3: Growth of manufacturing output of developing economies in % to the same quarter of the previous year



Due to continued investment in advanced manufacturing sectors, manufacturing growth in China remained high at 6.7 per cent. The overall growth of manufacturing output in Asia and the Pacific region was recorded at a rate of 6.5 per cent. Manufacturing output rose by 13.4 per cent in Mongolia and 4.3 per cent in Indonesia. Similarly, Sri Lanka and Pakistan achieved 4.1 per cent and 2.4 per cent growth in manufacturing output, respectively.

India's manufacturing output rose by 4.7 per cent, indicating a clear recovery of the sector after the sluggish growth in several previous quarters. Growth estimates based on limited data for African countries indicated a rise in manufacturing output in several countries. The manufacturing output of South Africa, the largest economy of Africa, rose by 2.0 per cent. A similarly positive growth rate was observed in Cote d'Ivoire, Egypt, Morocco and Senegal. The manufacturing production of Nigeria dropped to 2.1 per cent.

Eastern European developing countries maintained the stable growth of manufacturing output. A strong growth rate of 13.1 per cent was recorded in Cyprus, 12.9 per cent in Romania and 12.2 per cent in Moldova, attributable in particular to high growth rates in the production of electrical equipment in those countries. Looking at the other countries in the region, the manufacturing sector also expanded by over 7 per cent in Turkey, Bosnia and Herzegovina, Belarus and Latvia.

### **Manufacturing sector growth in Industrialized economies**

The manufacturing output of industrialized economies has maintained strong growth rates over the last quarters. All industrialized regions, namely East Asia, Europe and North America, recorded positive growth rates and helped strengthen the overall upward trend in industrialized economies in the fourth quarter.

Among the industrialized country group, Europe's manufacturing showed a strong growth rate of 4.9 per cent in the fourth quarter of 2017 compared to the same period of the previous year. It experienced the strongest growth in the last six years. An investment-led domestic up-turn and rising consumer confidence further supported the expansion of demand and accelerated production in European economies. The growth rate in the eurozone countries followed the same trend as overall Europe.

The disaggregated data indicated strong growth in the last quarter of 2017, when year-by-year growth figures are compared among the leading eurozone economies. Manufacturing output increased by 5.5 per cent in Germany, 5.0 per cent in France and Spain, and 4.3 per cent in Italy. The manufacturing production in other economies of the single currency block continued to witness positive growth figures. Strong growth of over 11.5 per cent was recorded by Slovenia followed by Lithuania with 10.1 per cent, while a fairly robust rate was observed by Estonia (6.3 per cent), Austria (4.9 per cent), the Netherlands (4.9 per cent), Portugal (4.7 per cent) and Finland (4.3 per cent).

The manufacturing output of the United Kingdom rose by 3.4 per cent with notable support from the manufacturing of other transport equipment. High growth was also observed in Czechia at 7.1 per cent and Sweden at 6.8 per cent. With the exception of Malta and Denmark, all European economies experienced an upward trend of their manufacturing output on a year-by-year basis.

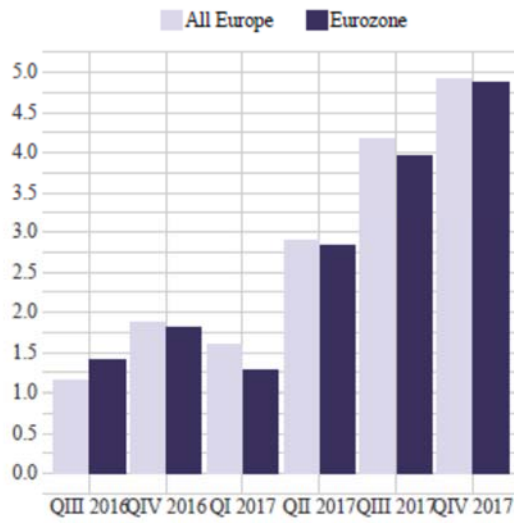
A closer look at individual countries beyond the eurozone showed that the Swiss manufacturing sector witnessed an ongoing upward trend and expanded sharply by 9.2 per cent compared to the same period of the previous year. The growth of manufacturing output in Switzerland was driven primarily by the positive quarter-by-quarter results of the manufacturing of computer, electronic and optical products. The Russian manufacturing sector dropped by 1.0 per cent in the fourth quarter, partly due to the high base of the same period in 2016, largely affected by continued weak domestic demand.

Overall manufacturing production in North America grew by 2.6 per cent compared to the same period of the previous year. The weaker dollar boosted exports from the United States which had a positive impact on manufacturing output growth. Manufacturing output in the U.S. rose by 2.5 per cent in the fourth quarter in 2017. Improved performance was also observed in Canada where manufacturing production expanded by 4.1 per cent compared to the same period of the previous year.

Manufacturing output in East Asia expanded by 3.2 per cent. Japan's manufacturing output grew for a fourth straight quarter in 2017, driven by strong trade demand and a pickup in capital expenditure which underscored a steady export-led recovery. The gain was boosted by rapid growth rates of the manufacturing of machinery and equipment and other transport equipment.

Manufacturing production in the Republic of Korea, which had achieved positive growth rates in previous quarters, shrank by 1.6 per cent in the fourth quarter due to a downturn in investments and exports. Among other East Asian countries, a strong growth of manufacturing output of 5.6 per cent was recorded in Singapore, followed by Malaysia with 4.7 per cent.

Figure 2: Growth rates of manufacturing output in Europe, in % to the same period of the previous year



(Source: World Manufacturing Production, Statistics for Quarter IV, 2017, United Nations Industrial Development Organization, [www.unido.org](http://www.unido.org))

## MANUFACTURING SECTOR IN INDIA

### Introduction

Manufacturing has emerged as one of the high growth sectors in India. Prime Minister of India, Mr. Narendra Modi, had launched the Make in India program to place India on the world map as a manufacturing hub and give global recognition to the Indian economy. India is expected to become the fifth largest manufacturing country in the world by the end of year 2020\*. The Gross Value Added (GVA) at basic constant (2011-12) prices from the manufacturing sector in India grew 7.9 per cent year-on-year in 2016-17, as per the 2nd provisional estimate of annual national income published by the Government of India. Under the Make in India initiative, the Government of India aims to increase the share of the manufacturing sector to the gross domestic product (GDP) to 25 per cent by 2022, from 16 per cent, and to create 100 million new jobs by 2022. Business conditions in the Indian manufacturing sector continue to remain positive.

### Investments

With the help of Make in India drive, India is on the path of becoming the hub for hi-tech manufacturing as global giants such as GE, Siemens, HTC, Toshiba, and Boeing have either set up or are in process of setting up manufacturing plants in India, attracted by India's market of more than a billion consumers and increasing purchasing power. Cumulative Foreign Direct Investment (FDI) in India's manufacturing sector reached US\$ 70.51 billion by June 2017.

### Government Initiatives

In a bid to push the 'Make in India' initiative to the global level, Mr Narendra Modi, Prime Minister of India, pitched India as a manufacturing destination at the World International Fair in Germany's Hannover in 2015. Mr Modi showcased India as a business friendly destination to attract foreign businesses to invest and manufacture in the country.

The Government of India has taken several initiatives to promote a healthy environment for the growth of manufacturing sector in the country. Some of the notable initiatives and developments are:

- The Government of India has introduced several policy measures in the Union Budget 2017- 18 to provide impetus to the manufacturing sector. Some of which include reduction of income tax rate to 25 per cent for MSME companies having turnover up to ₹50 crore (US\$ 7.5 million), MAT credit carry forward extended to 15 years from 10 years and abolishment of Foreign Investment Promotion Board (FIPB) by 2017-18.

- The Government of India has launched a phased manufacturing programme (PMP) aimed at adding more smartphone components under the Make in India initiative thereby giving a push to the domestic manufacturing of mobile handsets.
- The Government of India is in talks with stakeholders to further ease foreign direct investment (FDI) in defence under the automatic route to 51 per cent from the current 49 per cent, in order to give a boost to the Make in India initiative and to generate employment.
- The Ministry of Heavy Industries and Public Enterprises, Government of India, has approved the setting up of four Centres of Excellence (CoE) in areas of textile machinery, machine tools, welding technology and smart pumps, which will help raise the technology depth of the Indian Capital Goods Industry.
- The Ministry of Defence, Government of India, approved the —Strategic Partnership model which will enable private companies to tie up with foreign players for manufacturing submarines, fighter jets, helicopters and armoured vehicles.
- The Union Cabinet has approved the Modified Special Incentive Package Scheme (M-SIPS) in which, proposals will be accepted till December 2018 or up to an incentive commitment limit of ₹10,000 crore (US\$ 1.5 billion).

### Road Ahead

India is an attractive hub for foreign investments in the manufacturing sector. Several mobile phone, luxury and automobile brands, among others, have set up or are looking to establish their manufacturing bases in the country.

The manufacturing sector of India has the potential to reach US\$ 1 trillion by 2025 and India is expected to rank amongst the top three growth economies and manufacturing destination of the world by the year 2020. The implementation of the Goods and Services Tax (GST) will make India a common market with a GDP of US\$ 2 trillion along with a population of 1.2 billion people, which will be a big draw for investors.

With impetus on developing industrial corridors and smart cities, the government aims to ensure holistic development of the nation. The corridors would further assist in integrating, monitoring and developing a conducive environment for the industrial development and will promote advance practices in manufacturing.

*Exchange Rate Used: INR 1 = US\$ 0.015 as on October 30, 2017*

*(Source: Manufacturing Sector in India, India Brand Equity Foundation [www.ibef.org](http://www.ibef.org))*

### GLOBAL STEEL INDUSTRY

The demand for steel has grown over time with increasing industrialization, from 200 MT in 1976 to more than 1000 MT in 2015. However, it was only after the turn of the century that the global steel demand has increased rapidly. As evident from below, global steel demand increased at an accelerated rate of 9% CAGR during the period 2000 – 2008, effectively doubling in the short period.

As a result of the rising steel prices, steel companies across the globe enjoyed excellent operating margins, with some even attaining >40% profitability at the peak of price cycle before the global economic crisis of 2008-09 set in. This drove a capacity addition super cycle which saw almost 1.3 BT of steelmaking capacity being added worldwide in the period 2000 – 2014, more than doubling the global capacity. Of it, China accounted for more than three-fourth share, with capacity addition of 0.99 BT. Correspondingly, share of China in the global steel capacity also increased from ~15% in 2000 to ~50% in 2015.

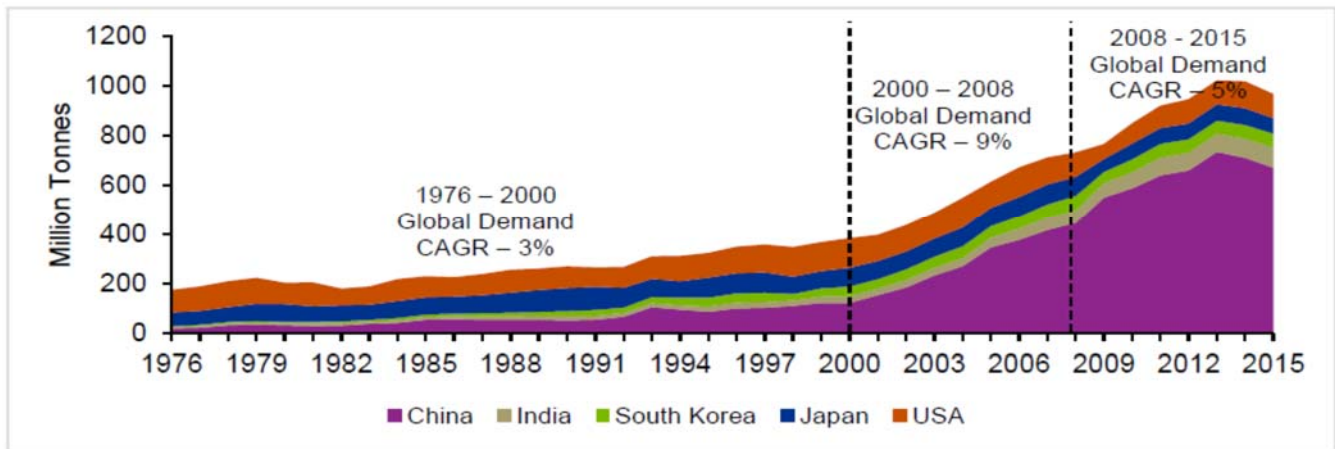
However, since 2013, the Chinese economy has slowed down. The double digit growth in economy, experienced by China in the past decade seems no more in sight now. With the slowdown in economic growth, investments in infrastructure sector have also diminished. This has led to a significant drop in the growth of steel demand across the world. After a peak in 2013, the demand for steel decreased by 3.3% in 2014 with further decline in 2015, mainly driven by a deflationary construction industry (10% reduction of building sales in the construction market) and a drop in infrastructure requirements. Though part of it was partially offset by increase in the steel demand from automotive industry. However, as the demand slowed down, the capacities have idled, leading to an overcapacity of 400- 450 MT in the country. Similar overcapacity scenario has been observed in other major producers such as Japan and South Korea as well. Put together, the global excess capacity is estimated at ~800 MT, one third of the installed base.

Declining prices have caused severe erosion in profitability of steel companies across the globe. Arcelor Mittal, Tata Steel Group and US Steel have posted losses of USD 8 Billion, USD 0.6 Billion and USD 1.5 Billion respectively in the last year. Chinese steel industry's net losses are estimated to be more than USD 15 Billion. In order to protect their domestic steel industries from the onslaught of cheap imports, several countries across the globe have implemented trade remedial measures against steel majors, especially China. As per WTO, About 31% of the steel Anti-Dumping measures currently in force target China, with the second leading target, South Korea, facing around 11%



The demand for steel has grown over time with increasing industrialization, from 200 MT in 1976 to more than 1000 MT in 2015. However, it was only after the turn of the century that the global steel demand has increased rapidly. As evident from below, global steel demand increased at an accelerated rate of 9% CAGR during the period 2000 – 2008, effectively doubling in the short period.

**Figure 2: Growth in global steel demand**

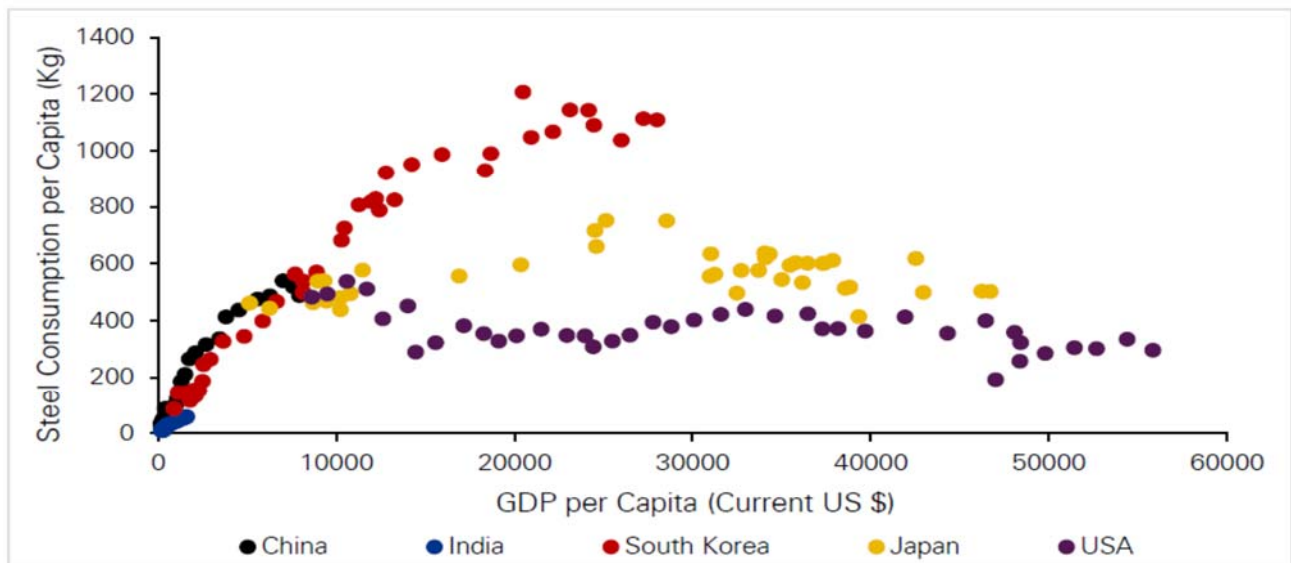


Source: World Steel Association, Ministry of Steel

The global steel demand has been fueled by different countries at different points in time. While steel demand in 20th century was dominated by Western Europe and USA, the turn of the century saw the shifting of demand to Asian countries namely Japan and South Korea, and lately, China.

Typically, as the countries have entered into the industrialization phase, the steel demand has consequently increased. Steel consumption also shows strong link with the economic growth. It is understandable since the economic growth will drive the infrastructure spend and housing. With respect to retail consumers, economic growth will drive the consumption leading to increased spending on automobiles, white goods, etc. All drivers of steel demand. However, over the long run, growth in steel consumption will also depend on the structure of economy and not just growth. For instance, countries with significant proportion of service industry will see steel demand plateauing (e.g. US) whereas manufacturing focused economies will see steel demand growing with economic growth (e.g. South Korea, China).

**Figure 3: Steel Demand Growth vs GDP Growth**



Source: World Bank, World Steel Association

In the current century, China has been the key driver of global steel demand. At the beginning of the 21st century, the Chinese government eased its economic policy as it set out to make China a global hub for manufacturing, decrease dependence on imports, and overall make it one of the world's largest economies. In the following decade, as the Chinese economy grew at an unprecedented pace, Chinese demand for steel also grew rapidly. China's steel demand has been driven by significant investment in infrastructure, e.g. infrastructure build out for 2008 Beijing Olympics, rapid urbanization and manufacturing sector.

*(Source: Global and Domestic Steel Report- Pressing Issues and Way Ahead Steel by FICCI)*

## **INDIAN STEEL INDUSTRY**

India was the world's third-largest steel producer in 2017. 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. Indian steel industries are classified into three categories such as major producers, main producers and secondary producers.

India's crude steel output grew 5.87 per cent year-on-year to 101.227 million tonnes (MT) in CY 2017. Crude steel production reached 93.183 MT during April-February 2017-18. 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. Exports and Imports of iron and steel stood at 14.6 MT and 13.1 MT during April-February 2017-18, respectively.

*Total consumption of finished steel stood at 81.943 MT during April-February 2017-18.*

*\*After China and Japan*

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

### **Introduction**

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

### **Production**

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

- Production for sale of Pig Iron in 2016-17 (prov.) was 9.39 mt, a growth of 1.8% over 2015-16.
- India was the largest producer of sponge iron in the world during the period 2003-2015 and was the 2nd largest producer in 2016 (after Iran) . The coal based route accounted for 79% of total sponge iron production in the country in 2016-17 (prov).
- Data on production / production for sale of pig iron, sponge iron and total finished steel (alloy/ stainless + non-alloy) are given below for last five years and April-May 2017:

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

(Source: “An Overview Of Steel Sector”- Joint Plant Committee, July 2017)

#### Steel Demand

In 2015, India was the only large economy in the world where steel demand continued to demonstrate positive growth at 5.3 %, as against negative growth in China -5.4%, and Japan -7.0%. India’s growing urban infrastructure and manufacturing sectors indicate that demand is likely to remain robust in the years ahead. If India is to achieve the goal of being a “developed nation”, the steel industry must play a crucial role as has been the case with all the major developed countries and East Asian countries like Japan, South Korea and China.

Notwithstanding the current challenges, Indian steel industry still has significant potential for growth, underscored by the fact that the per capita steel consumption in the country at 61 kg (incl. rural consumption at 10 kg) is much lower than the global average of 208 kg. Going forward, the accelerated spend in infrastructure sector, expansion of railways network, development of domestic shipbuilding industry, opening up of defence sector for private participation, anticipated growth in automobile and capital goods industry and the construction in urban & rural areas, are expected to create significant demand for steel in the country.

Growth in steel consumption in a country is typically linked to the economic growth and steel intensity. While growth in GDP is a crucial determinant of growth in overall consumption, steel intensity is the definitive parameter for an economy and determines the growth rate of steel demand vis-à-vis consumption over time.

It is expected that at the current rate of GDP growth, the steel demand will grow threefold in next 15 years to reach a demand of 230 MT by 2030-31 as illustrated in **Annexure I**. However, even with this demand of finished steel by 2030-31, India’s per capita consumption would reach only to 158 Kgs, lower than the current global average of 208 kg (**Annexure II**).

Creation of steel demand in the country is one of the major task to be undertaken in this direction. To drive steel demand, Ministry has identified construction and manufacturing sectors like Rural development, Urban infrastructure, Roads & Highways, Railways etc. to be the key focus areas and will take necessary steps to achieve the same through following –

Steel structures are highly cost effective and have shorter lead time for erection and have greater durability with high design comfort. Hence usage of steel needs to be encouraged in all buildings and structures. Efforts will be made to emphasize the lower lifecycle costing while evaluating projects rather than looking at just the upfront cost in isolation, which would encourage greater usage of steel in Government as well as the private sector.

The Government has chalked out an extremely ambitious plan of Housing for all by 2022 as well as schemes such as Pradhan Mantri Awas Yojna, Saansad Adarsh Gram Yojna etc. These provide a huge opportunity for use of steel intensive structures and designs, usage of pre-fabricated and precast steel structures, etc. Hence, Ministry will take all necessary measures to promote the increased usage of steel intensive structures/designs under these schemes.

Commercial, Residential buildings and flyovers also provides immense opportunities. Necessary efforts will be made in conjunction with Ministry of Road, Transport & Highways to evaluate the replacement benefits of the existing bridges, pavements and crash barriers used in Roads & Highways and consider for projects in steel bridges, steel reinforced pavements and steel crash barriers respectively.

Usage of steel in railways is limited to laying of railway tracks, rolling stocks, wagons, platforms and coaches. Efforts will be made to increase the steel usage in making railway station, foot over bridges, rail coaches, construction of steel based railway colony buildings especially in seismic prone areas, construction of dedicated freight corridors & superfast rail corridors and construction of more steel bridges for saving time & capital expenditure.

The “**Make in India**” initiative is expected to witness significant investments in Construction, Infrastructure, Automobile, Shipbuilding and Power sectors, which will stimulate steel demand. Hence, efforts will be made to pass on such benefit to the domestic steel producers. Use of cost efficient and competitive ‘**Indian Made steel**’ will pave the way for infrastructure development and construction activities in the country.

*(Source: National Steel Policy, 2017 & Ministry of Steel, JPC)*

#### Demand – Availability

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

*(Source: “An Overview Of Steel Sector”- Joint Plant Committee, July 2017)*

#### Steel Capacity

It is anticipated that a crude steel capacity of 300 MT will be required by 2030-31, based on the demand projections as mentioned above. However, achieving crude steel capacity up to 300 MT will require extensive mobilization of natural resources, finances, manpower and infrastructure including land.

Considering the competitive advantage of steel production in India, the country also has the potential to export sufficient quantities of steel and become a major player in the global market, thus mitigating the foreign exchange risk emanating out of the exposure of the industry to the global raw materials market especially for coking coal.

BF-BOF route is expected to contribute about 60 - 65% of the crude steel capacity & production with remaining 35 – 40% by EAF & IF route in 2030-31.

Demand for pig iron for merchant use, such as for castings and supplementary metallic in the electric arc or induction furnaces, is projected to increase to 17 MT by 2030-31. Similarly, demand for sponge iron is projected to increase to 80 MT by 2030-31 as illustrated in Annexure I. It is projected that the sponge iron capacity may increase to 114 MT<sup>3</sup> by 2030-31 with around 30% share of gas based capacities under increased environmental considerations and long term availability of gas.

Creation of additional capacity for fulfilling the anticipated demand will require significant capital investment of about ₹10 Lakh Crore by 2030-31 and will also generate significant employment in the range of 36 Lakhs by 2030-31 from the current level of 25 Lakhs depending on degree of automation resulting from adoption of different technologies.

<sup>3</sup> Projection of Sponge Iron Capacity represent the mean value based on the premise that 60-65 % of steel production in 2030-31 shall be coming through BF-BOF route and rest through EAF/IF route.

In order to ensure optimal growth of the industry and to avoid situations of over or under capacity, the Ministry will work with all the stakeholders to monitor investments in the steel industry on a continuous basis and will also facilitate setting up of SPVs in mineral rich states of Odisha, Chhattisgarh, Jharkhand and Karnataka.

Establishment of steel plants along the coast under the aegis of Sagarmala project will be undertaken. Such plants would be based on the idea of importing scarce raw materials and exporting steel products. The Ministry will also promote cluster based approach particularly in MSME steel sector with common infrastructure on consortium approach for optimum land use, easy availability of raw materials and economies of scale.

Necessary policy environment will also be provided to promote gas based steel plants, electric steelmaking, auxiliary fuel injection in blast furnace and other technologies which will bring down usage of coking coal in steel production. Efforts will also be made to facilitate alternate route for steelmaking using indigenous coal with increased focus on improving energy efficiency and reducing GHG emissions.

Induction Furnace route of steelmaking has a number of advantages for India, namely, no requirement of coking coal, lower capital cost and smaller land requirement. This route of steelmaking is however hampered in terms of its refining capabilities. Hence, appropriate efforts will be made to promote development of consistent & cost-effective refining methods in order to produce high quality steel.

### Steel Prices

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

### Imports

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

**Indian steel industry : Imports (in million tonnes)**

Category	2012-13	2013-14	2014-15	2015-16	2016-17*	April-May 2017*
Total Finished Steel (alloy/stainless + non alloy)	7.93	5.45	9.32	11.71	7.23	1.06

Source: Joint Plant Committee; \*prov.

**Exports**

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

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

**Levies on Iron & Steel**
**SDF levy**

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

(Source: "An Overview Of Steel Sector"- Joint Plant Committee, July 2017)

## Government Initiatives

### The National Steel Policy (NSP) 2017 – Vision, Mission & Objectives

- a. **Vision:** To create a technologically advanced and globally competitive steel industry that promotes economic growth.
- b. **Mission:** Provide environment for attaining –
- i. Self-sufficiency in steel production by providing policy support & guidance to private manufacturers, MSME steel producers, CPSEs & encourage adequate capacity additions.
  - ii. Development of globally competitive steel manufacturing capabilities
  - iii. Cost-efficient production and domestic availability of iron ore, coking coal and natural gas
  - iv. Facilitate investment in overseas asset acquisitions of raw materials. v. Enhance domestic steel demand.
- c. **Objectives:** The National Steel Policy aims at achieving the following objectives –
- i. Build a globally competitive industry
  - ii. Increase per Capita Steel Consumption to 160 Kgs by 2030-31
  - iii. To domestically meet entire demand of high grade automotive steel, electrical steel, special steels and alloys for strategic applications by 2030-31
  - iv. Increase domestic availability of washed coking coal so as to reduce import dependence on coking coal from ~85% to ~65% by 2030-31
  - v. To have a wider presence globally in value added/ high grade steel
  - vi. Encourage industry to be a world leader in energy efficient steel production in an environmentally sustainable manner.
  - vii. Establish domestic industry as a cost-effective and quality steel producer
  - viii. Attain global standards in Industrial Safety and Health
  - ix. To substantially reduce the carbon foot-print of the steel industry

### Raw Materials

Availability of raw materials at competitive rates is imperative for the growth of the steel industry. Details of the estimated raw material requirement by 2030-31 for the steel industry have been provided in Annexure III.

Ferro-Alloys: Ferro-alloy is a power intensive industry. Hence, captive power generation in the ferro-alloys plants will be extensively supported. Since the demand for ferroalloys is likely to grow along with steel production in the country, the industry may be encouraged to set up larger units to achieve adequate economies of scale. Efforts will be made to provide necessary raw materials linkages and stable supply of power to grow Ferro-alloys units on priority.

Nickel: Nickel has been under constant demand from the ferro-alloys and alloy / stainless steel industry. Nickel is practically unavailable in the country and the entire quantity of unwrought and other forms of the nickel needs to be imported. Hence, the industry may be encouraged to acquire such assets globally to maintain a steady supply to the industry. Simultaneously, R&D will be pursued to extract Nickel from the lateritic ore overburden available in Sukinda Valley, Orissa.

Ferrous Scrap: In order to promote use of scrap based steelmaking technologies inter-alia to reduce GHG emission intensity in the country, actions will be initiated to increase availability of ferrous scrap. Options will also be evaluated in coordination with other concerned ministries to develop a scrap segregation (quality-wise), collection, processing and recycling policy. In order to ensure availability of sufficient quantities of good quality scrap, establishment of an organized and environment friendly steel scrap processing units within the country will be facilitated by promoting modern steel shredding plants. In order to promote increased use of scrap based steel-making in the country, efforts will be made in coordination with Ministry of Power to ensure availability of electricity to the sector.

### Land, Water & Power

The growth plans of the Indian steel industry have also been hindered by difficulties in land acquisition. Many projects have stuck due to delays in acquisition of adequate land at the preferred locations due to policy and procedural issues. In order to reach crude

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steel capacity of about 300 MT, additional land requirement is estimated to be ~91,000 acres considering green field expansion. To help in early implementation of projects, Ministry will coordinate with respective State Governments to ensure timely availability of litigation-free lands to the industries.

The formation of steel clusters (especially for MSME steel units), service centers and steel processing centers will be facilitated. Creation of related common infrastructure on partnership basis will be promoted to optimize land use. Small and medium steel enterprises, including FDI projects, will be encouraged to be set up in industrial corridors and in clusters under PPP (Public Private Partnership) to ease land acquisition.

It has been observed that the water allocation for steel industry is generally accorded low priority. But it is forecast that by 2030-31, the steel industry will annually require approximately 1500 million cu. meter of water. Keeping this in view, the Ministry will coordinate with respective State governments to allocate water to steel projects on priority basis. Water conservation at all levels will be encouraged and the industry's efforts will be supported.

Considering the importance of water as a scarce resource, there has been a major thrust by the Government on reduction of discharge from the steel plants which will require innovative solutions and techniques to effectively recycle treated waste water. Hence, the steel industry will be encouraged to pursue plans and strategies to reduce specific water consumption per tonne of steel produced.

Since steel is an energy intensive industry, Ministry will focus on availability of power to steel making facilities. The power required by the industry is estimated to increase to 27,717 MW by 2030-31. Post de-allocation of coal blocks, various units in steel sector, especially the sponge iron plants, have been procuring power at high cost. Ministry of Steel will deliberate with Ministry of Power to make power available to such units through open access.

Ministry of Steel will facilitate the use of waste heat recovery in Steel plants in consultation with other ministries. Efforts will also be made to facilitate usage of captive power for MSME sector and remove the cascading effect of anomalies in the tax structure.

In view of impending growth scenario in steel sector, Ministry of Steel will facilitate mechanism of Special Purpose Vehicles (SPVs) for Greenfield capacity additions. Steel SPV would acquire the land, get the necessary statutory approvals, water linkage and iron ore linkage and develop the minimum necessary infrastructure for setting up of steel plants. The Steel SPV would thereafter be put to open bidding in a transparent manner for setting up of the steel plant by interested parties. Similarly, the mining SPV will provide long term iron ore linkage to the Steel SPV.

### Infrastructure & Logistics

Since bulk of the capacity additions are likely to come up in the three eastern states of Odisha, Chhattisgarh and Jharkhand, Ministry of Steel will pursue for the adequate and timely infrastructure growth in these regions to address the increased industry requirement in areas such as railways, roadways, power generation and distribution etc.

With the increase in steel demand and production, the requirement of adequate infrastructure will further increase. Government will need to invest heavily in development of evacuation infrastructure to minimize turn-around-time as well as to build the necessary linkages to reduce the length of haulage. Ministry of Steel will also encourage steel players to promote better plant layout design, engineering, technologies and optimum use of economic capacity.

With plans to have large number of blast furnaces in future, the use of pellets shall also increase, requiring grinding of ores/fines to ultra-fine size, hence increased investment in slurry pipelines. This will be encouraged through suitable policy support from the government.

Alternative modes for transportation of raw materials such as **slurry pipelines and conveyors** will go a long way in reducing the problems of pollution and congested transportation network in the mining areas. To encourage environment friendly transportation of raw material, efforts will be made to accord all the benefits available to the infrastructure industries, to slurry pipelines also.

Transportation of raw materials and finished goods through **inland waterways and coastal shipping** will also be promoted. Necessary efforts will be made in conjunction with Inland Waterways Authority of India along with other concerned ministries to facilitate debottlenecking of inland waterways transportation through dredging, modernization of jetties, simplifying the approval process for environmental clearances & coastal regulation zone (CRZ) clearances, improved connectivity with road through dedicated corridors and rail etc.



To encourage export opportunities and be competitive, the Government of India is contemplating port-led development of steel clusters under the aegis of Sagarmala program. Establishment of coast based steel plants will suitably be undertaken in conjunction with Ministry of Shipping.

Given the expected growth in demand in steel production and the corresponding requirement for raw materials, the port infrastructure in the country, especially at coking coal importing ports needs to be significantly strengthened. Such ports will be identified in conjunction with the steel industry and would be taken up with Ministry of Shipping to ensure uninterrupted supply of coking coal to steel industry.

### Product Quality

Bureau of Indian Standards (BIS), has formulated a large number of Indian Standards for most of the iron and steel products produced in the country. Actual implementation of these standards by the industry is however limited, resulting in large scale production, imports and use of sub-standard material, putting infrastructure and public safety at risk.

### Quality Control Order

Adoption of the standards by producers and users will be facilitated and mandatory quality certification will be ensured. Recently the Steel and Steel Products (Quality Control) Order and Stainless Steel (Quality Control) Order that mandates Bureau of Indian Standards certification for certain products was introduced. The implementation of this order will be closely monitored in conjunction with Bureau of Indian Standards. Thirty Three (33) steel products have already been notified under the mandatory quality certification mark scheme of BIS. Efforts will be made to bring in additional steel products, which are used in critical end-use applications, under the mandatory scheme to ensure protection of human health, environment, and safety.

MSME sector units, particularly the small re-rolling mills and Induction Furnace Units lack in-house quality testing facilities. Quality testing facilities would be set up in steel hubs and already established facilities would be further strengthened to cater to possible rise in demand.

Apart from the adherence to conditions under Steel and Steel Products (Quality Control) Order, Ministry of Steel is also facilitating the production of quality steel, particularly in MSME sector by carrying out R&D and technological interventions and providing financial assistance. More steps in this direction will be encouraged.

### Technological Efficiency

Though the choice of technology will be determined by entrepreneurs based on techno-economic considerations, Ministry of Steel would encourage adoption of technologies, which:

- Are conducive to effective & efficient utilization of domestic resources with minimum damage to environment and production of high-end and special steel required for sophisticated industrial and scientific applications.
- Minimize environmental damage at various stages of steel making.
- Optimize resource utilization and facilitate modernization of the steel industry so as to achieve global standards of productivity and efficiency.
- Led to the development of front end and strategic steel based materials.

Improving the techno-economic performance of steel units is crucial to improving competitiveness of the industry. Details of the estimated techno-economic performance parameters by 2030-31 for the steel industry have been provided in **Annexure IV**. Ministry of Steel, in association with suitable agency, will constantly monitor techno-economic performance of all the steel plants within the country visà-vis the global best practices. Furthermore, increased use of prepared burden in charge mix and greater use of PCI in blast furnaces will also be promoted.

Steel companies will be encouraged to have strategic joint ventures for production and development of technologically more advanced products. Transfer of technology for production of Automotive steel and other special steels including Product Development/ Acquisition of Technology for Boiler Quality Plates and Alloy Steel Tube Material, Electrical Steel will be facilitated.

Ministry will encourage the research institutes within the country to develop less resource intensive and less energy intensive steelmaking technologies as well as new products.

While steel companies are themselves addressing the energy & environment issues in the plants through technological upgradation/modernisation, and/or diffusion of energy efficient & environment friendly technologies in the plants, Ministry will facilitate improvement in the energy & environment scenario of steel plants through various forums/ mechanisms.

Ministry will facilitate the formation of a forum to chalk out best practices and promote policies and programs that encourage and expedite the transition to a clean energy economy. Apart from the adherence to these stringent energy efficiency parameters, steel companies will also be encouraged to adopt best available technologies & practices to provide clean & green environment.

Energy & Environment management is an on-going process and is directly related to the technologies adopted by the iron & steel plants. So far, Ministry has successfully implemented certain mechanisms such as NEDO model projects in CPSEs and UNDP-AUSAID-MOS steel project in steel re-rolling mills to facilitate improvement in energy efficiency. Efforts will further be made to scale up these mechanisms with enlarged coverage in steel re-rolling mills and induction furnace units.

Considering all waste materials as an economic asset, Ministry will encourage the steel companies to develop a Waste Management Plan for additional impetus on zero-waste or complete waste recycling. Concrete efforts will further be made by Ministry to promote use of iron & steel slag in alternate uses like road making, rail ballast, construction material, soil conditioner etc. Simultaneously, steel plants will be pursued to set up SMS slag weathering/ steam ageing plants to enable them to supply processed/ sized SMS slag for road making, rail ballast etc.

Ministry of Steel will also facilitate the formulation and adoption of standards at par with global best practices with regard to particulate matter emissions, SO<sub>x</sub> & NO<sub>x</sub>, water consumption and zero or near zero liquid discharge. India has recently signed Paris Declaration (COP 21) under which intends to reduce the emission intensity of its GDP by 33-35% by 2030 from 2005 levels. Towards this end, Ministry of Steel has already submitted the Intended Nationally.

Determined Contributions (INDC) for reducing GHG emissions in iron & steel sector which inter-alia projects CO<sub>2</sub> emission of 2.2 – 2.4 tonnes per tonne of crude steel in BF-BOF route and 2.6 – 2.7 tonnes per tonne of crude steel in DRIFAF route by the terminal year of 2030. Ministry will find ways and means in consultations with industry to achieve aforesaid standards at par with the global best practices to the extent possible.

Capacity additions through coal based routes will have far reaching implications for India in terms of environmental degradation. Hence, necessary efforts will be made to have a judicious mix of production routes to reduce the carbon footprint of steel sector in line with the INDC targets.

#### Safety

Ministry of Steel will continuously monitor the safety performance of all its steel companies including those in private sector through periodic reviews. Necessary efforts will be made to encourage the development of clearly defined safety standards and goals to become a zero accident workplace.

Ministry of Steel will coordinate with steel companies to ensure that on the job trainings on maintaining a safe workplace are provided to employees of the steel companies. Small sized units which cannot afford to conduct such trainings on their own will be facilitated by Steel Research and Technology Mission of India (SRTMI) for organizing the same.

#### Trade

India was a net exporter of steel in 2013-14. However, due to global downturn in steel demand and excess capacities in major steelmaking countries such as China and Japan, India witnessed a significant surge in imports in 2014-15, which continued in 2015-16 as well. Production, consumption, imports and exports of finished steel since 2013-14 are provided in **Annexure V**.

Given the cyclical nature of steel industry, there would be situations of unfair trade practices in the future also. To prevent occurrence of the same, Government will continue to be vigilant and will intervene in the market as and when required with suitable trade remedial measures in line with WTO guidelines and/or India's Foreign Trade Policy to protect the interests of the domestic producers.

Steel industry will be encouraged to be competitive and to develop a global presence, not just in base grades of steel, but also in high quality steel, which are currently produced by selected few international steel companies. Ministry of Steel will also deliberate with Ministry of Commerce to ensure that export production is zero rated with regard to various central & state taxes and levies.

In addition, certain trade restrictions have been imposed on Indian steel products by other countries. Hence, domestic steel industry will be encouraged to convey their grievances during trade remedial proceedings with those countries.

Considering the importance of information in today's world, the existing institutions such as Joint Plant Committee (JPC) and the Economic Research Unit (ERU) will be further strengthened to meet the requirement of industry and market information related to steel and its raw materials. Continuous strategic research in the steel and related areas, constant tracking of developments in global trade, global investment in the steel industry, emerging technologies in steel & its related areas and data on new mining assets in iron ore, coal, etc. in foreign countries will also be supported. Continuous research on international and domestic steel demand will also be encouraged and risks of investments in foreign countries in steel and related industries will be continuously assessed.

### **Financial Risks**

Given the enormity of requirement of financial resources to add the required steel capacity and the current conditions of steel industry, mobilizing adequate capital for the industry will be a challenging task in future. Hence, the steel industry will be encouraged to reduce capital costs and remain innovative in developing appropriate structure of the capital to minimize debt and service equity.

Ministry of Steel will also make necessary efforts to identify bad debts in the steel sector. Such companies will be encouraged to lower their Debt/EBITDA ratio by adopting appropriate debt restructuring in consultation with banks as per the RBI guidelines.

### **Role of CPSEs and Way Forward**

The Companies Act, 2013 was enacted on 29<sup>th</sup> August 2013 replacing the Companies Act, 1956. In addition, the Ministry of Corporate Affairs has also notified Companies Rules 2014 on Management and Administration (March 2015), Appointment and Qualification of Directors (January 2015), Meeting of Board and its powers (March 2015) and Accounts (October 2014). The Companies Act 2013 together with the Companies Rules provide a robust framework for corporate governance. These statutory provisions are also applicable to CPSEs.

In the current scenario, steelmaking CPSEs need to not only compete with private integrated steel players and cater to the requirements of the MSME steel sector but are also required to be globally competitive. In order to provide economies of scale, CPSEs will be encouraged to increase focus on their core competencies and divest their non-core assets through mergers and restructuring.

As of now, CPSEs have primarily focused and invested more in brown-field expansion of similar steel capacity with limited value addition in terms of high end product development. Ministry will encourage the CPSEs to develop a policy for future investment, so that impetus could be given for development of value added steel capacity and adoption of latest technologies at par with global best practices.

Besides, the CPSEs will also be encouraged to take leadership role in development of steel industry & the community, adopt a more inclusive business model, increase their CSR spends, invest in R&D for indigenous design & engineering and product development for replacement of import. Further, CPSEs will also be encouraged to take lead in promoting steel usage through developing steel intensive structural designs for roads, railways, bridges, crash barriers etc. with proper technical consultations and setting up of service centers for more customized and de-centralized product delivery.

Further to encourage synergy across similar CPSEs, efforts will be made to ensure appointment of independent directors across similar / independent CPSEs.

### **Focus on High - End Research: Steel Research & Technology**

#### **Mission of India (SRTMI)**

In India, substantial R&D in Iron and Steel sector is currently being carried out by the leading steel companies like SAIL, Tata Steel, JSW Steel, etc. who have accomplished some significant work in the areas of raw material beneficiation, agglomeration and product development. However, in general, major focus of R&D is limited to day to day operations and hence, lacks disruptive innovation.

India's R&D investment in steel sector is limited not only in absolute terms but also as percentage of turnover which is 0.05 – 0.5% as against 1% in leading steel companies abroad. The Indian steel companies need to evolve a time bound action plan to enhance their R&D expenditure to at least 1% of the turnover.

Efforts will be made through joint collaborative R&D programmes to create manufacturing capabilities for development of process and products in synergy with natural resources of the country with an aim to minimize damage to the environment.

Ministry of Steel has taken full cognizance of the technological scenario in Indian Steel Industry and has initiated a fresh move for preparation of a comprehensive blue print for promotion of R&D in Iron & steel Sector. To bring in all the stakeholders into one platform and promote steel research on themes of critical and vital national importance, an institutional platform called “**Steel Research and Technology Mission of India**” has been established with an objective to spearhead R&D of national importance in iron & steel, creating state-of-art facilities to conduct cutting-edge research, develop expertise & skill development, manage human resources and bolster a tripartite synergy amongst industry, national R&D laboratories and academic institutes.

In order to boost innovation in the steel sector (future technologies), a time bound action plan will be evolved under the aegis of SRTMI to enhance the R&D expenditure of Indian steel CPSEs. The Ministry through SRTMI will also encourage corporates in steel sector, private and public sector alike, to direct certain sums from their profits towards continuous industry collaborative research. Apart, they would also be encouraged to set up their own steel technology centres and steel sector oriented research and education wings at universities in order to focus on technology based solutions for development of high quality, low cost steel products and to build greater interface between academia, R&D institutions and industry.

Product development is yet another challenge faced by the Indian steel industry which has given rise to import of most of the value added products like automotive steel for high end applications, electrical steel like CRGO & amorphous steel as well as special steel and alloys for the Power Equipment, Aerospace, Defense and Nuclear applications. Production of these value added, front end, and strategic products will be facilitated through acquisition of foreign technology by setting up of joint ventures, or subsidiaries of foreign companies or by indigenous development. Measures will also be taken to ensure development of all such special steel and alloys to minimize import dependence.

Indian steel industry is currently importing technology & critical equipment and systems for steel plants. Hence, necessary efforts will be made under the aegis of SRTMI to raise the level of R&D and acquire best in class manufacturing capabilities to develop all these equipment and systems.

CPSEs will be encouraged to reduce manpower and overhead expenses based on domestic and peer group benchmarking. Besides, the CPSEs will also be encouraged to right size their manpower over time through Superannuation/ Separation/ intakes in conformance with technological advances and suitably exercise the option of Voluntary Retirement Scheme (VRS) to improve labour productivity.

As a part of skill development initiative, the Ministry will coordinate with the technical institutes under its aegis and INSDAG to re-align the education system to attract, facilitate and generate steel domain experts.

*(Source: National Steel Policy, 2017 & Ministry of Steel, JPC)*

### **The New Industrial Policy Regime**

The New Industrial policy opened up the Indian iron and steel industry for private investment by :

- (a) removing it from the list of industries reserved for public sector and
- (b) exempting it from compulsory licensing. Imports of foreign technology as well as foreign direct investment are now freely permitted up to certain limits under an automatic route.

Ministry of Steel plays the role of a facilitator, providing broad directions and assistance to new and existing steel plants, in the liberalized scenario. The liberalization of industrial policy and other initiatives taken by the Government have given a definite impetus for entry, participation and growth of the private sector in the steel industry. While the existing units are being modernized/expanded, a large number of new steel plants have also come up in different parts of the country based on modern, cost effective, state-of-the-art technologies. In the last few years, the rapid and stable growth of the demand side has also prompted domestic entrepreneurs to set up fresh greenfield projects in different states of the country.

Crude steel capacity was 126.33 mt in 2016-17 (prov.), up by 3.6% over 2015-16 and India, which emerged as the 3rd largest producer of crude steel in the world in 2016 as per provisional ranking released by the World Steel Association, has to its credit, the capability to produce a variety of grades and that too, of international quality standards. The country is expected to become the 2nd largest producer of crude steel in the world soon.

(Source: “An Overview Of Steel Sector”- Joint Plant Committee, July 2017)

## Road Ahead

### The current context and the long term perspectives on growth

The domestic demand backed growth of the Indian economy and consequently the steel consuming sectors has been a key trait of Indian steel industry. The decade before the liberalization of the Indian steel industry in 1991 witnessed growth in crude steel production at a CAGR of 5.2%. Post liberalization, witnessed a decadal CAGR of 6.1% which accelerated to 8.3% during 2000-01 to 2015-16.

However, today the steel industry in India faces challenging external conditions manifest in slow economic growth and idle steel capacity globally. With weak global economic prospects, the Indian steel industry will have to strongly depend on the growth of domestic consumption for its future.

(Source: National Steel Policy, 2017 & Ministry of Steel, JPC)

India is expected to overtake Japan to become the world's second largest steel producer soon, and aims to achieve 300 million tonnes of annual steel production by 2025-30.

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.

(Exchange Rate Used: INR 1 = US\$ 0.015 as of March 01, 2018. \*According to a report by S&P Global Platts)

(Source: Media reports, Press releases, Press Information Bureau (PIB), Joint Plant Committee (JPC), <https://www.ibef.org/industry/steel.aspx>)

## MSME STEEL SECTOR

India over the years has developed a strong MSME sector (comprising of DRI/IF route based steel producers and rolling mills) which is unique to India. It embodies the entrepreneurial and innovative strengths of Indian steel industry which turned the unavailability of coking coal – a key input for BF-BOF route into an opportunity.

However, there exists large variations amongst various units in terms of scale of operations, product-mix and technology. The MSME sector, including sponge iron industry, plays an important role in providing employment, meeting demand of some special products required in small volumes and local demand of steel in hinterlands. Apart from this, the sector is also highly export oriented which helps in earning foreign exchange for the country.

Various measures as mentioned below will be taken to improve the performance of MSME steel sector and sponge iron industry-

- Availability of raw materials will be ensured by facilitating auction of non-coking coal exclusively for steel/ sponge iron sector and increasing the iron ore availability in the domestic market.
- Adoption of energy efficient technologies in the MSME steel sector will be encouraged to improve the overall productivity & reduce energy intensity.
- Small and medium iron and steel making units will be encouraged to be set up in the proposed industrial corridors and clusters for optimal utilization of land and reach economies of scale.

## VALUE ADDITION IN STAINLESS STEEL

Though India is 3rd largest producer of steel globally, it is still a net importer of stainless steel used in high-end applications. With increased demand of steel and need to build 200 MTPA additional capacity by 2030-31, considerable capacity addition of stainless will also be required. Like most segments of the Indian steel sector, stainless steel industry has also been facing difficulty over the last 3-4 years. Today, the domestic stainless steel industry has a low capacity utilization of around 50% due to the surge in low priced imports and fall in prices. Hence, necessary efforts will be made to protect the existing & upcoming stainless steel facilities from unfair trade practices through suitable trade remedial measures.

Besides, price consideration, import of stainless steel takes place on quality considerations. Country is dependent on import of most of the super duplex, super austenitic and high alloyed varieties of stainless steel for stringent end use applications. Ministry will encourage steel producers to have strategic ventures in production and development of technologically more complex products including high end varieties of stainless steel.

To counter threats from competing materials, promotion of stainless steel through mass campaigns, particularly in rural areas will be encouraged. Greater use of stainless steel in residential or commercial constructions in coastal and earthquake prone areas of the country will also be promoted. Use of high quality stainless steel in drinking water pipelines, water storage, packaging of food grains etc. will be promoted to prevent intake of hazardous impurities.

### VALUE ADDITION IN ALLOY & SPECIAL STEEL

While large varieties of value added steel products are now being produced indigenously but the country is still dependent on import of several high performance & value added steel products like electrical steel, automotive grade steel and steels for specialized use in defence, space and nuclear applications.

With better demand prospects and mega expansion plans in the pipeline, there is a need to sharpen the focus on alloy & special steels as it guarantees better premium to both steel makers and consumers. These products are mainly finished steel and are termed so depending on their treatment or their end use in automobile and consumer durable sectors. Hence, necessary efforts will be made to collaborate with foreign players for technical and strategic cooperation for this purpose.

For the past couple of years, demand for alloy & special steel, or value-added steel, with superior quality to meet stringent application norms of various market segments, has been growing. Future growth of Indian steel makers will also be driven by these value-added products. Production of these premium grade products will not only help them improve realizations but will also add to the topline growth of steelmakers. Hence, Ministry will encourage steel producers to have strategic ventures in production and development of these technologically more complex products including high end varieties of alloy steel and electrical steel.

### INDIAN METAL INDUSTRY

The metal industry is a key sector in the Indian economy, as it meets the requirements of a wide range of key industries including engineering, electrical and electronics, infrastructure, automobile and automobile components, packaging etc. The metal industry comprises of two major segments: ferrous metals and non-ferrous metals.

Ferrous metals, primarily consist of iron and different varieties of steel. Indian steel industry has shown strong performance in the recent past in terms of production, capacity utilisation, exports and consumption, because of rapid growth in the construction and automobile industries. India, is now a major player among steel producers in the world.

Non-ferrous metals, which include aluminium, copper, zinc, lead, nickel and tin, are used to make alloys, castings, forgings, extrusions, wires, cables and pipes. They find application in a number of sectors such as, agriculture, infrastructure facilities like power plants, automobiles, railways, telecommunications, building and construction, engineering and chemical plants. India is rich in bauxite (aluminium ore) and has grades of zinc, lead and copper reserves. Copper, lead and zinc are also imported as scrap or concentrates, to be processed by secondary/custom smelters. Nickel and tin are also imported into India. While the metal sector covers a large domain consisting of a wide variety of metals, this report focuses on four key metals namely, iron (steel), aluminium, copper and zinc.

#### Annexure I: Forecast of iron and steel demand and production by 2030-31 (All values in MT unless stated)

Sr. No.	Parameters	Projections (2030 – 31)
1	Total crude steel capacity	300
2	Total crude steel demand/production	255
3	Total finished steel demand/production	230
6	Sponge iron demand/production <sup>4</sup>	80

<sup>4</sup> DRI made through coal based route : 70% {Balance through gas based route}

Sr. No.	Parameters	Projections (2030 – 31)
7	Pig iron demand/ production	17
8	Per Capita Finished Steel Consumption in Kgs	158

Source: Ministry of Steel, INSDAG, MECON

Projections of Pig Iron & Sponge Iron represent the mean value based on the premise that 60-65 % of steel production in 2030-31 shall be coming through BF-BOF route and rest through EAF/IF route.

#### Assumptions:

GDP growth rate assumed at 7.5%<sup>5</sup> y-o-y. Elasticity of steel demand with GDP = 0.8 till FY 20 and 1.0 from FY 20 onwards, Steelmaking capacity to reach 300 MT by 2030-31

#### Annexure II: Sector wise steel consumption in India in MT (unless stated)

Sr. No.	Item	Current demand 2015-16	Projected demand in 2030-31
1	<b>Construction &amp; Infrastructure</b> (Projects - Steel, Oil, Highways, Bridges, Airports, Ports, Urban Infrastructure, Water Transportation, Pre-fabricated Buildings, Power Projects including Transmission, Oil & Gas Pipelines Real Estate – Residential & Industrial)	50.5	138
2	<b>Engineering &amp; Fabrication</b> (Capital Goods, Consumer Durable, Electrical Goods, General Engineering, Tube Making, Cold Reducing, Wire Drawings, Industrial Bodies & Pressure Vessels, General Fabrication, Defence Equipment)	18	50
3	<b>Automotive</b>	8.2	28
4	<b>Other Transport</b> (Rail lines, Wagons Coaches, Ship Building, Coastal)	2.4	8
5	<b>Packaging &amp; Others</b> (not included above) (Petroleum, non-petroleum, LPG Gas Cylinders)	2.4	6
<b>Total Finished Steel Consumption in MT</b>		<b>81.5</b>	<b>230</b>
<b>Per Capita Finished Steel Consumption in Kgs</b>		<b>61</b>	<b>158</b>

Source: Ministry of Steel, MECON

#### Annexure III: Forecast of major raw material requirement by 2030-31

(All Values in MT unless stated)

Sl. No.	Raw materials	Projections (2030-31)
1	Iron ore requirement	437
2	Coking coal requirement	161
3	Non-coking coal requirement for PCI	31
4	Non-coking coal requirement for DRI	105
5	Natural Gas (in MMSCMD)	20
6	Manganese ore requirement	11
7	Chromite ore requirement	5
8	Limestone & Dolomite requirement	86

<sup>5</sup> Average GDP growth rate of India was 7.5% during 2010 – 2015 (World Bank)

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9	Ferro-alloys	4
10	Refractories	3
11	Scrap	16

Source: Ministry of Steel, MECON

Projections represent the mean value based on the premise that 60-65 % of steel production in 2030-31 shall be coming through BF-BOF route and rest through EAF/IF route.

**Annexure IV: Targets for techno-economic performance**

Parameter	Units	International Best Practices	Current Value	Target for 2030-31
Coke Rate	Kg/thm	275 - 350	400 - 600	300 – 350
CDI Rate	Kg/thm	200 – 225	50 – 200	180 - 200
BF Productivity	tonnes/m <sup>3</sup> /day	2.5 – 3.5	1.3 – 2.2	2.5 – 3.0
Specific Energy Consumption	Gcal/tcs	4.5 – 5.0	6.2 – 6.7	5.0 – 5.5

Source: Ministry of Steel

**Annexure V: Production, consumption, imports and exports of finished steel (in MT)**

Period	Production for sale	Import	Export	Consumption
Apr 2016 – Jan 2017	82.9	6.1	5.9	68.9
2015-16	91	11.7	4.1	81.5
2014-15	91.5	9.3	5.6	77
2013-14	87.7	5.5	6	74

Source: Ministry of Steel, JPC



**Annexure VI: Indian Steel sector – Industry Analysis**

Suppliers' power	Threat of new entrants	Buyers' power
<ul style="list-style-type: none"> <li>+ Iron ore- dependent on NMDC, OMC and Odisha miners</li> <li>+ Coking coal/ Natural Gas- dependent on imports</li> <li>+ Thermal Coal- CIL/ SCCL</li> <li>+ Natural Gas- Government allocation, R-LNG contracts</li> <li>+ Huge dependency on major suppliers</li> <li>+ High switching cost for steelmakers</li> <li>+ Very few steelmakers have captive mines and are not dependent on the vagaries of the market</li> <li>+ High cost of raw material relative to total purchases in industry</li> <li>— Fragmented coke suppliers</li> <li>— Low threat of forward integration by major suppliers</li> </ul>	<ul style="list-style-type: none"> <li>+ 100% FDI in Steel sector</li> <li>+ Government facilitating investment</li> <li>+ Very few players have economies of scale</li> <li>+ Easier access to key inputs (Auction)</li> <li>+ Low brand identity (commodity) and low switching cost</li> <li>+ Fewer proprietary products and low chances of retaliation</li> <li>— High capital costs and entry barriers</li> <li>— High psychological costs for switching suppliers</li> <li>— Raw material security &amp; high logistics cost issues</li> <li>— Steel sector recognised as stressed by the banks</li> <li>— Time consuming land and environmental approvals</li> <li>— Highly capital &amp; technology intensive industry</li> </ul>	<ul style="list-style-type: none"> <li>+ Increasing demand at 5-6% CAGR</li> <li>+ E-Platform – MSTC Metal Mundi launched to facilitate transparent sale of finished &amp; semi-finished steel products</li> <li>+ Steel used in automobile &amp; engineering goods market are dominated by private players</li> <li>— Unregulated sector, but Govt. may take trade remedial measures that indirectly influences the domestic retail prices</li> <li>— Steel used in construction &amp; Infra sector mainly procured by Govt. entities</li> <li>— Fragmented MSME steel players</li> </ul>
	<p style="text-align: center;"><b>Industry rivalry</b></p> <ul style="list-style-type: none"> <li>+ Industry is divided among few integrated steel manufacturers and fragmented MSME steel players</li> <li>+ Competition among domestic producers</li> <li>+ Competition from foreign players, esp. China</li> <li>+ Disinvestment &amp; capacity expansions by CPSEs</li> </ul>	
	<p style="text-align: center;"><b>Threat of substitutes</b></p> <ul style="list-style-type: none"> <li>+ Limited substitutes- Aluminium, plastic and carbon fibre</li> <li>— High switching cost and high performance tradeoff of substitutes</li> <li>— Low buyer inclination to substitute</li> </ul>	



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**OUR BUSINESS****Business Overview**

Our Company, Supreme Engineering Limited (SEL), was incorporated in the year 1987 as Supreme Heatreaters Private Limited and is engaged in the business of manufacturing special alloys and special wire products. We have two manufacturing units Unit I being the Special Steels division, located at Khopoli, and engaged with the manufacturing of special alloys such as super alloys, precipitation hardening steels, martensitic stainless steel, austenitic stainless steel, ultra high strength steel and high speed steels which have their end use in sectors such as aerospace, space, defence, nuclear power thermal power, oil & gas, and heavy engineering; and Unit II being the Wire division, located at Rabale, Navi Mumbai, engaged with the manufacturing of wires, bright bars, fine wires and profiles. These products find their end use in sectors such as automotive, oil & gas, industrial machinery and hand tools industries.

Over the years, our Company has expanded its operations by investing in high-end technology & infrastructure and presently has these two (2) units. Both these units have different product processing capabilities with modern infrastructure. Our Special steels division is equipped with advanced technology such as Vacuum Induction Melting (VIM), Argon-oxygen decarburisation (AOD), Electro-slag Refining (ESR), Radial Forging Machine (GFM), Rolling Mill, Heat treatment furnaces, bright bar plant & machine shop for manufacturing special alloys. Manufacturing facilities at the wire division include heat-treatment furnaces, coil to coil peeling machines, drawings machines, bright bar plant and cold-rolling facilities. Our units have been approved by various Defence Public Sector Undertakings, Public Sector Undertakings, Ordnance factories and undertakings belonging to aerospace, automotive and energy sectors. Our Company's special steel products are import substitutes and a part of the initiatives taken by public sector undertakings.

Since our products form an integral part of the critical end use equipment manufactured for defence, power and aerospace industries, it is important for us to maintain the high qualitative standards as required by these industries. The manufacturing stages of special alloys and other products are consistently and regularly supervised through various quality control equipment and qualified personnel. Each product is monitored and checked for quality right from the inception stage to the final stage of manufacturing. Both the manufacturing units have strong quality management systems certified by ISO 9001.

Our Company is promoted and managed by Mr. Sanjay Chowdhri, who is an engineer having an experience of over three (3) decades in the field of metallurgy. The management team of our Company exhibits a synergy of both, experience and enthusiasm in the field of engineering and operations.

For fiscal 2018, 2017 and 2016, our total revenues were ₹ 15,226.13 lakhs, ₹12,086.04 lakhs and ₹11,364.69 lakhs, respectively. Our Profit After Tax for the similar period mentioned above was ₹ 465.36 lakhs, ₹215.04 lakhs and ₹112.29 lakhs, respectively.

**Our Competitive Strengths**

We believe that the following are our primary competitive strengths:

1. ***Our Special Steels Division at Khopoli is approved by the end users being public sector undertakings in the aerospace, defence and power sectors.***

We process special alloys such as superalloys, precipitation hardening steels, martensitic stainless steel, austenitic stainless steel, high strength steel and high speed steels at our Special Steels division at Khopoli. We have been supplying these special alloy products to various public sector undertakings which are then used in the manufacturing of equipment and supplies for the defence, aerospace and power sector. Our end users include various Defence Public Sector Undertakings, Public Sector Undertakings, Ordnance factories and undertakings belonging to aerospace, automotive and energy sectors. Due to the criticality of end-use, the approval process is stringent and requires compliance of various quality standards, which we have maintained over the years and received approvals from our end users.

**2. *Technological advantage.***

Our Company has installed and established advanced technology and infrastructure at our manufacturing units. We have installed advanced melting, hot-working and heat-treatment technologies for high quality and customized processing of these products. We process these products as per customer's specifications and requirements. For this purpose, we have various testing facilities like hardness, tensile, microscopic and MPI testing machines, which ensure quality control and adherence to the specifications of the customer. As regards our Special Steels Division, we have installed advanced technology like vacuum induction melting, argon oxygen decarburization, electro-slag re-melting and radial forging machine. Our Company consciously dedicates resources to remain technologically updated to ensure the competitive advantage in our business.

**3. *Long standing relationship with our customers.***

We believe in constantly addressing customer needs by our products, both existing and new. Our longstanding relationship with customers has helped us in obtaining repeat business from them. Our Unit II (*Rabale – Wire Division*) manufactures precision profiles and wires used in the oil & gas and automotive sectors. We have received repeat orders from customers in these sectors and we have developed strong client relationship over the years. Repeat orders from the same customer give stability to our Wire Division operations and a competitive advantage in acquiring new clients and increasing this business.

**4. *Wide product range and customised product offering.***

At both the units, we have developed the infrastructure to customize our product offerings. This allows us to understand the customer requirement and offer the right product to exactly suit their need. In addition to this, we offer a wide product range i.e. wide range of alloys offered in a wide size range to enable us to cater to maximum requirement.

**5. *Strong culture for research and development.***

We are a research driven company with R&D efforts focused on innovating and improving our processing methods. Research and development is critical to the success and growth of our business and operations. Our R&D team is formed by engineers from various fields as a part of the team. A considerable amount of research is required at every stage of our business. We have an in-house research and development team which has access to advanced technology and equipment to tests various alloys of different grades and configurations to get the right mix for our end users. This R&D has helped us to undertake various indigenous projects under the "Make in India" initiative. We have in the past and are currently undertaking various indigenization projects for international alloys for both public sector undertakings as well as private companies.

**6. *Experienced Promoter and proficient management team with low attrition rates.***

Our business processes are entirely dependent on scientific and engineering aspects. Our Company has been promoted by Mr. Sanjay Chowdhri, a qualified engineer an experience of over three decades in the field of metallurgy. The management team of our Company exhibits a synergy of both, which includes both, second generation qualified engineers as well as other experienced persons in the field of finance, management, personnel administration and engineering. We believe this combination enables continuous updation, innovation and development providing a distinctive competitive advantage in the industry. We have a low attrition rates and many of our employees have been working with us for the past many years. This reflects strongly on the work ethic and work culture followed at our organization.

**Our Strategies**

Our business objective is to grow our revenues and profits through increased and diverse product portfolio and thereby increasing our market presence. Our business strategy focuses on the following elements:

**5. *Indigenization of special alloys that are currently imported into the country.***

Our country imports many special alloys from foreign countries for defence, space, aerospace, nuclear and power industries. As a part of the Make in India programme initiated by the Government of India, we have developed and are in the process of entering into contracts with public sector undertakings for indigenization of special steels & alloys used in critical sectors such as defence, aerospace, nuclear and power. These products include super alloys of nickel, cobalt, special steels and such other products. The manufacturing of these products requires special engineering techniques which our Company is able and capable of executing. The

manufacturing of these products has the potential of earning high returns considering the fact that there are not many players in our industry who have the capacity to enter and execute sophisticated manufacturing of such special alloys.

**6. *Focusing on the public sector for contracts considering the planned expenditure on infrastructure and privatization of the defence and allied sectors.***

Bulk of our sales in the past have been in the sectors of Oil & Gas, Power & Automotive. With the approvals received from various Defence, Aerospace, Nuclear & Power Public Sector Undertakings, other Public Sector Undertakings, Ordnance factories and undertakings belonging to aerospace, automotive and energy sectors. In the recent past, sales in these sectors have been rising. The initial prototype/sample orders have been executed, and now bulk requirement of large values are expected from these sectors/organizations. Considering the thrust being given to defence, aerospace and nuclear power sectors by the Government of India, we propose to shift our focus to public sector undertakings in these sectors for our next stage of growth. The significant allocation of resources by the Government of India for these sectors, including infrastructure, is expected to generate requirements of products offered by our Company like special steels, alloys and superalloys.

For the current financial year 2018-19, we have a strong order book of orders in hand and also have sent quotes for tenders from such undertakings in the aerospace, defence and nuclear & power sectors, as mentioned below. We are already taking steps to procure contracts from public sector undertakings for this purpose and we intend to bid for more such contracts in the near future.

Sector	Order book ((in ₹ in Lakhs)	Quoted Tenders (in ₹ in Lakhs)
Aerospace	381.14	1,670.76
Defence	502.68	162.73
Nuclear & Power	1,168.51	692.63

**7. *We plan to increase our manufacturing capacity and working capital.***

From the Objects of the Issue, inter alia, we intend to install (i) phosphating tank with heating system; (ii) updation GFM long forging machine; (iii) ESR to manufacture larger ingots and (iv) rolling mill for special alloys. We also intend to set up a wet drawing equipment which will enable us to draw wires below 1mm which are used for needle applications and ring traveler in the medical, automotive and textile industries. Further, we shall be installing universal testing machine, impact testing, stress rupture machines to upgrade our internal testing facilities. The installation of the above equipment shall increase our processing capacity significantly.

**8. *To capitalise on saleable Land for better working capital management***

Our Company owns of a considerable land bank adjoining our factory unit (Unit I- Special Steels Division) at Khopoli, Khalapur. Of such land bank, 6 acres (24,341.2 sq mtrs) of factory land at Khopoli, Khalapur are estimated to have value of Rs. 1866.97 Lakhs as per the current valuation rules of the state of Maharashtra.

Our Company has recently sold 56 Gunta (5,666.05 sq mtrs) of land area outside of the factory premises for a mutually agreed consideration amounting to Rs. 478 Lakhs, of which Rs. 91 Lakhs has been received and the balance payments are expected to be received in the first two quarters of Financial Year 2018-19. Further, a section of such land admeasuring 8,640 sq mtrs, has been allotted for development by way of a development agreement entered into with M/s Babubhai Construction Co. and the total estimated sale area after development shall be approximately 1,84,440 sq ft (17,135.04 sq mtrs). As per said agreement, the developers shall hand over 40% of the sales proceeds post development to Supreme Engineering Ltd sale in the event of availability of additional FSI or development potential. As per the current valuation rules of the state of Maharashtra, our Company may be in receipt of an approximate amount of Rs. 2021.93 Lakhs.

The above funds would be used towards reduction of dependency on high cost debt and help to better manage the working capital requirements of our Company which inturn will aid in maintaining a good debt equity ratio, improve profitability as well as make available funds for expansion of operations, if required.

**Our Business Operations**

We are primarily into the business of manufacturing special alloys and special wire products. The Company approaches customers to understand their product requirements and technical specifications. New areas of development are worked on to increase the customer base. The company through its after delivery services develops and maintains good and long standing relationship with its existing customers and helps the company to get repeat orders from its existing customers. For increase in the business the company regularly participates in various national and international exhibitions and tenders floated by various government and non-government companies.

## Manufacturing facilities

We presently operate from two (2) manufacturing facilities located in Khopoli and Rabale in the State of Maharashtra, India. These facilities are ISO 9001 certified.

Location	Facility	Products Manufactured/Services Offered
<p><b><u>Unit I (Khopoli – Special Steels Division):</u></b></p> <p>Village Vihari, Opp Khopoli Railway Station, Tal Khalapur, Khopoli – 410203. Maharashtra. India.</p>	<ul style="list-style-type: none"> <li>▪ Induction Melting under Vacuum</li> <li>▪ Electro-slag Refining</li> <li>▪ Radial Forging machine</li> <li>▪ Rolling mill</li> <li>▪ Heat-treatment furnaces</li> <li>▪ Bright Bar plant</li> <li>▪ Testing facilities</li> <li>▪ Machine shop</li> </ul>	<ul style="list-style-type: none"> <li>▪ Super alloys</li> <li>▪ Special stainless steels</li> <li>▪ Ultra high strength steels</li> <li>▪ ESR Alloy steels</li> <li>▪ Tool Steels</li> <li>▪ High Speed Steels</li> </ul>
<p><b><u>Unit II (Rabale – Wire Division):</u></b></p> <p>R-223, M.I.D.C. Complex, Rabale, Thane Belapur Road, Navi Mumbai 400 701, Maharashtra, India.</p>	<ul style="list-style-type: none"> <li>▪ Annealing</li> <li>▪ Coil to coil Peeling</li> <li>▪ Wire drawing</li> <li>▪ Pickling</li> <li>▪ De-coiling</li> <li>▪ Cutting</li> <li>▪ Grinding</li> <li>▪ Cold rolling</li> <li>▪ Testing facilities</li> </ul>	<ul style="list-style-type: none"> <li>▪ Drawn wires</li> <li>▪ Profiles</li> <li>▪ Bright bars</li> <li>▪ Bearing components</li> </ul>

## Installed capacity at our manufacturing units:

Our business involves processing of various products. Therefore, product-wise estimation of capacity may not be an appropriate way to analyse our capacity utilisation. The bars and profiles produced by us are made from wire rods. All the wires undergo different processes such as annealing, drawing, pickling, peeling, de-coiling. It is not necessary that all the products undergo all the processes and can go through a single process multiple times therefore process wise break up is given. We have therefore compiled the data on a process basis. The production and utilization capacities of our Company for each of our processes for the past three (3) years and the projected capacities and utilizations for the subsequent three years are set forth hereinbelow:

### Unit I (Khopoli – Special Steels Division)

Process Stage	2015-2016		2016-2017		2017-2018	
	Installed	Actual	Installed	Actual	Installed	Actual
Primary Melting	3,600	1,400	3,600	1,500	3,600	1,875
Secondary Melting	600	600	900	800	1,200	1,000
Radial Forging	3,000	1,600	3,000	1,800	3,000	2,250
Heat Treatment	4,000	2,100	4,000	2,400	4,000	3,000
Process Stage	2018-2019		2019-2020		2020-2021	
	Installed	Projected	Installed	Projected	Installed	Projected
Primary Melting	3,600	2,500	3,600	3,125	3,600	3,200
Secondary Melting	1,500	1,333	1,800	1,667	1,800	1,750
Radial Forging	3,000	2,700	3,000	3,000	3,000	3,000
Heat Treatment	4,000	2,700	4,000	3,000	4,000	3,250

**Unit II (Rabale – Wire Division)**

Process Stage	2015-2016		2016-2017		2017-2018	
	Installed	Actual	Installed	Actual	Installed	Actual
Annealing	4,800	3,120	4,800	3,600	4,800	4,500
Drawing	5,000	3,250	5,000	3,750	5,000	4,688
Peeling	3,000	1,950	3,000	2,250	3,000	2,813
Bars-De-coiling, Cutting, Grinding	3,000	1,950	3,000	2,250	3,000	2,813
Cold Rolling	1,000	650	1,000	750	1,000	938
Process Stage	2018-2019		2019-2020		2020-2021	
	Installed	Projected	Installed	Projected	Installed	Projected
Annealing	4,800	4,700	4,800	4,800	4,800	4,800
Drawing	5,000	4,800	5,000	5,000	5,000	5,000
Peeling	3,000	2,900	3,000	3,000	3,000	3,000
Bars- De-coiling, Cutting, Grinding	3,000	2,900	3,000	3,000	3,000	3,000
Cold Rolling	1,000	1,000	1,000	1,000	1,000	1,000

**Note:**

The Company proposes to achieve the projected levels in view of its failure to achieve levels of similar capacity utilisation in the past 3 years in following ways according to the processes:

**Unit I- Special Steels Division:**

Our Company has been approved in many government sectors so consequently will increase our orders year on year. Quantities in Radial forging are linked with the secondary melting in which we have increased the installed capacity. The increase in the installed capacity is due to the orders we have in hand and MOUs signed for the future.

**Unit II- Wire Division:**
**Annealing process:**

We are moving more towards fine wires, the cycle time for annealing is much lesser that allows us to perform more annealing charges in the same time available.

Also as mentioned in the capital expenditure, installing the Ammonia cracker will reduce cycle time further. Developed new customers that focus mainly on annealing.

**Drawing process:**

The increase in installed capacity in the year 2015-16 was by adding a machine for fine wire. Since we were in the developing stage, the order for the same wasn't much. Now we cater to a large tonnage for fine wires. Fine wires require much more number of drawing passes that utilises the available capacity.

**Peeling process:**

We've got new and increasing business for bearing components which are used in shale gas drilling.

The new customers developed for annealing process utilise the peeling process as it's the intermediate process for certain size range of wires before they are dispatched.

**Cold rolling process:**

We will develop new customers in the tool manufacturing sector.

**Bars:**

Adding grinding machines as mentioned in the capital expenditure will reduce transportation time and allow to utilise the machine to the fullest. We will run the machine 24 hours which will increase our production capacity.

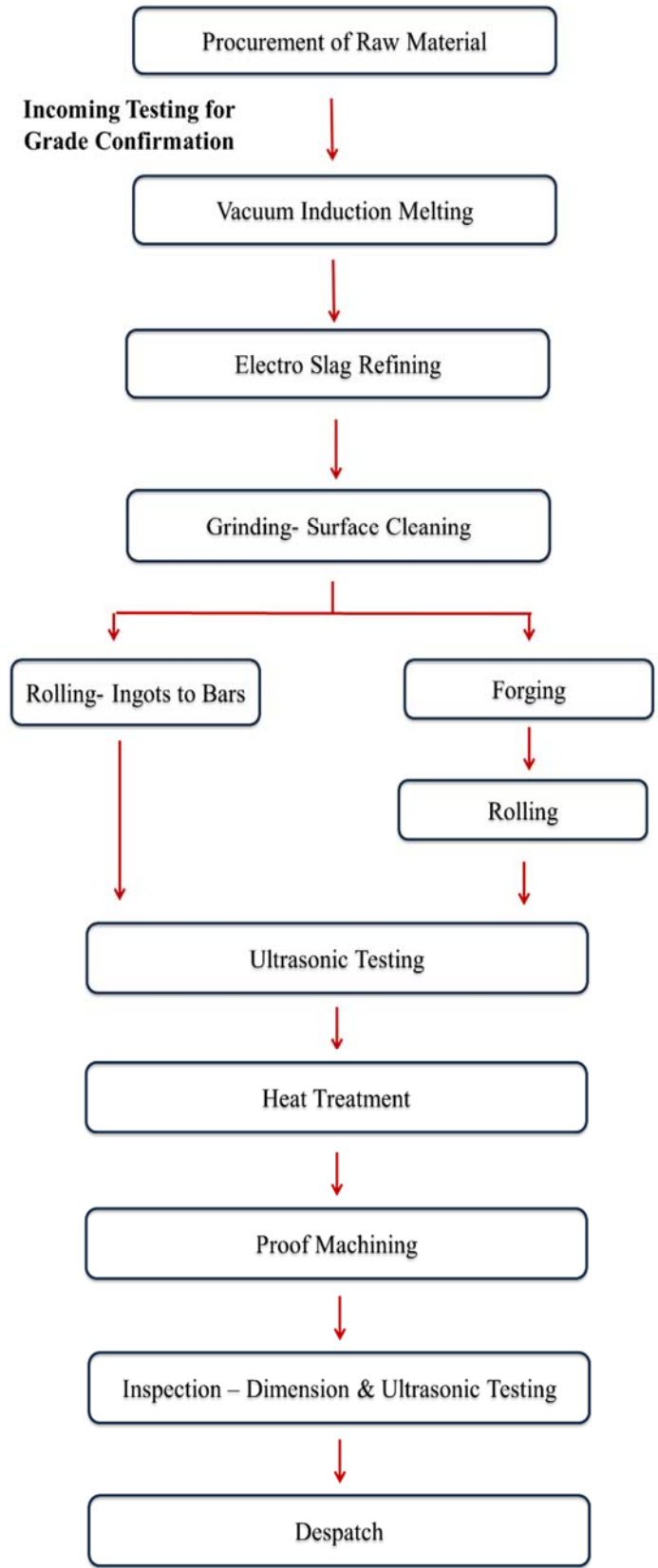
**Brief description of our manufacturing process**

Our operations at our processing unit at Khopoli – Special Steels Division and that of Rabale – Wire Division are significantly different considering the fact that the Special Steels Division at Khopoli deals with manufacturing of the special alloy bars & forgings whereas our wire Division at Rabale caters to the manufacturing of wires & profiles. The products processed at these two (2) units are mentioned below:

**1. Unit I (Khopoli – Special Steels Division):**

We process various special steels & alloys including special alloys such as superalloys, precipitation hardening steels, martensitic stainless steel, austenitic stainless steel, high strength steel and highspeed steels at our Special Steels Division at Khopoli.

The following process is used for manufacturing special alloys at Khopoli:



We set out below brief description of the aforementioned flow chart:



#### ❖ **Procurement of Raw Material**

The basic raw material required for processing special steels and alloys is Scrap and Ferro Alloys. This scrap contains different compositions of the requisite metals required for the end product. The scrap procured is tested to understand the exact properties of the metals forming part of the alloys. Based on the grade required, the scrap is alloyed with ferroalloys.

#### ❖ **Vacuum Induction Melting (VIM)**

This is a primary melting process, where the raw materials are combined according to their chemical compositions to attain the required composition for the end product. During this stage, the raw materials are made molten and then poured into ingots by the process of casting through bottom pouring.

#### ❖ **Argon Oxygen Decarburization (AOD)**

This stage is an intermediate stage whereby the molten metal is processed by inducing argon to refine the melt & oxygen to reduce Carbon and Sulphur, mainly in stainless steels, so as to retain pure chemical properties of the alloys/steels.

#### ❖ **Electro-Slag Re-melting (ESR)**

The ingots are then re-melted in this secondary melting process where the alloys are melted drop by drop and then re-cast in solid form. This is auto controlled by programmable logic controller for constant & controlled melt rates. This process refines the alloys by improving the homogeneity, improving cleanliness, reducing impurities & eliminating porosity and shrinkage.

#### ❖ **Long Radial Forging Machine (GFM)**

This versatile machine operates at a speed of six hundred (600) strokes per second. Here, the alloys are subject to forging i.e. application of pressure on the alloys so as to reduce the thickness and in turn increase its length. The forging takes place from all 4 sides applying uniform pressure through the cross-section of the material. This is a fully automatic system where material is forged close to re-crystallization temperatures.

#### ❖ **Heat Treatment**

We have a number of heat-treatment furnaces for different applications – Gas-fired pusher furnace, Electric pit-type furnace, Electric boggie type furnace, Induction heating furnace. Heat-treatment such as solution annealing, stress relieving, normalizing, hardening, aging and tempering can all be performed. The alloys are heat-treated to perform under required conditions based upon the applications.

#### ❖ **Machine Shop**

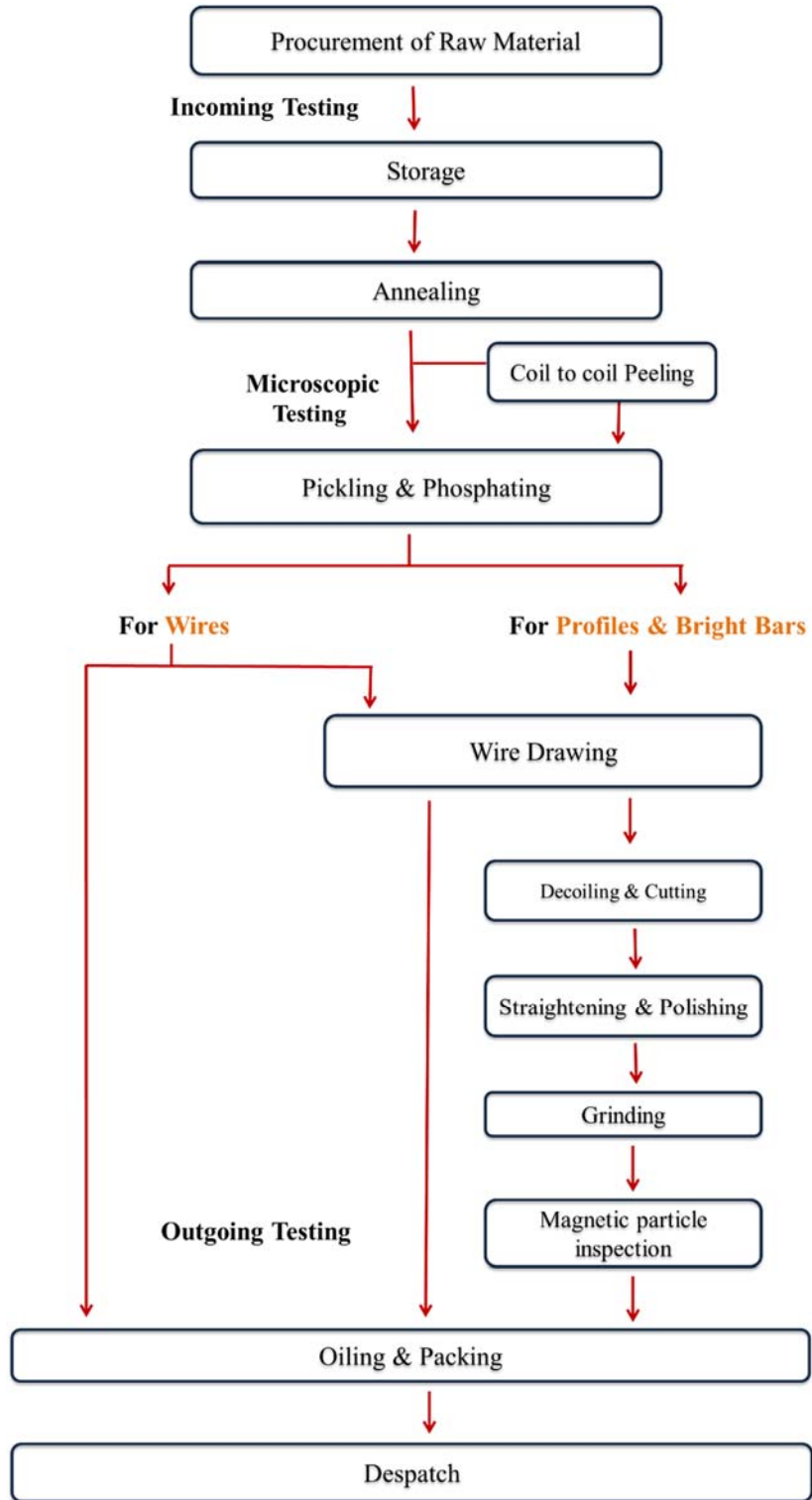
We have swing grinders, bandsaw cutting machines, lathes & peeling machines as part of our machine shop. These are used for cutting, machining and bright bar operations.

#### ❖ **R&D Laboratory- Testing Facilities**

- Spectrometer- Accurately shows Chemical composition. Uses optical emission technique
- Ultrasonic Testing (UT)-100% bars are UT Tested. Back-wall echo, DGS, FBH methods available. AMS, ASTM, JIS standards followed
- Ultimate Tensile Testing
- Hardness Tester
- Microscope- Micro, Grain size, Inclusion testing conducted
- DP
- MPI
- Radioactivity Testing
- PMI

2. **Unit II (Rabale – Wire Division):**

We process alloy wire rods into three (3) products (i) drawn wire; (ii) bright bars; and (iii) precision profiles at our Wire Division at Rabale. Set out below is the process involved in the production of the above products:



**❖ Annealing**

We have installed 5 annealing electrically heated furnaces which are controlled by pit controllers to control the atmosphere required for spheroidised annealing of wire rods and bars by prolonged heating and slow cooling, without addition of any decarburization i.e. removal of carbon from the alloy. The furnaces are attached to a programmable logic controller to ensure correct annealing cycles being followed and an oxygen probe/ oxygen probe/ oxymeter to check the oxygen levels in the furnace.

**❖ Pickling**

The scale originated upon in hot rolling is removed from the wire rod by the process of pickling (i.e. dipping of metal in pre-determined chemical baths depending upon the type of steel). The surface is then washed and coated with zinc phosphate, soap coated or lime as per customer's requirement.

**❖ Peeling**

This process ensures that the wire is free from surface defects such as cracks, decarburization and other blemishes that happen to occur on the surface during the automated process of peeling of the metal. This equipment also has laser diameter gauge with feedback control system which results in uniform material removal. The input size of this machine has a range of 10 mm to 23 mm.

**❖ Wire Drawing**

We use a wide range of drawing lubricants depending on the type of wire, reduction and finish requirements. During this process, the wire rods are fed into these machines to decrease their diameter by the process of wire drawing. We also use special dies for enabling pressurized lubrication to ensure higher diameter reduction and precision. Our machines have a wide size range of 0.8 mm to 28.00 mm.

The above processes are common for the processing of drawn wire, bright bars and precision profiles. The drawn wires processed after the above stages are directly oiled and packed for dispatch to the customer.

**❖ Straightening Machine for Bright Bars**

We use roller bar straightening machines suitable for accurate straightness and good surface finish on bright bars. For further processing of bright bars, drawn wires are straightened by way of de-coiling machines. These bright bars are then sent for polishing, grinding or peeling for removal of surface blemishes for closer tolerance and better mechanical properties. There are then cut in various sizes as per the specifications of the customer.

**❖ Inspection**

Magnetic particle inspection is undertaken at this stage to identify cracks in the material. This process enables us to supply bright bars that are free from cracks and defects.

**❖ Oiling & Packing**

Bright Bars are then dipped in rust preventive oil and packed in plastic, hessian, HDPE or wooden crates as per the customer's requirement. Bright Bars are also coated with light rust and acid fume preventive oil and then packed as per customer's requirements.

## ❖ Precision Profiles

Precision profiles (standard profiles & profiles to sketches) are manufactured by drawing, cold rolling or drawing with roller dies. Their geometrical shape frequently requires a combination of the above steps of processing including intermediate annealing.

The process precision profiles of various grades like – low & medium carbon steels, low alloy steels, ball bearing steels, spring steels & stainless steels.

## Our Product Portfolio

### Unit I- Special Steels Division

We process special alloys such as superalloys, precipitation hardening steels, martensitic stainless steel, austenitic stainless steel, high strength steel and high speed steels at our Special Steels division at Khopoli. We have been supplying these special alloy products to various public sector undertakings which are then used in the manufacturing of equipment and supplies for the defence, aerospace and power sector.

Particulars	2015-16		2016-17		2017-18	
	Revenue (in ₹ in Lakhs)	% of Revenue from Operations	Revenue (in ₹ in Lakhs)	% of Revenue from Operations	Revenue (in ₹ in Lakhs)	% of Revenue from Operations
Nickel Alloys	4,760.50	42.11%	9,206.59	76.47%	2,129.00	14.03%
Special Stainless Steel	3,013.40	26.65%	886.29	7.36%	10,995.50	72.46%
Alloy Steel	1,059.87	9.37%	172.90	1.44%	58.66	0.39%
Tool Steel	62.56	0.55%	40.38	0.34%	98.60	0.65%
Misc. Steel Products	40.21	0.36%	47.60	0.40%	30.70	0.20%

### Unit II- Products:

Unit II at our Wire Division at Rabale processes products viz. drawn wires, profiles, bright bars and bearing components which find their end use in the oil & gas, automotive and other industries.

Particulars	2015-16		2016-17		2017-18	
	Revenue (in ₹ in Lakhs)	% of Revenue from Operations	Revenue (in ₹ in Lakhs)	% of Revenue from Operations	Revenue (in ₹ in Lakhs)	% of Revenue from Operations
Bearings	710.80	6.29%	573.25	4.76%	744.80	4.91%
Products for Oil & Gas Units (Wires, Bars & Profiles)	213.24	1.89%	219.15	1.82%	521.30	3.44%
Products for Textile Units (Wires, Bars & Profiles)	189.55	1.68%	303.45	2.52%	391.00	2.58%
Products for Automobile Units (Wires, Bars & Profiles)	473.9	4.19%	286.80	2.38%	Negligible	Negligible
Hand Tools	687.13	6.08%	219.15	1.82%	149.00	0.98%
Misc. Alloy Products	94.78	0.84%	84.28	0.70%	55.90	0.37%

## Utilities & Infrastructure Facilities

### ❖ Raw Materials

Raw materials are essential to our business processes and are procured in the ordinary course of business from various suppliers. We purchase raw materials from sources that have been approved and verified by our internal quality control department. We have deployed various testing facilities to ensure that all the materials purchased comply with the desired quality and safety standards required by our customers. We obtain raw materials from domestic sources as well as import from outside India. Our raw material sourcing is not dependent on a single source of supply and we have access to multiple sources for procurement. The major raw material used for our products are steel and alloy wires, rods and scrap / ferro alloys.

We purchase scrap locally as well as import for melting purpose. For Unit I- The Special Steels Division, we purchase scrap locally as well as import for melting purpose. The scrap is used for primary melting to manufacture billets as per customer specifications. We also buy billets of standard stainless steel grades from India and certain billets of special grades from Sweden and China. For Unit II- The Wire Division, the Company imports wire rod coils majorly from Germany and Japan and procures from local vendors such as Jayaswal Neco Industry Ltd., Bhushan Power & Steel Co., Usha Martin Industries Limited, Panchmahal Steel Limited, etc.

### ❖ Infrastructure Facilities

Our registered office and our Wire Division is situated at Rabale, Navi Mumbai and our Special Steels Division is situated at Khopoli. Both our facilities are equipped with computer systems, internet connectivity, communications equipment, security and other facilities required for smooth business operations.

### ❖ Electricity

Our Company meets its power requirements from of Maharashtra State Electricity Distribution Co. Limited (Maha Vitaran). We have also installed a DG set 125 KVA and 180 KVA for back-up power at our units at Khopoli and Rabale.

### ❖ Water

Water for the Wire Division is received from Maharashtra Industrial Development Corporation (MIDC) and for the Special Steels Division from local water tanker services.

### ❖ Fuel

The fuel component requirement for the production processes at the Special Steels Division at Khopoli includes natural gas, oxygen and argon which are supplied in cylinders by local gas distributors. Whereas, our Wire Division includes piped natural gas which is sourced from Mahanagar Gas Limited and additional requirements are met by procuring cylinders from local authorised gas distributors.

## Export Obligations

License No.	Item required to be exported	Issue Authorisation Date	Duty Availed (₹ in Lakhs)	Duty Saved (INR Lakhs)	Duty Balance (₹ In Lakhs)	Export obligation in ₹ In Lakhs	Period to which Export Obligation to be completed
0330018109/3/11/00	Engineering Products	November 15, 2017	74.58	51.91	22.67	8 times of duty saved i.e. ₹ 415.30	8 years

## Quality Control and Testing Facilities

We believe that quality control is the key to continuous and repeat business from our customers. We have installed various testing machines at our Wire Division at Rabale, Navi Mumbai to ensure that all our products and processes are tested, before, during and after the completion of the processing.

- ❖ Hardness testing machine- We have installed Vickers/Brinell Hardness testers for accurate checking of the hardness of the annealed wire rods, wires and bars.
- ❖ Tensile testing machine- Tensile testing is a fundamental materials science test in which a sample is subjected to a controlled tension until failure. The results from the test are commonly used to select a material for an application, for quality control, and to predict how a material will react under other types of forces.
- ❖ Microscopic inspection- We also check the materials for microstructure, decarburization and grain size to evaluate segregation of impurities to ensure that it is as per customer's specifications and application. Magnetic Particle Inspection (MPI) testing machine-assessment of crack detection of product using liquid magnetic particles.

The company provides guarantee/ warrantee certificate for a period of 1 year for material supplied to government sectors.

## Marketing and Sales Network

Our success lies in the strength of our relationship with our customers who have been associated with our Company. Our team through their experience and good rapport with clients play an instrumental role in developing and maintaining relationship with clients leading to repeat orders.

We approach customers to understand their product requirements and technical specifications and strive towards new areas of development which allows us to increase our customer base. Our focus is on targeting existing customers and strive to further develop our relationship with our customers by providing a proactive after sales service and responding to feedback received from them. We have partnered with many of our key customers in the product development process which helps us retain our customers and establish long standing relationships with them. We regularly participate in various national and international exhibitions.

Further, we also participate in tenders which helps us get business. We focus on building our relationship with our existing customers. We collect and organise emails for potential prospects and customers which shows our existence and try to develop products for the niche market.

We set out below the geographical distribution of our Company's sales for the Financial Year ended March 31, 2018:

Region	Value ( ₹ in Lakhs)	Percentage total (%)
<b>Export</b>		
Mexico	191.86	1.26%
Thailand	14.62	0.10%
UAE	4.31	0.03%
<b>Domestic</b>		
Maharashtra	13,393.32	88.26%
Haryana	440.26	2.90%
Gujarat	436.74	2.88%
Himachal Pradesh	228.75	1.51%
Andhra Pradesh	147.91	0.97%
Jharkhand	140.07	0.92%
Madhya Pradesh	35.68	0.24%
Telangana	32.22	0.21%
Uttar Pradesh	29.02	0.19%

Region	Value ( ₹ in Lakhs)	Percentage total (%)
Goa	25.50	0.17%
Tamil Nadu	19.38	0.13%
Rajasthan	15.68	0.10%
Karnataka	9.07	0.06%
Uttarakhand	8.70	0.06%
Delhi	0.99	0.01%
Punjab	0.38	Negligible

The details of Export & Domestic Sales for last 3 years along with percentage is as under:

Particulars	Domestic sales		Export sales	
	₹ In Lakhs	%	₹ In Lakhs	%
2015-16	11063.06	97.85%	242.88	2.15%
2016-17	11861.96	98.52%	177.88	1.48%
2017-18	15091.72	99.45%	82.76	0.55%

### Transportation and Logistics

For the delivery of our Products to our clients, we rely on third party logistics providers on fee basis. Most of the dispatched products have incoterms 'ex-works' basis in which the customer arranges transport at their expense.

### Environmental, Health and Safety

Our Company is committed to provide a safe, clean and healthy environment and conduct its business and services in a manner so as to prevent harm to people and damage to environment or property. Our Company endeavours to handle the Environment, Health and Safety (EHS) issues with the same responsibility as issues concerning quality, productivity, profitability and cost-efficiency. Our Company actively manages the EHS norms as an integral part of our business, operations and practices. We continuously strive to minimize the pollution at source and that can be achieved by adopting cleaner technologies, reducing the use of natural resources and reusing and recycling wastes. We comply with all local and national environmental laws and regulations, at all the times.

Our Company endeavours to adopt necessary systems such as establishing a system, monitoring and regulating all the health and safety measures to be adopted; providing safe working environment for employees and workers; maintaining and following preventive maintenance schedule and providing information and training to the employees and workers for carrying out safe working operations and carrying out operations taking environmental safety into consideration. Our Company further maintains a safe work environment for our employees. We also conduct regular audits to monitor the various preventive and safety measures adopted, safe and hygienic working environment, providing protective equipment as required to avoid occurrence of any accidents.

### Competition

Processing of metals is a competitive business and we face competition from various domestic and international players for our steel and alloy products. The industry is largely composed of both, established names as well many small and medium-sized companies and entities. Among listed companies, we face competition from major players such as Bharat Forge Limited and Tirupati Forging Limited. The special steel division at Khopoli faces competition from M/s Mishra Dhatru Nigam Limited (a Government of India undertaking). We intend to continue competing vigorously to increase our market share and manage our growth in an optimal way.

## Insurance

We believe that we maintain all material insurance policies that are customary for companies operating in similar businesses. We have availed standard fire and special insurance policy cover to insure building, Plant and Machinery, Furniture, Fixtures and Fitting, and stock at Unit I (*Khopoli – Special Steels Division*) and to insure Building, Plant & Machinery, Electrical Installations, Office Equipment and Furniture & Fittings at Unit II (*Rabale- Wire Division*) of our Company worth *Rs. 957.58 Lakhs*. Additionally, we also have availed Burglary Policy for our Unit I (*Khopoli – Special Steels Division*) amounting to *Rs. 611.08 Lakhs*.

## Employees

We believe that our employees are key contributors to our business success. We focus on attracting and retaining the best possible talent. Our Company looks for specific skill-sets, interests and background that would be an asset for our business.


As on the date of the Red Herring Prospectus, our Company has 36 full time employees in addition to our management, who look after the administrative, secretarial, legal, marketing, accounting functions, business operations and factory management. Apart from these permanent employees, we have also hired approximately 100 contract labour at our processing units.

Department	No. of employees
Accounts	6
Secretarial	1
Marketing	5
Production	10
Excise	2
Purchase	3
HR	1
Supervisor	2
Quality control	4
Management Representative	1
Store	1
<b>Total</b>	<b>36</b>

Our manpower is a prudent mix of the experienced and youth which gives us the dual advantage of stability and growth. Our work processes and skilled/ semi-skilled/ unskilled resources together with our strong management team have enabled us to successfully implement our growth plans.

The employees of our Company are not currently unionized. Our Company believes that it has maintained considerable relations with its employees.

## Intellectual Property Rights

Our Promoter has made an application dated November 30, 2017 on behalf of the Company, for registration of our logo "  " with the Trade Marks Registry under class 6 which is under objection as on the date of the Red Herring Prospectus. The current status is - ready for Show Cause Hearing.



**Property**

No	Description of Property	Area	Date of Agreement/ Conveyance Deed	Owned/ Leasehold	Seller/ Lessor	Usage
1.	<b>Unit I- Special Steels Division:</b> Village Vihar, Opp. Khopoli Railway Station, Khopoli, Khalapur, Raigad, Maharashtra, 410203, India (CTS 2951 (Part) & 2953)	24,341.2 sq. mtrs.	August 14, 2007	Owned	Wheelabrator Alloy Castings Limited	Factory Land & Building
2.	Village Vihar, Opp. Khopoli Railway Station, Khopoli, Khalapur, Raigad, Maharashtra, 410203, India (CTS 2951)	8640 sq mtrs	December 20, 2006	Owned	Wheelabrator Alloy Castings Limited	Land under development*
3.	<b>Unit II- Wire Division:</b> R-222, M.I.D.C. Complex, Rabale, Thane- Belapur Road, Navi Mumbai- 400701, India	2,363 sq. mtrs	February 13, 1992	Leasehold (95 years)	Maharashtra Industrial Development Corporation (MIDC)	Factory Land
4.	R-223, M.I.D.C. Complex, Rabale, Thane- Belapur Road, Navi Mumbai- 400701, India	1,370 sq. mtrs.	September 2, 1987	Leasehold (95 years)	Maharashtra Industrial Development Corporation (MIDC)	Factory Land & Building and Registered Office

*\*Has been allotted for development by way of a development agreement entered into with M/s Babubhai Construction Co. and the total estimated sale area after development shall be approximately 1,84,440 sq ft (17,135.04 sq mtrs). As per said agreement, the developers shall hand over 40% of the sales proceeds post development to Supreme Engineering Ltd sale in the event of availability of additional FSI or development potential.*

## KEY INDUSTRY REGULATIONS AND POLICIES

*The following description is a summary of the relevant regulations and policies as prescribed by the Government of India. The regulations set below are not exhaustive and is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional legal advice.*

*We set out below certain significant legislations and regulations which generally govern the manufacturing industry in India:*

### **Legislations related to manufacturing and processing industry:**

#### **1. Bureau of Indian Standards Act, 2016 ("BIS Act")**

The BIS Act provides for the establishment of the Bureau of Indian Standards (BIS) for the development of activities of standardisation, conformity assessment and quality certification of goods, articles, processes, systems and services. The BIS Act provides for the functions of the BIS which includes, among others (a) to publish, establish, promote and review Indian standards; (b) to adopt as Indian standard, any standard, established by any other institution in India or elsewhere, in relation to goods, articles, processes, systems or services; (c) to carry out functions necessary for promotion, monitoring and management of the quality of goods, articles, processes, systems and services and to protect the interests of consumers and other stake holders; and (d) undertake, support and promote research necessary for formulation of Indian standards. The BIS Act empowers the Central Government to order compulsory use of standard mark for any goods or article if it finds it expedient to do so in public interest, national security, protection of human, animal or plant health, safety of environment or prevention of unfair trade practices. The BIS Act also provides the penalties in case there is a contravention of the provisions of the BIS Act.

#### **2. The Legal Metrology Act, 2009 ("Legal Metrology Act" and the Legal Metrology (Packaged Commodities) Rules, 2011**

The Legal Metrology Act replaces the Standards of Weights and Measures Act, 1976. The Legal Metrology Act seeks to establish and enforce standards of weights and measures, regulate trade and commerce in weights, measures and other goods which are sold or distributed by weight, measure or number, and matters connected therewith or incidental thereto. The key features of the Legal Metrology Act are (a) appointment of Government approved test centres for verification of weights and measures; (b) permitting the establishments to nominate a person who will be held responsible for breach of provisions of the Legal Metrology Act; and (c) more stringent punishment for violation of provisions.

### **Environmental laws and regulations:**

#### **3. Environment Protection Act, 1986 ("Environment Act")**

The Environment Act is an umbrella legislation designed to provide a framework for the Central Government to coordinate activities of various state and central authorities established under previous environmental laws. The Environment Act specifies that no person carrying on any industry, operation or process shall discharge or emit or permit to be discharged or emitted any environment pollutants in excess of such standards as may be prescribed. The Environment Act empowers the Central Government to make rules for various purposes *viz.*, to prescribe:

- i. the standards of quality of air, water or soil for various areas;
- ii. the maximum allowable limits of concentration of various environmental pollutants for different areas;
- iii. the procedures and safeguards for the prevention of accidents which may cause environmental pollution and remedial measures for such accidents.

#### **4. Environment (Protection) Rules, 1986 ("Environment Rules")**

In exercise of powers conferred under the Environment Act, the Central Government notified the Environment Rules. Pursuant to Environment Rules, every person who carries on an industry, operation or process requiring consent under Water (Prevention and Control of Pollution) Act, 1974 or Air (Prevention and Control of Pollution) Act, 1981 or shall submit to the concerned Pollution Control Board (—PCBI) an environmental statement for that financial year in the prescribed form.

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

The Air Act requires any individual, industry or institution responsible for emitting smoke or gases by way of use as fuel or chemical reactions, apply in a prescribed form and obtain consent from the PCB prior to commencing any activity. The PCB is required to grant, or refuse, consent within four months of receipt of the application. The consent may contain conditions relating to specifications of pollution control equipment to be installed. Within a period of four months after the receipt of the application for consent the PCB shall, by order in writing and for reasons to be recorded in the order, grant the consent applied for subject to such conditions and for such period as may be specified in the order, or refuse consent.

#### **6. Water (Prevention and Control of Pollution) Act, 1974 ("Water Act")**

The Water Act aims at prevention and control of water pollution as well as restoration of water quality through the establishment of a central PCB and state PCBs. Under the provisions of the Water Act, any individual, industry or institution discharging industrial or domestic wastewater or establishing any treatment or disposal system or the using of any new or altered outlet for the discharge of sewage is required to obtain the consent of 144 the applicable state PCB, which is empowered to establish standards and conditions that are required to be complied with. The consent to operate is granted for a specific period after which the conditions stipulated at the time of granting consent are reviewed by the state PCB. Even before the expiry of the consent period, the state PCB is authorized to carry out random checks on any industry to verify if the standards prescribed are being complied with by the industry. In the event of non-compliance, the state PCB after serving notice to the concerned industry may close the mine or withdraw water supply to the industry or cause magistrates to pass injunctions to restrain such polluters.

#### **7. Hazardous Wastes (Management, Handling and Transboundary Movement) Rules, 2008 ("Hazardous Wastes Rules")**

The Hazardous Wastes Rules impose an obligation on every occupier of an establishment generating hazardous waste to recycle or reprocess or reuse such waste in a registered recycler or to dispose of such hazardous wastes in an authorized disposal facility. Every person engaged, inter alia, in the generation, processing, treatment, package, storage and destruction of hazardous waste is required to obtain an authorization from the relevant state PCB for collecting, recycling, reprocessing, disposing, storing and treating the hazardous waste.

#### **Intellectual Property Laws:**

#### **8. Trade Marks Act, 1999, as amended**

The Indian law on trademark is enshrined in the Trade Marks Act of 1999. Under the existing Act, a trademark is a mark used in relation to goods and/or services so as to indicate a connection between the goods or services being provided and the proprietor or user of the mark. A 'Mark' may consist of a word or invented word, signature, device, letter, numeral, brand, heading, label, name written in a particular style, the shape of goods other than those for which a mark is proposed to be used, or any combination thereof or a combination of colours and so forth. The trademark once it is applied for is advertised in the trademarks journal, oppositions, if any, are invited and after satisfactory adjudication of the same, is given a certificate of registration. The right to use a mark can be exercised either by the registered proprietor or a registered user. The present term of registration of a trademark is ten years, which may be renewed for similar periods on payment of prescribed renewal fees.

#### **9. Patents Act, 1970 as amended ("Patents Act")**

The Patents Act governs the patent regime in India. Being a signatory to the Agreement on Trade Related Aspects of Intellectual Property Rights, India is required to recognise product patents as well as process patents. In addition to the broad requirement that an invention satisfy the requirements of novelty, utility and non-obviousness in order for it to avail patent protection, the Patents Act stipulates that patent protection may not be granted to certain specified types of inventions and materials even if they satisfy the above criteria. The Patents Act prohibits any person resident in India from applying for patent for an invention outside India without making an application for the invention in India. The term of a patent granted under the Patents Act is twenty years from the date of filing of the application for the patent.

## Regulations regarding foreign investment

1. Foreign investment in Indian securities is governed by the provisions of the Foreign Exchange Management Act, 1999 ("**FEMA**") read with the applicable FEMA Regulations. FEMA replaced the erstwhile Foreign Exchange Regulation Act, 1973. Foreign investment is permitted (except in the prohibited sectors) in Indian companies, either through the automatic route or the government approval route, depending upon the sector in which foreign investment is sought to be made. The Department of Industrial Policy and Promotion ("**DIPP**"), Ministry of Commerce & Industry, Government of India makes policy pronouncements on FDI through press notes and press releases which are notified by the RBI as amendments to the FEMA Regulations. In case of any conflict, the FEMA Regulations prevail. Therefore, the regulatory framework, over a period of time consists of acts, regulations, press notes, press releases, clarifications among other amendments. The DIPP issued the consolidated FDI policy circular of 2017, dated August 28, 2017 (the "**FDI Circular**") which consolidates the policy framework on FDI issued by DIPP, in force on August 28, 2017 and reflects the FDI Policy as on August 28, 2017. The FDI Circular consolidates and subsumes all the press notes, press releases, and clarifications on FDI issued by DIPP.

Capital instruments are required to be issued within a period of 180 days from the date of receipt of the inward remittance received from non-resident investor. In the event that, the capital instruments are not issued within a period of 180 days from the date of receipt of the inward remittance, the amount of consideration so received is required to be refunded immediately to the non-resident investor by outward remittance. Non-compliance with the aforementioned provision shall be considered as a contravention under FEMA and would attract penal provisions.

## Industrial and Labour Laws:

1. **Factories Act, 1948 ("**Factories Act**")**

Factories Act defines a 'factory' to cover any premises which employs ten or more workers on any day of the preceding twelve months and in which manufacturing process is carried on with the aid of power or any premises where at least twenty workers are employed in a manufacturing process.

Each state government has enacted rules in respect of the prior submission of plans and their approval for the establishment of factories and registration and licensing of factories. The Factories Act provides that an occupier of a factory i.e. the person who has ultimate control over the affairs of the factory and in the case of a company, any one of the directors, must ensure the health, safety and welfare of all workers. There is a prohibition on employing children below the age of fourteen years in a factory. The Factories Act also provides for imposition of fines and imprisonment of the manager and occupier of the factory in case of any contravention of the provisions of the Factories Act.

In addition to the Factories Act, the employment of workers, depending on the nature of activity, is regulated by a wide variety of generally applicable labour laws. The following is an indicative list of labour laws which may be applicable to our Company due to the nature of our business activities:

1. Contract Labour (Regulation & Abolition) Act, 1970;
2. Employees Compensation Act, 1923;
3. Employees Provident Funds and Miscellaneous Provisions Act, 1952;
4. Employees State Insurance Act, 1948;
5. Equal Remuneration Act, 1976;
6. Minimum Wages Act, 1948;
7. Public Liability Insurance Act, 1991;
8. Payment of Bonus Act, 1965;
9. Payment of Gratuity Act, 1972;
10. Payment of Wages Act, 1936;
11. Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013;
12. The Industrial Disputes Act, 1947;
13. The Maternity Benefit Act, 1961;
14. Trade Unions Act, 1926;
15. Workmen Compensation Act, 1923; and
- 16.** Child Labour (Prohibition and Abolition) Act, 1986.

## HISTORY AND CERTAIN CORPORATE MATTERS

### Brief history of our Company

Our Company was originally incorporated as a private limited company, at Maharashtra, India under the Companies Act, 1956 in the name of Supreme Heatreaters Private Limited vide Certificate of Incorporation dated April 20, 1987. Subsequently, fresh certificate of incorporation consequent upon change of name from Supreme Heatreaters Private Limited to Supreme Engineering Private Limited dated January 9, 2018 was issued by RoC, Mumbai. Further, pursuant to conversion of our Company to a public limited company, a fresh certificate of incorporation was issued by RoC, Mumbai on January 10, 2018.

### Changes in registered office of our Company since incorporation

There have been no changes in the registered office of our Company since its incorporation.

### Main Objects

The main objects of our Company as contained in its Memorandum of Association are:

To carry on the business of heat treaters, engineers, founders, smelters, fabricators, smiths, metal workers, metallurgists, electric and chromium platers, tin smiths, look smiths, iron mongers, alloy makers and machinists and machinery, tools, instruments and equipment of all kinds used in heat treating, annealing or in any of the above activities.

The main objects clause and objects incidental or ancillary to the main objects as contained in the Memorandum of Association enable our Company to undertake its existing activities.

### Amendments to the Memorandum of Association of our Company

Since the incorporation of our Company, the following changes have been made to the Memorandum of Association:

No.	Date of Amendment / Shareholders Resolution	Amendment
1.	September 13, 2007	<p><u>Change in authorised share capital:</u></p> <p>Increased Authorised Share Capital from ₹2,00,00,000 comprising of 2,00,000 Shares of ₹100 each to ₹3,00,00,000 comprising of 3,00,000 Shares of ₹100 each.</p>
2.	September 15, 2017	<p><u>Sub-division of face value of Equity Shares from ₹100 to ₹10:</u></p> <p>Sub-division of face value of Shares from ₹100 to ₹10 each. The Shares on sub-division of the face value then amounted to 30,00,000 Shares of ₹10 each.</p>
3.	January 9, 2018	<p><u>Change in name of our Company:</u></p> <p>Clause I of the Memorandum of Association was altered to reflect the change in name of our Company from "Supreme Heatreaters Private Limited" to "Supreme Engineering Private Limited".</p> <p><u>Conversion from private limited to public limited:</u></p> <p>Clause I of the Memorandum of Association was altered to reflect the conversion of our Company from private limited to public limited, i.e. "Supreme Engineering Limited".</p>

No.	Date of Amendment / Shareholders Resolution	Amendment
4.	September 15, 2017	<u>Change in authorised share capital:</u>  Increased Authorised Share Capital from ₹ 3,00,00,000 comprising of 30,00,000 shares of ₹10 each to ₹25,10,00,000 comprising of 2,51,00,000 shares of ₹10 each.
5.	September 18, 2017	<u>Re-classification of authorised share capital:</u>  Re-classification of the existing Authorized Share Capital from ₹25,10,00,000 divided into 2,41,00,000 Equity Shares of ₹10 each & 10,00,000 Preference shares of ₹10 each, into ₹25,10,00,000 divided into 2,51,00,000 Equity Shares of ₹10 each.

### Shareholders of our Company

As on the date of this Red Herring Prospectus, our Company has twenty five (25) shareholders. For further details in relation to the current shareholding pattern, please refer to section titled "Capital Structure" beginning on page 54 of this Red Herring Prospectus.

### Major events and milestones

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

Year	Key Milestones
1987	<ul style="list-style-type: none"> <li>▪ Incorporation of our Company</li> <li>▪ Setting up our Unit II (<i>Rabale</i>) with an installed capacity of 1500 MT per annum</li> </ul>
1990	Expanding annealing capacity to 3000 MT and installed wire drawing facility
1992	Installed Wire Peeling facility
1995	Installed Bright Bar facility
1997	Installed Cold Rolling facility
2000	<ul style="list-style-type: none"> <li>▪ Expanding annealing capacity to 3000 MT</li> <li>▪ Installed additional Wire Drawing facility</li> </ul>
2007	Setting up our Unit I ( <i>Khopoli – Special Steels Division</i> ) with an installed capacity of 3,600 MT per annum
2018	Converted from private to public limited company

### Other Details Regarding our Company

For information on our activities, services, growth, technology, geographical presence, market, managerial competence, our standing with reference to our prominent competitors and major customers and suppliers, please refer to sections titled "Our Business"; "Industry Overview"; "Risk Factors" and "Management's Discussion and Analysis of Financial Conditions and Results of Operations" beginning on pages 112; 81; 16; and 181; respectively of this Red Herring Prospectus. For details of our management, please refer to section titled "Our Management" beginning on page 135 of this Red Herring Prospectus.

### Time and Cost Overrun

There have been no time/cost overruns pertaining to our business operations since incorporation.

### Strikes or Labour Unrest

Our Company has not lost any time on account of strikes or labour unrest as on the date of this Red Herring Prospectus.

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

There are no defaults or rescheduling of borrowings with financial institutions/ banks, conversion of loans into equity in relation to our Company.

### Injunction or restraining order

Our Company is not operating under any injunction or restraining order.

### Capital raising (Debt / Equity)

Except as set out in the sections titled "Capital Structure" and "Financial Indebtedness" beginning on pages 54 and 188 respectively of this Red Herring Prospectus, our Company has not raised any capital in the form of Equity Shares or debentures.

### Changes in the activities of our Company during the last five (5) years

There have been no changes in the activity of our Company during the last five (5) years preceding the date of this Red Herring Prospectus, which may have had a material effect on the profits or loss, including discontinuance of the lines of business, loss of agencies or markets and similar factors of our Company.

### Revaluation of Assets

Our Company has not revalued its assets as on the date of this Red Herring Prospectus.

### Awards and Accreditations

*We have* received the following awards:

No.	Issuing Authority	Award	Year
1.	Indian Economic Development & Research Association, New Delhi	Bhartiya Udyog Ratan Award	2002
2.	Indian Achievers Forum, New Delhi	National Achievements Award for Quality Excellence	2002
3.	Business Initiative Directions at the 14 International Quality BID- QC100 Convention, United Kingdom	International Quality Crown Award, London 2002 in recognition of outstanding commitment to Quality and Excellence	2002

We have received the following accreditations:

No.	Issuing Authority	Certification	Certification No.	Date of granting License/ Approval	Validity
1.	TUV Nord	ISO 9001:2015 for manufacture and supply of steel wires, bright bars and profile sections ( <i>Unit II</i> )	44 100 114170	April 17, 2017	May 8, 2020
2.	TUV Nord	ISO 9001:2008 for manufacture and supply of super alloys, super duplex steel & high speed steel bars ( <i>Unit I</i> )	44 100 15390809	November 3, 2015	September 14, 2018

### Details regarding acquisition of business/undertakings, mergers, amalgamation, revaluation of assets, etc.

Our Company has not acquired any business or undertaking or entered into any scheme of merger or amalgamation since incorporation.

### Other Agreements

Except a Development Agreement dated July 22, 2014 entered into by the Company with Babubhai Construction Co., situated at Khopoli for development of non- agricultural land for residential purpose, our Company has not entered into any material contract other than in the ordinary course of business carried on or intended to be carried on by our Company in the two (2) years preceding this Red Herring Prospectus.

### Holding Company

Our Company does not have a holding company as on the date of this Red Herring Prospectus.

### **Subsidiaries of our Company**

As on the date of this Red Herring Prospectus, our Company does not have any subsidiary.

### **Collaboration Agreements**

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

### **Shareholders Agreements**

Our Company has not entered into any shareholder's agreement as on the date of this Red Herring Prospectus.

### **Material Agreements**

Our Company has not entered into any material agreements, other than the agreements entered into by it in normal course of its business.

### **Joint Venture Agreement**

Our Company has not entered into any material joint venture agreements except as disclosed under this section.

### **Other Agreements**

Our Company has not entered into any other material agreements, other than in the normal course of its business.

### **Strategic Partners**

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

### **Financial Partners**

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

### **Changes in Accounting Policies in last three (3) years**

Our Company has not changed its accounting policies in the last three (3) years.



**OUR MANAGEMENT**
**Board of Directors**

As per the Articles of Association our Company shall not appoint less than three (3) and more than fifteen (15) Directors. Currently, our Company has five (5) Directors including a Non-Executive Director & Chairperson. Out of five (5) directors, two (2) are Executive Directors and two (2) are Independent Directors.

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

Name, Designation, Address, Date of Appointment/ Re-appointment, Term, Period of Directorship, Occupation, and DIN	Age (in years)	Other Directorships as on the date of this Red Herring Prospectus
<p><b>Mrs. Lalita Sanjay Chowdhri</b></p> <p><u>Designation:</u> Non-executive Director &amp; Chairperson</p> <p><u>Address:</u> Row House 9, Divya Swapna Housing, Dr. Gidwani Marg, Near Shalimar Petrol Pump, Chembur, Mumbai 400 074, India.</p> <p><u>Date of Appointment:</u> December 7, 2017</p> <p><u>Term:</u> Liable to Retire by Rotation</p> <p><u>Nationality:</u> Indian</p> <p><u>Occupation:</u> Business</p> <p><u>DIN:</u> 00096419</p>	51 years	<p><u>Public Limited Entities:</u></p> <ul style="list-style-type: none"> <li>▪ Nil</li> </ul> <p><u>Private Limited Entities:</u></p> <ul style="list-style-type: none"> <li>▪ A.S.C Engineers Private Limited</li> </ul> <p><u>Foreign Entities:</u></p> <ul style="list-style-type: none"> <li>▪ Nil</li> </ul>
<p><b>Mr. Sanjay Rattan Prakash Chowdhri</b></p> <p><u>Designation:</u> Managing Director</p> <p><u>Address:</u> Row House 9, Divya Swapna Housing, Dr. Gidwani Marg, Near Shalimar Petrol Pump, Chembur, Mumbai 400 074, India.</p> <p><u>Date of re-appointment:</u> January 17, 2018</p> <p><u>Term:</u> Five (5) years from January 17, 2018</p> <p><u>Nationality:</u> Indian</p> <p><u>Occupation:</u> Business</p> <p><u>DIN:</u> 00095990</p>	54 years	<p><u>Public Limited Entities:</u></p> <ul style="list-style-type: none"> <li>▪ Nil</li> </ul> <p><u>Private Limited Entities:</u></p> <ul style="list-style-type: none"> <li>▪ Economic Forge Private Limited;</li> <li>▪ A.S.C. Engineers Private Limited.</li> </ul> <p><u>Foreign Entities:</u></p> <ul style="list-style-type: none"> <li>▪ Nil</li> </ul>
<p><b>Mr. Abhinav Sanjay Chowdhri</b></p> <p><u>Designation:</u> Executive Director</p> <p><u>Address:</u> Row House 9, Divya Swapna Housing, Dr. Gidwani Marg, Near Shalimar Petrol Pump,</p>	29 years	<p><u>Public Limited Entities:</u></p> <ul style="list-style-type: none"> <li>▪ Nil</li> </ul> <p><u>Private Limited Entities:</u></p>

Name, Designation, Address, Date of Appointment/ Re-appointment, Term, Period of Directorship, Occupation, and DIN	Age (in years)	Other Directorships as on the date of this Red Herring Prospectus
Chembur, Mumbai 400 074, India. <u>Date of appointment:</u> December 7, 2017 <u>Term:</u> Liable to Retire by Rotation <u>Nationality:</u> Indian <u>Occupation:</u> Business <u>DIN:</u> 07121484		<ul style="list-style-type: none"> <li>▪ L.S.C. Enterprises Private Limited</li> </ul> <u>Foreign Entities:</u> <ul style="list-style-type: none"> <li>▪ Nil</li> </ul>
<b>Dr. Jayaraman Kannan</b> <u>Designation:</u> Independent Director <u>Address:</u> Plot 37, Bharat Ratna Colony, Saidabad, Hyderabad 500 059, India. <u>Date of appointment:</u> January 17, 2018 <u>Term:</u> Five (5) years from January 17, 2018 <u>Nationality:</u> Indian <u>Occupation:</u> Retired Government Official <u>DIN:</u> 08050352	62 years	<u>Public Limited Entities:</u> <ul style="list-style-type: none"> <li>▪ Nil</li> </ul> <u>Private Limited Entities:</u> <ul style="list-style-type: none"> <li>▪ Nil</li> </ul> <u>Foreign Entities:</u> <ul style="list-style-type: none"> <li>▪ Nil</li> </ul>
<b>Mr. Prakash Vithalrao Deshmukh</b> <u>Designation:</u> Independent Director <u>Address:</u> Elite Embassy, Flat No.20, Ram Nagar Colony, Bavdhan, Pune 411 021, India. <u>Date of appointment:</u> December 7, 2017 <u>Term:</u> Five (5) years from December 7, 2017 <u>Nationality:</u> Indian <u>Occupation:</u> Business <u>DIN:</u> 02376494	65 years	<u>Public Limited Entities:</u> <ul style="list-style-type: none"> <li>▪ Nil</li> </ul> <u>Private Limited Entities:</u> <ul style="list-style-type: none"> <li>▪ Nil</li> </ul> <u>Foreign Entities:</u> <ul style="list-style-type: none"> <li>▪ Nil</li> </ul>

### Family Relationships between the Directors

None of the directors are related to each other in terms of the definition of 'relative' under Section 2(77) of the Companies Act, except as set out below:

Name	Name	Relationship
Mrs. Lalita Chowdhri	Mr. Sanjay Chowdhri	Ms. Lalita Chowdhri is wife of Mr. Sanjay Chowdhri
Mr. Abhinav Chowdhri	Mrs. Lalita Chowdhri and Mr. Sanjay Chowdhri	Mr. Abhinav Chowdhri is son of Mrs. Lalita Chowdhri and Mr. Sanjay Chowdhri

### Brief biographies of the Directors

1. **Mrs. Lalita Chowdhri**, aged 51 years, is the non-executive Director and Chairperson of our Company. She has been re-designated as such since 2017. She has done her Bachelor of Arts in Economics from Chennai. She ensures efficient administration and reviews accounts of our Company.
2. **Mr. Sanjay Chowdhri**, aged 54 years, is the Promoter and Managing Director of our Company since incorporation and has been re-appointed for a further term of 5 years beginning in 2018. He is a Qualified Engineer in the field of Electronics and Communication, having attained a Bachelor of Engineering Degree from Karnataka University (Dharwad) in the year 1985. He has an experience of more than three (3) decades in the field of metallurgy thus being the guiding force behind the strategic decisions of our Company, been instrumental in formulating the overall business strategy and developing business relations of our Company.
3. **Mr. Abhinav Chowdhri**, aged 29 years, is an executive director of our Company. He has been associated with our Company since the year 2011. He has done his Bachelor of Science with a major in Industrial Engineering from The Pennsylvania State University. Since joining our Company, he has been involved in technical development, business development as well as production activity at our special steels division at Khopoli. Our Company has received approvals by various Defence Public Sector Undertakings, Public Sector Undertakings, Ordnance factories and undertakings belonging to aerospace, automotive and energy sectors, under his able guidance. Mr. Abhinav Chowdhri is also a participating member of the prestigious organization, ASTM International that is responsible for updating & preparation of metallurgical standards.
4. **Dr. Jayaraman Kannan**, aged 62 years, is an Independent Director of our Company in the year 2018. He has done his graduation in Aeronautical Engineering from M.I.T, Madras and post-graduation in Aeronautical Engineering from I.I.T, Madras. He was conferred with the degree of Doctor of Philosophy by Singhania University, Rajasthan. He is a retired Distinguished Scientist of DRDL (Defence Research and Development Laboratory), the mother laboratory of DRDO (Defence Research and Development Organization), the premier Research organisation in India and has over three decades of experience as a Scientist in various organisations such as DRDL and Scientist and Director (2013-14) in Advanced Systems Laboratory.
5. **Mr. Prakash Deshmukh**, aged 65 years, is the Independent Director (Independent) of our Company in the year 2017. He has done his Bachelors in Technology (Hons.) in Metallurgic Engineering from IIT Kharagpur. He was conferred with the degree of Doctor of Philosophy by Singhania University, Rajasthan. He has served under various posts in HAL over three decades in the field of Engineering.

### Common directorships of the Directors in companies whose shares are/were suspended from trading on the BSE and/ or the NSE for a period beginning from five (5) years prior to the date of this Red Herring Prospectus.

None of the Directors are/ were directors of any company whose shares were suspended from trading by Stock Exchange(s) or under any order or directions issued by the stock exchange(s)/ SEBI/ other regulatory authority in the last five (5) years.

### Director's association with the Securities Market

None of the Directors of our Company are associated with securities market.

### Common directorships of the Directors in listed companies that have been/were delisted from stock exchanges in India

None of our Directors are/ were directors of any entity whose shares were delisted from any Stock Exchange(s).

Further, none of the directors are/ were directors of any entity which has been debarred from accessing the capital markets under any order or directions issued by the Stock Exchange(s), SEBI or any other regulatory authority.

### Remuneration to Executive Directors

1. **Mr. Sanjay Chowdhri**, is the Promoter and Managing Director of our Company and was re-appointed by way of a board resolution dated January 8, 2018 and a shareholder's resolution dated January 17, 2018 for a period of five (5) years commencing from January 17, 2018 till January 16, 2023. Mr. Sanjay Chowdhri terms of appointment have been laid down under the MD Agreement dated January 17, 2018. The significant terms of his employment are set out below:

Particulars	Remuneration
Basic Salary	₹60.00 lakhs per annum
Commission	Not exceeding 1% of the Net Profit of the Company in any financial year as the Board may determine from time to time but shall not exceed the amount equivalent to the salary for the relevant period; it may be paid pro-rata on a monthly basis at the absolute discretion of the Board.
Perquisites	Company's contribution to Provident fund and Superannuation Fund or Annuity Fund, Gratuity Payment as per Company's rules.
Re-appointment as a Managing Director	<i>January 17, 2018 (Five (5) years with effect from January 17, 2018 till January 16, 2023)</i>
Remuneration paid for F.Y. 2017-2018	₹ 23.10 lakhs

2. **Mr. Abhinav Chowdhri**, is the Executive Director of our Company and was appointed by way of a board resolution dated November 27, 2017 and a shareholder's resolution dated December 7, 2017. His remuneration was approved at the shareholder's meeting dated January 9 2018 at a remuneration of ₹ 18 Lakhs per annum w.e.f January 1, 2018 He shall be liable to retire by rotation. Remuneration paid to him in FY 2017-18 amounted to ₹4.50 lakhs.

### Payment or benefit to Directors of our Company

The sitting fees/other remuneration of our Directors in Financial Year 2017-18 are as follows:

#### ▪ Payment of non-salary related benefits

Except as stated under Remuneration to Executive Directors and "Remuneration to Non-executive directors", our Company has not paid, in the last two (2) years preceding the date of this Red Herring Prospectus, and nor does it intend to pay any non-salary related amount or benefits to our Directors.

- **Remuneration to Executive Directors:** The remuneration to Mr. Sanjay Chowdhri was ₹23.10 lakhs for the fiscal 2018.
- **Remuneration to Non-Executive Directors:** Pursuant to the Board resolution dated February 1, 2018, our Company has fixed an amount of ₹10,000 as the sitting fees payable to our Independent Directors, towards attending meetings of the Board of Directors or a committee thereof. For the Financial Year 2017-18, the following has been paid to our Non-Executive Directors:

Name of Director	Amount (₹ in lakhs)
Dr. Jayaraman Kannan	0.09
Mr. Prakash Deshmukh	0.10

In Financial Year 2018, our Company has not paid sitting fees to any Non-Executive Directors in that capacity, except ₹ 3.60 Lakhs per annum paid to Mrs. Lalita Chowdhri (currently the Chairperson & Non Executive Director) who was at the time designated as Whole Time Director of the Company prior to re-designation as Non Executive Director.

### Arrangements with major Shareholders, Customers, Suppliers or Others

There are no arrangements or understanding between major shareholders, customers, suppliers or others pursuant to which any of the Directors were selected as a Director or member of a senior management as on the date of this Red Herring Prospectus.

### Service Contracts

Our Company has not executed any service contracts with its directors providing for benefits upon termination of their employment.

### Shareholding of directors in our Company

Except as mentioned below, none of the Directors hold Equity Shares in our Company as on the date of this Red Herring Prospectus:

Particulars	Pre-Issue		Post-Issue	
	Number of Shares	Percentage (%) holding	Number of Shares	Percentage (%) holding
Mr. Sanjay Chowdhri	66,59,500	36.16	66,59,500	[•]
Mrs. Lalita Chowdhri	17,20,000	9.34	17,12,000	[•]
Mr. Abhinav Chowdhri	7,50,000	4.07	7,50,000	[•]
<b>Total</b>	<b>91,29,500</b>	<b>41.21</b>	<b>91,21,500</b>	<b>[•]</b>

### Shareholding of Directors in our Associate companies

Our Company does not have any associate companies as on the date of this Red Herring Prospectus.

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

Except Mr. Pranav Chowdhri, appointed as Chief Executive Officer of the Company, none of the relatives of our Directors currently holds any office or place of profit in our Company.

### Interests of our Directors

Our directors may also be deemed as interested in our Company to the extent of the Equity Shares held by them or any Equity Shares that may be subscribed by or allotted to them from time to time. For further details, please refer to section titled "Our Management – Shareholding of directors in our Company" and "Capital Structure" beginning on pages 139 and 54 respectively of this Red Herring Prospectus. Our director may also be deemed to be interested to the extent of dividend, if any, payable and other distributions in respect of the Equity Shares held by them.

Our non-executive director and independent directors may be deemed to be interested in our Company to the extent of fees payable to them for attending meetings of our Board or committees thereof and reimbursement of expenses payable pursuant to our Articles of Association.

Our directors have no interest in any property acquired or proposed to be acquired by our Company two (2) years prior to the date of this Red Herring Prospectus.

Except Mr. Sanjay Chowdhri & Mrs. Lalita Chowdhri, Promoters of our Company, none of our other Directors have any interest in the promotion of our Company other than in ordinary course of business. Except as disclosed above, no amount or benefit has been paid or given within the two (2) preceding years or is intended to be paid or given to any of our Directors except the normal remuneration for services rendered as Directors.

Further, our Directors have provided unsecured loans to the Company in their capacity as Promoters and shall be interested to the extent of such amount and any interest which may be payable on the same.

None of our Directors have availed any loan from our Company. None of the beneficiaries of loans, advances and sundry debtors are related to the Directors of our Company, except as disclosed under section titled "Financial Statements" beginning on page 155 of the Red Herring Prospectus. Except as disclosed under section titled "Our Management – Remuneration to Executive Directors" beginning on page 138 of this Red Herring Prospectus, none of our Directors is party to any bonus or profit sharing plan of our Company. Further, except statutory benefits upon termination of their employment in our Company on retirement, no officer of our Company, including our Directors and the Key Management Personnel has entered into a service contract with our Company pursuant to which they are entitled to any benefits upon termination of employment.

### Changes in our Company's Board of Directors during the last three (3) years

The changes in the Board of Directors of our Company in the last three (3) years are as follows:

No.	Name of the Director	Date of Change	Reason for change
1.	Mrs. Lalita Chowdhri	December 7, 2017	Re-designated as a Non-Executive Director
2.	Mr. Abhinav Chowdhri	December 7, 2017	Appointment as an Executive Director
3.	Mr. Prakash Deshmukh	December 7, 2017	Appointment as an Independent Director
4.	Mr. Sanjay Chowdhri	January 17, 2018	Re-appointment as Managing Director
5.	Mr. Jayaraman Kannan	January 17, 2018	Appointment as an Independent Director

### Borrowing Powers of the Board

The Articles, subject to the provisions of the Companies Act, 2013 authorize the Board to raise, borrow or secure the payment of any sum or sums of money for the purposes of our Company. The shareholders have, pursuant to a resolution passed at the Extra Ordinary General Meeting held on January 9, 2018, authorized the Board to borrow from time to time, as they may think fit, any sum or sums of money not exceeding ₹50,000 Lakhs (*including the money already borrowed by our Company*) on such terms and conditions as the Board may deem fit, whether the same may be secured or unsecured and if secured, whether by way of mortgage, charge or hypothecation, pledge or otherwise in any way whatsoever, on, over or in any respect of all, or any of the Company's assets and effects or properties whether moveable or immovable, including stock-in-trade, notwithstanding that the money to be borrowed together with the money already borrowed by the Company (*apart from the temporary loans obtained from the Company's Bankers in the ordinary course of business*) and remaining un-discharged at any given time, exceed the aggregate, for the time being, of the paid-up capital of the Company and its free reserves.

### Corporate Governance

In addition to the applicable provisions of the Companies Act with respect to corporate governance, provisions of the SEBI (LODR) Regulations to the extent applicable to the entity whose shares are listed on the SME Exchange will also be applicable to us immediately upon the listing of our Equity Shares with the Stock Exchange. We are in compliance with the requirements of the applicable regulations, including the SEBI Listing Regulations, the SEBI Regulations and the Companies Act in respect of corporate governance including constitution of the Board and committees thereof.

The corporate governance framework is based on an effective independent Board, separation of the Board's supervisory role from the executive management team and constitution of the Board committees, each as required under law. Our Board of Directors is constituted in compliance with the Companies Act, 2013 and the SEBI (LODR) Regulations.

The Board functions either as a full board or through various committees constituted to oversee specific functions. Our executive management provides our Board detailed reports on its performance periodically.

Currently, our Board has Five (5) Directors. In compliance with the requirements of the Companies Act & Regulation 17 of the SEBI (LODR) Regulations, we have two (2) Executive Directors, two (2) Independent Directors and one (1) Non- Executive Director & Chairperson on our Board. Our Managing Director is an Executive Director and the Non- Executive Director & Chairperson is also the woman director on our Board.

### Committees of our Board

We have constituted the following committees of our Board of Directors for compliance with corporate governance requirements:

- a. Audit Committee
- b. Nomination and Remuneration Committee
- c. Stakeholder's Relationship Committee
- d. Corporate Social Responsibility Committee

#### a. Audit Committee

Our Company has constituted an Audit Committee ("*Audit Committee*"), as per Section 177 of the Companies Act and Regulation 18 of the SEBI (LODR) Regulations; by way of resolution passed at the meeting of the Board of Directors held on February 1, 2018.

The terms of reference of Audit Committee adheres to the requirements of Regulation 18 of the Listing Agreement, proposed to be entered into with the Stock Exchange in due course. The committee presently comprises the following three (3) Directors:

Name of the director	Designation in Committee	Nature of directorship
Mr. Prakash Deshmukh	Chairman	Independent Director
Mr. Jayaraman Kannan	Member	Independent Director
Mrs. Lalita Chowdhri	Member	Non - Executive Director

The Company Secretary and Compliance Officer of the Company would act as the Secretary to the Audit Committee.

The Audit Committee shall have following powers / responsibilities:

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

The Audit Committee shall mandatorily review the following information:

- a. Management discussion and analysis of financial condition and results of operations;
- b. Statement of significant related party transactions (as defined by the audit committee), submitted by management;
- c. Management letters / letters of internal control weaknesses issued by the Statutory Auditors;
- d. Internal audit reports relating to internal control weaknesses; and
- e. The appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the Audit Committee
- f. To submit statement of deviations:
  - i. Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of SEBI Listing Regulations.
  - ii. annual statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice in terms of Regulation 32(7)

The recommendations of the Audit Committee on any matter relating to financial management, including the audit report, are binding on the Board. If the Board is not in agreement with the recommendations of the Committee, reasons for disagreement shall have to be incorporated in the minutes of the Board Meeting and the same has to be communicated to the shareholders. The Chairman of the Audit committee has to attend the Annual General Meetings of the Company to provide clarifications on matters relating to the audit.

The role of the Audit Committee not limited to but includes:

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible
2. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the Auditor and the fixation of Audit fees.
3. Approval of payment to Statutory Auditors for any other services rendered by the Statutory Auditors.
4. Reviewing, with the management, the Annual Financial Statements and Auditor's Report thereon before submission to the board for approval, with particular reference to:
  - a. 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;
  - b. Changes, if any, in accounting policies and practices and reasons for the same;
  - c. Major accounting entries involving estimates based on the exercise of judgment by management;
  - d. Significant adjustments made in the financial statements arising out of audit findings;
  - e. Compliance with listing and other legal requirements relating to financial statements;
  - f. Disclosure of any related party transactions;
  - g. Modified opinion(s) in the draft audit report
5. Reviewing, with the management, the half yearly Financial Statements before submission to the board for approval;
6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, right issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/ Prospectus/ Draft Prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
7. Review and monitor the auditor's independence, performance and effectiveness of audit process;
8. Approval or any subsequent modification of transactions of the company with related parties;

9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertakings or assets of the company, wherever it is necessary;
11. Evaluation of internal financial controls and risk management systems;
12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
13. 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;
14. Discussion with internal auditors any significant findings and follow up there on.
15. 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;
16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
17. 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;
18. To oversee and review the functioning of the vigil mechanism (whistle blower mechanism) which shall provide for adequate safeguards against victimization of employees and directors who avail of the vigil mechanism and also provide for direct access to the Chairperson of the Audit Committee in appropriate and exceptional cases
19. Call for comments of the auditors about internal control systems, scope of audit including the observations of the auditor and review of the financial statements before submission to the Board;
20. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate;
21. To investigate any other matters referred to by the Board of Directors;
22. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee;

Explanation (i) The term “Related Party Transactions” shall have the same meaning as contained in the Accounting Standard 18, Related Party Transactions, issued by The Institute of Chartered Accountant of India.

#### **Meeting of Audit Committee and relevant Quorum**

The Audit Committee shall meet at least four times in a year and not more than one hundred and twenty days shall elapse between two meetings. The quorum shall be either two members or one third of the members of the Audit Committee whichever is greater, but there shall be a minimum of two Independent Directors present.

#### **b. Nomination and Remuneration Committee:**

Our Company has formed Nomination and Remuneration Committee in accordance with Section 178 of the Companies Act, 2013 and Regulation 19 of the SEBI Listing Regulations. The constitution of the Nomination and Remuneration Committee was approved in its Board Meeting held on February 1, 2018.

The Nomination and Remuneration Committee comprises of following Chairman and members:

<b>Name of the Director</b>	<b>Designation in Committee</b>	<b>Nature of Directorship</b>
Mr. Jayaraman Kannan	Chairman	Independent Director
Mr. Prakash Deshmukh	Member	Independent Director
Mrs. Lalita Chowdhri	Member	Non- Executive Director

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

- a) **Tenure:** The Nomination and Remuneration Committee shall continue to be in function as a Committee of Board until otherwise resolved by the Board.
- b) **Meetings:** The Committee shall meet as and when the need arise for review of Managerial remuneration. Meeting of the Nomination and Remuneration committee shall be called by at least seven days’ notice in advance.
- c) **Quorum:** The quorum for the meeting shall be one third of the total strength of the committee or two members, whichever is higher
- d) The scope of Nomination and Remuneration Committee shall include but shall not be restricted to the following:



- i. 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;
- ii. Formulation of criteria for evaluation of Independent Directors and the Board;
- iii. Devising a policy on Board diversity
- iv. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal. The company shall disclose the remuneration policy and the evaluation criteria in its Annual Report.
- v. Deciding on, whether to extend or continue the term of appointment of Independent Director , on the basis of the report of performance evaluation of Independent Directors.
- vi. Decide the salary, allowances, perquisites, bonuses, notice period, severance fees and increment of Executive Directors.
- vii. Define and implement the performance linked incentive Scheme (including ESOP of the Company) and evaluate the performance and determine the amount of incentive of the Executive Directors for that purpose.
- viii. Decide the amount of commission payable to the Whole Time Director / Managing Directors.
- ix. Review and suggest revision of the total remuneration package of the Executive Directors keeping in view the performance of the Company, standards prevailing in the industry, statutory guidelines etc.
- x. To formulate and administer the Employee Stock Option scheme.

#### c. Stakeholders Relationship Committee

The Stakeholders Relationship Committee of our Board was constituted by our Directors pursuant to Section 178 (5) of the Companies Act by a board resolution dated February 1, 2018. The Stakeholders Relationship Committee comprises of:

Name of the Director	Designation in Committee	Nature of Directorship
Mrs. Lalita Chowdhri	Chairperson	Non – Executive Director
Mr. Jayaraman Kannan	Member	Independent Director
Mr. Prakash Deshmukh	Member	Independent Director

The Stakeholders Relationship committee shall oversee all the matters pertaining to investors of our Company. The scope and function of the Stakeholders Relationship Committee and its terms of reference shall include the following:

- a) **Tenure:** The Stakeholders Relationship Committee shall continue to be in function as a Committee of the Board until otherwise resolved by the Board, to carry out the functions of the Stakeholders Relationship Committee as approved by the Board.
- b) **Meetings:** The Committee shall meet as and when the need arises and shall report to the Board on quarterly basis regard the status of redressal of complaints received from the Shareholders of the Company.
- c) **Quorum:** The Quorum shall be two members present.

This committee will address all grievances of Shareholders/Investors and its terms of reference include the following:

- a) Allotment, transfer of shares including transmission, splitting of shares, changing joint holding into single holding and vice versa, issue of duplicate shares in lieu of those torn, destroyed, lost or defaced or where the cages in the reverse for recording transfers have been fully utilized.
- b) Redressing of shareholders and investor complaints such as non-receipt of declared dividend, annual report, transfer of Equity Shares and issue of duplicate/split/consolidated share certificates;
- c) Monitoring transfers, transmissions, dematerialization, re-materialization, splitting and consolidation of Equity Shares and other securities issued by our Company, including review of cases for refusal of transfer / transmission of shares and debentures;
- d) Reference to statutory and regulatory authorities regarding investor grievances;
- e) To otherwise ensure proper and timely attendance and redressal of investor queries and grievances;
- f) And to do all such acts, things or deeds as may be necessary or incidental to the exercise of the above powers.

The Company Secretary of our Company acts as the Secretary to the Committee.

**d. Corporate Social Responsibility (CSR) Committee**

The Corporate Social Responsibility Committee of our Board was constituted by our Directors pursuant to Section 135 of Companies Act, 2013 of the Companies Act Read with Companies (Corporate Social Responsibility) Rules, 2014 (including any amendment thereto or re-enactment thereof), by a board resolution dated April 26, 2018.

The CSR Committee comprises of:

Name of the Director	Designation in Committee	Nature of Directorship
Mr. Abhinav Chowdhri	Chairman	Executive Director
Mr. Sanjay Chowdhri	Member	Managing Director
Mr. Prakash Deshmukh	Member	Independent Director

The scope and function of the CSR Committee and its terms of reference shall include the following:

- a) **Tenure:** The Committee shall continue to be in function as a Committee of the Board until otherwise resolved by the Board, to carry out the functions of the Corporate Social Responsibility Committee as approved by the Board.
- b) **Meetings:** The Committee shall meet as and when the need arises and shall report to the Board on a yearly basis
- c) **Quorum:** The Quorum shall be one-third of its total strength (any fraction contained in that one-third be rounded off as one) or two members, whichever is higher.

This committee’s terms of reference include the following:

- a) To formulate and recommend to the Board, a CSR policy which shall indicate the activities to be undertaken by the Company as per the Companies Act, 2013;
- b) To review and recommend the amount of expenditure to be incurred on the activities to be undertaken by the company;
- c) To monitor the CSR policy of the Company from time to time;
- d) Any other matter as the CSR Committee may deem appropriate after approval of the Board of Directors or as may be directed by the Board of Directors from time to time.

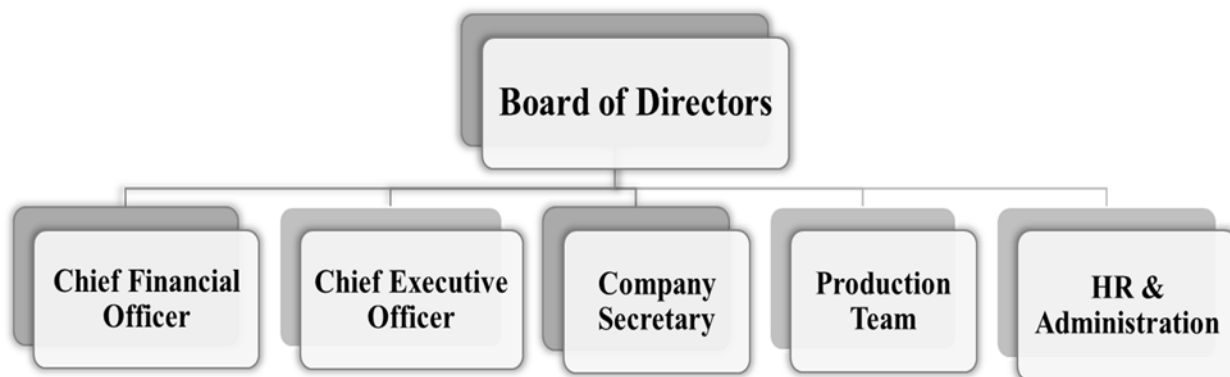
The Company Secretary of our Company acts as the Secretary to the Committee.

**Policy on Disclosures and Internal Procedure for Prevention of Insider Trading**

The provisions of Regulation 8 and 9 of the SEBI (Prohibition of Insider Trading) Regulations, 2015 will be applicable to our Company immediately upon the listing of its Equity Shares on the Stock Exchange. We shall comply with the requirements of the SEBI (Prohibition of Insider Trading) Regulations, 2015 on listing of our Equity Shares on stock exchange. Further, Board of Directors have approved and adopted the policy on insider trading in view of the proposed public offer.

Our Board is responsible for setting forth policies, procedures, monitoring and adherence to the rules for the preservation of price sensitive information and the implementation of the code of conduct under the overall supervision of the board.

**Management Organizational Structure**



**Profiles of our Key Managerial Personnel (“KMP”)**

In addition to our Managing Director, Mr. Sanjay Chowdhri, whose details are provided under "Brief biographies of the Directors" beginning on page 137 of this Red Herring Prospectus, the details of our other Key Managerial Personnel as on the date of this Red

Herring Prospectus are set forth below. Except for certain statutory benefits, there are no other benefits accruing to the Key Managerial Personnel.

1. **Mr. Pranav Chowdhri**, aged 22 years, has been appointed as the Chief Executive Officer (CEO) of our Company. He has been associated with our Company since December 2017. He has done his Bachelor of Technology (*Mechanical Engineering*) from SVKM's Narsee Monjee Institute of Management Studies (NMIMS). He is now an actively involved in ensuring efficient marketing, sales, business development and day to day operations at Unit II (*Rabale*).
2. **Mr. Gopal Mishra**, aged 45 years, is the Chief Financial Officer (CFO) of our Company. He has been associated with our Company since January, 1996 and designated as CFO w.e.f April 2018. He has done his Bachelor of Commerce from Mumbai University. He has an experience of over fifteen (15) years in accounts & finance department and looks after the finance and accounting operations of our Company.
3. **Mrs. Krupali Thakkar**, 26 years, is the Company Secretary and Compliance Officer of our Company. She has been associated with our Company since January 2018. She is a member of Institute of Company Secretaries of India (ICSI). She is responsible for compliance with statutory and regulatory requirements and for ensuring that decisions of our Board are implemented.

### Profile of our Senior Management Team Personnel

The strength of our Core Team defines our growth and capability. We are proud to have a strong leadership team of senior management persons who add value to our Company and Business Operations. A Brief profile of such personnel is as under:

#### CA Ajay Kumar Dalmia - Chief Operating Officer

CA Ajay Kumar Dalmia has an overall experience of 23 years across various fields of Finance, Budgeting, Accounts, Secretarial & Compliance and System Implementation. He is a B.Com Honors Graduate as well as a Fellow member of the Institute of Chartered Accountants of India (ICAI) having core competencies in Strategy Planning, Business Planning & Operations and Financial Management. Over the years, he has developed an expertise in spearheading corporate and financial planning initiatives, designing internal control systems including accomplishment of corporate business goals and handling matters pertaining to Corporate Taxation & Planning. At Supreme, he is associated as the Chief Operating Officer (COO) of the Company.

### Status of Key Management Personnel in our Company

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

### Relationship amongst the Key Managerial Personnel or between Key Managerial Personnel and the Directors of our Company

There is no family relationship amongst the any Key Managerial Personnel of our Company. Further, except as set out below, there is no family relationship of the Key Managerial Personnel with Directors of the Company:

Name of KMP	Name of Director	Relationship
Mr. Pranav Chowdhri	Mr. Sanjay Chowdhri & Mrs. Lalita Chowdhri Mr. Abhinav Chowdhri	Mr. Pranav Chowdhri is the son of Mr. Sanjay Chowdhri & Mrs. Lalita Chowdhri Mr. Pranav Chowdhri is the brother of Mr. Abhinav Chowdhri

### Shareholding of Key Management Personnel in our Company

Except for Mr. Pranav Chowdhri who holds 6,80,000 Equity Shares constituting 3.69% of the total paid-up share capital of our Company, none of the Key Management Personnel hold Equity Shares in our Company as on the date of this Red Herring Prospectus. For details in relation to their shareholding, please refer to section titled "Capital Structure" beginning on page 54 of this Red Herring Prospectus.

### Bonus or profit sharing plan of the Key Managerial Personnel

Our Company does not have a performance linked bonus or a profit sharing plans for the Key Managerial Personnel. However, our Company pays incentive to all its employees based on their performance including the Key Managerial Personnel's of our Company.

**Interests of Key Management Personnel**

- Other than as disclosed under this section under "Our Management – Shareholding of Key Management Personnel" above, our Key Management Personnel do not have any interest in our Company other than to the extent of the remuneration or benefits to which they are entitled to as per their terms of appointment and reimbursement of expenses incurred by them during the ordinary course of business.
- For the Financial Year 2017-18, the following has been paid to our Key Management Personnel as per the terms of appointment as KMP:

Name of KMP	Amount (₹ in lakhs)
Mr. Pranav Chowdhri	4.50
Mr. Gopal Mishra	2.01
Mrs. Krupali Thakkar	0.77

The Key Management 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 held by them. The Key Management Personnel are not entitled to any contingent or deferred compensation.

**Payment of benefits to officers of our Company (non-salary related)**

Except as disclosed in this Red Herring Prospectus and any statutory payments made by our Company to its officers, our Company has not paid any sum, any non-salary related amount or benefit to any of its officers or to its employees including amounts towards super-annuation, ex-gratia/ rewards.

Except statutory benefits upon termination of employment in our Company or superannuation, no officer of our Company is entitled to any benefit upon termination of such officer's employment in our Company or superannuation. Contributions are made by our Company towards provident fund, gratuity fund and employee state insurance.

**Arrangement and Understanding with Major Shareholders/Customers/ Suppliers**

None of the Key Managerial Personnel have been selected pursuant to any arrangement/understanding with major shareholders/customers/suppliers.

**Details of Service Contracts of the Key Managerial Personnel**

Except for the terms set forth in the appointment letters, the Key Managerial Personnel have not entered into any other contractual arrangements with our Company for provision of benefits or payments of any amount upon termination of employment.

**Employee Stock Option or Employee Stock Purchase**

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 SEBI (Share Based Employee Benefits) Regulations, 2014.

**Loans availed by Directors / Key Managerial Personnel of our Company**

None of the Key Managerial Personnel's have availed loan from our Company which is outstanding as on the date of this Red Herring Prospectus.

**Changes in our Company's Key Managerial Personnel during the last three (3) years**

The changes in the Key Managerial Personnel of our Company in the last three (3) years are as follows:



No.	Name of the Key Managerial Personnel	Designation	Date of change	Reason for change
1.	Mr. Pranav Chowdhri	CEO	December 1, 2017	Appointment
2.	Mr. Vikas Agarwal	CFO	December 1, 2017	Appointment
3.	Ms. Krupali Thakkar	Company Secretary & Compliance Officer	January 8, 2018	Appointment
4.	Mr. Vikas Agarwal	CFO	March 27, 2018	Resignation
5.	Mr. Gopal Mishra	CFO	May 04, 2018	Appointment

## OUR PROMOTERS AND PROMOTER GROUP

### Our Promoters

The Promoters of our company are Mr. Sanjay Chowdhri, Sanjay Chowdhri HUF & Lalita Chowdhri. As on the date of this Red Herring Prospectus, our promoters collectively hold 1,48,19,500 Equity Shares, which constitutes 80.46% of the pre issue paid-up Equity Share capital of our Company.

### Details of Individual Promoter of our Company

	<p>Mr. Sanjay Chowdhri, aged 54 years, is the Promoter and Managing Director of our Company. For a complete profile of Mr. Sanjay Chowdhri, please refer to section titled "Our Management" beginning on page 135 of this Red Herring Prospectus.</p> <p>Driving Licence Number: MH03 20160008817 Voter Identification Number: NCT4047882</p> <p>For further details in relation to other ventures of Mr. Sanjay Chowdhri, please refer to section titled "Our Group Companies" beginning on page 150 of this Red Herring Prospectus.</p>
	<p>Mrs. Lalita Chowdhri aged 51 years, is the Promoter and Non Executive Director &amp; Chairperson of our Company. For a complete profile of Mrs. Lalita Chowdhri, please refer to section titled "Our Management" beginning on page 135 of this Red Herring Prospectus.</p> <p>Driving Licence Number: MH03 20090071609 Voter Identification Number: NCT4047965</p> <p>For further details in relation to other ventures of Mrs. Lalita Chowdhri, please refer to section titled "Our Group Companies" beginning on page 150 of this Red Herring Prospectus.</p>

### Our Promoter Entity:

Sanjay Chowdhri HUF is a Hindu Undivided Family, its Karta being Mr. Sanjay Chowdhri.

Sanjay Choudhary is the Karta of HUF. The members of HUF are:

1. Mr. Sanjay Chowdhri
2. Mrs. Lalita Chowdhri
3. Mr. Abhinav Chowdhri
4. Mr. Pranav Chowdhri

Our Company confirms that the details of the PAN, Bank Account Number and Passport Numbers of our Promoters shall be submitted to the Stock Exchanges at the time of filing the Red Herring Prospectus.

### Interests of our Promoters

Our Promoters are interested in our Company to the extent that they have promoted our Company and to the extent of their respective Equity shareholding in our Company and any dividend distribution that may be made by our Company for any other distribution with respect to their Equity Shares in the future. For details pertaining to our Promoter's shareholding, please refer to section titled "Capital Structure" beginning on page 54 of this Red Herring Prospectus.

Our individual Promoters, Mr. Sanjay Chowdhri and Mrs. Lalita Chowdhri are also interested to the extent that they are Directors of our Company. Mr. Sanjay Chowdhri is interested to the extent of any remuneration and reimbursement of expenses payable to him by virtue of being Director of our Company. For further information on remuneration to the Managing Director, please refer to section titled "Our Management" beginning on page 135 of this Red Herring Prospectus. Further, Mrs. Lalita Chowdhri may be interested to the extent of sitting fees payable to her for attendance at meetings by virtue of being Non-Executive Director and Chairperson of the Company.

Except as stated under section titled "Related Party Transactions" beginning on page 153 of this Red Herring Prospectus, our Company has not entered into any contract, agreements or arrangements during the preceding two (2) years from the date of this Red Herring Prospectus or proposes to enter into any such contract in which our Promoter is directly or indirectly interested and no payments has been made to him in respect of the contracts, agreements or arrangements which are proposed to be made with him.

Except as stated otherwise in this Red Herring Prospectus, our Promoters or Group Companies do not have any interest in any property acquired by our Company within two (2) years of the date of this Red Herring Prospectus or proposed to be acquired by it or in any transaction in acquisition of land or any construction of building or supply of machinery.

Our Promoters are not related to any sundry debtors of our Company.

Except as disclosed in this Red Herring Prospectus, our Promoters are not interested as a member of a firm or company, and no sum has been paid or agreed to be paid to our Promoters or to such firm or company in cash or shares or otherwise by any person for services rendered by him or by such firm or company in connection with the promotion or formation of our Company.

### **Common Pursuits**

Our Promoters do not have any interest in any ventures that is involved in the same line of activity or business as that of our Company.

### **Confirmations**

The Company hereby confirms that:

- ❖ Our Promoters and members of the Promoter Group have not been declared as willful Defaulters.
- ❖ Our Promoters and members of the Promoter Group have not been prohibited from accessing or operating in capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority.
- ❖ Our Promoters and members of the Promoter Group are not and have never been promoter, directors or person in control of any other company which is prohibited from accessing or operating in capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority.
- ❖ There are no defaults in respect of payment of interest and/or principal to the debenture /bond / fixed deposit holders, banks, FIs by the Company, promoters, group companies, companies promoted by the promoters during the past three years preceding the date of this Red Herring Prospectus.

### **Related Party Transactions**

For details of related party transactions entered into by our Promoters, Promoter Group and our Company during the last financial year, the nature of transactions and the cumulative value of transactions, please refer to section titled "Related Party Transactions" beginning on page 153 of this Red Herring Prospectus.

### **Interest of Promoters in sales and purchases**

Except as disclosed in section titled "Our Group Companies" beginning on page 150 of this Red Herring Prospectus, there are no sales/purchases between our Company and any Group Company and associate company when such sales or purchases exceed in value the aggregate of 10% of the total sales or purchases of our Company or any business interest between our Company and our Group Companies as on the date of the last financial statements.

### **Payment or benefits to the Promoters**

Except as stated otherwise in under section titled "Related Party Transactions" beginning on page 153 of this Red Herring Prospectus about the related party transactions entered into during the last five (5) Financial Years as per Accounting Standard 18, there has been no payment or benefit to our Promoters or Promoter Group during the two (2) years prior to the filing of this Red Herring Prospectus nor is there any intention to pay or give any benefit to our Promoters or Promoter Group as on the date of this Red Herring Prospectus.

### **Disassociation by the Promoters from entities in last three (3) years**

Our Promoters, Mr. Sanjay Chowdhri and Mrs. Lalita Chowdhri have disassociated themselves from L.S.C Enterprises Private Limited during preceding three years.

### 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.

### Outstanding Litigation

There is no litigation or legal action pending or taken by a ministry, department of the Government or Statutory Authority during the last five (5) years preceding the date of this Red Herring Prospectus against our Promoters.

### Promoter Group of our Company

#### (a) Individual Promoter Group of our Promoters

Relationship with Promoters	Mr. Sanjay Chowdhri	Mrs. Lalita Chowdhri
Father	Mr. Rattan Prakash Chowdhri	Mr. Madanlal Arya
Mother	Ms. Sumitra Rattan Chowdhri	Ms. Shakuntala Arya
Brother	--	Mr. Virender Arya Mr. Surender Arya
Sister	Ms. Seema Avasthi	Ms. Sarita Agarwal
Spouse	Mrs. Lalita Chowdhri	Mr. Sanjay Chowdhri
Daughter	--	--
Son	Mr. Abhinav Chowdhri Mr. Pranav Chowdhri	Mr. Abhinav Chowdhri Mr. Pranav Chowdhri
Spouse's mother	Ms. Shakuntala Arya	Ms. Sumitra Rattan Chowdhri
Spouse's father	Mr. Madanlal Arya	Mr. Rattan Prakash Chowdhri
Spouse's Brother	Mr. Virender Arya Mr. Surender Arya	--
Spouse's sister	Ms. Sarita Agarwal	Ms. Seema Avasthi

#### (b) Entities forming a part of Promoter Group

The companies and entities that form part of our Promoter Group are as follows:

- ❖ Sanjay Chowdhri HUF
- ❖ Ratan Prakash Chowdhri HUF
- ❖ Sparc Industries
- ❖ Economic Forge Private Limited
- ❖ A.S.C Engineers Private Limited
- ❖ L.S.C. Enterprises Private Limited

**OUR GROUP COMPANIES**

As per the SEBI (ICDR) Regulations, for the purpose of identification of Group Companies, our Company has considered companies/entities covered under the applicable accounting standard, i.e., AS-18 as per the Restated Financial Statements and other companies/entities considered material by our Board. Pursuant to a resolution of our Board dated May 21, 2018 for the purpose of disclosure in connection with the Issue, a company/ entity shall be considered material and disclosed as a Group Company/ entity as per the Materiality Policy if our Company has entered into one or more transactions with such company/ entity in the preceding Financial Year, cumulatively exceeding 10% of the total revenue of our Company for such Financial Year.

As on the date of this Red Herring Prospectus and based on the aforementioned materiality policy, there are two (2) Group Companies of our Company.

**Group Companies**

No.	Name of Group Companies
1.	Economic Forge Private Limited
2.	A.S.C Engineers Private Limited

**I. Details in relation to Group Companies:**

The details in relation to the Group Companies of the Company are set out below:

**1. Economic Forge Private Limited ("*Economic Forge*")**
**Corporate Information**

Economic Forge, was incorporated under the Companies Act, 1956 on February 14, 1984 now bearing registration CIN U28900MH1984PTC032164.

Economic Forge is presently engaged in the business of manufacturing and processing of stainless steel, round bars in Martensitic and Ferritic grades. The registered office of Economic Forge is situated at R-263 ITC Industrial Area, Rabale, Thane Belapur Road, Thane 400701, India.

**Interest of the Promoters**

As on the date of this Red Herring Prospectus, our Promoter holds 6,600 equity shares of ₹100 each constituting nearly 33% of the total paid-up equity share capital of Economic Forge. Our Promoter is a director on the Board of Economic Forge and to that extent will be deemed to be interested.

**Financial Information**

(₹ in lakhs except per share data)

Particulars	As at March 31		
	2017	2016	2015
Equity Capital	20.00	20.00	20.00
Reserves and Surplus	1,307.41	1,053.67	873.46
Net Worth	1,327.41	1,073.67	893.46
Sales	5,581.04	5,282.50	4,720.80
Profit /(loss) after tax	253.73	187.45	118.02
Earnings per share (in Rs)	1,268.65	937.25	590.10
Net Assets Value (in Rs)	6,637.05	5,368.35	4,467.30

Preparation of Financial Statements for FY 2017-18 are in process and haven't been finalized as on date of this RHP.



## 2. A.S.C Engineers Private Limited ("ASC Engineers")

### Corporate Information

ASC Engineers, was incorporated under the Companies Act, 1956 on December 7, 2010 bearing registration CIN U29256MH2010PTC210740.

ASC Engineers is presently engaged in business of the manufacture and trade of all engineering goods, products, machinery and articles. The registered office of ASC Engineers is situated at R-223, MIDC Complex, Thane Belapur Road, Rabale, Navi Mumbai 400708, India.

### Interest of the Promoters

As on the date of this Red Herring Prospectus, our Promoters together hold 2,50,000 equity shares of ₹10 each constituting 100% of the total paid-up equity share capital of Economic Forge. Our Promoters are also directors on the Board of ASC Engineering and to that extent will be deemed to be interested.

### Financial Information

(₹ in Lakhs)

Particulars	As at March 31		
	2017	2016	2015
Equity Capital	25.00	25.00	25.00
Reserves and Surplus	137.42	132.79	128.15
Net Worth	162.42	157.79	153.15
Sales	4,313.89	5,613.53	16,438.06
Profit /(loss) after tax	4.62	4.63	8.22
Earnings per share (in Rs)	1.85	1.85	82.29
Net Assets Value (in Rs)	64.97	63.12	61.26

Preparation of Financial Statements for FY 2017-18 are in process and haven't been finalized as on date of this RHP.

### Other Confirmations

- ❖ Our Group Companies are not sick companies and are not under the process of winding-up.
- ❖ Our Group Companies do not hold any Equity Shares, warrants/convertible securities in our Company as of the date of this Red Herring Prospectus.
- ❖ Except as disclosed in section titled "Related Party Transactions" beginning on page 153 of this Red Herring Prospectus, our Group Companies do not have any interest, including any business or other interest, in our Company.
- ❖ Our Group Companies are not interested in any property acquired by our Company within the last two (2) years or proposed to be acquired by our Company.
- ❖ Our Group Companies are not listed entities and has not made any public or rights issue in preceding three (3) years.
- ❖ Our Group Companies does not have negative networth for the last three (3) Financial Year ended March 31, 2017, 2016 and 2015.

### Defunct group companies

None of our Group Companies are defunct entities as on the date of this Red Herring Prospectus.

### Common Pursuits

Our Group Companies have certain objects similar to that of our Company's business and could offer services that are related to the business of our Company as they belong to the Steel Industry and thus in the same line of business. Except such interest, none of our Promoters or directors are involved with any ventures in the same line of activity or business as that of our Company.

### **Other Confirmations**

Our Company hereby confirms that:

- ❖ None of our Group Companies have any interest including business or any other interest in our Company except as disclosed in related party transactions under section titled "Financial Information" beginning on page 155 of this Red Herring Prospectus.
- ❖ Our Group Companies have not been debarred from accessing the capital market for any reasons by the SEBI or any other authorities.
- ❖ Our Group Companies have not been identified as willful defaulters by the RBI or other authorities.

### **Related Party Transactions**

- ❖ Except as disclosed in Annexure XXXII titled "*Details of related party transactions as restated*", there have been no sales or purchases between entities in our Group Companies and Promoter Group of our Company exceeding in value in the aggregate 10% of the total sales or purchases of our Company. For further details, please refer to Annexure XXXII titled "*Details of related party transactions as restated*" in the section titled "Financial Information" beginning on page 155 of this Red Herring Prospectus.
- ❖ Some of our Group Companies have commercial interest in our Company. For further details, please refer to Annexure XXXII titled "*Details of related party transactions as restated*" in the section titled "Financial Information" beginning on page 155 of this Red Herring Prospectus.

**RELATED PARTY TRANSACTIONS**

For details on related party transactions of the Company, please refer to Annexure XXXII titled " *Details of related party transactions as restated* " in the section titled "Financial Information" beginning on page 155 of this Red Herring Prospectus.



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**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 provisions of the Articles of Association and applicable law including the Companies Act. The dividends, if any, will depend on 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 number of other factors, including, restrictive covenants under the loan or financing documents that we may enter into in the future. Our Company has no formal dividend policy. Our Board may also, from time to time, pay interim dividends.

Our Company has not declared dividend in any financial year as on the date of this Red Herring Prospectus.

## SECTION V: FINANCIAL INFORMATION

## FINANCIAL STATEMENTS

## Independent Auditor's Report on Restated Financial Statements

To,  
The Board of Directors  
Supreme Engineering Limited  
R-223, MIDC Complex,  
Thane Belapur Road  
Rabale, Navi Mumbai 400701, India.

1. We have examined the restated summary statement of assets and liabilities of **Supreme Engineering Limited**, (hereinafter referred to as "**the Company**") as at March 31, 2018, 2017, 2016, 2015, 2014 and 2013, restated summary statement of profit and loss and restated summary statement of cash flows for the financial year ended on March 31, 2018, 2017, 2016, 2015, 2014 and 2013 (collectively referred to as the "**restated summary statements**" or "**restated financial statements**") annexed to this report and initialed by us for identification purposes. These restated financial statements have been prepared by the management of the Company and approved by the board of directors at their meeting in connection with the proposed Initial Public Offering (IPO) on Emerge Platform of NSE Limited ("**NSE**") of the company.
2. These restated summary statements have been prepared in accordance with the requirements of:
  - (i) sub-clauses (i) and (iii) of clause (b) of sub-section (1) of section 26 of the Companies Act, 2013 ("the Act") read with Companies (Prospectus and Allotment of Securities) Rules 2014;
  - (ii) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2009 ("**ICDR Regulations**") and related amendments / clarifications from time to time issued by the Securities and Exchange Board of India ("**SEBI**")
3. We have examined such restated financial statements taking into consideration:
  - (i) The terms of reference to our engagement letter with the company dated December 2, 2017 requesting us to carry out the assignment, in connection with the proposed Initial Public Offering of equity shares on Emerge Platform of NSE Limited ("**IPO**" or "**SME IPO**"); and
  - (ii) The Guidance Note on Reports in Company Prospectus (Revised) issued by the Institute of Chartered Accountants of India ("**Guidance Note**").
4. The restated financial statements of the Company have been extracted by the management from the audited financial statements of the Company for the year ended on March 31, 2018, 2017, 2016, 2015, 2014 and 2013.
5. In accordance with the requirements of the Act including the rules made there under, ICDR Regulations, Guidance Note and engagement letter, we report that:
  - (i) The "**restated statement of asset and liabilities**" of the Company as at March 31, 2018, 2017, 2016, 2015, 2014 and 2013 examined by us, as set out in **Annexure I** to this report read with significant accounting policies in **Annexure IV** has been arrived at after making such adjustments and regroupings to the audited financial statements of the Company, as in our opinion were appropriate and more fully described in notes to the restated summary statements to this report.
  - (ii) The "**restated statement of profit and loss**" of the Company for the financial year ended on March 31, 2018, 2017, 2016, 2015, 2014 and 2013 examined by us, as set out in **Annexure II** to this report read with significant accounting policies in **Annexure IV** has been arrived at after making such adjustments and regroupings to the audited financial statements of the Company, as in our opinion were appropriate and more fully described in notes to the restated summary statements to this report.

(iii) The “**restated statement of cash flows**” of the Company for the financial year ended on March 31, 2018, 2017, 2016, 2015, 2014 and 2013 examined by us, as set out in **Annexure III** to this report read with significant accounting policies in **Annexure IV** has been arrived at after making such adjustments and regroupings to the audited financial statements of the Company, as in our opinion were appropriate and more fully described in notes to restated summary statements to this report.

- (i) *The Company has not maintained fixed assets register as per Companies Act, 2013.*
- (ii) *The company has not maintained stock records on daily basis and value of closing stock has been derived by physical verification of stock as on that date.*
- (iii) *The Company has not provided for provision of excise duty on closing stock of finished goods as per guidance note on treatment of excise duty issued by ICAI.*
- (iv) *The Company is required to maintain cost records as per Section 148 read with Section 143(3)(b) of the Companies Act, 2013 w.e.f 1<sup>st</sup> April, 2014. However, based on our examination of books of accounts produced by the management, it is found that the company has not maintained such cost records.*
- (v) *The company has not provided for gratuity liability based on actuarial valuation as required by AS – 15.*

6. Based on our examination, we are of the opinion that the restated financial statements have been prepared:

- a) using consistent accounting policies for all the reporting periods.
- b) adjustments for prior period and other material amounts in the respective financial years to which they relate.
- c) there are no extra-ordinary items that need to be disclosed separately in the accounts and requiring adjustments.
- d) there are no audit qualifications in the audit reports issued by the statutory auditors for the financial year ended on March 31, 2017, 2016, 2015, 2014 and 2013 which would require adjustments in the restated financial statements of the Company. The qualifications included in audit report for March 31, 2018 are as follows

➤ *Clause 2(d) of report on other legal and regulatory requirements Accounting Standard 15- “Accounting for retirement benefits in the financial statement of employees” with respect to non provision for liability for gratuity.*

➤ *Clause (i) (a) to the Companies (Auditors Report) Order, 2016 The Company is in process of maintaining fixed assets records in full particulars, including quantitative details and situation of fixed assets but said register not available for our verification.*

➤ *Clause (ii) to the Companies (Auditors Report) Order, 2016 The Company has maintained stock register but due to highly complexity in stock items, we have verified stock only on test check basis.*

➤ *Clause (vi) to the Companies (Auditors Report) Order, 2016 We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013 and are of the opinion that prima facie, the specified accounts and records have been made and maintained. However, the Company need to maintained systematic record in respect of consumption, production and procurement of materials, wastages, material reconciliation.*

7. Audit for the financial year ended on March 31, 2018 was conducted by M/s H L Saini and Co., for the year ended on March 31, 2017 was conducted by M/s. Bajaj & Goyanka, for the year ended March 31, 2016 and 2015 was conducted by M./s. Shubham Modi and for the year ended March 31, 2014 and 2013 was conducted by M/s. Bharat Patil and Associates. The financial report included for these years is based solely on the report submitted by them. Further financial statements for the financial year ended on March 31, 2018 have been reaudited by us as per the relevant guidelines.
8. We have also examined the following other financial information relating to the Company prepared by the management and as approved by the board of directors of the Company and annexed to this report relating to the Company for the financial year ended on March 31, 2018, 2017, 2016, 2015, 2014 and 2013 proposed to be included in the Red Herring Prospectus / Red Herring Prospectus / Prospectus (“**Offer Document**”).

**Annexure to restated financial statements of the Company:-**

1. Summary statement of assets and liabilities, as restated as appearing in ANNEXURE I;
2. Summary statement of profit and loss, as restated as appearing in ANNEXURE II;
3. Summary statement of cash flows as restated as appearing in ANNEXURE III;
4. Significant accounting policies as restated as appearing in ANNEXURE IV;
5. Details of share capital as restated as appearing in ANNEXURE V to this report;
6. Details of reserves and surplus as restated as appearing in ANNEXURE VI to this report;
7. Details of long term borrowings as restated as appearing in ANNEXURE VII to this report;
8. Details of short term borrowings as restated as appearing in ANNEXURE VIII to this report;
9. Details of trade payables as restated as appearing in ANNEXURE IX to this report;
10. Details of other current liabilities as restated as appearing in ANNEXURE X to this report;
11. Details of short term provisions as restated as appearing in ANNEXURE XI to this report;
12. Details of fixed assets as restated as appearing in ANNEXURE XII to this report;
13. Details of deferred tax asset/liability as restated as appearing in ANNEXURE XIII to this report;
14. Details of non-current investments as restated as appearing in ANNEXURE XIV to this report;
15. Details of long term loans and advances as restated as appearing in ANNEXURE XV to this report;
16. Details of other non-current assets as restated as appearing in ANNEXURE XVI to this report;
17. Details of inventories as restated as appearing in ANNEXURE XVII to this report;
18. Details of trade receivables as restated as appearing in ANNEXURE XVIII to this report;
19. Details of cash and cash equivalents as restated as appearing in ANNEXURE XIX to this report;
20. Details of short term loans & advances as restated as appearing in ANNEXURE XX to this report;
21. Details of other current assets as restated as appearing in ANNEXURE XXI to this report;
22. Details of revenue from operations as restated as appearing in ANNEXURE XXII to this report;
23. Details of other income as restated as appearing in ANNEXURE XXIII to this report;
24. Details of cost of material consumed as restated as appearing in ANNEXURE XXIV to this report;
25. Details of purchase of stock-in-trade as restated as appearing in ANNEXURE XXV to this report;
26. Details of changes in inventories of finished goods, work-in-progress and stock-in-trade as restated as appearing in ANNEXURE XXVI to this report;

27. Details of employee benefit expenses as restated as appearing in ANNEXURE XXVII to this report;
  28. Details of finance cost as restated as appearing in ANNEXURE XXVIII to this report;
  29. Details of depreciation and amortization expense as restated as appearing in ANNEXURE XXIX to this report;
  30. Details of other expenses as restated as appearing in ANNEXURE XXX to this report;
  31. Details of contingent liabilities as restated as appearing in ANNEXURE XXXI to this report;
  32. Details of dividend declared as restated as appearing in ANNEXURE XXXII to this report;
  33. Details of related party transactions as restated as appearing in ANNEXURE XXXIII to this report;
  34. Summary of significant accounting ratios as restated as appearing in ANNEXURE XXIV to this report,
  35. Capitalisation statement as at 31<sup>st</sup> March, 2018 as restated as appearing in ANNEXURE XXXV to this report;
  36. Statement of tax shelters as restated as appearing in ANNEXURE XXXVI to this report;
9. The report should not in any way be construed as a re-issuance or re-dating of any of the previous audit reports issued by any other firm of Chartered Accountants nor should this report be construed as a new opinion on any of the financial statements referred to therein.
  10. We have no responsibility to update our report for events and circumstances occurring after the date of the report.
  11. Our report is intended solely for use of the management and for inclusion in the offer document in connection with the SME IPO. Our report should not be used, referred to or adjusted for any other purpose except with our consent in writing.

**For R T Jain & Co. LLP**  
**Chartered Accountants**  
FRN - 103961W/ W100182

Sd/-  
(CA Bankim R Jain)  
Partner  
**Membership No. - 139447**

**Mumbai**  
**May 21, 2018**



## STATEMENT OF ASSETS AND LIABILITIES AS RESTATED

ANNEXURE - I  
(₹ In Lakhs)

Sr. No.	Particulars	As at March 31,					
		2018	2017	2016	2015	2014	2013
	<b>EQUITY AND LIABILITIES</b>						
1)	<b>Shareholders Funds</b>						
	a. Share Capital	1,841.90	300.00	300.00	300.00	300.00	300.00
	b. Reserves & Surplus	1,061.00	1,374.13	1,159.09	1,046.80	973.03	954.03
2)	Share Application Money Pending Allotment	-	-	4.00	4.00	4.00	4.00
3)	<b>Non Current Liabilities</b>						
	a. Long Term Borrowings	2,577.83	4,290.06	3,909.96	4,342.74	2,226.51	1,549.18
	b. Deferred Tax Liabilities	177.35	111.98	70.85	40.22	-	-
4)	<b>Current Liabilities</b>						
	a. Short Term Borrowings	5,518.30	4,205.40	4,212.22	4,065.87	3,592.62	2,761.46
	b. Trade Payables	5,361.72	2,861.86	157.53	2,133.62	2,742.87	2,175.61
	c. Other Current Liabilities	849.56	923.79	1,484.73	440.11	641.40	573.27
	d. Short Term Provisions	176.85	106.79	58.37	36.97	14.38	14.67
	<b>TOTAL</b>	<b>17,564.51</b>	<b>14,174.01</b>	<b>11,356.75</b>	<b>12,410.33</b>	<b>10,494.81</b>	<b>8,332.22</b>
	<b>ASSETS</b>						
1)	<b>Non Current Assets</b>						
	a. Fixed Assets						
	i. Tangible Assets	3,284.25	2,989.83	2,536.31	2,502.64	1,504.99	1,494.81
	ii. Intangible Assets	-	-	-	-	-	-
	Less: Accumulated Depreciation	1,097.11	1,015.79	846.02	755.17	662.19	594.00
	ii. Intangible Assets under development						
	ii. Capital Work in Progress	165.03	607.13	727.13	810.52	1,097.01	795.67
	<b>Net Block</b>	<b>2,352.17</b>	<b>2,581.17</b>	<b>2,417.42</b>	<b>2,557.99</b>	<b>1,939.81</b>	<b>1,696.48</b>
	b. Deferred Tax Assets (Net)	-	-	-	-	1.10	12.17
	c. Non-current Investments	693.31	693.16	693.34	698.91	645.18	242.18
	d. Long Term Loans & Advances	262.31	236.29	296.43	183.96	213.41	186.25
	e. Other Non Current Assets	134.69	129.14	145.29	161.43	177.57	193.72
2)	<b>Current Assets</b>						
	a. Current Investment	-	-	-	-	-	-
	b. Inventories	8,170.85	5,878.23	4,605.98	3,859.02	3,763.28	3,110.65
	c. Trade Receivables	5,265.05	4,030.48	2,729.31	2,578.40	2,899.85	1,700.48
	d. Cash and Cash Equivalents	497.90	324.34	266.64	249.39	367.86	1,066.44
	e. Short Term Loans & Advances	170.18	300.39	201.59	2,121.02	486.32	122.80
	f. Other Current Assets	18.05	0.81	0.75	0.21	0.43	1.05
	<b>TOTAL</b>	<b>17,564.51</b>	<b>14,174.01</b>	<b>11,356.75</b>	<b>12,410.33</b>	<b>10,494.81</b>	<b>8,332.22</b>

For R T Jain & Co LLP  
Chartered Accountants  
FRN - 103961W/ W100182

For and on behalf of Board of Directors

(Director)

(Director)

(CA Bankim Jain)  
Partner  
Mem No- 139447

(CFO)

(CS)

Mumbai, May 21, 2018

Mumbai, May 21, 2018

STATEMENT OF PROFIT AND LOSS AS RESTATED

ANNEXURE - II  
(₹ In Lakhs)

Sr. No.	Particulars	For the year ended March 31,					
		2018	2017	2016	2015	2014	2013
<b>A</b>	<b>INCOME</b>						
	Revenue from Operations	15,174.46	12,039.84	11,305.94	7,877.79	7,601.00	5,799.02
	Other Income	51.67	46.20	58.75	82.06	126.54	45.60
	<b>Total Income (A)</b>	<b>15,226.13</b>	<b>12,086.04</b>	<b>11,364.69</b>	<b>7,959.85</b>	<b>7,727.54</b>	<b>5,844.62</b>
<b>B</b>	<b>EXPENDITURE</b>						
	Cost of materials Consumed	12,908.83	12,230.87	9,711.53	7,281.01	6,774.88	4,681.32
	Purchase of Stock-in-Trade	505.12	685.02	757.12	279.97	453.27	244.93
	Changes in inventories of finished goods, traded goods and work-in-progress	(416.78)	(2,411.63)	(442.64)	(801.52)	(496.10)	(177.12)
	Employee benefit expenses	176.12	152.08	131.69	139.91	111.12	90.72
	Finance costs	911.50	768.09	746.85	630.85	566.18	564.64
	Depreciation and amortisation expense	156.05	185.90	132.09	109.13	109.94	123.16
	Other Expenses	253.06	193.79	185.12	205.41	178.18	220.62
	<b>Total Expenses (B)</b>	<b>14,493.90</b>	<b>11,804.12</b>	<b>11,221.76</b>	<b>7,844.76</b>	<b>7,697.47</b>	<b>5,748.27</b>
<b>C</b>	<b>Profit before extraordinary items and tax(A-B)</b>	<b>732.23</b>	<b>281.92</b>	<b>142.93</b>	<b>115.09</b>	<b>30.07</b>	<b>96.35</b>
	Extraordinary items	-	-	-	-	-	-
<b>D</b>	<b>Profit before tax</b>	<b>732.23</b>	<b>281.92</b>	<b>142.93</b>	<b>115.09</b>	<b>30.07</b>	<b>96.35</b>
	Tax expense :						
	(i) Current tax	201.50	57.48	-	-	-	-
	(ii) Deferred tax	65.37	41.12	30.64	41.32	11.07	(296.58)
	(iii) MAT Credit Entitlement	-	(31.72)	-	-	-	-
<b>E</b>	<b>Total Tax Expense</b>	<b>266.87</b>	<b>66.88</b>	<b>30.64</b>	<b>41.32</b>	<b>11.07</b>	<b>-296.58</b>
<b>F</b>	<b>Profit for the year/ period (D-E)</b>	<b>465.36</b>	<b>215.04</b>	<b>112.29</b>	<b>73.77</b>	<b>19.00</b>	<b>392.93</b>

For R T Jain & Co LLP  
Chartered Accountants  
FRN - 103961W/ W100182

For and on behalf of Board of Directors

(Director)

(Director)

(CA Bankim Jain)  
Partner  
Mem No- 139447

(CFO)

(CS)

Mumbai, May 21, 2018

Mumbai, May 21, 2018

STATEMENT OF CASH FLOW AS RESTATED

ANNEXURE - III

( In Lakhs)

Particulars	2018	2017	2016	2015	2014	2013
	<b>Cash Flow From Operating Activities:</b>					
Net Profit before tax as per Profit And Loss A/c	732.25	281.94	142.92	115.09	30.08	96.34
<b>Adjustments for:</b>						
Depreciation & Amortisation Expense	156.05	185.91	132.09	109.13	109.94	123.16
Finance Cost	911.49	768.09	746.85	630.85	566.18	564.64
Profit on Sale of Car	(14.98)	-	(4.60)	-	-	-
Profit on Sale of Machinery	-	-	-	-	(101.58)	-
Profit on Sale of Investments	-	-	(0.11)	-	-	-
Interest Income	(17.75)	(23.74)	(23.78)	(23.44)	(21.60)	(19.89)
<b>Operating Profit Before Working Capital Changes</b>	<b>1,767.06</b>	<b>1,212.19</b>	<b>993.38</b>	<b>831.63</b>	<b>583.03</b>	<b>764.25</b>
Adjusted for (Increase)/ Decrease in:						
Inventories	(2,292.63)	(1,272.24)	(746.96)	(95.74)	(652.62)	(566.53)
Trade Receivables	(1,234.57)	(1,301.17)	(150.91)	321.45	(1,199.37)	21.97
Long Term Loans and advances	(42.17)	60.16	(112.47)	29.45	(27.17)	(28.85)
Short Term Loans and advances	130.20	(98.78)	1,919.43	(1,634.70)	(363.53)	(84.29)
Other Current & Non Current Assets	(22.79)	(0.06)	(0.53)	0.21	0.63	124.42
Trade Payables	2,499.86	2,704.33	(1,976.09)	(609.25)	567.26	(580.26)
Other Current Liabilities	(74.22)	(560.94)	1,044.61	(201.27)	68.12	537.65
Short term Provisions	70.06	48.42	21.40	22.59	(0.29)	7.10
<b>Cash Generated From Operations Before Extra-Ordinary Items</b>	<b>800.80</b>	<b>791.89</b>	<b>991.84</b>	<b>(1335.63)</b>	<b>(1023.93)</b>	<b>195.46</b>
Add:- Extra-Ordinary Items	-	-	-	-	-	-
<b>Cash Generated From Operations</b>	<b>800.80</b>	<b>791.89</b>	<b>991.84</b>	<b>(1335.63)</b>	<b>(1023.93)</b>	<b>195.46</b>
Net Income Tax paid/ refunded	(201.50)	(25.77)	-	-	-	-
<b>Net Cash Flow from/(used in) Operating Activities: (A)</b>	<b>599.30</b>	<b>766.13</b>	<b>991.84</b>	<b>(1,335.63)</b>	<b>(1,023.93)</b>	<b>195.46</b>
<b>Cash Flow From Investing Activities:</b>						
Purchase of Fixed Assets (including capital work in progress)	(46.42)	(333.51)	19.22	(711.15)	(337.13)	(323.72)
Proceeds from Sale of Fixed Assets	150.50	-	10.00	-	101.58	-
Proceeds from Sale of Investments	-	-	5.11	-	-	-
Investment in MFs	-	-	(5.00)	-	-	-
Investment in Properties and Others	(0.15)	0.18	5.57	(53.73)	(403.00)	(201.82)
Interest Income	17.75	23.74	23.78	23.44	21.60	19.89
<b>Net Cash Flow from/(used in) Investing Activities: (B)</b>	<b>121.68</b>	<b>(309.59)</b>	<b>58.69</b>	<b>(741.43)</b>	<b>(616.96)</b>	<b>(505.64)</b>
<b>Cash Flow from Financing Activities:</b>						
Proceeds from Issue of Shares	763.41	-	-	-	-	-
Repayment of Share Application Money	-	(4.00)	-	-	-	-
Net Increase/(Decrease) in Short Term Borrowings	1,312.90	(6.83)	146.35	473.26	831.16	2,761.46
Net Increase/(Decrease) in Long Term Borrowings	(1,712.23)	380.07	(432.78)	2,116.20	677.33	(1,078.47)
Interest paid	(911.49)	(768.09)	(746.85)	(630.85)	(566.18)	(564.64)
<b>Net Cash Flow from/(used in) Financing Activities ( C)</b>	<b>(547.41)</b>	<b>(398.84)</b>	<b>(1,033.28)</b>	<b>1,958.61</b>	<b>942.31</b>	<b>1,118.35</b>
Net Increase/(Decrease) in Cash & Cash Equivalents (A+B+C)	173.56	57.70	17.24	(118.46)	(698.59)	808.17
Cash & Cash Equivalents As At Beginning of the Year / Period	324.34	266.64	249.39	367.86	1,066.44	258.28
Cash & Cash Equivalents As At End of the Year / Period	<b>497.90</b>	<b>324.34</b>	<b>266.64</b>	<b>249.39</b>	<b>367.86</b>	<b>1,066.44</b>

For R T Jain & Co LLP  
Chartered Accountants  
FRN - 103961W/ W100182

For and on behalf of Board of Directors

(Managing Director)

(Director)

(CA Bankim Jain)  
Partner  
Mem No- 139447

(CFO)

(Company Secretary)

Mumbai, May 21, 2018

Mumbai, May 21, 2018

**ANNEXURE IV (A)**

**RESTATED SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS:**

**CORPORATE INFORMATION**

Supreme Engineering Limited (formerly known as Supreme Heatreaters Private Limited) was incorporated in the year 1987 and it is engaged in processing and manufacture of Stainless Steel, Engineered Alloys and Specialty Steel Products.

**A. Basis of preparation of Financial Statements:**

The restated summary statement of assets and liabilities of the Company as at March 31, 2018, 2017, 2016, 2015, 2014 and 2013 and the related restated summary statement of profits and loss and cash flows for the years ended March 31, 2018, 2017, 2016, 2015, 2014 and 2013 (herein collectively referred to as (' Restated Summary Statements')) have been compiled by the management from the audited financial statements of the Company for the year ended on March 31, 2018, 2017, 2016, 2015, 2014 and 2013 , approved by the Board of Directors of the Company. Restated Summary Statements have been prepared to comply in all material respects with the provisions of Part I of Chapter III of the Companies Act, 2013 read with Companies (Prospectus and Allotment of Securities) Rules, 2014, Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (“the SEBI Guidelines”) issued by SEBI and Guidance note on Reports in Companies Prospectus (Revised). Restated Summary Statements have been prepared specifically for inclusion in the offer document to be filed by the Company with the Emerge Platform of NSE in connection with its proposed Initial public offering of equity shares. The Company’s management has recast the financial statements in the form required by Schedule III of the Companies Act, 2013 for the purpose of Restated Summary Statements.

**B. Use of Estimates:**

The preparation of restated financial statements requires management to make estimates and assumptions that affect amounts in the financial statements and reported notes thereto. Actual results could differ from these estimates. Differences between the actual result and estimates are recognized in periods in which the results are known/ materialized.

**C. Fixed Assets:**

Fixed assets are stated at cost of acquisition or construction less accumulated depreciation and impairment loss, if any. The cost of an asset comprises of its purchase price and any directly attributable cost of bringing the assets to working condition for its intended use. Expenditure on additions, improvements and renewals is capitalized and expenditure for maintenance and repairs is charged to profit and loss account.

**D. Depreciation:**

Depreciation on fixed assets for the year ended on March 31, 2015, 2014 and 2013 is calculated on WDV basis for all assets using the rates prescribed under Schedule XIV of the Companies Act, 1956. Depreciation on fixed assets for the year ended March 31, 2016, 2017 and 2018 is calculated on WDV basis for all the assets using the rates derived as per the useful life for the assets specified in the Schedule II of the Companies Act, 2013 except for the following assets:

Block of Asset	Useful Life as per Companies Act, 2013	Useful Life as determined by Management
Plant & Machinery	15 years	40 years

**E. Amortization of Research and Development Expenses**

Research and Development Expenses incurred on product development are written off over the period of 15 years.

**F. Valuation of Inventories:**

Inventory of traded goods is valued at cost or net realizable value whichever is lower.  
Raw Material, Work in Progress and Finished Goods are valued at Cost or Net Realisable Value whichever is lower.

**G. Valuation of Investments:**

- i. Investments that are readily realizable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long term investments.
- ii. Current Investments are carried at lower of cost and fair value determined on an individual investment basis.

- iii. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of investments.

#### H. 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.

##### Revenue from Operations

##### Sale of Manufactured and Traded Goods

Sale of traded goods/material is recognized as revenue when significant risk and rewards of ownership relating to the goods are transferred to the buyer.

##### Revenue from Other Sources

Other Incomes have been recognized on accrual basis.

#### I. Employee Benefits:

All employee benefits payable within twelve months of rendering of services are classified as short term benefits. Benefits include salaries, wages, awards, ex-gratia, performance pay, etc. and are recognized in the period in which the employee renders the related service. Liability on account of encashment of leave, Bonus to employee is considered as short term compensated expense provided on actual.

#### J. Earning Per Share

Basic earning per share is computed by dividing the net profit after tax for the year after prior period adjustments attributable to equity shareholders by the weighted average number of equity shares outstanding during the year /period.

#### K. Taxation & Deferred Tax

Provision for Current Tax is made in accordance with the provision of Income Tax Act, 1961. Deferred tax is recognized on timing differences between taxable & accounting income / expenditure that originates in one period and are capable of reversal in one or more subsequent period(s).

#### L. Contingent Liabilities / Provisions

Contingent liabilities are not provided in the accounts and are disclosed separately in notes on accounts.

#### ANNEXURE – IV (B)

#### NOTES ON RECONCILIATION OF RESTATED PROFITS

(Rs in Lakhs)

Adjustments for	For the year ended March 31,					
	2018	2017	2016	2015	2014	2013
Net Profit/(Loss) after Tax as per Audited Profit & Loss Account	500.54	242.27	84.62	60.48	39.24	198.63
<b>Adjustments for:</b>						
Insurance Expenses	-	-1.44	1.44	-	-	-
Amortization of Research and Development Expense	-	0.47	-16.14	-16.14	-16.14	64.57
Profit on sale of Car	0.16	-	-	-	-	-
Depreciation Expense	11.20	26.18	37.60	18.89	11.94	3.44
Tools Consumed debited to Reserves & Surplus	-	-	-	-0.07	-0.01	-
Tax expense :						
(i) Current tax	-51.50	-5.14	26.79	13.59	6.75	5.70
(ii) Deferred tax	-60.83	-62.51	-22.02	-2.98	-22.77	120.58
(iii) MAT Credit Entitlement	65.79	15.22	-	-	-	-
<b>Net Profit/ (Loss) After Tax as Restated</b>	<b>465.36</b>	<b>215.05</b>	<b>112.29</b>	<b>73.77</b>	<b>19.01</b>	<b>392.92</b>

**Explanatory notes to the above restatements made in the audited financial statements of the Company for the respective years.**

**Adjustments having impact on Profit**

- 1. Insurance Expenses** – The Company has paid Rs. 1.45 Lacs to Tata AIF General Insurance Company Ltd towards insurance premium in the year 2015-16. However, the said amount was refunded back in the year 2016-17 and shown as income in the said year. The said expense and refund has been appropriately reversed in the respective years.
- 2. Amortization of Research and Development Expenditure** – The Company has incurred Research and development Expenditure in FY 2010-11. The management is to be amortized over the period of 15 years. However, the company has amortized Rs. 80.67 Lacs in FY 2012-13 and Rs. 16.61 Lacs in FY 2016-17. The same has now been restated as follows:
  - i. Amortized Rs. 32.29 Lacs from opening reserves as on 1<sup>st</sup> April, 2012 being amount to be amortized in FY 2010-11 and FY 2011-12.
  - ii. Amortized Rs. 16.14 Lacs from Statement of Profit or Loss of every year starting from FY 2012-13 till FY 2016-17 and Rs. 8.07 Lacs from Statement of Profit & loss of period ended September 30, 2017 being proportionate amount pertaining to that period.
- 3. Profit on sale of car** – As the depreciation has been restated the profit on sale of asset has been calculated based on restated WDV. The restatement has been done to give effect of the same.
- 4. Depreciation Expense** – For the year ended March 31, 2015, 2014 and 2013, the Company has depreciated fixed assets as follows:
  - i. Some plant and machinery using rates specified for plant and machinery used on triple shift basis under *SLM method* as per Schedule XIV of Companies Act, 1956
  - ii. Buildings using rates specified for buildings under *SLM Method* as per Schedule XIV of Companies Act, 1956.
  - iii. Remaining fixed assets using rates specified under WDV Method as per Schedule XIV of Companies Act, 1956.

The depreciation on assets has now been recalculated using rates specified for fixed assets under WDV method as per Schedule XIV of Companies Act, 1956 in Restated Financial Statements for the year ended March 31, 2015, 2014, 2013 and 2012.

For the year/period ended March 31, 2018, 2017 and 2016, the company has depreciated fixed assets on WDV basis as per useful lives specified for fixed assets under Schedule II to the Companies Act, 2013 except for the plant and machinery where the company has considered useful life of 40 years instead of 15 years as per the said schedule.

The same has now been recalculated using WDV method for fixed assets as on 1<sup>st</sup> April, 2015 recalculated for the purpose of Restated Financial Statements and useful lives specified for fixed assets under Schedule II to the Companies Act, 2013 except for the fixed assets as follows:

Block of Asset	Useful life as per Companies Act, 2013	Useful Life as determined by Management
Plant & Machinery	15 years	40 years

- 5. Tools Consumed** – The Company has wrongly debited the expenditure for tools purchased out of General Reserves. The same has now been properly expensed out in Restated Statement of Profit and Loss.
- 6. Current Tax** – Provision for tax is recalculated by us as per the provisions of Income Tax Act, 1961. (Refer Annexure - XXXIV : Statement of Tax Shelter)
- 7. Deferred Tax** – Deferred Tax Asset/(Liability) has been recalculated based on changes in depreciation as provided in the Restated Financial Statements.
- 8. MAT Credit Entitlement** – MAT Credit Entitlement is recalculated as the provisions of Income Tax Act, 1961. (Refer Annexure - XXXIV : Statement of Tax Shelter)

**Adjustments having no impact on Profit****Material Regrouping**

W.e.f, April 1 2014, Schedule III notified under the Companies Act, 2013 has become applicable to the Company for preparation and presentation of its financial statements. The adoption of Schedule III does not impact recognition and measurement principles followed for preparation of financial statements.

Appropriate adjustments have been made in the Restated Summary Statements, wherever required, by a reclassification of the corresponding items of income, expenses, assets, liabilities and cash flows in order to bring them in line with the groupings as per the audited financial statements of the Company, prepared in accordance with Schedule III and the requirements of the Securities and Exchange Board of India (Issue of Capital & Disclosure Requirements) Regulations, 2009 (as amended).

DETAILS OF SHARE CAPITAL AS RESTATED

ANNEXURE - V  
(₹ In Lakhs)

Particulars	As at March 31,					
	2018	2017	2016	2015	2014	2013
<b>EQUITY SHARE CAPITAL :</b>						
<b>AUTHORISED:</b>						
Equity Shares of Rs. 100 each	2,510.00	200.00	200.00	200.00	200.00	200.00
Preference Shares of Rs. 100 each	-	100.00	100.00	100.00	100.00	100.00
	<b>2,510.00</b>	<b>300.00</b>	<b>300.00</b>	<b>300.00</b>	<b>300.00</b>	<b>300.00</b>
<b>ISSUED, SUBSCRIBED AND PAID UP</b>						
Equity Shares of Rs. 100 each	1,841.90	200.00	200.00	200.00	200.00	200.00
Preference Shares of Rs. 100 each	-	100.00	100.00	100.00	100.00	100.00
<b>TOTAL</b>	<b>1,841.90</b>	<b>300.00</b>	<b>300.00</b>	<b>300.00</b>	<b>300.00</b>	<b>300.00</b>

Reconciliation of number of shares outstanding at the end of the year / period:

Equity Shares at the beginning of the year / period	200,000	200,000	200,000	200,000	200,000	200,000
Add: Sub-Division of shares during the year/period	1,800,000	-	-	-	-	-
Add: Shares Issued during the year/period	6,419,000	-	-	-	-	-
Add: Conversion of preference shares during the year/period	1,000,000	-	-	-	-	-
Add: Bonus shares issued during the year/period	9,000,000	-	-	-	-	-
Equity Shares at the end of the year / period	<b>18,419,000</b>	<b>200,000</b>	<b>200,000</b>	<b>200,000</b>	<b>200,000</b>	<b>200,000</b>
Preference Shares at the beginning of the year / period	100,000	100,000	100,000	100,000	100,000	100,000
Less: Conversion into equity shares during the year/period	(100,000)	-	-	-	-	-
Preference Shares at the end of the year / period	-	<b>100,000</b>	<b>100,000</b>	<b>100,000</b>	<b>100,000</b>	<b>100,000</b>

\*Equity Shares of the face value of Rs 100 each has been split into 10 shares of face value of Rs 10 each during the period ended Marh 31, 2018.

\*\*During the period ended March 31, 2018 the company has made bonus issue in the ratio of 3:1.

\*\*\*During the period ended March 31, 2018 the company has fully converted preference shares of Rs. 100 each into equivalent equity shares of Rs. 10 each.

Details of Shareholders holding more than 5% of the aggregate shares of the company:

Name of Shareholders	As at March 31, 2018		As at March 31,2017		As at March 31,2016		As at March 31,2015		As at March 31,2014		As at March 31,2013	
	No. of Shares Held	% of Holding	No. of Shares Held	% of Holding	No. of Shares Held	% of Holding	No. of Shares Held	% of Holding	No. of Shares Held	% of Holding	No. of Shares Held	% of Holding
<b>Equity Share Holders</b>												
Sanjay Ratan Chowdhri	6,659,500	36.16%	108,000	54.00%	108,000	54.00%	108,000	54.00%	108,000	54.00%	108,000	54.00%
Sanjay Ratan Chowdhri(HUF)	6,440,000	34.96%	28,000	14.00%	28,000	14.00%	28,000	14.00%	28,000	14.00%	28,000	14.00%
Lalita Sanjay Chowdhri	1,720,000	9.34%	20,000	10.00%	20,000	10.00%	20,000	10.00%	20,000	10.00%	20,000	10.00%
<b>Preference Share Holders</b>												
Lalita Sanjay Chowdhri	-	-	15,000	15.00%	15,000	15.00%	15,000	15.00%	15,000	15.00%	15,000	15.00%
Ratan Prakash Chowdhri (HUF)	-	-	10,000	10.00%	10,000	10.00%	10,000	10.00%	10,000	10.00%	10,000	10.00%
Sanjay Ratan Chowdhri(HUF)	-	-	75,000	75.00%	75,000	75.00%	75,000	75.00%	75,000	75.00%	75,000	75.00%



DETAILS OF RESERVES AND SURPLUS AS RESTATED

ANNEXURE - VI  
(₹ In Lakhs)

Particulars	As at March 31,					
	2018	2017	2016	2015	2014	2013
<b>PROFIT &amp; LOSS ACCOUNT</b>						
Opening Balance	1,339.02	1,123.98	1,011.69	937.92	918.92	513.79
Add: Net Profit / (Loss) after Tax for the year	465.36	215.04	112.29	73.77	19.00	392.93
Add: MAT Credit Entitlement for earlier years	-	-	-	-	-	45.58
Less: Research and Development Expenses	-	-	-	-	-	(32.29)
Add/Less: Excess Provision for Tax of earlier years	-	-	-	-	-	(1.09)
Add/Less: Bonus Share Issued	(900.00)	-	-	-	-	-
<b>Closing Balance</b>	<b>904.38</b>	<b>1,339.02</b>	<b>1,123.98</b>	<b>1,011.69</b>	<b>937.92</b>	<b>918.92</b>
<b>Securities Premium</b>						
Opening Balance	-	-	-	-	-	-
Add: Premium received on issue of Shares during the year	121.51	-	-	-	-	-
<b>Closing Balance</b>	<b>121.51</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>General Reserve</b>						
Opening Balance	35.11	35.11	35.11	35.11	35.11	35.11
Add: Transferred during the year	-	-	-	-	-	-
<b>Closing Balance</b>	<b>35.11</b>	<b>35.11</b>	<b>35.11</b>	<b>35.11</b>	<b>35.11</b>	<b>35.11</b>
<b>TOTAL</b>	<b>1,061.00</b>	<b>1,374.13</b>	<b>1,159.09</b>	<b>1,046.80</b>	<b>973.03</b>	<b>954.03</b>

DETAILS OF LONG TERM BORROWINGS

ANNEXURE - VII  
(₹ In Lakhs)

Particulars	As at March 31,					
	2018	2017	2016	2015	2014	2013
<b>SECURED</b>						
Term Loan						
-From Banks	87.00	208.96	119.37	133.44	26.40	-
Vehicle Loan						
-From Banks	3.74	86.07	59.15	58.96	-	-
	90.74	295.03	178.52	192.40	26.40	-
<b>UNSECURED</b>						
Loans From Director	1,229.50	1,038.00	902.00	817.24	367.68	349.49
Loans From Shareholders	-	723.84	723.84	728.84	728.84	720.34
Intercompany Deposits & Others	1,214.90	2,040.44	2,105.60	2,604.25	1,103.59	470.71
Loans From NBFC	42.69	-	-	-	-	-
Finance Loan						
-From Banks	-	38.48	-	-	-	8.64
-From Others	-	154.27	-	-	-	-
	2,487.09	3,995.03	3,731.44	4,150.34	2,200.11	1,549
<b>TOTAL</b>	<b>2,577.83</b>	<b>4,290.06</b>	<b>3,909.96</b>	<b>4,342.74</b>	<b>2,226.51</b>	<b>1,549.18</b>

Nature of Security	Terms of Repayment
<p>These are unsecured loans except for the vehicle loans for which the vehicle itself is a security against such loan.</p>	Loan From Bajaj Finserv (New) is Repayable in 36 instalments of Rs. 1,30,475/- each
	Loan From Deutsche Bank is Repayable in 33 instalments of Rs. 1,75,785/- each
	Loan from Edelweiss Retail Finance Limited is repayable in 36 instalments of Rs. 1,27,778/- each.
	Loan from Fullerton India Credit Co. Ltd is repayable in 19 instalments of Rs. 1,29,047/- each.
	Loan from HDB Financial Services is repayable in 24 instalments of Rs. 99,849/- each.
	Loan from HDFC Bank is repayable in 48 instalments of Rs. 56,170 each.
	Loan from Indusind Bank is repayable in 19 instalments of Rs. 2,23,320/- each.
	Loan from Jain Sons Finance Ltd is repayable in 24 instalments of Rs. 7,50,675/- each.
	Loan from Magma Fincorp Ltd. is repayable in total 36 instalments First 12 instalments are of Rs. 1,05,746/- each, Next 12 instalments are of Rs. 92,189/- each and last 12 instalments of Rs. 73,209/- each.
	Loan from Shriram City Union Finance Ltd. is repayable in 30 instalments of Rs. 1,04,875/- each.
	Loan From Bajaj Finserv (Old) is Repayable in Total 36 instalments out of which first 12 instalments are of Rs. 1,83,770/- each, Next 12 instalments are of Rs. 82,696 each and Last 12 instalments are of Rs. 39,817/- each.
	Loan from Religare Finvest Ltd is repayable in 24 instalments of Rs. 2,47,812/- each.
	Loan from Barclays Bank is repayable in 24 instalments of Rs. 2,47,812/- each.
	Loan of Rs. 13,70,992/- from Kotak Mahindra Prime Ltd is repayable in 59 instalments of Rs. 29,008/- each.
Loan of Rs. 25,51,520/- from Kotak Mahindra Prime Ltd is repayable in 59 instalments of Rs. 48,480/- each.	
Car Loan from HDFC Bank is repayable in 60 instalments of Rs. 22,446/- each.	
Loan from ICICI Bank is repayable in 60 instalments of 1,72,455/- each.	
Loan from ICICI Bank is repayable in 30 instalments of 2,06,264/- each.	
<p>Loan from Bank of India - 13 is secured by Hypothecation of Plant &amp; Machinery, Stock &amp; Book Debts and pledge of TDR. The loan is colletarally secured by EQM of Land/Building at Khopoli bearing S. No. 2(A)(p) &amp; 2 (B)(p) at Village Vihari in Khopoli and Hypothecation of P&amp;M at Khopoli &amp; Rabale Unit and EQM of factory land &amp; building at Rabale MIDC and Equitable Mortgage of residential bungalow at Row House no. 9, Divya Sapna Co-Op Hsg Society, Chembur. It is secured by personal guarantee of Shri Sanjay R. Chowdhri, Smt. Lalita Chowdhri, Shri R P Chowdhri and Smt. Sumitra Chowdhri.</p>	Term Loan - IV from Bank of India - 13 is repayable in 54 instalments of Rs.4,44,000/- each.
	Term Loan - V from Bank of India - 14 is repayable in 54 instalments of Rs.5,56,000/- each.

DETAILS OF SHORT TERM BORROWING AS RESTATED

ANNEXURE - VIII  
(₹ In Lakhs)

Particulars	As at March 31,					
	2018	2017	2016	2015	2014	2013
<b>Secured</b>						
-Cash Credit from Banks	2,519.13	2,099.00	2,064.13	1,928.25	1,677.37	977.03
-Bills Payable	2,999.17	2,106.40	2,148.09	2,137.62	1,915.25	1,784.43
<b>TOTAL</b>	<b>5,518.30</b>	<b>4,205.40</b>	<b>4,212.22</b>	<b>4,065.87</b>	<b>3,592.62</b>	<b>2,761.46</b>

The cash credit from bank is secured by against hypothecation of stocks and book debts, mortgage of immovable properties by deposits of title deeds of the company's comprising of land and other structures situated at Rabale, Thane.

DETAILS OF TRADE PAYABLES AS RESTATED

ANNEXURE - IX  
(₹ In Lakhs)

Particulars	As at March 31,					
	2018	2017	2016	2015	2014	2013
Due to Micro and Small Enterprises	-	-	-	-	-	-
Due to others	5,361.72	2,861.86	157.53	2,133.62	2,742.87	2,175.61
<b>TOTAL</b>	<b>5,361.72</b>	<b>2,861.86</b>	<b>157.53</b>	<b>2,133.62</b>	<b>2,742.87</b>	<b>2,175.61</b>

The company has not received any information from the suppliers regarding their status under MSME Act, 2006. Thus in the absence of relevant information all trade payables are classified as other than MSME trade payables

DETAILS OF OTHER CURRENT LIABILITIES AS RESTATED

ANNEXURE - X  
(₹ In Lakhs)

Particulars	As at March 31,					
	2018	2017	2016	2015	2014	2013
Current maturities of long term debt	288.79	300.57	75.79	73.97	12.05	22.56
Statutory Liabilities	152.77	22.61	10.13	9.92	14.52	3.30
Advance from customers	390.86	268.23	196.51	156.16	368.26	66.52
Creditors for Expenses	17.14	321.57	1,193.66	191.27	238.09	474.71
Creditors for Capital Goods	-	-	-	5.43	5.43	6.18
Salary Payable	-	10.81	8.64	3.36	3.05	-
<b>TOTAL</b>	<b>849.56</b>	<b>923.79</b>	<b>1,484.73</b>	<b>440.11</b>	<b>641.40</b>	<b>573.27</b>

DETAILS OF SHORT TERM PROVISIONS AS RESTATED

ANNEXURE - XI  
(₹ In Lakhs)

Particulars	As at March 31,					
	2018	2017	2016	2015	2014	2013
Provision for Taxes (Net of Advance tax & TDS)	176.85	106.79	58.37	36.97	14.38	14.67
<b>TOTAL</b>	<b>176.85</b>	<b>106.79</b>	<b>58.37</b>	<b>36.97</b>	<b>14.38</b>	<b>14.67</b>

DETAILS OF FIXED ASSETS AS RESTATED

ANNEXURE- XII  
(₹ In Lakhs)

FIXED ASSETS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	AS AT 01.04.2012	ADDITIONS	DEDUCTIONS	AS AT 31.03.2013	UPTO 01.04.2012	FOR THE YEAR	DEDUCTIONS / ADJUSTMENTS	UPTO 31.03.2013	AS AT 31.03.2013	AS AT 31.03.2012
<b>Tangible Assets</b>										
Furniture & Fixture	11.58	-	-	11.58	9.65	0.35	-	10.00	1.58	1.93
Computer	21.08	0.22	-	21.30	19.00	0.88	-	19.88	1.42	2.08
Land	171.86	-	-	171.86	-	-	-	-	171.86	171.86
Factory Building	250.18	-	-	250.18	61.49	18.87	-	80.36	169.82	188.69
Guest House	77.94	-	-	77.94	18.89	2.95	-	21.84	56.10	59.05
Plant & Machinery	888.66	20.02	-	908.68	360.68	74.65	-	435.33	473.35	527.98
Vehicles	53.27	-	-	53.27	17.27	9.32	-	26.59	26.68	36.00
<b>Grand Total</b>	<b>1,474.57</b>	<b>20.24</b>	<b>-</b>	<b>1,494.81</b>	<b>486.98</b>	<b>107.02</b>	<b>-</b>	<b>594.00</b>	<b>900.81</b>	<b>987.59</b>

FIXED ASSETS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	AS AT 01.04.2013	ADDITIONS	DEDUCTIONS	AS AT 31.03.2014	UPTO 01.04.2013	FOR THE YEAR	DEDUCTIONS / ADJUSTMENTS	UPTO 31.03.2014	AS AT 31.03.2014	AS AT 31.03.2013
<b>Tangible Assets</b>										
Furniture & Fixture	11.58	-	-	11.58	10.00	0.29	-	10.29	1.29	1.58
Computer	21.30	0.72	-	22.02	19.88	0.72	-	20.60	1.42	1.42
Land	171.86	-	-	171.86	-	-	-	-	171.86	171.86
Factory Building	250.18	-	-	250.18	80.36	16.98	-	97.34	152.84	169.82
Guest House	77.94	-	-	77.94	21.84	2.80	-	24.64	53.30	56.10
Plant & Machinery	908.68	35.07	25.61	918.14	435.33	66.10	25.61	475.82	442.32	473.35
Vehicles	53.27	-	-	53.27	26.59	6.91	-	33.50	19.77	26.68
<b>Grand Total</b>	<b>1,494.81</b>	<b>35.79</b>	<b>25.61</b>	<b>1,504.99</b>	<b>594.00</b>	<b>93.80</b>	<b>25.61</b>	<b>662.19</b>	<b>842.80</b>	<b>900.81</b>

FIXED ASSETS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	AS AT 01.04.2014	ADDITIONS	DEDUCTIONS	AS AT 31.03.2015	UPTO 01.04.2014	FOR THE YEAR	DEDUCTIONS / ADJUSTMENTS	UPTO 31.03.2015	AS AT 31.03.2015	AS AT 31.03.2014
<b>Tangible Assets</b>										
Furniture & Fixture	11.58	1.63	-	13.21	10.29	0.42	-	10.71	2.50	1.29
Computer	22.02	1.68	-	23.70	20.60	0.96	-	21.56	2.14	1.42
Land	171.86	-	-	171.86	-	-	-	-	171.86	171.86
Factory Building	250.18	-	-	250.18	97.34	15.28	-	112.62	137.56	152.84
Guest House	77.94	-	-	77.94	24.64	2.66	-	27.30	50.64	53.30
Plant & Machinery	918.14	904.34	-	1,822.48	475.82	68.54	-	544.36	1,278.12	442.32
Vehicles	53.27	90.00	-	143.27	33.50	5.12	-	38.62	104.65	19.77
<b>Grand Total</b>	<b>1,504.99</b>	<b>997.65</b>	<b>-</b>	<b>2,502.64</b>	<b>662.19</b>	<b>92.98</b>	<b>-</b>	<b>755.17</b>	<b>1,747.47</b>	<b>842.80</b>

FIXED ASSETS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	AS AT 01.04.2015	ADDITIONS	DEDUCTIONS	AS AT 31.03.2016	UPTO 01.04.2015	FOR THE YEAR	DEDUCTIONS / ADJUSTMENTS	UPTO 31.03.2016	AS AT 31.03.2016	AS AT 31.03.2015
<b>Tangible Assets</b>										
Furniture & Fixture	13.21	0.76	-	13.97	10.71	0.73	-	11.44	2.53	2.50
Computer	23.70	-	-	23.70	21.56	1.35	-	22.91	0.79	2.14
Land	171.86	-	-	171.86	-	-	-	-	171.86	171.86
Factory Building	250.18	-	-	250.18	112.62	13.07	-	125.69	124.49	137.56
Guest House	77.94	-	-	77.94	27.30	2.47	-	29.77	48.17	50.64
Plant & Machinery	1,822.48	48.55	-	1,871.03	544.36	93.44	-	637.80	1,233.23	1,278.12
Vehicles	143.27	14.86	30.50	127.63	38.62	4.89	25.10	18.41	109.22	104.65
<b>Grand Total</b>	<b>2,502.64</b>	<b>64.17</b>	<b>30.50</b>	<b>2,536.31</b>	<b>755.17</b>	<b>115.95</b>	<b>25.10</b>	<b>846.02</b>	<b>1,690.29</b>	<b>1,747.47</b>

FIXED ASSETS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	AS AT 01.04.2016	ADDITIONS	DEDUCTIONS	AS AT 31.03.2017	UPTO 01.04.2016	FOR THE YEAR	DEDUCTIONS / ADJUSTMENTS	UPTO 31.03.2016	AS AT 31.03.2017	AS AT 31.03.2016
<b>Tangible Assets</b>										
Furniture & Fixture	13.97	0.78	-	14.75	11.44	0.80	-	12.24	2.51	2.53
Computer	23.70	0.05	-	23.75	22.91	0.51	-	23.42	0.33	0.79
Land	171.86	-	-	171.86	-	-	-	-	171.86	171.86
Factory Building	250.18	-	-	250.18	125.69	11.80	-	137.49	112.69	124.49
Guest House	77.94	-	-	77.94	29.77	2.34	-	32.11	45.83	48.17
Plant & Machinery	1,871.03	352.69	-	2,223.72	637.80	104.69	-	742.49	1,481.23	1,233.23
Vehicles	127.63	100.00	-	227.63	18.41	49.63	-	68.04	159.59	109.22
<b>Grand Total</b>	<b>2,536.31</b>	<b>453.52</b>	<b>-</b>	<b>2,989.83</b>	<b>846.02</b>	<b>169.77</b>	<b>-</b>	<b>1,015.79</b>	<b>1,974.04</b>	<b>1,690.29</b>

FIXED ASSETS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	AS AT 01.04.2017	ADDITIONS	DEDUCTIONS	AS AT 31.03.2018	UPTO 01.04.2017	FOR THE YEAR	DEDUCTIONS / ADJUSTMENTS	UPTO 31.03.2018	AS AT 31.03.2018	AS AT 31.03.2017
<b>Tangible Assets</b>										
Furniture & Fixture	14.75	-	-	14.75	12.24	0.65	-	12.89	1.86	2.51
Computer	23.75	-	-	23.75	23.42	0.20	-	23.62	0.13	0.33
Land	171.86	42.32	-	214.18	-	-	-	-	214.18	171.86
Factory Building	250.18	-	-	250.18	137.49	10.71	-	148.20	101.98	112.69
Guest House	77.94	-	-	77.94	32.11	2.23	-	34.34	43.60	45.83
Plant & Machinery	2,223.72	442.10	-	2,665.82	742.49	107.08	-	849.57	1,816.25	1,481.23
Vehicles	227.63	4.11	194.11	37.63	68.04	19.04	58.59	28.49	9.14	159.59
<b>Grand Total</b>	<b>2,989.83</b>	<b>488.53</b>	<b>194.11</b>	<b>3,284.25</b>	<b>1,015.79</b>	<b>139.91</b>	<b>58.59</b>	<b>1,097.11</b>	<b>2,187.14</b>	<b>1,974.04</b>

DETAILS OF DEFERRED TAX ASSET/(LIABILITY) AS RESTATED

ANNEXURE - XIII  
(₹ In Lakhs)

Particulars	As at March 31,					
	2018	2017	2016	2015	2014	2013
<b>Deferred Tax Liability</b>						
Related to WDV of Fixed Assets	177.35	111.98	70.85	40.22	-	-
Related to Brought Forward of Losses						
<b>Deferred Tax Asset</b>						
Related to WDV of Fixed Assets	-	-	-	-	1.10	12.17
Related to Brought Forward of Losses	-	-	-	-	-	-
<b>Deferred Tax Asset/(Liability) (net) after adjustments</b>	<b>177.35</b>	<b>111.98</b>	<b>70.85</b>	<b>40.22</b>	<b>1.10</b>	<b>12.17</b>

DETAILS OF NON-CURRENT INVESTMENTS AS RESTATED

ANNEXURE - XIV  
(₹ In Lakhs)

Particulars	As at March 31,					
	2018	2017	2016	2015	2014	2013
<b>A. Trade Investment</b>						
In Equity Shares-Unquoted,fully paid up	1.00	1.00	1.03	6.03	1.03	1.03
<b>B. Investment in property</b>	689.99	664.99	664.99	675.56	628.83	237.83
<b>C. Other Investment</b>	2.32	27.17	27.32	17.32	15.32	3.32
<b>TOTAL</b>	<b>693.31</b>	<b>693.16</b>	<b>693.34</b>	<b>698.91</b>	<b>645.18</b>	<b>242.18</b>

Aggregate Cost of Quoted Investments	-	-	-	-	-	-
Aggregate Cost of Unquoted Investments	1.00	1.00	1.03	6.03	1.03	1.03
Aggregate Market Value of Quoted Investments	-	-	-	-	-	-

DETAILS OF LONG TERM LOAN AND ADVANCES AS RESTATED

ANNEXURE - XV  
(₹ In Lakhs)

Particulars	As at March 31,					
	2018	2017	2016	2015	2014	2013
Balance with Revenue Authorities	121.92	37.85	83.18	73.31	124.79	98.65
Security Deposit	14.01	18.69	10.11	10.11	11.11	15.82
Capital Advances	-	-	-	-	-	-
MAT Credit Entitlement	101.34	153.55	126.43	92.69	69.66	63.93
Advance to Others	25.04	26.20	76.71	7.85	7.85	7.85
<b>TOTAL</b>	<b>262.31</b>	<b>236.29</b>	<b>296.43</b>	<b>183.96</b>	<b>213.41</b>	<b>186.25</b>

DETAILS OF OTHER NON CURRENT ASSETS AS RESTATED

ANNEXURE - XVI  
(₹ In Lakhs)

Particulars	As at March 31,					
	2018	2017	2016	2015	2014	2013
Product Development Expenses	113.00	129.14	145.29	161.43	177.57	193.72
Share Issue Expenses	21.69	-	-	-	-	-
<b>TOTAL</b>	<b>134.69</b>	<b>129.14</b>	<b>145.29</b>	<b>161.43</b>	<b>177.57</b>	<b>193.72</b>

DETAILS OF INVENTORIES AS RESTATED

ANNEXURE - XVII  
(₹ In Lakhs)

Particulars	As at March 31,					
	2018	2017	2016	2015	2014	2013
a) Stores & Spares	12.01	12.01	6.22	6.34	6.34	6.34
b) Raw Material	2,620.63	744.79	1,889.96	1,585.52	2,291.30	2,134.77
c) Stock in Progress	4,443.14	4,036.15	2,091.49	1,754.56	1,439.25	945.67
d) Finished Goods	1,095.07	1,085.28	618.31	512.60	26.39	23.87
	-	-	-	-	-	-
<b>TOTAL</b>	<b>8,170.85</b>	<b>5,878.23</b>	<b>4,605.98</b>	<b>3,859.02</b>	<b>3,763.28</b>	<b>3,110.65</b>

DETAILS OF TRADE RECEIVABLES AS RESTATED

ANNEXURE - XVIII  
(₹ In Lakhs)

Particulars	As at March 31,					
	2018	2017	2016	2015	2014	2013
<u>Unsecured, considered good</u>						
- Outstanding for more than Six Months						
From related party	-	-	-	-	-	-
From others	933.71	219.62	1,860.55	298.64	-	-
- Outstanding for less than Six Months						
From related party	-	-	-	-	-	-
From others	4,331.34	3,810.86	868.76	2,279.76	2,899.85	1,700.48
<b>TOTAL</b>	<b>5,265.05</b>	<b>4,030.48</b>	<b>2,729.31</b>	<b>2,578.40</b>	<b>2,899.85</b>	<b>1,700.48</b>

DETAILS OF CASH & CASH EQUIVALENTS AS RESTATED

ANNEXURE - XIX  
(₹ In Lakhs)

Particulars	As at March 31,					
	2018	2017	2016	2015	2014	2013
Cash In Hand	25.37	11.49	3.40	2.38	112.51	0.98
Balance in Deposit Accounts	445.87	257.24	248.35	245.69	254.40	829.74
Balance with Scheduled Banks	26.66	55.61	14.89	1.32	0.95	235.72
<b>TOTAL</b>	<b>497.90</b>	<b>324.34</b>	<b>266.64</b>	<b>249.39</b>	<b>367.86</b>	<b>1,066.44</b>

DETAILS OF SHORT TERM LOAN AND ADVANCES AS RESTATED

ANNEXURE - XX  
(₹ In Lakhs)

Particulars	As at March 31,					
	2018	2017	2016	2015	2014	2013
Advance to Staff	3.89	4.32	6.51	7.38	4.95	5.64
Advance to Others	7.51	12.86	3.45	2.00	18.13	0.74
Advance to Suppliers	158.78	283.21	191.63	2,111.64	463.24	116.42
<b>TOTAL</b>	<b>170.18</b>	<b>300.39</b>	<b>201.59</b>	<b>2,121.02</b>	<b>486.32</b>	<b>122.80</b>

DETAILS OF OTHER CURRENT ASSETS AS RESTATED

ANNEXURE - XXI  
(₹ In Lakhs)

Particulars	As at March 31,					
	2018	2017	2016	2015	2014	2013
Prepaid Expenses	1.01	0.81	0.75	0.21	0.42	1.05
Interest receivable	17.04	-	-	-	-	-
<b>TOTAL</b>	<b>18.05</b>	<b>0.81</b>	<b>0.75</b>	<b>0.21</b>	<b>0.42</b>	<b>1.05</b>

DETAILS OF REVENUE FROM OPERATIONS AS RESTATED

ANNEXURE - XXII  
(₹ In Lakhs)

Particulars	For the year ended March 31,					
	2018	2017	2016	2015	2014	2013
Sale of Manufactured Goods	14,663.31	11,483.54	10,194.74	7,899.83	7,432.44	6,055.02
Sale of Traded Goods	518.27	719.14	790.78	287.73	458.41	247.83
Less: Excise Duty	(43.03)	(368.60)	(390.01)	(445.93)	(384.91)	(587.50)
Sale of Services	35.91	205.76	710.43	136.16	95.06	83.67
Turnover in respect of products not normally dealt with	-	-	-	-	-	-
<b>TOTAL</b>	<b>15,174.46</b>	<b>12,039.84</b>	<b>11,305.94</b>	<b>7,877.79</b>	<b>7,601.00</b>	<b>5,799.02</b>

DETAILS OF OTHER INCOME AS RESTATED

ANNEXURE - XXIII  
(₹ In Lakhs)

Particulars	For the year ended March 31,						Nature
	2018	2017	2016	2015	2014	2013	
Other Income	51.67	46.20	58.75	82.06	126.54	45.60	
Net Profit Before Tax as Restated	732.23	281.92	142.93	115.09	30.07	96.35	
Percentage	7.06%	16.39%	41.10%	71.30%	420.82%	47.33%	

Source of Income

Particulars	2018	2017	2016	2015	2014	2013	Nature
Interest Income							Recurring and not related to business activity.
Interest Received on FDR	17.75	20.87	21.77	20.14	20.70	19.07	Recurring and not related to business activity.
Dividend Income	0.34	-	-	-	0.10	0.15	Non-Recurring and not related to Business Activity
Duty Drawback Received on Export	4.39	4.19	4.84	-	1.13	-	Recurring and related to business activity.
Discount Received(Net)	-	0.01	0.26	2.75	0.16	0.34	Non- Recurring and related to business activity.
Interest Received on deposits with MSEB	-	2.87	2.01	0.90	0.90	0.82	Recurring and not related to business activity.
Interest Received on VAT Refund	-	-	-	2.40	-	-	Non-Recurring and not related to Business Activity
Insurance Claim Received	-	-	-	-	-	0.79	Non-Recurring and not related to Business Activity
Rent Income	-	-	-	1.68	1.68	-	Non-Recurring and not related to Business Activity
Profit on sale of Car	14.98	-	4.60	-	-	-	Non-Recurring and not related to Business Activity
Profit on Sale of Mutual Fund	-	-	0.11	-	-	-	Non-Recurring and not related to Business Activity
Profit on sale of Machinery	-	-	-	-	101.57	-	Non-Recurring and not related to Business Activity
Interest received from late receipt of dues	-	-	1.97	0.02	-	24.08	Non-Recurring and related to Business Activity
Commission Received	1.12	15.94	20.96	-	-	-	Recurring and not related to business activity.
Foreign Exchange Currency Gain	-	2.32	1.97	-	-	-	Recurring and related to business activity.
Sundry Balance Written off	13.09	-	0.26	54.17	0.30	0.35	Non-Recurring and related to Business Activity
<b>Total Other income</b>	<b>51.67</b>	<b>46.20</b>	<b>58.75</b>	<b>82.06</b>	<b>126.54</b>	<b>45.60</b>	

DETAILS OF COST OF MATERIAL CONSUMED AS RESTATED

ANNEXURE - XXIV  
(₹ In Lakhs)

Particulars	For the year ended March 31,					
	2018	2017	2016	2015	2014	2013
Opening Stock of Raw Material, Stores & Spares	756.80	1,896.19	1,591.86	2,297.64	2,141.12	1,751.72
Add:	-	-	-	-	-	-
Purchases(Net of Inventory)	14,223.51	10,565.83	9,529.19	6,112.39	6,498.09	4,594.58
Manufacturing Expenses	514.78	525.65	486.67	462.84	433.31	476.14
Tools & Consumable	46.38	-	-	-	-	-
Closing Stock of Raw Material, Stores & Spares	(2,632.64)	(756.80)	(1,896.19)	(1,591.86)	(2,297.64)	(2,141.12)
	-	-	-	-	-	-
<b>TOTAL</b>	<b>12,908.83</b>	<b>12,230.87</b>	<b>9,711.53</b>	<b>7,281.01</b>	<b>6,774.88</b>	<b>4,681.32</b>

DETAILS OF PURCHASES OF STOCK-IN-TRADE AS RESTATED

ANNEXURE - XXV  
(₹ In Lakhs)

Particulars	For the year ended March 31,					
	2018	2017	2016	2015	2014	2013
Purchases of Stock-in-Trade	505.12	685.02	757.12	279.97	453.27	244.93
	505.12	685.02	757.12	279.97	453.27	244.93



**DETAILS OF CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE AS RESTATED**

**ANNEXURE - XXVI**  
(₹ In Lakhs)

Particulars	For the year ended March 31,					
	2018	2017	2016	2015	2014	2013
Opening Stock						
Work-in-Progress	4036.15	2091.49	1754.56	1439.25	945.67	772.97
Finished Goods	1085.28	618.31	512.60	26.39	23.87	19.45
Less : Closing Stock						
Work-in-Progress	(4443.14)	(4036.15)	(2091.49)	(1754.56)	(1439.25)	(945.67)
Finished Goods	(1095.07)	(1085.28)	(618.31)	(512.60)	(26.39)	(23.87)
<b>TOTAL</b>	<b>(416.78)</b>	<b>(2411.63)</b>	<b>(442.64)</b>	<b>(801.52)</b>	<b>(496.10)</b>	<b>(177.12)</b>

**DETAILS OF EMPLOYEE BENEFITS EXPENSE AS RESTATED**

**ANNEXURE - XXVII**  
(₹ In Lakhs)

Particulars	For the year ended March 31,					
	2018	2017	2016	2015	2014	2013
Salary and incentives	133.00	125.94	110.22	102.85	90.76	70.50
Contribution to PF ,ESIC & Others	10.61	8.08	6.58	6.31	5.06	4.94
Directors Remuneration	4.50	0.01	-	-	-	-
Staff Welfare Expenses	28.01	18.05	14.89	30.75	15.30	15.28
	-					
<b>TOTAL</b>	<b>176.12</b>	<b>152.08</b>	<b>131.69</b>	<b>139.91</b>	<b>111.12</b>	<b>90.72</b>

**DETAILS OF FINANCE COST AS RESTATED**

**ANNEXURE - XXVIII**  
(₹ In Lakhs)

Particulars	For the year ended March 31,					
	2018	2017	2016	2015	2014	2013
Interest on Borrowings	725.57	667.12	654.06	527.93	448.87	462.29
Interest on Delayed Payment of Taxes	0.92	2.18	0.14	0.37	-	0.12
Interest on Delayed payment of dues	35.14	25.62	15.58	5.69	29.97	3.12
Bank and Other Processing Charges	149.87	73.17	77.07	96.86	87.34	99.11
<b>TOTAL</b>	<b>911.50</b>	<b>768.09</b>	<b>746.85</b>	<b>630.85</b>	<b>566.18</b>	<b>564.64</b>

**DETAILS OF DEPRECIATION & AMORTIZATION EXPENSE AS RESTATED**

**ANNEXURE - XXIX**  
(₹ In Lakhs)

Particulars	For the year ended March 31,					
	2018	2017	2016	2015	2014	2013
Depreciation on Fixed Assets	139.91	169.76	115.95	92.99	93.80	107.02
Amortization of Research & Development Expense	16.14	16.14	16.14	16.14	16.14	16.14
<b>TOTAL</b>	<b>156.05</b>	<b>185.90</b>	<b>132.09</b>	<b>109.13</b>	<b>109.94</b>	<b>123.16</b>

**DETAILS OF OTHER EXPENSES AS RESTATED**
**ANNEXURE - XXX**  
(₹ In Lakhs)

Particulars	For the year ended March 31,					
	2018	2017	2016	2015	2014	2013
Audit Fees	2.00	4.00	0.60	0.75	0.75	1.88
Brokerage & Commission Paid	2.08	9.57	22.98	15.15	14.65	17.12
Discount Paid	-	0.18	2.98	1.60	0.08	1.62
Donation	0.38	-	0.50	1.32	0.15	0.07
Entertainment expenses	4.19	0.19	7.75	4.72	5.18	7.62
Office Expenses	4.64	19.23	13.44	11.90	12.18	16.41
Guest house expenses	23.74	6.03	7.75	5.89	2.90	2.27
Insurance charges	4.81	1.97	3.11	6.11	3.70	5.49
Misc. Expenses	8.63	2.93	4.44	2.54	3.55	-
Postage & Courier	1.31	2.71	1.19	0.98	0.72	0.66
Printing & Stationery	1.68	1.75	1.78	2.08	1.26	7.04
Penalty on Late payment of Taxes	1.55	-	-	-	0.01	-
Professional and Legal Fees	55.91	46.97	27.40	26.34	32.62	17.25
Rates & Taxes	29.84	11.52	7.26	35.08	3.39	5.21
Repairs & Maintenance	0.49	8.83	7.57	20.06	9.45	7.39
Sales Promotional Expenses	11.49	4.69	3.00	0.77	10.08	5.10
Security Charges	15.34	7.73	11.20	8.75	9.91	8.42
Stamping Charges	11.04	2.04	14.33	11.05	10.38	15.78
Telephone Expenses	8.75	8.95	8.05	8.38	7.05	7.95
Travelling Expenses	65.19	54.50	39.79	39.49	42.97	28.95
Forex Exchange Loss	-	-	-	1.73	6.53	63.73
Membership Fees	-	-	-	0.72	0.67	0.66
<b>TOTAL</b>	<b>253.06</b>	<b>193.79</b>	<b>185.12</b>	<b>205.41</b>	<b>178.18</b>	<b>220.62</b>

**DETAILS OF CONTINGENT LIABILITIES AS RESTATED**
**ANNEXURE - XXXI**  
(₹ In Lakhs)

Particulars	As at March 31					
	2018	2017	2016	2015	2014	2013
Disputed Sale Tax Liability	822.66	822.66	822.66	-	-	-
Income Tax Demand Outstanding	4.89	4.89	4.89	4.89	4.89	4.89
<b>TOTAL</b>	<b>827.55</b>	<b>827.55</b>	<b>827.55</b>	<b>4.89</b>	<b>4.89</b>	<b>4.89</b>

**DETAILS OF DIVIDEND DECLARED AS RESTATED**
**ANNEXURE - XXXII**  
(₹ In Lakhs)

Particulars	As at March 31					
	2018	2017	2016	2015	2014	2013
Nil	-	-	-	-	-	-
<b>TOTAL</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

DETAILS OF RELATED PARTY TRANSACTION AS RESTATED

ANNEXURE - XXXIII  
(₹ In Lakhs)

Particulars	Nature of Relationship	Nature of Transaction	Amount of transaction during the year March 31, 2018	Amount outstanding as on March 31, 2018 (Payable)/ Receivable	Amount of transaction during the year March 31, 2017	Amount outstanding as on March 31, 2017 (Payable)/ Receivable	Amount of transaction during the year March 31, 2016	Amount outstanding as on March 31, 2016 (Payable)/ Receivable	Amount of transaction during the year March 31, 2015	Amount outstanding as on March 31, 2015 (Payable)/ Receivable	Amount of transaction during the year March 31, 2014	Amount outstanding as on March 31, 2014 (Payable)/ Receivable	Amount of transaction during the year March 31, 2013	Amount outstanding as on March 31, 2013 (Payable)/ Receivable	
Economic Forge Private limited	Associate Concern	Loan Repaid	-		-		11.08		15.45		10.95		30.79		
		Loan Received	-		64.46		-		-		-		-		
		Loan Given	-		4.16		58.72		17.66		0.13		-		
		Purchases	-	(247.51)	0.26	(100.63)	2.07	(46.47)	3.06	(0.14)	2.56	1.11	-	12.43	
		Sales	-		870.54		-		-		-		-		
		Jobwork Purchases	22.49		2.26		1.32		1.76		-		-	1.85	
		Jobwork Sales	1,070.15		913.82		22.92		16.91		13.90		6.19		
Profile Steels Bars	Proprietorship Concern of Director	Loan Repaid	13.00	0.10	-	-12.90	0.10	-12.90	2.50	-13.00	-	-15.50	-	-15.50	
		Allotment of Shares	13.00		-		-		-		-		-		
Slim Instant	Proprietorship Concern of Director	Loan Repaid	27.05		-	-	-	-	-	-	-	-	6.70		
		Loan Taken	-	(54.21)	-	-27.15	-	(27.15)	0.90	-27.15	-	(26.25)	-	(25.30)	
		Rent Paid	-		-	-	-	-	3.15		6.00		-		
Sanjay Chowdhri	Director	Loan Repaid	231.46		-5.00		27.24		56.15		100.00		30.50		
		Interest on Loan	44.45												
		Director Remuneration	23.10	(1,240.55)					(840.01)		(784.82)		(336.05)		(316.89)
		Conversion of Loan into Shares	273.00												
		Loan taken	725.44		141.00		112.00		505.71		119.16				
R. P. Chowdhri	Relative of Director	Loan taken	-		-		-		-		-		8.00		
		Professional Fees	5.16		5.16	-277.62	5.16	-277.62	5.16	-276.85	8.17	-276.85	2.15	-276.85	
		Loan Repaid	-		-		-		-		-		8.76		
R. P. Chowdhri(HUF)	HUF of relative of Director	Loan taken	-	-	-	(57.50)	-	(57.50)	-	(57.50)	-	(57.50)	3.50	-57.50	
Sumitra Chowdhri	Relative of Director	Loan taken	-	-	-	-116.50	5.00	-116.50	-	-121.50	-	-121.50	7.00	-121.50	
ASC Engineers Private Limited	Associate Concern	Loan taken	14.00		-		1,649.25		495.44		722.54		819.79		
		Loan Repaid	901.34		60.94		648.59		399.73		924.60		80.03		
		Sale of Machinery	-		-	-1,831.36	-	-1,831.36	-	-1,026.19	-	114.27	-736.67	-	-1,063.32
		Rent Received	-		-		-		1.68		1.68		-		
		Purchases	7.54	-192.82	-	-	-	-	-	-	-	-	-	144.90	
Sanjay Chowdhri (HUF)	HUF of Director	Loan taken	-	-	-	-232.00	-	-232.00	-	-232.00	-	-232.00	-	-232.00	
Abhinav Chowdhri	Relative of Director	Loan taken	1.50		1.30		-		-		8.50		-		
		Director Remuneration	4.50	-4.94									-22.00		-13.50
		Loan Repaid	1.36		1.00	-22.30	-	-22.00	-	-22.00	-	-	-	-	
Pranav Chowdhri	Relative of Director	Loan taken	2.50	-2.50	-	-1.00	-	-1.00	-	-1.00	-	-1.00	-	-1.00	
Lalita Chowdhri	Director	Director Remuneration	3.60												
		Conversion of Loan into Shares	32.00	-3.60											
		Loan Repaid	1.47		-	-32.42	-	-32.42	-	-32.42	0.18	-32.42	-	-32.60	

DETAILS OF ACCOUNTING RATIOS AS RESTATED

ANNEXURE - XXXIV  
(₹ In Lakhs, except per share data)

Particulars	As at March 31,					
	2018	2017	2016	2015	2014	2013
<b>Calculation of Earning Per Share</b>						
Restated Profit after Tax as per Profit & Loss Statement	465.36	215.04	112.29	73.77	19.00	392.93
Weighted Average Number of Equity Shares at the end of the Year/Period (before adjustment for issue of bonus shares)*	14,675,948	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000
Weighted Average Number of Equity Shares at the end of the Year/Period (after adjustment for issue of bonus shares)*	14,675,948	11,660,000	11,660,000	11,660,000	11,660,000	11,660,000
<i>Basic Earnings Per Share for Equity Shareholders</i>						
Basic EPS for Equity Shareholders - before bonus	3.17	10.75	5.61	3.69	0.95	19.65
Basic EPS for Equity Shareholders - after bonus	3.17	1.84	0.96	0.63	0.16	3.37
Weighted Average Number of Equity Shares at the end of the Year/Period adjusted for dilutive factor (before adjustment for issue of bonus shares)*	14,675,948	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000
Weighted Average Number of Equity Shares at the end of the Year/Period adjusted for dilutive factor (after adjustment for issue of bonus shares)*	14,675,948	12,660,000	12,660,000	12,660,000	12,660,000	12,660,000
<i>Diluted Earnings Per Share for Equity Shareholders</i>						
Diluted EPS for Equity Shareholders - before bonus	3.17	7.17	3.74	2.46	0.63	13.10
Diluted EPS for Equity Shareholders - after bonus	3.17	1.70	0.89	0.58	0.15	3.10
<b>Calculation of Return on Network</b>						
Restated Profit after Tax as per Profit & Loss Statement	465.36	215.04	112.29	73.77	19.00	392.93
Net Worth	2,902.90	1,674.13	1,459.09	1,346.80	1,273.03	1,254.03
Return on Net Worth for equity shareholders (%)	16.03%	12.84%	7.70%	5.48%	1.49%	31.33%
<b>Calculation of Net Asset Value</b>						
Net Worth	2,902.90	1,674.13	1,459.09	1,346.80	1,273.03	1,254.03
Actual Number of Equity Shares outstanding at the end of the Year/Period (before adjustment for issue of bonus shares)*	18,419,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000
Actual Number of Equity Shares outstanding at the end of the Year/Period (after adjustment for issue of bonus shares)*	18,419,000	11,000,000	11,000,000	11,000,000	11,000,000	11,000,000
Net Asset Value Per Share for equity shareholders (Rs) - before bonus	15.76	83.71	72.95	67.34	63.65	62.70
Net Asset Value Per Share for equity shareholders (Rs) - after bonus	15.76	15.22	13.26	12.24	11.57	11.40
Nominal Value per Equity share (Rs.) (refer note 3)	10.00	10.00	10.00	10.00	10.00	10.00

\* The weighted average number of equity shares and actual number of equity shares have been adjusted for subdivision of shares of face value of Rs 100 into 10 shares of face value of Rs 10 each

1. Ratios have been calculated as below

Basic Earnings Per Share Before Bonus(EPS) (Rs.)	$\frac{\text{Restated Profit after Tax available to equity Shareholders}}{\text{Weighted Average Number of Equity Shares at the end of the year / period}}$
Basic Earnings Per Share After Bonus(EPS) (Rs.)	$\frac{\text{Restated Profit after Tax available to equity Shareholders}}{\text{Weighted Average Number of Equity Shares at the end of the Year/Period after adjustment for issue of bonus shares}}$
Diluted Earnings Per Share Before Bonus(EPS) (Rs.)	$\frac{\text{Restated Profit after Tax available to equity Shareholders}}{\text{Weighted Average Number of Equity Shares at the end of the year / period adjusted for dilutive factor}}$
Diluted Earnings Per Share After Bonus(EPS) (Rs.)	$\frac{\text{Restated Profit after Tax available to equity Shareholders}}{\text{Weighted Average Number of Equity Shares at the end of the Year/Period adjusted for dilutive factor after adjustment for issue of bonus shares}}$
Return on Net Worth (%)	$\frac{\text{Restated Profit after Tax available to equity Shareholders}}{\text{Restated Net Worth of Equity Shareholders}}$
Net Asset Value per equity share Before Bonus (Rs.)	$\frac{\text{Restated Net Worth of Equity Shareholders}}{\text{Actual Number of Equity Shares outstanding at the end of the year / period}}$
Net Asset Value per equity share After Bonus(Rs.)	$\frac{\text{Restated Net Worth of Equity Shareholders}}{\text{Actual Number of equity shares at the end of the year/period after adjustment for issue of bonus shares}}$

**Notes:-**

- 90,00,000 Bonus shares in the ratio of 1 : 3 were issued on September 25, 2017
- 2,00,000 Equity shares of face value Rs 100 per share were sub-divided in 10 shares of face value Rs 10 per share on September 15, 2017
- 1,00,000 preference shares of face value Rs 100 per share were sub-divided in 10 shares of face value Rs 10 per share on September 15, 2017
- 10,00,000 preference shares of face value of Rs 10 per share were converted in to equity shares on September 18, 2017

**Capitalisation Statement as at 31st March, 2018**
**ANNEXURE -**
**XXXV**

(₹ In Lakhs)

<b>Particulars</b>	<b>Pre Issue</b>	<b>Post Issue</b>
<b>Borrowings</b>		
Short term debt (A)	5,807.09	5,807.09
Long Term Debt (B)	2,577.83	2,577.83
<b>Total debts (C)</b>	<b>8,384.92</b>	<b>8,384.92</b>
<b>Shareholders' funds</b>		
Equity share capital	1,841.90	[●]
Reserve and surplus - as restated	1,061.00	[●]
<b>Total shareholders' funds</b>	<b>2,902.90</b>	[●]
<b>Long term debt / shareholders funds</b>	0.89	[●]
<b>Total debt / shareholders funds</b>	2.89	[●]

\* Shall be updated on finalisation of objects of the issue on filing of the Red Herring Prospectus/ Prospectus.

## STATEMENT OF TAX SHELTERS

 ANNEXURE - XXXVI  
 (₹ In Lakhs)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017	Year ended March 31, 2016	Year ended March 31, 2015	Year ended March 31, 2014	Year ended March 31, 2013
Profit before tax as per books (A)	732.23	281.92	142.93	115.09	30.07	96.35
Income Tax Rate (%)	33.063%	30.900%	30.900%	30.900%	30.900%	30.900%
MAT Rate (%)	20.389%	20.389%	20.389%	20.008%	19.055%	19.055%
Tax at notional rate on profits	242.10	87.11	44.17	35.56	9.29	29.77
<b>Adjustments :</b>						
<b>Permanent Differences(B)</b>						
<u>Expenses disallowed under Income Tax Act, 1961</u>						
Interest on late payment of taxes	0.92	2.18	0.14	0.37	-	0.12
Donation	0.38	-	0.50	1.32	0.15	0.07
Penalty	1.55	-	-	-	-	0.48
Amortization of Research & Development Expenditure	-	-	-	-	-	-
Expenses on which TDS is not deducted	-	0.97	2.95	-	11.75	-
<u>Income not taxable under Income Tax Act, 1961</u>	-	-	-	-	-	-
Profit on sale of Machinery	-14.98	-	-4.60	-	-101.58	-
<b>Total Permanent Differences(B)</b>	<b>-12.13</b>	<b>3.15</b>	<b>-1.01</b>	<b>1.69</b>	<b>-89.68</b>	<b>0.67</b>
<b>Income considered separately (C)</b>						
Dividend Income	0.34	-	-	-	0.10	0.15
Interest on Fixed Deposits	17.75	20.87	21.77	20.14	20.70	19.07
<b>Total Income considered separately (C)</b>	<b>18.09</b>	<b>20.87</b>	<b>21.77</b>	<b>20.14</b>	<b>20.80</b>	<b>19.22</b>
<b>Timing Differences (D)</b>						
Gratuity expenses disallow under the Act	-	-	-	-	-	-
Difference between tax depreciation and book depreciation	-110.34	-33.64	-54.47	-130.03	25.92	15.13
<b>Total Timing Differences (D)</b>	<b>-110.34</b>	<b>-33.64</b>	<b>-54.47</b>	<b>-130.03</b>	<b>25.92</b>	<b>15.13</b>
<b>Net Adjustments E = (B+C+D)</b>	<b>-140.56</b>	<b>-51.36</b>	<b>-77.25</b>	<b>-148.48</b>	<b>-84.56</b>	<b>-3.42</b>
<b>Tax expense / (saving) thereon</b>	<b>-46.47</b>	<b>-15.87</b>	<b>-23.87</b>	<b>-45.88</b>	<b>-26.13</b>	<b>-1.06</b>
<b>Income from Other Sources</b>						
Interest on Fixed Deposits	17.75	20.87	21.77	20.14	20.70	19.07
<b>Income from Other Sources (F)</b>	<b>17.75</b>	<b>20.87</b>	<b>21.77</b>	<b>20.14</b>	<b>20.70</b>	<b>19.07</b>
<b>Exempt Income</b>						
Dividend Income	0.34	-	-	-	0.10	0.15
<b>Exempt Income</b>	<b>0.34</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.10</b>	<b>0.15</b>
<b>Set-off from Brought Forward Losses</b>	<b>-</b>	<b>-168.07</b>	<b>-87.44</b>	<b>13.25</b>	<b>-</b>	<b>-111.99</b>
<b>Taxable Income/(Loss) as per Income Tax (A+E+F)</b>	<b>609.42</b>	<b>83.36</b>	<b>0.01</b>	<b>-0.00</b>	<b>-33.79</b>	<b>0.01</b>
<b>Taxable Income/(Loss) as per MAT</b>	<b>732.26</b>	<b>281.94</b>	<b>142.92</b>	<b>115.09</b>	<b>30.08</b>	<b>96.34</b>
<b>Income Tax as returned/computed</b>	<b>201.50</b>	<b>57.48</b>	<b>29.14</b>	<b>23.03</b>	<b>5.73</b>	<b>18.36</b>
Tax paid as per normal or MAT	Normal	MAT	MAT	MAT	MAT	MAT

## MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITIONS AND RESULTS OF OPERATIONS

The following discussion of our financial condition and results of operations should be read in conjunction with our restated financial statements for the financial years ended March 2018, March 2017 and March 2016, respectively, prepared in accordance with the Companies Act and Indian GAAP and restated in accordance with the SEBI (ICDR) Regulations, including the schedules, annexure and notes thereto and the reports thereon, included in the section titled "*Financial Statements*" beginning on page 155 of this Red Herring Prospectus.

Indian GAAP differs in certain material aspects from U.S. GAAP and IFRS. We have not attempted to quantify the impact of IFRS or U.S. GAAP on the financial data included in this Red Herring Prospectus, nor do we provide reconciliation of our financial statements to those under U.S. GAAP or IFRS. Accordingly, the degree to which the Indian GAAP financial statements included in this Red Herring Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with the Companies Act, Indian GAAP and SEBI (ICDR) Regulations.

This discussion contains forward-looking statements and reflects our current views with respect to future events and financial performance. Actual results may differ materially from those anticipated in these forward-looking statements as a result of certain factors such as those set forth in "*Risk Factors*" and "*Forward-Looking Statements*" beginning on page 16 and 15, respectively, of this Red Herring Prospectus.

The Management's Discussion and Analysis of Financial Condition and Results of Operations, reflects the analysis and discussion of our financial condition and results of operations for the financial years ended March 2018, 2017 and 2016.

### OVERVIEW

Our Company, Supreme Engineering Limited (SEL), was incorporated in the year 1987 as Supreme Heatreaters Private Limited and is engaged in the business of manufacturing special alloys and special wire products. We have two manufacturing units Unit I being the Special Steels division, located at Khopoli, and engaged with the manufacturing of special alloys such as super alloys, precipitation hardening steels, martensitic stainless steel, austenitic stainless steel, ultra high strength steel and high speed steels which have their end use in sectors such as aerospace, space, defence, nuclear power thermal power, oil & gas, and heavy engineering; and Unit II being the Wire division, located at Rabale, Navi Mumbai, engaged with the manufacturing of wires, bright bars, fine wires and profiles. These products find their end use in sectors such as automotive, oil & gas, industrial machinery and hand tools industries.

Over the years, our Company has expanded its operations by investing in high-end technology & infrastructure and presently has these two (2) units. Both these units have different product processing capabilities with modern infrastructure. Our Special steels division is equipped with advanced technology such as Vacuum Induction Melting (VIM), Argon-oxygen decarburisation (AOD), Electro-slag Refining (ESR), Radial Forging Machine (GFM), Rolling Mill, Heat treatment furnaces, bright bar plant & machine shop for manufacturing special alloys. Manufacturing facilities at the wire division include heat-treatment furnaces, coil to coil peeling machines, drawings machines, bright bar plant and cold-rolling facilities. our units have been approved by various Defence Public Sector Undertakings, Public Sector Undertakings, Ordnance factories and undertakings belonging to aerospace, automotive and energy sectors. Our Company's special steel products are import substitutes and a part of the initiatives taken by public sector undertakings.

Since our products form an integral part of the critical end use equipment manufactured for defence, power and aerospace industries, it is important for us to maintain the high qualitative standards as required by these industries. The manufacturing stages of special alloys and other products are consistently and regularly supervised through various quality control equipment and qualified personnel. Each product is monitored and checked for quality right from the inception stage to the final stage of manufacturing. Both the manufacturing units have strong quality management systems certified by ISO 9001.

### SIGNIFICANT DEVELOPMENTS SUBSEQUENT TO THE LAST FINANCIAL PERIOD

In the opinion of the Board of Directors of our Company, since the date of the last financial statements disclosed in this Red Herring Prospectus, there have not arisen any circumstance that materially or adversely affect or are likely to affect the profitability of our Company or the value of its assets or its ability to pay its material liabilities within the next twelve months.

## FACTORS AFFECTING OUR RESULTS OF OPERATIONS

Our business is subjected to various risks and uncertainties, including those discussed in the section titled “Risk Factors” beginning on page 16 of this Red Herring Prospectus. Our results of operations and financial conditions are affected by numerous factors including the following:

- Cost of materials.
- Supply and availability of raw material
- Economic and Demographic conditions
- Brand Image

## DISCUSSION ON RESULT OF OPERATIONS

The following discussion on results of operations should be read in conjunction with the restated financial statements for the financial years ended March 2018, March 2017 and March 2016.

### OVERVIEW OF REVENUE & EXPENDITURE

Amount ( ₹ In Lakhs)

Particulars	For the Year Ended March 31,		
	2018	2017	2016
<b>INCOME</b>			
Revenue from Operations	15,174.46	12,039.84	11,305.94
As a % of Total Revenue	99.66%	99.62%	99.48%
Other Income	51.67	46.2	58.75
As a % of Total Revenue	0.34%	0.38%	0.52%
<b>Total Revenue (A)</b>	<b>15,226.13</b>	<b>12,086.04</b>	<b>11,364.69</b>
Growth %	25.98%	6.35%	42.78%
<b>EXPENDITURE</b>			
Cost of Material Consumed	12,908.83	12,230.87	9,711.53
As a % of Total Revenue	84.78%	101.20%	85.45%
Purchase of stock in trade	505.12	685.02	757.12
As a % of Total Revenue	3.32%	5.67%	6.66%
Changes in Inventories of finished goods, WIP and stock in Trade	-416.78	-2,411.63	-442.64
As a % of Total Revenue	-2.74%	-19.95%	-3.89%
Employee benefit Expenses	176.12	152.08	131.69
As a % of Total Revenue	1.16%	1.26%	1.16%
Finance costs	911.5	768.09	746.85
As a % of Total Revenue	5.99%	6.36%	6.57%
Depreciation expense	156.05	185.9	132.09
As a % of Total Revenue	1.02%	1.54%	1.16%
Other Expenses	253.06	193.79	185.12
As a % of Total Revenue	1.66%	1.60%	1.63%
<b>Total Expenses (B)</b>	<b>14,493.90</b>	<b>11,804.12</b>	<b>11,221.76</b>
As a % of Total Revenue	95.19%	97.67%	98.74%
Profit before exceptional extraordinary items and tax	732.23	281.92	142.93
As a % of Total Revenue	4.81%	2.33%	1.26%
Exceptional items	-	-	-
Profit before extraordinary items and tax	732.23	281.92	142.93



Particulars	For the Year Ended March 31,		
	2018	2017	2016
As a % of Total Revenue	4.81%	2.33%	1.26%
Extraordinary items	-	-	-
<b>Profit before tax</b>	<b>732.23</b>	<b>281.92</b>	<b>142.93</b>
PBT Margin	4.81%	2.33%	1.26%
<b>Tax expense :</b>			
(i) Current tax	201.5	57.48	0
(ii) Deferred tax	65.37	41.12	30.64
(iii) Mat Credit Entitlement	0	(31.72)	0
Total Tax Expense	266.87	66.88	30.64
<b>Profit for the year/ period</b>	<b>465.36</b>	<b>215.04</b>	<b>112.29</b>
PAT Margin %	3.06%	1.78%	0.99%

#### Income from operations:

We have two manufacturing units Unit I being the Special Steels division, located at Khopoli, and income is generated by sale of manufactured special alloys products such as Special stainless steels, Ultra high strength steels, ESR Alloy steels, Tool Steels and High Speed Steels which have their end use in sectors such as aerospace, space, defence, nuclear power thermal power, oil & gas, and heavy engineering; and Unit II being the Wire division, located at Rabale, Navi Mumbai, generates its revenue by sale of manufactured wires, bright bars, fine wires, profiles and Bearing components.

#### Other Income:

Our other income mainly includes income items such as interest earned on bank deposits, net gain on currency exchange fluctuations on payables or receivables, from sale of both unit wastes.

#### Expenditure

Our total expenditure primarily consists of direct expenditure i.e. cost of materials consumed and changes in inventories of finished goods, WIP and stock-in-trade, finance cost, employee benefit expenses, depreciation and other expenses.

#### Direct Expenditure

Our direct expenditure includes cost of materials consumed, Purchases of Stock in trade and changes in inventories of finished goods, WIP and stock-in-trade. The cost of materials comprises of costs of purchase of raw material alloy steels, wires,

#### Employee benefits expense

Our employee benefits expense primarily comprises of director's remuneration, salaries and wages expenses, incentives to staff, contributions towards gratuity, provident fund and state insurance, other employee benefits expense such as staff pension and welfare expenses, bonus, medical expenses, amongst others.

#### Finance Costs

Our finance costs include interest on loans, bank charges and commission, etc.

#### Depreciation

Depreciation includes depreciation on tangible assets like land, building, plant and machinery, vehicles, etc.

#### Other Expenses

Other expenses include manufacturing, business development, administrative, selling & distribution expenses such as electricity charges, legal and professional charges, transportation costs, repairs and maintenance costs, security charges, etc.

**COMPARISON OF FINANCIAL YEAR ENDED MARCH 31, 2018 WITH FINANCIAL YEAR ENDED MARCH 31, 2017**
**INCOME**
**Income from Operations**

(₹ in Lakhs)

Particulars	2017-2018	2016-2017	Variance in %
Operating Income	15,174.46	12,039.83	25.98%

The operating income of the Company for the year ending March 31, 2018 is ₹ 15,174.46 Lakhs as compared to ₹ 12,039.84 Lakhs for the year ending March 31, 2017, showing an increase of 25.98%.

**Other Income**

Our other income increased by 11.84% from 46.20 Lakhs for year ending March 31, 2017 to ₹ 51.67 Lakhs in year ending March 31, 2018. This was due to profit on sale of vehicle and write back of sundry balances.

**EXPENDITURE**
**Direct Expenditure**

Our direct expenditure has increased from ₹ 10,504.26 Lakhs in Financial Year 2016-17 to ₹ 12,997.17 Lakhs in Financial Year 2017-18 showing an increase of 23.73% over the previous year. The increase was in line with increase in our revenue from operations

**Administrative and Employee Costs**

(₹ in Lakhs)

Particulars	2017-18	2016-17	Variance in %
Employee Benefit Expenses	176.12	152.06	15.81%
Other Expenses	253.06	193.79	30.58%

There is an increase in employee benefit expenses from ₹152.07 Lakhs in FY 2016-17 to ₹ 176.12 Lakhs FY 2017-18 due to rise in the slabs of wages paid.

Other expenses which includes both manufacturing and administrative expenses increased by 30.58 % in F.Y 2017-2018 mainly due to increase manufacturing operations.

**Finance Charges**

The Finance Cost for the F.Y.2017-18 has marginally increased by 18.67 % i.e. to ₹ 911.50 Lakhs from ₹ 768.09 Lakhs in F.Y. 2016-17.

**Depreciation**

Depreciation expenses for the Financial Year 2017-18 have decreased to ₹156.05 Lakhs as compared to ₹185.90 Lakhs for the Financial Year 2016-17. This was decreased due to sale of vehicles to the tune of ₹194.11 Lakhs.

**Profit after Tax**

(₹ In Lakhs)

Particulars	2017-2018	2016-2017	Variance in %
Profit after Tax	465.36	215.04	116.40%

Increase in PAT as on March 31, 2018 is due to decrease in the inventory holdings. It was ₹2411.63 Lakhs as on March 31, 2017 as compared to ₹ 416.78 Lakhs as on March 31, 2018. Inventory comprises of (Raw Materials, WIP and Finished) the level of holding may vary considerably depending upon movement of the goods and orders being executed as on particular the date

**COMPARISON OF FINANCIAL YEAR ENDED MARCH 31, 2017 WITH FINANCIAL YEAR ENDED MARCH 31, 2016**
**INCOME**
**Income from Operations**

(₹ in Lakhs)

Particulars	2016-2017	2015-2016	Variance in %
Operating Income	12,039.84	11,305.94	6.49%

The operating income of the Company for the year ending March 31, 2017 is ₹ 12,039.84 Lakhs as compared to 11,305.94 Lakhs for the year ending March 31, 2016, showing an increase of 6.49%.

**Other Income**

Our other income decreased by 21.36% from ₹ 58.75 Lakhs for year ending March 31, 2016 to ₹ 46.20 Lakhs in year ending March 31, 2017. This was due to decrease interest and miscellaneous income.

**EXPENDITURE**
**Direct Expenditure**

Our direct expenditure has increased from ₹ 10026.01 Lakhs in Financial Year 2015-16 to ₹ 10504.26 Lakhs in Financial Year 2016-17 showing an increase of 4.77% over the previous year. The increase was in line with increase in our revenue from operations

**Administrative and Employee Costs**

(₹ in Lakhs)

Particulars	2016-17	2015-16	Variance in %
Employee Benefit Expenses	152.08	131.69	15.48%
Other Expenses	193.79	185.11	4.68%

There is an increase in employee benefit expenses from ₹131.69 Lakhs to ₹ 152.07 Lakhs due to rise in the slabs of wages paid.

Other expenses which includes both manufacturing and administrative expenses increased by 4.68% in F.Y 2016-2017 mainly due to increase manufacturing operation

**Finance Charges**

The Finance Cost for the F.Y.2016-2017 has marginally increased by 2.84% to ₹768.09 Lakhs from ₹746.85 Lakhs in F.Y.2015-2016.

**Depreciation**

Depreciation expenses for the Financial Year 2016-17 have increased to 185.90 Lakhs as compared to ₹ 132.09 Lakhs for the Financial Year 2015-16. This was increased due to addition of fixed assets to the tune of ₹ 453.52 Lakhs

**Profit after Tax**

(₹ In Lakhs)

Particulars	2016-2017	2015-2016	Variance in %
Profit after Tax	215.04	112.29	91.50%

Increase in PAT as on March 31, 2017 is due to increase in the inventory holdings. It was ₹ 5878.23 Lakhs as on March 31, 2017 as compared to ₹ 4,605.98 Lakhs as on March 31, 2017. Inventory comprises of (Raw Materials, WIP and Finished) the level of holding may vary considerably depending upon movement of the goods and orders being executed as on particular the date

**COMPARISON OF FINANCIAL YEAR ENDED MARCH 31, 2016 WITH FINANCIAL YEAR ENDED MARCH 31, 2015**
**INCOME**
**Income from Operations**

(₹ In Lakhs)

Particulars	2015-2016	2014-2015	Variance in %
Operating Income	11,305.94	7,877.79	43.52%

The operating income of the Company for the financial year 2015-2016 was 11305.94 as compared to 7877.79 Lakhs for the financial year 2014-2015, showing an increase of 43.52%. The overall increase was due to addition of ultra-Modern heavy machineries to produce high-grade steel products at Khopoli Plant in FY 2015 & 2016. The Company had invested an amount of ₹ 2039 Lakhs in plant & machinery in the year 2015 and 2016.

**Other Income**

Our other income decreased by 28.41% from 82.06 Lakhs in financial year 2014-2015 to 58.75 Lakhs in financial year 2015-2016. This was due to reduction in discounts received, Interest income and miscellaneous income.

**EXPENDITURE**
**Direct Expenditure**

Our direct expenditure has increased from 6759.46 Lakhs in Financial Year 2014-15 to 10,026.02 Lakhs in Financial Year 2015-16 showing an increase of 48.33% over the previous year. The increase was in line with increase in our revenue from operations.

**Administrative and Employee Costs**

(₹ in Lakhs)

Particulars	2015-2016	2014-2015	Variance in %
Employee Benefit Expenses	131.69	139.91	-5.88%
Other Expenses	185.11	205.41	-9.88%

There is a decrease in employee benefit expenses from 139.91 Lakhs in financial year 2014-15 to 131.69 in financial year 2015-16 due to reduction in number of employees thus affecting a decrease in salary costs and payment of employee contributions and incentives.

Other expenses which includes both manufacturing and administrative expenses decreased by 9.88 % in F.Y 2015-2016 mainly due to decrease in Repair Maintenance expenses and forex exchange loss due to favourable exchange rates etc.

**Finance Charges**

The Finance Cost for the F.Y.2015-2016 has increased by 18.39% from ₹630.85 Lakhs in F.Y.2014-2015 to 746.85 Lakhs in F.Y.2015-2016. This shows an increase of 18.39% compared to last financial year as to part finance the expansion project at Khopoli Company has enhanced Term Loan and working capital facilities from the banks. This has led to an increase in the finance charges.

**Profit after Tax**

(₹ in Lakhs)

Particulars	2015-2016	2014-2015	Variance in %
Profit after Tax	112.30	73.77	52.22%

Our profit after tax increased by 52.22% from 73.77 Lakhs in financial year 2014-15 to 112.30 Lakhs in financial year 2015-16 due to overall increase in business operations of the Company.

## **OTHER MATTERS**

### **1. Unusual or infrequent events or transactions**

There has not been any Unusual or infrequent events or transactions that have significantly affected operation of the company

### **2. Significant economic changes that materially affected or are likely to affect income from continuing operations**

Other than as described in the section titled “*Risk Factors*” beginning on page 16 of this Red Herring Prospectus to our knowledge there are no known trends or uncertainties that have or had or are expected to have a material adverse impact on revenues or income of our Company from continuing operations.

### **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**

Other than as disclosed in the section titled “*Risk Factors*” beginning on page 16 of this Red Herring Prospectus to our knowledge there are no known trends or uncertainties that have or had or are expected to have a material adverse impact on revenues or income of our Company from continuing operations.

### **4. Future relationship between Costs and Income**

Other than as disclosed in the section titled “*Risk Factors*” beginning on page 16 of this Red Herring Prospectus to our knowledge there are no factors which will affect the future relationship between costs and Income or which are expected to have a material adverse impact on our operations and finances

### **5. The extent to which material increases in net sales or revenue are due to increased sales volume, introduction of new products or services or increased prices**

The increase in revenue is by and large linked to increases in volume of business activity by the Company.

### **6. Total turnover of each major industry segment in which the issuer company operates.**

The Company operates in single segment in context of accounting standard 17 on segment reporting issued by ICAI

### **7. Status of any publicly announced new products/projects or business segments**

Our Company has not announced any new products

### **8. The extent to which the business is seasonal**

Our Company’s business is non-seasonal in nature.

### **9. Any significant dependence on a single or few suppliers or customers**

Our Company is not dependent on a single or few suppliers or customers.

### **10. Competitive Conditions**

We face competition from existing and potential organised and unorganized competitors which is common for any business. We have, over a period of time, developed certain competitive strengths which have been discussed in section titled “Our Business” on page 112 of this Red Herring Prospectus.

### **11. Changes In Accounting Policies In Last Three Years**

There has been no other change in accounting policies in the last three years

## FINANCIAL INDEBTEDNESS

Our Company avail loans in the ordinary course of business for the purposes of working capital requirements. For the Issue, our Company has obtained the necessary consents required under the relevant loan documentations for undertaking activities, such as change in its capital structure, change in its shareholding pattern or change or amendment to the constitutional documents of our Company.

Pursuant to a special resolution of our Shareholders passed at the extraordinary general meeting held on January 9, 2018, our Board has been authorized to borrow from time to time as they may think fit, any sum or sums of money not exceeding ₹ 50,000 Lakhs (Rupees Five Hundred Crores only) [including the money already borrowed by the Company] on such terms and conditions as the Board may deem fit, whether the same may be secured or unsecured and if secured, whether by way of mortgage, charge or hypothecation, pledge or otherwise in any way whatsoever, on, over or in any respect of all, or any of the Company's assets and effects or properties whether moveable or immovable, including stock-in-trade, notwithstanding that the money to be borrowed together with the money already borrowed by the Company (apart from the temporary loans obtained from the Company's Bankers in the ordinary course of business) and remaining un-discharged at any given time, exceed the aggregate, for the time being, of the paid-up capital of the Company and its free reserves.

As on the date of filing of this Red Herring Prospectus, the overall borrowings of our Company do not exceed the overall limit as specified under Section 180(1)(c) of the Companies Act, 2013.

Category of the Borrowing	Sanctioned Amount (₹ in lakhs)	Outstanding amount as on March 31, 2018 (₹ in lakhs)	Rate of Interest (%)	Tenure (in Months)
<b>Fund Based</b>				
Bank of India	2,500.00	2,499.61	1 Year MCLR 8.50 + 0.30 (BSS) +3.20(CRP) Presently: 12.00 p.a.	12
Bank of India	315.00	207.00	1 Year MCLR 8.50 + 0.30 (BSS) + 3.20 (CRP) Presently: 12.00 p.a.	60
<b>Non-Fund Based</b>				
Bank of India – LC Limits	3,100.00	3040.00	2.25% + GST	12
<b>Unsecured Loan</b>				
Bajaj Finserv	35.35	17.25	19.50	36
Deutsche Bank	50.00	39.27	16.00	36
Edelweiss Retail Finance Limited	35.10	16.97	18.50	36
Magma Fincorp Limited	25.00	9.46	19.56	36
Shriram City Union Finance	25.00	8.67	20.00	29
Fullerton India Credit Limited	19.32	7.32	19.50	18
HDB Financial Service Limited	19.25	11.71	18.00	24
Jain Sons Finlease Limited	150.00	82.89	18.25	24
HDFC Bank	19.50	15.73	16.00	60
<b>Vehicle Loan</b>				
ICICI Bank	100.00	3.74	13.02	60

### Principal terms of the borrowings availed by our Company:

Some of the principal terms of the borrowing availed by us are set out below:

- **Security:** In terms of our borrowings where security needs to be created, we are typically required to:
  - ✓ Hypothecation of stocks and book debts;
  - ✓ Hypothecation of plant and machinery;
  - ✓ Collateral security as (i) hypothecation of plant and machinery at Unit I (*Khopoli – Special Steels Division*); and Unit II (*Rabale – Wires Division*); (ii) Equitable mortgage of land and building at Unit I (*Khopoli – Special Steels Division*); (iii) Equitable mortgage of land and building at Unit II (*Rabale – Wires Division*); and (iv) Equitable mortgage of residential bungalow situate at row house no. 9, Divya Sapna Co-op Housing Society, Chembur;

- ✓ Personal guarantee of Mr. Sanjay Chowdhri; Mr. R.P Chowdhri; Mrs. Lalita Chowdhri; and Mrs. Sumitra Chowdhri.

This is an indicative list and there may be additional requirements for creation of security under the various borrowing arrangements entered into by us.

- **Re-payment:** The tenor of the term loan and the cash credit facilities (*depending on the nature of the facility*) ranges to sixty (60) months and some of our cash credit facilities are repayable on demand.
- **Pre-payment conditions:** No pre-payment conditions have been imposed on our Company in relation to the loans availed by our Company.
- **Declaration of dividend:** The borrowing arrangements entered into by our Company generally impose restrictions on declaration of dividend for a year except out of the profits relating to that year, without the prior written permission of the lender.
- **Negative Covenants:** Borrowing arrangement between our Company and the bank contains certain standard covenants as set out below which require prior written permission of the Bank during the currency of the loan facilities:
  - ✓ Effect any adverse changes in company's capital structure;
  - ✓ Formulate any scheme of amalgamation or merger or reconstruction;
  - ✓ Implement any scheme of expansion or diversification or capital expenditure except normal replacements indicated in funds flow statement submitted to and approved by the bank;
  - ✓ Enter into any borrowing or non-borrowing arrangements either secured or unsecured with any other bank, financial institution, company, firm or otherwise or accept deposits in excess of the limits laid down by Reserve Bank of India;
  - ✓ Invest by way of share capital in or lent or advance funds to or place deposits with any other company/ firm/ concern (including group companies/ associates/ persons). Normal trade credit or security deposit in the normal course of business or advance to employees can however be extended;
  - ✓ Undertake guarantee obligations on behalf of any other company/ firm/ persons.
  - ✓ Declare dividend for any year except out of profits relating to that year after meeting all the financial commitments to the bank and making all due and necessary provisions;
  - ✓ Make any drastic change(s) in its management set-up;
  - ✓ Approach capital markets for mobilizing additional resources either in the form of debts or equity;
  - ✓ Sell or dispose off or create security or encumbrances on the assets charged to the bank in favour of any other bank, financial institution, company, firm, individual;
  - ✓ Repay monies brought in by the promoters, partners, directors, shareholders, their relatives and friends in the business of the Company / firm by way of deposits/ loans/ share application money, etc.;
  - ✓ Declare the relationship, if any, of the directors of the Company with the directors of the bank and senior officers of the bank; and
  - ✓ Make any alterations in the constitution, controlling ownership or any documents relating to its constitution or any other material change in the management or in the nature of business and operations.

## SECTION VI: LEGAL AND OTHER INFORMATION

### OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

*Except as stated in this section, there are no (i) outstanding criminal proceedings; (ii) actions taken by statutory or regulatory authorities; (iii) tax proceedings; (iv) material litigation, in each case, involving our Company, or our Directors; (v) any litigation involving our Company, our Directors or any other person whose outcome could have a material adverse effect on the position of our Company; (vi) inquiries, inspections or investigations initiated or conducted under the Companies Act against our Company in the preceding five (5) years from the date of this Red Herring Prospectus; (vii) pending proceedings initiated against our Company for economic offences; (viii) material frauds committed against our Company in the preceding five (5) years from the date of this Red Herring Prospectus; (ix) defaults for non-payment of statutory dues; (x) fines imposed or compounding of offences against our Company in the preceding five (5) years from the date of this Red Herring Prospectus; (xi) matters involving our Company and our Subsidiary pertaining to violations of securities law; and (xii) outstanding dues to material creditors and small scale undertakings.*

*The details of the outstanding litigation or proceedings involving our Company, and our Directors are described in this section in the manner as set forth below. Pursuant to SEBI (ICDR) Regulations, for the purposes of disclosure, our Board on May 21, 2018 has considered all other pending litigations involving our Company, and our Directors, other than criminal proceedings, statutory or regulatory actions, as 'material'. Further, pre-litigation notices received by our Company, Directors (excluding those notices issued by statutory, regulatory or tax authorities), unless otherwise decided by the Board, are not evaluated for materiality until such time that such parties are impleaded as defendants in litigation proceedings before any judicial forum. Accordingly, we have only disclosed all outstanding litigations involving our Company. In case of pending civil litigation proceedings wherein the monetary amount involved is not quantifiable, such litigation has been considered 'material' only in the event that the outcome of such litigation has a bearing on the operations or performance of our Company.*

#### I. Criminal Cases against our Company: Nil

#### II. Cases filed against the Promoters & Director of our Company: Nil

#### III. Taxation Matters relating to our Company

Nature of Proceedings	Number of outstanding cases	Amount involved ( Rs.in lakh)
Direct Tax	Nil	Nil
Indirect Tax	3	209.50

1. An amount of Rs.16,43,510 has been demanded by the authority in respect of Financial Year 2008-09 under Central Sales Tax Act. Our Company has appealed against the order of the Authority and filed a stay application before the Dy. Commissioner of Sales tax (E-004),LTU-3, Raigad Divison, which has been admitted for hearing on payment of Rs. 300,000 by the Company. The matter shall come up for hearing in the normal course.
2. An amount of Rs.17,96,072 and 86,10,488 has been demanded by the authority in respect of Financial Year 2009-10 under M-VAT Act and Central Sales Tax, respectively. Our Company has appealed against the order of the Authority and filed a stay application before the Dy. Commissioner of Sales tax (E-004), LTU-3, Raigad Divison, which has been admitted for hearing on payment of Rs. 480,658 under the CST Act, with no payment as regards the M-VAT demand. The matter shall come up for hearing in the normal course.
3. An amount of Rs.40,72,809 and Rs. 68,57,802 has been demanded in respect of Financial Year 2010-11 under M-VAT Act and CST Act, respectively by the authority. Our Company has filed an appeal which has been admitted against the demand alongwith a stay application on part payment of Rs. 500,000 Under M-VAT Act and Rs.750,000 under CST Act. The matter shall come up for hearing in the normal course.

**Recent Development/Proceeding under Finance Act, 2016 in respect of Income Declaration Scheme, 2016 and The Income Declaration Scheme Rules, 2016: Nil**

#### IV. Criminal cases filed by our Company

1. Our Company has filed a complaint (54/SS of 2015) before the Judicial Magistrate (First Class) CBD, Belapur, at CBD Belapur, Navi Mumbai under Section 138 of the Negotiable Instruments Act, 1938 against PEC Valves Private Limited and Mr. Narendra Rao (the "Accused") for dishonor of cheques issued towards outstanding dues to the tune



of ₹10.00 lakhs (₹10,00,000) for various materials supplied by our Company. The matter shall come up for hearing in due course.

**V. Civil cases filed by our Company**

1. Our Company has filed a summary suit before the Civil Judge Senior Division, Panvel against Kunj Forgings Private Limited (the "*Defendant*") towards non-payment of ₹11.55 lakhs (₹11,55,412) overdue by the Defendant for supply of various nickel alloy round bars of different specifications. The matter shall come up for hearing in due course.
2. Our Company has filed a claim before the Official Liquidator in respect of New Haven Steel Ball (in liquidation) for a claim of differential tax liability of ₹12.94 lakhs (₹12,94,059) paid by our Company to the tax authorities. The matter is presently before the official liquidator of the Bombay High Court and will come up for hearing in due course.

**VI. Civil case filed by our Promoters & Director: Nil**

**VII. Material frauds committed against our Company**

There have been no instances of material frauds committed against our Company in the preceding five (5) years from the date of this Red Herring Prospectus.

**VIII. Past cases where penalties imposed**

There are no past cases in the five (5) years preceding the date of this Red Herring Prospectus, where penalties were imposed on our Company by concerned authorities.

**IX. Past inquiries, inspections and investigations under the Companies Act**

There have been no inquiries, inspections or investigations initiated or conducted under the Companies Act or any previous company law in the last five (5) years immediately preceding the year of issue of the Red Herring Prospectus in the case of our Company and its Subsidiary.

**X. Fines imposed or compounding of offences**

There have been no prosecutions filed by our Company and its Subsidiary (*whether pending or not*) fines imposed, compounding of offences in the last five (5) years immediately preceding the year of the Red Herring Prospectus.

**XI. Proceedings initiated against our Company for economic offences**

There are no pending proceedings initiated against our Company for any economic offences as on the date of this Red Herring Prospectus.

**XII. Defaults and non-payment of statutory dues**

Our Company has no outstanding defaults in relation to statutory dues, dues payable to holders of any debentures (*including interest*) or dues in respect of deposits (*including interest*) or any defaults in repayment of loans from any bank or financials institution (*including interest*).

**XIII. Outstanding litigation involving our Company, Directors or any other person whose outcome could have a material adverse effect on our Company**

Except as disclosed above, there is no outstanding litigation involving our Company, Subsidiary, Directors or any other person whose outcome could have a material adverse effect on our Company.

**XIV. Material developments since March 31, 2018**

Other than as disclosed under section titled "Management's Discussion and Analysis of Financial Condition and Results of Operations" beginning on page 181 of this Red Herring Prospectus, in the opinion of the Board, there has not arisen, since the date of the last balance sheet included in this Red Herring Prospectus, any circumstance that materially and adversely affects or is likely to affect the trading or profitability of our Company taken as a whole or

the value of our consolidated assets or our ability to pay our liabilities over the next twelve (12) months.

#### **XV. Outstanding dues to Creditors**

Our Board has, pursuant to its resolution dated May 21, 2018, approved that “other creditors” of our Company to whom the amount due by our Company exceeds ₹ 268.09 Lakhs, i.e. 5% of trade payables of our Company as of March 31, 2018 as per the Restated Financial Information of our Company, shall be considered "material" creditors of our Company.

The outstanding dues owed to small scale undertakings and other creditors, separately, giving details of number of cases and amounts for all dues where each of the dues exceeds ₹ 268.09 Lakhs as on March 31, 2018, is set out below:

<b>Material Creditors</b>	<b>Number of cases</b>	<b>Amount involved (₹ in lakhs)</b>
Small scale undertakings	95	5286.04
Other creditors	3	4353.98

The details pertaining to outstanding dues towards our creditors are available on the website of our Company at [www.supremesteels.com](http://www.supremesteels.com). It is clarified that such details available on our website do not form a part of this Red Herring Prospectus. Anyone placing reliance on any other source of information, including our Company's website, [www.supremesteels.com](http://www.supremesteels.com), would be doing so at their own risk.

## GOVERNMENT AND OTHER APPROVALS

*We have received the necessary consents, licenses, permissions and approvals from the Government of India and various governmental agencies required by us to undertake this Issue and for our present business and except as mentioned below, no further material approvals are required for carrying on our present business operations. Unless otherwise stated, these approvals are valid as on the date of this Red Herring 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.*

### I. Approvals for the Issue

The following approvals have been obtained or will be obtained in connection with the Issue:

- a. Our Board, pursuant to its resolution dated August 01, 2018, authorized the Issue subject to approval of the shareholders of our Company under Section 62(1)(c) of the Companies Act, 2013;
- b. The shareholders of our Company have, pursuant to their resolution passed at the extra ordinary general meeting of our Company held on August 06, 2018 under Section 62(1)(c) of the Companies Act, 2013, authorized the Issue;
- c. Our Board approved the Draft Red Herring Prospectus pursuant to its resolution dated August 07, 2018;
- d. We have received in-principle approval from the stock exchange for the listing of our Equity Shares pursuant to letter dated August 10, 2018 bearing reference no. NSE/LIST/248;
- e. NSDL/CDSL: ISIN No.: INE319Z01013.

### II. Corporate Approvals

- a. Certificate of Incorporation dated April 20, 1987 issued by Registrar of Companies, Mumbai.
- b. Fresh certificate of incorporation consequent upon change of name from Supreme Heatreaters Private Limited to Supreme Engineering Private Limited dated January 9, 2018 was issued by RoC, Mumbai.
- c. Fresh Certificate of Incorporation dated January 10, 2018 issued by Registrar of Companies, Mumbai pursuant to conversion of our Company to public limited and subsequent to change of name from Supreme Heatreaters Private Limited to Supreme Engineering Limited.
- d. Corporate Identity Number (CIN): U99999MH1987PLC043205.

### III. Approvals obtained in relation to our business operations

Our Company requires various approvals to carry on our business in India. Some of these may expire in the ordinary course of business and applications for renewal of these approvals are submitted in accordance with applicable procedures and requirements. An indicative list of the material approvals required by us to undertake our business are provided below:

- a. MSME registration as a manufacturer.
- b. Registration as a Small Scale Industrial Unit
- c. Consent to operate under Section 26 of the Water (Prevention & Control of Pollution) Act, 1974 & Section 21 of the Air (Prevention & Control of Pollution) Act, 1981 and authorization under Rule 5 of the Hazardous Wastes (Management, Handling & Trans boundary Movement) Rules 2008 (Unit II- Rabale- Wire Division) by the Maharashtra Pollution Control Board
- d. License to run Factory (Unit II- Rabale- Wire Division)
- e. Registration with EPF and ESIC




Our Company is in the process of making requisite applications to regulatory authority to transfer the approvals and licenses from Special Steels Division to in the name of our Company. Further, the Company has submitted applications for obtaining renewal certificates of Consent to operate under Section 26 by Maharashtra Pollution Control Board and License to run Factory for Unit I- Khopoli- Special Steels Division.

**IV. Other approvals**

- a. Approvals from central authorities for obtaining PAN and TAN.
- b. Certificate of Importer-Exporter Code (IEC).
- c. Registration certificate under The Central Goods and Services Tax Act, 2017 (GST).

**V. Intellectual property related approvals**



Our Company has made an application dated November 30, 2017 for registration of our logo "  " with the Trade Marks Registry under class 6 which is under objection as on the date of this Red Herring Prospectus. The current status is Ready for Show Cause Hearing.

## OTHER REGULATORY AND STATUTORY DISCLOSURES

### Authority for the Issue

Our Board has, pursuant to its resolution dated August 01, 2018, authorized the Issue, subject to the approval of the Equity Shareholders of our Company under Section 62(1)(c) of the Companies Act and our Equity Shareholders have, pursuant to a resolution dated August 06, 2018 under Section 62(1)(c) of the Companies Act, authorized the Issue.

The Offer for sale of upto 8,000 equity shares by Mrs. Lalita Chowdhri, has been authorized by the Promoter Selling Shareholder by her consent letter dated August 01, 2018. The Equity Shares being offered by Promoter Selling Shareholder have been held for a period of at least one year prior to the date of this Red Herring Prospectus, calculated in the manner as set out under Regulation 26(6) of SEBI (ICDR) Regulations and are eligible for being offered for sale in the Offer. The Promoter Selling Shareholder has also confirmed that she is the legal and beneficial owner of the Equity Shares being offered by her under the Offer for Sale.

### In-principle Listing Approvals

Our Company has obtained in-principle approval from National Stock Exchange of India Limited by way of its letter dated August 10, 2018 to use the name of NSE Emerge in this Issue. Document for listing of equity shares on the EMERGE platform of the NSE. National Stock Exchange of India Limited is the Designated Stock Exchange.

### Prohibition by SEBI, the RBI or Governmental Authorities

None of our Company, our Promoters, our Promoter Group, our Directors, Promoter Selling Shareholder 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 promoters, 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.

None of our Directors are in any manner associated with the securities market and there is or has been no action taken by the SEBI against our Directors or any entity in which our Directors are involved in as promoters or directors.

Neither our Company, nor our Promoters, nor our Directors, nor the relatives (as per the Companies Act) of our Promoters, are or have been detained as wilful defaulters by the RBI or any other governmental authorities.

### Eligibility for the Issue

Our Company is an unlisted issuer in terms of the SEBI (ICDR) Regulations and this Offer is an initial public offer in terms of the SEBI (ICDR) Regulations.

This Offer is being made in terms of Regulation 106 (M) (2) of Chapter XB of the SEBI (ICDR) Regulations, whereby, an issuer whose post offer face value capital does not exceed twenty-five crore rupees, shall issue shares to the public and propose to list the same on the Small and Medium Enterprise Exchange ("*SME Exchange*"), in this case being the SME Platform of NSE Emerge.

We confirm that:

- a) In accordance with Regulation 106 (P) of the SEBI (ICDR) Regulations, this Offer has been hundred percent underwritten and that the Book Running Lead Manager to the Offer have underwritten more than 15% of the total Offer Size. For further details pertaining to the said underwriting please refer to section titled "General Information – Underwriting" beginning on page 50 of this Red Herring Prospectus.
- b) In accordance with Regulation 106(R) of the SEBI (ICDR) Regulations, we shall ensure that the total number of proposed allottees in the Offer is 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 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.

- c) In accordance with Regulation 106(O) of the SEBI (ICDR) Regulations, we have not filed any Offer Document with SEBI nor has SEBI issued any observations on our Offer Document. Also, we shall ensure that our Book Running Lead Manager 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, we have entered into an agreement with the Book Running 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 see “General Information- Details of the Market Making Arrangements for this Issue” on page no 51 of this Red Herring Prospectus. We further confirm that we shall be complying with all other requirements as laid down for such issue under Chapter XB of SEBI (ICDR) Regulations, as amended from time to time and subsequent circulars and guidelines issued by SEBI and the Stock Exchange.
- e) The Company has a record of three (3) years and positive cash accruals (earnings before depreciation and tax) from operations for at least two (2) financial years preceding the application and the net worth of the Company is positive.
- f) As on the date of this Red Herring Prospectus, our Company has a paid-up capital of ₹1,841.90 lakhs and the post issue capital of the company (face value) shall not be more than ₹ 25 crore.
- g) Our Company has not been referred to the Board for Industrial and Financial Reconstruction (BIFR).
- h) There is no winding up petition against the company, which has been admitted by the court or a liquidator has not been appointed.
- i) There has been no change in the Promoter(s) of the Company in the preceding one year from date of filing application to the Stock Exchange or listing on the SME segment.
- j) Our company shall mandatorily facilitate trading in demat securities and has entered into an agreement with CDSL and NSDL.
- n) We have a website: [www.supremesteels.com](http://www.supremesteels.com)

#### **DISCLAIMER CLAUSE OF SEBI**

**IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THE 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 BOOK RUNNING LEAD MANAGER, CKP FINANCIAL SERVICES PRIVATE LIMITED HAVE CERTIFIED THAT THE DISCLOSURES MADE IN THE OFFER DOCUMENT ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 IN FORCE FOR THE TIME BEING. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING AN INVESTMENT IN THE PROPOSED 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 THE OFFER DOCUMENT, THE BRLM ARE EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BRLM HAVE FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED WHICH READS AS FOLLOWS:**

**WE, THE BRLM TO THE ISSUE, STATE AND CONFIRM AS FOLLOWS:**

- 1. WE HAVE EXAMINED VARIOUS DOCUMENTS INCLUDING THOSE RELATING TO LITIGATION LIKE COMMERCIAL DISPUTES, PATENT DISPUTES, DISPUTES WITH COLLABORATORS, ETC. AND OTHER MATERIAL IN CONNECTION WITH THE FINALISATION OF THIS RED HERRING PROSPECTUS PERTAINING TO THE SAID ISSUE.**
- 2. ON THE BASIS OF SUCH EXAMINATION AND THE DISCUSSIONS WITH THE COMPANY, 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 COMPANY, WE CONFIRM THAT:**
  - A. THE RED HERRING PROSPECTUS FILED WITH THE EXCHANGE/ 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 RED HERRING 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, TO THE EXTENT NOT REPLACED BY THE COMPANIES ACT, 2013, THE COMPANIES ACT, 2013, TO THE EXTENT IN FORCE, 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 RED HERRING PROSPECTUS ARE REGISTERED WITH SEBI AND THAT UNTIL DATE SUCH REGISTRATION IS VALID.**
- 4. WE HAVE SATISFIED OURSELVES ABOUT THE CAPABILITY OF THE UNDERWRITERS TO FULFIL THEIR UNDERWRITING COMMITMENTS – NOTED FOR COMPLIANCE**
- 5. WE CERTIFY THAT WRITTEN CONSENT FROM PROMOTERS HAVE 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 THE RED HERRING PROSPECTUS WITH SEBI TILL THE DATE OF COMMENCEMENT OF LOCK-IN PERIOD AS STATED IN THE RED HERRING 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 RED HERRING PROSPECTUS – NOTED FOR COMPLIANCE**
- 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 SEBI. 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 COMPANY FOR WHICH THE FUNDS ARE BEING RAISED IN THE PRESENT ISSUE FALL WITHIN THE OBJECTS LISTED IN THE OBJECT CLAUSE OF THE MEMORANDUM OF ASSOCIATION OR OTHER CHARTER OF THE COMPANY AND THAT THE ACTIVITIES WHICH HAVE BEEN CARRIED OUT UNTIL NOW ARE VALID IN TERMS OF THE OBJECT CLAUSE OF ITS MEMORANDUM OF ASSOCIATION. – COMPLIED WITH TO THE EXTENT APPLICABLE.
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 SECTION 40 OF THE COMPANIES ACT, 2013 AND THAT SUCH MONEYS SHALL BE RELEASED BY THE SAID BANK ONLY AFTER PERMISSION IS OBTAINED FROM ALL THE STOCK EXCHANGES MENTIONED IN THE PROSPECTUS. WE FURTHER CONFIRM THAT THE AGREEMENT ENTERED INTO BETWEEN THE BANKERS TO THE ISSUE AND THE COMPANY SPECIFICALLY CONTAINS THIS CONDITION – NOTED FOR COMPLIANCE.
10. WE CERTIFY THAT 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. – NOT APPLICABLE. UNDER SECTION 29 OF THE COMPANIES ACT, 2013, THE EQUITY SHARES IN THE OFFER ARE TO BE ISSUED IN DEMATERIALIZED MODE ONLY.
11. WE CERTIFY THAT ALL THE APPLICABLE DISCLOSURES MANDATED IN THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 HAVE BEEN MADE IN ADDITION TO DISCLOSURES WHICH, IN OUR VIEW, ARE FAIR AND ADEQUATE TO ENABLE THE INVESTOR TO MAKE A WELL INFORMED DECISION.
12. WE CERTIFY THAT THE FOLLOWING DISCLOSURES HAVE BEEN MADE IN THE RED HERRING PROSPECTUS:
  - a. AN UNDERTAKING FROM THE ISSUER THAT AT ANY GIVEN TIME, THERE SHALL BE ONLY ONE (1) DENOMINATION FOR THE EQUITY SHARES OF THE COMPANY AND
  - b. AN UNDERTAKING FROM THE COMPANY THAT IT SHALL COMPLY WITH SUCH DISCLOSURE AND ACCOUNTING NORMS SPECIFIED BY SEBI FROM TIME TO TIME.
13. WE UNDERTAKE TO COMPLY WITH THE REGULATIONS PERTAINING TO ADVERTISEMENT IN TERMS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 WHILE MAKING THE ISSUE. – NOTED FOR COMPLIANCE.
14. WE ENCLOSE A NOTE EXPLAINING HOW THE PROCESS OF DUE DILIGENCE HAS BEEN EXERCISED BY US IN VIEW OF THE NATURE OF CURRENT BUSINESS BACKGROUND OR THE ISSUER, SITUATION AT WHICH THE PROPOSED BUSINESS STANDS, THE RISK FACTORS, PROMOTERS' EXPERIENCE, ETC.
15. WE ENCLOSE A CHECKLIST CONFIRMING REGULATION-WISE COMPLIANCE WITH THE APPLICABLE PROVISIONS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, CONTAINING DETAILS SUCH AS THE REGULATION NUMBER, ITS TEXT, THE STATUS OF COMPLIANCE, PAGE NUMBER OF THE RED HERRING 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 SEBI THROUGH THE CIRCULAR NO CIR/CFD/DIL/7/2015 DATED OCTOBER 30, 2015.
17. WE CERTIFY THAT PROFITS FROM RELATED PARTY TRANSACTIONS HAVE ARISEN FROM LEGITIMATE BUSINESS TRANSACTIONS – COMPLIED WITH TO THE EXTENT OF THE RELATED PARTY TRANSACTIONS REPORTED, IN ACCORDANCE WITH ACCOUNTING STANDARD 18, IN THE FINANCIAL STATEMENTS OF THE COMPANY OF THE RED HERRING PROSPECTUS AS CERTIFIED BY THE PEER REVIEWED AUDITORS



**THE FILING OF THIS RED HERRING PROSPECTUS DOES NOT, HOWEVER, ABSOLVE ANY PERSON WHO HAS AUTHORISED THE ISSUE OF THIS RED HERRING PROSPECTUS FROM ANY LIABILITIES UNDER SECTION 34 OR SECTION 36 OF COMPANIES ACT, 2013 OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY OR OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE ISSUE. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP, AT ANY POINT OF TIME, WITH COMPANY/ BOOK RUNNING LEAD MANAGER, ANY IRREGULARITIES OR LAPSES IN THIS RED HERRING PROSPECTUS.**

All legal requirements pertaining to the Issue will be complied with at the time of registration of the Prospectus with the RoC in terms of Sections 26, 28, 30 & 32 of the Companies Act, 2013.

**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 RED HERRING 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 THE RED HERRING 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 OFFER 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 DEMATERIALISATION OF THE SPECIFIED SECURITIES OF THE ISSUER.**
- 5. WE CERTIFY THAT AS PER THE REQUIREMENTS OF FIRST PROVISIO TO SUB-REGULATION (4) OF REGULATION 32 OF SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009; CASH FLOW STATEMENT HAS BEEN PREPARED AND DISCLOSED IN THE RED HERRING 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. – NOTED FOR COMPLIANCE**

**Disclaimer clauses from our Company, Promoter Selling Shareholder and the BRLM**

Our Company, Promoter Selling Shareholder, our Directors and the BRLM accept no responsibility for statements made otherwise than in this Red Herring Prospectus or in the advertisements or any other material issued by or at our Company's instance and anyone placing reliance on any other source of information, including our Company's website [www.supremesteels.com](http://www.supremesteels.com) would be doing so at his or her own risk.

The BRLM accept no responsibility, save to the limited extent as provided in the Issue Agreement and the Underwriting Agreement and addendum thereto.

All information shall be made available by our Company and the BRLM to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever including at road show presentations, in research or sales reports, at bidding centres or elsewhere.

None among our Company or any member of the Syndicate is liable for any failure in uploading the Bids due to faults in any software/ hardware system or otherwise.

Investors who Bid 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 issue, sell, pledge, or transfer the Equity Shares of our Company to any person who is not eligible under any 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.

The BRLM and their respective associates and affiliates may engage in transactions with, and perform services for, our Company and their respective group companies, affiliates or associates or third parties 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 and their respective group companies, affiliates or associates or third parties, for which they have received, and may in the future receive, compensation.

#### **Disclaimer with respect to jurisdiction**

The Issue is being made in India to persons resident in India (including Indian nationals resident in India who are competent to contract within the Indian Contract Act, 1872, 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 registered under applicable trust law and who are authorised under their constitution to hold and invest in shares, permitted insurance companies, permitted provident fund and pension funds, insurance funds set up and managed by the army and navy of the Union of India and insurance funds set up and managed by the Department of Posts, India) and to FPIs, FIIs, Eligible NRIs and other eligible foreign investors (viz. FVCIs, multilateral and bilateral development financial institutions). This Red Herring 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 Red Herring Prospectus comes is required to inform himself or herself about, and to observe, any such restrictions. Any dispute arising out of the Issue will be subject to the jurisdiction of appropriate court(s) in Mumbai 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 Red Herring Prospectus shall be filed with SEBI for its observations and SEBI shall give its observations in due course. Accordingly, the Equity Shares represented thereby may not be offered or sold, directly or indirectly, and this Red Herring Prospectus may not be distributed, in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of this Red Herring 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 under the 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 Securities Act and applicable state securities laws.**

**Accordingly, the Equity Shares are being offered and sold (a) in the United States only to persons reasonably believed to be “qualified institutional buyers” (as defined in Rule 144A under the Securities Act and referred to in this Red Herring Prospectus as “U.S. QIBs” pursuant to the private placement exemption set out in Section 4(a)(2) of the Securities Act; for the avoidance of doubt, the term U.S. QIBs does not refer to a category of institutional investor defined under applicable Indian regulations and referred to in this Red Herring Prospectus as “QIBs”), in transactions exempt from the registration requirements of the Securities Act and (b) outside the United States in offshore transactions in reliance on Regulation S under the Securities Act and the applicable laws of the jurisdiction where those offers and sales occur.**

**The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.**

#### **Designated Stock Exchange**

The Designated Stock Exchange for the purpose of the Issue will be National Stock Exchange of India Limited.

#### **Disclaimer Clause of NSE**

As required, a copy of this Offer Document has been submitted to National Stock Exchange of India Limited (hereinafter

referred to as NSE). NSE has given vide its letter Ref.: NSE/LIST/248 August 10, 2018 permission to the Issuer to use the Exchange's name in this Offer Document as one of the stock exchanges on which this Issuer's securities are proposed to be listed. The Exchange has scrutinized this draft offer document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Issuer. It is to be distinctly understood that the aforesaid permission given by NSE should not in any way be deemed or construed that the offer document has been cleared or approved by NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this offer document; nor does it warrant that this Issuer's securities will be listed or will continue to be listed on the Exchange; nor does it take any responsibility for the financial or other soundness of this Issuer, its promoters, its management or any scheme or project of this Issuer.

Every person who desires to apply for or otherwise acquire any securities of this Issuer may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription /acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever.

#### **Disclaimer Clause under Rule 144A of the U.S. Securities Act**

The Equity Shares have not been and will not be registered under the U.S. Securities Act 1933, as amended (the "Securities Act") or any state securities laws in the United States and may not be offered or sold within the United States or to, or for the account or benefit of, "U.S. persons" (as defined in Regulation S of the Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Equity Shares will be offered and sold (i) in the United States only to "qualified institutional buyers", as defined in Rule 144A of the Securities Act, and (ii) outside the United States in offshore transactions in reliance on Regulation S under the Securities Act and in compliance with the applicable laws of the jurisdiction where those offers and sales occur. The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Applicants may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

#### **Filing**

The Red Herring Prospectus shall not be filed with SEBI, nor will SEBI issue any observation on the offer document in terms of Regulation 106 (O) (1). However, a copy of the Red Herring Prospectus shall be filed with SEBI at Plot No. C4-A,'G' Block, Bandra Kurla Complex, Bandra (East), Mumbai 400051.

A copy of the Red Herring Prospectus, along with the documents required to be filed under Section 32 of the Companies Act, 2013 has been delivered for registration to the RoC at Maharashtra, Mumbai and a copy of the Prospectus to be filed under Section 26, Section 28 & Section 32 of the Companies Act, 2013 would be delivered for registration with RoC

#### **Listing**

In terms of Chapter XB of the SEBI (ICDR) Regulations, there is no requirement of obtaining In-Principle approval of the SME Platform of NSE. However, application shall be made to National Stock Exchange of India Limited for obtaining permission for listing of the Equity Shares being offered and sold in the Offer on its SME Platform (NSE EMERGE) after the allotment in the Offer. National Stock Exchange of India Limited is the Designated Stock Exchange, with which the Basis of Allotment will be finalized for the Offer. If the permission to deal in and for an official quotation of the Equity Shares on the SME Platform is not granted by National Stock Exchange of India Limited, our Company shall forthwith repay, without interest, all moneys received from the applicants in pursuance of the Prospectus. The allotment letters shall be issued or application money shall be refunded within 15 (fifteen) days from the closure of the Offer or such lesser time as may be specified by Securities and Exchange Board or else the application money shall be refunded to the applicants forthwith, failing which interest shall be due to be paid to the applicants at the rate of fifteen per cent per annum for the delayed period as prescribed under Section 40 of the Companies Act, 2013.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at the EMERGE Platform of NSE mentioned above are taken within six (6) Working Days of the Issue Closing Date.

Our Company has obtained in-principle approval from NSE by way of letter dated August 10, 2018 to use the name of National Stock Exchange of India Limited in the Offer Document for listing of equity shares on the EMERGE Platform of NSE.



ANNEXURE TO THE SEBI DISCLAIMER CLAUSE - POINT NO. 16

The price information of past issues handled by the BRLM is as follows:

1. CKP Financial Services Private Limited

Sr. No.	Issue Name	Issue Size ( ₹ in Lakhs)	Issue price ( ₹)	Listing date	Opening price on listing date ( ₹)	+/-% change in closing price,[+/-% change in closing benchmark]-30 <sup>th</sup> calendar days from listing	+/-% change in closing price,[+/-% change in closing benchmark]-90 <sup>th</sup> calendar days from listing	+/-% change in closing price,[+/-% change in closing benchmark]-180 <sup>th</sup> calendar days from listing
1.	Kapston Facilities Management Limited	2119.68	92	04/04/2018	92.50	3.26%, [5.44%]	3.91%, [5.64%]	N.A.

1. The Nifty 50 Index is considered as the Benchmark Indices
2. Prices of NSE EMERGE are considered for all above calculations
3. N.A – Not Applicable

Summary statement of price information of past issues handled by CKP Financial Services Private Limited

Financial Year	Total no. of IPOs	Total Funds Raised ( ₹ in Lacs)	Nos. of IPOs trading at discount- 30 <sup>th</sup> calendar days from listing			Nos. of IPOs trading at premium- 30 <sup>th</sup> calendar days from listing			Nos. of IPOs trading at discount- 180 <sup>th</sup> calendar days from listing			Nos. of IPOs trading at premium- 180 <sup>th</sup> calendar days 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%
2017-18	1	2119.68	Nil	Nil	Nil	Nil	Nil	1	Nil	Nil	Nil	Nil	Nil	Nil

### **Track record of past issues handled by the BRLM**

For details regarding the track record of the BRLM to the Issue as specified in Circular reference CIR/MIRSD/1/ 2012 dated January 10, 2012 issued by the SEBI, please refer to the website of the BRLM- [www.ckpfinancialservices.com](http://www.ckpfinancialservices.com)

### **Caution – Disclaimer from our Company, our Directors and the BRLM**

Our Company, our Directors and the BRLM accept no responsibility for statements made otherwise than in this Red Herring 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.supremesteels.com](http://www.supremesteels.com) , would be doing so at his or her own risk.

The BRLM accept no responsibility, save to the limited extent as provided in the Issue Agreement entered into among the BRLM and our Company dated May 15, 2018 and the Underwriting Agreement dated June 02, 2018 entered into among the Underwriters and our Company and addendum agreements to the above.

All information shall be made available by our Company and the BRLM to the Bidders 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 bidding centres or elsewhere. Neither our Company nor any member of the Syndicate shall be liable to the Bidders for any failure in uploading the Bids, due to faults in any software or hardware system, or otherwise.

The BRLM and their respective associates may engage in transactions with, and perform services for our Company 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 their respective affiliates or associates for which they have received, and may in future receive compensation. Bidders that bid 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 the Equity Shares, and will not issue, sell, pledge or transfer the Equity Shares to any person who is not eligible under applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares. Our Company, the Underwriters and their respective directors, officers, agents, affiliates and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire Equity Shares.

### **Impersonation**

Attention of the Bidders 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 (6) months extending up to ten (10) years (provided that where the fraud involves public interest, such term shall not be less than three (3) years) and fine of an amount not less than the amount involved in the fraud, extending up to three (3) times of such amount.

### **Consents**

Consents in writing of (a) our Directors, the Chief Executive Officer, the Chief Financial Officer, the Company Secretary and Compliance Officer, the Auditors, the legal counsels, the Bankers to our Company, the Bankers to the Issue, lenders (where such consent is required), industry sources, and (b) the Book Running Lead Manager, the Syndicate Members and the Registrar to the Issue to act in their respective capacities, will be obtained and filed along with a copy of the Red Herring Prospectus with the RoC and such consents shall not be withdrawn up to the time of delivery of the Red Herring Prospectus and the Prospectus with the RoC.

Our Company has received written consent from, M/s. R.T. Jain & Co. LLP, Chartered Accountants, our Peer Reviewed Auditors, to include its name as required under Section 26(1)(a)(v) of the Companies Act 2013 in the Red Herring Prospectus and as "expert" as defined under Section 2(38) of the Companies Act 2013 in respect of the reports of the Auditor on the Restated Standalone Financial Statements and on the Restated Financial Statements, each dated January 18, 2018 and the Statement of Possible Special Tax Benefits dated January 18, 2018 included in the Red Herring Prospectus and such consent has not been withdrawn as on the date of this Red Herring Prospectus. However, the term "expert" shall not be construed to mean an "expert" as defined under the U.S. Securities Act.

### Expert Opinion

Except for the Independent Auditor's report on the "Restated Financial Statements" and the "Statement of Possible Special Tax Benefits" included in this Red Herring Prospectus, on pages 155 and 79, respectively, our Company has not obtained any expert opinion.

### Issue Related Expenses

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

( ₹ in lakhs)

Activity Expense	Amount* (in ₹ Lakhs)	Percentage of Total Estimated Issue Expenses*	Percentage of Issue Size*
Fees of the BRLM, underwriting commission, brokerage and selling commission (including commissions to SCSBs for ASBA Applications) and Commission payable to Registered Brokers	[●]	[●]	[●]
Processing fee to the SCSBs for processing Bid-cum-Application Forms procured by Syndicate/Sub Syndicate and submitted to SCSBs or procured by Registered Brokers	[●]	[●]	[●]
Advertising and marketing expenses, printing and stationery, distribution, postage etc.	[●]	[●]	[●]
Fees to the Registrar to the Issue	[●]	[●]	[●]
Listing fees and other regulatory expenses	[●]	[●]	[●]
Other expenses (Legal advisors, Auditors, PR firm and other Advisors etc.)	[●]	[●]	[●]
<b>Total estimated Issue expenses</b>	<b>[●]</b>	<b>[●]</b>	<b>[●]</b>

\* The amount utilized for general corporate purposes shall not exceed 25% of the gross proceeds of the Fresh Issue.

### Fees, Brokerage and Selling Commission

The total fees payable to the BRLM and Syndicate Members (including underwriting and selling commissions), and reimbursement of their out of pocket expenses, will be as stated in the engagement letter with the Book Running Lead Manager, dated September 09, 2017, the Issue agreement executed between Company and BRLM dated May 15, 2018 and the Syndicate Agreement to be executed among our Company and the members of the Syndicate dated June 02, 2018, and addendum agreements to above agreements, copies of which shall be available for inspection at our Registered Office, from 10.00 am to 4.00 p.m. on Working Days from the date of filing the Red Herring Prospectus until the Bid/Issue Closing Date.

### Fees Payable to the Registrar to the Issue

The fees payable to the Registrar to the Issue, including fees for processing of Bid-cum-Application Forms, data entry, printing of Allotment Advice, refund order, preparation of refund data on magnetic tape and printing of bulk mailing register, will be as per the agreement dated March 14, 2018 signed among our Company and the Registrar to the Issue and addendum agreement thereto, a copy of which shall be made available for inspection at our Registered Office.

**Particulars regarding Public or Rights Issues during the last Five (5) Years**

There have been no public or rights issues undertaken by our Company during the five (5) years immediately preceding the date of this Red Herring Prospectus and our Company is an unlisted company in terms of the SEBI ICDR Regulations and this Issue is an initial public offering in terms of the SEBI ICDR Regulations.

**Commission or Brokerage on Previous Issues**

Since this is the initial public offering of the Equity Shares of our Company, no sum has been paid or has been payable as commission or brokerage for subscribing to or procuring or agreeing to procure public subscription for any of our Equity Shares, since the incorporation of our Company.

**Previous Issues Otherwise than for Cash**

Except as disclosed under section titled "Capital Structure" beginning on page 54 of this Red Herring Prospectus, our Company has not issued any Equity Shares for consideration otherwise than for cash.

**Capital Issues in the Preceding three (3) Years**

Except as disclosed under section titled "Capital Structure" beginning on page 54 of this Red Herring Prospectus, our Company has not made any capital issues during the three (3) years immediately preceding the date of this Red Herring Prospectus.

**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, disclosure regarding promise versus performance is not applicable to us. Our Company has not undertaken any public or rights issue in the ten (10) years immediately preceding the date of this Red Herring Prospectus.

**Outstanding Debentures, Bonds or Redeemable Preference Shares**

Our Company does not have any outstanding debentures, bonds or redeemable preference shares, as on the date of this Red Herring Prospectus.

**Partly Paid-Up Shares**

As on the date of this Red Herring Prospectus, there are no partly paid-up Equity Shares of our Company.

**Stock Market Data of the Equity Shares**

This being the initial public offering of the Equity Shares of our Company, the Equity Shares are not listed on any stock exchange as on the date of this Red Herring Prospectus, and accordingly, no stock market data is available for the Equity Shares.

**Mechanism for Redressal of Investor Grievances by our Company**

The agreement dated March 14, 2018 between the Registrar to the Issue and our Company, provides for retention of records with the Registrar to the Issue for a minimum period of three (3) years from the date of listing and commencement of trading of the Equity Shares on the Stock Exchanges, in order to enable the investors to approach the Registrar to the Issue for redressal of their grievances.

Investors may contact the BRLM for any complaint pertaining to the Issue. All grievances relating to the non-ASBA process must be addressed to the Registrar to the Issue quoting the full name of the sole or first Bidder, Bid-cum-Application Form number, the Bidders' DP ID, Client ID, PAN, address of the Bidder, number of Equity Shares applied for, date of Bid-cum-Application Form, name and address of the Syndicate Member or the Registered Broker where the Bid was submitted and cheque or draft number and issuing bank thereof.

All grievances relating to the ASBA process may be addressed to the Registrar to the Issue, with a copy to the relevant SCSB or the member of the Syndicate if the Bid was submitted to a member of the Syndicate at any of the Specified

Locations, or the Registered Broker if the Bid was submitted to a Registered Broker at any of the Broker Centres, as the case may be, quoting the full name of the sole or first Bidder, Bid-cum-Application Form number, Bidders' DP ID, Client ID, PAN, address of the Bidder, number of Equity Shares applied for, date of Bid-cum-Application Form, name and address of the member of the Syndicate or the Designated Branch or the Registered Broker, as the case may be, where the ASBA Bid was submitted and ASBA Account number in which the amount equivalent to the Bid Amount was blocked.

Further, with respect to the Bid-cum-Application Forms submitted with the Registered Broker, the investor shall also enclose the acknowledgement from the Registered Broker in addition to the documents/information mentioned hereinabove.

#### **Disposal of Investor Grievances by our Company**

We estimate that the average time required by our Company and/or the Registrar to the Issue for the redressal of routine investor grievances shall be seven (7) days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, our Company will seek to redress these complaints as expeditiously as possible.

Our Company has appointed Mrs. Krupali Thakkar, Company Secretary, as the Compliance Officer and she may be contacted in case of any pre-Issue or post-Issue related problems, at the address set forth hereunder.

#### **Supreme Engineering Limited**

R-223, M.I.D.C. Complex, Rabale  
Thane Belapur Road, Navi Mumbai 400 701  
Maharashtra, India.  
Telephone: +91 22 2769 2232  
Facsimile: +91 22 2769 0341  
CIN: U99999MH1987PLC043205  
Website: www.supremesteels.com  
Email id: cs@supremesteels.com

Further, our Board has constituted a Stakeholders' Relationship Committee comprising our Directors, which is responsible for redressal of grievances of the security holders of our Company. For further details, please refer to section titled "Our Management" beginning on page 135 of this Red Herring Prospectus.

We do not have any listed Group Companies as on the date of this Red Herring Prospectus.

#### **Changes in Auditors**

Except as described below, there has been no change in the statutory auditors of our Company during the three years preceding the date of this Red Herring Prospectus:

<b>Name of Auditor</b>	<b>Date of Change</b>	<b>Reason</b>
Rahul Gokhale, Chartered Accountants	05/09/2015	Resignation of Auditor due to Unavoidable Circumstances
Bharat Patil, Chartered Accountants	07/09/2015	Auditor appointed in case of casual vacancy
Bharat Patil, Chartered Accountants	08/09/2015	Resignation of Auditor due to Unavoidable Circumstances
Shubham Modi, Chartered Accountants	09/09/2015	Auditor appointed in case of casual vacancy
Shubham Modi, Chartered Accountants	02/01/2017	Resignation of Auditor due to Preoccupation
Bajaj & Goyanka, Chartered Accountants	24/01//2017	Auditor appointed in case of casual vacancy
Bajaj & Goyanka, Chartered Accountants	20/03/2018	Resignation of Auditor due to Preoccupation
H L Saini & Co., Chartered Accountants	24/04/2018	Auditor appointed in case of casual vacancy

#### **Capitalization of Reserves or Profits**

Except as provided under the section titled "Capital Structure" beginning on page 54 of this Red Herring Prospectus, our Company has not capitalized its reserves or profits at any time during the five (5) years immediately preceding the date of this Red Herring Prospectus.





**Revaluation of Assets**

Our Company has not revalued its assets since its incorporation.

**Servicing Behavior**

There has been no default in payment of statutory dues or of interest or principal in respect of our borrowings or deposits.

## SECTION VII: ISSUE INFORMATION

### TERMS OF THE ISSUE

*The Equity Shares being issued pursuant to this Issuer are subject to the provisions of the Companies Act, the SEBI (ICDR) Regulations, SCRA, SCRR, the Memorandum of Association and Articles of Association, the terms of the Red Herring Prospectus, the Prospectus, the abridged prospectus, Bid-cum-Application Form, the Revision Form, the CAN, the Allotment Advice 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, rules, 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 Exchanges, the RBI, RoC and/ or other authorities, as in force on the date of the Issue and to the extent applicable or such other conditions as may be prescribed by the SEBI, the RBI, the Government of India, the Stock Exchanges, the RoC and/ or any other authorities while granting its approval for the Issue.*

*Please note that, in accordance with the SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015. All the investors applying in a public offer shall use only Application Supported by Blocked Amount (ASBA) facility for making payment.*

#### **Authority for the Present Offer**

The Offer has been authorized by the Board of Directors of our Company vide a resolution passed at its meeting held on August 01, 2018 and was approved by the Shareholders by passing the Special Resolution at the Extra Ordinary General Meeting held on August 06, 2018 in accordance with the provisions of Section 62(1)(C) of the Companies Act 2013.

The Offer for sale of upto 8,000 equity shares by Mrs. Lalita Chowdhri, has been authorized by the Promoter Selling Shareholder by her consent letter dated August 01, 2018.

The Promoter Selling Shareholder has confirmed that the Equity Shares proposed to be offered and sold in the Offer are eligible in term of SEBI (ICDR) Regulations and has not been prohibited from dealings in securities market and the Equity Shares offered and sold are free from any lien, encumbrance or third party rights. The Promoter Selling Shareholder has also confirmed that she is the legal and beneficial owner of the Equity Shares being offered by her under the Offer for Sale.

#### **Offer for Sale**

The Offer comprises of a Fresh Issue and an Offer for Sale by the Promoter Selling Shareholder. All expenses in relation to the Offer shall be borne by the Company as the Promoter Selling Shareholder is only offering upto 8,000 shares so as to comply with the regulatory requirements of minimum lot size, pricing and minimum public shareholding.

#### **Ranking of the Equity Shares**

The Equity Shares being offered and transferred pursuant to the Issue shall be subject to the provisions of the Companies Act, the Memorandum of Association and Articles of Association and rank *pari-passu* in all respects with the other existing Equity Shares including in respect of the rights to receive dividend. In respect of the Issue, all dividends, if any, declared by our Company after the date of Allotment, will be payable to the Bidders who have been issued and allotted Equity Shares in such Issue for the entire year. The Allottees upon Allotment of Equity Shares under the Issue, will be entitled to dividend and other corporate benefits, if any, declared by our Company after the date of Allotment. For further details, please refer to section titled "Main Provisions of Articles of Association" beginning on page 248 of this Red Herring Prospectus.

#### **Mode of Payment of Dividend**

Our Company shall pay dividends, if declared, to the shareholders of our Company in accordance with the provisions of the Companies Act, the Memorandum of Association and Articles of Association. For further details, please refer to section titled "Dividend Policy" and "Main Provisions of Articles of Association" beginning on pages 154 and 248 respectively of this Red Herring Prospectus.

#### **Face Value and Issue Price**

The face value of each Equity Share is ₹10 and the Issue Price is ₹[●] per Equity Share.

The Price Band and the minimum Bid Lot size for the Issue will be decided by our Company in consultation with the BRLM and advertised in all editions of the English national newspaper Business Standard, all editions of the Hindi national newspaper Business Standard and in the regional newspaper NavShakti, each with wide circulation, at least five (5) Working Days prior to the Bid/ Issue Opening Date. The Price Band, along with the relevant financial ratios calculated at the Floor Price and at the Cap Price, shall be pre-filled in the Bid-cum-Application Forms available at the websites of the Stock Exchanges.

At any given point of time, there shall be only one (1) denomination of Equity Shares.

#### **Compliance with the SEBI (ICDR) Regulations**

Our Company shall comply with all the disclosure and accounting norms as specified by SEBI from time to time.

#### **Rights of the Equity Shareholders**

Subject to applicable laws, rules, regulations and guidelines and the Articles of Association, our equity shareholders shall have the following rights:

- Right to receive dividends, 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, in accordance with the provisions of the Companies Act;
- Right to receive offers for rights shares and be allotted bonus shares, if announced;
- Right to receive surplus on liquidation, subject to any statutory and preferential claim being satisfied;
- Right of free transferability, subject to applicable laws including any RBI rules and regulations; and
- Such other rights, as may be available to a shareholder of a listed public company under the Companies Act, the terms of the Equity Listing Agreements to be entered into by our Company with the Stock Exchange(s) and the Memorandum of Association and Articles of Association of our Company.

For a detailed description of the main provisions of the Articles of Association of our Company relating to voting rights, dividend, forfeiture and lien, transfer, transmission and/ or consolidation/ splitting, please refer to section titled "Main Provisions of Articles of Association" beginning on page 248 of this Red Herring Prospectus.

#### **Minimum Application Value, Market Lot and Trading Lot**

Pursuant to Section 29 of the Companies Act, 2013 the Equity Shares shall be allotted only in dematerialised form. As per the SEBI (ICDR) Regulations, the trading of the Equity Shares shall only be in dematerialised form. In this context, two agreements have been signed amongst our Company, the respective Depositories and the Registrar to the Issue:

- Agreement dated February 15, 2018 amongst NSDL, our Company and the Registrar to the Issue; and
- Agreement dated February 02, 2018 amongst CDSL, our Company and the Registrar to the Issue.

Since trading of the Equity Shares is in dematerialised form, the tradable lot is [●] Equity Shares. Allotment in this Issue will be only in electronic form and in multiples of one Equity Share subject to a minimum allotment of [●] Equity Shares.

#### **Minimum Number of Allottees**

Further in accordance with Regulation 106R of SEBI (ICDR) Regulations, the minimum number of allottees in this Issue shall be fifty (50) shareholders. In case the minimum number of prospective allottees is less than fifty (50), no allotment will be made pursuant to this Issue and all the monies blocked by SCSBs shall be unblocked within six (6) days of closure of Issue.

#### **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 under the U.S. Securities Act or any state securities laws in the United States and may not be offered or sold within the United States or to, or for the account or benefit of, "U.S. persons" (as defined in Regulation S), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. Accordingly, the Equity Shares are being

offered and sold only outside the United States in offshore transactions in reliance on Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those offers and sales occur.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

### **Joint Holders**

Where two or more persons are registered as the holders of any Equity Shares, they will be deemed to hold such Equity Shares as joint-holders with benefits of survivorship.

### **Nomination Facility to Investor**

In accordance with Section 72 of the Companies Act, 2013 the sole or first applicant, along with other joint applicant, may nominate any one person in whom, in the event of the death of sole applicant or in case of joint applicant, death of all the Applicant, as the case may be, the Equity Shares allotted, if any, shall vest. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to equity share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale of equity share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at the Registered Office of our Company or to the Registrar and Transfer Agents of our Company.

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:

- to register himself or herself as the holder of the Equity Shares; or
- 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 (90) days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the Allotment of Equity Shares in the Issue will be made only in dematerialized form, there is no need to make a separate nomination with us. Nominations registered with the 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.

### **Withdrawal of the Issue**

Our Company and/or Promoter Selling Shareholder in consultation with the BRLM, reserve the right to not to proceed with the Issue after the Bid/Issue Opening Date but before the Allotment. In such an event, our Company would issue a public notice in the newspapers in which the pre-Issue advertisements were published, within two (2) Working Days of the Bid/Issue Closing Date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Issue. The BRLM through, the Registrar to the Issue, shall notify the SCSBs to unblock the bank accounts of the ASBA Bidders within one (1) Working Day from the date of receipt of such notification. Our Company shall also inform the same to the Stock Exchanges on which Equity Shares are proposed to be listed.

Notwithstanding the foregoing, this Issue is also subject to obtaining (i) the final listing and trading approvals of the Stock Exchange, which our Company shall apply for after Allotment, and (ii) the final RoC approval of the Prospectus after it is filed with the RoC. If our Company withdraws the Issue after the Bid/ Issue Closing Date and thereafter determines that it will proceed with an issue of the Equity Shares, our Company shall file a fresh Draft Red Herring Prospectus with Stock Exchange.

### Bid/ Issue Opening Date

Bid / Issue Opening Date	Friday, August 24, 2018
Bid / Issue Closing Date	Wednesday, August 29, 2018
Finalisation of Basis of Allotment with the Designated Stock Exchange	On or before Monday, September 03, 2018
Initiation of Refunds	On or before Tuesday, September 04, 2018
Credit of Equity Shares to demat accounts of Allottees	On or before Wednesday, September 05, 2018
Commencement of trading of the Equity Shares on the Stock Exchange	On or before Thursday, September 06, 2018

The above timetable is indicative and does not constitute any obligation on our Company, and the BRLM. Whilst our Company shall ensure that all steps for the completion of the necessary formalities for the listing and the commencement of trading of the Equity Shares on the Stock Exchange are taken within six (6) Working Days of the Bid/Issue Closing Date, the timetable may change due to various factors, such as extension of the Bid/Issue Period by our Company, revision of the Price Band or any delays in receiving the final listing and trading approval from the Stock Exchange. The Commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchange and in accordance with the applicable laws.

Bids and any revision to the same shall be accepted only between 10.00 a.m. and 5.00 p.m. (IST) during the Bid/Issue Period. On the Bid/Issue Closing Date, the Bids and any revision to the same shall be accepted between 10.00 a.m. and 5.00 p.m. (IST) or such extended time as permitted by the Stock Exchanges, in case of Bids by Retail Individual Bidders after taking into account the total number of Bids received up to the closure of timings and reported by the BRLM to the Stock Exchanges. It is clarified that Bids not uploaded on the electronic system would be rejected. Bids will be accepted only on Working Days, i.e., Monday to Friday (*excluding any public holiday*).

Due to limitation of time available for uploading the Bids on the Bid/Issue Closing Date, the Bidders are advised to submit their Bids one day prior to the Bid/Issue Closing Date and, in any case, no later than 5.00 p.m. (IST) on the Bid/Issue Closing Date. All times mentioned in this Red Herring Prospectus are Indian Standard Times. Bidders are cautioned that in the event a large number of Bids are received on the Bid/Issue Closing Date, as is typically experienced in public offerings, some Bids may not get uploaded due to lack of sufficient time. Such Bids that cannot be uploaded will not be considered for allocation under the Issue. Bids will be accepted only on Business Days. Neither our Company nor the BRLM is liable for any failure in uploading the Bids due to faults in any software/hardware system or otherwise.

Our Company in consultation with the BRLM, reserves the right to revise the Price Band during the Bid/ Issue Period, provided that the Cap Price shall be less than or equal to 120% of the Floor Price and the Floor Price shall not be less than the face value of the Equity Shares. The revision in Price Band shall not exceed 20% on the either side i.e. the floor price can move up or down to the extent of 20% of the Floor Price and the Cap Price will be revised accordingly.

**In case of revision of the Price Band, the Bid/Issue Period will be extended for at least three additional Working Days after revision of Price Band subject to the Bid/ Issue Period not exceeding 10 working days. Any revision in the Price Band and the revised Bid/ Issue Period, if applicable, will be widely disseminated by notification to the Stock Exchange, by issuing a press release and also by indicating the changes on the websites of the BRLM and at the terminals of the Syndicate Member.**

In case of any discrepancy in the data entered in the electronic book vis-à-vis the data contained in the Bid-cum-Application Form, for a particular Bidder, the Registrar to the Issue shall ask for rectified data.

### Minimum Subscription

If our Company does not receive (i) the minimum subscription of 90% of the Issue within the Bid/Issue Period; and/or (ii) a subscription in the Issue equivalent to the minimum number of securities as specified under Rule 19(2)(b)(ii) of the SCRR, including devolvement of Underwriters, if any within sixty days of from the date of closure of the issue, our Company shall refund the entire subscription amount received, within period as prescribed under Regulation 14 of the SEBI (ICDR) Regulations. If there is a delay beyond eight days from the date of closure of the issue, the prescribed period, our Company shall pay interest as prescribed under Rule 11 of the Companies (Prospectus and Allotment of Securities) Rules, 2014.

Further, in accordance with Regulation 106R of the SEBI ICDR Regulations, our Company shall ensure that the number of prospective allottees to whom the Equity Shares will be Allotted will be not less than 50.

**Migration to Main Board**

Our company may migrate to the main board of NSE from NSE EMERGE on a later date subject to the following:

- a. If the Paid-up Capital of our Company is likely to increase above ₹ 25 crores by virtue of any further issue of capital by way of rights, preferential issue, bonus issue etc (which has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the Promoters in 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-principle approval from the Main Board), our Company shall have to apply to NSE 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 our company is more than ₹ 10 crores but below ₹ 25 crores, our Company may still apply for migration to the Main Board and if the Company fulfils the eligible criteria for listing laid down by the Main Board (NSE) and if the same has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the Promoters in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal.

**Market Making**

The shares offered through this issue are proposed to be listed on the EMERGE Platform of NSE (SME Exchange) wherein the BRLM to the issue shall ensure compulsory Market Making through registered Market Maker of the SME Exchange for a minimum period of 3 (three) years from the date of listing of shares issued though this Red Herring Prospectus on the EMERGE Platform of NSE. For further details of the market making arrangement, please refer to section titled "General Information" beginning on page 46 of this Red Herring Prospectus.

**Arrangements for Disposal of Odd Lots**

The trading of the Equity Shares will happen in the minimum contract size of [●] shares in terms of the SEBI circular No. CIR/MRD/DSA/06/2012 dated February 21, 2012. However, the Market Maker shall buy the entire shareholding of a shareholder in one (1) lot, where value of such shareholding is less than the minimum contract size allowed for trading on the EMERGE Platform of NSE.

**As Per the Extant Policy of the Government of India, OCBs Cannot Participate in this Issue**

NRIs, FPIs/FIIs and foreign venture capital investors registered with SEBI are permitted to purchase shares of an Indian company in a public Issue without the prior approval of the RBI, so long as the price of the equity shares to be issued is not less than the price at which the equity shares are issued to residents. 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 the non-resident shareholding is within the sectoral limits under the FDI policy; and (ii) the pricing is in accordance with the guidelines prescribed by the SEBI/RBI.

The current provisions of the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000, provides a general permission for the NRIs, FPIs and foreign venture capital investors registered with SEBI to invest in shares of Indian Companies by way of subscription in an IPO. However, such investments would be subject to other investment restrictions under the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000, RBI and/or SEBI regulations as may be applicable to such investors.

The Allotment of the Equity Shares to Non-Residents shall be subject to the conditions, if any, as may be prescribed by the Government of India / RBI while granting such approvals.

**Option to Receive Securities in Dematerialized Form**

In accordance with the SEBI (ICDR) Regulations, every company making public offer shall issue and allot securities to successful applicants in dematerialized form only. Applicants shall not have an option of allotment of Equity Shares in physical form. The Equity Shares on Allotment will be traded only on the dematerialized segment of the SME Exchange. Allottees shall have the option to re-materialise the Equity Shares, if they so desire, as per the provisions of the Companies Act and the Depositories Act.

### **New Financial Instruments**

There are no new financial instruments such as deep discounted bonds, debenture, warrants, secured premium notes, etc. issued by our Company.

### **Application by Eligible NRIs, 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, FPIs 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 Shares or Debentures and on their Consolidation or Splitting**

Except for lock-in of the pre-Issue Equity Shares and Promoter's minimum contribution as detailed in section titled "Capital Structure" beginning on page 54 of this Red Herring Prospectus, and except as provided in the Articles of Association, there are no restrictions on transfers and transmission of Equity Shares and on their consolidation/ splitting except as provided in the Articles of Association. Please refer to the section titled "Main Provisions of the Articles of Association" beginning on page 248 of this Red Herring Prospectus.

### **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 Bidders. The Bidders are advised to make their own enquiries about the limits applicable to them. Our Company and the BRLM do not accept any responsibility for the completeness and accuracy of the information stated hereinabove. Our Company and the BRLM are not liable to inform the investors of any amendments or modifications or changes in applicable laws or regulations, which may occur after the date of this Red Herring Prospectus. Bidders 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.*

## ISSUE STRUCTURE

This Issue is being made in terms of Regulation 106(M)(2) of Chapter XB of SEBI (ICDR) Regulations whereby, an issuer whose post-issue face value capital exceeds ten crore rupees, but does not exceed twenty five crore rupees. The Company shall issue specified securities to the public and propose to list the same on the Small and Medium Enterprise Exchange ("SME Exchange", in this case being the EMERGE Platform of NSE). For further details regarding the salient features and terms of such an Issue, please refer to section titled "Terms of the Issue"; and "Issue Procedure" beginning on page 208; and 216 respectively of this Red Herring Prospectus.

The Issue/ Offer comprises of a Public Issue of upto 65,84,000 Equity shares of face value of ₹10 each fully paid (the "Equity Shares") for cash at a price of ₹[●] (including a premium of ₹[●] per Equity Share) aggregating up to ₹[●] lakhs (the "Issue"/ the "Offer") by our Company. The Issue/ Offer comprises of a Fresh Issue of upto 65,76,000 equity shares and Offer for Sale of upto 8,000 equity shares.

The Issue comprises a Net Issue to Public of upto 62,52,000 Equity Shares (the "Net Issue") and upto 3,32,000 Equity Shares of ₹10 each will be reserved for subscription by Market Maker ("Market Maker Reservations Portion"). The Issue and Net Issue will constitute [●] % and [●] % of the Post-Issue Paid-up Equity Share Capital of our Company.

The Issue is being made through the Book Building Process.

Particulars	Net Issue to Public*	Market Maker Reservation Portion
<b>Number of Equity Shares available for allocation</b>	Upto 62,52,000 Equity Shares	Upto 3,32,000 Equity Shares
<b>Percentage of Issue Size available for allocation</b>	[●]% of Issue Size	[●]% of Issue Size
<b>Basis of Allotment/ Allocation if respective category is oversubscribed</b>	Proportionate subject to minimum allotment of [●] equity shares and further allotment in multiples of [●] Equity Shares each. For further details please refer to the section titled "Issue Procedure" beginning on page 216 of this Red Herring Prospectus	Firm allotment
<b>Mode of Bid-cum-Application</b>	All Applicants/Bidders shall make the application ( <i>Online or Physical through ASBA Process</i> )	Through ASBA Process only
<b>Minimum Bid Size</b>	<p style="text-align: center;"><b>For Other than Retail Investors</b></p> <p style="text-align: center;">Such number of Equity Shares in multiples of [●] Equity Shares such that the Application size exceeds ₹2,00,000</p> <p style="text-align: center;"><b>For Retail Individuals</b></p> <p style="text-align: center;">[●] Equity Shares</p>	[●] Equity Shares
<b>Maximum Bid Size</b>	<p style="text-align: center;"><b>For Other than Retail Individual Investors:</b></p> <p>For all other investors the maximum application size is the Net Issue to public subject to limits as the investor has to adhere under the relevant laws and regulations as applicable.</p> <p style="text-align: center;"><b>For Retail Individuals:</b></p> <p style="text-align: center;">[●] Equity Shares</p>	Equity Shares of Face Value of ₹10 each
<b>Mode of Allotment</b>	Compulsorily in Dematerialised mode	Compulsorily in Dematerialised mode
<b>Trading Lot</b>	[●] Equity Shares	[●] Equity Shares, however the Market Maker may accept odd lots if any in the market as required under the SEBI (ICDR) Regulations
<b>Terms of payment</b>	The entire Bid Amount will be payable at the time of submission of the Bid Form	



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

*\*As per Regulation 43, sub regulation (4) of the SEBI (ICDR) Regulations, the allocation in the net issue to public shall be 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 corporates or institutions, irrespective of the number of specified securities applied for.*

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

*For the purpose of Regulation 43(4), if the retail individual investor category is entitled to more than fifty percent, on proportionate basis, the retail individual investors shall be allocated at a higher percentage.*

In case of joint Bids, the Bid-cum-Application Form should contain only the name of the first Bidder whose name should also appear as the first holder of the beneficiary account held in joint names. The signature of only such first Bidder would be required in the Bid-cum-Application Form and such first Bidder would be deemed to have signed on behalf of the joint holders.

### **Withdrawal of the Issue**

Our Company in consultation with the BRLM, reserve the right not to proceed with the Issue at any time after the Bid/ Issue Opening Date but before the Allotment. In such an event, our Company would issue a public notice in the newspapers in which the pre-Issue advertisements were published, within two (2) days of the Bid/ Issue Closing Date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Issue. The BRLM, through the Registrar to the Issue, shall notify the SCSBs to unblock the bank accounts of the ASBA Bidders within one (1) day from the date of receipt of such notification. Our Company shall also inform the same to the Stock Exchanges on which Equity Shares are proposed to be listed.

If our Company withdraw the Issue after the Bid/ Issue Closing Date and thereafter determine that they will proceed with the Issue, our Company shall file a fresh Draft Red Herring Prospectus with the Stock Exchange.

Notwithstanding the foregoing, the Issue is also subject to obtaining (i) the final listing and trading approvals of the Stock Exchanges, which our Company shall apply for after Allotment, and (ii) the final RoC approval of the Prospectus after it is filed with the RoC.

### **Bid/ Issue Programme**

An indicative timetable in respect of the Issue is set out below:

<b>Event</b>	<b>Indicative Date</b>
Bid/ Issue Opening Date	Friday, August 24, 2018
Bid/ Issue Closing Date	Wednesday, August 29, 2018
Finalisation of Basis of Allotment with the Designated Stock Exchange	On or before Monday, September 03, 2018
Initiation of refunds	On or before Tuesday, September 04, 2018
Credit of Equity Shares to demat accounts of Allottees	On or before Wednesday, September 05, 2018
Commencement of trading of the Equity Shares on the Stock Exchanges	On or before Thursday, September 06, 2018

Applications and revisions to the same will be accepted 10.00 a.m. and 5.00 p.m. (Indian Standard Time) during the Bid/Issue Period at the Application Centres mentioned in the Bid-cum-Application Form or at the Designated Bank Branches 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). Bids will be accepted only on Working Days, i.e., all trading days of stock exchanges excluding Sundays and bank holidays.

## ISSUE PROCEDURE

*All Bidders should review the General Information Document for investing in public issues prepared and issued in accordance with the circular (CIR/CFD/DIL/12/2013) dated October 23, 2013 notified by SEBI (the "General Information Document") included below under "Issue Procedure- 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, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957 and the SEBI (ICDR) Regulations. The General Information Document has been updated to include reference to the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014 and certain notified provisions of the Companies Act, 2013, and the amendments to the SEBI (ICDR) Regulations to the extent applicable to a public issue. The General Information Document is also available on the websites of the Stock Exchanges and the Book Running Lead Manager. Please refer to the relevant provisions of the General Information Document which are applicable to the Issue.*

*Pursuant to the SEBI (Issue of Capital and Disclosure Requirements) (Fifth Amendment) Regulations, 2015, certain changes would be applicable to the issue procedure for initial public offerings, including making the ASBA process mandatory for all investors (except for Anchor Investors) and allowing registrar, share transfer agents, depository participants and stock brokers to accept application forms. These changes are applicable for public issues which open on or after January 1, 2016. In the event that the Bid/ Issue Opening Date for this Issue is on or after January 1, 2016, we will have to make appropriate changes to the "Issue Procedure" section and other sections of the Red Herring Prospectus, prior to filing of the Red Herring Prospectus with the RoC.*

*Our Company, Promoter Selling Shareholder and the BRLM do not accept any responsibility for the completeness and accuracy of the information stated in this section, and are not liable for any amendment, modification or change in the applicable law which may occur after the date of this Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that their Bids are submitted in accordance with applicable laws and do not exceed the investment limits or maximum number of the Equity Shares that can be held by them under applicable law or as specified in this Red Herring Prospectus.*

### PART A

The Issue is being made under Regulation 106(M)(2) of Chapter XB of SEBI (ICDR) Regulations via book building process wherein 50% of the Net Issue to Public is being issued to the Retail Individual Bidders and the balance shall be issued to QIBs and Non-Institutional Bidders. However, if the aggregate demand from the Retail Individual Bidders is less than 50%, then the balance Equity Shares in that portion will be added to the non-retail portion issued to the remaining investors including QIBs and NIIs and vice - versa subject to valid bids being received from them at or above the Issue Price.

Subject to the valid Bids 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 Bidders shall not be less than the minimum Bid lot, subject to availability of Equity Shares in Retail Portion, and the remaining available Equity Shares, if any, shall be allotted on a proportionate basis. Under subscription, 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 BRLM 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 Bidders will only be in the dematerialised form. The Bid-cum-Application Forms which do not have the details of the Bidder'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 Bid-cum-Application Form and entered into the electronic system of the stock exchanges, do not match with the DP ID, Client ID and PAN available in the depository database, the bid is liable to be rejected. Bidders 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 Exchanges.

#### **Bid-Cum-Application Form**

Copies of the Bid-cum-Application Form and the abridged prospectus will be available at the offices of the BRLM, the Designated Intermediaries at Bidding Centers, and Registered Office of our Company. An electronic copy of the Bid-cum-Application Form will also be available for download on the websites of the NSE ([www.nseindia.com](http://www.nseindia.com)), the SCSBs, the Registered Brokers, the RTAs and the CDPs at least one (1) Working Day prior to the Bid/Issue Opening Date.

All Bidders shall mandatorily participate in the Issue only through the ASBA process. ASBA Bidders must provide bank account details and authorisation to block funds in the relevant space provided in the Bid-cum-Application Form and the Bid-cum-Application Forms that do not contain such details are liable to be rejected.

ASBA Bidders shall ensure that the Bids are made on Bid-cum-Application Forms bearing the stamp of the Designated Intermediary, submitted at the Collection Centres only (except in case of electronic Bid-cum-Application Forms) and the Bid-cum-Application Forms not bearing such specified stamp are liable to be rejected.

The prescribed colour of the Bid-cum-Application Form for various categories is as follows:

Category	Colour of Bid-cum-Application Form*
Resident Indians and Eligible NRIs applying on a non-repatriation basis	White
Eligible NRIs, FVCIs, FIIs, their Sub-Accounts (other than Sub-Accounts which are foreign corporates or foreign individuals bidding under the QIB Portion), applying on a repatriation basis (ASBA)	Blue

\*excluding electronic Bid-cum-Application Form

Designated Intermediaries (other than SCSBs) shall submit/deliver the Bid-cum-Application Forms to respective SCSBs where the Bidder has a bank account and shall not submit it to any non-SCSB Bank.

#### Who can Bid?

In addition to the category of Bidders set forth under- General Information Document for Investing in Public Issues – Category of Investors Eligible to participate in an Issue, the following persons are also eligible to invest in the Equity Shares under all applicable laws, regulations and guidelines, including:

- FPIs other than Category III foreign portfolio investor;
- Category III foreign portfolio investors, which are foreign corporate or foreign individuals only under the Non-Institutional Investors (NIIs) category;
- Scientific and/ or industrial research organisations authorised in India to invest in the Equity Shares; and
- Any other person eligible to Bid in the Issue under applicable laws.

#### Maximum and Minimum Application Size

##### a. For Retail Individual Bidders:

The Bid must be for a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter, so as to ensure that the Bid Amount payable by the Bidder does not exceed ₹2,00,000. In case of revision of Bid, the Retail Individual Bidders have to ensure that the Bid Amount does not exceed ₹2,00,000.

##### b. For Other Bidders (Non-Institutional Bidders and QIBs):

The Bid-cum-Application must be for a minimum of such number of Equity Shares such that the Bid Amount exceeds ₹2,00,000 and in multiples of [●] Equity Shares thereafter. A Bid cannot be submitted for more than the Issue Size. However, the maximum Bid by a QIB investor should not exceed the investment limits prescribed for them by applicable laws. **A QIB and a Non-Institutional Bidder cannot withdraw or lower the size of their Bid at any stage and are required to pay the entire Bid Amount upon submission of the Bid.** The identity of QIBs applying in the Net Issue shall not be made public during the Issue Period. In case of revision in Bid, the Non-Institutional Bidders, who are individuals, have to ensure that the Bid Amount is greater than ₹2,00,000 for being considered for allocation in the Non-Institutional Portion.

Bidders are advised to ensure that any single Bid-cum-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 Red Herring Prospectus.

### Information for the Bidders

- a. Our Company shall file the Red Herring Prospectus with the RoC at least three working days before the Bid/ Issue Opening Date.
- b. Our Company shall, after registering the Red Herring Prospectus with the RoC, make a pre- issue advertisement, in the form prescribed under the ICDR Regulations, in English and Hindi national newspapers and one regional newspaper with wide circulation. In the pre- issue advertisement, our Company and the BRLM shall advertise the Bid/ Issue Opening Date, the Bid/ Issue Closing Date. This advertisement, subject to the provisions of the Companies Act, shall be in the format prescribed in Part A of Schedule XIII of the SEBI (ICDR) Regulations.
- c. The price band as decided by our Company and Promoter Selling Shareholder in consultation with the BRLM is ₹[●] per Equity Share. The Floor Price of Equity Shares is ₹[●] per Equity Share and the Cap Price of Equity Shares is ₹[●] per Equity Share and the minimum Bid Lot is of [●] Equity Shares.
- d. Our Company shall also announce the Price Band atleast five (5) Working Days before the Bid/Issue Opening Date in English and Hindi National newspapers and one Regional newspaper with wide circulation. This announcement shall contain relevant financial ratios computed for both upper and lower end of the Price Band. Further, this announcement shall be disclosed on the websites of the Stock Exchanges where the Equity Shares are proposed to be listed and shall also be pre-filled in the application forms available on the websites of the stock exchanges.
- e. The Issue Period shall be for a minimum of three (3) Working Days. In case the Price Band is revised, the Issue Period shall be extended, by an additional three Working Days, subject to the total Issue Period not exceeding ten (10) Working Days. The revised Price Band and Issue Period will be widely disseminated by notification to the SCSBs and Stock Exchanges, and by publishing in English and Hindi national newspapers and one regional newspaper with wide circulation and also by indicating the change on the websites of the BRLM and at the terminals of the members of the Syndicate.
- f. The BRLM shall dispatch the Red Herring Prospectus and other Issue material including Bid-cum-Application Form, to the Designated Stock Exchange, members of the Syndicate, Bankers to the Issue, investors' associations and SCSBs in advance.
- g. The Bidders should note that in case the PAN, the DP ID and Client ID mentioned in the Bid-cum-Application Form and entered into the electronic bidding system of the Stock Exchanges does not match with the PAN, DP ID and Client ID available in the database of Depositories, the Bid-cum-Application Form is liable to be rejected.

### Option to subscribe in the Issue

- a. As per Section 29(1) of the Companies Act, 2013 allotment of Equity Shares shall be in dematerialised form only.
- b. The Equity Shares, on allotment, shall be traded on the Stock Exchange in demat segment only.
- c. A single Bid-cum-Application from any investor shall not exceed the investment limit / minimum number of specified securities that can be held by him/her/it under the relevant regulations / statutory guidelines and applicable law.

### Availability of Red Herring Prospectus and Bid-Cum-Application Form

Copies of the Bid-cum-Application Form and the abridged prospectus will be available at the offices of the BRLM, the Designated Intermediaries at Bidding Centres, and Registered Office of our Company. An electronic copy of the Bid-cum-Application Form will also be available for download on the websites of SCSBs (via Internet Banking) and NSE ([www.nseindia.com](http://www.nseindia.com)) at least one (1) day prior to the Bid/Issue Opening Date.

### Participation by Associated/ Affiliates of BRLM and Syndicate Members

The BRLM and the Syndicate Members, if any, shall not be allowed to purchase in this Issue in any manner except towards fulfilling their underwriting obligations. However, associates and affiliates of the BRLM and the Syndicate Members, if any, may subscribe to Equity Shares in the Issue, either in the QIB Portion and Non-Institutional Portion as may be applicable to such Bidders, where the allotment is on a proportionate basis and such subscription may be on their own account or on behalf of their clients.

### Bids by Eligible NRI'S

NRIs may obtain copies of Bid-cum-Application Form from the offices of the BRLM and the Designated Intermediaries. Eligible NRI Bidders bidding on a repatriation basis by using the Non-Resident Forms should authorize their SCSB to block their Non-Resident External ("*NRE*") accounts, or Foreign Currency Non-Resident ("*FCNR*") ASBA Accounts, and eligible NRI Bidders bidding on a non-repatriation basis by using Resident Forms should authorize their SCSB to block

their Non-Resident Ordinary ("**NRO**") accounts for the full Bid Amount, at the time of the submission of the Bid-cum-Application Form.

Eligible NRIs bidding on non-repatriation basis are advised to use the Bid-cum-Application Form for residents (white in colour). Eligible NRIs bidding on a repatriation basis are advised to use the Bid-cum-Application Form meant for Non-Residents (blue in colour).

### **Bids by FPI including FIIS**

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.

In case of Bids 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 Bid-cum-Application Form, failing which our Company reserves the right to reject any Bid 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 Bids 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 Bid-cum-Application Form, failing which our Company reserves the right to reject any Bid 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% of the paid-up Equity Share capital of our Company. The aggregate limit of 24% 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. The existing individual and aggregate investment limits an FII or sub account in our Company is 10.00% and 24% of the total paid-up Equity Share capital of our Company, respectively.

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 Bid-cum-Application Form for Non-Residents (blue in colour).

### **Bids by SEBI registered VCFs, AIFs and FVCIs**

The SEBI VCF Regulations and the SEBI FVCI Regulations, *inter alia*, prescribe the investment restrictions on the VCFs and FVCIs registered with SEBI. Further, the SEBI AIF Regulations prescribe, among others, the investment restrictions on AIFs.

Accordingly, 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 Regulations until an existing fund or scheme managed by the fund is wound up and such funds shall not launch any new scheme after notification of the SEBI AIF Regulations.

### **Bids by Mutual Funds**

As per the current regulations, the following restrictions are applicable for investments by mutual funds:

No mutual fund scheme shall invest more than 10% of its net asset value in the Equity Shares or equity related instruments of any Company provided that the limit of 10% shall not be applicable for investments in index funds or sector or industry specific funds. No mutual fund under all its schemes should own more than 10% of any Company's paid up share capital carrying voting rights.

With respect to Bids by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged with the Bid-cum-Application Form. Failing this, our Company reserves the right to accept or reject any Bid-cum-Application in whole or in part, in either case, without assigning any reason thereof.

In case of a Mutual Fund, a separate Bid-cum-Application can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Bid in respect of more than one scheme of the Mutual Fund will not be treated as multiple bids provided that the Bids clearly indicate the scheme concerned for which the Bids has been made.

The Bids made by the asset management companies or custodians of Mutual Funds shall specifically state the names of the concerned schemes for which the bids are made.

### **Bids by limited liability partnerships**

In case of Bids 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 Bid-cum-Application Form. Failing this, our Company reserves the right to reject any Bid by a limited liability partnership without assigning any reason thereof. Limited liability partnerships can participate in the Issue only through the ASBA process.

### **Bids by insurance companies**

In case of Bids made by insurance companies registered with the IRDA, a certified copy of certificate of registration issued by IRDA must be attached to the Bid-cum-Application Form. Failing this, our Company reserves the right to reject any Bid without assigning any reason thereof.

The exposure norms for insurers, prescribed under the Insurance Regulatory and Development Authority (Investment) Regulations, 2000, as amended, are broadly set forth below:

- a) equity shares of a company: the lower of 10% of the outstanding Equity Shares (face value) or 10% of the respective fund in case of life insurer or 10% of investment assets in case of general insurer or reinsurer;
- b) 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
- c) the industry sector in which the investee company belong 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 points (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 IRDA from time to time.

### **Bids under Power of Attorney**

In case of Bids made pursuant to a power of attorney or by limited companies, corporate bodies, registered societies, FIIs, Mutual Funds, FPIs, insurance companies and provident funds with a minimum corpus of ₹250 million and pension funds with a minimum corpus of ₹250 million (in each case, subject to applicable law and in accordance with their respective constitutional documents), 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, as applicable must be lodged along with the Bid-cum-Application Form. Failing this, our Company reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reasons thereof.

#### **Bids by provident funds/ pension funds**

In case of Bids made by provident funds/ pension funds, subject to applicable laws, with minimum corpus of ₹250 million, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/ pension fund must be attached to the Bid-cum-Application Form. Failing this, our Company reserves the right to reject any Bid, without assigning any reason thereof.

#### **Bids by banking companies**

In case of Bids made by banking companies registered with the RBI, certified copies of: (i) the certificate of registration issued by the RBI, and (ii) the approval of such banking company's investment committee are required to be attached to the Bid-cum-Application Form, failing which our Company reserves the right to reject any Bid by a banking company, without assigning any reason therefor.

The investment limit for banking companies in non-financial services companies as per the Banking Regulation Act, 1949, as amended (the "**Banking Regulation Act**"), and the Master Circular dated July 1, 2015 – Para-banking Activities, 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.

#### **Bids by 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.

**The above information is given for the benefit of the Bidders. Our Company, Promoter Selling Shareholder, the BRLM and the Syndicate Members are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of the Red Herring Prospectus. Bidders are advised to make their independent investigations and Bidders are advised to ensure that any single Bid from them does not exceed the applicable investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in the Red Herring Prospectus.**

#### **Issuance of a Confirmation Note ("CAN") and Allotment in the Issue**

1. Upon approval of the basis of allotment by the Designated Stock Exchange, the BRLM or Registrar to the Issue shall send to the SCSBs a list of their Bidders who have been allocated Equity Shares in the Issue.
2. The Registrar will then dispatch a CAN to their Bidders 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 Bidder.

## **TERMS OF PAYMENT**

### **Terms of Payment**

The entire Issue price of ₹[●] per share is payable on Bid-cum-Application. In case of allotment of lesser number of Equity Shares than the number applied, the Registrar to the issue shall instruct the SCSBs to unblock the excess amount blocked.

SCSBs will transfer the amount as per the instruction received by the Registrar to the Public Issue Bank Account, post finalisation of basis of Allotment. The balance amount after transfer to the Public Issue Account shall be unblocked by the SCSBs.

The Bidders should note that the arrangement with Bankers to the issue or the Registrar is not prescribed by SEBI and has been established as an arrangement between our Company, the Bankers to the Issue and the Registrar to the Issue to facilitate collections from the Bidders.

### **Payment mechanism for Bidders**

The Bidders shall specify the bank account number in the Bid-cum-Application Form and the SCSBs shall block an amount equivalent to the Bid-cum-Application Amount in the bank account specified in the Bid-cum-Application Form. The SCSB shall keep the Bid Amount in the relevant bank account blocked until withdrawal/ rejection of the Bid-cum-Application or receipt of instructions from the Registrar to unblock the Bid Amount. However, Non-Retail Bidders shall neither withdraw nor lower the size of their Bid-cum-Applications at any stage. In the event of withdrawal or rejection of the Bid-cum-Application Form or for unsuccessful Bid-cum-Application Forms, the Registrar to the Issue shall give instructions to the SCSBs to unblock the bid money in the relevant bank account within one day of receipt of such instruction. The Bid Amount shall remain blocked in the ASBA Account until finalisation of the Basis of Allotment in the Issue and consequent transfer of the Bid Amount to the Public Issue Account, or until withdrawal/ failure of the Issue or until rejection of the Bid-cum-Application by the ASBA Bidders, as the case may be.

Please note that pursuant to the applicability of the directions issued by SEBI vide its circular bearing number CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015, all Investors are applying in this Issue shall mandatorily make use of ASBA facility.

### **Signing of Underwriting Agreement and Filing of Prospectus with RoC**

- a. Our Company has entered into an Underwriting agreement dated June 02, 2018 and addendum agreement dated August 07, 2018.
- b. A copy of the Red Herring Prospectus and Prospectus will be filed with the RoC in terms of Section 26, 28 & 32 of Companies Act, 2013.

### **Pre-Issue Advertisement**

Subject to Section 30 of the Companies Act, 2013, our Company shall, after registering the Red Herring Prospectus with the RoC, publish a pre-Issue advertisement, in the form prescribed by the SEBI Regulations, in one widely circulated English language national daily newspaper; one widely circulated Hindi language national daily newspaper and one regional newspaper with wide circulation. In the pre-Issue advertisement, we shall state the Bid Opening Date and the Bid Closing Date. This advertisement, subject to the provisions of Section 30 of the Companies Act, 2013, shall be in the format prescribed in Part A of Schedule XIII of the SEBI Regulations.

### **Advertisement Regarding Issue Price and Prospectus**

Our Company will issue a statutory advertisement after the filing of the Prospectus with the RoC. This advertisement, in addition to the information that has to be set out in the statutory advertisement, shall indicate the final derived Issue Price. Any material updates between the date of the Red Herring Prospectus and the date of Prospectus will be included in such statutory advertisement.

### **Issuance of Allotment Advice**

1. Upon approval of the Basis of Allotment by the Designated Stock Exchange.
2. The BRLM or the Registrar to the Issue will dispatch an Allotment Advice to their bidders who have been allocated Equity Shares in the Issue.



The dispatch of Allotment Advice shall be deemed a valid, binding and irrevocable contract for the Allotment to such Bid.

## GENERAL INSTRUCTIONS

### *Do's:*

1. Check if you are eligible to apply as per the terms of the Red Herring Prospectus and under applicable law, rules, regulations, guidelines and approvals;
2. Ensure that you have Bid within the Price Band;
3. Read all the instructions carefully and complete the Bid-cum-Application Form in the prescribed form;
4. Ensure that the details about the PAN, DP ID and Client ID are correct and the Bidders depository account is active, as Allotment of the Equity Shares will be in the dematerialised form only;
5. Ensure that your Bid-cum-Application Form bearing the stamp of a Designated Intermediary is submitted to the Designated Intermediary at the Bidding Centre;
6. If the first bidder is not the account holder, ensure that the Bid-cum-Application Form is signed by the account holder. Ensure that you have mentioned the correct bank account number in the Bid-cum-Application Form;
7. Ensure that the signature of the First Bidder in case of joint Bids, is included in the Bid-cum-Application Forms;
8. Ensure that the name(s) given in the Bid-cum-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 Bids, the Bid-cum-Application Form should contain only the name of the First Bidder whose name should also appear as the first holder of the beneficiary account held in joint names;
9. Ensure that you request for and receive a stamped acknowledgement of the Bid-cum-Application Form for all your Bid options;
10. Ensure that you have funds equal to the Bid Amount in the ASBA Account maintained with the SCSB before submitting the Bid-cum-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);
11. Submit revised Bids to the same Designated Intermediary, through whom the original Bid was placed and obtain a revised acknowledgment;
12. Except for Bids (i) on behalf of the Central or State Governments and the officials appointed by the courts, who, in terms of a SEBI circular dated June 30, 2008, may be exempt from specifying their PAN for transacting in the securities market, and (ii) Bids by persons resident in the state of Sikkim, who, in terms of a SEBI circular dated July 20, 2006, may be exempted from specifying their PAN for transacting in the securities market, all Bidders 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 bids in which PAN is not mentioned will be rejected;
13. Ensure that the Demographic Details are updated, true and correct in all respects;
14. 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;
15. Ensure that the category and the investor status is indicated;
16. Ensure that in case of Bids under power of attorney or by limited companies, corporates, trust etc., relevant documents are submitted;
17. Ensure that Bids submitted by any person outside India should be in compliance with applicable foreign and Indian laws;
18. Bidders should note that in case the DP ID, Client ID and the PAN mentioned in their Bid-cum-Application Form and entered into the online IPO system of the Stock Exchanges 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 Bids are liable to be rejected. Where the Bid-cum-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 Bid-cum-Application Form;
19. Ensure that the Bid-cum-Application Forms are delivered by the Bidders within the time prescribed as per the Bid-cum-Application Form and the Red Herring Prospectus;
20. Ensure that you have mentioned the correct ASBA Account number in the Bid-cum-Application Form;

21. Ensure that you have correctly signed the authorization /undertaking box in the Bid-cum-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 Bid Amount mentioned in the Bid-cum-Application Form at the time of submission of the Bid;
22. Ensure that you receive an acknowledgement from the concerned Designated Intermediary, for the submission of your Bid-cum-Application Form; and
23. The Bid-cum-Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

**Don'ts:**

1. Do not Bid for lower than the minimum Bid size;
2. Do not Bid/revise Bid Amount to less than the Floor Price or higher than the Cap Price;
3. Do not pay the Bid Amount in cash, by money order, cheques or demand drafts or by postal order or by stock invest;
4. Do not send Bid-cum-Application Forms by post; instead submit the same to the Designated Intermediary only;
5. Do not submit the Bid-cum-Application Forms to any non-SCSB bank or our Company;
6. Do not Bid on a Bid-cum-Application Form that does not have the stamp of the relevant Designated Intermediary;
7. Do not Bid at Cut-off Price (for Bids by QIBs and Non-Institutional Bidders);
8. Do not instruct your respective Banks to release the funds blocked in the ASBA Account under the ASBA process;
9. Do not Bid for a Bid Amount exceeding ₹ 200,000 (for Bids by Retail Individual Bidders);
10. Do not fill up the Bid-cum-Application Form such that the Equity Shares Bid 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 Red Herring Prospectus;
11. Do not submit the General Index Register number instead of the PAN;
12. Do not submit the Bid without ensuring that funds equivalent to the entire Bid Amount are blocked in the relevant ASBA Account;
13. Do not submit Bids on plain paper or on incomplete or illegible Bid-cum-Application Forms or on Bid-cum-Application Forms in a colour prescribed for another category of Bidder;
14. Do not submit a Bid in case you are not eligible to acquire Equity Shares under applicable law or your relevant constitutional documents or otherwise;
15. Do not Bid if you are not competent to contract under the Indian Contract Act, 1872 (other than minors having valid depository accounts as per Demographic Details provided by the depository);
16. Do not submit more than five Bid-cum-Application Forms per ASBA Account;
17. The Bid-cum-Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

**Bids at Different Price Levels and Revision of Bids**

- a. Our Company, Promoter Selling Shareholder in consultation with the BRLM, and without the prior approval of, or intimation, to the Bidders, reserves the right to revise the Price Band during the Bid/ Issue Period, provided that the Cap Price shall be less than or equal to 120% of the Floor Price and the Floor Price shall not be less than the face value of the Equity Shares. The revision in Price Band shall not exceed 20% on the either side i.e. the floor price can move up or down to the extent of 20% of the floor price disclosed. If the revised price band decided, falls within two different price bands than the minimum application lot size shall be decided based on the price band in which the higher price falls into.
- b. Our Company, Promoter Selling Shareholder in consultation with the BRLM, will finalize the Issue Price within the Price Band, without the prior approval of, or intimation, to the Bidders
- c. The Bidders can Bid at any price within the Price Band. The Bidder has to Bid for the desired number of Equity Shares at a specific price. Retail Individual Bidders may Bid at the Cut-off Price. However, bidding at Cut-off Price is prohibited for QIB and Non-Institutional Bidders and such Bids from QIB and Non-Institutional Bidders shall be rejected.
- d. Retail Individual Bidders, who Bid at Cut-off Price agree that they shall purchase the Equity Shares at any price within the Price Band. Retail Individual Bidders shall submit the Bid-cum-Application Form along with a cheque/demand draft for the Bid Amount based on the Cap Price with the Syndicate. In case of ASBA Bidders (excluding Non-Institutional Bidders and QIB Bidders) bidding at Cut-off Price, the ASBA Bidders shall instruct the SCSBs to block an amount based on the Cap Price.

## Communications

All future communications in connection with Bids made in this Issue should be addressed to the Registrar quoting the full name of the sole or First Bidder, Bid-cum-Application Form number, Bidders Depository Account Details, number of Equity Shares applied for, date of Bid-cum-Application Form, name and address of the Application Collecting Intermediary, where the Bid was submitted thereof and a copy of the acknowledgement slip.

Bidders can contact the Compliance Officer or the Registrar in case of any pre-Issue or post-Issue related problems such as non-receipt of letters of Allotment, credit of allotted shares in the respective beneficiary accounts, etc.

## Impersonation

Attention of the Bidders 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 –*

- (d) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities, or*
- (e) 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*
- (f) 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 (6) months extending up to ten (10) years (provided that where the fraud involves public interest, such term shall not be less than three (3) years) and fine of an amount not less than the amount involved in the fraud, extending up to three (3) times of such amount.

## Undertakings by the Company

Our Company undertake as follows:

1. That the complaints received in respect of the Issue shall be attended expeditiously and satisfactorily;
2. That all steps will be taken for the completion of the necessary formalities for listing and commencement of trading at EMERGE Platform of NSE where the Equity Shares are proposed to be listed within six working days from Issue Closure date.
3. That the funds required for making refunds as per the modes disclosed or dispatch of allotment advice by registered post or speed post shall be made available to the Registrar and Share Transfer Agent to the Issue by our Company;
4. That our Promoter's contribution in full has already been brought in;
5. That no further issue of Equity Shares shall be made till the Equity Shares issued through the Prospectus are listed or until the Application monies are refunded on account of non-listing, under-subscription etc.; and
6. That adequate arrangement shall be made to collect all Applications Supported by Blocked Amount while finalizing the Basis of Allotment.
7. If our Company does not proceed with the Issue after the Bid/Issue Opening Date but before allotment, then the reason thereof shall be given as a public notice to be issued by our Company within two days of the Bid/Issue Closing Date. The public notice shall be issued in the same newspapers where the Pre-Issue advertisements were published. The stock exchanges on which the Equity Shares are proposed to be listed shall also be informed promptly;
8. If our Company withdraw the Issue after the Bid/Issue Closing Date, our Company shall be required to file a fresh Red Herring Prospectus with the RoC/SEBI, in the event our Company subsequently decides to proceed with the Issue;
9. Allotment is not made within the prescribed time period under applicable law, the entire subscription amount received will be refunded/unblocked within the time prescribed under applicable law. If there is delay beyond the prescribed time, our Company shall pay interest prescribed under the Companies Act, 2013, the SEBI Regulations and applicable law for the delayed period.

### **Utilization of the Issue Proceeds**

The Board of Directors of our Company certifies that:

1. all monies received out of the issue shall be transferred to a separate Bank Account other than the bank account referred to in Sub-Section (3) of Section 40 of the Companies Act, 2013;
2. details of all monies utilized out of the issue referred above shall be disclosed and continue to be disclosed till the time any part of the Issue Proceeds remains unutilised, under an appropriate separate head in the balance sheet of our Company indicating the purpose for which such monies have been utilized;
3. details of all unutilized monies out of the issue, if any, shall be disclosed under an appropriate separate head in the balance sheet of our Company indicating the form in which such unutilized monies have been invested; and
4. Our Company shall comply with the requirements of the SEBI Listing Regulations in relation to the disclosure and monitoring of the utilisation of the proceeds of the Issue.
5. Our Company shall not have recourse to the Issue Proceeds until the approval for listing and trading of the Equity Shares from all the Stock Exchanges where listing is sought has been received.
6. The BRLM undertakes that the complaints or comments received in respect of the Issue shall be attended by our Company expeditiously and satisfactory.

### **Equity Shares in Dematerialised Form with NSDL or CDSL**

To enable all shareholders of our Company to have their shareholding in electronic form, our Company is in the process of signing the following tripartite agreements with the Depositories and the Registrar and Share Transfer Agent:

- a. Agreement dated February 15, 2018 among NSDL, the Company and the Registrar to the Issue;
- b. Agreement dated February 02, 2018 among CDSL, the Company and the Registrar to the Issue.

Our Company's shares bear ISIN No. INE319Z01013.

## PART B

### GENERAL INFORMATION DOCUMENT FOR INVESTING IN PUBLIC ISSUES

*This General Information Document highlights the key rules, processes and procedures applicable to public Issues in accordance with the provisions of the Companies Act, 2013 (to the extent notified and in effect), the Companies Act, 1956 (without reference to the provisions thereof that have ceased to have effect upon the notification of the Companies Act, 2013), the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957 and the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009. Bidders should not construe the contents of this General Information Document as legal advice and should consult their own legal counsel and other advisors in relation to the legal matters concerning the Issue. For taking an investment decision, the Bidders should rely on their own examination of the Issue and the Issuer, and should carefully read the Red Herring Prospectus before investing in the Issue.*

#### SECTION 1: PURPOSE OF THE GENERAL INFORMATION DOCUMENT (GID)

This document is applicable to the public issues undertaken through the Book-Building process as well as to the Fixed Price Issues. The purpose of the "General Information Document for Investing in Public Issues" is to provide general guidance to potential Bidders/ Applicants in IPOs and FPOs, on the processes and procedures governing IPOs and FPOs, undertaken in accordance with the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (the "**SEBI (ICDR) Regulations**").

Bidders/ Applicants should note that investment in equity and equity related securities involves risk and Bidder/ Applicant should not invest any funds in the Issue unless they can afford to take the risk of losing their investment. The specific terms relating to securities and/ or for subscribing to securities in an Issue and the relevant information about the Issue undertaking the Issue are set out in the Red Herring Prospectus ("RHP")/ Prospectus filed by the Issue with the Registrar of Companies ("**RoC**"). Bidders/ Applicants should carefully read the entire RHP/ Prospectus and the Bid-cum-Application Form/ Application Form and the Abridged Prospectus of the Issue 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 RHP/ Prospectus, the disclosures in the RHP/ Prospectus shall prevail. The RHP/ Prospectus of the Issue is available on the websites of stock exchanges, on the website(s) of the BRLM to the Issue and on the website of Securities and Exchange Board of India ("**SEBI**") at [www.sebi.gov.in](http://www.sebi.gov.in).

For the definitions of capitalized terms and abbreviations used herein Bidders/ Applicants may refer to "Glossary and Abbreviations".

#### SECTION 2: BRIEF INTRODUCTION TO IPOs ON NSE EMERGE (SME PLATFORM)

##### 2.1 Initial public Issue (IPO)

An IPO means an Issue of specified securities by an unlisted Issue to the public for subscription and may include an Issue for Sale of specified securities to the public by any existing holder of such securities in an unlisted Issue.

For undertaking an IPO, an Issue is *inter alia* required to comply with the eligibility requirements in terms of either Regulation 26(1) or Regulation 26(2) of the SEBI (ICDR) Regulations. For details of compliance with the eligibility requirements by the Issue Bidders/ Applicants may refer to the RHP/ Prospectus.

##### 2.2 Further public Issue (FPO)

An FPO means an Issue of specified securities by a listed Issue to the public for subscription and may include an Issue for Sale of specified securities to the public by any existing holder of such securities in a listed Issue.

For undertaking an FPO, the Issue is *inter alia* required to comply with the eligibility requirements in terms of Regulation 26/ 27 of the SEBI (ICDR) Regulations. For details of compliance with the eligibility requirements by the Issue Bidders/ Applicants may refer to the RHP/ Prospectus.

The Issuer may also undertake IPO under of chapter XB of the SEBI (ICDR) Regulations, wherein as per,

- Regulation 106M (1): An issuer whose post- issue face value capital does not exceed ten crore rupees shall issue its specified securities in accordance with provisions of this Chapter.
- Regulation 106M (2): An issuer, whose post issue face value capital, is more than ten crore rupees and upto twenty five crore rupees, may also issue specified securities in accordance with provisions of this

Chapter.

The present Issue is being made under Regulation 106M (2) of Chapter XB of SEBI (ICDR) Regulations.

### 2.3 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, the Companies Act, 1956 and the Companies Act, 2013 (the "**Companies Act**"), The Securities Contracts (Regulation) Rules, 1957 (the "**SCRR**"), industry-specific regulations, if any, and other applicable laws for the time being in force. Following are the eligibility requirements for making an SME IPO under Regulation 106M (2) of Chapter XB of SEBI (ICDR) Regulation:

- (a) In accordance with regulation 106(P) of the SEBI (ICDR) Regulations, issue has to be 100% underwritten and the BRLM has to underwrite at least 15% of the total issue size.
- (b) In accordance with Regulation 106(R) of the SEBI (ICDR) Regulations, total number of proposed allottees in the issue shall be greater than or equal to fifty, otherwise, the entire application money will be refunded forthwith. If such money is not repaid within eight days from the date the company becomes liable to repay it, 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 issue 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 BRLM has to ensure compulsory market making for a minimum period of three years from the date of listing of Equity Shares offered in the issue.
- (e) The company should have track record of atleast 3 years
- (f) The company should have positive cash accruals (earnings before depreciation and tax) from operations for atleast 2 financial years preceding the application and its net-worth should be positive
- (g) The post issue paid up capital of the company (face value) shall not be more than ₹ 25 crore.
- (h) The issuer shall mandatorily facilitate trading in demat securities.
- (i) The issuer should not been referred to Board for Industrial and Financial Reconstruction.
- (j) No petition for winding up is admitted by a court or a liquidator has not been appointed of competent jurisdiction against the Company
- (k) 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
- (l) The Company should have a website. Issuer shall also comply with all the other requirements as laid down for such an Issue under Chapter XB of SEBI (ICDR) Regulations and subsequent circulars and guidelines issued by SEBI and the Stock Exchange.

As per Regulation 106(M)(3) of SEBI (ICDR) Regulations, 2009, the provisions of Regulations 6(1), 6(2), 6(3), Regulation 7, Regulation 8, Regulation 9, Regulation 10, Regulation 25, Regulation 26, Regulation 27 and Sub regulation (1) of Regulation 49 of SEBI (ICDR) Regulations, 2009 shall not apply to this issue.

Thus, our Company is eligible for the issue in accordance with regulation 106M (2) and other provisions of chapter XB of the SEBI (ICDR) Regulations as the post issue face value capital exceeds ₹1,000 lakhs but does not exceed ₹2,500 lakhs. Company also complies with the eligibility conditions laid by the EMERGE Platform of NSE for listing of our Equity Shares.

### 2.4 Types of Public Issues – Fixed Price Issues and Book Built Issues

In accordance with the provisions of the SEBI (ICDR) Regulations, an Issue can either determine the Issue Price through the Book Building Process ("**Book Built Issue**") or undertake a Fixed Price Issue ("**Fixed Price Issue**"). An Issue 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 Draft Prospectus (in case of a Fixed Price Issue) and determine the price at a later date before registering the Prospectus with the RoC.

The cap on the Price Band should be less than or equal to 120% of the Floor Price. The Issue 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 (5) Working Days before the Bid/ Issue Opening Date, in case of an IPO and at least one (1) Working Day before the Bid/ 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. Bidders/ Applicants should refer to the RHP/ 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 (3) Working Days (for all category of Bidders/ Applicants) and not more than ten (10) Working Days. Bidders/ Applicants are advised to refer to the Bid-cum-Application Form and Abridged Prospectus or RHP/ Prospectus for details of the Bid/ Issue Period. Details of Bid/ Issue Period are also available on the website of Stock Exchange(s).

## **2.6 Migration to Main Board**

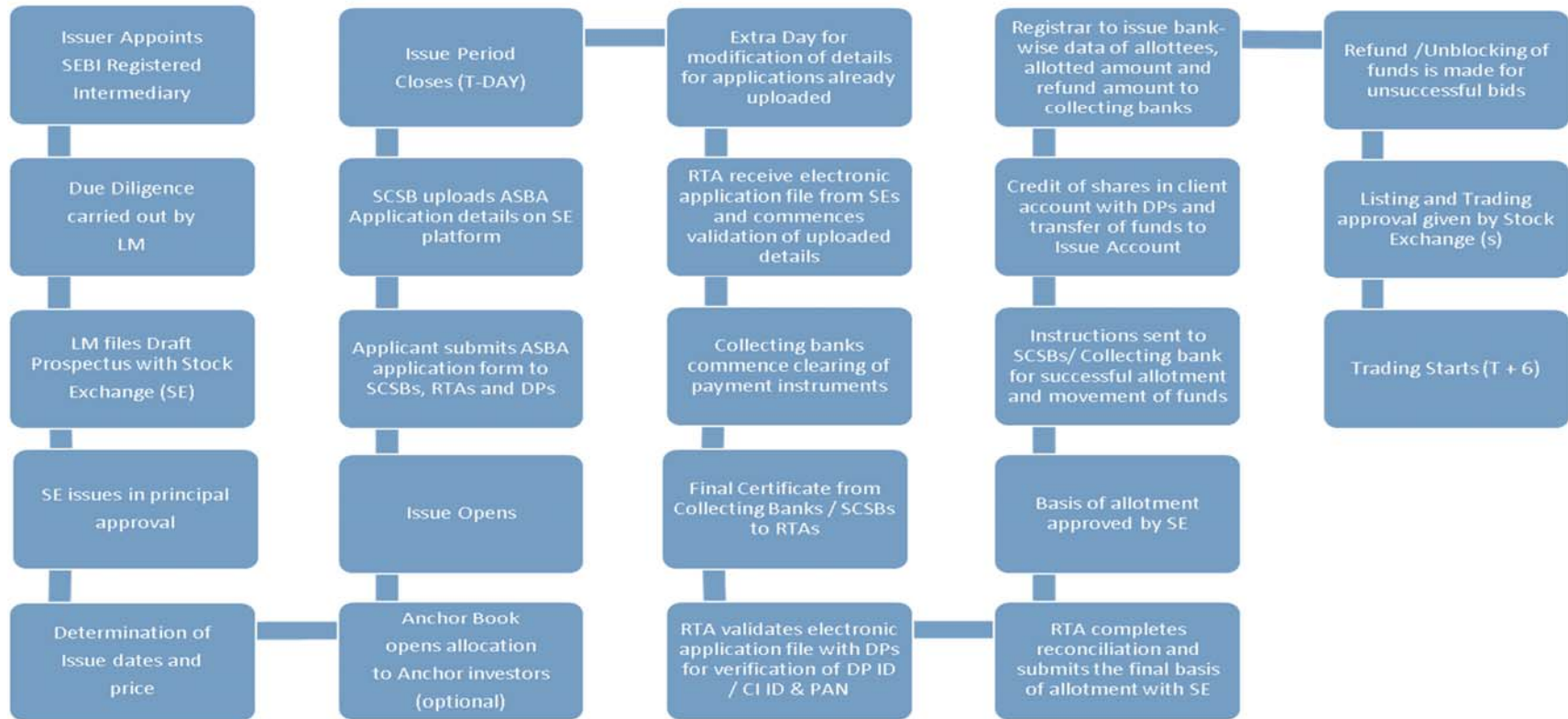
(a) SME Issuer may migrate to the Main Board of SE from the SME Exchange at a later date subject to the following: Paid up Capital of the Company is likely to increase above ₹25 crores by virtue of any further issue of capital by way of rights, preferential issue, bonus issue etc. (which has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the Promoter in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal and for which the company has obtained in-principal approval from the main board), the Company shall apply to SE for listing of its shares on its Main Board subject to the fulfillment of the eligibility criteria for listing of specified securities laid down by the Main Board.

OR

(b) If the Paid up Capital of the company is more than 10 crores but below ₹25 crores, the Company may still apply for migration to the main board if the same has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the Promoter in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal.

## **2.7 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 OFFER**

**Each Bidder/ Applicant should check whether it is eligible to apply under applicable law.** Furthermore, certain categories of Bidders/ Applicants, such as NRIs, FII's, FPIs and FVCIs may not be allowed to Bid/ Apply in the Issue or to hold Equity Shares, in excess of certain limits specified under applicable law. Bidders/ Applicants are requested to refer to the RHP/ Prospectus for more details.

Subject to the above, an illustrative list of Bidders/ Applicants is as follows:

- Indian national's resident in India who are competent to contract under the Indian Contract Act, 1872, in single or joint names (not more than three);
- Bids/ Applications belonging to an account for the benefit of a minor (under guardianship);
- Hindu Undivided Families or HUFs, in the individual name of the Karta. The Bidder/ Applicant should specify that the Bid is being made in the name of the HUF in the Bid-cum-Application Form/ Application Form as follows: "Name of sole or first Bidder/ Applicant: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta". Bids/Applications by HUFs may be considered at par with Bids/ Applications from individuals;
- Companies and corporate bodies registered under applicable law in India and authorised to invest in equity shares;
- QIBs;
- NRIs on a repatriation basis or on a non-repatriation basis subject to applicable law;
- Indian financial institutions, regional rural banks, co-operative banks (subject to RBI regulations and the SEBI (ICDR) Regulations and other laws, as applicable);
- FIIs and sub-accounts registered with SEBI, other than a sub-account which is a foreign corporate or foreign individual, bidding under the QIBs category;
- Sub-accounts of FIIs registered with SEBI, which are foreign corporates or foreign individuals only under the Non Institutional Investors (NIIs) category;
- FPIs other than Category III foreign portfolio investors bidding under the QIBs category;
- FPIs which are Category III foreign portfolio investors, bidding under the NIIs category;
- Trusts/ societies registered under the Societies Registration Act, 1860, or under any other law relating to trusts/ societies and who are authorised under their respective constitutions to hold and invest in equity shares;
- Limited liability partnerships registered under the Limited Liability Partnership Act, 2008; and
- Any other person eligible to Bid/ Apply in the Issue, under the laws, rules, regulations, guidelines and policies applicable to them and under Indian laws.

As per the existing regulations, OCBs are not allowed to participate in an Issue.

**SECTION 4: APPLYING IN THE ISSUE**

**Book Built Issue:** Bidders should only use the specified Bid-cum-Application Form either bearing the stamp of a member of the Syndicate or bearing a stamp of the Registered Broker or stamp of SCSBs as available or downloaded from the websites of the Stock Exchanges.

Bid-cum-Application Forms are available with the members of the Syndicate, Registered Brokers, Designated branches of the SCSBs and at the registered office of the Issue. Electronic Bid-cum-Application Forms will be available on the websites of the Stock Exchanges at least one (1) day prior to the Bid/ Issue Opening Date. For further details regarding availability of Bid-cum-Application Forms, Bidders may refer to the RHP/ Prospectus.

**Fixed Price Issue:** Applicants should only use the specified Bid-cum-Application Form either bearing the stamp of Collection Bank(s) or SCSBs as available or downloaded from the websites of the Stock Exchanges. Bid-cum-Application Forms are available with the branches of Collection Banks or Designated Branches of the SCSBs and at the registered office of the Issue. For further details regarding availability of Bid-cum-Application Forms, Applicants may refer to the Prospectus.

Bidders/ Applicants should ensure that they apply in the appropriate category. The prescribed color of the Bid-cum-Application Form for various categories of Bidders/ Applicants is as follows:

Category	Colour of Bid-cum-Application Form *
Resident Indians and Eligible NRIs applying on a non-repatriation basis	White
Eligible NRIs, FIIs, FPIs, QFIs or FVCIs, registered Multilateral and Bilateral Development Financial Institutions applying on a repatriation basis	Blue

\* Excluding electronic Bid-cum-Application Form

Securities Issued in an IPO can only be in dematerialized form in compliance with Section 29 of the Companies Act, 2013. Bidders/ 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 BID-CUM-APPLICATION FORM/APPLICATION FORM

Bidders may note that forms not filled completely or correctly as per instructions provided in this GID, the RHP and the Bid-cum-Application Form/ Application Form are liable to be rejected.

Instructions to fill each field of the Bid-cum-Application Form can be found on the reverse side of the Bid-cum-Application Form. Specific instructions for filling various fields of the Resident Bid-cum-Application Form and Non-Resident Bid-cum-Application Form and samples are provided below.

The samples of the Bid-cum-Application Form for resident Bidders and the Bid-cum-Application Form for non-resident Bidders are reproduced below:

**R- Bid-cum-Application Form**

<p style="writing-mode: vertical-rl; transform: rotate(180deg);">TEAR HERE</p>	<p><b>COMMON BID CUM APPLICATION FORM</b></p>	<p align="center"><b>XYZ LIMITED - INITIAL PUBLIC ISSUE - R</b></p> <p>Address : ..... Contact Details : ..... CIN No .....</p>	<p align="center"><b>FOR RESIDENT INDIANS, INCLUDING RESIDENT QIB, AND ELIGIBLE NRI, APPLYING ON A NON-REPATRIATION BASIS</b></p>																																																															
<p style="writing-mode: vertical-rl; transform: rotate(180deg);">PLEASE FILL IN BLOCK LETTERS</p>	<p>LOGO</p> <p align="center">TO, THE BOARD OF DIRECTORS XYZ LIMITED</p>	<p align="center"><b>BOOK BUILT ISSUE</b></p> <p>ISIN : .....</p>	<p>Bid cum Application Form No. _____</p>																																																															
<p style="writing-mode: vertical-rl; transform: rotate(180deg);">TEAR HERE</p>	<p><b>SYNDICATE MEMBER'S STAMP &amp; CODE</b></p>	<p><b>BROKER/SCSB/DP/RTA STAMP &amp; CODE</b></p>	<p><b>1. NAME &amp; CONTACT DETAILS OF SOLE / FIRST BIDDER</b></p> <p>Mr / Ms _____</p> <p>Address _____</p> <p>_____ Email _____</p> <p>Tel. No (with STD code) / Mobile _____</p>																																																															
<p><b>SUB-BROKER'S / SUB-AGENT'S STAMP &amp; CODE</b></p>	<p><b>ESCROW BANK/SCSB BRANCH STAMP &amp; CODE</b></p>	<p><b>2. PAN OF SOLE / FIRST BIDDER</b></p> <p>_____</p>																																																																
<p><b>BANK BRANCH SERIAL NO.</b></p>	<p><b>SCSB SERIAL NO.</b></p>	<p><b>3. BIDDER'S DEPOSITORY ACCOUNT DETAILS</b>    <input type="checkbox"/> NSDL    <input type="checkbox"/> CDSL</p> <p><small>For NSDL, enter 8 digit DP ID followed by 8 digit Client ID / For CDSL, enter 16 digit Client ID</small></p>																																																																
<p><b>4. BID OPTIONS (ONLY RETAIL INDIVIDUAL BIDDERS CAN BID AT "CUT-OFF")</b></p> <table border="1" style="width:100%; border-collapse: collapse; font-size: 8px;"> <thead> <tr> <th rowspan="2">Bid Options</th> <th colspan="8">No. of Equity Shares Bid (In Figures) <small>(Bids must be in multiples of Bid Lot as advertised)</small></th> <th colspan="3">Price per Equity Share (₹) / "Cut-off" <small>(Price in multiples of ₹ 1/- only) (In Figures)</small></th> <th rowspan="2">"Cut-off" Please tick</th> </tr> <tr> <th>8</th><th>7</th><th>6</th><th>5</th><th>4</th><th>3</th><th>2</th><th>1</th> <th>Bid Price</th><th>Retail Discumt</th><th>Net Price</th> </tr> </thead> <tbody> <tr> <td>Option 1</td> <td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td> <td></td><td></td><td></td> <td><input type="checkbox"/></td> </tr> <tr> <td>(OR) Option 2</td> <td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td> <td></td><td></td><td></td> <td><input type="checkbox"/></td> </tr> <tr> <td>(OR) Option 3</td> <td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td> <td></td><td></td><td></td> <td><input type="checkbox"/></td> </tr> </tbody> </table>		Bid Options	No. of Equity Shares Bid (In Figures) <small>(Bids must be in multiples of Bid Lot as advertised)</small>								Price per Equity Share (₹) / "Cut-off" <small>(Price in multiples of ₹ 1/- only) (In Figures)</small>			"Cut-off" Please tick	8	7	6	5	4	3	2	1	Bid Price	Retail Discumt	Net Price	Option 1												<input type="checkbox"/>	(OR) Option 2												<input type="checkbox"/>	(OR) Option 3												<input type="checkbox"/>	<p><b>5. CATEGORY</b></p> <p><input type="checkbox"/> Retail Individual Bidder</p> <p><input type="checkbox"/> Non-Institutional Bidder</p> <p><input type="checkbox"/> QIB</p>	
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#### 4.1.1 FIELD NUMBER 1: NAME AND CONTACT DETAILS OF THE SOLE/ FIRST BIDDER/ APPLICANT

- (a) Bidders/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:** Bidders/ Applicants should note that the name and address fields are compulsory and e-mail and/ or telephone number/mobile number fields are optional. Bidders/ Applicants should note that the contact details mentioned in the Bid-cum-Application Form/ Application Form may be used to dispatch communications (including refund orders and letters notifying the unblocking of the bank accounts of ASBA Bidders/ 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 Bid-cum-Application Form may be used by the Issue, the members of the Syndicate, the Registered Broker and the Registrar to the Issue only for correspondence(s) related to an Issue and for no other purposes.
- (c) **Joint Bids/ Applications:** In the case of joint Bids/ applications, the Bids/ applications should be made in the name of the Bidder/ 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 Bidder/ Applicant would be required in the Bid-cum-Application Form/ Application Form and such first Bidder/ Applicant would be deemed to have signed on behalf of the joint holders. All payments may be made out in favor of the Bidder/ Applicant whose name appears in the Bid-cum-Application Form/ Application Form or the Revision Form and all communications may be addressed to such Bidder/ Applicant and may be dispatched to his or her address as per the Demographic Details received from the Depositories.
- (d) **Impersonation:** Attention of the Bidders/ 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 (6) months extending up to ten (10) years (provided that where the fraud involves public interest, such term shall not be less than three (3) years) and fine of an amount not less than the amount involved in the fraud, extending up to three (3) times of such amount.

- (e) **Nomination Facility to Bidder/ 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 Bidders/ Applicants should inform their respective DP.

#### 4.1.2 FIELD NUMBER 2: PAN NUMBER OF SOLE/FIRST BIDDER/APPLICANT

- (a) PAN (of the sole/ first Bidder/ Applicant) provided in the Bid-cum-Application Form/ 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 Bids/ Applications on behalf of the Central or State Government, Bids/ Applications by officials appointed by the courts and Bids/ Applications by Bidders/ Applicants residing in Sikkim ("**PAN Exempted Bidders/ Applicants**"). Consequently, all Bidders/ Applicants, other than the PAN Exempted Bidders/ Applicants, are required to disclose their PAN in the Bid-cum-

- Application Form/ Application Form, irrespective of the Bid/ Application Amount. A Bid-cum-Application Form/ Application Form without PAN, except in case of Exempted Bidders/ Applicants, is liable to be rejected. Bids/ Applications by the Bidders/ 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 Bidders/ 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) Bid-cum-Application Forms/ Application Forms which provide the General Index Registration (GIR) Number instead of PAN may be rejected.
  - (e) Bids/ Applications by Bidders 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: BIDDERS/ APPLICANTS DEPOSITORY ACCOUNT DETAILS

- (a) Bidders/ Applicants should ensure that DP ID and the Client ID are correctly filled in the Bid-cum-Application Form/ Application Form. The DP ID and Client ID provided in the Bid-cum-Application Form/ Application Form should match with the DP ID and Client ID available in the Depository database, **otherwise, the Bid-cum-Application Form/Application Form is liable to be rejected.**
- (b) Bidders/ Applicants should ensure that the beneficiary account provided in the Bid-cum-Application Form/Application Form is active.
- (c) Bidders/ Applicants should note that on the basis of DP ID and Client ID as provided in the Bid-cum-Application Form/ Application Form, the Bidder/ Applicant may be deemed to have authorized the Depositories to provide to the Registrar to the Issue, any requested Demographic Details of the Bidder/ Applicant as available on the records of the depositories. These Demographic Details may be used, among other things, for giving refunds and allocation advice (including through physical refund warrants, direct credit, NECS, NEFT and RTGS), or unblocking of ASBA Account or for other correspondence(s) related to an Issue. Please note that refunds on account of our Company not receiving the minimum subscription of 90% of the Issue, shall be credited only to the bank account from which the Bid Amount was remitted to the Escrow Bank.
- (d) Bidders/ 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 Bidders/Applicants' sole risk.

#### 4.1.4 FIELD NUMBER 4: BID OPTIONS

- (a) Price or Floor Price or Price Band, minimum Bid Lot and Discount (if applicable) may be disclosed in the DRHP by the Issuer. The Issuer is required to announce the Floor Price or Price Band, minimum Bid Lot and Discount (if applicable) by way of an advertisement in at least one English, one Hindi and one regional newspaper, with wide circulation, at least five Working Days before Bid/Issue Opening Date in case of an IPO, and at least one Working Day before Bid/Issue Opening Date in case of an FPO.
- (b) The Bidders may Bid at or above Floor Price or within the Price Band for IPOs undertaken through the Book Building Process. Cut-Off Price: Retail Individual Investors or Employees or Retail Individual Shareholders can Bid at the Cut off Price indicating their agreement to Bid for and purchase the Equity Shares at the Issue Price as determined at the end of the Book Building Process. Bidding at the Cut-off Price is prohibited for QIBs and NIIs and such Bids from QIBs and NIIs may be rejected.
- (c) Minimum Bid Value and Bid Lot: The Issuer in consultation with the BRLM may decide the minimum number of Equity Shares for each Bid to ensure that the minimum Bid value is within the range of above ₹1,00,000. The minimum Bid Lot is accordingly determined by an Issuer on basis of such minimum Bid value.
- (d) Allotment: The Allotment of specified securities to each RII shall not be less than the minimum Bid Lot, subject to availability of shares in the RII category, and the remaining available shares, if any, shall be Allotted on a proportionate basis. For details of the Bid Lot, Bidders may to the Red Herring Prospectus or the advertisement regarding the Price Band published by the Issuer.

#### 4.1.4.1 Maximum and Minimum Bid Size

**(a) For Retail Individual Bidder**

The Bid must be for a minimum of [●] Equity Shares. As the Bid Price payable by the Retail Individual Bidders cannot exceed ₹2,00,000, they can make Bid for only minimum size i.e. for [●] Equity Shares.

**(b) For Other Bidders (Non-Institutional Bidders and QIBs):**

- i. The Bid must be for a minimum of such number of Equity Shares such that the Bid Amount exceeds ₹200,000 and in multiples of [●] Equity Shares thereafter. A Bid cannot be submitted for more than the Issue Size. However, the maximum Bid by a QIB investor should not exceed the investment limits prescribed for them by applicable laws. Under existing SEBI Regulations, a QIB cannot withdraw its Bid after the Issue Closing Date and is required to pay 100% QIB Margin upon submission of Bid. In case of revision in Bids, the Non Institutional Bidders, who are individuals, have to ensure that the Bid Amount is greater than ₹2,00,000 for being considered for allocation in the Non Institutional Portion. Bidders are advised to ensure that any single Bid-cum-Application from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in the RHP/Prospectus.
- ii. In case the Bid Amount reduces to ₹200,000 or less due to a revision of the Price Band, Bids by the Non-Institutional Bidders who are eligible for allocation in the Retail Category would be considered for allocation under the Retail Category.
- iii. The price and quantity options submitted by the Bidder in the Bid-cum-Application Form may be treated as optional bids from the Bidder and may not be cumulated. After determination of the Issue Price, the number of Equity Shares Bid for by a Bidder at or above the Issue Price may be considered for allotment and the rest of the Bid(s), irrespective of the Bid Amount may automatically become invalid. This is not applicable in case of FPOs undertaken through Alternate Book Building Process.

#### 4.1.4.2 Multiple Bids

- (a) Bidder should submit only one Bid-cum-Application Form. Bidder shall have the option to make a maximum of Bids at three different price levels in the Bid-cum-Application Form and such options are not considered as multiple Bids. Submission of a second Bid-cum-Application Form to either the same or to another member of the Syndicate, SCSB or Registered Broker and duplicate copies of Bid-cum-Application Forms bearing the same application number shall be treated as multiple Bids and are liable to be rejected.
- (b) Bidders are requested to note the following procedures may be followed by the Registrar to the Issue to detect multiple Bids:
  - i. All Bids may be checked for common PAN as per the records of the Depository. For Bidders other than Mutual Funds and FII sub-accounts, Bids bearing the same PAN may be treated as multiple Bids by a Bidder and may be rejected.
  - ii. For Bids from Mutual Funds and FII sub-accounts, submitted under the same PAN, as well as Bids on behalf of the PAN Exempted Bidders, the Bid-cum-Application Forms may be checked for common DP ID and Client ID. Such Bids which have the same DP ID and Client ID may be treated as multiple Bids and are liable to be rejected.
- (c) The following Bids may not be treated as multiple Bids:
  - i. Bids by Reserved Categories Bidding in their respective Reservation Portion as well as bids made by them in the Issue portion in public category.
  - ii. Separate Bids by Mutual Funds in respect of more than one scheme of the Mutual Fund provided that the Bids clearly indicate the scheme for which the Bid has been made.
  - iii. Bids by Mutual Funds, and sub-accounts of FIIs (or FIIs and its sub-accounts) submitted with the same PAN but with different beneficiary account numbers, Client IDs and DP IDs.

#### 4.1.5 FIELD NUMBER 5: CATEGORY OF BIDDERS

- (a) The categories of Bidders identified as per the SEBI (ICDR) Regulations, 2009 for the purpose of Bidding, allocation and allotment in the Issue are RIIs, NIIs and QIBs.
- (b) An Issuer can make reservation for certain categories of Bidders as permitted under the SEBI (ICDR) Regulations, 2009. For details of any reservations made in the Issue, Bidders may refer to the RHP.
- (c) The SEBI (ICDR) Regulations, 2009, specify the allocation or allotment that may be made to various categories of Bidders in an Issue depending upon compliance with the eligibility conditions. Details pertaining to allocation are disclosed on reverse side of the Revision Form. For Issue specific details in relation to allocation Bidder may refer to the RHP.

#### 4.1.6 FIELD NUMBER 6: INVESTOR STATUS

- (a) Each Bidder 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 Bidder, such as NRIs, FPIs and FVCIs may not be allowed to Bid/apply in the Issue or hold Equity Shares exceeding certain limits specified under applicable law. Bidders are requested to refer to the Red Herring Prospectus for more details.
- (c) Bidders 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 Bid-cum-Application Form and Non-Resident Bid-cum-Application Form.
- (d) Bidders should ensure that their investor status is updated in the Depository records.

#### 4.1.7 FIELD 7: PAYMENT DETAILS

- (a) The full Bid Amount (net of any Discount, as applicable) shall be blocked in the ASBA Account based on the authorisation provided in the ASBA Form. If discount is applicable in the Issue, the RIIs should indicate the full Bid Amount in the Bid-cum-Application Form and the funds shall be blocked for the Bid Amount net of Discount. Only in cases where the RHP indicates that part payment may be made, such an option can be exercised by the Bidder. In case of Bidders specifying more than one Bid Option in the Bid-cum-Application Form, the total Bid Amount may be calculated for the highest of three options at net price, i.e. Bid price less Discount offered, if any.
- (b) Bid Amount cannot be paid in cash, through money order or through postal order or through stock invest.
- (c) Bidders who Bid at Cut-off Price shall DEPOSIT the Bid Amount based on the Cap Price.
- (d) All Bidders can participate in the Issue only through the ASBA mechanism.
- (e) Please note that, providing bank account details in the space provided in the Bid-cum-Application Form is mandatory and Applications that do not contain such details are liable to be rejected.

##### 4.1.7.1 Payment instructions for Bidders

- a) Bidders may submit the ASBA Form either
  - i. 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 Bid-cum-Application Form, or
  - ii. in physical mode to any Designated Intermediary.
- b) Bidders must specify the Bank Account number in the Bid-cum-Application Form. The Bid-cum-Application Form submitted by Bidder 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.
- c) Bidders should ensure that the Bid-cum-Application Form is also signed by the ASBA Account holder(s) if the Bidder is not the ASBA Account holder.
- d) Bidders shall note that for the purpose of blocking funds under ASBA facility clearly demarcated funds shall be available in the account.
- e) From one ASBA Account, a maximum of five Bid-cum-Application Forms can be submitted.
- f) Bidders should submit the Bid-cum-Application Form only at the Bidding Centre i.e to the respective member of the Syndicate at 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
- g) Bidders bidding through a Designated Intermediary, other than a SCSB, should note that ASBA Forms

- submitted to such Designated Intermediary may not be accepted, if the SCSB where the ASBA Account, as specified in the Bid-cum-Application Form, is maintained has not named at least one branch at that location for such Designated Intermediary, to deposit ASBA Forms.
- h) Bidders bidding directly through the SCSBs should ensure that the ASBA Form is submitted to a Designated Branch of a SCSB where the ASBA Account is maintained.
  - i) Upon receipt of the ASBA Form, the Designated Branch of the SCSB may verify if sufficient funds equal to the Bid Amount are available in the ASBA Account, as mentioned in the Bid-cum-Application Form.
  - j) If sufficient funds are available in the ASBA Account, the SCSB may block an amount equivalent to the Bid Amount mentioned in the ASBA Form and for application directly submitted to SCSB by investor, may enter each Bid option into the electronic bidding system as a separate Bid.
  - k) If sufficient funds are not available in the ASBA Account, the Designated Branch of the SCSB may not accept such Bids and such bids are liable to be rejected.
  - l) Upon submission of a completed ASBA Form each Bidder may be deemed to have agreed to block the entire Bid Amount and authorized the Designated Branch of the SCSB to block the Bid Amount specified in the ASBA Form in the ASBA Account maintained with the SCSBs
  - m) The Bid Amount may remain blocked in the aforesaid ASBA Account until finalisation of the Basis of Allotment and consequent transfer of the Bid 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 Bid, as the case may be.
  - n) SCSBs bidding in the Issue must apply through an Account maintained with any other SCSB; else their Bids 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 may provide the following details to the controlling branches of each SCSB, along with instructions to unblock the relevant bank accounts and for successful Bids 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 Bid, (ii) the amount to be transferred from the relevant bank account to the Public Issue Account, for each Bid, (iii) the date by which funds referred to in (ii) above may be transferred to the Public Issue Account, and (iv) details of rejected Bids, 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 Bidder 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 ASBA Form and for unsuccessful Bids, the Registrar to the Issue may give instructions to the SCSB to unblock the Bid Amount in the relevant ASBA Account within six (6) Working Days of the Bid/Issue Closing Date.
- (d) In the event of withdrawal or rejection of the Bid-cum-Application Form and for unsuccessful Bidders, the Registrar to the Issue may give instructions to the SCSB to unblock the Bid Amount in the relevant ASBA Account within six (6) Working Days of the Bid/Issue Closing Date.

#### **4.1.7.2 Discount (if applicable)**

- (a) The Discount is stated in absolute rupee terms.
- (b) Bidders applying under RII category, Retail Individual Shareholder and employees are only eligible for discount. For Discounts offered in the Issue, Bidders may refer to the RHP/Prospectus.
- (c) The Bidders entitled to the applicable Discount in the Issue may make payment for an amount i.e. the Bid Amount less Discount (if applicable).

Bidder may note that in case the net payment (post Discount) is more than two lakh Rupees, the bidding system automatically considers such Bids for allocation under Non-Institutional Category. These Bids are neither eligible for Discount nor fall under RII category.

#### **4.1.7.3 Additional Payment Instructions for NRIs**

The Non-Resident Indians who intend to block funds through Non-Resident Ordinary (NRO) accounts shall use the form meant for Resident Indians (non-repatriation basis). In the case of Bids by NRIs applying on a repatriation basis, payment shall not be accepted out of NRO Account.



#### **4.1.8 FIELD NUMBER 8: SIGNATURES AND OTHER AUTHORISATIONS**

- (a) Only the First Bidder is required to sign the Bid-cum-Application Form. Bidders 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 Bidder., then the Signature of the ASBA Account holder(s) is also required.
- (c) In relation to the Bids, signature has to be correctly affixed in the authorization/undertaking box in the Bid-cum-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 Bid/ amount mentioned in the Bid-cum-Application Form.
- (d) Bidders must note that Bid-cum-Application Form without signature of Bidder and /or ASBA Account holder is liable to be rejected.

#### **ACKNOWLEDGEMENT AND FUTURE COMMUNICATION**

- (a) Bidders should ensure that they receive the acknowledgment duly signed and stamped by Bid Collecting Intermediary or SCSB, as applicable, for submission of the Bid-cum-Application Form.
- (b) All communications in connection with Bid made in the Issue should be addressed as under:
  - i. In case of queries related to Allotment, non-receipt of Allotment Advice, credit of allotted equity shares, the Bidders should contact the Registrar to the Issue.
  - ii. In case of ASBA Bids submitted to the Designated Branches of the SCSBs, the Bidders should contact the relevant Designated Branch of the SCSB.
  - iii. Bidders may contact the Company Secretary and Compliance Officer or BRLM in case of any other complaints in relation to the Issue.
  - iv. In case of queries relating to uploading of Bids by a Syndicate Member, the Bidders should contact the relevant Syndicate Member.
  - v. In case of queries relating to uploading of Bids by a Registered Broker, the Bidders should contact the relevant Registered Broker
  - vi. In case of Bids submitted to the RTA, the Bidders should contact the relevant RTA.
  - vii. In case of Bids submitted to the DP, the Bidders should contact the relevant DP.
- (c) The following details (as applicable) should be quoted while making any queries:
  - i. Full name of the sole or First Bidder, Bid-cum-Application Form number, Bidder' DP ID, Client ID, PAN, number of Equity Shares applied for, amount paid on Bid.
  - ii. name and address of the Designated Intermediary, where the Bid was submitted; or

For further details, Bidder may refer to the Red Herring Prospectus and the Bid-cum-Application Form.

#### **4.2 INSTRUCTIONS FOR FILING THE REVISION FORM**

- (a) During the Bid/Issue Period, any Bidder (other than QIBs and NIIs, who can only revise their Bid amount upwards) who has registered his or her interest in the Equity Shares for a particular number of shares is free to revise number of shares applied using revision forms available separately.
- (b) RII may revise / withdraw their Bid till closure of the Bid/Issue period.
- (c) Revisions can be made only in the desired number of Equity Shares by using the Revision Form.
- (d) The Bidder can make this revision any number of times during the Bid/Issue Period. However, for any revision(s) in the Bid, the Bidders will have to use the services of the SCSB through which such Bidder had placed the original Bid.

A sample Revision form is reproduced below:

Other than instructions already highlighted at paragraph 4.1 above, point wise instructions regarding filling up various fields of the Revision Form are provided below:

Revision Form – R

<b>COMMON BID REVISION FORM</b>	<b>XYZ LIMITED - INITIAL PUBLIC ISSUE - R</b> Address : ..... Contact Details: ..... CIN No. ....	<b>FOR RESIDENT INDIANS, INCLUDING RESIDENT QIBs, AND ELIGIBLE NRI, APPLYING ON A NON-REPATRIATION BASIS</b>
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LOGO **TO, THE BOARD OF DIRECTORS XYZ LIMITED**

**BOOK BUILT ISSUE**  
**ISIN : .....**

**Bid cum Application Form No.**  

<b>SYNDICATE MEMBER'S STAMP &amp; CODE</b>	<b>BROKER/SCSB/DP/RTA STAMP &amp; CODE</b>	<b>1. NAME &amp; CONTACT DETAILS OF SOLE / FIRST BIDDER</b> Mr./Ms. _____ Address _____ Tel. No (with STD code) / Mobile _____ Email _____
<b>SUB-BROKER'S / SUB-AGENT'S STAMP &amp; CODE</b>	<b>ESCB/RTA BANK/SCSB BRANCH STAMP &amp; CODE</b>	<b>2. PAN OF SOLE / FIRST BIDDER</b> _____
<b>BANK BRANCH SERIAL NO.</b>	<b>SCSB SERIAL NO.</b>	<b>3. BIDDER'S DEPOSITORY ACCOUNT DETAILS</b> <input type="checkbox"/> NSDL <input type="checkbox"/> CDSL <small>For NSDL, enter 8 digit DP ID followed by 8 digit Client ID / For CDSL, enter 16 digit Client ID</small>

**PLEASE CHANGE MY BID**

**4. FROM (AS PER LAST BID OR REVISION)**

Bid Options	No. of Equity Shares Bid (Bids must be in multiples of Bid Lot as advertised) (In Figures)	Price per Equity Share (₹) "Cut-off" (Price in multiples of ₹ 1/- only) (In Figures)			
		Bid Price	Retail Discount	Net Price	"Cut-off" (Please tick)
Option 1	8   7   6   5   4   3   2   1	3   2   1	3   2   1	3   2   1	<input type="checkbox"/>
(OR) Option 2	8   7   6   5   4   3   2   1	3   2   1	3   2   1	3   2   1	<input type="checkbox"/>
(OR) Option 3	8   7   6   5   4   3   2   1	3   2   1	3   2   1	3   2   1	<input type="checkbox"/>

**5. TO (Revised Bid) (Only Retail Individual Bidders can Bid at "Cut-off")**

Bid Options	No. of Equity Shares Bid (Bids must be in multiples of Bid Lot as advertised) (In Figures)	Price per Equity Share (₹) "Cut-off" (Price in multiples of ₹ 1/- only) (In Figures)			
		Bid Price	Retail Discount	Net Price	"Cut-off" (Please tick)
Option 1	8   7   6   5   4   3   2   1	3   2   1	3   2   1	3   2   1	<input type="checkbox"/>
(OR) Option 2	8   7   6   5   4   3   2   1	3   2   1	3   2   1	3   2   1	<input type="checkbox"/>
(OR) Option 3	8   7   6   5   4   3   2   1	3   2   1	3   2   1	3   2   1	<input type="checkbox"/>

**6. PAYMENT DETAILS** PAYMENT OPTION : FULL PAYMENT  PART PAYMENT

Additional Amount Paid (₹ in figures) \_\_\_\_\_ (₹ in words) \_\_\_\_\_

ASBA Bank A/c No. \_\_\_\_\_

Bank Name & Branch \_\_\_\_\_

I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY AGREE AND CONFIRM THE TERMS UNDERLINE AGAINST OVERLEAF I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ THE INSTRUCTIONS FOR FILLING UP THE BID REVISION FORM GIVEN OVERLEAF.

<b>7A. SIGNATURE OF SOLE / FIRST BIDDER</b> Date : _____	<b>7B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(S) (AS PER BANK RECORDS)</b> <small>I/We authorize the SCSB to debit into as any necessary to make the Application in the line</small> 1) _____ 2) _____ 3) _____	<b>BROKER / SCSB / DP / RTA STAMP</b> (Acknowledging upload of Bid in Stock Exchange system)
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TEAR HERE

<b>LOGO</b>	<b>XYZ LIMITED</b> <b>BID REVISION FORM - INITIAL PUBLIC ISSUE - R</b>	<b>Acknowledgement Slip for Broker/SCSB/DP/RTA</b>	<b>Bid cum Application Form No.</b> <span style="border: 1px solid black; padding: 2px 20px;"> </span>
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PAN of Sole / First Bidder \_\_\_\_\_

DPID / CLID _____	Additional Amount Paid (₹) _____	Bank & Branch _____	Stamp & Signature of SCSB Branch _____
ASBA Bank A/c No. _____	<b>ACKNOWLEDGEMENT SLIP</b>		
Received from Mr./Ms. _____			
Telephone / Mobile _____	Email _____		

TEAR HERE

<b>XYZ LIMITED</b> <b>BID REVISION FORM - INITIAL PUBLIC ISSUE - R</b>	<table border="1" style="width:100%; border-collapse: collapse;"> <tr> <th>Option 1</th> <th>Option 2</th> <th>Option 3</th> </tr> <tr> <td>No. of Equity Shares</td> <td>8   7   6   5   4   3   2   1</td> <td>8   7   6   5   4   3   2   1</td> </tr> <tr> <td>Bid Price</td> <td>3   2   1</td> <td>3   2   1</td> </tr> <tr> <td>Additional Amount Paid (₹)</td> <td colspan="2">_____</td> </tr> <tr> <td>ASBA Bank A/c No. _____</td> <td colspan="2"></td> </tr> <tr> <td>Bank &amp; Branch _____</td> <td colspan="2"></td> </tr> </table>	Option 1	Option 2	Option 3	No. of Equity Shares	8   7   6   5   4   3   2   1	8   7   6   5   4   3   2   1	Bid Price	3   2   1	3   2   1	Additional Amount Paid (₹)	_____		ASBA Bank A/c No. _____			Bank & Branch _____			Stamp & Signature of Broker / SCSB / DP / RTA _____	Name of Sole / First Bidder _____
Option 1	Option 2	Option 3																			
No. of Equity Shares	8   7   6   5   4   3   2   1	8   7   6   5   4   3   2   1																			
Bid Price	3   2   1	3   2   1																			
Additional Amount Paid (₹)	_____																				
ASBA Bank A/c No. _____																					
Bank & Branch _____																					
			<b>Acknowledgement Slip for Bidder</b>																		
			<b>Bid cum Application Form No.</b> <span style="border: 1px solid black; padding: 2px 20px;"> </span>																		

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 BIDDER, PAN OF SOLE/FIRST BIDDER & DEPOSITORY ACCOUNT DETAILS OF THE BIDDER**

Bidders should refer to instructions contained in paragraphs 4.1.1, 4.1.2 and 4.1.3.

**4.2.2 FIELD 4 & 5: BID OPTIONS REVISION 'FROM' AND 'TO'**

- (a) Apart from mentioning the revised number of shares in the Revision Form, the Bidder must also mention the details of shares applied/bid for given in his or her Bid-cum-Application Form or earlier Revision Form. For example, if a Bidder has Bid for three options in the Bid-cum-Application Form and such Bidder is changing only one of the options in the Revision Form, the Bidder must still fill the details of the other two options that are not being revised, in the Revision Form. The members of the Syndicate, the Registered Brokers and the Designated Branches of the SCSBs may not accept incomplete or inaccurate Revision Forms.
- (b) In case of revision, Bid options should be provided by Bidders in the same order as provided in the Bid-cum-Application Form.
- (c) In case of revision of Bids by RIIs, Employees and Retail Individual Shareholders, such Bidders should ensure that the Bid Amount, subsequent to revision, does not exceed ₹ 200,000. In case the Bid Amount exceeds ₹ 200,000 due to revision of the Bid or for any other reason, the Bid may be considered, subject to eligibility, for allocation under the Non-Institutional Category, not being eligible for Discount (if applicable) and such Bid may be rejected if it is at the Cut-off Price. The Cut-off Price option is given only to the RIIs, Employees and Retail Individual Shareholders indicating their agreement to Bid for and purchase the Equity Shares at the Issue Price as determined at the end of the Book Building Process.
- (d) In case the total amount (i.e., original Bid Amount plus additional payment) exceeds ₹ 200,000, the Bid will be considered for allocation under the Non-Institutional Category in terms of the RHP. If, however, the RII does not either revise the Bid or make additional payment and the Issue Price is higher than the cap of the Price Band prior to revision, the number of Equity Shares Bid for shall be adjusted downwards for the purpose of allocation, such that no additional payment would be required from the RII and the RII is deemed to have approved such revised Bid at Cut-off Price.
- (e) In case of a downward revision in the Price Band, RIIs and Bids by Employees under the Reservation Portion, who have bid at the Cut-off Price could either revise their Bid or the excess amount paid at the time of Bidding may be unblocked in case of Bidders.

**4.2.3 FIELD 6: PAYMENT DETAILS**

- a) All Bidders are required to make payment of the full Bid Amount (less Discount, if applicable) along with the Bid Revision Form. In case of Bidders specifying more than one Bid Option in the Bid-cum-Application Form, the total Bid Amount may be calculated for the highest of three options at net price, i.e. Bid price less discount offered, if any.
- b) Bidder may Issue instructions to block the revised amount based on cap of the revised Price Band (adjusted for the Discount (if applicable) in the ASBA Account, to the same Designated Intermediary through whom such Bidder had placed the original Bid to enable the relevant SCSB to block the additional Bid Amount, if any.
- c) In case the total amount (i.e., original Bid Amount less discount (if applicable) plus additional payment) exceeds ₹ 200,000, the Bid may be considered for allocation under the Non-Institutional Category in terms of the RHP. If, however, the Bidder does not either revise the Bid or make additional payment and the Issue Price is higher than the cap of the Price Band prior to revision, the number of Equity Shares Bid for may be adjusted downwards for the purpose of Allotment, such that additional amount is required blocked and the Bidder is deemed to have approved such revised Bid at the Cut-off Price.
- d) In case of a downward revision in the Price Band, RIIs, Employees and Retail Individual Shareholders, who have bid at the Cut-off Price, could either revise their Bid or the excess amount paid at the time of Bidding may be unblocked.

## **FIELDS 7: SIGNATURES AND ACKNOWLEDGEMENTS**

Bidders may refer to instructions contained at paragraphs 4.1.8 and 4.1.9 for this purpose.

### **4.3 SUBMISSION OF REVISION FORM/ BID-CUM-APPLICATION FORM /APPLICATION FORM**

#### **4.3.1 Bidders may submit completed Bid-cum -application form / Revision Form in the following manner:**

<b>Mode of Bid</b>	<b>Submission of Bid-cum-Application Form</b>
All investors Bids	To the Bid-cum-Application Collecting Intermediaries as mentioned in the Red Herring Prospectus/ Bid-cum-Application Form

Bidders should submit the Revision Form to the same Designated Intermediary through which such Bidders had placed the original Bid.

### **SECTION 5: INSTRUCTIONS FOR FILING APPLICATION FORM IN ISSUES MADE OTHER THAN THROUGH THE BOOK BUILDING PROCESS (FIXED PRICE ISSUE)**

This being book built issue procedure for fixed price issue is not applicable.

### **SECTION 6: ISSUE PROCEDURE IN BOOK BUILT ISSUE**

Book Building, in the context of the Issue, refers to the process of collection of Bids within the Price Band or above the Floor Price and determining the Issue Price based on the Bids received as detailed in Schedule XI of SEBI (ICDR) Regulations, 2009. The Issue Price is finalised after the Bid/Issue Closing Date. Valid Bids received at or above the Issue Price are considered for allocation in the Issue, subject to applicable regulations and other terms and conditions.

#### **6.1 SUBMISSION OF BIDS**

- a) During the Bid/Issue Period, Bidders may approach any of the Designated Intermediaries to register their Bids. Anchor Investors who are interested in subscribing for the Equity Shares should approach the BRLM, to register their Bid.
- b) In case of Bidders (excluding NIIs and QIBs) Bidding at Cut-off Price, the Bidders may instruct the SCSBs to block Bid Amount based on the Cap Price less Discount (if applicable).
- c) For Details of the timing on acceptance and upload of Bids in the Stock Exchanges Platform Bidders are requested to refer to the RHP.

#### **6.2 ELECTRONIC REGISTRATION OF BIDS**

- a) The Designated Intermediary may register the Bids using the on-line facilities of the Stock Exchanges. The Designated Intermediaries can also set up facilities for off-line electronic registration of Bids, subject to the condition that they may subsequently upload the off-line data file into the on-line facilities for Book Building on a regular basis before the closure of the issue.
- b) On the Bid/Issue Closing Date, the Designated Intermediaries may upload the Bids till such time as may be permitted by the Stock Exchanges.
- c) Only Bids that are uploaded on the Stock Exchanges Platform are considered for allocation/Allotment. The Designated Intermediaries are given till 1:00 pm on the day following the Bid/Issue Closing Date to modify select fields uploaded in the Stock Exchange Platform during the Bid/Issue Period after which the Stock Exchange(s) send the bid information to the Registrar to the Issue for further processing.

#### **6.3 BUILD UP OF THE BOOK**

- a) Bids received from various Bidders through the Designated Intermediaries may be electronically uploaded on the Bidding Platform of the Stock Exchanges' on a regular basis. The book gets built up at various price levels. This information may be available with the BRLM at the end of the Bid/Issue Period.
- b) Based on the aggregate demand and price for Bids registered on the Stock Exchanges Platform, a graphical representation of consolidated demand and price as available on the websites of the Stock Exchanges may be made available at the Bidding centres during the Bid/Issue Period.

#### 6.4 WITHDRAWAL OF BIDS

- a) RIIs can withdraw their Bids until Bid/Issue Closing Date. In case a RII wishes to withdraw the Bid during the Bid/Issue Period, the same can be done by submitting a request for the same to the concerned Designated Intermediary who shall do the requisite, including unblocking of the funds by the SCSB in the ASBA Account.
- b) The Registrar to the Issue shall give instruction to the SCSB for unblocking the ASBA Account on the Designated Date. QIBs and NIIs can neither withdraw nor lower the size of their Bids at any stage.

#### 6.5 REJECTION & RESPONSIBILITY FOR UPLOAD OF BIDS

- a) The Designated Intermediaries are individually responsible for the acts, mistakes or errors or omission in relation to:
  - i. the Bids accepted by the Designated Intermediaries;
  - ii. the Bids uploaded by the Designated Intermediaries, and
  - iii. the Bid-cum-Application forms accepted but not uploaded by the Designated Intermediaries.
- b) The BRLM and their affiliate Syndicate Members, as the case may be, may reject Bids if all the information required is not provided and the Bid-cum-Application Form is incomplete in any respect.
- c) The SCSBs shall have no right to reject Bids, except in case of unavailability of adequate funds in the ASBA account or on technical grounds.
- d) In case of QIB Bidders, only the (i) SCSBs (for Bids other than the Bids by Anchor Investors); and (ii) BRLM and their affiliate Syndicate Members (only in the Specified Locations) have the right to reject bids. However, such rejection shall be made at the time of receiving the Bid and only after assigning a reason for such rejection in writing.
- e) All bids by QIBs, NIIs & RIIs Bids can be rejected on technical grounds listed herein.

#### GROUNDS OF REJECTIONS

Bidders are advised to note that Bids are liable to be rejected inter alia on the following technical grounds:

- Amount blocked does not tally with the amount payable for the Equity Shares applied for;
- In case of partnership firms, Equity Shares may be registered in the names of the individual partners and no firm as such shall be entitled to apply;
- Bid by persons not competent to contract under the Indian Contract Act, 1872 including minors, insane persons;
- PAN not mentioned in the Bid-cum-Application Form;
- Bids at a price less than the Floor Price and Bids at a price more than the Cap Price;
- GIR number furnished instead of PAN;
- Bid for lower number of Equity Shares than specified for that category of investors;
- Bids at Cut-off Price by NIIs and QIBs;
- Submission of more than five Bid-cum-Application Forms/Application Form as through a single ASBA Account
- Bids for number of Equity Shares which are not in multiples Equity Shares which are not in multiples as specified in the RHP;
- The amounts mentioned in the Bid-cum-Application Form/Application Form does not tally with the amount payable for the value of the Equity Shares Bid/Applied for;
- Bids for lower number of Equity Shares than the minimum specified for that category of investors;
- Category not ticked;
- Multiple Bids as defined in the RHP;
- In case of Bids under power of attorney or by limited companies, corporate, trust etc., where relevant documents are not submitted;
- Bid accompanied by Stock invest/ money order/ postal order/ cash/ cheque/ demand draft/ pay order;
- Signature of sole Bidder is missing;
- Bid-cum-Application Forms not delivered by the Bidder within the time prescribed as per the Bid-cum-Application Forms, Bid/Issue Opening Date advertisement and the RHP and as per the instructions in the RHP and the Bid-cum-Application Forms;
- In case no corresponding record is available with the Depositories that matches three parameters namely, names of the Bidders (including the order of names of joint holders), the Depository Participant's identity (DP ID) and the beneficiary's account number;
- Bids for amounts greater than the maximum permissible amounts prescribed by the regulations;
- Bid by OCBs;
- Bids by US persons other than in reliance on Regulation S or "qualified institutional buyers" as defined in Rule

- 144A under the Securities Act;
- Inadequate funds in the bank account to block the Bid Amount specified in the Bid-cum-Application Form/Application Form at the time of blocking such Bid Amount in the bank account;
- Bids not uploaded on the terminals of the Stock Exchanges; and
- Where no confirmation is received from SCSB for blocking of funds
- Bids by SCSBs wherein a separate account in its own name held with any other SCSB is not mentioned as the ASBA Account in the Bid-cum-Application Form/Application Form. Bids not duly signed by the sole/First Bidder;
- Bids by any persons outside India if not in compliance with applicable foreign and Indian laws;
- Bids that do not comply with the securities laws of their respective jurisdictions are liable to be rejected;
- Bids by persons prohibited from buying, selling or dealing in the shares directly or indirectly by SEBI or any other regulatory authority;
- Bids by persons who are not eligible to acquire Equity Shares of the Company in terms of all applicable laws, rules, regulations, guidelines, and approvals;
- Details of ASBA Account not provided in the Bid-cum-Application form

For details of instructions in relation to the Bid-cum-Application Form, Bidders may refer to the relevant section the GID.

**BIDDERS SHOULD NOTE THAT IN CASE THE PAN, THE DP ID AND CLIENT ID MENTIONED IN THE BID-CUM-APPLICATION FORM AND ENTERED INTO THE ELECTRONIC APPLICATION SYSTEM OF THE STOCK EXCHANGES BY THE BIDS COLLECTING INTERMEDIARIES DO NOT MATCH WITH PAN, THE DP ID AND CLIENT ID AVAILABLE IN THE DEPOSITORY DATABASE, THE BID-CUM-APPLICATION FORM IS LIABLE TO BE REJECTED.**

#### BASIS OF ALLOCATION

- a) The SEBI (ICDR) Regulations, 2009 specify the allocation or Allotment that may be made to various categories of Bidders in an Issue depending on compliance with the eligibility conditions. Certain details pertaining to the percentage of Issue size available for allocation to each category is disclosed overleaf of the Bid-cum-Application Form and in the RHP. For details in relation to allocation, the Bidder may refer to the RHP.
- b) Under-subscription in any category (except QIB Category) is allowed to be met with spill over from any other category or combination of categories at the discretion of the Issuer and in consultation with the BRLM and the Designated Stock Exchange and in accordance with the SEBI (ICDR) Regulations, 2009. Unsubscribed portion in QIB Category is not available for subscription to other categories.
- c) In case of under subscription in the Issue, spill-over to the extent of such under-subscription may be permitted from the Reserved Portion to the Issue. For allocation in the event of an under-subscription applicable to the Issuer, Bidders may refer to the RHP.
- d) Illustration of the Book Building and Price Discovery Process Bidders should note that this example is solely for illustrative purposes and is not specific to the Issue; it also excludes Bidding by Anchor Investors.

Bidders can bid at any price within the Price Band. For instance, assume a Price Band of ₹20 to ₹24 per share, Issue size of 3,000 Equity Shares and receipt of five Bids from Bidders, details of which are shown in the table below. The illustrative book given below shows the demand for the Equity Shares of the Issuer at various prices and is collated from Bids received from various investors.

Bid Quantity	Bid Amount ( ₹)	Cumulative Quantity	Subscription
500	24	500	16.67%
1,000	23	1,500	50.00%
1,500	22	3,000	100.00%
2,000	21	5,000	166.67%
2,500	20	7,500	250.00%

The price discovery is a function of demand at various prices. The highest price at which the Issuer is able to Issue the desired number of Equity Shares is the price at which the book cuts off, i.e., ₹22.00 in the above example. The Issuer, in consultation with the BRLM, may finalise the Issue Price at or below such Cut-Off Price, i.e., at or below ₹22.00. All Bids at or above this Issue Price and cut-off Bids are valid Bids and are considered for allocation in the respective categories.

#### SECTION 6: ISSUE PROCEDURE IN FIXED PRICE ISSUE

This being Book Built Issue, this section is not applicable for this Issue.

## SECTION 7: ALLOTMENT PROCEDURE AND BASIS OF ALLOTMENT

The Allotment of Equity Shares to Bidders other than Retail Individual Investors and Anchor Investors may be on proportionate basis. For Basis of Allotment to Anchor Investors, Bidders may refer to RHP. No Retail Individual Investor will be Allotted less than the minimum Bid Lot subject to availability of shares in Retail Individual Investor Category and the remaining available shares, if any will be Allotted on a proportionate basis. The Issuer is required to receive a minimum subscription of 90% of the Issue (excluding any Issue for Sale of specified securities). However, in case the Issue is in the nature of Issue for Sale only, then minimum subscription may not be applicable.

### BASIS OF ALLOTMENT

Allotment will be made in consultation with the EMERGE Platform of NSE (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 oversubscription ratio (number of Bidders in the category x number of Shares applied for).
- (b) The number of Shares to be allocated to the successful Bidders 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 Bids where the proportionate allotment works out to less than [●] equity shares the allotment will be made as follows:
  - i. Each successful Bidder shall be allotted [●] equity shares; and
  - ii. The successful Bidder out of the total bidders for that category shall be determined by the drawl of lots in such a manner that the total number of Shares allotted in that category is equal to the number of Shares worked out as per (b) above.
- (d) If the proportionate allotment to an Bidder works out to a number that is not a multiple of [●] equity shares, the Bidder would be allotted Shares by rounding off to the nearest multiple of [●] equity shares subject to a minimum allotment of [●] equity shares.
- (e) If the Shares allotted on a proportionate basis to any category is more than the Shares allotted to the Bidders 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 Bidder in that category, the balance Shares, if any, remaining after such adjustment will be added to the category comprising Bidder applying for the minimum number of Shares. If as a result of the process of rounding off to the nearest multiple of [●] Equity Shares, results in the actual allotment being higher than the shares offered, the final allotment may be higher at the sole discretion of the Board of Directors, up to 110% of the size of the Issue specified under the Capital Structure mentioned in this RHP.
- (f) The above proportionate allotment of Shares in an Issue that is oversubscribed shall be subject to the reservation for Retail individual Bidders as described below:
  - i. As the retail individual investor category is entitled to more than fifty per cent on proportionate basis, The balance net Issue of shares to the public shall be made available for allotment to individual bidders other than retails individual investors and
  - ii. other investors, including corporate bodies/ institutions irrespective of number of shares applied for of the net Issue to any one of the categories specified in a) or b) shall/may be made available for allocation to bidders in the other category, if so required.

'Retail Individual Investor' means an investor who applies for shares of value of not more than ₹2,00,000. Investors may note that in case of over subscription allotment shall be on proportionate basis and will be finalized in consultation with NSE.

The Executive Director / Managing Director of NSE- the Designated Stock Exchange in addition to BRLM and Registrar to the Public Issue shall be responsible to ensure that the basis of allotment is finalized in a fair and proper manner in accordance with the SEBI (ICDR) Regulations.

### 7.1 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. Bidders are advised to instruct their Depository Participant to accept the Equity Shares that may be allotted to them pursuant to the Issue.

Pursuant to confirmation of such corporate actions, the Registrar will dispatch Allotment Advice to the Bidders who have been Allotted Equity Shares in the Issue.

- (c) The dispatch of Allotment Advice shall be deemed a valid, binding and irrevocable contract.
- (d) Issuer will ensure that: (i) the Allotment of Equity Shares; and (ii) initiate corporate action for credit of shares to the successful Bidders Depository Account will be completed within 4 Working Days of the Issue Closing Date. The Issuer also ensures the credit of shares to the successful Bidder depository account is completed within one Working Day from the date of Allotment, after the funds are transferred from the Public Issue Account on the Designated Date.

## SECTION 8: INTEREST AND REFUNDS

### 8.1 COMPLETION OF FORMALITIES FOR LISTING & COMMENCEMENT OF TRADING

The Issuer may ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges are taken within 6 Working Days of the Bid/Issue Closing Date. The Registrar to the Issue may give instructions for credit to Equity Shares the beneficiary account with DPs, and dispatch the Allotment Advice within 6 Working Days of the Bid/Issue Closing Date.

### 8.2 GROUNDS FOR REFUND

#### 8.2.1 NON-RECEIPT OF LISTING PERMISSION

An Issuer makes an application to the Stock Exchange(s) for permission to deal in/list and for an official quotation of the Equity Shares. All the Stock Exchanges from where such permission is sought are disclosed in Prospectus. The Designated Stock Exchange may be as disclosed in the Prospectus with which the Basis of Allotment may be finalised.

If the permissions to deal in and for an official quotation of the Equity Shares are not granted by any of the Stock Exchange(s), the Issuer may forthwith repay, without interest, all moneys received from the Bidders in pursuance of the RHP/Prospectus.

If such money is not repaid within eight days after the Issuer becomes liable to repay it, then the Issuer and every director of the Issuer who is an officer in default may, on and from such expiry of eight days, be liable to repay the money, with interest at such rate, as prescribed under Section 73 of the Companies Act, 2013 and as disclosed in the RHP.

#### 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, if the "stated minimum amount" has not been subscribed and the sum payable on application is not received within a period of 30 days from the date of the Prospectus, the application money has to be returned within such period as may be prescribed. If the Issuer does not receive the subscription of 100% of the Issue through this Issue document including devolvement of Underwriters within sixty days from the date of closure of the Issue, the Issuer shall forthwith refund the entire subscription amount received. If there is a delay beyond eight days after the Issuer becomes liable to pay the amount, the Issuer shall pay interest prescribed under section 73 of the Companies Act, 1956 (or the Company shall follow any other substitutional or additional provisions as has been or may be notified under the Companies Act, 2013).

#### 8.2.3 MINIMUM NUMBER OF ALLOTTEES

The Issuer may ensure that the number of prospective Allottees to whom Equity Shares may be allotted may not be less than 50 failing which the entire application monies may be refunded forthwith.

### 8.3 MODE OF REFUND

Within six (6) Working Days of the Bid/Issue Closing Date, the Registrar to the Issue may give instructions to SCSBs for unblocking the amount in ASBA Account on unsuccessful Bids and also for any excess amount blocked on Bids.



**8.3.1 MODE OF MAKING REFUNDS**

The Registrar to the Issue may instruct the controlling branch of the SCSB to unblock the funds in the relevant ASBA Account for any withdrawn, rejected or unsuccessful ASBA Bids or in the event of withdrawal or failure of the Issue.

**8.4 INTEREST IN CASE OF DELAY IN ALLOTMENT OR REFUND**

The Issuer may pay interest at the rate of 15% per annum /or demat credits are not made to Bidders or instructions for unblocking of funds in the ASBA Account are not dispatched within the 4 Working days of the Bid/Issue Closing Date.

The Issuer may pay interest at 15% per annum for any delay beyond 6 days from the Bid/Issue Closing Date, if Allotment is not made.

**RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES**

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of the Government of India and FEMA. While the Industrial Policy, 1991 prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. 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.

India's current FDI Policy issued by the DIPP with effect from August 28, 2017, consolidates and supersedes all previous press notes, press releases and clarifications on FDI issued by the DIPP. The Government proposes to update the FDI Policy once every year and therefore, the FDI Policy with effect from August 28, 2017 will be valid until the DIPP issues an updated circular. Under the current FDI Policy, unless specifically restricted, foreign investment is freely permitted in all sectors of Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. Foreign investment is allowed up to 100% under automatic route in our Company subject to certain conditions. For further details, kindly refer the chapter titled "Key Industry Regulations and Policies" beginning on page 128 of this Red Herring Prospectus.

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 Consolidated 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 Consolidated FDI Policy; and (iii) the pricing is in accordance with the guidelines prescribed by the SEBI/ RBI.

As per the existing policy of the GoI, OCBs cannot participate in the Issue.

**The Equity Shares have not been and will not be registered under the 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 Securities Act and applicable state securities laws.**

**Accordingly, the Equity Shares are being offered and sold outside the United States in offshore transactions in reliance on Regulation S under the Securities Act and the applicable laws of the jurisdiction where those offers and sales occur.**

**The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids 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 Bidders. Our Company and the BRLM are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares Bid for do not exceed the applicable limits under laws or regulations.**

## SECTION VIII: MAIN PROVISIONS OF THE ARTICLES OF ASSOCIATION

*Capitalised terms used in this section have the meaning given to such terms in the Articles of Association of the Company. Pursuant to Schedule I of the Companies Act, 2013 and the SEBI (ICDR) Regulations, the main provisions of the Articles of Association of the Company are detailed below:*

No.	Particulars	
1.	No regulation contained in Table “F” in the First Schedule to Companies Act, 2013 shall apply to this Company but the regulations for the Management of the Company and for the observance of the Members thereof and their representatives shall be as set out in the relevant provisions of the Companies Act, 2013 and subject to any exercise of the statutory powers of the Company with reference to the repeal or alteration of or addition to its regulations by Special Resolution as prescribed by the said Companies Act, 2013 be such as are contained in these Articles unless the same are repugnant or contrary to the provisions of the Companies Act, 2013 or any amendment thereto.	<b>Table F Applicable.</b>
	<b>Interpretation Clause</b>	
2.	In the interpretation of these Articles the following expressions shall have the following meanings unless repugnant to the subject or context:	
	(a) "The Act" means the Companies Act, 2013 and includes any statutory modification or re-enactment thereof for the time being in force.	<b>Act</b>
	(b) “These Articles" means Articles of Association for the time being in force or as may be altered from time to time vide Special Resolution.	<b>Articles</b>
	(c) “Auditors" means and includes those persons appointed as such for the time being of the Company.	<b>Auditors</b>
	(d) "Capital" means the share capital for the time being raised or authorized to be raised for the purpose of the Company.	<b>Capital</b>
	(e) “The Company” shall mean SUPREME ENGINEERING LIMITED	
	(f) “Executor” or “Administrator” means a person who has obtained a probate or letter of administration, as the case may be from a Court of competent jurisdiction and shall include a holder of a Succession Certificate authorizing the holder thereof to negotiate or transfer the Share or Shares of the deceased Member and shall also include the holder of a Certificate granted by the Administrator General under section 31 of the Administrator General Act, 1963.	<b>Executor or Administrator</b>
	(g) "Legal Representative" means a person who in law represents the estate of a deceased Member.	<b>Legal Representative</b>
	(h) Words importing the masculine gender also include the feminine gender.	<b>Gender</b>
	(i) "In Writing" and “Written" includes printing lithography and other modes of representing or reproducing words in a visible form.	<b>In Writing and Written</b>
	(j) The marginal notes hereto shall not affect the construction thereof.	<b>Marginal notes</b>
	(k) “Meeting” or “General Meeting” means a meeting of members.	<b>Meeting or General Meeting</b>
	(l) "Month" means a calendar month.	<b>Month</b>
	(m) "Annual General Meeting" means a General Meeting of the Members held in accordance with the provision of section 96 of the Act.	<b>Annual General Meeting</b>
	(n) "Extra-Ordinary General Meeting" means an Extraordinary General Meeting of the Members duly called and constituted and any adjourned holding thereof.	<b>Extra-Ordinary General Meeting</b>
	(o) “National Holiday” means and includes a day declared as National Holiday by the Central Government.	<b>National Holiday</b>
	(p) “Non-retiring Directors” means a director not subject to retirement by rotation.	<b>Non-retiring Directors</b>
	(q) "Office" means the registered Office for the time being of the Company.	<b>Office</b>
	(r) “Ordinary Resolution” and “Special Resolution” shall have the meanings assigned thereto by Section 114 of the Act.	<b>Ordinary and Special Resolution</b>

No.	Particulars	
	(s) "Person" shall be deemed to include corporations and firms as well as individuals.	<b>Person</b>
	(t) "Proxy" means an instrument whereby any person is authorized to vote for a member at General Meeting or Poll and includes attorney duly constituted under the power of attorney.	<b>Proxy</b>
	(u) "The Register of Members" means the Register of Members to be kept pursuant to Section 88(1) (a) of the Act.	<b>Register of Members</b>
	(v) "Seal" means the common seal for the time being of the Company.	<b>Seal</b>
	(w) Words importing the Singular number include where the context admits or requires the plural number and vice versa.	<b>Singular number</b>
	(x) "The Statutes" means the Companies Act, 2013 and every other Act for the time being in force affecting the Company.	<b>Statutes</b>
	(y) "These presents" means the Memorandum of Association and the Articles of Association as originally framed or as altered from time to time.	<b>These presents</b>
	(z) "Variation" shall include abrogation; and "vary" shall include abrogate.	<b>Variation</b>
	(aa) "Year" means the calendar year and "Financial Year" shall have the meaning assigned thereto by Section 2(41) of the Act.	<b>Year and Financial Year</b>
	Save as aforesaid any words and expressions contained in these Articles shall bear the same meanings as in the Act or any statutory modifications thereof for the time being in force.	<b>Expressions in the Act to bear the same meaning in Articles</b>
	<b>CAPITAL</b>	
3.	The Authorized Share Capital of the Company shall be such amount as may be mentioned in Clause V of Memorandum of Association of the Company from time to time.	<b>Authorized Capital.</b>
4.	The Company may in General Meeting from time to time by Ordinary Resolution increase its capital by creation of new Shares which may be unclassified and may be classified at the time of issue in one or more classes and of such amount or amounts as may be deemed expedient. The new Shares shall be issued upon such terms and conditions and with such rights and privileges annexed thereto as the resolution shall prescribe and in particular, such Shares may be issued with a preferential or qualified right to dividends and in the distribution of assets of the Company and with a right of voting at General Meeting of the Company in conformity with Section 47 of the Act. Whenever the capital of the Company has been increased under the provisions of this Article the Directors shall comply with the provisions of Section 64 of the Act.	<b>Increase of capital by the Company how carried into effect</b>
5.	Except so far as otherwise provided by the conditions of issue or by these Presents, any capital raised by the creation of new Shares shall be considered as part of the existing capital, and shall be subject to the provisions herein contained, with reference to the payment of calls and installments, forfeiture, lien, surrender, transfer and transmission, voting and otherwise.	<b>New Capital same as existing capital</b>
6.	The Board shall have the power to issue a part of authorized capital by way of non-voting Shares at price(s) premia, dividends, eligibility, volume, quantum, proportion and other terms and conditions as they deem fit, subject however to provisions of law, rules, regulations, notifications and enforceable guidelines for the time being in force.	<b>Non-Voting Shares</b>
7.	Subject to the provisions of the Act and these Articles, the Board of Directors may issue redeemable preference shares to such persons, on such terms and conditions and at such times as Directors think fit either at premium or at par, and with full power to give any person the option to call for or be allotted shares of the company either at premium or at par, such option being exercisable at such times and for such consideration as the Board thinks fit.	<b>Redeemable Preference Shares</b>

No.	Particulars	
8.	The holder of Preference Shares shall have a right to vote only on Resolutions, which directly affect the rights attached to his Preference Shares.	<b>Voting rights of preference shares</b>
9.	<p>On the issue of redeemable preference shares under the provisions of Article 7 hereof, the following provisions shall take effect:</p> <p>(a) No such Shares shall be redeemed except out of profits of which would otherwise be available for dividend or out of proceeds of a fresh issue of shares made for the purpose of the redemption;</p> <p>(b) No such Shares shall be redeemed unless they are fully paid;</p> <p>(c) Subject to section 55(2)(d)(i) the premium, if any payable on redemption shall have been provided for out of the profits of the Company or out of the Company's security premium account, before the Shares are redeemed;</p> <p>(d) Where any such Shares are redeemed otherwise then out of the proceeds of a fresh issue, there shall out of profits which would otherwise have been available for dividend, be transferred to a reserve fund, to be called "the Capital Redemption Reserve Account", a sum equal to the nominal amount of the Shares redeemed, and the provisions of the Act relating to the reduction of the share capital of the Company shall, except as provided in Section 55 of the Act apply as if the Capital Redemption Reserve Account were paid-up share capital of the Company; and</p> <p>(e) Subject to the provisions of Section 55 of the Act, the redemption of preference shares hereunder may be effected in accordance with the terms and conditions of their issue and in the absence of any specific terms and conditions in that behalf, in such manner as the Directors may think fit. The reduction of Preference Shares under the provisions by the Company shall not be taken as reducing the amount of its Authorized Share Capital</p>	<b>Provisions to apply on issue of Redeemable Preference Shares</b>
10.	<p>The Company may (subject to the provisions of sections 52, 55, 66, both inclusive, and other applicable provisions, if any, of the Act) from time to time by Special Resolution reduce</p> <p>(a) the share capital;</p> <p>(b) any capital redemption reserve account; or</p> <p>(c) any security premium account</p> <p>In any manner for the time being, authorized by law and in particular capital may be paid off on the footing that it may be called up again or otherwise. This Article is not to derogate from any power the Company would have, if it were omitted.</p>	<b>Reduction of capital</b>
11.	Any debentures, debenture-stock or other securities may be issued at a discount, premium or otherwise and may be issued on condition that they shall be convertible into shares of any denomination and with any privileges and conditions as to redemption, surrender, drawing, allotment of shares, attending (but not voting) at the General Meeting, appointment of Directors and otherwise. Debentures with the right to conversion into or allotment of shares shall be issued only with the consent of the Company in the General Meeting by a Special Resolution.	<b>Debentures</b>
12.	The Company may exercise the powers of issuing sweat equity shares conferred by Section 54 of the Act of a class of shares already issued subject to such conditions as may be specified in that sections and rules framed thereunder.	<b>Issue of Sweat Equity Shares</b>
13.	The Company may issue shares to Employees including its Directors other than independent directors and such other persons as the rules may allow, under Employee Stock Option Scheme (ESOP) or any other scheme, if authorized by a Special Resolution of the Company in general meeting subject to the provisions of the Act, the Rules and applicable guidelines made there under, by whatever name called.	<b>ESOP</b>
14.	Notwithstanding anything contained in these articles but subject to the provisions of sections 68 to 70 and any other applicable provision of the	<b>Buy Back of shares</b>

<b>No.</b>	<b>Particulars</b>	
	Act or any other law for the time being in force, the company may purchase its own shares or other specified securities.	
<b>15.</b>	Subject to the provisions of Section 61 of the Act, the Company in general meeting may, from time to time, sub-divide or consolidate all or any of the share capital into shares of larger amount than its existing share or sub-divide its shares, or any of them into shares of smaller amount than is fixed by the Memorandum; subject nevertheless, to the provisions of clause (d) of sub-section (1) of Section 61; Subject as aforesaid the Company in general meeting may also cancel shares which have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled.	<b>Consolidation, Sub-Division and Cancellation</b>
<b>16.</b>	Subject to compliance with applicable provision of the Act and rules framed thereunder the company shall have power to issue depository receipts in any foreign country.	<b>Issue of Depository Receipts</b>
<b>17.</b>	Subject to compliance with applicable provision of the Act and rules framed thereunder the company shall have power to issue any kind of securities as permitted to be issued under the Act and rules framed thereunder.	<b>Issue of Securities</b>
<b>MODIFICATION OF CLASS RIGHTS</b>		
<b>18.</b>	(a) If at any time the share capital, by reason of the issue of Preference Shares or otherwise is divided into different classes of shares, all or any of the rights privileges attached to any class (unless otherwise provided by the terms of issue of the shares of the class) may, subject to the provisions of Section 48 of the Act and whether or not the Company is being wound-up, be varied, modified or dealt, with the consent in writing of the holders of not less than three-fourths of the issued shares of that class or with the sanction of a Special Resolution passed at a separate general meeting of the holders of the shares of that class. The provisions of these Articles relating to general meetings shall mutatis mutandis apply to every such separate class of meeting. Provided that if variation by one class of shareholders affects the rights of any other class of shareholders, the consent of three-fourths of such other class of shareholders shall also be obtained and the provisions of this section shall apply to such variation.	<b>Modification of rights</b>
	(b) The rights conferred upon the holders of the Shares including Preference Share, if any) of any class issued with preferred or other rights or privileges shall, unless otherwise expressly provided by the terms of the issue of shares of that class, be deemed not to be modified, commuted, affected, abrogated, dealt with or varied by the creation or issue of further shares ranking pari passu therewith.	<b>New Issue of Shares not to affect rights attached to existing shares of that class.</b>
<b>19.</b>	Subject to the provisions of Section 62 of the Act and these Articles, the shares in the capital of the company for the time being shall be under the control of the Directors who may issue, allot or otherwise dispose of the same or any of them to such persons, in 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 and with the sanction of the company in the General Meeting to give to any person or persons the option or right to call for any shares either at par or premium during such time and for such consideration as the Directors think fit, and may issue and allot shares in the capital of the company on payment in full or part of any property sold and transferred or for any services rendered to the company in the conduct of its business and any shares which may so be allotted may be issued as fully paid up shares and if so issued, shall be deemed to be fully paid shares.	<b>Shares at the disposal of the Directors.</b>
<b>20.</b>	The Company may issue shares or other securities in any manner whatsoever including by way of a preferential offer, to any persons whether or not those persons include the persons referred to in clause (a) or clause (b) of sub-section (1) of section 62 subject to compliance with section 42 and 62 of the Act and rules framed thereunder.	<b>Power to issue shares on preferential basis.</b>

<b>No.</b>	<b>Particulars</b>	
21.	The shares in the capital shall be numbered progressively according to their several denominations, and except in the manner hereinbefore mentioned no share shall be sub-divided. Every forfeited or surrendered share shall continue to bear the number by which the same was originally distinguished.	<b>Shares should be Numbered progressively and no share to be subdivided.</b>
22.	An application signed by or on behalf of an applicant for shares in the Company, followed by an allotment of any shares therein, shall be an acceptance of shares within the meaning of these Articles, and every person who thus or otherwise accepts any shares and whose name is on the Register shall for the purposes of these Articles, be a Member.	<b>Acceptance of Shares.</b>
23.	Subject to the provisions of the Act and these Articles, the Directors may allot and issue shares in the Capital of the Company as payment or part payment for any property (including goodwill of any business) sold or transferred, goods or machinery supplied or for services rendered to the Company either in or about the formation or promotion of the Company or the conduct of its business and any shares which may be so allotted may be issued as fully paid-up or partly paid-up otherwise than in cash, and if so issued, shall be deemed to be fully paid-up or partly paid-up shares as aforesaid.	<b>Directors may allot shares as full paid-up</b>
24.	The money (if any) which the Board shall on the allotment of any shares being made by them, require or direct to be paid by way of deposit, call or otherwise, in respect of any shares allotted by them shall become a debt due to and recoverable by the Company from the allottee thereof, and shall be paid by him, accordingly.	<b>Deposit and call etc. to be a debt payable immediately.</b>
25.	Every Member, or his heirs, executors, administrators, or legal representatives, shall pay to the Company the portion of the Capital represented by his share or shares which may, for the time being, remain unpaid thereon, in such amounts at such time or times, and in such manner as the Board shall, from time to time in accordance with the Company's regulations, require on date fixed for the payment thereof.	<b>Liability of Members.</b>
26.	Shares may be registered in the name of any limited company or other corporate body but not in the name of a firm, an insolvent person or a person of unsound mind.	<b>Registration of Shares.</b>
<b>RETURN ON ALLOTMENTS TO BE MADE OR RESTRICTIONS ON ALLOTMENT</b>		
27.	The Board shall observe the restrictions as regards allotment of shares to the public, and as regards return on allotments contained in Sections 39 of the Act	
<b>CERTIFICATES</b>		
28.	(a) Every member shall be entitled, without payment, to one or more certificates in marketable lots, for all the shares of each class or denomination registered in his name, or if the Directors so approve (upon paying such fee as provided in the relevant laws) to several certificates, each for one or more of such shares and the company shall complete and have ready for delivery such certificates within two months from the date of allotment, unless the conditions of issue thereof otherwise provide, or within one month of the receipt of application for registration of transfer, transmission, sub-division, consolidation or renewal of any of its shares as the case may be. Every certificate of shares shall be under the seal of the company and shall specify the number and distinctive numbers of shares in respect of which it is issued and amount paid-up thereon and shall be in such form as the directors may prescribe or approve, provided that in respect of a 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 of shares to one of several joint holders shall be sufficient delivery to all such holder. Such certificate shall be issued only in pursuance of a resolution passed by the Board and on surrender to the Company of its letter of allotment or its fractional	<b>Share Certificates.</b>

No.	Particulars	
	<p>coupons of requisite value, save in cases of issues against letter of acceptance or of renunciation or in cases of issue of bonus shares. Every such certificate shall be issued under the seal of the Company, which shall be affixed in the presence of two Directors or persons acting on behalf of the Directors under a duly registered power of attorney and the Secretary or some other person appointed by the Board for the purpose and two Directors or their attorneys and the Secretary or other person shall sign the share certificate, provided that if the composition of the Board permits of it, at least one of the aforesaid two Directors shall be a person other than a Managing or whole-time Director. Particulars of every share certificate issued shall be entered in the Register of Members against the name of the person, to whom it has been issued, indicating the date of issue.</p> <p>(b) Any two or more joint allottees of shares shall, for the purpose of this Article, be treated as a single member, and the certificate of any shares which may be the subject of joint ownership, may be delivered to anyone of such joint owners on behalf of all of them. For any further certificate the Board shall be entitled, but shall not be bound, to prescribe a charge not exceeding Rupees Fifty. The Company shall comply with the provisions of Section 39 of the Act.</p> <p>(c) A Director may sign a share certificate by affixing his signature thereon by means of any machine, equipment or other mechanical means, such as engraving in metal or lithography, but not by means of a rubber stamp provided that the Director shall be responsible for the safe custody of such machine, equipment or other material used for the purpose.</p>	
29.	<p>If any certificate be worn out, defaced, mutilated or torn or if there be no further space on the back thereof for endorsement of transfer, then upon production and surrender thereof to the Company, a new Certificate may be issued in lieu thereof, and if any certificate lost or destroyed then upon proof thereof to the satisfaction of the company and on execution of such indemnity as the company deem adequate, being given, a new Certificate in lieu thereof shall be given to the party entitled to such lost or destroyed Certificate. Every Certificate under the Article shall be issued without payment of fees if the Directors so decide, or on payment of such fees (not exceeding Rs.50/- for each certificate) as the Directors shall prescribe. Provided that no fee shall be charged for issue of new certificates in replacement of those which are old, defaced or worn out or where there is no further space on the back thereof for endorsement of transfer. Provided that notwithstanding what is stated above the Directors shall comply with such Rules or Regulation or requirements of any Stock Exchange or the Rules made under the Act or the rules made under Securities Contracts (Regulation) Act, 1956, or any other Act, or rules applicable in this behalf. The provisions of this Article shall mutatis mutandis apply to debentures of the Company.</p>	<p><b>Issue of new certificates in place of those defaced, lost or destroyed.</b></p>
30.	<p>(a) If any share stands in the names of two or more persons, the person first named in the Register shall as regard receipts of dividends or bonus or service of notices and all or any other matter connected with the Company except voting at meetings, and the transfer of the shares, be deemed sole holder thereof but the joint-holders of a share shall be severally as well as jointly liable for the payment of all calls and other payments due in respect of such share and for all incidentals thereof according to the Company's regulations.</p>	<p><b>The first named joint holder deemed Sole holder.</b></p>
	<p>(b) The Company shall not be bound to register more than three persons as the joint holders of any share.</p>	<p><b>Maximum number of joint holders.</b></p>
31.	<p>Except as ordered by a Court of competent jurisdiction or as by law required, the Company shall not be bound to recognise any equitable, contingent, future or partial interest in any share, or (except only as is by</p>	<p><b>Company not bound to recognise any interest in</b></p>

No.	Particulars	
	these Articles otherwise expressly provided) any right in respect of a share other than an absolute right thereto, in accordance with these Articles, in the person from time to time registered as the holder thereof but the Board shall be at liberty at its sole discretion to register any share in the joint names of any two or more persons or the survivor or survivors of them.	<b>share other than that of registered holders.</b>
32.	If by the conditions of allotment of any share the whole or part of the amount or issue price thereof shall be payable by installment, every such installment shall when due be paid to the Company by the person who for the time being and from time to time shall be the registered holder of the share or his legal representative.	<b>Installment on shares to be duly paid.</b>
<b>UNDERWRITING AND BROKERAGE</b>		
33.	Subject to the provisions of Section 40 (6) of the Act, the Company may at any time pay a commission to any person in consideration of his subscribing or agreeing, to subscribe (whether absolutely or conditionally) for any shares or debentures in the Company, or procuring, or agreeing to procure subscriptions (whether absolutely or conditionally) for any shares or debentures in the Company but so that the commission shall not exceed the maximum rates laid down by the Act and the rules made in that regard. Such commission may be satisfied by payment of cash or by allotment of fully or partly paid shares or partly in one way and partly in the other.	<b>Commission</b>
34.	The Company may pay on any issue of shares and debentures such brokerage as may be reasonable and lawful.	<b>Brokerage</b>
<b>CALLS</b>		
35.	(1) The Board may, from time to time, subject to the terms on which any shares may have been issued and subject to the conditions of allotment, by a resolution passed at a meeting of the Board and not by a circular resolution, make such calls as it thinks fit, upon the Members in respect of all the moneys unpaid on the shares held by them respectively and each Member shall pay the amount of every call so made on him to the persons and at the time and places appointed by the Board. (2) A call may be revoked or postponed at the discretion of the Board. (3) A call may be made payable by installments.	<b>Directors may make calls</b>
36.	Fifteen days' notice in writing of any call shall be given by the Company specifying the time and place of payment, and the person or persons to whom such call shall be paid.	<b>Notice of Calls</b>
37.	A call shall be deemed to have been made at the time when the resolution of the Board of Directors authorising such call was passed and may be made payable by the members whose names appear on the Register of Members on such date or at the discretion of the Directors on such subsequent date as may be fixed by Directors.	<b>Calls to date from resolution.</b>
38.	Whenever any calls for further share capital are made on shares, such calls shall be made on uniform basis on all shares falling under the same class. For the purposes of this Article shares of the same nominal value of which different amounts have been paid up shall not be deemed to fall under the same class.	<b>Calls on uniform basis.</b>
39.	The Board may, from time to time, at its discretion, extend the time fixed for the payment of any call and may extend such time as to all or any of the members who on account of the residence at a distance or other cause, which the Board may deem fairly entitled to such extension, but no member shall be entitled to such extension save as a matter of grace and favour.	<b>Directors may extend time.</b>
40.	If any Member fails to pay any call due from him on the day appointed for payment thereof, or any such extension thereof as aforesaid, he shall be liable to pay interest on the same from the day appointed for the payment thereof to the time of actual payment at such rate as shall from time to time be fixed by the Board not exceeding 21% per annum but nothing in this Article shall render it obligatory for the Board to demand or recover any interest from any such member.	<b>Calls to carry interest.</b>
41.	If by the terms of issue of any share or otherwise any amount is made payable at any fixed time or by installments at fixed time (whether on	<b>Sums deemed to be calls.</b>



No.	Particulars	
	account of the amount of the share or by way of premium) every such amount or installment shall be payable as if it were a call duly made by the Directors and of which due notice has been given and all the provisions herein contained in respect of calls shall apply to such amount or installment accordingly.	
42.	On the trial or hearing of any action or suit brought by the Company against any Member or his representatives for the recovery of any money claimed to be due to the Company in respect of his shares, if shall be sufficient to prove that the name of the Member in respect of whose shares the money is sought to be recovered, appears entered on the Register of Members as the holder, at or subsequent to the date at which the money is sought to be recovered is alleged to have become due on the share in respect of which such money is sought to be recovered in the Minute Books: and that notice of such call was duly given to the Member or his representatives used in pursuance of these Articles: and that it shall not be necessary to prove the appointment of the Directors who made such call, nor that a quorum of Directors was present at the Board at which any call was made was duly convened or constituted nor any other matters whatsoever, but the proof of the matters aforesaid shall be conclusive evidence of the debt.	<b>Proof on trial of suit for money due on shares.</b>
43.	Neither a judgment nor a decree in favour of the Company for calls or other moneys due in respect of any shares nor any part payment or satisfaction thereunder nor the receipt by the Company of a portion of any money which shall from time to time be due from any Member of the Company in respect of his shares, either by way of principal or interest, nor any indulgence granted by the Company in respect of the payment of any such money, shall preclude the Company from thereafter proceeding to enforce forfeiture of such shares as hereinafter provided.	<b>Judgment, decree, partial payment motto proceed for forfeiture.</b>
44.	<p>(a) The Board may, if it thinks fit, receive from any Member willing to advance the same, all or any part of the amounts of his respective shares beyond the sums, actually called up and upon the moneys so paid in advance, or upon so much thereof, from time to time, and at any time thereafter as exceeds the amount of the calls then made upon and due in respect of the shares on account of which such advances are made the Board may pay or allow interest, at such rate as the member paying the sum in advance and the Board agree upon. The Board may agree to repay at any time any amount so advanced or may at any time repay the same upon giving to the Member three months' notice in writing: provided that moneys paid in advance of calls on shares may carry interest but shall not confer a right to dividend or to participate in profits.</p> <p>(b) No Member paying any such sum in advance shall be entitled to voting rights in respect of the moneys so paid by him until the same would but for such payment become presently payable. The provisions of this Article shall mutatis mutandis apply to calls on debentures issued by the Company.</p>	<b>Payments in Anticipation of calls may carry interest</b>
	<b>LIEN</b>	
45.	The Company shall have a first and paramount lien upon all the shares/debentures (other than fully paid-up shares/debentures) registered in the name of each member (whether solely or jointly with others) and upon the proceeds of sale thereof for all moneys (whether presently payable or not) called or payable at a fixed time in respect of such shares/debentures and no equitable interest in any share shall be created except upon the footing and condition that this Article will have full effect. And such lien shall extend to all dividends and bonuses from time to time declared in respect of such shares/debentures. Unless otherwise agreed the registration of a transfer of shares/debentures shall operate as a waiver of the Company's lien if any, on such shares/debentures. The Directors may at any	<b>Company to have Lien on shares.</b>

No.	Particulars	
	time declare any shares/debentures wholly or in part to be exempt from the provisions of this clause.	
46.	For the purpose of enforcing such lien the Directors may sell the shares subject thereto in such manner as they shall think fit, but no sale shall be made until such period as aforesaid shall have arrived and until notice in writing of the intention to sell shall have been served on such member or the person (if any) entitled by transmission to the shares and default shall have been made by him in payment, fulfillment of discharge of such debts, liabilities or engagements for seven days after such notice. To give effect to any such sale the Board may authorise some person to transfer the shares sold to the purchaser thereof and purchaser shall be registered as the holder of the shares comprised in any such transfer. Upon any such sale as the Certificates in respect of the shares sold shall stand cancelled and become null and void and of no effect, and the Directors shall be entitled to issue a new Certificate or Certificates in lieu thereof to the purchaser or purchasers concerned.	<b>As to enforcing lien by sale.</b>
47.	The net proceeds of any such sale shall be received by the Company and applied in or towards payment of such part of the amount in respect of which the lien exists as is presently payable and the residue, if any, shall (subject to 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.	<b>Application of proceeds of sale.</b>
<b>FORFEITURE AND SURRENDER OF SHARES</b>		
48.	If any Member fails to pay the whole or any part of any call or installment or any moneys due in respect of any shares either by way of principal or interest on or before the day appointed for the payment of the same, the Directors may, at any time thereafter, during such time as the call or installment or any part thereof or other moneys as aforesaid remains unpaid or a judgment or decree in respect thereof remains unsatisfied in whole or in part, serve a notice on such Member or on the person (if any) entitled to the shares by transmission, requiring him to pay such call or installment of such part thereof or other moneys as remain unpaid together with any interest that may have accrued and all reasonable expenses (legal or otherwise) that may have been accrued by the Company by reason of such non-payment. Provided that no such shares shall be forfeited if any moneys shall remain unpaid in respect of any call or installment or any part thereof as aforesaid by reason of the delay occasioned in payment due to the necessity of complying with the provisions contained in the relevant exchange control laws or other applicable laws of India, for the time being in force.	<b>If call or installment not paid, notice may be given.</b>
49.	The notice shall name a day (not being less than fourteen days from the date of notice) and a place or places on and at which such call or installment and such interest thereon as the Directors shall determine from the day on which such call or installment ought to have been paid and expenses as aforesaid are to be paid. The notice shall also state that, in the event of the non-payment at or before the time and at the place or places appointed, the shares in respect of which the call was made or installment is payable will be liable to be forfeited.	<b>Terms of notice.</b>
50.	If the requirements of any such notice as aforesaid shall not be complied with, every or any share in respect of which such notice has been given, may at any time thereafter but before payment of all calls or installments, interest and expenses, due in respect thereof, be forfeited by resolution of the Board to that effect. Such forfeiture shall include all dividends declared or any other moneys payable in respect of the forfeited share and not actually paid before the forfeiture.	<b>On default of payment, shares to be forfeited.</b>
51.	When any shares have been forfeited, notice of the forfeiture shall be given to the member in whose name it stood immediately prior to the forfeiture, and an entry of the forfeiture, with the date thereof shall forthwith be made in the Register of Members.	<b>Notice of forfeiture to a Member</b>

No.	Particulars	
52.	Any shares so forfeited, shall be deemed to be the property of the Company and may be sold, re-allotted, or otherwise disposed of, either to the original holder thereof or to any other person, upon such terms and in such manner as the Board in their absolute discretion shall think fit.	<b>Forfeited shares to be property of the Company and may be sold etc.</b>
53.	Any Member whose shares have been forfeited shall notwithstanding the forfeiture, be liable to pay and shall forthwith pay to the Company, on demand all calls, installments, interest and expenses owing upon or in respect of such shares at the time of the forfeiture, together with interest thereon from the time of the forfeiture until payment, at such rate as the Board may determine and the Board may enforce the payment of the whole or a portion thereof as if it were a new call made at the date of the forfeiture, but shall not be under any obligation to do so.	<b>Members still liable to pay money owing at time of forfeiture and interest.</b>
54.	The forfeiture shares shall involve extinction at the time of the forfeiture, of all interest in all claims and demand against the Company, in respect of the share and all other rights incidental to the share, except only such of those rights as by these Articles are expressly saved.	<b>Effect of forfeiture.</b>
55.	A declaration in writing that the declarant is a Director or Secretary of the Company and that shares in the Company have been duly forfeited in accordance with these articles on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the shares.	<b>Evidence of Forfeiture.</b>
56.	The Company may receive the consideration, if any, given for the share on any sale, re-allotment or other disposition thereof and the person to whom such share is sold, re-allotted or disposed of may be registered as the holder of the share and he shall not be bound to see to the application of the consideration: if any, nor shall his title to the share be affected by any irregularly or invalidity in the proceedings in reference to the forfeiture, sale, re-allotment or other disposal of the shares.	<b>Title of purchaser and allottee of Forfeited shares.</b>
57.	Upon any sale, re-allotment or other disposal under the provisions of the preceding Article, the certificate or certificates originally issued in respect of the relative shares shall (unless the same shall on demand by the Company have been previously surrendered to it by the defaulting member) stand cancelled and become null and void and of no effect, and the Directors shall be entitled to issue a duplicate certificate or certificates in respect of the said shares to the person or persons entitled thereto.	<b>Cancellation of share certificate in respect of forfeited shares.</b>
58.	In the meantime and until any share so forfeited shall be sold, re-allotted, or otherwise dealt with as aforesaid, the forfeiture thereof may, at the discretion and by a resolution of the Directors, be remitted as a matter of grace and favour, and not as was owing thereon to the Company at the time of forfeiture being declared with interest for the same unto the time of the actual payment thereof if the Directors shall think fit to receive the same, or on any other terms which the Director may deem reasonable.	<b>Forfeiture may be remitted.</b>
59.	Upon any sale after forfeiture or for enforcing a lien in purported exercise of the powers hereinbefore given, the Board may appoint some person to execute an instrument of transfer of the Shares sold and cause the purchaser's name to be entered in the Register of Members in respect of the Shares sold, and the purchasers shall not be bound to see to the regularity of the proceedings or to the application of the purchase money, and after his name has been entered in the Register of Members in respect of such Shares, the validity of the sale shall not be impeached by any person and the remedy of any person aggrieved by the sale shall be in damages only and against the Company exclusively.	<b>Validity of sale</b>
60.	The Directors may, subject to the provisions of the Act, accept a surrender of any share from or by any Member desirous of surrendering on such terms the Directors may think fit.	<b>Surrender of shares.</b>
<b>TRANSFER AND TRANSMISSION OF SHARES</b>		
61.	(a) The instrument of transfer of any share in or debenture of the Company shall be executed by or on behalf of both the transferor and transferee.	<b>Execution of the instrument of shares.</b>

No.	Particulars	
	(b) The transferor shall be deemed to remain a holder of the share or debenture until the name of the transferee is entered in the Register of Members or Register of Debenture holders in respect thereof.	
62.	The instrument of transfer of any share or debenture shall be in writing and all the provisions of Section 56 and statutory modification thereof including other applicable provisions of the Act shall be duly complied with in respect of all transfers of shares or debenture and registration thereof. The instrument of transfer shall be in a common form approved by the Exchange;	<b>Transfer Form.</b>
63.	The Company shall not register a transfer in the Company other than the transfer between persons both of whose names are entered as holders of beneficial interest in the records of a depository, unless a proper instrument of transfer duly stamped and executed by or on behalf of the transferor and by or on behalf of the transferee and specifying the name, address and occupation if any, of the transferee, has been delivered to the Company along with the certificate relating to the shares or if no such share certificate is in existence along with the letter of allotment of the shares: Provided that where, on an application in writing made to the Company by the transferee and bearing the stamp, required for an instrument of transfer, it is proved to the satisfaction of the Board of Directors that the instrument of transfer signed by or on behalf of the transferor and by or on behalf of the transferee has been lost, the Company may register the transfer on such terms as to indemnity as the Board may think fit, provided further that nothing in this Article shall prejudice any power of the Company to register as shareholder any person to whom the right to any shares in the Company has been transmitted by operation of law.	<b>Transfer not to be registered except on production of instrument of transfer.</b>
64.	Subject to the provisions of Section 58 of the Act and Section 22A of the Securities Contracts (Regulation) Act, 1956, the Directors may, decline to register— (a) any transfer of shares on which the company has a lien. That registration of transfer shall however not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever;	<b>Directors may refuse to register transfer.</b>
65.	If the Company refuses to register the transfer of any share or transmission of any right therein, the Company shall within one month from the date on which the instrument of transfer or intimation of transmission was lodged with the Company, send notice of refusal to the transferee and transferor or to the person giving intimation of the transmission, as the case may be, and there upon the provisions of Section 56 of the Act or any statutory modification thereof for the time being in force shall apply.	<b>Notice of refusal to be given to transferor and transferee.</b>
66.	No fee shall be charged for registration of transfer, transmission, Probate, Succession Certificate and letter of administration, Certificate of Death or Marriage, Power of Attorney or similar other document with the Company.	<b>No fee on transfer.</b>
67.	The Board of Directors shall have power on giving not less than seven days pervious notice in accordance with section 91 and rules made thereunder close the Register of Members and/or the Register of debentures holders and/or other security holders at such time or times and for such period or periods, not exceeding thirty days at a time, and not exceeding in the aggregate forty five days at a time, and not exceeding in the aggregate forty five days in each year as it may seem expedient to the Board.	<b>Closure of Register of Members or debentureholder or other security holders..</b>
68.	The instrument of transfer shall after registration be retained by the Company and shall remain in its custody. All instruments of transfer which the Directors may decline to register shall on demand be returned to the persons depositing the same. The Directors may cause to be destroyed all the transfer deeds with the Company after such period as they may determine.	<b>Custody of transfer Deeds.</b>
69.	Where an application of transfer relates to partly paid shares, the transfer shall not be registered unless the Company gives notice of the application	<b>Application for transfer of partly paid shares.</b>

No.	Particulars	
	to the transferee and the transferee makes no objection to the transfer within two weeks from the receipt of the notice.	
70.	For this purpose the notice to the transferee shall be deemed to have been duly given if it is dispatched by prepaid registered post/speed post/ courier to the transferee at the address given in the instrument of transfer and shall be deemed to have been duly delivered at the time at which it would have been delivered in the ordinary course of post.	<b>Notice to transferee.</b>
71.	<p>(a) 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 person recognized by the Company as having any title to his interest in the shares.</p> <p>(b) Before recognising any executor or administrator or legal representative, the Board may require him to obtain a Grant of Probate or Letters Administration or other legal representation as the case may be, from some competent court in India. Provided nevertheless that in any case where the Board in its absolute discretion thinks fit, it shall be lawful for the Board to dispense with the production of Probate or letter of Administration or such other legal representation upon such terms as to indemnity or otherwise, as the Board in its absolute discretion, may consider adequate</p> <p>(c) Nothing in clause (a) above shall release the estate of the deceased joint holder from any liability in respect of any share which had been jointly held by him with other persons.</p>	<b>Recognition of legal representative.</b>
72.	The Executors or Administrators of a deceased Member or holders of a Succession Certificate or the Legal Representatives in respect of the Shares of a deceased Member (not being one of two or more joint holders) shall be the only persons recognized by the Company as having any title to the Shares registered in the name of such Members, and the Company shall not be bound to recognize such Executors or Administrators or holders of Succession Certificate or the Legal Representative unless such Executors or Administrators or Legal Representative shall have first obtained Probate or Letters of Administration or Succession Certificate as the case may be from a duly constituted Court in the Union of India provided that in any case where the Board of Directors in its absolute discretion thinks fit, the Board upon such terms as to indemnity or otherwise as the Directors may deem proper dispense with production of Probate or Letters of Administration or Succession Certificate and register Shares standing in the name of a deceased Member, as a Member. However, provisions of this Article are subject to Sections 72 of the Companies Act.	<b>Titles of Shares of deceased Member</b>
73.	Where, in case of partly paid Shares, an application for registration is made by the transferor, the Company shall give notice of the application to the transferee in accordance with the provisions of Section 56 of the Act.	<b>Notice of application when to be given</b>
74.	Subject to the provisions of the Act and these Articles, any person becoming entitled to any share in consequence of the death, lunacy, bankruptcy, insolvency of any member or by any lawful means other than by a transfer in accordance with these presents, may, with the consent of the Directors (which they shall not be under any obligation to give) upon producing such evidence that he sustains the character in respect of which he proposes to act under this Article or of this title as the Director shall require either be registered as member in respect of such shares or elect to have some person nominated by him and approved by the Directors registered as Member in respect of such shares; provided nevertheless that if such person shall elect to have his nominee registered he shall testify his election by executing in favour of his nominee an instrument of transfer in accordance so he shall not be freed from any liability in respect of such shares. This clause is hereinafter referred to as the 'Transmission Clause'.	<b>Registration of persons entitled to share otherwise than by transfer. (transmission clause).</b>

No.	Particulars	
75.	Subject to the provisions of the Act and these Articles, the Directors shall have the same right to refuse or suspend register a person entitled by the transmission to any shares or his nominee as if he were the transferee named in an ordinary transfer presented for registration.	<b>Refusal to register nominee.</b>
76.	Every transmission of a share shall be verified in such manner as the Directors may require and the Company may refuse to register any such transmission until the same be so verified or until or unless an indemnity be given to the Company with regard to such registration which the Directors at their discretion shall consider sufficient, provided nevertheless that there shall not be any obligation on the Company or the Directors to accept any indemnity.	<b>Board may require evidence of transmission.</b>
77.	The Company shall incur no liability or responsibility whatsoever in consequence of its registering or giving effect to any transfer of shares made, or purporting to be made by any apparent legal owner thereof (as shown or appearing in the Register or Members) to the prejudice of persons having or claiming any equitable right, title or interest to or in the same shares notwithstanding that the Company may have had notice of such equitable right, title or interest or notice prohibiting registration of such transfer, and may have entered such notice or referred thereto in any book of the Company and the Company shall not be bound or require to regard or attend or give effect to any notice which may be given to them of any equitable right, title or interest, or be under any liability whatsoever for refusing or neglecting so to do though it may have been entered or referred to in some book of the Company but the Company shall nevertheless be at liberty to regard and attend to any such notice and give effect thereto, if the Directors shall so think fit.	<b>Company not liable for disregard of a notice prohibiting registration of transfer.</b>
78.	In the case of any share registered in any register maintained outside India the instrument of transfer shall be in a form recognized by the law of the place where the register is maintained but subject thereto shall be as near to the form prescribed in Form no. SH-4 hereof as circumstances permit.	<b>Form of transfer Outside India.</b>
79.	No transfer shall be made to any minor, insolvent or person of unsound mind.	<b>No transfer to insolvent etc.</b>
<b>NOMINATION</b>		
80.	<ul style="list-style-type: none"> <li>i) Notwithstanding anything contained in the articles, every holder of securities of the Company may, at any time, nominate a person in whom his/her securities shall vest in the event of his/her death and the provisions of Section 72 of the Companies Act, 2013 shall apply in respect of such nomination.</li> <li>ii) No person shall be recognized by the Company as a nominee unless an intimation of the appointment of the said person as nominee has been given to the Company during the lifetime of the holder(s) of the securities of the Company in the manner specified under Section 72 of the Companies Act, 2013 read with Rule 19 of the Companies (Share Capital and Debentures) Rules, 2014</li> <li>iii) The Company shall not be in any way responsible for transferring the securities consequent upon such nomination.</li> <li>iv) If the holder(s) of the securities survive(s) nominee, then the nomination made by the holder(s) shall be of no effect and shall automatically stand revoked.</li> </ul>	<b>Nomination</b>
81.	<p>A nominee, upon production of such evidence as may be required by the Board and subject as hereinafter provided, elect, either-</p> <ul style="list-style-type: none"> <li>(i) to be registered himself as holder of the security, as the case may be; or</li> <li>(ii) to make such transfer of the security, as the case may be, as the deceased security holder, could have made;</li> <li>(iii) if the nominee elects to be registered as holder of the security, himself, as the case may be, he shall deliver or send to the Company, a notice in writing signed by him stating that he so elects and such notice shall</li> </ul>	<b>Transmission of Securities by nominee</b>

<b>No.</b>	<b>Particulars</b>	
	<p>be accompanied with the death certificate of the deceased security holder as the case may be;</p> <p>(iv) a nominee shall be entitled to the same dividends and other advantages to which he would be entitled to, if he were the registered holder of the security except that he shall not, before being registered as a member in respect of his security, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company.</p> <p>Provided further that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the share or debenture, and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable or rights accruing in respect of the share or debenture, until the requirements of the notice have been complied with.</p>	
	<b>DEMATERIALIZATION OF SHARES</b>	
<b>82.</b>	Subject to the provisions of the Act and Rules made thereunder the Company may offer its members facility to hold securities issued by it in dematerialized form.	<b>Dematerialisation of Securities</b>
	<b>JOINT HOLDER</b>	
<b>83.</b>	Where two or more persons are registered as the holders of any share they shall be deemed to hold the same as joint Shareholders with benefits of survivorship subject to the following and other provisions contained in these Articles.	<b>Joint Holders</b>
<b>84.</b>	(a) The Joint holders of any share shall be liable severally as well as jointly for and in respect of all calls and other payments which ought to be made in respect of such share.	<b>Joint and several liabilities for all payments in respect of shares.</b>
	(b) on the death of any such joint holders the survivor or survivors shall be the only person recognized by the Company as having any title to the share but the Board may require such evidence of death as it may deem fit and nothing herein contained shall be taken to release the estate of a deceased joint holder from any liability of shares held by them jointly with any other person;	<b>Title of survivors.</b>
	(c) Any one of two or more joint holders of a share may give effectual receipts of any dividends or other moneys payable in respect of share; and	<b>Receipts of one sufficient.</b>
	(d) only the person whose name stands first in the Register of Members as one of the joint holders of any share shall be entitled to delivery of the certificate relating to such share or to receive documents from the Company and any such document served on or sent to such person shall deemed to be service on all the holders.	<b>Delivery of certificate and giving of notices to first named holders.</b>
	<b>SHARE WARRANTS</b>	
<b>85.</b>	The Company may issue warrants subject to and in accordance with provisions of the Act and accordingly the Board may in its discretion with respect to any Share which is fully paid upon application in writing signed by the persons registered as holder of the Share, and authenticated by such evidence(if any) as the Board may, from time to time, require as to the identity of the persons signing the application and on receiving the certificate (if any) of the Share, and the amount of the stamp duty on the warrant and such fee as the Board may, from time to time, require, issue a share warrant.	<b>Power to issue share warrants</b>
<b>86.</b>	(a) The bearer of a share warrant may at any time deposit the warrant at the Office of the Company, and so long as the warrant remains so deposited, the depositor shall have the same right of signing a requisition for call in a meeting of the Company, and of attending and voting and exercising the other privileges of a Member at any meeting held after the expiry of two clear days from the time of deposit, as if	<b>Deposit of share warrants</b>

No.	Particulars	
	<p>his name were inserted in the Register of Members as the holder of the Share included in the deposit warrant.</p> <p>(b) Not more than one person shall be recognized as depositor of the Share warrant.</p> <p>(c) The Company shall, on two day's written notice, return the deposited share warrant to the depositor.</p>	
87.	<p>(a) Subject as herein otherwise expressly provided, no person, being a bearer of a share warrant, shall sign a requisition for calling a meeting of the Company or attend or vote or exercise any other privileges of a Member at a meeting of the Company, or be entitled to receive any notice from the Company.</p> <p>(b) The bearer of a share warrant shall be entitled in all other respects to the same privileges and advantages as if he were named in the Register of Members as the holder of the Share included in the warrant, and he shall be a Member of the Company.</p>	<b>Privileges and disabilities of the holders of share warrant</b>
88.	The Board may, from time to time, make bye-laws as to terms on which (if it shall think fit), a new share warrant or coupon may be issued by way of renewal in case of defacement, loss or destruction.	<b>Issue of new share warrant coupons</b>
<b>CONVERSION OF SHARES INTO STOCK</b>		
89.	<p>The Company may, by ordinary resolution in General Meeting.</p> <p>a) convert any fully paid-up shares into stock; and</p> <p>b) re-convert any stock into fully paid-up shares of any denomination.</p>	<b>Conversion of shares into stock or reconversion.</b>
90.	The holders of stock may transfer the same or any part thereof in the same manner as and subject to the same regulation 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>Transfer of stock.</b>
91.	The holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, participation in profits, voting at meetings of the Company, and other matters, as if they hold the shares for which the stock arose but no such privilege or advantage shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage.	<b>Rights of stock holders.</b>
92.	Such of the regulations of the Company (other than those relating to share warrants), as are applicable to paid up share shall apply to stock and the words "share" and "shareholders" in those regulations shall include "stock" and "stockholders" respectively.	<b>Regulations.</b>
<b>BORROWING POWERS</b>		
93.	<p>Subject to the provisions of the Act and these Articles, the Board may, from time to time at its discretion, by a resolution passed at a meeting of the Board generally raise or borrow money by way of deposits, loans, overdrafts, cash credit</p> <p>or by issue of bonds, debentures or debenture-stock (perpetual or otherwise) or in any other manner, or from any person, firm, company, co-operative society, any body corporate, bank, institution, whether incorporated in India or abroad, Government or any authority or any other body for the purpose of the Company and may secure the payment of any sums of money so received, raised or borrowed; provided that the total amount borrowed by the Company (apart from temporary loans obtained from the Company's Bankers in the ordinary course of business) shall not without the consent of the Company in General Meeting exceed the aggregate of the paid up capital of the Company and its free reserves that is to say reserves not set apart for any specified purpose.</p>	<b>Power to borrow.</b>
94.	Subject to the provisions of the Act and these Articles, any bonds, debentures, debenture-stock or any other securities may be issued at a discount, premium or otherwise and with any special privileges and conditions as to redemption, surrender, allotment of shares, appointment of	<b>Issue of discount etc. or with special privileges.</b>



No.	Particulars	
	Directors or otherwise; provided that debentures with the right to allotment of or conversion into shares shall not be issued except with the sanction of the Company in General Meeting.	
95.	The payment and/or repayment of moneys borrowed or raised as aforesaid or any moneys owing otherwise or debts due from the Company may be secured in such manner and upon such terms and conditions in all respects as the Board may think fit, and in particular by mortgage, charge, lien or any other security upon all or any of the assets or property (both present and future) or the undertaking of the Company including its uncalled capital for the time being, or by a guarantee by any Director, Government or third party, and the bonds, debentures and debenture stocks and other securities may be made assignable, free from equities between the Company and the person to whom the same may be issued and also by a similar mortgage, charge or lien to secure and guarantee, the performance by the Company or any other person or company of any obligation undertaken by the Company or any person or Company as the case may be.	<b>Securing payment or repayment of Moneys borrowed.</b>
96.	Any bonds, debentures, debenture-stock or their securities issued or to be issued by the Company shall be under the control of the Board who may issue them upon such terms and conditions, and in such manner and for such consideration as they shall consider to be for the benefit of the Company.	<b>Bonds, Debentures etc. to be under the control of the Directors.</b>
97.	If any uncalled capital of the Company is included in or charged by any mortgage or other security the Directors shall subject to the provisions of the Act and these Articles make calls on the members in respect of such uncalled capital in trust for the person in whose favour such mortgage or security is executed.	<b>Mortgage of uncalled Capital.</b>
98.	Subject to the provisions of the Act and these Articles if the Directors or any of them or any other person shall incur or be about to incur any liability whether as principal or surety for the payment of any sum primarily due from the Company, the Directors may execute or cause to be executed any mortgage, charge or security over or affecting the whole or any part of the assets of the Company by way of indemnity to secure the Directors or person so becoming liable as aforesaid from any loss in respect of such liability.	<b>Indemnity may be given.</b>
<b>MEETINGS OF MEMBERS</b>		
99.	All the General Meetings of the Company other than Annual General Meetings shall be called Extra-ordinary General Meetings.	<b>Distinction between AGM &amp; EGM.</b>
100.	(a) The Directors may, whenever they think fit, convene an Extra-Ordinary General Meeting and they shall on requisition of requisition of Members made in compliance with Section 100 of the Act, forthwith proceed to convene Extra-Ordinary General Meeting of the members	<b>Extra-Ordinary General Meeting by Board and by requisition</b>
	(b) If at any time there are not within India sufficient Directors capable of acting to form a quorum, or if the number of Directors be reduced in number to less than the minimum number of Directors prescribed by these Articles and the continuing Directors fail or neglect to increase the number of Directors to that number or to convene a General Meeting, any Director or any two or more Members of the Company holding not less than one-tenth of the total paid up share capital of the Company may call for an Extra-Ordinary General Meeting in the same manner as nearly as possible as that in which meeting may be called by the Directors.	<b>When a Director or any two Members may call an Extra Ordinary General Meeting</b>
101.	No General Meeting, Annual or Extraordinary shall be competent to enter upon, discuss or transfer any business which has not been mentioned in the notice or notices upon which it was convened.	<b>Meeting not to transact business not mentioned in notice.</b>
102.	The Chairman (if any) of the Board of Directors shall be entitled to take the chair at every General Meeting, whether Annual or Extraordinary. If there is no such Chairman of the Board of Directors, or if at any meeting he is not present within fifteen minutes of the time appointed for holding such meeting or if he is unable or unwilling to take the chair, then the Members	<b>Chairman of General Meeting</b>

No.	Particulars	
	present shall elect another Director as Chairman, and if no Director be present or if all the Directors present decline to take the chair then the Members present shall elect one of the members to be the Chairman of the meeting.	
103.	No business, except the election of a Chairman, shall be discussed at any General Meeting whilst the Chair is vacant.	<b>Business confined to election of Chairman whilst chair is vacant.</b>
104.	a) 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. b) No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. c) 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. d) 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.	<b>Chairman with consent may adjourn meeting.</b>
105.	In the case of an equality of votes the Chairman shall both on a show of hands, on a poll (if any) and e-voting, have casting vote in addition to the vote or votes to which he may be entitled as a Member.	<b>Chairman's casting vote.</b>
106.	Any poll duly demanded on the election of Chairman of the meeting or any question of adjournment shall be taken at the meeting forthwith.	<b>In what case poll taken without adjournment.</b>
107.	The demand for a poll except on the question of the election of the Chairman and of an adjournment shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll has been demanded.	<b>Demand for poll not to prevent transaction of other business.</b>
<b>VOTES OF MEMBERS</b>		
108.	No Member shall be entitled to vote either personally or by proxy at any General Meeting or Meeting of a class of shareholders either upon a show of hands, upon a poll or electronically, or be reckoned in a quorum in respect of any shares registered in his name on which any calls or other sums presently payable by him have not been paid or in regard to which the Company has exercised, any right or lien.	<b>Members in arrears not to vote.</b>
109.	Subject to the provision of these Articles and without prejudice to any special privileges, or restrictions as to voting for the time being attached to any class of shares for the time being forming part of the capital of the company, every Member, not disqualified by the last preceding Article shall be entitled to be present, and to speak and to vote at such meeting, and on a show of hands every member present in person shall have one vote and upon a poll the voting right of every Member present in person or by proxy shall be in proportion to his share of the paid-up equity share capital of the Company, Provided, however, if any preference shareholder is present at any meeting of the Company, save as provided in sub-section (2) of Section 47 of the Act, he shall have a right to vote only on resolution placed before the meeting which directly affect the rights attached to his preference shares.	<b>Number of votes each member entitled.</b>
110.	On a poll taken at a meeting of the Company a member entitled to more than one vote or his proxy or other person entitled to vote for him, as the case may be, need not, if he votes, use all his votes or cast in the same way all the votes he uses.	<b>Casting of votes by a member entitled to more than one vote.</b>
111.	A member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, or a minor 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.	<b>Vote of member of unsound mind and of minor</b>
112.	Notwithstanding anything contained in the provisions of the Companies Act, 2013, and the Rules made there under, the Company may, and in the case of resolutions relating to such business as may be prescribed by such	<b>Postal Ballot</b>

<b>No.</b>	<b>Particulars</b>	
	authorities from time to time, declare to be conducted only by postal ballot, shall, get any such business/ resolutions passed by means of postal ballot, instead of transacting the business in the General Meeting of the Company.	
<b>113.</b>	A member may exercise his vote at a meeting by electronic means in accordance with section 108 and shall vote only once.	<b>E-Voting</b>
<b>114.</b>	<p>a) 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. If more than one of the said persons remain present than the senior shall alone be entitled to speak and to vote in respect of such shares, but the other or others of the joint holders shall be entitled to be present at the meeting. Several executors or administrators of a deceased Member in whose name share stands shall for the purpose of these Articles be deemed joints holders thereof.</p> <p>b) For this purpose, seniority shall be determined by the order in which the names stand in the register of members.</p>	<b>Votes of joint members.</b>
<b>115.</b>	Votes may be given either personally or by attorney or by proxy or in case of a company, by a representative duly Authorised as mentioned in Articles	<b>Votes may be given by proxy or by representative</b>
<b>116.</b>	A body corporate (whether a company within the meaning of the Act or not) may, if it is member or creditor of the Company (including being a holder of debentures) authorise such person by resolution of its Board of Directors, as it thinks fit, in accordance with the provisions of Section 113 of the Act to act as its representative at any Meeting of the members or creditors of the Company or debentures holders of the Company. A person authorised by resolution as aforesaid shall be entitled to exercise the same rights and powers (including the right to vote by proxy) on behalf of the body corporate as if it were an individual member, creditor or holder of debentures of the Company.	<b>Representation of a body corporate.</b>
<b>117.</b>	(a) A member paying the whole or a part of the amount remaining unpaid on any share held by him although no part of that amount has been called up, shall not be entitled to any voting rights in respect of the moneys paid until the same would, but for this payment, become presently payable.	<b>Members paying money in advance.</b>
	(b) A member is not prohibited from exercising his voting rights on the ground that he has not held his shares or interest in the Company for any specified period preceding the date on which the vote was taken.	<b>Members not prohibited if share not held for any specified period.</b>
<b>118.</b>	Any person entitled under Article 73 (transmission clause) to transfer any share may vote at any General Meeting in respect thereof in the same manner as if he were the registered holder of such shares, provided that at least forty-eight hours before the time of holding the meeting or adjourned meeting, as the case may be at which he proposes to vote he shall satisfy the Directors of his right to transfer such shares and give such indemnify (if any) as the Directors may require or the directors shall have previously admitted his right to vote at such meeting in respect thereof.	<b>Votes in respect of shares of deceased or insolvent members.</b>
<b>119.</b>	No Member shall be entitled to vote on a show of hands unless such member is present personally or by attorney or is a body Corporate present by a representative duly Authorised under the provisions of the Act in which case such members, attorney or representative may vote on a show of hands as if he were a Member of the Company. In the case of a Body Corporate the production at the meeting of a copy of such resolution duly signed by a Director or Secretary of such Body Corporate and certified by him as being a true copy of the resolution shall be accepted by the Company as sufficient evidence of the authority of the appointment.	<b>No votes by proxy on show of hands.</b>
<b>120.</b>	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,	<b>Appointment of a Proxy.</b>

<b>No.</b>	<b>Particulars</b>	
	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.	
<b>121.</b>	An instrument appointing a proxy shall be in the form as prescribed in the rules made under section 105.	<b>Form of proxy.</b>
<b>122.</b>	A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or insanity of the Member, or revocation of the proxy or of any power of attorney which such proxy signed, or the transfer of the share in respect of which the vote is given, provided that no intimation in writing of the death or insanity, revocation or transfer shall have been received at the office before the meeting or adjourned meeting at which the proxy is used.	<b>Validity of votes given by proxy notwithstanding death of a member.</b>
<b>123.</b>	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.	<b>Time for objections to votes.</b>
<b>124.</b>	Any such objection raised to the qualification of any voter in due time shall be referred to the Chairperson of the meeting, whose decision shall be final and conclusive.	<b>Chairperson of the Meeting to be the judge of validity of any vote.</b>
<b>DIRECTORS</b>		
<b>125.</b>	Until otherwise determined by a General Meeting of the Company and subject to the provisions of Section 149 of the Act, the number of Directors (including Debenture and Alternate Directors) shall not be less than three and not more than fifteen. Provided that a company may appoint more than fifteen directors after passing a special resolution	<b>Number of Directors</b>
<b>126.</b>	A Director of the Company shall not be bound to hold any Qualification Shares in the Company.	<b>Qualification shares.</b>
<b>127.</b>	<p>(a) Subject to the provisions of the Companies Act, 2013 and notwithstanding anything to the contrary contained in these Articles, the Board may appoint any person as a director nominated by any institution in pursuance of the provisions of any law for the time being in force or of any agreement</p> <p>(b) The Nominee Director/s so appointed shall not be required to hold any qualification shares in the Company nor shall be liable to retire by rotation. The Board of Directors of the Company shall have no power to remove from office the Nominee Director/s so appointed. The said Nominee Director/s shall be entitled to the same rights and privileges including receiving of notices, copies of the minutes, sitting fees, etc. as any other Director of the Company is entitled.</p> <p>(c) If the Nominee Director/s is an officer of any of the financial institution the sitting fees in relation to such nominee Directors shall accrue to such financial institution and the same accordingly be paid by the Company to them. The Financial Institution shall be entitled to depute observer to attend the meetings of the Board or any other Committee constituted by the Board.</p> <p>(d) The Nominee Director/s shall, notwithstanding anything to the contrary contained in these Articles, be at liberty to disclose any information obtained by him/them to the Financial Institution appointing him/them as such Director/s.</p>	<b>Nominee Directors.</b>
<b>128.</b>	The Board may appoint an Alternate Director to act for a Director (hereinafter called "The Original Director") during his absence for a period of not less than three months from India. An Alternate Director appointed under this Article shall not hold office for period longer than that permissible to the Original Director in whose place he has been appointed and shall vacate office if and when the Original Director returns to India. If the term of Office of the Original Director is determined before he so returns to India, any provision in the Act or in these Articles for the automatic re-appointment of retiring Director in default of another appointment shall apply to the Original Director and not to the Alternate Director.	<b>Appointment of alternate Director.</b>

No.	Particulars	
129.	Subject to the provisions of the Act, the Board shall have power at any time and from time to time to appoint any other person to be an Additional Director. Any such Additional Director shall hold office only upto the date of the next Annual General Meeting.	<b>Additional Director</b>
130.	Subject to the provisions of the Act, the Board shall have power at any time and from time to time to appoint a Director, if the office of any director appointed by the company in general meeting is vacated before his term of office expires in the normal course, who shall hold office only upto the date upto which the Director in whose place he is appointed would have held office if it had not been vacated by him.	<b>Directors power to fill casual vacancies.</b>
131.	Until otherwise determined by the Company in General Meeting, each Director other than the Managing/Whole-time Director (unless otherwise specifically provided for) shall be entitled to sitting fees not exceeding a sum prescribed in the Act (as may be amended from time to time) for attending meetings of the Board or Committees thereof.	<b>Sitting Fees.</b>
132.	The Board of Directors may subject to the limitations provided in the Act allow and pay to any Director who attends a meeting at a place other than his usual place of residence for the purpose of attending a meeting, such sum as the Board may consider fair, compensation for travelling, hotel and other incidental expenses properly incurred by him, in addition to his fee for attending such meeting as above specified.	<b>Travelling expenses Incurred by Director on Company's business.</b>
<b>PROCEEDING OF THE BOARD OF DIRECTORS</b>		
133.	(a) The Board of Directors may meet for the conduct of business, adjourn and otherwise regulate its meetings as it thinks fit. (b) A director may, and the manager or secretary on the requisition of a director shall, at any time, summon a meeting of the Board.	<b>Meetings of Directors.</b>
134.	a) The Directors may from time to time elect from among their members a Chairperson of the Board and determine the period for which he is to hold office. If at any meeting of the Board, the Chairman is not present within five minutes after the time appointed for holding the same, the Directors present may choose one of the Directors then present to preside at the meeting. b) Subject to Section 203 of the Act and rules made there under, one person can act as the Chairman as well as the Managing Director or Chief Executive Officer at the same time.	<b>Chairperson</b>
135.	Questions arising at any meeting of the Board of Directors shall be decided by a majority of votes and in the case of an equality of votes, the Chairman will have a second or casting vote.	<b>Questions at Board meeting how decided.</b>
136.	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.	<b>Continuing directors may act notwithstanding any vacancy in the Board</b>
137.	Subject to the provisions of the Act, the Board may delegate any of their powers to a Committee consisting of such member or members of its body as it thinks fit, and it may from time to time revoke and discharge any such committee either wholly or in part and either as to person, or purposes, but every Committee so formed shall in the exercise of the powers so delegated conform to any regulations that may from time to time be imposed on it by the Board. All acts done by any such Committee in conformity with such regulations and in fulfillment of the purposes of their appointment but not otherwise, shall have the like force and effect as if done by the Board.	<b>Directors may appoint committee.</b>
138.	The Meetings and proceedings of any such Committee of the Board consisting of two or more members shall be governed by the provisions herein contained for regulating the meetings and proceedings of the Directors so far as the same are applicable thereto and are not superseded by any regulations made by the Directors under the last preceding Article.	<b>Committee Meetings how to be governed.</b>

<b>No.</b>	<b>Particulars</b>	
139.	a) A committee may elect a Chairperson of its meetings. b) 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.	<b>Chairperson of Committee Meetings</b>
140.	a) A committee may meet and adjourn as it thinks fit. b) 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.	<b>Meetings of the Committee</b>
141.	Subject to the provisions of the Act, all acts done by any meeting of the Board or by a Committee of the Board, or by any person acting as a Director shall notwithstanding that it shall afterwards be discovered that there was some defect in the appointment of such Director or persons acting as aforesaid, or that they or any of them were disqualified or had vacated office or that the appointment of any of them had been terminated by virtue of any provisions contained in the Act or in these Articles, be as valid as if every such person had been duly appointed, and was qualified to be a Director.	<b>Acts of Board or Committee shall be valid notwithstanding defect in appointment.</b>
<b>POWER TO FILL CASUAL VACANCY</b>		
142.	Subject to the provisions of Section 161 of the Act, if the office of any Director appointed by the Company in General Meeting vacated before his term of office will expire in the normal course, the resulting casual vacancy may in default of and subject to any regulation in the Articles of the Company be filled by the Board of Directors at the meeting of the Board and the Director so appointed shall hold office only up to the date up to which the Director in whose place he is appointed would have held office if had not been vacated as aforesaid.	<b>Power to fill casual vacancy</b>
<b>POWERS OF THE BOARD</b>		
143.	The business of the Company shall be managed by the Board who may exercise all such powers of the Company and do all such acts and things as may be necessary, unless otherwise restricted by the Act, or by any other law or by the Memorandum or by the Articles required to be exercised by the Company in General Meeting. However no regulation made by the Company in General Meeting shall invalidate any prior act of the Board which would have been valid if that regulation had not been made.	<b>Powers of the Board</b>
144.	Without prejudice to the general powers conferred by the Articles and so as not in any way to limit or restrict these powers, and without prejudice to the other powers conferred by these Articles, but subject to the restrictions contained in the Articles, it is hereby, declared that the Directors shall have the following powers, that is to say	<b>Certain powers of the Board</b>
	(1) Subject to the provisions of the Act, to purchase or otherwise acquire any lands, buildings, machinery, premises, property, effects, assets, rights, creditors, royalties, business and goodwill of any person firm or company carrying on the business which this Company is authorised to carry on, in any part of India.	<b>To acquire any property , rights etc.</b>
	(2) Subject to the provisions of the Act to purchase, take on lease for any term or terms of years, or otherwise acquire any land or lands, with or without buildings and out-houses thereon, situate in any part of India, at such conditions as the Directors may think fit, and in any such purchase, lease or acquisition to accept such title as the Directors may believe, or may be advised to be reasonably satisfy.	<b>To take on Lease.</b>
	(3) To erect and construct, on the said land or lands, buildings, houses, warehouses and sheds and to alter, extend and improve the same, to let or lease the property of the company, in part or in whole for such rent and subject to such conditions, as may be thought advisable; to sell such portions of the land or buildings of the Company as may not be required for the company; to mortgage the whole or any portion of the property of the company for the purposes of the Company; to sell all or any portion of the machinery or stores belonging to the Company.	<b>To erect &amp; construct.</b>

<b>No.</b>	<b>Particulars</b>	
(4)	At their discretion and subject to the provisions of the Act, the Directors may pay property rights or privileges acquired by, or services rendered to the Company, either wholly or partially in cash or in shares, bonds, debentures or other securities of the Company, and any such share may be issued either as fully paid up or with such amount credited as paid up thereon as may be agreed upon; and any such bonds, debentures or other securities may be either specifically charged upon all or any part of the property of the Company and its uncalled capital or not so charged.	<b>To pay for property.</b>
(5)	To insure and keep insured against loss or damage by fire or otherwise for such period and to such extent as they may think proper all or any part of the buildings, machinery, goods, stores, produce and other moveable property of the Company either separately or co-jointly; also to insure all or any portion of the goods, produce, machinery and other articles imported or exported by the Company and to sell, assign, surrender or discontinue any policies of assurance effected in pursuance of this power.	<b>To insure properties of the Company.</b>
(6)	To open accounts with any Bank or Bankers and to pay money into and draw money from any such account from time to time as the Directors may think fit.	<b>To open Bank accounts.</b>
(7)	To secure the fulfillment of any contracts or engagement entered into by the Company by mortgage or charge on all or any of the property of the Company including its whole or part of its undertaking as a going concern and its uncalled capital for the time being or in such manner as they think fit.	<b>To secure contracts by way of mortgage.</b>
(8)	To accept from any member, so far as may be permissible by law, a surrender of the shares or any part thereof, on such terms and conditions as shall be agreed upon.	<b>To accept surrender of shares.</b>
(9)	To appoint any person to accept and hold in trust, for the Company property belonging to the Company, or in which it is interested or for any other purposes and to execute and to do all such deeds and things as may be required in relation to any such trust, and to provide for the remuneration of such trustee or trustees.	<b>To appoint trustees for the Company.</b>
(10)	To institute, conduct, defend, compound or abandon any legal proceeding by or against the Company or its Officer, or otherwise concerning the affairs and also to compound and allow time for payment or satisfaction of any debts, due, and of any claims or demands by or against the Company and to refer any difference to arbitration, either according to Indian or Foreign law and either in India or abroad and observe and perform or challenge any award thereon.	<b>To conduct legal proceedings.</b>
(11)	To act on behalf of the Company in all matters relating to bankruptcy insolvency.	<b>Bankruptcy &amp; Insolvency</b>
(12)	To make and give receipts, release and give discharge for moneys payable to the Company and for the claims and demands of the Company.	<b>To issue receipts &amp; give discharge.</b>
(13)	Subject to the provisions of the Act, and these Articles to invest and deal with any moneys of the Company not immediately required for the purpose thereof, upon such authority (not being the shares of this Company) or without security and in such manner as they may think fit and from time to time to vary or realise such investments. Save as provided in Section 187 of the Act, all investments shall be made and held in the Company's own name.	<b>To invest and deal with money of the Company.</b>
(14)	To execute in the name and on behalf of the Company in favour of any Director or other person who may incur or be about to incur any personal liability whether as principal or as surety, for the benefit of the Company, such mortgage of the Company's property (present or future) as they think fit, and any such mortgage may contain a power	<b>To give Security by way of indemnity.</b>

No.	Particulars	
	of sale and other powers, provisions, covenants and agreements as shall be agreed upon;	
(15)	To determine from time to time persons who shall be entitled to sign on Company's behalf, bills, notes, receipts, acceptances, endorsements, cheques, dividend warrants, releases, contracts and documents and to give the necessary authority for such purpose, whether by way of a resolution of the Board or by way of a power of attorney or otherwise.	<b>To determine signing powers.</b>
(16)	To give to any Director, Officer, or other persons employed by the Company, a commission on the profits of any particular business or transaction, or a share in the general profits of the company; and such commission or share of profits shall be treated as part of the working expenses of the Company.	<b>Commission or share in profits.</b>
(17)	To give, award or allow any bonus, pension, gratuity or compensation to any employee of the Company, or his widow, children, dependents, that may appear just or proper, whether such employee, his widow, children or dependents have or have not a legal claim on the Company.	<b>Bonus etc. to employees.</b>
(18)	To set aside out of the profits of the Company such sums as they may think proper for depreciation or the depreciation funds or to insurance fund or to an export fund, or to a Reserve Fund, or Sinking Fund or any special fund to meet contingencies or repay debentures or debenture-stock or for equalizing dividends or for repairing, improving, extending and maintaining any of the properties of the Company and for such other purposes (including the purpose referred to in the preceding clause) as the Board may, in the absolute discretion think conducive to the interests of the Company, and subject to Section 179 of the Act, to invest the several sums so set aside or so much thereof as may be required to be invested, upon such investments (other than shares of this Company) as they may think fit and from time to time deal with and vary such investments and dispose of and apply and extend all or any part thereof for the benefit of the Company notwithstanding the matters to which the Board apply or upon which the capital moneys of the Company might rightly be applied or expended and divide the reserve fund into such special funds as the Board may think fit; with full powers to transfer the whole or any portion of a reserve fund or division of a reserve fund to another fund and with the full power to employ the assets constituting all or any of the above funds, including the deprecation fund, in the business of the company or in the purchase or repayment of debentures or debenture-stocks and without being bound to keep the same separate from the other assets and without being bound to pay interest on the same with the power to the Board at their discretion to pay or allow to the credit of such funds, interest at such rate as the Board may think proper.	<b>Transfer to Reserve Funds.</b>
(19)	To appoint, and at their discretion remove or suspend such general manager, managers, secretaries, assistants, supervisors, scientists, technicians, engineers, consultants, legal, medical or economic advisers, research workers, labourers, clerks, agents and servants, for permanent, temporary or special services as they may from time to time think fit, and to determine their powers and duties and to fix their salaries or emoluments or remuneration and to require security in such instances and for such amounts they may think fit and also from time to time to provide for the management and transaction of the affairs of the Company in any specified locality in India or elsewhere in such manner as they think fit and the provisions contained in the next following clauses shall be without prejudice to the general powers conferred by this clause.	<b>To appoint and remove officers and other employees.</b>



No.	Particulars	
(20)	At any time and from time to time by power of attorney under the seal of the Company, to appoint any person or persons to be the Attorney or attorneys of the Company, for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Board under these presents and excluding the power to make calls and excluding also except in their limits authorised by the Board the power to make loans and borrow moneys) and for such period and subject to such conditions as the Board may from time to time think fit, and such appointments may (if the Board think fit) be made in favour of the members or any of the members of any local Board established as aforesaid or in favour of any Company, or the shareholders, directors, nominees or manager of any Company or firm or otherwise in favour of any fluctuating body of persons whether nominated directly or indirectly by the Board and any such powers of attorney may contain such powers for the protection or convenience for dealing with such Attorneys as the Board may think fit, and may contain powers enabling any such delegated Attorneys as aforesaid to sub-delegate all or any of the powers, authorities and discretion for the time being vested in them.	<b>To appoint Attorneys.</b>
(21)	Subject to Sections 188 of the Act, for or in relation to any of the matters aforesaid or otherwise for the purpose of the Company to enter into all such negotiations and contracts and rescind and vary all such contracts, and execute and do all such acts, deeds and things in the name and on behalf of the Company as they may consider expedient.	<b>To enter into contracts.</b>
(22)	From time to time to make, vary and repeal rules for the regulations of the business of the Company its Officers and employees.	<b>To make rules.</b>
(23)	To effect, make and enter into on behalf of the Company all transactions, agreements and other contracts within the scope of the business of the Company.	<b>To effect contracts etc.</b>
(24)	To apply for, promote and obtain any act, charter, privilege, concession, license, authorization, if any, Government, State or municipality, provisional order or license of any authority for enabling the Company to carry any of this objects into effect, or for extending and any of the powers of the Company or for effecting any modification of the Company's constitution, or for any other purpose, which may seem expedient and to oppose any proceedings or applications which may seem calculated, directly or indirectly to prejudice the Company's interests.	<b>To apply &amp; obtain concessions licenses etc.</b>
(25)	To pay and charge to the capital account of the Company any commission or interest lawfully payable there out under the provisions of Sections 40 of the Act and of the provisions contained in these presents.	<b>To pay commissions or interest.</b>
(26)	To redeem preference shares.	<b>To redeem preference shares.</b>
(27)	To subscribe, incur expenditure or otherwise to assist or to guarantee money to charitable, benevolent, religious, scientific, national or any other institutions or subjects which shall have any moral or other claim to support or aid by the Company, either by reason of locality or operation or of public and general utility or otherwise.	<b>To assist charitable or benevolent institutions.</b>
(28)	To pay the cost, charges and expenses preliminary and incidental to the promotion, formation, establishment and registration of the Company.	
(29)	To pay and charge to the capital account of the Company any commission or interest lawfully payable thereon under the provisions of Sections 40 of the Act.	
(30)	To provide for the welfare of Directors or ex-Directors or employees or ex-employees of the Company and their wives, widows and families or the dependents or connections of such persons, by	

No.	Particulars	
	<p>building or contributing to the building of houses, dwelling or chawls, or by grants of moneys, pension, gratuities, allowances, bonus or other payments, or by creating and from time to time subscribing or contributing, to provide other associations, institutions, funds or trusts and by providing or subscribing or contributing towards place of instruction and recreation, hospitals and dispensaries, medical and other attendance and other assistance as the Board shall think fit and subject to the provision of Section 181 of the Act, to subscribe or contribute or otherwise to assist or to guarantee money to charitable, benevolent, religious, scientific, national or other institutions or object which shall have any moral or other claim to support or aid by the Company, either by reason of locality of operation, or of the public and general utility or otherwise.</p>	
	<p>(31) To purchase or otherwise acquire or obtain license for the use of and to sell, exchange or grant license for the use of any trade mark, patent, invention or technical know-how.</p> <p>(32) To sell from time to time any Articles, materials, machinery, plants, stores and other Articles and thing belonging to the Company as the Board may think proper and to manufacture, prepare and sell waste and by-products.</p> <p>(33) From time to time to extend the business and undertaking of the Company by adding, altering or enlarging all or any of the buildings, factories, workshops, premises, plant and machinery, for the time being the property of or in the possession of the Company, or by erecting new or additional buildings, and to expend such sum of money for the purpose aforesaid or any of them as they be thought necessary or expedient.</p> <p>(34) To undertake on behalf of the Company any payment of rents and the performance of the covenants, conditions and agreements contained in or reserved by any lease that may be granted or assigned to or otherwise acquired by the Company and to purchase the reversion or reversions, and otherwise to acquire on free hold sample of all or any of the lands of the Company for the time being held under lease or for an estate less than freehold estate.</p> <p>(35) To improve, manage, develop, exchange, lease, sell, resell and re-purchase, dispose off, deal or otherwise turn to account, any property (movable or immovable) or any rights or privileges belonging to or at the disposal of the Company or in which the Company is interested.</p> <p>(36) To let, sell or otherwise dispose of subject to the provisions of Section 180 of the Act and of the other Articles any property of the Company, either absolutely or conditionally and in such manner and upon such terms and conditions in all respects as it thinks fit and to accept payment in satisfaction for the same in cash or otherwise as it thinks fit.</p> <p>(37) Generally subject to the provisions of the Act and these Articles, to delegate the powers/authorities and discretions vested in the Directors to any person(s), firm, company or fluctuating body of persons as aforesaid.</p> <p>(38) To comply with the requirements of any local law which in their opinion it shall in the interest of the Company be necessary or expedient to comply with.</p>	
	<p><b>MANAGING AND WHOLE-TIME DIRECTORS</b></p>	
<p><b>145.</b></p>	<p>a) Subject to the provisions of the Act and of these Articles, the Directors may from time to time in Board Meetings appoint one or more of their body to be a Managing Director or Managing Directors or whole-time Director or whole-time Directors of the Company for such term not exceeding five years at a time as they may think fit to manage the affairs and business of the Company, and may from time to time (subject to the provisions of any contract between him or them and the Company)</p>	<p><b>Powers to appoint Managing/ Wholetime Directors.</b></p>

<b>No.</b>	<b>Particulars</b>	
	<p>remove or dismiss him or them from office and appoint another or others in his or their place or places.</p> <p>b) The Managing Director or Managing Directors or whole-time Director or whole-time Directors so appointed shall not be liable to retire by rotation.</p>	
<b>146.</b>	<p>The remuneration of a Managing Director or a Whole-time Director (subject to the provisions of the Act and of these Articles and of any contract between him and the Company) shall from time to time be fixed by the Directors, and may be, by way of fixed salary, or commission on profits of the Company, or by participation in any such profits, or by any, or all of these modes.</p>	<b>Remuneration of Managing or Whole time Director.</b>
<b>147.</b>	<p>(1) Subject to control, direction and supervision of the Board of Directors, the day-to-day management of the company will be in the hands of the Managing Director or Whole-time Director appointed in accordance with regulations of these Articles of Association with powers to the Directors to distribute such day-to-day management functions among such Directors and in any manner as may be directed by the Board.</p> <p>(2) The Directors may from time to time entrust to and confer upon the Managing Director or Whole-time Director for the time being save as prohibited in the Act, such of the powers exercisable under these presents by the Directors as they may think fit, and may confer such objects and purposes, and upon such terms and conditions, and with such restrictions as they think expedient; and they may subject to the provisions of the Act and these Articles confer such powers, either collaterally with or to the exclusion of, and in substitution for, all or any of the powers of the Directors in that behalf, and may from time to time revoke, withdraw, alter or vary all or any such powers.</p> <p>(3) The Company's General Meeting may also from time to time appoint any Managing Director or Managing Directors or Wholetime Director or Wholetime Directors of the Company and may exercise all the powers referred to in these Articles.</p> <p>(4) The Managing Director shall be entitled to sub-delegate (with the sanction of the Directors where necessary) all or any of the powers, authorities and discretions for the time being vested in him in particular from time to time by the appointment of any attorney or attorneys for the management and transaction of the affairs of the Company in any specified locality in such manner as they may think fit.</p> <p>(5) Notwithstanding anything contained in these Articles, the Managing Director is expressly allowed generally to work for and contract with the Company and especially to do the work of Managing Director and also to do any work for the Company upon such terms and conditions and for such remuneration (subject to the provisions of the Act) as may from time to time be agreed between him and the Directors of the Company.</p>	<b>Powers and duties of Managing Director or Whole-time Director.</b>
	<b>Chief Executive Officer, Manager, Company Secretary or Chief Financial Officer</b>	
<b>148.</b>	<p>a) Subject to the provisions of the Act—</p> <p>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 thinks 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;</p> <p>ii. A director may be appointed as chief executive officer, manager, company secretary or chief financial officer.</p> <p>b) 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,</p>	<b>Board to appoint Chief Executive Officer/ Manager/ Company Secretary/ Chief Financial Officer</b>

No.	Particulars	
	<p>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.</p>	
	<b>THE SEAL</b>	
149.	<p>(a) The Board shall provide a Common Seal for the purposes of the Company, and shall have power from time to time to destroy the same and substitute a new Seal in lieu thereof, and the Board shall provide for the safe custody of the Seal for the time being, and the Seal shall never be used except by the authority of the Board or a Committee of the Board previously given.</p> <p>(b) The Company shall also be at liberty to have an Official Seal in accordance with of the Act, for use in any territory, district or place outside India.</p>	<b>The seal, its custody and use.</b>
150.	<p>The seal of the company shall not be affixed to any instrument except by the authority of a resolution of the Board or of a committee of the Board authorized by it in that behalf, and except in the presence of at least two directors 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.</p>	<b>Deeds how executed.</b>
	<b>Dividend and Reserves</b>	
151.	<p>(1) 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.</p> <p>(2) 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.</p> <p>(3) 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.</p>	<b>Division of profits.</b>
152.	<p>The Company in General Meeting may declare dividends, to be paid to members according to their respective rights and interests in the profits and may fix the time for payment and the Company shall comply with the provisions of Section 127 of the Act, but no dividends shall exceed the amount recommended by the Board of Directors, but the Company may declare a smaller dividend in general meeting.</p>	<b>The company in General Meeting may declare Dividends.</b>
153.	<p>a) 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, thinks fit.</p> <p>b) The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.</p>	<b>Transfer to reserves</b>
154.	<p>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.</p>	<b>Interim Dividend.</b>
155.	<p>The Directors may retain any dividends on which the Company has a lien and may apply the same in or towards the satisfaction of the debts, liabilities or engagements in respect of which the lien exists.</p>	<b>Debts may be deducted.</b>

<b>No.</b>	<b>Particulars</b>	
156.	No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this articles as paid on the share.	<b>Capital paid up in advance not to earn dividend.</b>
157.	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 dividends as from a particular date such share shall rank for dividend accordingly.	<b>Dividends in proportion to amount paid-up.</b>
158.	The Board of Directors may retain the dividend payable upon shares in respect of which any person under Articles has become entitled to be a member, or any person under that Article is entitled to transfer, until such person becomes a member, in respect of such shares or shall duly transfer the same.	<b>Retention of dividends until completion of transfer under Articles.</b>
159.	No member shall be entitled to receive payment of any interest or dividend or bonus in respect of his share or shares, whilst any money may be due or owing from him to the Company in respect of such share or shares (or otherwise however, either alone or jointly with any other person or persons) and the Board of Directors may deduct from the interest or dividend payable to any member all such sums of money so due from him to the Company.	<b>No Member to receive dividend whilst indebted to the company and the Company's right of reimbursement thereof.</b>
160.	A transfer of shares does not pass the right to any dividend declared thereon before the registration of the transfer.	<b>Effect of transfer of shares.</b>
161.	Any one of several persons who are registered as joint holders of any share may give effectual receipts for all dividends or bonus and payments on account of dividends in respect of such share.	<b>Dividend to joint holders.</b>
162.	<p>a) 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.</p> <p>b) Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.</p>	<b>Dividends how remitted.</b>
163.	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.	<b>Notice of dividend.</b>
164.	No unclaimed dividend shall be forfeited before the claim becomes barred by law and no unpaid dividend shall bear interest as against the Company.	<b>No interest on Dividends.</b>
<b>CAPITALIZATION</b>		
165.	<p>(1) The Company in General Meeting may, upon the recommendation of the Board, resolve:</p> <p>(a) that it is desirable to capitalize 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</p> <p>(b) that such sum be accordingly set free for distribution in the manner specified in clause (2) amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.</p> <p>(2) The sums aforesaid shall not be paid in cash but shall be applied subject to the provisions contained in clause (3) either in or towards:</p> <p>(i) paying up any amounts for the time being unpaid on any shares held by such members respectively;</p> <p>(ii) 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; or</p> <p>(iii) partly in the way specified in sub-clause (i) and partly in that specified in sub-clause (ii).</p> <p>(3) A Securities Premium Account and Capital Redemption Reserve Account may, for the purposes of this regulation, only be applied in the paying up of unissued shares to be issued to members of the Company and fully paid bonus shares.</p>	<b>Capitalization.</b>

No.	Particulars	
	(4) The Board shall give effect to the resolution passed by the Company in pursuance of this regulation.	
166.	<p>(1) Whenever such a resolution as aforesaid shall have been passed, the Board shall —</p> <p>(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</p> <p>(b) generally to do all acts and things required to give effect thereto.</p> <p>(2) The Board shall have full power -</p> <p>(a) to make such provision, by the issue of fractional certificates or by payment in cash or otherwise as it thinks fit, in case of shares becoming distributable in fractions; and also</p> <p>(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 capitalization, or (as the case may require) for the payment by the Company on their behalf, by the application thereto of their respective proportions, of the profits resolved to be capitalized, of the amounts or any part of the amounts remaining unpaid on their existing shares.</p> <p>(3) Any agreement made under such authority shall be effective and binding on all such members.</p> <p>(4) That for the purpose of giving effect to any resolution, under the preceding paragraph of this Article, the Directors may give such directions as may be necessary and settle any questions or difficulties that may arise in regard to any issue including distribution of new equity shares and fractional certificates as they think fit.</p>	<b>Fractional Certificates.</b>
167.	<p>(1) The books containing the minutes of the proceedings of any General Meetings of the Company shall be open to inspection of members without charge on such days and during such business hours as may consistently with the provisions of Section 119 of the Act be determined by the Company in General Meeting and the members will also be entitled to be furnished with copies thereof on payment of regulated charges.</p> <p>(2) Any member of the Company shall be entitled to be furnished within seven days after he has made a request in that behalf to the Company with a copy of any minutes referred to in sub-clause (1) hereof on payment of ₹ 10 per page or any part thereof.</p>	<b>Inspection of Minutes Books of General Meetings.</b>
168.	<p>a) 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.</p> <p>b) 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.</p>	<b>Inspection of Accounts</b>
<b>FOREIGN REGISTER</b>		
169.	The Company may exercise the powers conferred on it by the provisions of the Act with regard to the keeping of Foreign Register of its Members or Debenture holders, and the Board may, subject to the provisions of the Act, make and vary such regulations as it may think fit in regard to the keeping of any such Registers.	<b>Foreign Register.</b>
<b>DOCUMENTS AND SERVICE OF NOTICES</b>		
170.	Any document or notice to be served or given by the Company be signed by a Director or such person duly authorised by the Board for such purpose and the signature may be written or printed or lithographed.	<b>Signing of documents &amp; notices to be served or given.</b>

No.	Particulars	
171.	Save as otherwise expressly provided in the Act, a document or proceeding requiring authentication by the company may be signed by a Director, the Manager, or Secretary or other Authorised Officer of the Company and need not be under the Common Seal of the Company.	<b>Authentication of documents and proceedings.</b>
<b>WINDING UP</b>		
172.	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.	
<b>INDEMNITY</b>		
173.	Subject to provisions of the Act, every Director, or Officer or Servant of the Company or any person (whether an Officer of the Company or not) employed by the Company as Auditor, shall be indemnified by the Company against and it shall be the duty of the Directors to pay, out of the funds of the Company, all costs, charges, losses and damages which any such person may incur or become liable to, by reason of any contract entered into or act or thing done, concurred in or omitted to be done by him in any way in or about the execution or discharge of his duties or supposed duties (except such if any as he shall incur or sustain through or by his own wrongful act neglect or default) including expenses, and in particular and so as not to limit the generality of the foregoing provisions, against all liabilities incurred by him as such Director, Officer or Auditor or other officer of the Company in defending any proceedings whether civil or criminal in which judgment is given in his favor, or in which he is acquitted or in connection with any application under Section 463 of the Act on which relief is granted to him by the Court.	<b>Directors' and others right to indemnity.</b>
174.	Subject to the provisions of the Act, no Director, Managing Director or other officer of the Company shall be liable for the acts, receipts, neglects or defaults of any other Directors or Officer, or for joining in any receipt or other act for conformity, or for any loss or expense happening to the Company through insufficiency or deficiency of title to any property acquired by order of the Directors for or on behalf of the Company or for the insufficiency or deficiency of any security in or upon which any of the moneys of the Company shall be invested, or for any loss or damage arising from the bankruptcy, insolvency or tortuous act of any person, company or corporation, with whom any moneys, securities or effects shall be entrusted or deposited, or for any loss occasioned by any error of judgment or oversight on his part, or for any other loss or damage or misfortune whatever which shall happen in the execution of the duties of his office or in relation thereto, unless the same happens through his own dishonesty.	<b>Not responsible for acts of others</b>
<b>SECURITY</b>		
175.	(a) Every Director, Manager, Auditor, Treasurer, Trustee, Member of a Committee, Officer, Servant, Agent, Accountant or other person employed in the business of the company shall, if so required by the Directors, before entering upon his duties, sign a declaration pleading himself to observe strict secrecy respecting all transactions and affairs of the Company with the customers and the state of the accounts with	<b>Secrecy</b>

<b>No.</b>	<b>Particulars</b>	
	<p>individuals and in matters relating thereto, and shall by such declaration pledge himself not to reveal any of the matter which may come to his knowledge in the discharge of his duties except when required so to do by the Directors or by any meeting or by a Court of Law and except so far as may be necessary in order to comply with any of the provisions in these presents contained.</p>	
	<p>(b) No member or other person (other than a Director) shall be entitled to enter the property of the Company or to inspect or examine the Company's premises or properties or the books of accounts of the Company without the permission of the Board of Directors of the Company for the time being or to require discovery of or any information in respect of any detail of the Company's trading or any matter which is or may be in the nature of trade secret, mystery of trade or secret process or of any matter whatsoever which may relate to the conduct of the business of the Company and which in the opinion of the Board it will be inexpedient in the interest of the Company to disclose or to communicate.</p>	<p><b>Access to property information etc.</b></p>



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**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 years before the date of the Red Herring 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 Red Herring Prospectus delivered to the RoC for registration, and also the documents for inspection referred to hereunder, may be inspected at our Registered Office at, R-223, M.I.D.C. Complex, Rabale, Thane Belapur Road, Navi Mumbai 400 701, Maharashtra, India, from 10.00 am to 4.00 pm on Working Days from the date of the Red Herring Prospectus until the Bid/Issue Closing Date.

**A Material Contracts to the Issue**

1. Issue Agreement dated May 15, 2018 entered into between our Company and the BRLM and Addendum to Issue Agreement dated August 07, 2018 entered into among our Company, Promoter Selling Shareholder and the BRLM.
2. Registrar Agreement dated March 14, 2018, entered into among our Company and the Registrar to the Issue and Addendum to Registrar Agreement dated August 07, 2018 entered into among our Company, Promoter Selling Shareholder and the Registrar to the Issue.
3. Tripartite Agreement dated February 15, 2018 entered into among our Company, NSDL and the Registrar to the Issue.
4. Tripartite Agreement dated February 02, 2018 entered into among our Company, CDSL and the Registrar to the Issue.
5. Market Making Agreement dated June 02, 2018 between our Company, Market Maker and the BRLM and Addendum to Market Making Agreement dated August 07, 2018.
6. Public Issue Agreement dated June 04, 2018 entered into among our Company, the BRLM, Banker to the Issue and the Registrar to the Issue and Addendum to Public Issue Agreement dated August 07, 2018 entered into among our Company, Promoter Selling Shareholder, BRLM, Banker to the Issue and the Registrar to the Issue.
7. Syndicate Agreement dated June 02, 2018 entered into among our Company, the BRLM and Syndicate Members and Addendum to Syndicate Agreement dated August 07, 2018.
8. Underwriting Agreement dated June 02, 2018 entered into among our Company and the BRLM and Addendum to Underwriting Agreement dated August 07, 2018 entered into among our Company, Promoter Selling Shareholder and BRLM.
9. Share Escrow Agreement dated August 07, 2018 among the Promoter Selling Shareholder, our Company, BRLM and the Share Escrow Agent.

**B Material Documents**

1. Certified copies of the Memorandum of Association and Articles of Association of our Company.
2. Certificate of incorporation dated April 20, 1987, fresh certificate of incorporation consequent upon change of name dated January 9, 2018 and a fresh certificate of incorporation dated January 10, 2018 pursuant to conversion of our Company to public limited company.
3. Resolution of the Board of Directors of our Company and Equity Shareholders of our Company dated August 01, 2018 and August 06, 2018 respectively, authorizing the Issue.
4. Resolution of the Board of Directors of our Company dated August 07, 2018 approving the Draft Red Herring Prospectus and amendments thereto.
5. MD Agreement dated January 17, 2018 entered into by our Company and Mr. Sanjay Chowdhri for re-appointment as Managing Director.

6. The examination reports of the Peer Reviewed Auditor, M/s. R.T. Jain & Co. LLP, Chartered Accountants, dated May 21, 2018 on our Company's restated financial information for the financial years ended as on March 31, 2018, 2017, 2016, 2015, 2014 and 2013 and Statement of Possible Special Tax Benefits dated May 21, 2018 included in this Red Herring Prospectus.
7. Consent of the Peer Reviewed Auditor, M/s. R.T. Jain & Co. LLP, Chartered Accountants, to include its name as required under Section 26(1)(a)(v) of the Companies Act 2013 in this Red Herring Prospectus and as an expert, as defined under Section 2(38) of the Companies Act 2013, in relation to their audit report dated May 21, 2018 on our restated financial information and the Statement of Possible Special Tax Benefits in the form and context in which it appears in this Red Herring Prospectus.
8. Consents of Promoters, Directors, Chief Executive Officer, Chief Financial Officer and Company Secretary and Compliance Officer, Statutory Auditors, Bankers to our Company, the Promoter Selling Shareholder (*where such consent is required*), the BRLM, Underwriters, Registrar to the Issue, Banker to the Issue, Refund Banker to the Issue, Legal counsel, Market Maker and Syndicate Member as referred to act, in their respective capacities.
9. Copy of in-principle approval from National Stock Exchange of India Limited by way of letter dated August 10, to use the name of NSE in the offer document for listing of Equity Shares on NSE EMERGE.
10. Due Diligence certificate from Book Running Lead Manager dated August 11, 2018.

Any of the contracts or documents mentioned in this Red Herring 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, without reference to the shareholders, subject to compliance with the provisions contained in the Companies Act and other relevant statutes.

**DECLARATION**

We, the under signed, hereby certify and declare that all relevant provisions of the Companies Act and the rules, regulations and guidelines issued by the Government of India, or the regulations or guidelines issued by SEBI, as the case may be, have been complied with and no statement made in this Red Herring Prospectus is contrary to the provisions of the Companies Act, as amended, the Securities and Exchange Board of India Act, 1992, as amended or the rules, regulations or guidelines issued thereunder, as the case may be. We further certify that all the disclosures and statements in this Red Herring Prospectus are true and correct.

**SIGNED BY THE BOARD OF DIRECTORS OF OUR COMPANY:**

<p>Sd/-</p> <p>Lalita Chowdhri <i>Chairperson &amp; Non- Executive Director</i></p>	<p>Sd/-</p> <p>Sanjay Chowdhri <i>Managing Director</i></p>
<p>Sd/-</p> <p>Abhinav Chowdhri <i>Executive Director</i></p>	<p>Sd/-</p> <p>Jayaraman Kannan <i>Independent Director</i></p>
<p>Sd/-</p> <p>Prakash Deshmukh <i>Independent Director</i></p>	

**SIGNED BY CHIEF EXECUTIVE OFFICER (CEO):**

Sd/-

Pranav Chowdhri

**SIGNED BY CHIEF FINANCIAL OFFICER (CFO):**

Sd/-

Gopal Mishra

Date: August 11, 2018

Place: Navi Mumbai



**DECLARATION OF PROMOTER SELLING SHAREHOLDER**

The undersigned Promoter Selling Shareholder hereby certifies that all statements and undertakings made in this Red Herring Prospectus about or in relation to herself and the Equity Shares being offered by her in the Offer are true and correct, provided however, that the undersigned Promoter Selling Shareholder assumes no responsibility for any of the statements or undertakings made by the Company or any other Promoter Selling Shareholder or any expert or any other person(s) in this Red Herring Prospectus.

**SIGNED BY THE PROMOTER SELLING SHAREHOLDER**

Sd/-

**Lalita Chowdhri**

Date: August 11, 2018

Place: Navi Mumbai