

## MILESTONE FURNITURE LIMITED

(Formerly known as Milestone Furniture Private Limited) Corporate Identity Number: - U36912MH2014PLC25413

Our Company was originally incorporated as "Milestone Furniture Private Limited" on March 12, 2014 under the Companies Act, 2013 vide certificate of incorporation issued by the Registrar of Companies, Mumbai. Maharashtra vide CIN No. U36912MH2014PTC254131 Subsequently, pursuant to shareholders resolution passed in the Extra-ordinary General Meeting held on our Company was converted into a public company and consequently name was changed to "Milestone Furniture Limited" vide fresh certificate of incorporation dated July 05, 2017 issued by Registrar of Companies, Mumbai. Maharashtra. For details of the changes in our name and registered office, please refer to the chapter titled 'History and Corporate Structure' beginning on page 142 of this Prospectus.

**Registered Office:** 1<sup>st</sup> Floor, Aslam Compound Shree Nagar, Behind Boghul House, Chandivali Road, Sakinaka Mumbai. Maharashtra - 400072. India.

**Contact Person:** Mr. Kamlesh Vyas (Company Secretary & Compliance officer) Tel No: 022- 28581499 / 28578954,

**E-mail:** vyas\_cs@yahoo.in, admin@milestonefurniture.com **Website:** www.milestonegroup.asia

**Promoter Of our Company:** Mr. Digamber Sudam Songhare and Mr. P. S. Ganeshkumar

### THE ISSUE

**PUBLIC ISSUE OF 32,97,000 EQUITY SHARES OF FACE VALUE OF Rs. 10/- EACH ("EQUITY SHARES") OF MILESTONE FURNITURE LIMITED ("OUR COMPANY" OR "THE ISSURE") FOR CASH AT A PRICE Rs. 45/- PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF Rs. 35/- PER EQUITY SHARE) ("ISSUE PRICE") AGGREGATING TO Rs. 1483.65 LAKHS ("THE ISSUE"), OF WHICH 1,65,000 EQUITY SHARES OF FACE VALUE OF Rs. 10/- EACH FOR A CASH PRICE OF Rs. 45/- PER EQUITY SHARE, AGGREGATING TO Rs. 74.25 LAKHS WILL BE RESERVED FOR SUBSCRIPTION BY MARKET MAKER ("MARKET MAKER RESERVATION PORTION"). THE ISSUE LESS THE MARKET MAKER RESERVATION PORTION I.E. ISSUE OF 31,32,000 EQUITY SHARES OF FACE VALUE OF Rs. 10/- EACH AT AN ISSUE PRICE OF Rs. 45 PER EQUITY SHARE AGGREGATING TO Rs. 1409.40 LAKHS (IS HEREINAFTER REFERRED TO AS THE "NET ISSUE"). THE ISSUE AND THE NET ISSUE WILL CONSTITUTE 35.46% AND 33.69%, RESPECTIVELY OF THE POST ISSUE PAID UP EQUITY SHARE CAPITAL OF OUR COMPANY. FOR FURTHER DETAILS, PLEASE REFER TO SECTION TITLED "TERMS OF THE ISSUE" BEGINNING ON PAGE 231 OF THIS PROSPECTUS.**

**THE FACE VALUE OF THE EQUITY SHARES IS RS. 10/- EACH AND THE ISSUE PRICE IS RS. 45/- . THE ISSUE PRICE IS 4.5 TIMES OF THE FACE VALUE.**

**THIS ISSUE IS BEING MADE IN TERMS OF CHAPTER XB OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 (THE "SEBI ICDR REGULATIONS"), AS AMENDED. THIS ISSUE IS A FIXED PRICE ISSUE AND ALLOCATION IN THE NET ISSUE TO THE PUBLIC WILL BE MADE IN TERMS OF REGULATION 43(4) OF THE SEBI (ICDR) REGULATIONS, 2009, AS AMENDED. FOR FURTHER DETAILS, PLEASE REFER TO SECTION TITLED "ISSUE PROCEDURE" BEGINNING ON PAGE 241 OF THIS PROSPECTUS.**

In terms of SEBI Circular No. CIR/CFD/POLICYCELL/11/2015, all potential Investors shall participate in the Issue only through an Application Supported by Blocked Amount ("ASBA") process providing details about the bank account which will be blocked by the Self Certified Syndicate Banks ("SCSBs") for the same. For further details, please refer to section titled "Issue Procedure" beginning on page no. 241 of this Prospectus.

**The Copy of this Prospectus has been Delivered for Registration to the Registrar Of Companies as required under section 26 of the Companies Act, 2013**

### ELIGIBLE INVESTORS

For details in relation to Eligible Investors, please refer to section titled "Issue Procedure" beginning on page 241 of this Prospectus.

### RISK IN RELATION TO THE FIRST ISSUE

This being the first public issue of the Equity Shares of our Company, there has been no formal market for the Equity Shares of our Company. The face value of the Equity Shares of the Company is Rs. 10.00 per equity share and the Issue Price is 4.5 times of the face value. The Issue Price (has been determined and justified by our Company in consultation with the Lead Manager as stated under the paragraph 'Basis for Issue Price' on page 93 of this Prospectus) should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active and/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

Investments in equity and equity related securities involve a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the "Risk Factors" carefully before taking an investment decision in this Issue. For taking an investment decision, investors must rely on their own examination of 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 this Prospectus. **Specific attention of the investors is invited to the section titled 'Risk Factors' beginning on page 20 of this Prospectus.**

### ISSUER'S ABSOLUTE RESPONSIBILITY

The Company having made all reasonable inquiries, accepts responsibility for and confirms that this Prospectus contains all information with regard to our Company and this Issue, which is material in the context of this Issue, that the information contained in this Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Prospectus as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.

### LISTING

The Equity Shares offered through this Prospectus are proposed to be listed on the SME Platform of Bombay Stock Exchange ("BSE" i.e. "BSE SME PLATFORM"). In terms of the Chapter XB of the SEBI (ICDR) Regulations, 2009, as amended, we are required to obtain an in-principle listing approval for the shares being offered in this issue. Our Company has received an in-principle approval letter dated **February 21, 2018** from BSE for using its name in this offer document for listing of our shares on the SME Platform of BSE. For the purpose of this Issue, the Designated Stock Exchange will be the BSE.

### LEAD MANAGER TO THE ISSUE



**MONARCH NETWORK CAPITAL LIMITED,**  
**Address -** Monarch House, Opp., Ishwar Bhuvan, Commerce Six Road, Navrangpura, Ahmedabad - 380014. **Tel. No. -** 079 - 6600 0500/ 700  
**Website:** <https://www.mnclgroup.com/> **Email:** shivam.patel@mnclgroup.com  
**Investor Grievance Email:** mbd@mnclgroup.com  
**Contact Person:** Mr. Shivam Patel **SEBI Regn. No.** MB/ INM000011013

### REGISTRAR TO THE ISSUE



**KARVY COMPUTERSHARE PRIVATE LIMITED,**  
**Address -** Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad 500 032 . India.  
**Tel. No. -** +91 40 6716 2222 **Website:** [www.karisma.karvy.com](http://www.karisma.karvy.com)  
**Email:** einward.ris@karvy.com  
**Investor Grievance Email:** milestonefurniture.ipo@karvy.com  
**Contact Person:** Mr. M Murali Krishna **SEBI Regn. No.** INR000000221

### ISSUE PROGRAMME

**ISSUE OPENS ON: May 7, 2018**

**ISSUE CLOSSES ON: May 11, 2018**

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## SECTION 1 – GENERAL

### DEFINITIONS AND ABBREVIATIONS

*This Prospectus uses certain definitions and abbreviations which, unless the context otherwise indicates or implies, shall have the meaning as provided below. References to any legislation, act, regulation, rule, guideline or policy shall be to such legislation, act, regulation, rule, guideline or policy, as amended, supplemented or re-enacted from time to time.*

*The words and expressions used in this Prospectus but not defined herein shall have, to the extent applicable, the meaning ascribed to such terms under the Companies Act, the SEBI ICDR Regulations, the SCRA, the Depositories Act or the rules and regulations made there under.*

*Notwithstanding the foregoing, terms used in of the sections “Statement of Tax Benefits”, “Financial Information of the Company” and “Main Provisions of Articles of Association” on pages 96, 175 and 294 respectively, shall have the meaning ascribed to such terms in such sections.*

#### General Terms

Terms	Description
“MFL”, “the Company”, “our Company” and Milestone Furniture Limited	Milestone Furniture Limited, a company incorporated in India under the Companies Act 2013 having its Registered office 1st Floor, Aslam Compound Shree Nagar, Behind Boghul House, Chandivali Road, Sakinaka Mumbai City Maharashtra. 400072 India.
“we”, “us” and “our”	Unless the context otherwise indicates or implies, refers to our Company
“you”, “your” or “yours”	Prospective investors in this Issue

#### Company Related Terms

Terms	Description
AOA / Articles / Articles of Association	Articles of Association of Milestone Furniture Limited, as amended from time to time.
Auditors/ Statutory Auditors	The Auditors of Milestone Furniture Limited being M/s NGST & Associates, Chartered Accountants, Mumbai.
Audit Committee	The Committee of the Board of Directors constituted as the Company’s Audit Committee in accordance with Section 177 of the Companies Act, 2013 and Regulation 18 of SEBI (Listing Obligations and Disclosures Requirement) Regulation, 2015
Bankers to the Company	Axis Bank Limited & Saraswat Bank Limited
Board of Directors /the Board / our Board	The Board of Directors of Milestone Furniture Limited, including all duly constituted Committees thereof.
CIN	Corporate Identification Number.
Chief Executive Officer	The Chief Executive Office of our Company being Mr. P. S. Ganeshkumar
Chief financial Officer	The Chief financial Officer of our Company being Mr. Dilip Rajgor
Companies Act / Act	The Companies Act, 2013 and amendments thereto. The Companies Act, 1956, to the extent of such of the provisions that are in force.
Company Secretary and Compliance Officer	The Company Secretary and Compliance Officer of our Company being Mr. Kamlesh Vyas.

<b>Terms</b>	<b>Description</b>
Depositories Act	The Depositories Act, 1996, as amended from time to time.
Depositories	National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).
DIN	Directors Identification Number.
Director(s) / our Directors	The Director(s) of our Company, unless otherwise specified.
Equity Shares	Equity Shares of the Company of Face Value of Rs.10/- each unless otherwise specified in the context thereof.
Equity Shareholders	Persons/ Entities holding Equity Shares of our Company.
Executive Directors	Executive Director is the Managing Director and Whole-time Director of our Company.
Factories	1st Floor, Aslam Compound Shree Nagar, Behind Boghul House, Chandivali Road, Sakinaka Mumbai Mumbai City Maharashtra-400072, India.
Group Companies	The word “group companies”, wherever they occur, shall include such companies as covered under the applicable accounting standards and also other companies as considered material by the board of the company as disclosed in “Our Group Companies” promoted by the Promoters on page168 of this Prospectus.
HUF	Hindu Undivided Family.
IBC	The Insolvency and Bankruptcy Code, 2016
IFRS	International Financial Reporting Standards
Independent Director	A non-executive & independent Director as per the Companies Act, 2013 and the Listing Regulations.
Indian GAAP	Generally Accepted Accounting Principles in India
ISIN	International Securities Identification Number. In this case being INE424Z01011
IT Act	The Income Tax Act,1961 as amended till date
Key Management Personnel/ KMP	Key Management Personnel of our Company in terms of the SEBI Regulations and the Companies Act, 2013. For details, see section entitled “Our Management” on page 146 of this Prospectus.
MOA / Memorandum / Memorandum of Association	Memorandum of Association of Milestone Furniture Limited as amended from time to time.
Non Residents	A person resident outside India, as defined under FEMA Regulations, 2000
Nomination and Remuneration Committee	The nomination and remuneration committee of our Board constituted in accordance with the Companies Act, 2013 and the Listing Regulations.
Non-Executive Director	A Director not being an Executive Director or an Independent Director
NRI / Non-Resident Indians	A person resident outside India, as defined under FEMA Regulation and who is a citizen of India or a Person of Indian Origin under Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000.
Peer Review Auditor	Independent Auditor having a valid Peer Review certificate in our case being M/s NGST & Associates, Chartered Accountants, Mumbai.
Person or Persons	Any individual, sole proprietorship, unincorporated association, unincorporated organization, body corporate, corporation, company, partnership, limited liability company, joint venture, or trust or any

<b>Terms</b>	<b>Description</b>
	other entity or organization validly constituted and/or incorporated in the jurisdiction in which it exists and operates, as the context requires.
Promoters	Shall mean promoters of our Company i.e. Mr. P. S. Ganeshkumar, Mr. Digambar Songhare.
Promoter Group	Includes such Persons and entities constituting our promoter group covered under Regulation 2(1)(zb) of the SEBI (ICDR) Regulations as enlisted in the section titled “Our Promoters and Promoters Group” beginning on page 168 of this Prospectus.
RBI Act	The Reserve Bank of India Act, 1934 as amended from time to time.
Registered Office of our Company	1st Floor, Aslam Compound Shree Nagar, Behind Boghul House, Chandivali Road, Sakinaka Mumbai Mumbai City MH 400072 IN
Reserve Bank of India / RBI	Reserve Bank of India constituted under the RBI Act.
Restated Financial Information	The Standalone financial statements of our Company’s assets and liabilities as at March 31, 2014, year ended March 31, 2015, March 31, 2016 and March 31, 2017 & Period ended November 30, 2017 and the Standalone statements of profit and loss and cash flows for the period ended March 31, 2014, year ended March 31, 2015, March 31, 2016 and March 31, 2017 & Period ended November 30, 2017, of our Company are prepared in accordance with Indian GAAP and the Companies Act and restated in accordance with the SEBI ICDR Regulations and the Revised Guidance Note on Reports in Company Prospectuses (Revised) issued by the ICAI, together with the schedules, notes and annexure thereto.
ROC/Registrar of Companies	Registrar of Companies, Mumbai, Maharashtra
SEBI	Securities and Exchange Board of India constituted under the SEBI Act, 1992.
SEBI Act	Securities and Exchange Board of India Act, 1992, as amended from time to time.
SEBI (ICDR) Regulations /ICDR Regulation/ Regulation	SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 issued by SEBI on August 26, 2009, as amended, including instructions and clarifications issued by SEBI from time to time.
SEBI Takeover Regulations or SEBI (SAST) Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 2011, as amended from time to time.
SEBI (Venture Capital) Regulations	Securities Exchange Board of India (Venture Capital) Regulations, 1996 as amended from time to time.
SEBI Insider Trading Regulations	The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 as amended, including instructions and clarifications issued by SEBI from time to time.
SEBI Listing Regulations, 2015/ SEBI Listing Regulations/ListingRegulations/SEBI (LODR)	The Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 as amended, including instructions and clarifications issued by SEBI from time to time.
Shareholders	Holders of Equity Shares of our Company from time to time
Sub- Account	Sub- accounts registered with SEBI under the Securities and Exchange Board of India (Foreign Institutional Investor) Regulations, 1995, other than sub-accounts which are foreign corporate or foreign individuals.

<b>Terms</b>	<b>Description</b>
Subscriber to MOA	Initial Subscriber to MOA & AOA being Mr. P. S. Ganeshkumar and Mr. Digambar Sudam Songhare.
Stock Exchange	Unless the context requires otherwise, refers to, Bombay Stock Exchange of India Limited
Stakeholders Relationship Committee	Stakeholder's relationship committee of our Company constituted in accordance with Regulation 20 of the SEBI (LODR) Regulations and Companies Act, 2013.
Willful Defaulter(s)	Willful defaulter as defined under Regulation 2(zn) of the SEBI Regulations

***Issue Related Terms***

<b>Terms</b>	<b>Description</b>
Allotment/Allot/Allotted	Unless the context otherwise requires, means the allotment of Equity Shares pursuant to the Public Issue.
Acknowledgement Slip	The slip or document issued by the Designated Intermediary to an applicant as proof of registration of the Application.
Allotment Advice	Note or advice or intimation of Allotment sent to the Applicants who have been allotted Equity Shares after the Basis of Allotment has been approved by the Designated Stock Exchanges.
Allottee (s)	A successful applicant to whom the Equity Shares are allotted
Applicant/Investor	Any Prospective Investor who makes an application pursuant to the terms of the Prospectus and the Application Form.
Application Amount	The amount at which the Applicant makes an application for the Equity Shares of our Company in terms of Prospectus.
Application Form	The form, whether physical or electronic, used by an Applicant to make an application, which will be considered as the application for Allotment for purposes of this Prospectus.
ASBA Account	Account maintained by the ASBA Investor with an SCSB which will be blocked by such SCSB to the extent of the Application Amount of the ASBA Investor.
ASBA Application Location (s)/Specified Cities	Cities as specified in the SEBI Circular No. CIR/CFD/DIL/1/2011 dated April 29, 2011, namely, Ahmedabad, Bangalore, Baroda (Vadodara), Chennai, Delhi, Hyderabad, Jaipur, Kolkata, Mumbai, Pune, Rajkot and Surat.
Bankers to the Company	Axis Bank Limited & Saraswat Bank Limited
Bankers to the Issue	Banks which are clearing members and registered with SEBI as Bankers to an Issue and with whom the Public Issue Account will be opened, in this case being HDFC Bank Limited.
Banker to the Issue Agreement	Agreement dated March 12, 2018 entered into amongst the Company, Lead Manager, the Registrar and the Banker of the Issue.
Basis of Allotment	The basis on which the Equity Shares will be Allotted to successful applicants under the Issue and which is described in the chapter titled "Issue Procedure" beginning on page 283 of this Prospectus.
Broker Centres	Broker centers notified by the Stock Exchanges where investors can submit the Application Forms to a Registered Broker. The details of such Broker Centers, along with the names and contact details of the Registered Brokers are available on the websites of the Stock Exchange.
BSE/ BSE LTD.	Bombay Stock Exchange
BSE SME	The SME platform of BSE, approved by SEBI as an SME Exchange for listing of equity shares Issued under Chapter X-B of the SEBI ICDR Regulations.

<b>Terms</b>	<b>Description</b>
Business Day	Monday to Friday (except public holidays)
CAN or Confirmation of Allocation Note	The Note or advice or intimation sent to each successful Applicant indicating the Equity which will be allotted, after approval of Basis of Allotment by the designated Stock Exchange.
Client Id	Client Identification Number maintained with one of the Depositories in relation to demat account
Collecting Depository Participants or CDPs	A depository participant as defined under the Depositories Act, 1996, registered with SEBI and who is eligible to procure Applications at the Designated CDP Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI
Controlling Branches of the SCSBs	Such branches of the SCSBs which coordinate with the LM, the Registrar to the Issue and the Stock Exchange.
Demographic Details	The demographic details of the applicants such as their Address, PAN, name of the applicants father/husband, investor status, and Occupation and Bank Account details.
Depository / Depositories	A depository 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.
Designated Date	On the Designated Date, the amounts blocked by SCSBs are transferred from the ASBA Accounts to the Public Issue Account and/ or unblocked in terms of the Prospectus.
Designated SCSB Branches	Such branches of the SCSBs which shall collect the ASBA Application Form from the Applicant and a list of which is available on the website of SEBI at <a href="http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/">http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/</a> . Recognized-Intermediaries or at such other website as may be prescribed by SEBI from time to time
Designated CDP Locations	Such locations of the CDPs where Applicant can submit the Application Forms to Collecting Depository Participants. The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept Application Forms are available on the website of the Stock Exchange i.e. <a href="http://www.bseindia.com">www.bseindia.com</a>
Designated RTA Locations	Such locations of the RTAs where Applicant can submit the Application Forms to RTAs. The details of such Designated RTA Locations, along with names and contact details of the RTAs eligible to accept Application Forms are available on the websites of the Stock Exchange i.e. <a href="http://www.bseindia.com">www.bseindia.com</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.
Designated Intermediaries/Collecting Agent	An SCSB's with whom the bank account to be blocked, is maintained, a syndicate member (or sub-syndicate member), a Stock Broker registered with recognized Stock Exchange, a Depository Participant, a registrar to an Issue and share transfer agent (RTA) (whose names is mentioned on website of the stock exchange as eligible for this activity)
Designated Market Maker	Monarch Networth Capital Limited will act as the Market Maker and has agreed to receive or deliver the specified securities in the market making process for a period of three years from the date of listing of our Equity Shares or for any other period as may be notified by SEBI from time to time.
Designated Stock Exchange	Bombay Stock Exchange [BSE Ltd.] (SME Exchange)
DP	Depository Participant

<b>Terms</b>	<b>Description</b>
DP ID	Depository Participants Identity number.
Draft Prospectus	Draft Prospectus dated January 15, 2018 issued in accordance with Section 32 of the Companies Act, 2013.
Eligible NRI	A Non Resident Indian in a jurisdiction outside India where it is not unlawful to make an offer or invitation under the Issue and in relation to whom this Prospectus will constitute an invitation to subscribe for the Equity Shares.
Equity Shares	Equity Shares of our Company of face value Rs.10.00 each
Electronic Transfer of Funds	Refunds through ECS, NEFT, Direct Credit or RTGS as applicable.
Eligible QFIs	QFIs from such jurisdictions outside India where it is not unlawful to make an offer or invitation under the Issue and in relation to whom the Prospectus constitutes an invitation to purchase the Equity Shares Issued thereby and who have opened demat accounts with SEBI registered qualified depository participants.
FII / Foreign Institutional Investors	Foreign Institutional Investor (as defined under SEBI (Foreign Institutional Investors) Regulations, 1995, as amended) registered with SEBI under applicable laws in India.
First/ Sole Applicant	The Applicant whose name appears first in the Application Form or Revision Form.
Foreign Venture Capital Investors	Foreign Venture Capital Investors registered with SEBI under the SEBI (Foreign Venture Capital Investor) Regulations, 2000.
FPI / Foreign Portfolio Investor	A Foreign Portfolio Investor who has been registered pursuant to the of Securities And Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014, provided that any FII or QFI who holds a valid certificate of registration shall be deemed to be a foreign portfolio investor till the expiry of the block of three years for which fees have been paid as per the SEBI (Foreign Institutional Investors) Regulations, 1995, as amended
General Information Document (GID)	The General Information Document for investing in public issues prepared and issued in accordance with the circulars (CIR/CFD/DIL/12/2013) dated October 23, 2013, notified by SEBI and updated pursuant to the circular (CIR/CFD/POLICYCELL/11/2015) dated November 10, 2015 and (SEBI/HO/CFD/DIL/CIR/P/2016/26) dated January 21, 2016 notified by the SEBI.
GIR Number	General Index Registry Number.
IPO	Initial Public Offering
Issue Agreement	The Agreement dated December 30, 2017 between our Company and LM
Issue Closing Date	The date after which the Lead Manager, Syndicate Member, Designated Branches of SCSBs and Registered Brokers will not accept any Application for this Issue, which shall be notified in a English national newspaper, Hindi national newspaper and a regional newspaper each with wide circulation as required under the SEBI (ICDR) Regulations. In this case being May 11, 2018
Issue Opening Date	The date on which the Lead Manager, Syndicate Member, Designated Branches of SCSBs and Registered Brokers shall start accepting Application for this Issue, which shall be the date notified in an English national newspaper, Hindi national newspaper and a regional newspaper each with wide circulation as required under the SEBI (ICDR) Regulations. In this case being May 7, 2018
Issue Period	The period between the Issue Opening Date and the Issue Closing Date, inclusive of both days, during which prospective Applicants can submit their Applications, including any revisions thereof.





Terms	Description
Issue Price	The price at which Equity Shares will be issued by the Company in terms of this Prospectus i.e. Rs.45/-per share.
Issue Size	The Public Issue of 32,97,000 Equity Shares of Face Value of Rs. 10/- each for Cash at a Price of Rs. 45/- Per Equity Share (Including a Share Premium of Rs. 35/-per Equity Share) aggregating to Rs. 1483.65 Lakhs.
Lead Manager/LM	Lead Manager to the Issue, in this case being Monarch Network Capital Limited, SEBI Registered Category I Merchant Bankers.
Market Making Agreement	The Market Making Agreement dated December 30, 2017 between our Company, Lead Manager and Market Maker
Market Maker Reservation Portion	The reserved portion of 1,65,000 Equity Shares of Rs.10/- each at an Issue price of Rs.45/- each aggregating to Rs.74.25Lakhs to be subscribed by Market Maker in this Issue.
Merchant Banker	Merchant Banker as defined under the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992
Mutual Fund	A Mutual Fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996, as amended.
Net Issue	The Issue (excluding the Market Maker Reservation Portion) of 31, 32,000 equity Shares of Rs.10/-each at a price of Rs.45/-per Equity Share (the "Issue Price"), including a share premium of Rs.35/-per equity share.
Non-Institutional Investors	Investors other than Retail Individual Investors, NRIs and QIBs who apply for the Equity Shares of a value of more than Rs.2,00,000/-
Other Investors	Investors other than Retail Individual Investors. These include individual applicants other than retail individual investors and other investors including corporate bodies or institutions irrespective of the number of specified securities applied for.
Overseas Corporate Body/OCB	Overseas Corporate Body means and includes an entity defined in clause (xi) of Regulation 2 of the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies (OCBRs.s) Regulations 2003 and which was in existence on the date of the commencement of these Regulations and immediately prior to such commencement was eligible to undertake transactions pursuant to the general permission granted under the Regulations. OCBs are not allowed to invest in this Issue.
Prospectus	The prospectus to be filed with the RoC in accordance with Section 32 of the Companies Act, containing, <i>inter alia</i> , the Issue Price will be determined before filing the Prospectus with RoC.
Public Issue Account	Account opened with the Bankers to the Issue to receive monies from the SCSBs from the bank account of the ASBA Applicant, on the Designated Date.
Qualified Institutional Buyers/ QIBs	A Mutual Fund, Venture Capital Fund and Foreign Venture Capital Investor registered with the SEBI, a foreign institutional investor and sub-account (other than a sub-account which is a foreign corporate or foreign individual), registered with the SEBI; a public financial institution as defined in Section 2(72) of the Companies Act, 2013; a scheduled commercial bank; a multilateral and bilateral development financial institution; a state industrial development corporation; an insurance company registered with the Insurance Regulatory and Development Authority; a provident fund with minimum corpus of Rs.25.00 Crore; a pension fund with minimum corpus of Rs.25.00 Crore; National Investment Fund set up by resolution No. F. No. 2/3/2005 – DDII dated November 23, 2005 of the Government of India published in the Gazette of India, insurance funds set up and managed by army, navy or air force of the Union of India and insurance funds set

<b>Terms</b>	<b>Description</b>
	up and managed by the Department of Posts, India.
Registrar/ Registrar to the Issue/ RTA/ RTI	Registrar to the Issue being Karvy Computershare Private Limited.
Registrar Agreement	The agreement dated 07 <sup>th</sup> November, 2017, entered into between our Company and the Registrar to the Issue in relation to the responsibilities and obligations of the Registrar to the Issue pertaining to the Issue.
Retail Individual Investors	Individual investors (including HUFs, in the name of Karta and Eligible NRIs) who apply for the Equity Shares of a value of not more than Rs. 2,00,000.
Registered Broker	Individuals or companies registered with SEBI as “Trading Members”(except Syndicate/Sub Syndicate Members) who hold valid membership of either BSE or 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.bseindia.com/membership/content/cat_of_mem.htm">http://www.bseindia.com/membership/content/cat_of_mem.htm</a>
Revision Form	The form used by the applicants to modify the quantity of Equity Shares in any of their Application Forms or any previous Revision Form(s).
Reservation Portion	The portion of the Issue reserved for category of eligible Applicant as provided under the SEBI (ICDR) Regulations, 2009
Reserved Category/ Categories	Categories of persons eligible for making application under reservation portion.
Regulations	SEBI (Issue of Capital and Disclosure Requirement) Regulations, 2009 as amended from time to time.
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
SEBI SAST / SEBI (SAST) Regulations	SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 as amended
SEBI Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
Self-Certified Syndicate Bank(s) / SCSB(s)	Banks which are registered with SEBI under the Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994 and Issue services of ASBA, including blocking of bank account, a list of which is available <a href="http://www.sebi.gov.in/pmd/scsb.pdf">http://www.sebi.gov.in/pmd/scsb.pdf</a>
SME Exchange	SME Platform of the BSE
SEBI(PFUTP) Regulations/PFUTP Regulations	SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Markets) Regulations, 2003
Share Escrow Agreement	The Share Escrow Agreement dated March 12 <sup>th</sup> , 2018 between our Company, Lead Manager and Escrow Agent.
Transaction Registration Slip/ TRS	The slip or document issued by a member of the Syndicate or an SCSB (only on demand), as the case may be, to the applicants, as proof of registration of the Application
Underwriters	The LM who has underwritten this Issue pursuant to the provisions of the SEBI (ICDR) Regulations and the Securities and Exchange Board of India (Underwriters) Regulations, 1993, as amended from time to time.
Underwriting Agreement	The Agreement dated December 30, 2017 entered between the Underwriter, LM and our Company.
U.S. Securities Act	U.S. Securities Act of 1933, as amended
Venture Capital Fund	Foreign Venture Capital Funds (as defined under the Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996) registered with SEBI



<b>Terms</b>	<b>Description</b>
	under applicable laws in India.
Working Day	Any day, other than Saturdays or Sundays, on which commercial banks in India are open for business, provided however, for the purpose of the time period between the Issue Opening Date and listing of the Equity Shares on the Stock Exchanges, "Working Days" shall mean all trading days excluding Sundays and bank holidays in India in accordance with the SEBI circular no. SEBI/HO/CFD/DIL/CIR/P/2016/26 dated January 21, 2016.

***Technical and Industry Related Terms***

<b>Terms</b>	<b>Full Form</b>
AEs	Advanced Economies
ANSI	American National Standards Institute
BIFMA	Business and Institutional Furniture Manufacturers Association
BPO	Business Process Outsourcing
CNC Router	Computer Numerical Control Router
CPI	Consumer Price Index
CSIL	Centre for Industrial Studies
EMEs	Emerging Economies
FFSC	Furniture and Fittings Skill Council
IOS	Industry Outlook Survey
KPO	Knowledge Process Outsourcing
LPG	Liquidified Petroleum Gas
MDF	Medium-density Fiberboard
MIDC	Maharashtra Industrial Development Corporation
MNCs	Multinational Companies
MPC	Monetary Policy Committee
PADO	Public Administration Defense and Other Services
PMI	Purchasing Manager's Index
POP	Plaster of Paris
PVC Edge band	Polyvinyl Chloride Edge bands
RPL	Recognition of Prior Learning
TUFS	Technology Upgradation Fund Scheme
UK	United Kingdom
US	United States of America
WEO	World Economic Outlook

***Abbreviations***

<b>Abbreviation</b>	<b>Full Form</b>
AS/Accounting Standard	Accounting Standards as issued by the Institute of Chartered Accountants of India
A/c	Account
AGM	Annual General Meeting
ASBA	Applications Supported by Blocked Amount
AMT	Amount
AIF	Alternative Investment Funds registered under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012, as amended.
AY	Assessment Year
AOA	Articles of Association
Approx	Approximately
B. A	Bachelor of Arts
B. Com	Bachelor of Commerce
B. E	Bachelor of Engineering
B. Sc	Bachelor of Science
B. Tech	Bachelor of Technology
Bn	Billion

<b>Abbreviation</b>	<b>Full Form</b>
BG/LC	Bank Guarantee / Letter of Credit
BIFR	Board for Industrial and Financial Reconstruction
BSE	BSE Limited (formerly known as the Bombay Stock Exchange Limited)
BSE SENSEX	Sensex in an index; market indicator of the position of stock that is listed in the BSE
CDSL	Central Depository Services (India) Limited
CAGR	Compounded Annual Growth Rate
CAN	Confirmation of Allocation Note
CA	Chartered Accountant
CB	Controlling Branch
CC	Cash Credit
CIN	Corporate Identification Number
CIT	Commissioner of Income Tax
CS	Company Secretary
CSR	Corporate social responsibility.
CS & CO	Company Secretary & Compliance Officer
CFO	Chief Financial Officer
CENVAT	Central Value Added Tax
CST	Central Sales Tax
CWA/ICWA	Cost and Works Accountant
CMD	Chairman and Managing Director
Depository or Depositories	NSDL and CDSL.
DIN	Director Identification Number
DIPP	Department of Industrial Policy and Promotion, Ministry of Commerce, Government of India
DP	Depository Participant
DP ID	Depository Participant Identification Number
EBITDA	Earnings Before Interest, Taxes, Depreciation & Amortisation
ECS	Electronic Clearing System
ESIC	Employee State Insurance Corporation
EPFA	Employees Provident Funds and miscellaneous Provisions Act, 1952
EPS	Earnings Per Share
EGM /EOGM	Extraordinary General Meeting
ESOP	Employee Stock Option Plan
EXIM/ EXIM Policy	Export – Import Policy
FCNR Account	Foreign Currency Non Resident Account
FIPB	Foreign Investment Promotion Board
FY / Fiscal/Financial Year	Period of twelve months ended March 31 of that particular year, unless otherwise stated
FEMA	Foreign Exchange Management Act, 1999 as amended from time to time, and the regulations framed there under.
FCNR Account	Foreign Currency Non Resident Account
FDI	Foreign Direct Investment
FIs	Financial Institutions
FIIIs	Foreign Institutional Investors (as defined under Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000) registered with SEBI under applicable laws in India

<b>Abbreviation</b>	<b>Full Form</b>
FPIs	“Foreign Portfolio Investor” means a person who satisfies the eligibility criteria prescribed under regulation 4 and has been registered under Chapter II of Securities And Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014, which shall be deemed to be an intermediary in terms of the provisions of the SEBI Act, 1992.
FTA	Foreign Trade Agreement.
FTP	Foreign Trade Policy, 2009
FVCI	Foreign Venture Capital Investors registered with SEBI under the Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000.
FV	Face Value
GoI/Government	Government of India
GDP	Gross Domestic Product
GAAP	Generally Accepted Accounting Principles in India
GST	Goods and Service Tax
GVA	Gross Value Added
HUF	Hindu Undivided Family
ICAI	The Institute of Chartered Accountants of India
ICWAI	The Institute of Cost Accountants of India
IMF	International Monetary Fund
INR / Rs./ Rupees	Indian Rupees, the legal currency of the Republic of India
IIP	Index of Industrial Production
IPO	Initial Public Offer
ICSI	The Institute of Company Secretaries of India
IFRS	International Financial Reporting Standards
HNI	High Net Worth Individual
i.e.	That is
I.T. Act	Income Tax Act, 1961, as amended from time to time
IT Authorities	Income Tax Authorities
IT Rules	Income Tax Rules, 1962, as amended, except as stated otherwise
Indian GAAP	Generally Accepted Accounting Principles in India
IRDA	Insurance Regulatory and Development Authority
KMP	Key Managerial Personnel
LM	Lead Manager
Ltd.	Limited
M. A	Master of Arts
MAPIN	Market Participants and Investors Database
MAT	Minimum Alternate Tax
M. B. A	Master of Business Administration
M. Com	Master of Commerce
MD	Managing Director
M. E	Master of Engineering
MH	Maharashtra
mm	Millimetre
Mn	Million
MoA	Memorandum of Association
MoF	Ministry of Finance, Government of India
M-o-M	Month-On-Month
MOU	Memorandum of Understanding

<b>Abbreviation</b>	<b>Full Form</b>
M.P.	Madhya Pradesh
MRP	Maximum Retail Price
MSMEs	Micro, Small and medium Enterprises
M. Tech	Masters of Technology
NA	Not Applicable
Net worth	The aggregate of paid up Share Capital and Share Premium account and Reserves and Surplus(Excluding revaluation reserves) as reduced by aggregate of Miscellaneous Expenditure(to the extent not written off) and debit balance of Profit & Loss Account
NEFT	National Electronic Funds Transfer
NECS	National Electronic Clearing System
NAV	Net Asset Value
NPV	Net Present Value
NRI	Non Resident Indians
NRE Account	Non Resident External Account
NRO Account	Non Resident Ordinary Account
NOC	No Objection Certificate
NSDL	National Securities Depository Limited
OCB	Overseas Corporate Bodies
P.A.	Per Annum
PF	Provident Fund
PG	Post Graduate
PAC	Persons Acting in Concert
P/E Ratio	Price/Earnings Ratio
PAN	Permanent Account Number
PAT	Profit After Tax
PBT	Profit Before Tax
PLI	Postal Life Insurance
POA	Power of Attorney
PSU	Public Sector Undertaking(s)
Pvt.	Private
RBI	The Reserve Bank of India
ROE	Return on Equity
R&D	Research & Development
RONW	Return on Net Worth
RTGS	Real Time Gross Settlement
SCRA	Securities Contracts (Regulation) Act, 1956, as amended from time to time
SCRR	Securities Contracts (Regulation) Rules, 1957, as amended from time to time
SCSB	Self-Certified Syndicate Banks
SEBI	Securities and Exchange Board of India
SICA	Sick Industrial Companies (Special provisions) Act, 1985, as amended from time to time
SME	Small and Medium Enterprises
STT	Securities Transaction Tax
Sec.	Section
SPV	Special Purpose Vehicle
TAN	Tax Deduction Account Number
TRS	Transaction Registration Slip

<b>Abbreviation</b>	<b>Full Form</b>
TIN	Taxpayers Identification Number
US/United States	United States of America
USD/ US\$/ \$	United States Dollar, the official currency of the Unites States of America
VCF / Venture Capital Fund	Foreign Venture Capital Funds (as defined under the Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996) registered with SEBI under applicable laws in India.
VAT	Value Added Tax
w.e.f.	With effect from
WTD	Whole time Director
YoY	Year over Year

The words and expressions used but not defined in this Prospectus will have the same meaning as assigned to such terms under the Companies Act, the Securities and Exchange Board of India Act, 1992 (the “SEBI Act”), the SCRA, the Depositories Act and the rules and regulations made thereunder.

Notwithstanding the foregoing, terms in “Main Provisions of the Articles of Association”, “Statement of Tax Benefits”, “Industry Overview”, “Regulations and Policies”, “Financial Information of the Company”, “Outstanding Litigation and Material Developments” and “Part B” of “Issue Procedure”, will have the meaning ascribed to such terms in these respective sections.



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

### *Certain Conventions*

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

In this Prospectus, the terms “we”, “us”, “our”, the “Company”, “our Company”, “Milestone Furniture Limited” and “MFL”, unless the context otherwise indicates or implies, refers to Milestone Furniture Limited. In this Prospectus, unless the context otherwise requires, all references to one gender also refers to another gender and the word “Lac / Lakh” means “one hundred thousand”, the word “million (mn)” means “Ten Lac / Lakh”, the word “Crore” means “ten million” and the word “billion (bn)” means “one hundred crore”. In this Prospectus, any discrepancies in any table between total and the sum of the amounts listed are due to rounding-off.

### *Use of Financial Data*

Unless stated otherwise, throughout this Prospectus, all figures have been expressed in Rupees and Lakh. Unless stated otherwise, the financial data in the Prospectus is derived from our financial statements prepared and restated for the period ended November 30, 2017, March 31, 2017, 2016, 2015, and 2014 in accordance with Indian GAAP, the Companies Act and SEBI (ICDR) Regulations, 2009 included under Section titled “Financial Information of the Company” beginning on page 175 of this Prospectus. Accordingly, financial information relating to us is presented on a Standalone basis. Our fiscal year commences on April 1<sup>st</sup> of every year and ends on March 31<sup>st</sup> of every next year.

There are significant differences between Indian GAAP, the International Financial Reporting Standards (“IFRS”) and the Generally Accepted Accounting Principles in the United States of America (“U.S. GAAP”). Accordingly, the degree to which the Indian GAAP financial statements included in this Prospectus will provide meaningful information is entirely dependent on the reader’s level of familiarity with Indian accounting practice and Indian GAAP. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Prospectus should accordingly be limited. We have not attempted to explain those differences or quantify their impact on the financial data included herein, and we urge you to consult your own advisors regarding such differences and their impact on our financial data.

Any percentage amounts, as set forth in “Risk Factors”, “Our Business”, “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and elsewhere in the Prospectus unless otherwise indicated, have been calculated on the basis of the Company’s restated financial statements prepared in accordance with the applicable provisions of the Companies Act, Indian GAAP and restated in accordance with SEBI (ICDR) Regulations, as stated in the report of our Peer Review Auditor, set out in section titled “Financial Information of the Company” beginning on page 175 of this Prospectus.

For additional definitions used in this Prospectus, see the section Definitions and Abbreviations on page 2 of this Prospectus. In the section titled “Main Provisions of Articles of Association”, on page 294 of the Prospectus defined terms have the meaning given to such terms in the Articles of Association of our Company.

### ***Use of Industry & Market Data***

Unless stated otherwise, industry and market data and forecast used throughout the Prospectus was obtained from internal Company reports, data, websites, Industry publications report as well as Government Publications. Industry publication data and website data generally state that the information contained therein has been obtained from sources believed to be reliable, but that their accuracy and completeness and underlying assumptions are not guaranteed and their reliability cannot be assured.

Although, we believe industry and market data used in the Prospectus is reliable, it has not been independently verified by us or the LM or any of their affiliates or advisors. Similarly, internal Company reports and data, while believed by us to be reliable, have not been verified by any independent source. 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 market and industry sources.

In accordance with the SEBI (ICDR) Regulations, the section titled “Basis for Issue Price” on page 93 of the Prospectus includes information relating to our peer group companies. Such information has been derived from publicly available sources, and neither we, nor the LM, have independently verified such information.

### ***Currency of Financial Presentation and Exchange Rates***

All references to "Rupees" or “INR” or “Rs.” are to Indian Rupees, the official currency of the Republic of India. Except where specified, including in the section titled “Industry Overview” throughout the Prospectus all figures have been expressed in thousands, Lakhs/Lacs, Million and Crores.

Any percentage amounts, as set forth in "Risk Factors", "Our Business", "Management Discussion and Analysis of Financial Conditions and Results of Operation” on page 20, 116 & 201 in the Prospectus, unless otherwise indicated, have been calculated based on our restated respectively financial statement prepared in accordance with Indian GAAP.

The Prospectus may contain conversions of certain US Dollar and other currency amounts into Indian Rupees that have been presented solely to comply with the requirements of the SEBI (ICDR) Regulations. These conversions should not be construed as a representation that those US Dollar or other currency amounts could have been, or can be converted into Indian Rupees, at any particular rate.

## FORWARD LOOKING STATEMENT

This Prospectus includes certain “forward-looking statements”. We have included statements in the Prospectus which contain words or phrases such as “will”, “aim”, “is likely to result”, “believe”, “expect”, “will continue”, “anticipate”, “estimate”, “intend”, “plan”, “contemplate”, “seek to”, “future”, “objective”, “goal”, “project”, “should”, “will pursue” and similar expressions or variations of such expressions, that are “forward-looking statements”. Also, statements which 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. Forward-looking statements reflect our current views with respect to future events and are not a guarantee of future performance. These statements are based on our management’s beliefs and assumptions, which in turn are based on currently available information. Although we believe the assumptions upon which these forward-looking statements are based are reasonable, any of these assumptions could prove to be inaccurate, and the forward-looking statements based on these assumptions could be incorrect. Important factors that could cause actual results to differ materially from our expectations include but are not limited to:

1. Disruption in our manufacturing facilities.
2. General economic and business conditions in the markets in which we operate and in the local, regional and national economies;
3. Changes in laws and regulations relating to the industries in which we operate;
4. Disruption in supply of Raw Materials.
5. Increased in prices of Raw Material and Power.
6. Occurrence of Environmental Problems & Uninsured Losses.
7. Increased competition in industries/sector in which we operate;
8. Our ability to meet our capital expenditure requirements;
9. Fluctuations in operating costs;
10. Our ability to attract and retain directors and KMP;
11. Changes in technology;
12. Changes in political and social conditions in India or in countries that we may enter, the monetary and interest rate policies of India and other countries, inflation, deflation, unanticipated turbulence in interest rates, equity prices or other rates or prices;
13. Occurrence of natural disasters or calamities affecting the areas in which we have operations;
14. Conflicts of interest with affiliated companies, the promoter group and other related parties; and
15. The performance of the financial markets in India and globally; and
16. Any adverse outcome in the legal proceedings in which we are involved.
17. The availability of finance on favorable terms for our business and for our customers;
18. Competition;
19. Significant developments in India’s economic and fiscal policies;
20. Our ability to attract and retain consumers and job workers;
21. Our ability to meet our capital expenditure requirements;
22. Shortage of, and price increases in, materials and skilled and unskilled labour, and inflation in key supply market;
23. Failure to comply with environmental, labour, health and safety laws and regulations may affect our business;
24. Our ability to obtain the necessary licenses in timely manner.

For further discussion of factors that could cause our actual results to differ, see the Section titled “Risk Factors”; “Our Business” and “Management’s Discussion and Analysis of Financial Condition and Results of

Operations” beginning on page 20, 116 & 201 respectively of the 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.

There can be no assurance to investors that the expectations reflected in these forward-looking statements will prove to be correct. Given these uncertainties, investors are cautioned not to place undue reliance on such forward-looking statements and not to regard such statements to be a guarantee of our future performance.

Neither our Company, our Directors, our Officers, Lead Manager and Underwriter nor any of their respective affiliates have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with SEBI requirements, our Company and the Lead Manager will ensure that investors in India are informed of material developments until such time as the grant of listing and trading permission by the Stock Exchange for the Equity Shares allotted pursuant to this Issue.



## SECTION II – RISK FACTORS

*An investment in the Equity Shares involves a high degree of risk. You should carefully consider all the information in this Prospectus, including the risks and uncertainties summarized below, before making an investment in our Equity Shares. In making an investment decision prospective investors must rely on their own examination of our Company and the terms of this issue including the merits and risks involved. The risks described below are relevant to the industries our Company is engaged in, our Company and our Equity Shares. Any potential investor in, and subscriber of, the Equity Shares should also pay particular attention to the fact that we are governed in India by a legal and regulatory environment in which some material respects may be different from that which prevails in other countries. The risks and uncertainties described in this section are not the only risks and uncertainties we currently face. Additional risks and uncertainties not known to us or that we currently deem immaterial may also have an adverse effect on our business. If any of the following risks, or other risks that are not currently known or are now deemed immaterial, actually occur, our business, results of operations and financial condition could suffer, the price of our Equity Shares could decline, and you may lose all or part of your investment. Additionally, our business operations could also be affected by additional factors that are not presently known to us or that we currently consider as immaterial to our operations.*

*This Prospectus also contains forward looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of many factors, including the considerations described below and elsewhere in this Prospectus. These risks are not the only ones that our Company faces. Unless specified or quantified in the relevant risk factors below, we are not in a position to quantify financial or other implication of any risks mentioned herein.*

*To obtain a complete understanding of our Company, you should read this section in conjunction with the chapters titled 'Business Overview' and 'Management's Discussion and Analysis of Financial Conditions and Results of Operations' beginning on page 116 and 201 respectively, of this Prospectus as well as the other financial and statistical information contained in this Prospectus. Prior to making an investment decision, prospective investors should carefully consider all of the information contained in the section titled 'Financial Statements' beginning on page 175 of this Prospectus. Unless stated otherwise, the financial data in this section is as per our financial statements prepared in accordance with Indian GAAP.*

### **Materiality**

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

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

*The risk factors are as envisaged by the management along with the proposals to address the risk, if any. Wherever possible, the financial impact of the risk factors has been quantified.*

### **INTERNAL RISKS**

#### **Risks relating to Our Company and Business**

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

Our business demands substantial funds towards working capital requirements. In case there are insufficient cash flows to meet our working capital requirement or we are unable to arrange the same from other sources or there are delays in disbursement of arranged funds, or we are unable to procure funds on favorable terms, it may result into our inability to finance our working capital needs on a timely basis which may have an adverse effect on our operations, profitability and growth prospects.

**2. *Our Registered Office, Corporate Office and factory from where we operate are not owned by us. If we are required to vacate the same, due to any reason whatsoever, it may adversely affect our business operations.***

Our Registered office and factory from where we operate are not owned by our Company. Our Company has been occupying the Registered office on leave and license basis for a period of three years via agreement dated October 01, 2016 for the monthly rent of Rs. 1,96,820 for the period October 01, 2016 to September 30, 2017; Rs. 2,06,660 for the period October 01, 2017 to September 30, 2018; Rs. 2,16,990 for the period October 01, 2018 to September 30, 2019 and our corporate office is also on leave and license basis for a period of Five years via agreement dated July 07, 2016 for the monthly rent of Rs. 63,000 for the period July 5, 2016 to July 4, 2017; Rs. 67,400 for the period July 5, 2017 to July 4, 2018; Rs. 72,130 for the period July 5, 2018 to July 4, 2019; Rs. 77,180 for the period July 5, 2019 to July 4, 2020; Rs. 82,580 for the period July 5, 2020 to July 4, 2021. Any adverse impact on the title /ownership rights of the owner, from whose premises we operate our registered office and manufacturing units or breach of the terms / non-renewal of the rent agreements, may cause disruption in our corporate affairs and business and impede our effective operations and thus adversely affect our profitability. For more information, see “Our Business—Properties” on page 116 of this Prospectus.

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

We have secured our lenders by creating a charge over our movable and Directors immovable properties in respect of loans / facilities availed by us from Banks and financial institutions. The total amounts outstanding and payable by us as short term secured loans were Rs. 49,998,303 as on 30<sup>th</sup> November 2017 and In the event we may default in repayment of the loans / facilities availed by us and any interest thereof, our properties may be forfeited by lenders, which in turn could have significant adverse effect on business, financial condition or results of operations. For further information on the Financial Indebtedness please refer to “Statement of Financial Indebtedness” on page no. 197 of this Prospectus.

**4. *Our lenders have imposed certain restrictive conditions on us under our financing arrangements. Under our financing arrangements, we are required to obtain the prior, written lender consent for, among other matters, changes in our capital structure, formulate a scheme of amalgamation or reconstruction and entering into any other borrowing arrangement. Further, we are required to maintain certain financial ratios.***

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 the consents necessary to take the actions we believe are necessary to operate and grow our business. Our level of existing debt and any new debt that we incur in the future has important consequences. Any failure to comply with these requirements or other conditions or covenants under our financing agreements that is not waived by our lenders or is not otherwise cured by us, may require us to repay the borrowing in whole or part and may include other related costs. In such situation, Company may be forced to sell some or all of its assets or limit our operations. This may adversely affect our ability to conduct our business and impair our future growth plans. For further information, see the chapter titled “Statement of Financial Indebtedness” on page no. 197 of the Prospectus. Though these covenants are restrictive to some extent for us, however it ensures financial discipline, which would help us in the long run to improve our financial performance. For further details, please see the section titled “Financial Indebtedness” on page 197.

5. ***Our product is subject to frequently changing designs, patterns, customer requirements and tastes, our inability to meet such needs or preferences may affect our business.***

Designs and patterns of furniture items change frequently, based on the changing customer requirements and tastes. Our products thus become vulnerable to changing market demand. Inability in successfully predicting changing customer trends could lead to obsolescence in inventory of our furniture items which may turn to be dead stock. Our inability on our part to understand the prevailing trends or our inability to forecast changes as per latest trends or understand the needs of our customers in this industry well in time may affect our growth prospects. Our management expertise lies in designing and styling of our products after identifying latest trends and customer requirements derived through valuable customer feedback and interaction. It is our endeavor to keep ourselves abreast with the latest trends in home decor and to introduce the designs accordingly to broaden our product portfolio and augment our business.

6. ***Our Company's failure to maintain the quality standards of the products could adversely impact our business, results of operations and financial condition.***

The demand for our products depends on quality that we manufacture and market. Any failure of ours to maintain the quality standards may affect our business. Although we have put in place strict quality control procedures, we cannot assure that our products will always be able to satisfy our customer's quality standards. Any negative publicity regarding our Company, or products, including those arising from any deterioration in quality of our products or any other unforeseen events could adversely affect our reputation, our operations and our results from operations.

7. ***We face competition in our business from domestic competitors. Such competition would have an adverse impact on our business and financial performance.***

The industry, in which we are operating, is highly and increasingly competitive due to presence of many small time players in unorganized sector. Our results of operations and financial condition are sensitive to, and may be materially adversely affected by, competitive pricing and other factors. Competition may result in pricing pressures, reduced profit margins or lost market share or a failure to grow our market share, any of which could substantially harm our business and results of operations. There can be no assurance that we can effectively compete with our competitors in the future, and any such failure to compete effectively may have a material adverse effect on our business, financial condition and results of operations.

8. ***Our Company has proposed manufacturing facilities located at Murbad MIDC and Present Chandivali Mumbai in Maharashtra. Any delay in production at, or shutdown of, or any interruption for a significant period of time, in this facility may in turn adversely affect our business, financial condition and results of operations.***

Our Company has proposed manufacturing facilities located at Murbad MIDC and Present Chandivali Mumbai in Maharashtra. Our success depends on our ability to successfully manufacture and deliver our products to meet our customer demand. Our manufacturing facility is susceptible to damage or interruption or operating risks, such as human error, power loss, breakdown or failure of equipment, power supply or processes, performance below expected levels of output or efficiency, obsolescence, loss of services of our external contractors, terrorist attacks, acts of war, break-ins, earthquakes, other natural disasters and industrial accidents and similar events. Operating risks may result in personal injury and property damage and in the imposition of civil and criminal penalties. If our Company experiences delays in production or shutdowns at any or all of these facilities due to any reason, including disruptions caused by disputes with its workforce or any external factors, our Company's operations will be significantly affected, which in turn would have a material adverse effect on its business, financial condition and results of operations.

**9. *Our industry is labour intensive and our business operations may be materially adversely affected by strikes, work stoppages or increased wage demands by our employees or those of our suppliers.***

We believe that our industry faces competitive pressures in recruiting and retaining skilled and unskilled labour. Our industry being labour intensive is highly dependent on labour force for carrying out its manufacturing operations. Shortage of skilled/unskilled personnel or work stoppages caused by disagreements with employees could have an adverse effect on our business and results of operations. Our Company has taken efforts to maintain a lower attrition among the labourers by facilitating them with various in-house facilities and benefits to our employees. 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. We are also subject to laws and regulations governing relationships with employees, in such areas as minimum wage and maximum working hours, overtime, working conditions, hiring and terminating of employees and work permits. Although our employees are not currently unionized, there can be no assurance that they will not unionize in the future. If our employees unionize, it may become difficult for us to maintain flexible labour policies, and we may face the threat of labour unrest, work stoppages and diversion of our management's attention due to union intervention, which may have a material adverse impact on our business, results of operations and financial condition.

**10. *Our operations may be adversely affected in case of industrial accidents at any of our production facilities.***

Usage of heavy machinery, handling of materials by labour during production process or otherwise, lifting of materials by humans, cranes, heating processes of the furnace etc. may result in accidents, which could cause injury to our labour, employees, other persons on the site and could also damage our properties thereby affecting our operations. Though our plants and machinery and personnel are covered under insurance, occurrence of accidents could hamper our production and consequently affect our profitability.

**11. *Our Company is dependent on third party transportation providers for the delivery of our goods and any disruption in their operations or a decrease in the quality of their services could affect our Company's reputation and results of operations.***

Our Company uses third party transportation providers for delivery of our goods. Though our business has not experienced any disruptions due to transportation strikes in the past, any future transportation strikes may have an adverse effect on our business. In addition goods may be lost or damaged in transit for various reasons including occurrence of accidents or natural disasters. There may also be delay in delivery of products which may also affect our business and results of operation negatively. An increase in the freight costs or unavailability of freight for transportation of our raw materials may have an adverse effect on our business and results of operations.

Further, disruptions of transportation services due to weather-related problems, strikes, lock-outs, inadequacies in the road infrastructure, or other events could impair ability to procure raw materials on time. Any such disruptions could materially and adversely affect our business, financial condition and results of operations.

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

As per SEBI (ICDR) Regulations, 2009 appointment of monitoring agency is required only for Issue size above Rs. 100 Crores. Hence, we have not appointed a monitoring agency to monitor the utilization of Issue proceeds. However, the audit committee of our Board will monitor the utilization of Issue proceeds.

Further, our Company shall inform about material deviations in the utilization of Issue proceeds to the BSE Limited and shall also simultaneously make the material deviations / adverse comments of the audit committee public.



Further, we propose to utilize the Net Proceeds for purposes identified in the section titled “*Objects of the Issue*” and we propose to utilize the Rs. 176.80 Lakhs of the Net Proceeds towards general corporate purposes, namely, brand building exercises and strengthening of our marketing capabilities. The manner of deployment and allocation of such funds is entirely at the discretion of our management and our Board, subject to compliance with the necessary provisions of the Companies Act.

**13. *We are dependent on various kinds of Supplier for the supply of raw materials, services and finished goods.***

Our business is significantly affected by the availability, cost and quality of the raw materials and bought out items, which we need to construct, develop and provide for our projects, products and services. The prices and supply of raw materials and bought out items depend on factors not under our control, including domestic and international general economic conditions, competition, availability of quality suppliers, production levels, transportation costs and import duties.

Although we may enter into back-to-back supplier contracts or provide for price contingencies in our contracts to limit our exposure, if, for any reason, our primary suppliers of raw materials and bought out items should curtail or discontinue their delivery of such materials to us in the quantities we need, provide us with raw materials and bought out items that do not meet our specifications, or at prices that are not competitive or not expected by us, our ability to meet our material requirements for our projects could be impaired, our construction schedules could be disrupted and our results of operations and business could suffer.

Further, we depend on few suppliers who cater to a significant part of our business needs. If any of our key suppliers for a particular project is unable to continue providing the raw materials and bought out items we need, at prices and on terms and conditions we consider acceptable, we will be required to obtain these items from other suppliers and our results of operations and business could suffer as a result.

**14. *Our Promoters have given personal guarantees in relation to cash credit facilities provided to our Company by Saraswat Bank. In event of default on the debt obligations, the personal guarantees may be invoked thereby adversely affecting our Promoters’ ability to manage the affairs of our Company and consequently may impact our business, prospects, financial condition and results of operations.***

Our Company has availed cash credit facilities of Rs. 500 Lakhs from Saraswat Bank as on 08<sup>th</sup> August, 2017. Such facilities stipulate that the facility shall be secured by a personal guarantee by two of our Promoters named Mr. P S Ganesh Kumar & Mr. Digambar S Songhare. In event of default on the debt obligations, the personal guarantee may be invoked thereby adversely affecting our Promoters’ ability to manage the affairs of our Company and consequently may impact our business, prospects, financial condition and results of operations.

**15. *Our Company has taken unsecured loans from various banks and financial institution wherein our Promoters are co-applicant. Further, our Promoters may have given personal guarantees in relation to loan facilities provided to our Company.***

Our Company has taken unsecured loan amount outstanding to Rs. 94.94 Lakhs as on 30<sup>th</sup> November, 2017 from various banks and financial institution wherein our Promoters are co-applicant.. Our Promoters may have given personal guarantees in relation to said facilities provided to our Company by various banks and financial institution. In event of default on the debt obligations, the personal guarantees may be invoked thereby adversely affecting our Promoters’ ability to manage the affairs of our Company and consequently may impact our business, prospects, financial condition and results of operations.

- 16. Our success depends largely upon the services of our Directors, Promoters and other Key Managerial Personnel and our ability to attract and retain them. Demand for Key Managerial Personnel in the industry is intense and our inability to attract and retain Key Managerial Personnel may affect the operations of our Company.**

Our success is substantially dependent on the expertise and services of our Directors, Promoters and our Key Managerial Personnel. They provide expertise which enables us to make well informed decisions in relation to our business and our future prospects. Our future performance will depend upon the continued services of these persons. Demand for Key Managerial Personnel in the industry is intense. We cannot assure you that we will be able to retain any or all, or that our succession planning will help to replace, the key members of our management. The loss of the services of such key members of our management team and the failure of any succession plans to replace such key members could have an adverse effect on our business and the results of our operations.

- 17. Our business depends on the availability of skilled and unskilled and our ability to attract and retain them.**

Our business is substantially dependent on the availability of skilled and unskilled workers. Demand for these workers in our industry is intense and our ability to retain them may affect the operations of our company. We cannot assure you that we will be able to retain any or all. The failure of any succession plans to replace such workers could have an adverse effect on our business and the results of our operations.

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

As on date, we have not made any alternate arrangements for meeting our capital requirements for the objects of the issue. We meet our capital requirements through our bank finance, owned funds and internal accruals. Any shortfall in our net owned funds, internal accruals and our inability to raise debt in future would result in us being unable to meet our capital requirements, which in turn will negatively affect our financial condition and results of operations. Further we have not identified any alternate source of funding and hence any failure or delay on our part to raise money from this issue or any shortfall in the issue proceeds may delay the implementation schedule and could adversely affect our growth plans. For further details please refer to the chapter titled “Objects of the Issue” beginning on page no. 77 of this Prospectus.

- 19. We have issued Equity Shares at a price below the proposed issue price during the past 2 years prior to the date of filing the Prospectus and the average cost of acquisition of Equity Shares by our Promoters is lower than the Issue Price.**

Our Company has issued and allotted Equity Shares at a price which is below the issue price in the past 2 years prior to the date of filing the Prospects. The details of allotment are as follows:

Date of Allotment	No. of shares Allotted	Face Value (Rs.)	Issue Price (Rs.)	Consideration	Nature of Allotment
28-March-2017	10,00,000	10	10	Cash	Conversion of Loan into Equity Share Capital
28-March-2017	19,90,000	10	12	Cash	Right Issue
17-October-2017	10,00,000	10	12	Cash	Right Issue

The price at which Equity Shares have been issued in the past 2 years is not indicative of the price at which Equity Shares may be offered in the Issue or at the price at which they will trade upon listing. For further details, please refer to Section titled “Capital Structure” on page no. 59 of this Prospectus.

Further, our Promoters average cost of acquisition of Equity Shares in our Company is lower than the Issue Price. 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 to the chapters “Risk Factors - Prominent Notes” and “Capital Structure” beginning on pages 20 and 59 respectively of this Prospectus.

- 20. *The Company has not availed insurance for Workers and Plant & Machineries and also our Insurance cover may be inadequate to protect us fully from all losses and damages which in turn would adversely affect our financial condition and results of operations.***

The Company has not availed insurance for Workers and Plant & Machineries however Our Company has availed of Money Insurance & Furniture, Fixture, Fittings & Other Contents & Standard Fire & Special Perils and Addons. However, there can be no assurance that the insurance policies will adequately cover losses and damages which may be suffered by us. We may also incur losses on the occurrence of unforeseen events such as floods, fire, accidents, etc. for which we may have obtained Standard Fire & Special Perils and Addons Policy. Losses suffered by our Company in excess of the availed insurance coverage or due to occurrence of unforeseen events will have to be borne by our Company itself. Also, there cannot be any assurance that all claims made by the Company will be honoured duly by the insurers. If our claims are not fully honored, our financial condition may be affected adversely. For further details, kindly refer to “Our Business – Insurance” on page no. 116 of this Prospectus.

- 21. *We have made an application with the Registrar of Trade Marks for registration of the logo. Any delay in receiving the approval and/or granting registration or in obtaining registration could result in loss of logo & brand equity and the company’s right to use the said logo.***

As on the date of this Prospectus, the current logo  of the Company belongs to and under registration in the name of Milestone Furniture Limited. We have made an application on 14/11/2017 for the registration of  the **Milestone Group** logo under Class 20 and 42 with the Trade Mark Registry, Mumbai.

The application is under the process and approval for the registration is pending. Any delay in receiving the registration or rejection in processing the application form for registering the logo or if there is any opposition filed against the trademark application; our company may lose the statutory protection available to it under the Trade Marks Act, 1999 for such trademarks and right to use the said logo. For further details please refer to the chapter titled ‘Government and Other Approvals’ beginning on page no. 212 of the Prospectus.

- 22. *Our Company had negative cash flow in recent fiscals, details of which are given below. Sustained negative cash flow could adversely impact our business, financial condition and results of operations.***

The detailed break up of cash flows is summarized in below mentioned table and our Company has reported negative cash flow in certain financial years and which could affect our business and growth:

( Amount in Rs..)

Particulars	For the eight months period ended on November 30, 2017	As on March 31			
		2017	2016	2015	2014

Net cash from (used in) Operating activities	(18,377,047)	(14,261,188)	(657,781)	(3,407,698)	(927,491)
Net cash from (used in) Investing activities	(25,852,820)	(6,677,820)	(884,591)	(245,853)	(3,403,124)
Net cash from (used in) Financing activities	49,239,700	23,129,799	2,055,412	2,786,306	5,413,821
<b>Net Cash Flow</b>	<b>5,009,833</b>	<b>2,190,791</b>	<b>513,041</b>	<b>(867,246)</b>	<b>1,083,206</b>

Cash flow of a company is a key indicator to show the extent of cash generated from operations to meet its capital expenditure, pay dividends, repay loans and make new investments without raising finance from external resources. If we are not able to generate sufficient cash flow, it may adversely affect our business and financial operations. For further details please refer to the section titled 'Financial Statements' and chapter titled 'Management's Discussion and Analysis of Financial Conditions and Results of Operations' beginning on page no. 175 and page no. 201 respectively, of this Prospectus.

**23. We have entered into certain related party transactions and may continue to do so.**

We have entered into related party transactions with our Promoters, its group members/ entities, Directors and other associates. While we believe that all such transactions have been conducted on arm length basis, however it is difficult to ascertain whether more favorable terms would have been achieved had such transactions been entered with unrelated parties. Furthermore, it is likely that we will continue to enter into related party transactions in the near future. There can be no assurance that such transactions, individually or in the aggregate, will not have an adverse effect on our financial condition and results of operation. For further details regarding the related party transactions, see the disclosure on related party transactions contained in the financial statements included in this Prospectus and, also see the section “Related Party Transactions” on page 191.

The Company has passed resolution in board meeting and in shareholders meeting as required under Companies Act for related party transaction.

Our company has advanced amounting to Rs. 1,75,00,000 to directors/promoters against purchase of Property as detailed in the “Properties” in Our Management on page no. 135. The possession of said properties/premises is yet to be received and therefore ownership of said premises is yet to be transferred in the name of the company. Further, permission for commercial uses of said premises if any, either from government authorities, society or any other authority is yet to be obtained.

There could have been alternative commercial arrangement with external parties on better commercials, which have not been explored as Management of the company feels appropriate such arrangement for carrying on hassle free business operations. However, there can be no assurance that the approval for transfer of such property would be granted by any concerned Authority or the actual transfer of property in the name of Company would take place for any reasons whatsoever.

**24. We require certain statutory and regulatory approvals, registrations and licenses for our business & proposed premises and our inability to renew or maintain our statutory and regulatory permits and approvals required to operate our business would adversely affect our operations and profitability.**

Our Company requires several statutory and regulatory permits, licenses and approvals to operate the business. Many of these approvals are granted for fixed periods of time and need renewal from time to time. Our Company is required to renew such permits, licenses and approvals. Further, we may require new registrations and approvals for any proposed operations, including any 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 issue any of such permits or approvals in time or at all. Further, these permits, licenses and approvals are subject to several conditions, and our Company cannot assure that it shall be able to continuously meet such conditions or be able to prove compliance with such conditions to statutory authorities, and this may lead to cancellation, revocation or suspension of relevant permits/ licenses/ approvals. Failure to obtain and renew such registrations and approvals within statutory time frame attracts penal provisions. Further, such non-compliance may result in proceedings against our Company and the Directors and such actions may directly and immediately affect our operations and may have a material adverse effect on our revenues, profits and operations. For details please refer to chapter titled “Government and Other Approvals” beginning on page no. 212 of this Prospectus.

**25. *Our Company, Directors and Promoters are not involved but may in the future, be involved in certain legal proceedings, which, if determined adversely, may adversely affect our business and financial condition.***

Our Company may in the future be, implicated in lawsuits in the ordinary course of our business, including lawsuits and arbitrations involving compensation for loss due to various reasons including tax matters, civil disputes, labour and service matters, statutory notices, regulatory petitions, consumer cases and other matters. Any Litigation or arbitration could result in substantial costs and a diversion of effort by us and/or subject us to significant liabilities to third parties. In addition, our Company is subject to risks of litigation including public interest litigation, contract, employment related, personal injury and property damage. Our Company cannot provide any assurance that these legal proceedings will be decided in our favour. Any adverse decision may have a significant effect on our business including the financial condition of our Company, delay in implementation of our current or future project and results of operations. There can be no assurance that the results of such legal proceedings will not materially harm our business, reputation or standing in the marketplace or that our Company will be able to recover any losses incurred from third parties, regardless of whether our Company is at fault or not. There can be no assurance that losses relating to litigation or arbitration will be covered by insurance, that any such losses would not have a material adverse effect on the results of our operations or financial condition, or that provisions made for litigation and arbitration related losses would be sufficient to cover our ultimate loss or expenditure. Details of outstanding proceedings that have been initiated against our Company, our Promoters, our Group Companies and our Directors are set forth in the section titled “*Outstanding Litigation and Material Developments*” starting from page number 210 of this Prospectus.

**26. *Any loss of or breakdown of operations at any of our operational facilities may have a material adverse effect on our business, financial condition and results of operations.***

Our operational facilities are subject to operating risks, such as the breakdown or failure of equipment, power supply or processes, performance below expected levels of output or efficiency, obsolescence, labour disputes, natural disasters, accidents and the need to comply with the directives of relevant government authorities. The occurrence of any of these risks could significantly affect our operating results.

**27. *We may not be successful in implementing our business strategies.***

The success of our business depends substantially on our ability to implement our business strategies effectively or at all. Even though we have successfully executed our business strategies in the past, there is no guarantee that we can implement the same on time and within the estimated budget going forward, or that we will be able to meet the expectations of our targeted customers. Changes in regulations applicable to us may also make it difficult to implement our business strategies. Failure to implement our business strategies would have a material adverse effect on our business and results of operations.

**28. *Delay in raising funds from the IPO could adversely impact the implementation schedule.***

The proposed expansion, as detailed in the section titled "Objects of the Issue" is to be largely funded from the proceeds of this IPO. We have not identified any alternate source of funding and hence any failure or delay on our part to mobilize the required resources or any shortfall in the Issue proceeds may delay the implementation schedule. We therefore, cannot assure that we would be able to execute the expansion process within the given timeframe, or within the costs as originally estimated by us. Any time overrun or cost overrun may adversely affect our growth plans and profitability.

**29. *Our Board of Directors and management may change our operating policies and strategies without prior notice or shareholder approval.***

Our Board of Directors and management has the authority to modify certain of our operating policies and strategies without prior notice (except as required by law) and without shareholder approval. We cannot predict the effect that any changes to our current operating policies or strategies would have on our business, operating results and the price of our Equity Shares.

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

Our Company's revenue has increased from Rs. 551.76 lakhs as on March 31, 2016 to Rs. 881.24 lakhs as on March 31, 2017. Further, a principal component of our strategy is to continue to grow by expanding the size and scope of our existing businesses. This growth strategy will place significant demands on our management, financial and other resources. It will require us to continuously develop and improve our operational, financial and internal controls. Continuous expansion increases the challenges involved in financial management, recruitment, training and retaining high quality human resources, a robust management talent pipeline, preserving our culture, integration of culture and values and entrepreneurial environment, and developing and improving our internal administrative infrastructure. An inability to manage such growth could disrupt our business prospects, impact our financial condition and adversely affect our results of operations.

**31. *Our Order Book may not necessarily indicate future income.***

Our Order Book may not necessarily indicate future income, including as a result of cancellations, unanticipated variations or scope or schedule adjustments, which could adversely affect our results of operations. We cannot guarantee that the income anticipated in our Order Book will be realized, or, if realized, will be realized on time or result in profits. In addition, project cancellations or scope adjustments may occur from time to time, which could reduce the amount of our Order Book and the income and profits that we ultimately earn from the contracts.

**32. *Changes in technology may impact our business by making our products or services less competitive or obsolete or require us to incur additional capital expenditures.***

Our future success will depend in part on our ability to respond to technological advances and emerging industry standards and practices on a cost-effective and timely basis. Changes in technology may make newer products and services more competitive than ours or may require us to incur additional capital expenditures to upgrade our technology, innovations, research and development facilities in order to provide newer products or services. If we are unable to adapt our technology in a timely manner to changing market conditions, client requirements or technological changes, our business, financial performance and the results of operations could be affected.

**33. *We are dependent on third-party transportation providers for the supply and delivery of our raw materials and bought out items, and an interruption or delay in deliveries, or an unexpected increase in costs, could adversely affect us.***

We typically use third-party transportation providers for the supply of most of our raw materials and bought out items, and for deliveries of our products to our clients. Transportation costs have been steadily increasing and continuing increases in transportation costs may have an adverse effect on our business and results of operations. In addition, transportation strikes by members of truckers' unions and shipping delays have had in the past, and could have in the future, an adverse effect on our receipt of supplies and our ability to deliver our products. Disruptions or other problems related to transportation and deliveries of products to our projects may adversely affect our results of operations.

**34. *Our actual results could differ from the estimates and projections used to prepare our financial statements.***

The estimates and projections are based on and reflect our current expectations, assumptions and/ or projections as well as our perception of historical trends and current conditions, as well as other factors that we believe are appropriate and reasonable under the circumstances. There can be no assurance that our expectations, estimates, assumptions and/or projections, including with respect to the future earnings and performance will prove to be correct or that any of our expectations, estimates or projections will be achieved.

**35. *In addition to normal remuneration or benefits and reimbursement of expenses, some of our Directors and key managerial personnel are interested in our Company to the extent of their shareholding and dividend entitlement in our Company.***

Our Directors and Key Managerial Personnel are interested in our Company to the extent of remuneration paid to them for services rendered and reimbursement of expenses payable to them. In addition, some of our Directors and Key Managerial Personnel may also be interested to the extent of their shareholding and dividend entitlement in our Company. For further information, see "Capital Structure" and "Our Management" on page no. 59 and 146, respectively, of this Prospectus.

**36. *Our Promoters, together with our Promoter Group, will continue to retain majority shareholding in our Company after the proposed Initial Public Issue, which will allow them to exercise significant control over us. We cannot assure you that our Promoters and Promoter Group members will always act in the best interests of the Company.***

After the completion of our Initial Public Issue, our Promoters, along with our Promoter Group members, will hold, approximately 64.54% of our post issue paid up equity capital of our Company. As a result, our Promoters will continue to exercise significant control over us, including being able to control the composition of our Board and determine matters requiring shareholder approval or approval of our Board. Our Promoters may take or block actions with respect to our business, which may conflict with our interests or the interests of our minority shareholder. By exercising their control, our Promoters could delay, defer or cause a change of our control or a change in our capital structure, delay, defer or cause a merger, consolidation, takeover or other business combination involving us, discourage or encourage a potential acquirer from making a tender offer or otherwise attempting to obtain control of our Company. We cannot assure you that our Promoters and Promoter Group members will always act in our Company's or your best interests. For further details, please refer to the chapters titled "Capital Structure" and "Our Promoter, Promoter Group and Group Companies" beginning on page no. 59, 164 and 168 respectively, of this Prospectus.

**37. *Our ability to pay dividends in the future will depend upon our future earnings, financial condition, cash flows, working capital requirements, capital expenditure and restrictive covenants in our financing arrangements.***

We may retain all our future earnings, if any, for use in the operations and expansion of our business. As a result, we may not declare dividends in the foreseeable future. Any future determination as to the declaration and payment of dividends will be at the discretion of our Board of Directors and will depend on factors that our Board of Directors deem relevant, including among others, our results of operations, financial condition, cash

requirements, business prospects and any other financing arrangements. Additionally, under some of our loan agreements, we may not be permitted to declare any dividends, if there is a default under such loan agreements or unless our Company has paid all the dues to the lender up to the date on which the dividend is declared or paid or has made satisfactory provisions thereof. Accordingly, realization of a gain on shareholders investments may largely depend upon the appreciation of the price of our Equity Shares. There can be no assurance that our Equity Shares will appreciate in value. For details of our dividend history, see “Dividend Policy” on page no. 174 of this Prospectus.

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

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

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

Under current Indian tax laws and regulations, capital gains arising from the sale of Equity Shares in an Indian Company are generally taxable in India. Any gain realized on the sale of listed Equity Shares on a stock exchange held for more than 12 months will not be subject to capital gains tax in India if Securities Transaction Tax (“STT”) has been paid on the transaction. STT will be levied on and collected by a domestic stock exchange on which the Equity Shares are sold. Any gain realised on the sale of Equity Shares held for more than 12 months to an Indian resident, which are sold other than on a recognized stock exchange and on which no STT has been paid, will be subject to long term capital gains tax in India. Further, any gain realized on the sale of listed Equity Shares held for a period of 12 months or less will be subject to short term capital gains tax in India. Further, any gain realised on the sale of listed equity shares held for a period of 12 months or less which are sold other than on a recognised stock exchange and on which no STT has been paid, will be subject to short term capital gains tax at a relatively higher rate as compared to the transaction where STT has been paid in India. For more details, please refer to “Statement of Tax Benefits” on page no.96 of this Prospectus.

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

Prior to this Issue, there has been no public market for our Equity Shares. Monarch Network Capital Limited is acting as Market Maker for the Equity Shares of our Company. However, the trading price of our Equity Shares may fluctuate after this Issue due to a variety of factors, including our results of operations and the performance of our business, competitive conditions, general economic, political and social factors, the performance of the Indian and global economy and significant developments in India’s fiscal regime, volatility in the Indian and global securities market, performance of our competitors, the Indian Capital Markets, changes in the estimates of our performance or recommendations by financial analysts and announcements by us or others regarding contracts, acquisitions, strategic partnerships, joint ventures, or capital commitments. In addition, if the stock markets experience a loss of investor confidence, the trading price of our Equity Shares could decline for reasons unrelated to our business, financial condition or operating results. The trading price of our Equity Shares might also decline in reaction to events that affect other companies in our industry even if these events do not directly affect us. Each of these factors, among others, could materially affect the price of our Equity Shares. Any instance of disinvestments of equity shares by our Promoter or by other significant shareholder(s) may



significantly affect the trading price of our Equity Shares. Further, our market price may also be adversely affected even if there is a perception or belief that such sales of Equity Shares might occur.

There can be no assurance that an active trading market for our Equity Shares will develop or be sustained after this Issue, or that the price at which our Equity Shares are initially offered will correspond to the prices at which they will trade in the market subsequent to this Issue. For further details of the obligations and limitations of Market Makers, please refer to the section titled “General Information – Details of the Market Making Arrangement for this Issue” on page no. 56 of this Prospectus.

**41. *The Issue Price of our Equity Shares may not be indicative of the market price of our Equity Shares after the Issue and the market price of our Equity Shares may decline below the Issue Price and you may not be able to sell your Equity Shares at or above the Issue Price.***

The Issue Price of our Equity Shares has been determined on the basis of the Book Building Process. This price is based on numerous factors. For further information, see “Basis for Issue Price” beginning on page 93 of this Prospectus and may not be indicative of the market price of our Equity Shares after the Issue. The market price of our Equity Shares could be subject to significant fluctuations after the Issue, and may decline below the Issue Price. We cannot assure you that you will be able to sell your Equity Shares at or above the Issue Price. Among the factors that could affect our share price are:

- Quarterly variations in the rate of growth of our financial indicators, such as earnings per share, net income and revenues;
- Changes in revenue or earnings estimates or publication of research reports by analysts;
- Speculation in the press or investment community;
- Speculation in the press or investment community;
- Domestic and international economic, legal and regulatory factors unrelated to our performance.

**42. *You will not be able to sell immediately on Stock Exchange any of the Equity Shares you purchase in the Issue until the Issue receives appropriate trading permissions.***

The Equity Shares will be listed on the Stock Exchange. Pursuant to Indian regulations, certain actions must be completed before the Equity Shares can be listed and trading may commence. We cannot assure you that the Equity Shares will be credited to investor’s demat accounts, or that trading in the Equity Shares will commence, within the time periods specified in the Prospectus. Any failure or delay in obtaining the approval would restrict your ability to dispose of the Equity Shares. In accordance with section 40 of the Companies Act, 2013, in the event that the permission of listing the Equity Shares is denied by the stock exchanges, we are required to refund all monies collected to investors.

**43. *We have made delay in relation to regulatory filings to be made with the RoC.***

Our Company in the financial year 2017-18 has made delay in filing form AOC-4 and MGT-7 with Registrar of Companies, Mumbai. Further, the Company has also not filed the relevant forms to RoC, Mumbai for material Related Party Transactions. Our Board of directors and management continuously endeavor to maintain good corporate governance standards & principles.

The due date for filing both the returns was November 29, 2017, but the Company has filed Form MGT-7 (For Annual return of F.Y.2016-17) and Form AOC-4 (For financial statements of F.Y.2016-17), with Registrar of Companies, Mumbai on 30<sup>th</sup> December, 2017 and are available on public domain ([www.mca.gov.in](http://www.mca.gov.in))

We cannot predict the effect of such late filings made by our Company and this may lead to certain difficulties and/or contingences however the same shall not have any major adverse impact on the business and growth of our Company.

We cannot assure you that the ROC will not raise any queries regarding the above forms. While we shall duly respond to the same, we cannot assure you of the outcome of the same including levy of penalties on the Company.

**44. *Our Group Company has made delay in filing the annual return and financial statements for the Financial year 2016-17 with Registrar of Companies, Mumbai.***

Our Group Company Milestone Builders and Developers India Private Limited was incorporated on March 13, 2016. The company has made delay in filing the Annual return and financial statements with Registrar of Companies, Mumbai for the financial year 2016-17 The Group Company has made filing on January 04, 2018. Also, the company has not applied for the PAN Number.

The details of group companies of the company are included in the Chapter in ‘*Our Promoter Group And Group Companies / Entities*’ beginning on page 168 of this Prospectus

**45. *Our Company has entered into MOUs for Purchase of Property situated at MIDC Murbad Thane Maharashtra.***

Our Company has entered into MOUs for Purchase of Property situated at MIDC Murbad Thane Maharashtra. The first MOU has been entered between our company and M/s Taufiq Plast Private Limited on 24<sup>th</sup> May, 2017 for purchase of Property situated at Plot no. F-35, MIDC Murbad, Thane, Maharashtra and the Second MOU has been entered between Our company and M/s S J Enterprise on 14<sup>th</sup> August, 2017 for purchase of Property situated at Plot No. B-13, MIDC Murbad, Thane Maharashtra. Our company has started due process for acquisition of the said property however any delay in said process or failure to acquire same property may delay our plan to set up new manufacturing facilities and in turn which may adversely affect our business of operation and financial results.

**46. *We may be unable to enforce our rights under some of our agreements with counterparties on account of insufficient stamping and non-registration or other reasons.***

We enter into agreements with third parties, in relation to leave and license / leasing of our offices, factories from where we operate our business. The terms, tenure and the nature of the agreements may vary depending on, amongst other things, the subject matter of the agreement and the third party involved. Some of the agreements executed by us may be not registered, sufficiently stamped or may not otherwise be enforceable. Inadequately stamped documents may be impounded by the appropriate authority. Such inadequately stamped or not registered documents may not be admissible in evidence in a court of law until the applicable stamp duty, with penalty, has been paid and registered, which could, therefore, impact our ability to enforce our rights under the agreements in a timely manner or at all.

We cannot assure you that we would be able to enforce our rights under such agreements or in respect of such immovable properties, and any inability to do so, could impair our operations and affect our financial condition, cash flows and results of operation.

## **EXTERNAL RISK FACTORS**

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

Our performance is dependent on the health of the overall Indian economy. There have been periods of slowdown in the economic growth of India. India economic growth is affected by various factors including domestic consumption and savings, balance of trade movements primarily resulting from export demand and movements in key imports, such as oil and oil products, and annual rainfall, which affect agricultural

production. For example, in the monsoon of 2009 several parts of the country experienced below average rainfall, leading to reduced farm output which impaired economic growth. In the past, economic slowdowns have harmed industries and industrial development in the country. Any future slowdown in the Indian economy could harm our business, financial condition and results of operations.

**48. *Financial Instability and disruptions in Indian financial markets could materially and adversely affect our results of operations and financial condition.***

The Indian economy and financial markets are significantly influenced by worldwide economic, financial and market conditions. Any financial turmoil may have a negative impact on the Indian economy. Although economic conditions differ in each country, investors' reactions to any significant developments in one country can have adverse effects on the financial and market conditions in other countries. A loss in investor confidence in the financial systems, particularly in other emerging markets, may cause increased volatility in Indian financial markets.

Any prolonged financial crisis may have an adverse impact on the Indian economy and us, thereby resulting in a material and adverse effect on our business, operations, financial condition, profitability and price of our Equity Shares.

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

The company is subject to various regulations and policies. For details see section titled "Key Industry Regulations" beginning on page no. 137 of this Prospectus. The company's current businesses and prospects could be materially adversely affected by changes in any of these regulations and policies, including the introduction of new laws, policies or regulations or changes in the interpretation or application of existing laws, policies and regulations. There can be no assurance that it will succeed in obtaining all requisite regulatory approvals in the future for its operations or that compliance issues will not be raised in respect of its operations, either of which could have a material adverse effect on the business, financial condition and results of operations.

**50. *Our business is subject to a significant number of tax regimes and changes in legislation governing the rules implementing them or the regulator enforcing them in any one of those jurisdictions could negatively and adversely affect our results of operations.***

The revenues recorded and income earned is taxed on differing bases, including net income actually earned, net income deemed earned and revenue-based tax withholding. The final determination of the tax liabilities involves the interpretation of local tax laws 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 laws, could impact the determination of the tax liabilities of our Company for any year.

**51. *Natural calamities and force majeure events may have a negative impact on the Indian economy and cause our business to suffer.***

India has experienced natural calamities such as earthquakes, tsunamis, floods and drought in the past few years. These natural disasters may cause significant interruption to our operations, and damage to the environment that could have a material adverse impact on us. The extent and severity of these natural disasters determines their impact on the Indian economy. Further prolonged spells of deficient or abnormal rainfall or other natural calamities in the future could have a negative impact on the Indian economy, adversely affecting our business and the price of the Equity Shares.

- 52. *Terrorist attacks, civil unrests and other acts of violence in India and around the region could adversely affect the markets, resulting in loss of consumer confidence and adversely affect the business, results of operations, financial condition and cash flows.***

Terrorist attacks, civil unrests and other acts of violence or war in India and around the region may adversely affect worldwide financial markets and result in a loss of consumer confidence and ultimately adversely affect the business, results of operations, financial condition and cash flows. Political tensions could create a perception that an investment in Indian companies involves higher degrees of risk and on the business and price of the Equity Shares.

- 53. *In future the company may depend on banks and financial institutions and other sources for meeting its short and medium term financial requirements.***

Any delay in the disbursement of funds from these bodies can act as a bottleneck to the project execution capabilities and thereby its results of operations. The company cannot assure that it will be able to do so on commercially reasonable terms. Any increase in interest expense may have a material adverse effect on its business prospects, financial condition and results of operations.

- 54. *We cannot guarantee the accuracy or completeness of facts and other statistics with respect to India, the Indian economy and the Industry contained in the Prospectus.***

While facts and other statistics in the Prospectus relating to India, the Indian economy and the Industry has been based on various government publications and reports from government agencies that we believe are reliable, we cannot guarantee the quality or reliability of such materials. While we have taken reasonable care in the reproduction of such information, industry facts and other statistics have not been prepared or independently verified by us or any of our respective affiliates or advisors and, therefore we make no representation as to their accuracy or completeness. These facts and other statistics include the facts and statistics included in the chapter titled 'Our Industry' beginning on page no. 106 of the Prospectus. Due to possibly flawed or ineffective data collection methods or discrepancies between published information and market practice and other problems, the statistics herein may be inaccurate or may not be comparable to statistics produced elsewhere and should not be unduly relied upon. Further, there is no assurance that they are stated or compiled on the same basis or with the same degree of accuracy, as the case may be, elsewhere.

- 55. *Conditions in the Indian securities market may affect the price or liquidity of our Equity Shares.***

The Indian securities markets are smaller than securities markets in more developed economies and the regulation and monitoring of Indian securities markets and the activities of investors, brokers and other participants differ, in some cases significantly, from those in the more developed economies. Indian stock exchanges have in the past experienced substantial fluctuations in the prices of listed securities. Further, the Indian stock exchanges have experienced volatility in the recent times. The Indian stock exchanges have also experienced problems that have affected the market price and liquidity of the securities of Indian companies, such as temporary exchange closures, broker defaults, settlement delays and strikes by brokers. In addition, the governing bodies of the Indian stock exchanges have from time to time restricted securities from trading and limited price movements. A closure of, or trading stoppage on the SME Platform of BSE could adversely affect the trading price of the Equity Shares.

- 56. *Global economic, political and social conditions may harm our ability to do business, increase our costs and negatively affect our stock price.***

Global economic and political factors that are beyond our control, influence forecasts and directly affect performance. These factors include interest rates, rates of economic growth, fiscal and monetary policies of governments, inflation, deflation, foreign exchange fluctuations, consumer credit availability, fluctuations in

commodities markets, consumer debt levels, unemployment trends and other matters that influence consumer confidence, spending and tourism. Increasing volatility in financial markets may cause these factors to change with a greater degree of frequency and magnitude, which may negatively affect our stock prices.

**57. Last but not the least, Equity Investment per-se is itself a Risk Investment.**

The Stock Market is affected by numerous factors both controllable and non-controllable affected by any market either domestic or international. For instance, the recent financial crisis developed in Greek and the collapse of the Chinese Stock Market affected adversely to the Indian Stock Market as well as all other Stock Markets Internationally. The said developments also affected currency markets all over the world. The commodity market was also not spared from such developments. Hence investors are advised to make their own judgement depending upon their risk appetite and invest wisely in stock market.

**Prominent Notes:**

1. Public Issue Of 32,97,000 Equity Shares of Face Value of Rs.10/- each of Milestone Furniture Limited (“MFL” or “Our Company” or “The Issuer”) for Cash at a Price of Rs. 45/- Per Equity Share (“**Issue Price**”) aggregating to Rs.1483.65Lacs, of which 1,65,000 Equity Shares of Face Value of Rs. 10./- each at a price of Rs. 45/- aggregating to Rs. 74.25 Lakhs will be reserved for subscription by Market Maker (“Market Maker Reservation Portion”) and Net Issue to Public of 31,32,000 Equity Shares of Face Value of Rs. 10/-each at a price of Rs. 45/- aggregating to 1409.40 Lakhs (hereinafter referred to as the “Net Issue”) The Issue and the Net Issue will constitute 35.46 % and 33.69 % respectively of the Post Issue paid up Equity Share Capital of Our Company.
2. This Issue is being made for at least 25 % of the post-issue paid-up Equity Share capital of our Company, pursuant to Rule 19(2) (b) (i) of the Securities Contracts (Regulation) Rules, 1957 as amended. This Issue is being made in terms of Chapter XB of the SEBI (ICDR) Regulations, 2009, as amended from time to time. As per Regulation 43(4) of the SEBI (ICDR) Regulations, as amended, since our is a fixed price issue ‘the allocation’ is the net issue to the public category shall be made as follows:
  - a. Minimum fifty percent to retail individual investors; and
  - b. Remaining to:
    - (i). Individual applicants other than retail individual investors; and
    - (ii). Other investors including corporate bodies or institutions, irrespective of the number of specified securities applied for;
  - c. The unsubscribed portion in either of the categories specified in (a) or (b) above may be allocated to the applicants in the other category.

*If the retail individual investor category is entitled to more than fifty per cent on proportionate basis, accordingly the retail individual investors shall be allocated that higher percentage.*
3. The Net worth of our Company as on 31<sup>st</sup> March, 2017, 31<sup>st</sup> March, 2016, 31<sup>st</sup> March, 2015 and 31<sup>st</sup> March, 2014 was Rs. 401.03 Lakhs, Rs. 29.75 Lakhs, Rs. 9.85 Lakhs and Rs. 4.43 Lakhs respectively and Rs. 606.28 lakhs for the eight months period ended on November 30, 2017. For more information, see the section titled “*Financial Information of the Company*” beginning on page no. 175 of this Prospectus.
4. The NAV per Equity Share, based on Standalone Restated Financials of our Company as March 31, 2017 was Rs. 13.4 per equity share, March 31, 2016 was Rs. 297.5 per equity share , March 31 2015 was Rs. 98.6 and March 31 2014 was Rs. 44.3 per equity share and for the eight months period ended on November 30, 2017 was Rs. 15.2 per equity share. For more information, see the section titled “*Financial Information of the Company*” beginning on page no. 175 of this Prospectus.
5. The average cost of acquisition of Equity Shares by our Promoters is set out below:

<b>Name of our promoter</b>	<b>Number of equity shares held</b>	<b>Average cost of acquisitions</b>
Digambar Sudam Songhare	29,99,975	Rs. 22.65
P.S. Ganeshkumar	29,99,975	Rs. 22.65

*As certified by our Statutory Auditor vide their certificate dated 25<sup>th</sup> December, 2017. For Further details,*

*please refer to “Capital Structure” on page no. 59 of this Prospectus.*

6. We have entered into various related party transactions with related parties including various Promoter group entity for the period ended 31<sup>st</sup> March, 2017, 31<sup>st</sup> March 2016, 31<sup>st</sup> March 2015 and 31<sup>st</sup> March 2014 and for the eight months period ended on November 30, 2017. For nature of transactions and other details as regard to related party transactions section titled “*Financial Information of the Company*” -Annexure 14-Statement of Related Parties Transactions, as Restated” on page no. 191 of this Prospectus.
7. No Group companies have any business or other interest in our Company, except as stated in section titled “*Financial Information of the Company - Annexure 14- Statement of Related Parties Transactions, as Restated*” on page no. 183 and “*Our Promoters and Group Entities*” on page no. 191 and to the extent of any Equity Shares held by them and to the extent of the benefits arising out of such shareholding.
8. Our Company was incorporated as Milestone Furniture Private Limited on March 12, 2014 under the provisions of Companies Act, 1956 with Registrar of Mumbai, Maharashtra vide registration no. (CIN:U36912MH2014PLC254131). Pursuant to Shareholders Resolution passed at the Extra Ordinary General Meeting held on 14<sup>th</sup> June 2017 our Company was converted into a Public Limited Company and the name of our Company was changed to “Milestone Furniture Limited” vide a fresh Certificate of Incorporation dated 5<sup>th</sup> July, 2017, issued by the Registrar of Companies, Maharashtra, Mumbai. For details of change in our name, please refer to Section titled “*History and Certain Corporate Matters*” on page no.142 of this Prospectus.
9. Our Company, Promoters, Directors, Promoter Group have not been prohibited from accessing the Capital Market under any order or direction passed by SEBI nor they have been declared as willful defaulters by RBI / Government authorities. Further, no violations of securities laws have been committed by them in the past or pending against them.
10. Investors are advised to see the paragraph titled “*Basis for Issue Price*” beginning on page no. 93 of this Prospectus.
11. The Lead Manager and our Company shall update this Prospectus and keep the investors / public informed of any material changes till listing of the Equity Shares offered in terms of this Prospectus and commencement of trading.
12. Investors are free to contact the Lead Manager i.e. **Monarch Networth Capital Limited** for any clarification, complaint or information pertaining to the Issue. The Lead Manager and our Company shall make all information available to the public and investors at large and no selective or additional information would be made available for a section of the investors in any manner whatsoever.
13. In the event of over-subscription, allotment shall be made as set out in paragraph titled “*Basis of Allotment*” beginning on page no. 283 of this Prospectus and shall be made in consultation with the Designated Stock Exchange i.e. BSE. The Registrar to the Issue shall be responsible to ensure that the basis of allotment is finalized in a fair and proper manner as set out therein.
14. None of our Promoters, Promoter Group, Directors and their relatives has entered into any financing arrangement or financed the purchase of the Equity Shares of our Company by any other person during the period of six months immediately preceding the date of filing of Prospectus.
15. The Directors / Promoters of our Company have no interest in our Company except to the extent of remuneration and reimbursement of expenses (if applicable) and to the extent of any Equity Shares of our Company held by them or their relatives and associates or held by the companies, firms and trusts in which they are interested as director, member, partner, and/or trustee, and to the extent of benefits arising out of such shareholding. For further details please see the chapter titled “*Our Management*” beginning at page no. 146, chapter titled “*Our Promoter Group & Promoter Group Entities*” beginning at page no. 168, and chapter titled “*Financial Information of the Company*” beginning at page no. 175 of this Prospectus.
16. No loans and advances have been made to any person(s) / companies in which Directors are interested except as stated in the Auditors Report. For details, please see “*Financial Information of the Company*” beginning on page no.175 of this Prospectus.
17. Trading in Equity shares of our Company for all the investors shall be in dematerialized form only.

## SECTION III – INTRODUCTION

### SUMMARY OF INDUSTRY

#### *Global Economic Scenario*

Since the last meeting of the MPC in October 2017, global economic activity has been gaining momentum through the final quarter of the year, driven mainly by advanced economies (AEs). US growth remained largely resilient to hurricanes and grew at the highest pace in the past three years in Q3 of 2017, with positive contributions from private consumption, investment activity and net exports. The unemployment rate fell to 4.1 per cent in October, the lowest in the last 17 years. In the Euro area, economic activity expanded, underpinned by accommodative monetary policy and strong job gains. The Japanese economy also continued to grow in Q3, largely supported by external demand, which helped compensate for the slowing of domestic consumption.

Among major emerging market economies (EMEs), the services sector remained the main driver of growth in China in Q3. However, weakness in real estate and construction activity remained a drag on growth. In Brazil, incoming data suggest that the recovery gained further momentum in Q3, with unemployment touching an intra-year low in September. Business and consumer confidence rose in October. Economic activity in Russia moderated in Q3 due to weakness in industrial production. The South African economy continued to face headwinds from weak manufacturing activity, elevated levels of unemployment and political instability.

*(Source: Monetary Policy Report, issued by RBI in December, 2017)*

#### *Indian Economic Scenario*

The growth of real gross value added (GVA) accelerated sequentially in Q2 of 2017-18, after five consecutive quarters of deceleration. It was powered by a sharp acceleration in industrial activity. All the three sub-sectors of industry registered higher growth. GVA growth in the manufacturing sector – the key component of industry – accelerated sharply on improved demand and re-stocking post goods and services tax (GST) implementation. The mining sector expanded in Q2 due to higher coal and natural gas production. GVA growth in the electricity, gas, water supply and other utility services sector also strengthened on higher demand. In contrast, growth in agriculture and allied activities slackened, reflecting the lower than expected kharif harvest. Activity in the services sector decelerated, mainly on account of slowdown in financial, insurance, real estate and professional services, and in public administration, defence and other services (PADO) following the large front-loading of government expenditure in Q1.

Retail inflation measured by year-on-year change in the consumer price index (CPI) recorded a seven-month high in October, driven by a sharp uptick in momentum, tempered partly by some favourable base effects. Food inflation was volatile in the last two months – declining sharply in September and bouncing back in October – due mainly to vegetables and fruits. Milk and eggs inflation has shown an uptick, while pulses inflation remained negative for the eleventh successive month in October. Cereal inflation remained stable. Fuel group inflation, which has been on an upward trajectory since July, accelerated further due to a sharp pick-up in inflation in liquefied petroleum gas (LPG), kerosene, coke and electricity.

*(Source: Monetary Policy Report, issued by RBI in December, 2017)*

#### *Indian Furniture Industry*

As the economy recovers from the slump of the last couple of years, the Indian interiors sector proves that the consumer is willing to spend big to live a better life. India boasts a rich list of over 100,000 very high net worth individuals across the country, of which nearly half (46%) is concentrated in Tier-II cities and sub-urban areas where new demand is being generated. The dynamics of the furniture industry is undergoing a paradigm shift in the wake of the arrival of a better informed and well-resourced consumer. The entry of a large number of

international brands and the proliferation of several branded showrooms offers consumers a wider spectrum of design and products to choose from, while exhibition initiatives have fuelled the desire for aspirational homes. As of 2015, the Indian furniture market is estimated to be worth US\$ 17,922 million. Of this, wooden furniture accounts for US\$ 5,358 million and within this, US\$ 852 million is imported with imports growing at 50-60% every year. India was the largest furniture importer in the world with a 19% share in furniture imports worldwide. A total of 10,476 importers shipped furniture to India during this period, mainly from Italy, Germany, Spain, China, Korea, Malaysia, Indonesia, Philippines and Japan. The Indian furniture sector makes a respectable contribution of 0.5% to the GDP. *(Source: LinkedIn)*

The Indian furniture retail industry is valued as the 14th largest furniture market in the world driven largely by a substantial middle-class population. The industry is expected to reach a size of Rs. 2,708 billion by 2019, registering a CAGR of 25%. *(Source: Cushman and Wakefield)*

Nevertheless, the Indian furniture industry is still considered as an unorganized sector as the artisan-driven portion accounts for about 85% of furniture production, while wooden home furniture tops the list of the organized segment of the industry. However, the entry of several international brands has boosted furniture retail in the country, pushing growth in this dynamic sector.



## SUMMARY OF BUSINESS

*The following information is qualified in its entirety by, and should be read together with, the more detailed financial and other information included in this Prospectus, including the information contained in the section titled 'Risk Factors', beginning on page no.20 of this Prospectus.*

*This section should be read in conjunction with, and is qualified in its entirety by, the more detailed information about our Company and its financial statements, including the notes thereto, in the section titled 'Risk Factors' and the chapters titled 'Restated Financial Statement' and 'Management Discussion and Analysis of Financial Conditions and Results of Operations' beginning on page no.20, 175 and 201 respectively, of this Prospectus.*

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

### **Overview**

Our Company was originally incorporated as “Milestone Furniture Private Limited” on March 12, 2014 under the Companies Act, 2013 vide certificate of incorporation issued by the Registrar of Companies, Mumbai. Our Company was subsequently converted in to a public company and consequently name was changed to “Milestone Furniture Limited” (MFL) vide fresh certificate of incorporation dated July 05, 2017 issued by Registrar of Companies, Mumbai. The CIN of the Company is U36912MH2014PLC254131.

Our Company was incorporated by our Promoters- Mr. Digambar S. Songhare & Mr. Ganeshkumar S. Patalikadan with an aim of running manufacturing and marketing of Interior and Modular Furniture business. As a part of business growth, the Company registered with the Registrar of Companies, Mumbai on 12th March, 2014 as Milestone Furniture Private Limited.

Our Company & its executives have developed the skill and expertise in Space & work station Management, designing and innovation in Furniture used in Education, Healthcare and Corporate organisation. We have also developed the In house technical & Design team to provide turnkey solution and implementation of interior and work space in Commercial, Residential and Institutions. Our aim to develop Interiors and Designs in Modular furniture and developed the technique to make all products as “ Make in India” and provide competition to China and other Markets.

Under the guidance of promoters, our company has successfully executed turnkey projects for design, supply and implementation of Interiors and Modular furniture in Education, healthcare and corporate organisation. Our company has regular business from existing clients such as Poddar International School, Architect and Contractors. Our company has developed the regular clients for supply of office furniture and fittings. Our company has developed the In house team of professionals for Design, drawing and space management interiors suitable and specification of client needs.

With determined efforts and dedication, our company has developed the reputation, brand and goodwill for quality furniture and timely delivery & installation.

We believe that we have differentiated ourselves from our competitors through introduction of new products, including launching innovative designs targeted at addressing consumer needs, market trends and providing superior value to consumers. Our diversified product portfolio enables us to cater to a wide range of preferences and consumer segments. Our products are the Ready to use and provide space management and primarily

targeted to clients in Education, healthcare, hospitality, banking, insurance and Info tech companies. Our diversified product portfolio is therefore, relatively less susceptible to shifts in consumer preferences, market trends and risks of operating in a particular product segment.

Our company has well established and high tech manufacturing equipments and Design facility to manufacture the various combination and size products as per the specification and design of client. Our Facility is located at 1<sup>st</sup> Floor, Aslam Compound, Shree Nagar, Behind Boghul House, Chandivali Road, Saki Naka, Mumbai, 400 072, India. Our company has obtained the ISO 9000 certification for manufacture facility for quality.

We are equipped with all facilities to execute all types of manufacturing activities such as fabrication, moulding, cutting and polishing & packaging, etc. Our Company is consistent in supplying of quality products round the year as customized products are made available to them as per the market demand. Our products comply with requisite safety standards. As a quality conscious company, we provide high performance oriented range of products. We undertake extremely stringent quality checks at every level of the manufacturing processes. We are constantly striving to expand our line of products and we are always on the lookout for complementary products that will add to our solution bouquet. We would seek product lines which have better scope for value addition and therefore offer us higher than average margins.

The company provides the right kind of furniture that is practical and affordable as well as attractive and enduring. It can be tailored as per unique needs. The company is using latest machineries and technology. The company keeps on up-grading its Manufacturing set-up, design capabilities and workmanship to deliver superior quality products with on-time deliveries and without any compromise on quality.

Currently, we have a head office and a sales office located in Mumbai, Maharashtra. The company establishes a long-term relationship with their clients by providing good quality product, which will surely go a long way and benefit the company. The company is backed by a team of highly creative and experienced professionals who have an affinity for creating innovative designs. The company's team has been a major strength as it understands the varied needs of the clients and works accordingly. From processing to finish, the company tries its best to ensure the quality of every single product delivered by the company.

Our Promoters, Mr. Ganeshkumar S. Patalikadan and Mr. Digambar S. Songhare with their rich experience of more than 10 years, have been prominent in growing the furniture business in a more organized manner thereby expanding their horizon to various sectors. For further information on our business, please refer to "Business Overview" beginning on page no. 116 of this Prospectus.

Our Revenues have grown from Rs. 551.76 Lakhs in fiscal 2016 to Rs. 894.68 Lakhs in fiscal 2017. Our net profit after tax was Rs.19.89 Lakhs in fiscal 2016 and Rs. 32.48 Lakhs in fiscal 2017.

### ***Our Business Strategies/ Future Plans***

#### **1) Leveraging Market Skills**

Under the leadership and experience of our Promoter namely Mr. Digambar Sudam Songhare who is overseeing the marketing of the products and also handles the co-ordination with the various corporate and government authority in the country. We have been able to procure good & regular orders. We aim to further leverage our marketing skills and relationships and further enhancing customer satisfaction. We also intend to further expand our client base by meeting orders in time and maintaining customer relationships.

2) **Long Term Relationship with Clients**

Customer satisfaction and Strong long term relationship with the client is key to success for any organization. Our on time delivery and quality product helps us maintain strong relationship with our customers and also gives us competitive against our peers.

3) **Achieving Operational Efficiencies**

Our company aims to achieve operational efficiencies through cost reduction. We believe that this could be done through economies of scale and further increasing our areas of operations. We continue to invest in latest technology to ensure operational and management efficiencies, and to standard to quality. Also, increasing our penetration in Modular furniture in household segment will enable us to penetrate into new areas and affordable housing segment. As a result our company will be able to increase its market share and profitability.

4) **Expand Distribution Network & Customer Base**

Our company has presence in many parts of the country and aims to further increase its production capacity. We aim to widen our marketing network further to cover unexplored areas in India and strengthen our customer base.

5) **Brand Building**

The industry is seeing a shift in market share from the unorganized to the organised sector. We seek to capture a greater market share in this environment and it is important to invest in the brand to strengthen the top of the mind recall and consequently we shall continue to invest in our brands.

6) **Expand the Business in new location**

We currently intend to focus on developing additional Manufacturing facility in Murbad MIDC, Maharashtra in a timely and efficient manner. We intend to continue to focus on performance and project execution in order to maximize client satisfaction. We also intend to Develop In house Drawing, design and Quality control unit for our products and also leverage advanced technologies, designs and project management tools to increase productivity.



## SUMMARY OF FINANCIALS

The following tables set forth summary financial information derived from Restated Audited Financial Statements as of and for the financial years 2014, 2015, 2016 and 2017 and for the Eight months period ended on November 30, 2017. Please note that in terms of Schedule VIII, Clause IX (9) of the SEBI (ICDR) Regulations, 2009, the company is required to give the financial information for the preceding 5 financial years from the date of the Prospectus. Milestone Furniture Limited was incorporated on March 12, 2014; the financial information for the financial years 2014, 2015 and 2016 and 2017 and for the Eight months period ended on November 30, 2017 has been mentioned in the Prospectus. These financial statements have been prepared in accordance with the Indian GAAP, the Companies Act and the SEBI (ICDR) Regulations, 2009. The summary financial information presented below should be read in conjunction with the chapters and notes mentioned therein titled 'Management's Discussion and Analysis of Financial Conditions and Results of Operations' and 'Restated Financial Statement' beginning on page no. 201 and 175, respectively of this Prospectus.

### ANNEXURE I STATEMENT OF ASSETS AND LIABILITIES AS RESTATED

Particulars		As at 30 <sup>th</sup> November 2017	As at 31 <sup>st</sup> March 2017	As At 31 <sup>st</sup> March 2016	As At 31 <sup>st</sup> March 2015	As At 31 <sup>st</sup> March 2014
<b>I.</b>	<b>EQUITY AND LIABILITIES</b>					
<b>1</b>	<b>Shareholders' funds</b>					
(a)	Share capital	40,000,000	30,000,000	100,000	100,000	100,000
(b)	Share Application Money	29,156,621	-	3,200,000	-	-
(b)	Reserves and surplus	20,627,873	10,102,813	2,875,136	885,658	343,186
<b>2</b>	<b>Non-current liabilities</b>					
(a)	Long-term borrowings	9,494,325	1,111,993	7,125,857	8,270,445	5,413,821
(b)	Deferred tax liabilities (Net)	-	-	154,782	157,819	80,592
(c)	Long-term Provisions	-	-	-	-	-
<b>3</b>	<b>Current liabilities</b>					
(a)	Short-term borrowings	49,998,303	7,143,188	-	-	-
(b)	Trade payables	8,864,086	2,581,851	3,720,420	7,035,484	1,320,897
(c)	Other current liabilities	4,312,481	2,220,718	5,838,705	5,260,712	999,185
(d)	Short-term provisions	-	-	-	-	-
	<b>TOTAL</b>	<b>162,453,690</b>	<b>53,160,563</b>	<b>23,014,900</b>	<b>21,710,118</b>	<b>8,257,681</b>
<b>II.</b>	<b>ASSETS</b>					

<b>1</b>	<b>Non-current assets</b>						
	(a)	Fixed assets	30,996,574	7,772,331	3,777,002	3,330,186	3,394,628
	(b)	Non Current Investments	-	-	-	-	-
	(c)	Long-term loans and advances	-	1,037,025	-	-	-
	(d)	Other Non Current Assets	-	-	-	-	-
	(e)	Deferred Tax Assets	158,698	171,148	-	-	-
<b>2</b>	<b>Current assets</b>						
	(a)	Current Investments	-	-	-	-	-
	(b)	Inventories	43,172,815	19,666,442	10,125,897	9,562,520	936,540
	(c)	Trade receivables	43,543,812	16,204,135	7,883,000	7,925,963	2,325,987
	(d)	Cash and Bank Balances	4,775,166	2,919,792	729,001	215,960	1,083,206
	(e)	Short-term loans and advances	38,816,734	5,389,690	500,000	662,500	500,000
	(f)	Other Current Assets	989,891	-	-	12,990	17,320
		<b>TOTAL</b>	<b>162,453,690</b>	<b>53,160,563</b>	<b>23,014,900</b>	<b>21,710,118</b>	<b>8,257,681</b>

*Note: The above statement should be read with the Statement of Assets and Liabilities, Profit and Losses, Cash Flow Statement and Significant Accounting Policies and Notes to Restated Financial Statements appearing in Annexure I, II, III, IV.*

**ANNEXURE II  
STATEMENT OF PROFIT AND LOSS AS RESTATED**

Particulars		For the period ended 30 <sup>th</sup> November, 2017	For the year ended 31 <sup>st</sup> March 2017	For the year ended 31 <sup>st</sup> March 2016	For the year ended 31 <sup>st</sup> March 2015	For the year ended 31 <sup>st</sup> March 2014
I.	Revenue from operations	236,836,280	89,224,111	55,175,651	32,860,284	3,772,509
II.	Other income	356,252	243,888	-	369,125	15,250
III.	<b>Total Revenue (I + II)</b>	<b>237,192,532</b>	<b>89,467,999</b>	<b>55,175,651</b>	<b>33,229,409</b>	<b>3,787,759</b>
IV.	Expenses:					
	Cost of Material Consumed	220,832,457	80,461,128	48,105,117	33,419,098	3,501,357
	Changes in inventories of finished goods work-in-progress and Stock-in-Trade	(23,506,373)	(9,540,545)	(563,377)	(8,625,980)	(936,540)
	Employee benefits expense	13,607,556	5,732,908	2,010,000	3,193,800	72,542
	<u>Finance costs</u>	4,490,737	499,312	-	-	-
	Depreciation and amortization expense	2,628,577	2,363,700	437,775	310,296	8,496
	Admn. & Selling expenses	8,510,304	4,904,749	2,383,000	4,131,078	618,126
	<b>Total expenses</b>	<b>226,563,258</b>	<b>84,421,252</b>	<b>52,372,515</b>	<b>32,428,292</b>	<b>3,263,981</b>
V.	<b>Profit before tax (VII-VIII)</b>	<b>10,629,274</b>	<b>5,046,747</b>	<b>2,803,136</b>	<b>801,117</b>	<b>523,778</b>
	(1) Current tax	2,657,318	2,125,000	817,037	181,418	100,000
	(2) Deferred tax	12,450	(325,930)	(3,037)	77,227	80,592
	<b>Profit after tax and before extraordinary items</b>	<b>7,959,505</b>	<b>3,247,677</b>	<b>1,989,136</b>	<b>542,472</b>	<b>343,186</b>
	<b>Extraordinary items- Excess tax prov.</b>	<b>565,555</b>				
	<b>Net profit after extraordinary items available for appropriation</b>	<b>8,525,060</b>	<b>3,247,677</b>	<b>1,989,136</b>	<b>542,472</b>	<b>343,186</b>
IX	<b>Profit (Loss) for the period (XI + XIV)</b>	<b>8,525,060</b>	<b>3,247,677</b>	<b>1,989,136</b>	<b>542,472</b>	<b>343,186</b>

*Note: The above statement should be read with the Statement of Assets and Liabilities, Profit and Losses, Cash Flow Statement and Significant Accounting Policies and Notes to Restated Financial Statements appearing in Annexure I, II, III, IV.*

**ANNEXURE III  
STATEMENT OF CASH FLOW AS RESTATED**

(Rs. In lakhs)

	Particulars	For the six months period ended on November 30 <sup>th</sup> , 2017	For the period ended March 31,			
			2017	2016	2015	2014
<b>A</b>	<b>Cash from Operating Activity</b>					
	<b>Net Profit Before Tax from Continuing Operation</b>	<b>10,629,274</b>	<b>5,064,747</b>	<b>2,803,136</b>	<b>801,117</b>	<b>523,778</b>
	<i>Non Cash Adjustment to reconcile profit before tax to net cash flows:</i>					
	Depreciation	2,628,577	2,363,700	437,775	310,296	8,496
	Interest & Finance charges	4,490,737	499,312	-	-	-
	<i>Adjustment for Movements in Working Capital:</i>					
	Increase/(decrease) in trade Payable	6,282,235	(1,138,569)	(3,315,064)	5,714,587	1,320,897
	Increase/(decrease) in Short term Provisions	-	-	-	-	-
	Increase/(decrease) in other current liability	2,091,763	(3,617,987)	577,993	4,261,527	999,185
	Increase/(decrease) in other long term liability					
	Decrease/(increase) in other current Asset	(989,891)	-	12,990	4,330	(17,320)
	Decrease/(increase) in trade receivable	(27,339,677)	(8,321,135)	42,963	(5,599,976)	(2,325,987)
	Decrease/(increase) in inventories	(23,506,373)	(9,540,545)	(563,377)	(8,625,980)	(936,540)
	Decrease/(increase) in Short term Loans and advances	(33,427,044)	(4,889,690)	162,500	(162,500)	(500,000)
	Increase / (Decrease) in Short Term Borrowings	42,855,115	7,143,188	-	-	-
	<b>CASH GENERATED FROM OPERATIONS</b>	<b>(34,033,872)</b>	<b>(20,364,738)</b>	<b>(3,081,996)</b>	<b>(4,408,012)</b>	<b>(1,459,765)</b>
	Direct Taxes paid	2,091,763	1,806,209	816,696	111,100	-
	<b>NET CASH FLOW FROM OPERATIONS</b>	<b>(18,377,047)</b>	<b>(14,261,188)</b>	<b>(657,780)</b>	<b>(3,407,699)</b>	<b>(927,491)</b>
<b>B</b>	<b>Cash flow from investing Activities</b>					



	Sale / (Purchase) of Fixed Assets (Net)	(25,852,820)	(6,677,820)	(884,591)	(245,853)	(3,403,124)
	Sale/ Purchase of Non Current Investments	-	-	-	-	-
	<b>NET CASH USED IN INVESTING ACTIVITY</b>	<b>(25,852,820)</b>	<b>(6,677,820)</b>	<b>(884,591)</b>	<b>(245,853)</b>	<b>(3,403,124)</b>
<b>C</b>	<b>Cash flow from Financing Activities</b>					
	Proceeds from Issue of Share Capital (including share premium)	12,000,000	33,880,000	-	-	100,000
	Share Application Money Received	29,156,621	(3,200,000)	3,200,000	-	-
	Finance cost	(2,880,904)	(499,312)	-	-	-
	Increase / (Decrease) in Secured Loans	-	-	-	-	-
	Increase/(Decrease) in Unsecured Loans	8,382,332	(6,013,864)	(1,144,588)	2,856,624	5,413,821
	Increase/(Decrease) in Long Term Loans and Advances (Net)	1,037,025	(1,037,025)	-	-	-
	Share Issue Expenses	-	-	-	-	-
	Differed Revenue \ Amortized	-	-	-	(70,318)	(100,000)
	Dividend Paid (including Div Tax)	-	-	-	-	-
	<b>NET CASH USED IN FINANCING ACTIVITY</b>	<b>49,239,700</b>	<b>23,129,799</b>	<b>2,055,412</b>	<b>2,786,306</b>	<b>5,413,821</b>
	<b>Net Increase/(Decrease) in cash and cash equivalents</b>	<b>1,659,530</b>	<b>2,190,791</b>	<b>513,041</b>	<b>(867,246)</b>	<b>1,083,206</b>
	Cash and cash equivalent Opening Balance	2,919,792	729,001	215,960	1,083,206	-
	Cash and cash equivalent Closing Balance	4,579,322	2,919,792	729,001	215,960	1,083,206

*Note: The above statement should be read with the Statement of Assets and Liabilities, Profit and Losses, Cash Flow Statement and Significant Accounting Policies and Notes to Restated Financial Statements appearing in Annexure I, II, III, IV.*



## THE ISSUE

<b>PRESENT ISSUE IN TERMS OF THIS PROSPECTUS</b>	
<b>Equity Shares Issued: Public Issue of Equity Shares by our Company</b>	32,97,000 Equity Shares of Face Value of Rs. 10/- each for Cash at a Price of Rs. 45/- Per Equity Share (Including a Share Premium of Rs. 35/- per Equity Share) aggregating to Rs.1483.65 lakhs.
<i>of which</i>	
<b>Issue Reserved for the Market Makers</b>	1,65,000 Equity Shares of Rs.10/- each for cash at a price of Rs. 45/-per share aggregating Rs.74.25lakhs
<b>Net Issue to the Public*</b>	31,32,000 Equity Shares of Rs.10/- each for cash at a price of Rs. 45/- per share aggregating Rs. 1409.40 lakhs
	<b>of which</b>
	15,66,000 Equity Shares of Rs.10/- each for cash at a price of Rs. 45/-per share ( including a premium of Rs. 35/- per Equity Share) will be available for allocation for allotment to Retail Individual Investors of up to Rs.2.00 Lakhs
	15,66,000 Equity Shares of Rs.10/- each for cash at a price of Rs. 45/- per share ( including a premium of Rs. 35/-per Equity Share) will be available for allocation for allotment to Other Investors of above Rs.2.00 Lacs
<b>Equity Shares outstanding prior to the Issue</b>	60,00,000 Equity Shares of face value of Rs.10/- each
<b>Equity Shares outstanding after the Issue</b>	92,97,000 Equity Shares of face value of Rs.10/- each
<b>Objects of the Issue/ Use of Issue Proceeds</b>	Please see the chapter titled “ <i>Objects of the Issue</i> ” on page 77 of this Prospectus

<sup>(1)</sup>*Fresh Issue of 32,97,000 Equity Shares in terms of Prospectus has been authorized pursuant to a resolution of our Board of Directors dated November 15, 2017 and by special resolution passed under Section 62(1) (c ) of the Companies Act, 2013 at the Extra Ordinary General Meeting of the members held on December 15, 2017.*

This Issue is being made in terms of Chapter XB of the SEBI (ICDR) Regulations, 2009, as amended from time to time. For further details please see the section titled “*Issue Related Information*” beginning on page 231 of this Prospectus

\*As per Regulation 43(4) of the SEBI (ICDR) Regulations, as amended, the present issue is a fixed price issue ‘the allocation’ is the net issue to the public category shall be made as follows:

- a) Minimum fifty percent to retail individual investors; and
- b) Remaining to
  - (i) Individual applicants other than retail individual investors; and
  - (ii) Other investors including corporate bodies or institutions, irrespective of the number of specified securities applied for

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

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

For further details please refer to the chapter titled “*Issue Structure*” beginning on page 238 of this Prospectus.

## GENERAL INFORMATION

Our Company was originally incorporated in Mumbai as “Milestone Furniture Private Limited” on March 12, 2014 under the provisions of the Companies Act, 2013 vide certificate of incorporation issued by the Registrar of Companies, Maharashtra, Mumbai. Our Company was converted in to a Public Limited Company and consequently the name was changed to “Milestone Furniture Limited” vide fresh certificate of incorporation dated 5<sup>th</sup> July, 2017 issued by the Registrar of Companies, Mumbai, Maharashtra, pursuant to section 23(1) of the said Act. For further details, please refer to the chapter titled ‘*History and Corporate Structure*’ beginning on page no. 142 of this Prospectus.

### *Registered Office of our Company*

<b>CIN</b>	: U36912MH2014PLC254131
<b>Address</b>	: 1st Floor, Aslam Compound Shree Nagar, Behind Boghul House, Chandivali Road, Sakinaka Mumbai Mumbai City MH 400072 IN
<b>Tel No.</b>	: +91 22 28581499/22 28578954
<b>Email Id</b>	: investor@milestonegroup.asia
<b>Website</b>	: www.milestonefurniture.com
<b>Contact Person</b>	: Mr. Digamber Sudam Songhare

### *Address of the Registrar of Companies*

<b>Address</b>	: 100, Everest, Marine Drive, Mumbai- 400002
<b>Tel No.</b>	: +91 22-22812627/22020295/22846954
<b>Fax No.</b>	: +91 22-22811977
<b>Email Id</b>	: roc.mumbai@mca.gov.in

### *Designated Stock Exchange*

Our Company proposed to list its Equity Shares on **SME Platform of Bombay Stock Exchange (BSE Ltd.)**

<b>Address</b>	Bse SME Platform, Regd. Office : 25 th Floor, P.J.Towers, Dalal Street, Fort, Mumbai - 400 001.
<b>Tel No.</b>	022-22728893
<b>Email Id.</b>	corp.comm@bseindia.com

### *Issue Programme*

<b>Issue Opening Date</b>	May 7, 2018
<b>Issue Closing Date</b>	May 11, 2018
<b>Finalization of Basis of Allotment with the Designated Stock Exchange</b>	May 16, 2018
<b>Initiation of Allotment / Refunds / Unblocking of Funds</b>	May 17, 2018
<b>Credit of Equity Shares to demat accounts of Allottees</b>	May 18, 2018
<b>Commencement of trading of the Equity Shares on the Stock Exchange</b>	On or before May 21, 2018

### ***Our Board of Directors***

The following table sets out details regarding our Board as on the date of this Prospectus:

<b>Sr. No.</b>	<b>Name and Designation</b>	<b>Age</b>	<b>DIN</b>	<b>PAN Card No.</b>	<b>Address</b>
1.	Mr. Digambar Sudam Songhare (Managing Director)	35	06809398	AZUPS4580N	G/3, A Wing, Dosti Plaza Chs Ltd, Dsouza Nagar, 90 feet Road, Sakinaka, Mumbai Suburban, Mumbai- 400072, Maharashtra, India.
2.	Mr. P.S. Ganeshkumar (Executive Director)	41	06809407	AKHPP3112D	06, Shehnaz Villa, 337/E, Hal Village Road Opp. Aman Apartments, Kurla (W) Mumbai 400070, Maharashtra, India.
3.	Mr. Shantaram Prahalad Badai (Executive Director)	37	07847596	AZCPS3782J	Opp Jai Bhawani Store, Saharvillage, Chandrabali Yadav, Church Pakhadi Road No 2 Sahar Sahar P& T Colony Mumbai 400099 Maharashtra, India.
4.	Sushma S. Nevase (Additional Executive Director)	27	07977981	FBVPS8253L	Bhakti Vilas Society, 06th floor, 604, M N Road, Kurla west, off Sheetal Talab, Kurla West, Mumbai, Mumbai Suburban, Maharashtra - 400072
5.	Shivaji Laxman Dabhane (Independent Director)	46	07978002	ALBPD7394J	Room No. 1, Bavdekar Chawl, Jarimari Shivaji Nagar, Kurla Andheri Road, Sakinaka, Mumbai 400072 MH IN
6.	Zeshan Ali Ramzan Ali Sayed (Independent Director)	27	08063240	CZNPS1308H	Near Yogiraj School, 603, Dosti Plaza, D'souza Nagar, 90 Feet Road, Sakinaka, Mumbai 400072 MH IN
7.	Ashis Satpathy (Independent Director)	26	08063252	FIYPS3123K	207, Dosti Plaza, D'souza Nagar, 90 Feet Road, Near Peninsula Grand Hotel, Sakinaka, An dheri (Eas Mumbai 400072 MH IN
8.	Amardeep Bhau Mahadik (Independent Director)	44	08068952	AHPPM9325E	C-1301, Dosti Vrishti, Dosti Vihar, Near Vedant Complex, Pokharan Road No. 1, Jekegram, Thane 400606 MH IN

For detailed profile of our Board of Directors, refer to chapter titled '*Our Management*' on page no. 146 of this Prospectus.

***Company Secretary & Compliance Officer***

<b>Name</b>	Mr. Kamlesh Vyas
<b>Address</b>	: 1st Floor, Aslam Compound Shree Nagar, Behind Boghul House, Chandivali Road, Sakinaka Mumbai Mumbai City MH 400072 IN
<b>Tel No.</b>	: +91 22 28581499/22 28578954
<b>Email Id</b>	: admin@milestonefurniture.com

***Chief Financial Officer***

<b>Name</b>	: Mr. Dilip Rajgor
<b>Address</b>	: 1st Floor, Aslam Compound Shree Nagar, Behind Boghul House, Chandivali Road, Sakinaka Mumbai Mumbai City MH 400072 IN
<b>Tel No.</b>	: +91 22 28581499/22 28578954
<b>Email Id</b>	: admin@milestonefurniture.com

***Note:***

**Investors may contact our Company Secretary and Compliance Officer and/or the Registrar to the Issue, i.e. *Karvy Computershare Private Limited* and/ or the Lead Manager, i.e. *Monarch Networth Capital Limited*, in case of any pre-issue or post-issue related problems, such as non-receipt of letters of Allotment, non-credit of allotted Equity Shares in the respective beneficiary account, or/and non-receipt of funds by electronic mode etc.**

All grievances relating to the ASBA process may be addressed to the Registrar to the Issue, with a copy to the relevant Designated Intermediaries to whom the Application was submitted (at ASBA Bidding Locations), giving full details such as name of the sole or first Applicant, address of the applicant, number of Equity Shares applied for, Application Amount blocked, ASBA Account number and the Designated Branch of the relevant SCSBs to whom the ASBA Application Form was submitted.

Further, the investor shall also enclose the Acknowledgment Slip from the Designated Intermediaries in addition to the documents/information mentioned hereinabove.

***Lead Manager for The Company***

<b>Name</b>	<b>:MONARCH NETWORTH CAPITAL LIMITED (Earlier known as Networth Stock Broking Limited)</b>
<b>Corporate Office</b>	: MONARCH HOUSE, Opp. Ishwar Bhuvan, Commerce Six Roads, Navrangpura, Ahmedabad- 380014, India
<b>Tel No.</b>	: 079 – 6600 0500 / 700
<b>Fax No.</b>	: 079 - 26666599
<b>Email Id</b>	: shivam.patel@mncgroup.com
<b>Contact Person</b>	: Mr. Shivam Patel
<b>Website</b>	: www.mncgroup.com
<b>SEBI Registration No.</b>	: MB/INM000011013
<b>CIN</b>	: L65920MH1993PLC075393

**Registrar to the Issue**

<b>Name</b>	<b>KARVY COMPUTERSHARE PVT. LTD.</b>
<b>Address</b>	Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, City: Hyderabad Pin: 500 032
<b>Tel No.</b>	Std code: 040 Tel.: 67162222
<b>Fax No.</b>	Fax : 23001153
<b>Email Id</b>	venu.sp@karvy.com
<b>Contact Person</b>	Mr. S P Venugopal
<b>Website</b>	www.karvy.com
<b>SEBI Registration No.</b>	001321
<b>CIN</b>	U72400TG2003PTC041636

**Legal Advisor to the Company**

<b>Name</b>	MISS. POOJA SHARMA
<b>Address</b>	8/14, Malad Co-op. Hsg. Society Ltd, Poddar Park, Malad (East), Mumbai – 400097
<b>Tel No.</b>	+91 9022869773
<b>Email Id</b>	poojalegalventures@gmail.com
<b>Contact Person</b>	MISS. POOJA SHARMA

**Auditor of the Company (Peer Review Auditor)**

<b>Name</b>	Bhupendra S Gandhi (NGST & Associates)
<b>Address</b>	1111/11th Floor, Ghanshyam Enclave, Link Road, Kandivali West, Mumbai 400 067
<b>Tel No.</b>	022- 65604535
<b>Contact Person</b>	Bhupendra S Gandhi
<b>Membership No.</b>	122296
<b>Firm Registration No.</b>	135159W

**Statutory Auditor of the Company**

<b>Name</b>	Bhupendra S Gandhi (NGST & Associates)
<b>Address</b>	1111/11th Floor, Ghanshyam Enclave, Link Road, Kandivali West, Mumbai 400 067
<b>Tel No.</b>	022- 65604535
<b>Contact Person</b>	Bhupendra S Gandhi
<b>Membership No.</b>	122296
<b>Firm Registration No.</b>	135159W

**Banker(S) To the Company**

<b>Name</b>	The Saraswat Co-Operative Bank Ltd
<b>Address</b>	Pratiksha Apartment, Opp. Filmistan Studio, S.V. Road, Goregaon (w), Mumbai - 400 062
<b>Tel No.</b>	022-28720962, 28721510
<b>Fax No.</b>	022-28720962

<b>Email Id</b>	hk_walawalkar@saraswatbank.com
<b>Contact Person</b>	Mrs. Harshda Walawalkar
<b>Website</b>	www.saraswatbank.com

<b>Name</b>	Axis Bank
<b>Address</b>	Ground Floor, Unit No G1,g4 & G5, Sagar Tech Plaza, B Wing, Andheri Kurla Road, Sakinaka, Mumbai, Maharashtra, Pin 400072
<b>Tel No.</b>	(022) 28524000 001 002003 9820592532 (022) 285524044
<b>Fax No.</b>	(022) 285524044
<b>Email Id</b>	andheri.sakinaka@axisbank.com
<b>Contact Person</b>	Shekher Sawant
<b>Website</b>	www.axisbank.com

***Underwriter (S) To the Issue***

<b>Name</b>	<b>:MONARCH NETWORTH CAPITAL LIMITED (Earlier known as Networth Stock Broking Limited)</b>
<b>Address</b>	:MONARCH HOUSE, Opp. Ishwar Bhuwan, Commerce Six Roads, Navrangpura, Ahmedabad- 380014, India
<b>Tel No.</b>	: 079 – 6600 0500 / 700
<b>Fax No.</b>	: 079 - 26666599
<b>Email Id</b>	: shivam.patel@mnclgroup.com
<b>Contact Person</b>	: Mr. Shivam Patel
<b>Website</b>	:www.mnclgroup.com
<b>SEBI Registration No.</b>	: MB/INM000011013
<b>CIN</b>	: L65920MH1993PLC075393

***Market Marker(S) To the Issue***

<b>Name</b>	<b>:MONARCH NETWORTH CAPITAL LIMITED (Earlier known as Networth Stock Broking Limited)</b>
<b>Address</b>	:MONARCH HOUSE, Opp. Ishwar Bhuwan, Commerce Six Roads, Navrangpura, Ahmedabad- 380014, India
<b>Tel No.</b>	: 079 – 6600 0500 / 700
<b>Fax No.</b>	: 079 - 26666599
<b>Email Id</b>	: shivam.patel@mnclgroup.com
<b>Contact Person</b>	: Mr. Shivam Patel
<b>Website</b>	:www.mnclgroup.com
<b>SEBI Registration No.</b>	: INZ000008037
<b>CIN</b>	: L65920MH1993PLC075393

***Banker(S) To the Issue/ Escrow Collection Bank/Refund Bank***

<b>Name</b>	HDFC Bank Limited
<b>Address</b>	HDFC Bank Limited, FIG- OPS Department- Lodha, I Think Techno Campus O-3 Level, Next to Kanjurmarg, Railway Station, Kanjurmarg (East) Mumubai – 400042
<b>Tel No.</b>	30752927/28/2914
<b>Fax No.</b>	25799801
<b>Email Id</b>	Vincent.Dsouza@hdfcbank.com,Siddharth.Jadhav@hdfcbank.com, Prasanna.Uchil@hdfcbank.com
<b>Contact Person</b>	VincentDsouza, Siddharth Jadhav, Prasanna Uchil
<b>Website</b>	www.hdfcbank.com
<b>SEBI Registration No.</b>	INBI00000063

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

The list of Designated Branches that have been notified by SEBI to act as SCSB for the ASBA process is provided on <http://www.sebi.gov.in/pmd/scsb.html>. For more information on the Designated Branches collecting ASBA Forms, see the above mentioned SEBI link.

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

Since Monarch Network Capital Limited is the sole Lead Manager to the Issue, a statement of inter se allocation of responsibilities amongst Lead Managers is not required.

***Credit Rating***

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

***Trustees***

This is being an Issue of Equity Shares; the appointment of trustee is not required.

***IPO Grading***

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

***Brokers to the Issue***

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

***Inter-Se Allocation of Responsibilities***

Since Monarch Network Capital Ltd. is the sole Lead Manager to this Issue, a statement of inter se allocation of responsibilities among Lead Managers is not applicable.

***Expert Opinion***

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

Our Company has received consent from the Statutory Auditors of the Company to include their name as an expert in this Prospectus in relation to the (a) Statutory Auditors' reports on the restated Audited financial statements; and (b) Statement of Tax Benefits by the Statutory Auditors and such consent has not been withdrawn as on the date of this Prospectus.



### ***Appraisal and Monitoring Agency***

As per Regulation 16(1) of SEBI (ICDR) Regulations the requirement of Monitoring Agency is not mandatory if the issue size is below Rs 100 Crore. Since this Issue Size is only of Rs. 1800 Lakhs, our Company has not appointed any monitoring agency for this Issue. However, as per the SEBI(LODR) Regulations, 2015 to be entered into with BSE upon listing of the Equity Shares and the corporate governance requirements, inter-alia, the audit committee of our Company, would be monitoring the utilization of the proceeds of the Issue.

### ***Underwriting Agreement***

This Issue is 100% Underwritten. The Underwriting agreement is dated December 30, 2017. Pursuant to the terms of the Underwriting Agreement, the obligations of the Underwriters are several and are subject to certain conditions specified therein.

The Underwriters have indicated their intention to underwrite the following number of specified securities being offered through this Issue:

<b>Details of the Underwriters</b>	<b>No. of Equity Shares underwritten</b>	<b>Amount Underwritten (Rs. in lacs)</b>	<b>% of the total Issue Size Underwritten</b>
<b>MONARCH NETWORTH CAPITAL LIMITED</b> MONARCH HOUSE, Opp. Ishwar Bhuwan, Commerce Six Roads, Navrangpura, Ahmedabad- 380014, India, <b>Ph :</b> 79 26666500, 66000500 <b>Email :</b> shivam.patel@mnclgroup.com <b>Investor Grievance Email:</b> cs@mnclgroup.com <b>Website:</b> www.mnclgroup.com <b>Contact Person:</b> Mr. Shivam Patel <b>SEBI Registration No.</b> MB/INM000011013 <b>CIN No:</b> L65920MH1993PLC075393	32,97,000	1483.65	100%
<b>Total</b>	32,97,000	1483.65	100%

In the opinion of our Board of Directors (based on a certificate given by the Underwriter), the resources of the above mentioned Underwriters are sufficient to enable them to discharge the underwriting obligations in full. The abovementioned Underwriters are registered with SEBI under Section 12(1) of the SEBI Act or registered as brokers with the Stock Exchanges.

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

Our Company and the Lead Manager have entered into an agreement dated December 30, 2017, with the Market Maker – Monarch Networth Capital Ltd., duly registered with BSE Limited to fulfill the obligations of Market Making.

The Market Maker shall fulfill the applicable obligations and conditions as specified in the SEBI (ICDR) Regulations, 2009, and its amendments thereto and the circulars issued by the BSE and SEBI regarding this matter from time to time.

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

1. The Market Maker(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 Rs. 1,00,000. However, the investors with holdings of value less than Rs. 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%. (Including the 5% of Equity Shares of the Issue.) Any Equity Shares allotted to Market Maker under this Issue over and above 5% of Issue Size would not be taken in to consideration of computing the threshold of 25%. As soon as the Shares of market maker in our Company reduce to 24%, the market maker will resume providing 2-way quotes.
4. Execution of the order at the quoted price and quantity must be guaranteed by the Market Maker(s), for the quotes given by him.
5. There shall be no exemption/threshold on downside. However, in the event the market maker exhausts his inventory through market making process, the concerned stock exchange may intimate the same to SEBI after due verification.
6. There would not be more than 5 (Five) Market Makers for a script at any point of time and the Market. Makers may compete with other Market Makers for better quotes to the investors.
7. 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. The securities of the Company will be placed in SPOS and would remain in Trade for Trade settlement for 10 days as per circular no. CIR/MRD/DP/02/2012 dated January 20, 2012.
10. 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.
11. The Market Maker(s) shall have the right to terminate said arrangement by giving a three months' notice or on mutually acceptable terms to the Lead Manager, who shall then be responsible to appoint a replacement Market Maker(s).

In case of termination of the above mentioned Market Making agreement prior to the completion of the compulsory Market Making period, it shall be the responsibility of the Lead Manager to arrange for another Market Maker in replacement during the term of the notice period being served by the Market Maker but prior to the date of releasing the existing Market Maker from its duties in order to ensure compliance with the requirements of regulation 106V of the SEBI (ICDR) Regulations, 2009. Further our Company and the Lead Manager reserve the right to appoint other Market Makers either as a replacement of the current Market Maker

or as an additional Market Maker subject to the total number of Designated Market Makers not exceeding 5 (Five) or as specified by the relevant laws and regulations applicable at that particular point of time. The Market Making Agreement is available for inspection at our registered office from 11.00 a.m. to 5.00 p.m. on working days.

12. **Risk containment measures and monitoring for Market Makers:** BSE SME Exchange will have all margins which are applicable on the BSE Main Board viz., Mark-to-Market, Value-At-Risk (VAR) Margin, Extreme Loss Margin, Special Margins and Base Minimum Capital etc. BSE can impose any other margins as deemed necessary from time-to-time.
13. 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.
14. In accordance with the SEBI Circular No. CIR/MRD/DSA/31/2012 dated November 27, 2012; it was decided to make applicable limits on the upper side for the Market Makers during market making process taking into consideration the Issue size in the following manner:

<b>Issue Size</b>	<b>Buy quote exemption threshold (including mandatory initial inventory of 5% of issue size)</b>	<b>Re-entry threshold for buy quotes (including mandatory initial inventory of 5% of issue size)</b>
Upto Rs. 20 Crores	25%	24%
Rs. 20 Crores to Rs. 50 Crores	20%	19%
Rs. 50 Crores to Rs. 80 Crores	15%	14%
Above Rs. 80 Crores	12%	11%

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

## CAPITAL STRUCTURE

The Equity Share capital of our Company, as on the date of this Prospectus is set forth below:

(Amt in Rs.)

Sr. No.	Particulars	Aggregate Value at Nominal Value	Aggregate Value at Issue price
<b>A.</b>	<b>Authorized Share Capital</b>		
	1,00,00,000 Equity Shares of Rs. 10/- each	10,00,00,000	-
<b>B.</b>	<b>Issued, Subscribed and Paid-Up Share Capital before the Issue</b>		
	60,00,000 Equity Shares of Rs. 10/- each	6,00,00,000	-
<b>C.</b>	<b>Present Issue in terms of this Prospectus*</b>		
	Issue of 32,97,000 Equity Shares of face value of Rs. 10/- each at a Issue price of Rs. 45/- per Equity Share	<b>3,29,70,000</b>	14,83,65,000
	<i>Which comprises:</i>		
	(a) <b>Reservation for Market Maker(s)</b> 1,65,000 Equity Shares of face value of Rs. 10/- each reserved as Market Maker portion at a price of Rs. 45/- per Equity Share	16,50,000	74,25,000
	(b) <b>Net Issue to the Public</b> of 31,32,000 Equity Shares of face value of Rs. 10/- each at a price of Rs. 45/- per Equity Share	<b>3,13,20,000</b>	14,09,40,000
	<b>Of the Net Issue to the Public</b>		
	15,66,000 Equity Shares of face value of Rs. 10/- each at a price of Rs. 45/- per Equity Share shall be available for allocation for Investors applying for a value of upto Rs. <b>2.00 Lakhs (Retail Investors)</b>	<b>1,56,60,000</b>	7,04,70,000
	15,66,000 Equity Shares of face value of Rs. 10/- each at a price of Rs. 45/- per Equity Share shall be available for allocation for Investors applying for a value of above Rs. <b>2.00 Lakhs (Non-Retail Investors)</b>	<b>1,56,60,000</b>	7,04,70,000
<b>D.</b>	<b>Issued, Subscribed and Paid-up Share Capital after the Issue</b>		
	92,97,000 Equity Shares of Rs. 10/- each	<b>9,29,70,000</b>	
<b>E.</b>	<b>Securities Premium Account</b>		
	Before the Issue		7,59,80,000
	After the Issue		19,13,75,000

*\*The Present Issue has been authorized pursuant to a resolution of our Board dated 15<sup>th</sup> November 2017 and by Special Resolution passed under Section 23(1)(a) and 62(1)(c) of the Companies Act, 2013 at the Extra-Ordinary General Meeting of our shareholders held on 15<sup>th</sup> December, 2017.*

**NOTES TO THE CAPITAL STRUCTURE**

**1. Details of increase in Authorized Share Capital:**

Since the incorporation of our Company, the authorized Share Capital of our Company has been altered in the manner set forth below:

Sr. No.	Date of the Meeting	Particulars		Type of Meeting
		From	To	
1.	On Incorporation	---	10,000 Equity Shares of Rs. 10 each	-
2.	25-March-2017	10,000 Equity Shares of Rs. 10 each	30,00,000 Equity Shares of Rs. 10 each	EGM
4.	16-October-2017	30,00,000 Equity Shares of Rs. 10 each	1,00,00,000 Equity Shares of Rs. 10 each	EGM

**2. Share Capital History of the Company**

Sr. no.	Date of Allotment of Equity Shares	No. of shares Allotted	Cumulative No. of Equity Shares	Face Value (Rs.)	Issue Price (Rs.)	Consideration (Cash, Bonus, Consideration other than cash)	Cumulative Share Capital (Rs.)	Nature of / Reasons for Allotment
1	As per Memorandum	10,000	10,000	10	10	Cash	1,00,000	On Subscription to MOA
2	28-March-2017	10,00,000	10,10,000	10	10	Consideration Other than Cash	1,01,00,000	Conversion of Loan into Equity Share Capital
3	28-March-2017	19,90,000	30,00,000	10	12	Cash	3,00,00,000	Right Issue
4	17-October-2017	10,00,000	40,00,000	10	12	Cash	4,00,00,000	Right Issue
5	12-December-2017	14,00,000	54,00,000	10	45	Cash	5,40,00,000	Right Issue
6	15-December-2017	6,00,000	60,00,000	10	45	Cash	6,00,00,000	Right Issue

Subscribers to MOA are as follows:

Sr. No.	Name of the Allotees	No. of shares Allotted
1.	P. S. Ganeshkumar	5,000
2.	Digambar Sudam Songhare	5,000
		<b>10,000</b>

The list of allottees to whom the shares were issued on conversion of Loans to Equity Share Capital as on 28<sup>th</sup> March, 2017 is as follows:

Sr. No.	Name of the Allotees	No. of shares Allotted
1	P. S. Ganeshkumar	5,00,000
2	Digambar Sudam Songhare	5,00,000
		<b>10,00,000</b>

The list of allottees to whom the rightshares were issued as on 28<sup>th</sup> March, 2017 is as follows:

Sr. No.	Name of the Allotees	No. of shares Allotted
1.	P. S. Ganeshkumar	9,94,975
2.	Ambili P. S. Ganeshkumar	10
3.	Shantaram Prahalad Badai	10
4.	Satyabhama Sadanand	10
5.	Sushma Sampat Navse	10
6.	Priya Digambar Sudam Songhare	10
7.	Digambar Sudam Songhare	9,94,975
		<b>19,90,000</b>

The list of allottees to whom the rightshares were issued as on 17<sup>th</sup> October, 2017 is as follows:

Sr. No.	Name of the Allotees	No. of shares Allotted
1	P. S. Ganeshkumar	5,00,000
2	Digambar Sudam Songhare	5,00,000
		<b>10,00,000</b>

The list of allottees to whom the rightshares were issued as on 12<sup>th</sup> December, 2017 is as follows:

Sr. No.	Name of the Allotees	No. of shares Allotted
1	P. S. Ganeshkumar	7,00,000
2	Digambar Sudam Songhare	7,00,000
		<b>14,00,000</b>

The list of allottees to whom the rightshares were issued as on 15<sup>th</sup> December, 2017 is as follows:

Sr. No.	Name of the Allotees	No. of shares Allotted
1	P. S. Ganeshkumar	3,00,000
2	Digambar Sudam Songhare	3,00,000
		<b>6,00,000</b>

3. *Equity Shares issued for consideration other than cash by Our Company:*
4. Except for as mentioned above, our Company has not issued any other equity shares for consideration other than cash. *Capital Build up of the Promoters.*

Name of the Allottee's	Date of Allotment	No. of Equity Shares Allotted	FV (Rs.)	Issue Price (Rs.)	Consideration	Source of funds*	% of the Paid-up Capital	
							Pre-Issue	Post-Issue
Mr. P. S. Ganeshkumar	12-Mar-14	5,000	10	10	On Incorporation	Own Sources	0.08	0.05
	28-Mar-17	5,00,000	10	10	Consideration Other than Cash	Own Sources	8.33	5.38
	28-Mar-17	9,94,975	10	12	Cash	Own Sources	16.58	10.70
	17-Oct-17	5,00,000	10	12	Cash	Own Sources	8.33	5.38
	12-Dec-17	7,00,000	10	45	Cash	Own Sources	11.67	7.53
	15-Dec-17	3,00,000	10	45	Cash	Own Sources	5	3.23
	<b>Total</b>		<b>29,99,975</b>					<b>49.99</b>
Mr. Digambar Sudam Songhare	12-Mar-14	5,000	10	10	On Incorporation	Own Sources	0.08	0.05
	28-Mar-17	5,00,000	10	10	Consideration Other than Cash	Own Sources	8.33	5.38
	28-Mar-17	9,94,975	10	12	Cash	Own Sources	16.58	10.70
	17-Oct-17	5,00,000	10	12	Cash	Own Sources	8.33	5.38
	12-Dec-17	7,00,000	10	45	Cash	Own Sources	11.67	7.53
	15-Dec-17	3,00,000	10	45	Cash	Own Sources	5	3.23
	<b>Total</b>		<b>29,99,975</b>					<b>49.99</b>
<b>Total Promoter Holding</b>		<b>59,99,950</b>					<b>99.98</b>	<b>64.54</b>

All the Equity Shares held by our Promoters were fully paid-up on the respective dates of acquisition of such Equity Shares.

None of the Equity Shares held by our Promoters are pledged.

#### 5. Capital Buildup of the Promoter Group

Name of the Allottee's	Date of Allotment/ Transfer	No. of Equity Shares Allotted	FV (Rs.)	Issue Price (Rs.)	Consideration	% of the Paid-up Capital	
						Pre-Issue	Post-Issue
Ambili P. S. Ganeshkumar	28-Mar-17	10	10	12	Cash	0.004	0.0005
Priya Digambar Sudam Songhare	28-Mar-17	10	10	12	Cash	0.004	0.0005
Shantaram Prahalad Badai	28-Mar-17	10	10	12	Cash	0.004	0.0005
Satyabhama Sadanand	28-Mar-17	10	10	12	Cash	0.004	0.0005
Sushma Sampat Navse	28-Mar-17	10	10	12	Cash	0.004	0.0005
<b>Total Promoter Group Holding</b>		<b>50</b>				<b>0.02</b>	<b>0.0025</b>

#### 6. Details of Promoters' contribution and Lock-in

As per Regulation 32(1)(a) and 36(a) of the SEBI (ICDR) Regulations, 2009, and in terms of the aforesaid table, an aggregate of 20% of the post-issue equity share capital of our Company ('minimum Promoters' contribution') shall be locked in by our Promoters for a period of 3 (Three) years from the date of Allotment.

The Promoters' contribution has been brought in to the extent of not less than the specified minimum amount and has been contributed by the persons defined as Promoter under the SEBI (ICDR) Regulations, 2009.

Our Company has obtained written consents dated December 21, 2017 from our Promoters for the lock-in of 20,00,000 equity shares for a period of 3 (Three) years from the date of Allotment in the Issue. The details of the equity shares held by our Promoters, which are locked in for a period of 3 (Three) years from the date of Allotment in the Issue are given below:

#### *Promoter Contribution and Lock-in Details For 3 Years*

Name of the Promoter	Date of Allotment of Fully Paid-up Shares	No. of Equity Shares Locked-in	Nature of Issue/ Acquisition	FV (Rs.)	Issue Price (Rs.)	% of the Paid-up Capital	
						Pre-Issue	Post- Issue
Mr. P. S. Ganeshkumar	12-Dec-17	7,00,000	Right Issue	10	45	11.67	7.53
	15-Dec-17	3,00,000	Right Issue	10	45	5	3.23
	<b>Total</b>	<b>10,00,000</b>				<b>16.67</b>	<b>10.76</b>
Mr. Digambar Sudam Songhare	12-Dec-17	7,00,000	Right Issue	10	45	11.67	7.53
	15-Dec-17	3,00,000	Right Issue	10	45	5	3.23
	<b>Total</b>	<b>10,00,000</b>				<b>16.67</b>	<b>10.76</b>
<b>Total Lock-in</b>		<b>20,00,000</b>				<b>33.33</b>	<b>21.52</b>

The Equity Shares that are being locked in are not ineligible for computation of Promoter's contribution in terms of Regulation 33 of the SEBI (ICDR) Regulations, 2009. Equity Shares offered by the Promoters for the minimum Promoters' contribution are not subject to pledge. Lock-in period shall commence from the date of Allotment of Equity Shares in the Issue.

We confirm that the minimum Promoters' contribution of 20% which is subject to lock-in for 3 (Three) years does not consist of:

- Equity shares acquired during the preceding three years for consideration other than cash and revaluation of assets or capitalization of intangible assets;
- Equity shares acquired during the preceding three years resulting from a bonus issue by utilization of revaluation reserves or unrealized profits of the issuer or from bonus issue against equity shares which are ineligible for minimum Promoters' contribution;



- c) Equity shares acquired by Promoters during the preceding one year at a price lower than the price at which equity shares are being offered to public in the Issue;
- d) Equity shares pledged with any creditor.

Further, (i) no equity shares have been allotted pursuant to any scheme approved under Section 391-394 of the Companies Act, 1956 or Section 230-233 of the Companies Act, 2013 and (ii) our Company has not been formed by the conversion of a partnership firm into a company.

The share certificates for the equity shares in physical form, which are subject to lock-in, shall carry the inscription 'non-transferable' and the non-transferability details shall be informed to the depositories.

***Equity shares locked-in for one year***

As per Regulation 36(b) of the SEBI (ICDR) Regulations, 2009, in addition to 20% of the post-issue shareholding of our Company ('minimum Promoters' contribution') locked-in for 3 (Three) years, the balance equity shares, i.e. 39,99,950 equity shares, held by the Promoters in excess of minimum Promoters' contribution shall be **locked in for a period of 1 (One) year** from the date of Allotment in the Issue. Further, such lock-in of the equity shares would be created as per the bye laws of the Depositories.

Also, as per Regulation 37 of the SEBI (ICDR) Regulations, 2009, the entire pre-issue equity share capital of the Company held by persons other than Promoters shall be locked-in for a period of 1 (One) year.

***For 1 year***

Name of the Promoter	Date of Allotment of Fully Paid-up Shares	No. of Equity Shares Locked-in	Nature of Issue/ Acquisition	FV (Rs.)	Issue Price (Rs.)	% of the Paid-up Capital	
						Pre-Issue	Post- Issue
Mr. P. S. Ganeshkumar	12-Mar-14	5,000	Subscription to MOA on Incorporation	10	10	0.08	0.05
	28-Mar-17	5,00,000	Conversion of loans into Equity share capital	10	10	8.33	5.38
	28-Mar-17	9,94,975	Right Issue	10	12	16.59	10.70
	17-Oct-17	5,00,000	Right Issue	10	12	8.33	5.38
	<b>Total</b>	<b>19,99,975</b>					<b>33.33</b>
Mr. Digambar Sudam Songhare	12-Mar-14	5,000	Subscription to MOA on Incorporation	10	10	0.08	0.05
	28-Mar-17	5,00,000	Conversion of loans into Equity share capital	10	10	8.33	5.38
	28-Mar-17	9,94,975	Right Issue	10	12	16.59	10.70
	17-Oct-17	5,00,000	Right Issue	10	12	8.33	5.38
	<b>Total</b>	<b>19,99,975</b>					<b>33.33</b>
Ambili P. S. Ganeshkumar	28-Mar-17	10	Right Issue	12	Cash	0.004	0.0005

<b>Priya Digambar Sudam Songhare</b>	28-Mar-17	<b>10</b>	Right Issue	12	Cash	0.004	0.0005
<b>Shantaram Prahalad Badai</b>	28-Mar-17	<b>10</b>	Right Issue	12	Cash	0.004	0.0005
<b>Satyabhama Sadanand</b>	28-Mar-17	<b>10</b>	Right Issue	12	Cash	0.004	0.0005
<b>Sushma Sampat Navse</b>	28-Mar-17	<b>10</b>	Right Issue	12	Cash	0.004	0.0005
<b>Total Lock-in</b>		<b>40,00,000</b>				<b>66.68</b>	<b>43.02</b>

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

In terms of Regulation 40 of the SEBI (ICDR) Regulations, 2009, the Equity Shares held by our Promoters which are locked in as per the provisions of Regulation 36 of the SEBI (ICDR) Regulations, 2009, may be transferred to and amongst Promoters / members of the Promoter Group or to a new promoter or persons in control of our Company, subject to continuation of lock-in in the hands of transferees for the remaining period and compliance of Takeover Code, as applicable.

In terms of Regulation 40 of the SEBI (ICDR) Regulations, 2009, the Equity Shares held by persons other than the Promoters' prior to the Issue may be transferred to any other person holding the Equity Shares which are locked-in as per Regulation 37 of the SEBI (ICDR) Regulations, 2009, subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with the Takeover Code, as applicable.

In terms of Regulation 39 of the SEBI (ICDR) Regulations, 2009, the locked-in Equity Shares held by our Promoters can be pledged with any scheduled commercial banks or public financial institutions as collateral security for loans granted by such banks or financial institutions, subject to the following:

- If the specified securities are locked-in in terms of Regulation 36(a) of the SEBI (ICDR) Regulations, 2009, the loan has been granted by such bank or institution for the purpose of financing one or more of the objects of the Issue and the pledge of specified securities is one of the terms of sanction of the loan;
- If the specified securities are locked-in in terms of Regulation 36(b) of the SEBI (ICDR) Regulations, 2009 and the pledge of specified securities is one of the terms of sanction of the loan.

**Shareholding Pattern**

The table below presents the current shareholding pattern of our Company as per Regulation 31 of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015. Summary Statement – Holding of Specified Securities

*Summary Statement – Holding of Specified Securities*

Category	Category of Shareholder	Nos. of shareholders	No. of fully paid up equity shares held	Total nos. shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957)	Number of Voting Rights held in Equity shares			Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital)	Number of Locked in shares		Number of equity shares held in dematerialized form
						No of Voting Rights (Pre-issue)				No	As a % of total Shares held	
						Equity Shares	Total	Total as% of Total				
(A)	Promoter & Promoter Group	7	60,00,000	60,00,000	100	60,00,000	60,00,000	100	100	NIL	NIL	60,00,000
(B)	Public	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	NIL	NIL	Nil
(C)	Non Promoter-Non Public	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(C1)	Shares underlying DRs	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(C2)	Shares held by Employee Trusts	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	<b>Total</b>	<b>7</b>	<b>60,00,000</b>	<b>60,00,000</b>	<b>100.00</b>	<b>60,00,000</b>	<b>60,00,000</b>	<b>100.00</b>	<b>100.00</b>	<b>Nil</b>	<b>Nil</b>	<b>60,00,000</b>



Statement showing shareholding pattern of Promoter and Promoter Group

	Category & Name of the Shareholders	Nos. of shareholders	No. of fully paid up equity shares held	Total nos. shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957)	Number of Voting Rights held in equity shares			Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital)	Number of Locked in shares		Number of equity shares held in dematerialized form
						No of Voting Rights				No (a)	As a % of total Shares held (b)	
						Equity shares	Total	Total as % of (A)				
1	Indian											
(a)	Individuals/Hindu undivided Family	7										
	Mr. P. S. Ganeshkumar		29,99,975	29,99,975	49.99	29,99,975	29,99,975	49.99	49.99	Nil	Nil	29,99,975
	Mr. Digambar Sudam Songhare		29,99,975	29,99,975	49.99	29,99,975	29,99,975	49.99	49.99	Nil	Nil	29,99,975
	Ambili P. S. Ganeshkumar		10	10	0.004	10	10	0.004	0.004	Nil	Nil	10
	Priya Digambar Sudam Songhare		10	10	0.004	10	10	0.004	0.004	Nil	Nil	10



**Milestone Group**

	Shantaram Prahalaad Badai		10	10	0.004	10	10	0.004	0.004	Nil	Nil	10
	Satyabhama Sadanand		10	10	0.004	10	10	0.004	0.004	Nil	Nil	10
	Sushma Sampat Navse		10	10	0.004	10	10	0.004	0.004	Nil	Nil	10
(b)	Central Government/ State Government(s)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(c)	Financial Institutions/ Banks	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(d)	Any Other	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	Sub-Total (A)(1)	7	60,00,000	60,00,000	100	60,00,000	60,00,000	100	100	Nil	Nil	60,00,000
2	Foreign											
(a)	Individuals (Non-Resident Individuals/ Foreign Individuals)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(b)	Government	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(c)	Institutions	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil



## Milestone Group

(d)	Foreign Portfolio Investor	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(f)	Any Other (specify)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	Sub-Total (A)(2)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)	7	60,00,000	60,00,000	100	60,00,000	60,00,000	100	100	Nil	Nil	60,00,000

\*None of the shares are partly paid up

\*None of the shares are underlying Depository Receipts

\*None of the shares are underlying Outstanding Convertible Securities (including warrants)

\*None of the shares are/have been Pledged

*Statement showing Shareholding pattern of Public*

	Category & Name of the Shareholder	Nos. of shareholders	No. of fully paid up equity shares held	Total nos. shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957)	Number of Voting Rights held in equity shares			Share-holding , as a % assuming full conversion of convertible securities ( as a percentage of diluted share capital)	Number of Locked in shares		Number of equity shares held in dematerialized form
						No of Voting Rights				No	As a % of total Shares held	
						Equity shares	Total	Total as% of total voting rights				
1	Institutions											
(a)	Mutual Funds/	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(b)	Venture Capital Funds	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(c)	Alternate Investment Funds	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(d)	Foreign Venture Capital Investors	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(e)	Foreign Portfolio Investors	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(f)	Financial Institutions/ Banks	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(g)	Insurance Companies	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil



## Milestone Group

(h)	Provident Funds/ Pension Funds	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(i)	Any Other (specify)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	Sub-Total (B)(1)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
2	Central Government/ State Government(s)/ President of India	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	Sub-Total (B)(2)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
3	Non-institutions	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(a)	Individuals -	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	i. Individual shareholders holding nominal share capital up to Rs. 2 lakhs.	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	Others less than 1 %	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	ii. Individual shareholders holding nominal share capital in excess of Rs. 2 lakhs.	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	Others less than 1 %	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil





(b)	NBFCs registered with RBI	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(c)	Employee Trusts	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(d)	Overseas Depositories (holding DRs)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	(balancing figure)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(e)	Any Other (specify)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	Hindu Undivided Family (HUF)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	Sub-Total (B)(3)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	Total Public Shareholding (B)= (B)(1)+(B)(2)+(B)(3)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

\*None of the shares are partly paid up

\*None of the shares are underlying Depository Receipts

\*None of the shares are underlying Outstanding Convertible Securities (including warrants)

\*None of the shares are/have been Pledged

Our Company will file the shareholding pattern of our Company, in the form prescribed under SEBI (LODR) Regulations, 2015, one day prior to the listing of Equity Shares. The shareholding pattern will be uploaded on the website of Stock Exchanges before commencement of trading of such Equity Shares.

- a) As on the date of this Prospectus, there are no partly paid-up shares/ outstanding convertible securities/ warrants in our Company.
- b) The details of the holding of securities (including shares, warrants, convertible securities) of persons belonging to the category “Public” and holding more than 1% of the total number of shares: NIL
- c) The details of the holding of securities (including shares, warrants, convertible securities) of persons belonging to the category “Public” and holding more than 5% of the total number of shares: NIL
- d) There are no equity shares against which depository receipts have been issued.
- e) Other than the equity shares, there are no other class of securities issued by our Company.

**7. The shareholding pattern of our Company showing the aggregate shareholding of Promoters and Promoter Group before and after the Issue is set forth below:**

Sr. No.	Name of the Shareholders	Pre-Issue		Post-Issue	
		No. of equity shares	As a % of Issued Equity	No. of equity shares	As a % of Issued Equity
<b>A</b>	<b>Promoters</b>				
1	Mr. P. S. Ganeshkumar	29,99,975	49.99	29,99,975	32.27
2	Mr. Digambar Sudam Songhare	29,99,975	49.99	29,99,975	32.27
	<b>Total (A)</b>	<b>59,99,950</b>	<b>99.98</b>	<b>59,99,950</b>	<b>64.54</b>
<b>B</b>	<b>Promoter Group &amp; Relatives</b>				
1	Ambili P. S. Ganeshkumar	10	0.004	10	0.0005
2	Priya Digambar Sudam Songhare	10	0.004	10	0.0005
3	Shantaram Prahalad Badai	10	0.004	10	0.0005
4	Satyabhama Sadanand	10	0.004	10	0.0005
5	Sushma Sampat Navse	10	0.004	10	0.0005
	<b>Total (B)</b>	<b>50</b>	<b>0.02</b>	<b>50</b>	<b>0.0025</b>
<b>C</b>	<b>Other Associates Acting in Concert</b>				
	<b>Total (C)</b>				
<b>D</b>	<b>TOTAL (A+B+C)</b>	<b>60,00,000</b>	<b>100</b>	<b>60,00,000</b>	<b>64.54</b>



8. Our Company has not revalued its assets since inception and has not issued any Equity Shares (including bonus shares) by capitalizing any revaluation reserves.
9. Till date our Company has not made any allotment of Equity Shares pursuant to any scheme approved under section 391- 394 of the Companies Act, 1956 or Section 230-233 of the Companies Act, 2013.
10. 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 Issue. As and when, options are granted to our employees under the Employee Stock Option Scheme, our Company shall comply with the SEBI (Employee Stock Option Scheme and Employees Stock Purchase Plan) Guidelines, 1999.
11. Our Company has issued Equity Shares during a period of one year preceding the date of this Prospectus at a price lower than the Issue price. The details for the same have been mentioned under “Share Capital History of the Company” on page no. 60.
12. There will be no further issue of capital, whether by way of issue of bonus shares, preferential allotment, and rights issue or in any other manner during the period commencing from the date of this Prospectus until the Equity Shares have been listed. Further, our Company presently does not have any intention or proposal to alter our capital structure for a period of six months from the date of opening of the Issue, by way of split/ consolidation of the denomination of Equity Shares or further issue of equity shares (including issue of securities convertible into exchangeable, directly or indirectly, for our equity shares) whether preferential or otherwise, except that if we enter into acquisition(s) or joint venture(s), we may consider additional capital to fund such activities or to use equity shares as a currency for acquisition or participation in such joint ventures.
13. During the past 6 (Six) months immediately preceding the date of this Prospectus, there has been transactions in our equity shares, which have been purchased/ sold/ transferred by our Promoters, their relatives and associates, persons in Promoter Group [as defined under Regulation 2(1)(zb) of SEBI (ICDR) Regulations, 2009] or the directors of the company which is a Promoter of the Company and/or the Directors of the Company. The details for the same have been mentioned under “Share Capital History of the Company” on page no. 60.
14. The members of the Promoter Group, our Directors or the relatives of our Directors have not financed the purchase by any other person of securities of our Company, other than in the normal course of the business of the financing entity, during the 6 (Six) months preceding the date of this Prospectus .
15. Our Company, our Promoters, our Directors and the Lead Manager to the Issue have not entered into any buy-back, standby or similar arrangements with any person for purchase of our Equity Shares from any person.
16. There are no safety net arrangements for the Issue.
17. An oversubscription to the extent of 10% of the Issue can be retained for the purposes of rounding off to the minimum allotment lot, while finalizing the Basis of Allotment. Consequently, the actual Allotment may go up by a maximum of 10% of the Issue, as a result of which, the post-issue paid up capital after the Issue would also increase by the excess amount of Allotment so made. In such an event, the Equity Shares held by our Promoters and subject to lock-in shall be suitably increased; so as to ensure that a minimum of 20% of the post issue paid-up capital is locked in.



18. In case of over-subscription in all categories the allocation in the Issue shall be in accordance with the requirements of regulation 43(4) of SEBI (ICDR) Regulations, 2009 and its amendments from time to time.
19. Under-subscription, if any, in any portion would be met out of the spillover from other categories at the sole discretion of our Company in consultation with the Lead Manager and the Designated Stock Exchange.
20. As on the date of filing of this Prospectus, there are no outstanding warrants, options or rights to convert debentures, loans or other financial instruments into our equity shares.
21. All the equity shares of our Company are fully paid up as on the date of this Prospectus. Further, since the entire money in respect of the Issue is being called on application, all the successful applicants will be allotted fully paid-up equity shares.
22. As per RBI regulations, OCBs are not allowed to participate in the Issue.
23. The Issue is being made through Fixed Price method.
24. **Particulars of top ten shareholders:**

*(a) As on the date of this Prospectus:*

Sr. No.	Name Of The Shareholders	No. Of Shares	% of the Pre-Issue Capital
1.	Mr. P. S. Ganeshkumar	29,99,975	49.99
2.	Mr. Digambar Sudam Songhare	29,99,975	49.99
3.	Ambili P. S. Ganeshkumar	10	0.004
4.	Priya Digambar Sudam Songhare	10	0.004
5.	Shantaran Prahalad Badai	10	0.004
6.	Satyabhama Sadanand	10	0.004
7.	Sushma Sampat Navse	10	0.004
	<b>Total</b>	<b>60,00,000</b>	<b>100.00</b>

*(b) 10 days prior to the date of this Prospectus:*

Sr. No.	Name Of The Shareholders	No. Of Shares	% of the Pre-Issue Capital
1.	Mr. P. S. Ganeshkumar	29,99,975	49.99
2.	Mr. Digambar Sudam Songhare	29,99,975	49.99
3.	Ambili P. S. Ganeshkumar	10	0.004
4.	Priya Digambar Sudam Songhare	10	0.004
5.	Shantaran Prahalad Badai	10	0.004
6.	Satyabhama Sadanand	10	0.004
7.	Sushma Sampat Navse	10	0.004
	<b>Total</b>	<b>60,00,000</b>	<b>100.00</b>

*(c) 2 years prior to the date of filing this Prospectus:*

Sr. No.	Name Of The Shareholders	No. Of Shares	% of the Pre-Issue Capital
1.	P. S. Ganeshkumar	5,000	0.08
2.	Digambar Sudam Songhare	5,000	0.08
	<b>Total</b>	<b>10,000</b>	<b>0.16</b>

25. Our Company has not raised any bridge loan against the proceeds of the Issue.
26. Our Company undertakes that at any given time, there shall be only one denomination for our Equity Shares, unless otherwise permitted by law.
27. Our Company shall comply with such accounting and disclosure norms as specified by SEBI from time to time.
28. An Applicant cannot make an application for more than the number of Equity Shares being issued through the Issue, subject to the maximum limit of investment prescribed under relevant laws applicable to each category of investors.
29. No payment, direct or indirect in the nature of discount, commission, allowance or otherwise shall be made either by us or our Promoters to the persons who receive allotments, if any, in the Issue.
30. We have 07 shareholders as on the date of filing of this Prospectus.
31. None of the other Promoters and members of our Promoter Group will participate in this Issue.
32. Our Company has not made any public issue since its incorporation.
33. Neither the Lead Manager, nor their associates hold any Equity Shares of our Company as on the date of this Prospectus
34. Our Company shall ensure that transactions in the Equity Shares by the Promoters and the Promoter Group between the date of filing this Prospectus and the Issue Closing Date shall be reported to the Stock Exchanges within twenty-four hours of such transaction.
35. For the details of transactions by our Company with our Promoter Group, Group Companies during the last five financial years i.e. 2017, 2016, 2015, 2014 and for the eight months period ended on November 30, 2017 refer to paragraph titled '*Annexure 14: Statement of Related Parties' Transactions*' in the chapter titled 'Restated Financial Statement' beginning on page no. 191 of this Prospectus .
36. None of our Directors or Key Managerial Personnel holds Equity Shares in our Company, except as stated in the chapter titled '*Our Management*' beginning on page no. 146 of this Prospectus.
37. None of our Promoters, Promoter Group, Directors and their relatives has entered into any arrangement or financed the purchase of the Equity Shares of our Company by any other person during the period of six months immediately preceding the date of filing of Prospectus.
38. The unsubscribed portion in any reserved category may be added to any other reserved category.
39. The unsubscribed portion, if any after such interse adjustments among the reserved categories shall be added back to the net offer to the public portion.
40. No person connected with the Issue shall offer any incentive, whether direct or indirect, in the nature of discount, commission, and allowance, or otherwise, whether in cash, kind, services or otherwise, to any Applicant.

**SECTION IV – PARTICULARS OF THE ISSUE****OBJECTS OF THE ISSUE**

This Issue is being undertaken to meet the objects, as set forth herein, and to realize the benefits of listing of our Equity Shares on Stock Exchanges, which in our opinion would enhance our Company's visibility, brand name and enable us to avail of future growth opportunities. The other Objects of the Issue also include creating a public trading market for the Equity Shares of our Company by listing them on BSE SME Platform.

The Net Proceeds from the Issue are proposed to be utilized by our Company for the following objects:

1. To set up the manufacturing facility to manufacture the modular and innovative furniture
2. Working Capital Requirement
3. General Corporate Expenses; and
4. To meet the expenses of the Issue

Further, we believe that the listing of our Equity Shares will enhance our visibility and brand name among existing and potential customers.

The main objects of our Memorandum of Association permits us to undertake our existing activities and the activities for which the funds are being raised by us, through the present Issue. The fund requirement and deployment is based on internal management estimates and has not been appraised by any bank or financial institution.

Our funding requirements are dependent on a number of factors, which may not be in the control of our management, changes in our financial condition and current commercial conditions. Such factors may entail rescheduling and / or revising the planned expenditure and funding requirement and increasing or decreasing the expenditure for a particular purpose from the planned expenditure.

**FUND REQUIREMENTS**

Breakup of the total fund requirement for the Project work in progress is set forth below:

Sr. No.	Particulars	Amount
1.	To set up the manufacturing facility to make modular and innovative furniture with industrial premises	981.85
2.	Working Capital Requirement	350.00
3.	General Corporate Expenses	176.80
4.	To meet the expenses of the Issue	50.00
	<b>Total</b>	<b>1558.65</b>

We intend to utilize the proceeds of the Fresh Issue, in the manner set forth below:

(Rs. In Lakhs)

Sr. No.	Particulars	Amount	% of the total Issue size
1.	To set up the manufacturing facility to make modular and innovative furniture with industrial premises	906.85	61.12
2.	Working Capital Requirement	350.00	23.60
3.	General Corporate Expenses	176.80	11.91
4.	To meet the expenses of the Issue	50.00	3.37
	<b>Total</b>	<b>1483.65</b>	<b>100.00</b>

The fund requirements mentioned above are based on internal management estimates of our Company and the Lead Manager do not have any opinion on the justification for the same with regards to its exact requirement or appraised by any bank, financial institution or any other external agency. They are based on current circumstances of our business and our Company may have to revise its estimates from time to time on account of various factors beyond its control, such as market conditions, competitive environment, cost of commodities and interest or exchange rate fluctuations. The figures are relied on the documentary evidences provided by the Company, upto the extent available. Consequently, the fund requirements of our Company are subject to revisions in the future at the discretion of the management. In the event of any shortfall of funds for the activities proposed to be financed out of the issue proceeds as stated above, our Company may re-allocate the issue proceeds to the activities where such shortfall has arisen, subject to compliance with applicable laws. Further, in case of a shortfall in the issue proceeds or cost overruns, our management may explore a range of options including utilizing our internal accruals or seeking debt financing.

## MEANS OF FINANCE

(Rs. In Lakhs)

Sr. No.	Particulars	Amount
1.	Public Issue Proceeds	1483.65
2.	Funds Deployed by promoters	82.00*
	<b>Total</b>	<b>1558.65</b>

\* Out of Rs. 82 Lakhs fund deployed by promoters Rs. 7Lakhs is towards issue expense which will be recouped from issue expense

We propose to meet the entire requirement of funds for the Objects from the Net Proceeds of the Issue. Accordingly, the requirement under Regulation 4(2)(g) of the SEBI ICDR Regulations of Firm arrangements of finance through verifiable means towards seventy five per cent of the stated means of finance, excluding the amount to be raised through the proposed public issue or rights issue or through existing identifiable internal accruals, have been made.

In the event of a shortfall in raising the requisite capital from the proceeds of the Issue, towards meeting the Objects of the Issue, the extent of the shortfall will be met by internal accruals and/or from fresh debt.

## DETAILS OF THE OBJECTS OF THE ISSUE

### I. To set up the manufacturing facility to make modular and innovative furniture with industrial premises at B 13, MIDC Murbad, Dist. Thane Maharashtra - 421401.

Our company intends to utilize 61.12 % of the issue size for setting up of manufacturing facility with Semi and Fully Automatic equipments & technology to manufacture the wide range of modular furniture suitable for corporate, bank, insurance and education sectors.

Our Management has entered in to two MOU to purchase the Industrial premises at Murbad Industrial Area, MIDC, Murbad Dist. Thane, Maharashtra.

Further Break up of funds required for projects

(Rs. In Lakhs)	
Particulars	Amount
Premises at MIDC Murbad, Maharashtra	105.00
Infra, foundation & Construction *	250.00
Machines and Equipments	544.85
Warehousing Facility	50.00



Particulars	Amount
Power, DG Sets, Fire & Safety facility	32.00
<b>Total</b>	<b>981.85</b>

\*The cost has been calculated and approved by the Project Consultant and Licenced Surveyor viz, M/s Megas Architectural Services Pvt . Ltd. pursuant to his letter dated November 06, 2017.

The MOU is entered for purchase of Industrial Premises as follows

(Rs. In Lakhs)

Particulars	Date of MOU	Purchaser	Seller	Location	Area	Consideration
MIDC Plot	August 14, 2017	Milestone Furniture Ltd	S. J. Enterprise (partnership Firm reg. No. – MA13608)	B 13 Murbad Industrial Area MID C, Murbad Dist. Thane, MH	10,000 sq. fts.	45.00
MIDC Plot	May 24, 2017	Milestone Furniture Ltd	Taufiq Plast Pvt. Ltd. (CIN- U25200MH1993PTC074864)	F 35, Murbad Industrial Area MID C, Murbad Dist. Thane, MH	10,000 sq. fts.	52.00
Stamp Duty & Registration, Transfer Charges						8.00
					<b>Total</b>	<b>105.00</b>

#### Infra, Foundation and Construction

The cost of construction and Infra is approved by the management based on the plan, design and drawing for setting up of manufacturing facility. The facility shall have as follows

- 1) Construct the ground plus three floors of premises
- 2) Set up division for Panel cutting, Edge Banding and Boring
- 3) Storage area for basic raw material and finish furniture
- 4) Foundation for Panel cutting and Mould machines

The approx area of construction shall be 15,000 sq. fts. and with security & safety device. The cost has been calculated and estimated by the Project Consultant and Licensed Surveyor viz, M/s Megas Architectural Services Pvt . Ltd. pursuant to his letter dated November 06, 2017.



The estimated cost for the construction, foundation and Infra is as follows .

Description	Cost
Planning and Approval Cost	1,21,7000
Construction Cost	1,71,00,000
External Development and landscaping	14,75,000
Industrial Elevators & OC Storage rack systems, etc	2,08,000
Electric fittings / office equipments, factory and factory interiors	32,00,000
<b>Total</b>	<b>2,50,00,000</b>

### Plant and Machines

Our Company intends to utilize 36.72% of the Issue Size in purchasing of machineries used for manufacturing of modular furniture at MIDC Murbad, MH. The company shall purchase these equipment's and the approximate quotations for the same as on date are as follows:

Sr. No.	Description/Nature of Equipment	Suppliers Name	Amount(Rs.)
1	Nkr 220 Fcp Single Sided Edgebanding Machine	Homag India Private Limited	34,69,200 <sup>(i)</sup>
2	Nmc 112plus 'C'	Homag India Private Limited	70,80,000 <sup>(ii)</sup>
3	Hpp180 Panel Cutter	Homag India Private Limited	54,50,250 <sup>(iii)</sup>
4	Wood Cam/ Cam Venture	Homag India Private Limited	25,96,000 <sup>(iv)</sup>
5	Ambition 1650fc Brandt Single Sided Edgebanding Machine	Homag India Private Limited	76,81,658 <sup>(v)</sup>
6	Nkd720 Brandt Universal Edge Banding Machine	Homag India Private Limited	4,25,000 <sup>(vi)</sup>
7	Cnc Driling	Homag India Private Limited	37,76,000 <sup>(vii)</sup>
8	Hydrolic Hot Press	Srichakra Engineering Equipments	16,52,000 <sup>(viii)</sup>
9	Spindle Cnc Router	Jai Industries	16,50,000 <sup>(ix)</sup>
10	Conveyrised Powdercoating Plant With 7 Tank Process	Aman Industries	62,05,000 <sup>(x)</sup>
11	Hydrolic Guillotine Shearing Machine	Weldor CNC Machines	11,50,000 <sup>(xi)</sup>
12	Cnc Synchro Press Break	Weldor CNC Machines	22,50,000 <sup>(xii)</sup>
13	Amada Cnc Turrent Punch Press	Weldor CNC Machines	40,00,000 <sup>(xiii)</sup>
14	Used Turrent Punch Press	Weldor CNC Machines	38,00,000 <sup>(xiv)</sup>



15	Cyflex	Jai Industries	33,00,000 <sup>(xv)</sup>
			<b>5,44,85,108*</b>

*\*Above cost of Machinery is Exclusive of Tax applicable*

None of the machineries are proposed to be brought on second hand basis.

- (i) Based on the Quotation of Homag dated November 06, 2017
- (ii) Based on the Quotation of Homag dated November 06, 2017
- (iii) Based on the Quotation of Homag dated November 06, 2017
- (iv) Based on the Quotation of Homag dated November 06, 2017
- (v) Based on the Quotation of Homag dated November 06, 2017
- (vi) Based on the Quotation of Homag dated November 06, 2017
- (vii) Based on the Quotation of Homag dated November 06, 2017
- (viii) Based on the Quotation of Srichakra Engineering Equipments dated November 06, 2017
- (ix) Based on the Quotation of Jai Industries dated November 18, 2017
- (x) Based on the Quotation of Aman Industries dated November 06, 2017
- (xi) Based on the Quotation of Weldor CNC Machines dated November 18, 2017
- (xii) Based on the Quotation of Weldor CNC Machines dated November 18, 2017
- (xiii) Based on the Quotation of Weldor CNC Machines dated December 01, 2017
- (xiv) Based on the Quotation of Weldor CNC Machines dated December 01, 2017
- (xv) Based on the Quotation of Jai Industries dated November 15, 2017

**Ware housing Facility**

Management has planned to set up warehousing facility for modular panel, sheet and furniture at F 35 MIDC Murbad, MH.

The facility shall include Storage rack, multi tray and material handling facility. The Estimated cost for this shall be Rs. 50 lacs. The Management has estimated based on Quotation from Silver Land Developers dated 25<sup>th</sup> November 2017.

<b>BOQ FOR FACTORY AT MURBAD, M.I.D.C</b>							
<b>SR.N</b>	<b>ITEM</b>	<b>LOCATION</b>	<b>SPECIFICATION</b>	<b>UNIT</b>	<b>QUANTI</b>	<b>RATE</b>	<b>AMOUNT</b>
<b>1.00</b>	<b>Excavation</b>						
1.01	Excavation	Basement	Excavation & disposal of debris	Cu.M	557	150.00	83550.00
<b>2.00</b>	<b>Pest Control</b>						
2.01	Pest control	All office area	pest control	SQ.FT	5987	3.00	17961.00
2.02	RCC	All office area	RCC (re-in forced cement concrete) including structural members like footings, columns, beams, slabs and padres with concrete mix grade 25	SQ.FT	5987	490.00	2933630.00
<b>3.00</b>	<b>Masonry Work</b>						
3.01	150mm thick Siporex Wall	Gents, Ladies and Ex. Toilet and pantry	Making 150mm thick wall of 100mm thick Siporex Block. With proper line and level ready to apply plaster/punning (POP/Gypplaster).	SQ.FT	4827	70.00	337890.00



3.02	RCC lintel	Gents, Ladies and Ex. Toilet and Pantry	Providing, laying, compacting RCC lintels of the following sizes cast in situ in 1:2:4 cement concrete with 4 no's of 8mm TOR steel reinforcement with stirrups including 12mm cover, necessary shuttering, curing, compacting, bending of steel reinforcement.	R.FT.	325	60.00	19500.00
<b>4.00 Wall Preparation</b>							
4.01	Cement Plaster Internal		Providing internal cement plaster, 12mm thick in a single coat of 1:4 cement mortar to concrete and masonry surfaces in all positions including of hacking of RCC surfaces, preparing surface before applying plaster, proper curing, scaffolding etc. complete.	SQ.FT	5190	70.00	363300.00
4.02	Cement Plaster External		Providing internal cement plaster, 25mm thick in a single coat of 1:4 cement mortar to concrete and masonry surfaces in all positions including of hacking of RCC surfaces, preparing surface before applying plaster, proper curing, scaffolding etc complete.	SQ.FT	5822	80.00	465760.00
<b>5.00 Flooring &amp; Cladding</b>							
5.01	Kota Stone 2' x2'	Reception, storage area, passage, Café and workstation area	Providing and laying Vitrified Flooring of approved make and approved sample in pattern as per detailed drawings up to 25mm thick bed of 1:4 cement mortar including surface preparation, giving necessary slopes, cleaning joints and grouting them in neat white cement paste with pigmented additives to match shade of the tile. etc complete	SQ.FT	5615	60.00	336900.00
			Basic Cost of tile Rs.70/sqft inclusive of delivery, loading- Unloading at site and all taxes thereon.				
<b>5.00 Skirting &amp; Trims</b>							
5.01	Skirting	Over All	Providing and cladding 100mm high Vitrified Tiles or Aluminium for Skirting of approved make and approved sample.	R.FT.	1620	25.00	40500.00
<b>6.00 Finishes</b>							



6.01	Exterior Paint	External facades	Painting with Plastic Paint of approved shade and colour of approved shade and colour of ICI Dulux / Asian Paints or equivalent make in minimum three coat , including preparation of surface, scrapping, sand papering, scaffolding etc complete.	SQ.FT	5822	20.00	116440.00
6.02	Interior Paint	walls	Painting with Luster Paint of approved shade and colour of approved shade and colour of ICI Dulux / Asian Paints or equivalent make in minimum three coat ,including preparation of surface, scrapping, sand papering, scaffolding etc. complete.	SQ.FT	5225	17.00	88825.00
<b>7.00</b>	<b>Electrical Work</b>						
7.01		entire area	P/Supplying Electrical Panels/Distribution Board, Point wiring, General wiring, cabling, Laying Raceways, with Accessories like switch/socket, Light fitting etc complete.	SQ.FT	5987	60.00	359220.00
					<b>Total Rs.</b>		<b>5163476.00</b>

#### Power DG and Fire Safety Facility

Manufacturing Facility shall have Standby DG set of 50 KVA and transformer for regular electric supply from MSEB. Considering the nature of products and wooden material at factory, Fire safety and shock proof facility shall be installed for safety of employees and stocks.

The Estimated cost for the above Rs. 32 lacs

(Rs. In Lakhs)

Sr. No.	Description/Nature of Equipment	Suppliers Name	Amount
1.	Power DG & Fire Safety Facility	V. S. Enterprises	32.00
	<b>Total</b>		<b>32.00</b>

## II. Working Capital Requirement

The Company's business is working capital intensive and the Company avails majority of its working capital requirement in the ordinary course of its business from its internal accruals and Bank Finance. As on March 31, 2017, the Company's net working capital consisted of Rs. 296.06 Lakhs. Considering the existing and future growth, the total working capital needs of our Company, as assessed based on the internal workings of our Company is expected to reach 521.57 Lakhs for FY 2017-18.

As of the date of this Prospectus, the Company meets its working capital facility through internal accruals and cash credit facilities from banks. Keeping in mind, the continuous growth of the business and growing demand of Furniture and Fixture, we require additional working capital primarily for growth in work on hand.

### **Basis of estimation of working capital requirement and estimated working capital requirement:**

The detailed calculation of the working capital requirement of the Company based on estimates, post expansion Below:

Particulars	Existing As on March 31, 2017	Provisional As on March 31, 2018	Estimated As on March 31, 2019
<b>Current Assets</b>			
Inventories	196.66	524.70	740.00
Trade Receivables	162.04	613.99	900.00
Cash and Cash Equivalents	2.92	34.37	40.72
Short Term Loans & Advances	53.90	86.00	120.00
Other Current Assets	-	-	-
<b>Total Current Assets (A)</b>	<b>415.52</b>	<b>1138.18</b>	<b>1800.72</b>
<b>Current Liabilities (other than short term borrowings)</b>			
Trade Payables	25.82	87.34	150.00
Other Current Liabilities	22.21	42.40	71.93
Short Term Provisions	-	-	-
<b>Total Current Liabilities (B)</b>	<b>48.03</b>	<b>129.74</b>	<b>221.93</b>
<b>TOTAL WC REQUIREMENTS (A-B)</b>	<b>367.49</b>	<b>1129.32</b>	<b>1578.79</b>
<b>Funding Pattern:</b>			
WC Facilities from Bank*	71.43	500.00	500.00
Internal Accruals	296.06	79.32	728.79
Promoter's Equity	-	550.00	-
Issue Proceeds	-	-	350.00

\*As on date of this Prospectus, our company has sanctioned facilities (vide Sanction letter dated March 10, 2017) consisting of an aggregate Limit of Rs. 500.00 Lakhs from Saraswat Bank. For further details regarding these facilities, please see the chapter titled "Statement of Financial Indebtedness" beginning on page no. 197 of this Prospectus.

### **Basis of estimation of working capital requirement**

Particulars	No. of Months	
Inventory	1.85	Inventories expected for March 31, 2019 has been estimated based on inventory turnover days i.e. 1.85 Months
Debtors	2.25	Trade Receivables expected for March 31, 2019 has been estimated based on inventory turnover days i.e. 2.25 months

Creditors	0.50	Trade Payables for March 31, 2019 has been estimated based on inventory turnover days i.e. 0.50 month.
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Note: Trade Receivable are in terms of number of months of “sales”.  
Inventory in terms of number of months of “cost of sales”.

### III General Corporate Purposes

Our management, in accordance with the policies of our Board, will have flexibility in utilizing the proceeds earmarked for general corporate purposes. We intend to deploy the balance Fresh Issue proceeds aggregating Rs. 176.80 Lacs towards the general corporate purposes to drive our business growth. In accordance with the policies set up by our Board, we have flexibility in applying the remaining Net Proceeds, for general corporate purpose including but not restricted to, meeting operating expenses, initial development costs for projects other than the identified projects, and the 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 purposes as approved by our Board of Directors, subject to compliance with the necessary provisions of the Companies Act.

We confirm that any issue related expenses shall not be considered as a part of General Corporate Purpose. Further, we confirm that the amount for general corporate purposes, as mentioned in this Red Herring Prospectus, shall not exceed 25% of the amount raised by our Company through this Issue.

### IV Public Issue Expense

The estimated Issue related expenses includes Issue Management Fee, Underwriting and Selling Commissions, Printing and Distribution Expenses, Legal Fee, Advertisement Expenses, Registrar’s Fees, Depository Fee and Listing Fee. The total expenses for this Issue are estimated to be approximately Rs. 50 Lakhs which is 3.37 % of the Issue Size. All the Issue related expenses shall be met out of the proceeds of the Issue and the break-up of the same is as follows:

Activity	Expenses (Rs. In Lakh)
Fees payable to Merchant Banker , Registrar Fees, Legal Fees & Misc. Expenditure Brokerage & Selling Commission	35.00
Printing and Stationery Expenses, Advertising and Marketing Expenses Statutory Expenses etc.	15.00
<b>Total Estimated Issue Expenses</b>	<b>50.00</b>

### Proposed year-wise Deployment of Funds and Schedule of Implementation:

The proposed year wise break up of deployment of funds and Schedule of Implementation of Net Issue Proceeds is as under:

Particulars	Total Amount	Already Incurred	Amount to be deploy by 31/3/2019
To set up the manufacturing facility to make modular and innovative furniture	981.85	75.00	906.85

with industrial premises			
Working Capital Requirement	350.00	0	350.00
General Corporate Expenses	176.80	0	176.80
Issue Expenses	50.00	7*	50.00

\*Issue Expense already incurred of Rs. 7Lakhs will be recouped from issue expense

#### **Funds Deployed and Sources of Funds Deployed:**

Our Statutory Auditors, M/s. NGST & Associates, Chartered Accountants, vide their certificate dated December 21, 2017 have confirmed that as on March 27, 2018 the following funds have been deployed for the proposed object of the Issue:

(Rs. In Lakh)

Particulars	Amount Rs. in lacs
Advance for MIDC Premises	28.00
Advance for Machinery	47.00
Issue Expense	7.00*
<b>Total</b>	<b>82.00</b>

\*Issue Expense already incurred of Rs. 7Lakhs will be recouped from issue expense

#### **Sources of Financing for the Funds Deployed**

Our Statutory Auditors, M/s. NGST & Associates, Chartered Accountants, vide their certificate dated December 21, 2017 have confirmed that as on March 27, 2018 the following funds have been deployed for the proposed object of the Issue

Particulars	Amount Rs. in lacs
Funds Deployed by Promoters	82.00*
<b>Total</b>	<b>82.00</b>

\*Out of Rs. 82 Lakhs fund deployed by promoters Rs. 7Lakhs is towards issue expense which will be recouped from issue expense

#### **The estimated implementation schedule for Project:**

Sr. No	Details of Schedule	Status as on November 5, 2017	Proposed Schedule
1	Purchase of MIDC premises	MOU entered and Advance Paid	Completed by June. 2018
2	Civil Work – Construction and Infra		Plan to commence by June, 2018 and complete by Oct, 2018
3	Order for Plant and Machines	-	Plan to commence by July 2018 and Complete by Dec. 2018
4	Delivery and Installation of Equipments	-	Plan to commence by Oct. 2018 and Complete by Dec.. 2018
5	Setting up DG set, safety device and trial run	-	October, 2018
6	Commercial Production	-	January 2019

The above mentioned amount deployed by our Company out of internal accruals towards the aforementioned objects shall be recouped by our Company from the Issue Proceeds of the Issue.

The Management of the Company, in accordance with the policies set up by the Board, will have flexibility in deploying the Net Proceeds of the Issue.

#### **BRIDGE FINANCING FACILITIES**

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

#### **SHORTFALL OF FUNDS**

In case of any shortfall in the proceeds to meet the objects mentioned above, our management may explore a range of options, including utilizing internal accruals or seeking debt or additional equity. In case of surplus funds either due to lower utilization than what is stated above or surplus Net Proceeds after meeting all the above mentioned objects, such surplus shall be utilized towards general corporate purposes. Alternatively, if surplus funds are unavailable or in the event of cost overruns, we expect that a shortfall will be met by way of such means available to our Company including internal accruals and/or appropriate debt or equity arrangements.

#### **APPRAISAL BY APPRAISING AGENCY**

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

#### **INTERIM USE OF FUNDS**

Pending utilization of the Net Proceeds for the purposes described above, our Company will deposit the Net Proceeds with scheduled commercial banks included in schedule II of the RBI Act. Such deposits will be approved by our management from time to time. Our Company confirms that it shall not use the Net Proceeds for buying, trading or otherwise dealing in shares of any listed company or for any investment in the equity markets.

#### **MONITORING OF ISSUE PROCEEDS**

As the Net Proceeds of the Issue will be less than Rs. 10,000 Lakhs, under the SEBI (ICDR) Regulations it is not mandatory for us to appoint a monitoring agency.

Our Board and the management will monitor the utilization of the Net Proceeds through its audit committee. Pursuant to Regulation 32 of Listing Regulations, our Company shall on half-yearly basis disclose to the Audit Committee the applications of the proceeds of the Issue. On an annual basis, our Company shall prepare a statement of funds utilized for purposes other than stated in this Prospectus and place it before the Audit Committee. Such disclosures shall be made only until such time that all the proceeds of the Issue have been utilized in full. The statement will be certified by the Statutory Auditors of our Company.

No part of the Issue Proceeds will be paid by our Company as consideration to our Promoter, our Directors, Key Management Personnel or companies promoted by the Promoter, except as may be required in the usual course of business.





## BASIC TERMS OF THE ISSUE

*The Equity Shares being offered are subject to the provisions of the Companies Act, 2013, SCRR, 1957, SEBI (ICDR) Regulations, 2009, our Memorandum and Articles of Association, the terms of the Prospectus, Prospectus, Application Form, the Revision Form, the Confirmation of Allocation Note, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other terms and conditions as may be incorporated in the allotment advices and other documents/certificates that may be executed in respect of the Issue. The Equity Shares shall also be subject to laws as applicable, guidelines, notifications and regulations relating to the issue of capital and listing and trading of securities issued from time to time by SEBI, the Government of India, the Stock Exchanges, the RBI, the FIPB, the RoC and/or other authorities, as in force on the date of the Issue and to the extent applicable.*

For details in relation to Issue expenses, see “Objects of the Issue” and “Other Regulatory and Statutory Disclosures” on pages 77 and 215, respectively.

### ***Authority for the Issue***

The present Public Issue of 32,97,000 Equity Shares which have been authorized by a resolution of the Board of Directors of our Company at their meeting held on November 15, 2017 and was approved by the Shareholders of the Company by passing Special Resolution at the Extra Ordinary General Meeting held on December 15, 2017 in accordance with the provisions of Section 62 (1) (c) of the Companies Act, 2013.

### ***Ranking of Equity Shares***

The Equity Shares being issued shall be subject to the provisions of the Companies Act, 2013 and our Memorandum and Articles of Association and shall rank pari-passu in all respects with the existing Equity Shares of our Company including in respect of the rights to receive dividends and other corporate benefits, if any, declared by us after the date of Allotment. For further details, please refer to "Main Provisions of Articles of Association of the Company" on page 294 of the Prospectus.

### ***Mode of Payment of Dividend***

The declaration and payment of dividend will be as per the provisions of Companies Act, the Articles of Association, the provision of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and recommended by the Board of Directors and the Shareholders at their discretion and will depend on a number of factors, including but not limited to earnings, capital requirements and overall financial condition of our Company. We shall pay dividends in cash and as per provisions of the Companies Act. For further details, please refer to “Dividend Policy” on page 174 of the Prospectus.

### ***Face Value and Issue Price***

The Equity Shares having a Face Value of Rs.10.00 each are being offered in terms of the Prospectus at the price of Rs.45/-per equity Share (including premium of Rs.35/-per share). The Issue Price is determined by our Company in consultation with the Lead Manager and is justified under the section titled “Basis for Issue Price” on page 93 of the Prospectus. At any given point of time there shall be only one denomination of the Equity Shares of our Company, subject to applicable laws.

***Compliance with the disclosure and accounting norms***

Our Company shall comply with all requirements of the SEBI ICDR Regulations. Our Company shall comply with all disclosure and accounting norms as specified by SEBI from time to time.

***Minimum Application Value, Market Lot and Trading Lot***

As per regulations made under and Section 29(1) of the Companies Act, 2013 the Equity Shares to be allotted must be in Dematerialized form i.e. not in the form of physical certificates but be fungible and be represented by the statement issued through electronic mode. Hence, the Equity Shares being offered can be applied for in the dematerialized form only. In this context, two agreements have been signed among our Company, the respective Depositories and the Registrar to the Issue:

- Tripartite Agreement dated February 07, 2018 between NSDL, our Company and Registrar to the Issue; and
- Tripartite Agreement dated February 14, 2018 between CDSL, our Company and Registrar to the Issue;

The trading of the Equity Shares will happen in the minimum contract size of 3000 Equity Shares and the same may be modified by the SME platform of BSE from time to time by giving prior notice to investors at large.

Allocation and allotment of Equity Shares through this Offer will be done in multiples of 3000 Equity Shares and is subject to a minimum allotment of 3000 Equity Shares to the successful applicants in terms of the SEBI circular No. CIR/MRD/DSA/06/2012 dated February 21, 2012.

*Further, in accordance with Regulation 106(Q) of the SEBI (ICDR) Regulations the minimum application size in terms of number of specified securities shall not be less than Rupees One Lakh per application.*

***Minimum Number of Allottees***

The minimum number of allottees in the Issue shall be 50 shareholders. In case the number of prospective allottees is less than 50, no allotment will be made pursuant to this Issue and the amounts in the ASBA Account shall be unblocked forthwith.

***Period of Operation of Subscription List of Public Issue***

<b>ISSUE OPENS ON</b>	May 7, 2018
<b>ISSUE CLOSES ON</b>	May 11, 2018

***Underwriting and Minimum Subscription***

*In accordance with Regulation 106 P (1) of the SEBI (ICDR) Regulations, our Issue shall be hundred percent underwritten. Thus, the underwriting obligations shall be for the entire hundred percent of the offer through the Prospectus and shall not be restricted to the minimum subscription level.*

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 issue of Prospectus, the application money has to be returned within such period as may be prescribed.

If the issuer does not receive the subscription of 100% of the Issue through this offer document including devolvement of Underwriters within 60 (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 8 (eight) days after the issuer becomes liable to pay the amount, the issuer shall pay interest prescribed under Section 39 read with Rule 11 of Companies(Prospectus and Allotment of Securities) Rules, 2014 of the Companies Act, 2013 and other applicable laws, if any.

In accordance with Regulation [106R] of SEBI ICDR Regulations, The minimum number of allottees in this Issue shall be 50 shareholders. In case the minimum number of prospective allottees is less than 50, no allotment will be made pursuant to this Issue and the amounts in the ASBA Account shall be unblocked forthwith.

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

*Further, in accordance with Regulation 106( R) of the SEBI (ICDR) Regulations, our Company shall ensure that the number of prospective allottees to whom the Equity Shares will allotted will not be less than 50 (Fifty)*

*Further, in accordance with Regulation 106 Q of the SEBI (ICDR) Regulations the minimum application size in terms of number of specified securities shall not be less than Rupees One Lakh per application.*

#### ***Arrangements for disposal of odd lots***

The trading of the Equity Shares will happen in the minimum contract size of 3000 shares in terms of the SEBI circular No. CIR/MRD/DSA/06/2012 dated February 21, 2012. However, the Market Maker shall buy the entire shareholding of a shareholder in one lot, where value of such shareholding is less than the minimum contract size allowed for trading on the SME Exchange.

#### ***Restrictions on transfer and transmission of shares or debentures and on their consolidation or splitting***

Except for lock-in of the Pre- Issue Equity Shares and Promoter minimum contribution in the Issue as detailed in the section titled “Capital Structure” beginning on page 59 of the Prospectus, and except as provided in the Articles of Association of our Company, there are no restrictions on transfers of Equity Shares. There are no restrictions on transfer and transmission of shares/ debentures and on their consolidation/ splitting except as provided in the Articles of Association. For further details please refer sub-heading "Main Provisions of the Articles of Association" on page 294 of the Prospectus.

*The above information is given for the benefit of the Applicants. The Applicants are advised to make their own enquiries about the limits applicable to them. Our Company and the Lead Managers do not accept any responsibility for the completeness and accuracy of the information stated hereinabove. Our Company and the Lead Manager are not liable to inform the investors of any amendments or modifications or changes in applicable laws or regulations, which may occur after the date of this Prospectus. Applicants are advised to make their independent investigations and ensure that the number of Equity Shares Applied for do not exceed the applicable limits under laws or regulations.*

#### ***Option to receive Equity Shares in Dematerialized Form***

As per section 29(1) of the new Companies Act 2013, every company making public offer shall issue securities only in dematerialized form only. The investors have an option either to receive the security certificate or to hold the securities with depository. However, as per SEBI's circular RMB (compendium) series circular no. 2 (1999-2000) dated February 16, 2000, it has been decided by the SEBI that trading in securities of companies



making an initial public offer shall be in dematerialized form only. The Equity Shares on Allotment will be traded only on the dematerialized segment of the SME Exchange.

***Migration to Main Board***

Our Company will have to be mandatorily listed and traded on the SME Platform of the BSE for a minimum period of 2 (Two) years from the date of listing and only after that it can migrate to the Main Board of the BSE as per the guidelines specified by SEBI and as per the procedures laid down under Chapter XB of the SEBI (ICDR) Regulations.

As per the provisions of the Chapter XB of the SEBI (ICDR) Regulation, 2009, our Company may migrate to the main board of BSE from the SME Exchange on a later date subject to the following:

- If the Paid up Capital of the Company is likely to increase above Rs.25 Crore 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), we shall have to apply to BSE for listing our shares on its main board subject to the fulfillment of the eligibility criteria for listing of specified securities laid down by the main board or
- If the Paid-Up Capital of our Company is more than Rs.10.00 Crore and up to RS.25.00 Crore, our company may still apply for migration to the Main Board. If our Company fulfils the eligibility criteria for listing laid down by the Main Board of BSE and 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.

***Market Making***

The shares offered through this Issue are proposed to be listed on the SME platform of BSE, wherein the Lead Manager to this Issue shall ensure compulsory Market Making through the registered Market Makers of the SME Exchange for a minimum period of 3 (three) years from the date of listing on the SME platform of BSE. For further details of the agreement entered into between the Company, the Lead Manager and the Market Maker please refer to "General Information - Details of the Market Making Arrangements for this Issue" on page 56 of the Prospectus.

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

<b>Issue Size</b>	<b>Buy quote exemption threshold (including mandatory initial inventory of 5% of the Issue Size)</b>	<b>Re-Entry threshold for buy quote (including mandatory initial inventory of 5% of the Issue Size)</b>
Up to Rs.20 Crore	25%	24%
Rs. 20 to Rs.50 Crore	20%	19%
Rs. 50 to Rs. 80 Crore	15%	14%
Above Rs.80 Crore	12%	11%



Further, the Market Maker shall give (2) Two way quotes till it reaches the upper limit threshold; thereafter it has the option to give only sell quotes. Two (2) way quotes shall be resumed the moment inventory reaches the prescribed re-entry threshold.

In view of the Market Maker obligation, there shall be no exemption/threshold on downside. However, in the event the Market Maker exhausts its inventory through market making process on the platform of the exchange, the concerned stock exchange may intimate the same to SEBI after due verification.

#### ***New Financial Instruments***

There are no new financial instruments such as deep discounted bonds, debenture, warrants, secured premium notes, etc. issued by our Company.

#### ***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.

#### ***Jurisdiction***

Exclusive jurisdiction for the purpose of this Issue is with the competent courts / authorities in Maharashtra, 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, except pursuant to an exemption from or in a transaction not subject to, registration requirements of the Securities Act. Accordingly, the Equity Shares are only being offered or sold outside the United States in compliance with Regulation S under the Securities Act and the applicable laws of the jurisdictions 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.



## BASIS FOR ISSUE PRICE

The Issue Price is determined by our Company in consultation with the Lead Manager on the basis of the following qualitative and quantitative factors. The face value of the Equity Share is Rs. 10 and Issue Price is Rs.45/-per Equity Share and is 4.5 times the face value.

The financial data presented in this section are based on our Company's restated financial statements. Investors should also refer to the sections titled '**Risk Factors**' and '**Financial Statements**' on page no. 20 and 175, respectively, of this Prospectus to get a more informed view before making the investment decision.

### **QUALITATIVE FACTORS**

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

- Experienced promoters and Management Expertise;
- Quality projects and committed operations;
- Independent Execution capabilities ; and
- Networking strength

For details of Qualitative factors please refer to the paragraph '**Our Competitive Strengths**' in the chapter titled '**Business Overview**' beginning on page no. 116 of this Prospectus.

### **QUANTITATIVE FACTORS**

The information presented in this section relating to the Company is based on the restated financial statements of the Company for the period ended November 30, 2017 and for the Financial Year 2016-17, 2015-16 and 2014-15 prepared in accordance with Indian GAAP. Some of the quantitative factors, which form the basis for computing the price, are as follows:

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

Period	Basic and Diluted EPS (In Rs.)	Weights
Fiscal 2017	93.9	3
Fiscal 2016	198.9	2
Fiscal 2015	54.2	1
<b>Weighted Average</b>	<b>122.3</b>	
<b>8 Months ended on November 30, 2017</b>	<b>2.6</b>	

#### **Notes:**

- (i) The figures disclosed above are based on the restated financial statements of the Company.
- (ii) The face value of each Equity Share is Rs. 10.00.
- (iii) Earnings per Share has been calculated in accordance with Accounting Standard 20 – “Earnings per Share” issued by the Institute of Chartered Accountants of India.
- (iv) The above statement should be read with Significant Accounting Policies and the Notes to the Restated Financial Statements as appearing in Annexure IV on page no.183.

2. **Price to Earnings (P/E) ratio in relation to Issue Price of Rs. 45/-:**

Particulars	P/E at the Issue Price of Rs. 45/-:
Based on the Basic and Diluted EPS of Rs.93.9, as per restated financial statements for the year ended March 31, 2017	0.48
Based on the Basic and Diluted EPS of Rs. 198.9, as per restated financial statements for the year ended March 31, 2016	0.23
Based on the weighted average EPS of Rs.122.3, as per restated financial statements	0.37
<b>Industry PE</b>	
Highest	33.26
Lowest	7.30
Industry Composite PE	20.28

3. **Return on Net Worth#:**

Period	Return on Net Worth (%)	Weights
Year ended March 31, 2017	8%	3
Year ended March 31, 2016	67%	2
Year ended March 31, 2015	55%	1
<b>Weighted Average</b>	<b>44.67%</b>	
<b>8 Months ended on November 30, 2017</b>	<b>13%</b>	

#Restated Profit after Tax/Net Worth

4. **Minimum Return on increased Net Worth required to maintain Pre-Issue EPS**

- a) Based on Basic and Diluted EPS, as adjusted of FY 2016-17 of Rs. .93.9 at the Issue Price of Rs. 45/-:
- 208.7 % on the restated financial statements.
  - Based on Weighted Average Basic and Diluted EPS, as adjusted of Rs.122.3 at the Issue Price of Rs. 45/-: 271.8% on the restated financial statements.

5. **Net Asset Value (NAV) per Equity Share:**

Particulars	Amt. (in Rs.)
As on November 30, 2017	15.2
As on March 31, 2017	13.4
As on March 31, 2016	297.5
As on March 31, 2015	98.6

6. Comparison of Accounting Ratios with Industry Peers:

Sr. No.	Particulars	Face Value	EPS 31/3/17	P/E 28/12/17	RONW	NAV 31/3/17	CMP 28/12/17
		(In Rs.)	(In Rs.)	Ratio	(%)	(In Rs.)	
1	Nilkamal Limited	10	79.38	23.14	16.98	467.16	1837.25
2	PIL Italica Lifestyle Limited	1	0.43	33.26	35.10	1.20	14.30
3	Omfurn India Limited	10	3.22	7.30	10.31	31.21	23.50
3	Milestone Furniture Limited	10	93.93	0.48	8.00	13.36	45

**Note:** Since there are no listed peers available with the same line of business, the nearest listed peers matching with the business models of our Company has been considered and disclosed for the Investors to take better investment decisions.

- 1) Based on March 31, 2017 financial statements as reported to BSE & NSE
- 2) Based on March 31, 2017 restated financial statement.
- 3) Basic & Diluted Earnings per share (EPS), as adjusted
- 4) Price Earning (P/E) Ratio in relation to the Issue Price of Rs. 45/-

7. **The face value of Equity Shares of our Company is Rs. 10 per Equity Share and the Issue Price of Rs. 45/- per Equity Share is 4.5times the face value.**

The Issue Price of Rs. 45/- is determined by our Company in consultation with the Lead Manager and is justified based on the above accounting ratios. For further details, please refer to the section titled '**Risk Factors**', and chapters titled '**Business Overview**' and '**Restated Financial Statement**' beginning on page no.20, 116 and 175, respectively of this Prospectus.

*Investors should read the above mentioned information along with section titled "Our Business", "Risk Factors" and "Financial Information of the Company" beginning on page no. 116, page no.20 and page no. 175 respectively including important profitability and return ratios, as set out in "Annexure IV – Note no. - 28" to the Financial Information of the Company on page no 175 of the Prospectus to have a more informed view.*





**STATEMENT OF TAX BENEFITS**

To,  
The Board of Directors,  
**MILESTONE FURNITURE LIMITED**  
Mumbai  
Maharashtra, India

**Sub: Certificate of Statement of possible tax benefits available to the Company- Milestone Furniture Limited and its shareholders**

Dear Sirs,

We hereby report that the enclosed statement provides the possible tax benefits available to the Company and to the shareholders of the Company under the Income tax Act, 1961(Provisions of Finance Act, 2016) ('IT Act'), presently in force in India. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the statute. Hence, the ability of the Company or its shareholders to derive the tax benefits is dependent upon fulfilling such conditions, which based on the business imperatives, the Company faces in the future, the Company may or may not choose to fulfill.

The benefits discussed in the enclosed statement are not exhaustive and the preparation of the contents stated is the responsibility of the Company's management. This statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax-advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the issue. We are neither suggesting nor are we advising the investor to invest money based on this statement.

Our confirmation is based on the 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 interpretation of the current tax laws in force 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 or would be met with.

The contents of the enclosed statement are based on information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company.

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. The views are exclusively for the limited use of Milestone Furniture Limited in connection with its public issue referred to herein above and shall not, without our prior written consent, be disclosed to any other person.

**Yours faithfully,**

**For M/S NGST & Associates**

**Chartered Accountants**

Firm Registration No.: 135159W

**Sd/-**

**Bhupendra Gandhi**

Partner

Membership No. 122296

Place: Mumbai

Date: December 21, 2017



**THE FOLLOWING KEY TAX BENEFITS ARE AVAILABLE TO MILESTONE FURNITURE LIMITED AND THE SHAREHOLDERS UNDER THE CURRENT DIRECT TAX LAWS IN INDIA**

**A. SPECIAL TAX BENEFITS AVAILABLE TO OUR COMPANY AND ITS SHAREHOLDERS**

- I. **Special Benefits available to the Company:** There are no special tax benefits available to the Company.
- II. **Special Benefits available to the Shareholders of Company:** There are no special tax benefits available to the Equity Shareholders.

**B. OTHER GENERAL TAX BENEFITS TO OUR COMPANY AND ITS SHAREHOLDERS**

The following tax benefits shall be available to the Company and its Shareholders under Direct tax law:

**Under the Income-Tax Act, 1961 (“IT Act”):**

**I. Benefits available to the Company**

- 1) **Depreciation:** As per the provisions of Section 32 of the Act, the Company is eligible to claim depreciation on tangible and specified intangible assets (held if any) as explained in the said section and the relevant Income tax rules there under. Business losses, if any, for an assessment year can be carried forward and set off against business profits for eight subsequent years. Unabsorbed depreciation, if any, for an assessment year can be carried forward and set off against any source of income in subsequent years as per provisions of Section 32 of the Act.
- 2) **Dividend Income:** Dividend income, if any, received by the Company from its investment in shares of another domestic Company will be exempt from tax under Section 10(34) read with Section 115-O of the Income Tax Act, 1961.
  - As per provisions of Section 10(34) read with Section 115-O of the Act, dividend (both interim and final), if any, received by the Company on its investments in shares of another Domestic Company is exempt from tax. The Company will be liable to pay dividend distribution tax (DDT) at the rate of 15%. A surcharge of 10% would be levied on the amount of DDT. Further, Education cess of 2% and Secondary Higher Education cess of 1% is levied on the amount of tax and surcharge. Credit in respect of dividend distribution tax paid by a subsidiary of the Company could be available while determining the dividend distribution tax payable by the Company as per provisions of Section 115-O (1A) of the Act, subject to fulfillment of prescribed conditions. For the purposes of determining the tax on distributed profits payable in accordance with this section, any amount by way of dividends referred to in sub-section 115-O (1) as reduced by the amount referred to in sub section 115-O (1A) [hereafter referred to as net distributed profits], shall be increased to such amount as would, after reduction of the tax on such increased amount at the rate specified in sub-section 115-O (1), be equal to the net distributed profits.
  - As per provisions of Section 80G of the Act, the Company is entitled to claim deduction of as specified amount in respect of eligible donations, subject to the fulfillment of the conditions specified in that section.
  - As per the provisions of Section 115BBD of the Act, dividend received by Indian company from a specified foreign company (in which it has shareholding of 26% or more) would be taxable at the concessional rate of 15% on gross basis (excluding surcharge and education cess).
- 3) **Income from Mutual Funds / Units:** As per section 10(35) of the Act, the following income shall be exempt in the hands of the Company:
  - ✓ Income received in respect of the units of a Mutual Fund specified under clause (23D) of section 10; or
  - ✓ Income received in respect of units from the Administrator of the specified undertaking; or
  - ✓ Income received in respect of units from the specified company.



However, this exemption does not apply to any income arising from transfer of units of the Administrator of the specified undertaking or of the specified company or of a mutual fund, as the case may be.

For this purpose (i) “Administrator” means the Administrator as referred to in section 2(a) of the Unit Trust of India (Transfer of Undertaking and Repeal) Act, 2002 and (ii) “Specified Company” means a company as referred to in section 2(h) of the said Act.

- 4) **Income from Long Term Capital Gain:** As per section 10(38) of the Act, long term capital gains arising to the Company from the transfer of a long-term capital asset, being an equity share in a company or a unit of an equity oriented fund where such transaction is chargeable to securities transaction tax would not be liable to tax in the hands of the Company.

For this purpose, “Equity Oriented Fund” means a fund –

- a. Where the investible funds are invested by way of equity shares in domestic companies to the extent of more than sixty five percent of the total proceeds of such funds; and
  - b. Which has been set up under a scheme of a Mutual Fund specified under section 10(23D) of the Act.
- 5) As per section 115JB, the Company will not be able to reduce the income to which the provisions of section 10(38) of the Act apply while calculating “book profits” under the provisions of section 115JB of the Act and will be required to pay **Minimum Alternative Tax** as follows-

Book Profit	A.Y.2017-18		
	Tax	Surcharge	Cess
If book profit is less than or equal to Rs. 1 Crore	18.5%	-	3%
If book profit is more than 1 Crores but does not exceed Rs. 10 Crores	18.5%	7%	3%
If book profit is more than Rs. 10 Crores	18.5%	12%	3%

- 6) **Credit for Minimum Alternate Taxes (“MAT”)** : Under Section 115JAA (2A) of the Income Tax Act, 1961, tax credit shall be allowed in respect of any tax paid (MAT) under Section 115JB of the Income Tax Act, 1961 for any Assessment Year commencing on or after April 1, 2006. Credit eligible for carry forward is the difference between MAT paid and the tax computed as per the normal provisions of the Income Tax Act, 1961. Such MAT credit shall not be available for set-off beyond 10 assessment years immediately succeeding the assessment year in which the MAT credit initially arose.
- 7) Section 14A of the Act restricts claim for deduction of expenses incurred in relation to incomes which do not form part of the total income under the Act. Thus, any expenditure incurred to earn tax exempt income is not tax deductible.
- 8) As per the provisions of Section 112 of the Income Tax Act, 1961, long-term capital gains as computed above that are not exempt under Section 10(38) of the Income Tax Act, 1961 would be subject to tax at a rate of 20 percent (plus applicable surcharge plus education cess plus secondary and higher education cess). However, as per the provision to Section 112(1), if the tax on long-term capital gains resulting on transfer of listed securities or units, calculated at the rate of 20 percent with indexation benefit exceeds the tax on long-term capital gains computed at the rate of 10 percent without indexation benefit, then such gains are chargeable to tax at a concessional rate of 10 percent (plus applicable surcharge plus education cess plus secondary and higher education cess).
- 9) As per section 54EC of the Act and subject to the conditions and to the extent specified therein, long-term capital gains (in cases not covered under section 10(38) of the Act) arising on the transfer of a long-term capital asset will be exempt from capital gains tax if the capital gains are invested in a “long-term specified asset” within a period of 6 months after the date of such transfer. If only a part of the capital gains is invested, the exemption available shall be in the same proportion as the cost of long term specified assets bears to the whole of the capital gain. Provided that the investment made in the



long term specified asset during any financial year does not exceed Fifty Lac rupees. Provided further that the investment made by an assessee in the long-term specified asset, from capital gains arising from transfer of one or more original assets, during the financial year in which the original asset or assets are transferred and in the subsequent financial year does not exceed fifty lakh rupees. However, if the assessee transfers or converts the long-term specified asset into money within a period of three years from the date of their acquisition, the amount of capital gains exempted earlier would become chargeable to tax as long-term capital gains in the year in which the long-term specified asset is transferred or converted into money.

A “long term specified asset” means any bond, redeemable after three years and issued on or after the 1st day of April 2006:

- a. by the National Highways Authority of India constituted under section 3 of the National Highways Authority of India Act, 1988, and notified by the Central Government in the Official Gazette for the purposes of this section; or
- b. by the Rural Electrification Corporation Limited, a company formed and registered under the Companies Act, and notified by the Central Government in the Official Gazette for the purposes of this section.

10) As per section 111A of the Act, short-term capital gains arising to the Company from the sale of equity share or a unit of As per section 111A of the Act, short-term capital gains arising to the Company from the sale of equity share or a unit of an equity oriented fund transacted through a recognized stock exchange in India, where such transaction is chargeable to securities transaction tax, will be taxable at the rate of 15% (plus applicable surcharge plus education cess plus secondary and higher education cess).

11) **Preliminary Expenses** : Under Section 35D of the Act, the company will be entitled to the deduction equal to 1/5th of the Preliminary expenditure of the nature specified in the said section, including expenditure incurred on present issue, such as Brokerage and other charges by way of amortization over a period of 5 successive years, subject to stipulated limits.

## **II. Benefits to the Resident members / shareholders of the Company under the Income-Tax Act, 1961:**

- 1) As per section 10(34) of the Act, any income by way of dividends referred to in Section 115-O (i.e. dividends declared, distributed or paid on or after 1 April 2003) received on the shares of the Company is exempt from tax in the hands of the shareholders.
- 2) Section 48 of the Act, which prescribes the mode of computation of capital gains, provides for deduction of cost of acquisition/ improvement and expenses incurred in connection with the transfer of a capital asset, from the sale consideration to arrive at the amount of capital gains. However, in respect of long-term capital gains, it offers a benefit by permitting substitution of cost of acquisition / improvement with the indexed cost of acquisition / improvement, which adjusts the cost of acquisition / improvement by a cost inflation index as prescribed from time to time.

Under Section 10(38) of the Income Tax Act, 1961, long-term capital gains arising to a shareholder on transfer of equity shares in the company would be exempt from tax where the sale transaction has been entered into on a recognized stock exchange of India and is liable to STT. However, the long-term capital gain of a shareholder being company shall be subject to income tax computation on book profit under section 115JB of the Income Tax, 1961.

- 3) Section 14A of the Act restricts claim for deduction of expenses incurred in relation to incomes which do not form part of the total income under the Act. Thus, any expenditure incurred to earn tax exempt income is not tax deductible.



- 4) As per the provisions of Section 112 of the Income Tax Act, 1961, long-term capital gains as computed above that are not exempt under Section 10(38) of the Income Tax Act, 1961 would be subject to tax at a rate of 20 percent (plus applicable surcharge plus education cess plus secondary and higher education cess). However, as per the provision to Section 112(1), if the tax on long-term capital gains resulting on transfer of listed securities or units, calculated at the rate of 20 percent with indexation benefit exceeds the tax on long-term capital gains computed at the rate of 10 percent without indexation benefit, then such gains are chargeable to tax at a concessional rate of 10 percent (plus applicable surcharge plus education cess plus secondary and higher education cess).
- 5) As per section 54EC of the Act and subject to the conditions and to the extent specified therein, long-term capital gains (in cases not covered under section 10(38) of the Act) arising on the transfer of a long-term capital asset will be exempt from capital gains tax if the capital gains are invested in a “long-term specified asset” within a period of 6 months after the date of such transfer. If only a part of the capital gains is invested, the exemption available shall be in the same proportion as the cost of long term specified assets bears to the whole of the capital gain. Provided that the investment made in the long term specified asset during any financial year does not exceed Fifty Lac rupees. Provided further that the investment made by an assessee in the long-term specified asset, from capital gains arising from transfer of one or more original assets, during the financial year in which the original asset or assets are transferred and in the subsequent financial year does not exceed fifty lakh rupees. However, if the assessee transfers or converts the long-term specified asset into money within a period of three years from the date of their acquisition, the amount of capital gains exempted earlier would become chargeable to tax as long-term capital gains in the year in which the long-term specified asset is transferred or converted into money.

A “long term specified asset” means any bond, redeemable after three years and issued on or after the 1st day of April 2006:

- a. by the National Highways Authority of India constituted under section 3 of the National Highways Authority of India Act, 1988, and notified by the Central Government in the Official Gazette for the purposes of this section; or
  - b. by the Rural Electrification Corporation Limited, a company formed and registered under the Companies Act, and notified by the Central Government in the Official Gazette for the purposes of this section.
- 6) Under Section 54F of the Income Tax Act, 1961 and subject to the conditions specified therein, long-term capital gains (other than those exempt from tax under Section 10(38) of the Income Tax Act, 1961) arising to an Individual or a Hindu Undivided Family (‘HUF’) on transfer of shares of the company will be exempt from capital gains tax subject to certain conditions, if the net consideration from transfer of such shares are used for purchase of residential house property within a period of 1 year before or 2 years after the date on which the transfer took place or for construction of a residential house property within a period of 3 years after the date of such transfer.
  - 7) Under Section 111A of the Income Tax Act, 1961 and other relevant provisions of the Income Tax Act, 1961, short-term capital gains (i.e., if shares are held for a period not exceeding 12 months) arising on transfer of equity share in the company would be taxable at a rate of 15 percent (plus applicable surcharge plus education cess plus secondary and higher education cess) where such transaction of sale is entered on a recognized stock exchange in India and is liable to STT. Short-term capital gains arising from transfer of shares in a Company, other than those covered by Section 111A of the Income Tax Act, 1961, would be subject to tax as calculated under the normal provisions of the Income Tax Act, 1961.



- 8) As per section 36(1)(xv) of the Act, the securities transaction tax paid by the shareholder in respect of taxable securities transactions entered in the course of the business will be eligible for deduction from the income chargeable under the head —Profits and Gains of Business or Profession if income arising from taxable securities transaction is included in such income.

### **III. Non-Resident Indians/Non-Resident Shareholders (Other than FIIs and Foreign Venture Capital Investors)**

- 1) Dividend income, if any, received by the Company from its investment in shares of another domestic company will be exempt from tax under Section 10(34) read with Section 115-O of the Income Tax Act, 1961. Income, if any, received on units of a Mutual Funds specified under Section 10(23D) of the Income Tax Act, 1961 will also be exempt from tax under Section 10(35) of the Income Tax Act, 1961, received on the shares of the Company is exempt from tax.
- 2) As per section 10(38) of the Act, long-term capital gains arising to the shareholders from the transfer of a long-term capital asset being an equity share in the Company, where such transaction is chargeable to securities transaction tax would not be liable to tax in the hands of the shareholder.
- 3) Section 14A of the Act restricts claim for deduction of expenses incurred in relation to incomes which do not form part of the total income under the Act. Thus, any expenditure incurred to earn tax exempt income is not tax deductible.
- 4) As per section 54EC of the Act and subject to the conditions and to the extent specified therein, long-term capital gains (in cases not covered under section 10(38) of the Act) arising on the transfer of a long-term capital asset will be exempt from capital gains tax if the capital gains are invested in a “long-term specified asset” within a period of 6 months after the date of such transfer. If only a part of the capital gains is invested, the exemption available shall be in the same proportion as the cost of long term specified assets bears to the whole of the capital gain. Provided that the investment made in the long term specified asset during any financial year does not exceed Fifty Lac rupees. Provided further that the investment made by an assessee in the long-term specified asset, from capital gains arising from transfer of one or more original assets, during the financial year in which the original asset or assets are transferred and in the subsequent financial year does not exceed fifty lakh rupees. However, if the assessee transfers or converts the long-term specified asset into money within a period of three years from the date of their acquisition, the amount of capital gains exempted earlier would become chargeable to tax as long-term capital gains in the year in which the long-term specified asset is transferred or converted into money.

A “long term specified asset” means any bond, redeemable after three years and issued on or after the 1st day of April 2006:

- a. by the National Highways Authority of India constituted under section 3 of the National Highways Authority of India Act, 1988, and notified by the Central Government in the Official Gazette for the purposes of this section; or
- b. by the Rural Electrification Corporation Limited, a company formed and registered under the Companies Act, and notified by the Central Government in the Official Gazette for the purposes of this section.



- 5) Under Section 54F of the Income Tax Act, 1961 and subject to the conditions specified therein, long-term capital gains (other than those exempt from tax under Section 10(38) of the Income Tax Act, 1961) arising to an Individual or a Hindu Undivided Family ('HUF') on transfer of shares of the company will be exempt from capital gains tax subject to certain conditions, if the net consideration from transfer of such shares are used for purchase of residential house property within a period of 1 year before or 2 years after the date on which the transfer took place or for construction of a residential house property within a period of 3 years after the date of such transfer.
- 6) Under Section 111A of the Income Tax Act, 1961 and other relevant provisions of the Income Tax Act, 1961, short-term capital gains (i.e., if shares are held for a period not exceeding 12 months) arising on transfer of equity share in the company would be taxable at a rate of 15 percent (plus applicable surcharge plus education cess plus secondary and higher education cess) where such transaction of sale is entered on a recognized stock exchange in India and is liable to STT. Short-term capital gains arising from transfer of shares in a Company, other than those covered by Section 111A of the Income Tax Act, 1961, would be subject to tax as calculated under the normal provisions of the Income Tax Act, 1961.
- 7) Under section 115-C (e) of the Act, the Non-Resident Indian shareholder has an option to be governed by the provisions of Chapter XIII of the Act viz. "Special Provisions Relating to Certain Incomes of Non-Residents" which are as follows:
  - (i) As per provisions of section 115D read with section 115E of the Act, where shares in the Company are acquired or subscribed to in convertible foreign exchange by a Non-Resident Indian, capital gains arising to the nonresident on transfer of shares held for a period exceeding 12 months, shall (in cases not covered under section 10(38) of the Act) be concessionally taxed at the flat rate of 10% (plus applicable surcharge plus education cess plus secondary and higher education cess) (without indexation benefit but with protection against foreign exchange fluctuation).
  - (ii) As per section 115F of the Act, long-term capital gains (in cases not covered under section 10(38) of the Act) arising to a Non-Resident Indian from the transfer of shares of the company subscribed to in convertible foreign exchange shall be exempt from income tax, if the net consideration is reinvested in specified assets within six months from the date of transfer. If only part of the net consideration is so reinvested, the exemption shall be proportionately reduced. The amount so exempted shall be chargeable to tax subsequently, if the specified assets are transferred or converted into money within three years from the date of their acquisition.
  - (iii) As per section 115G of the Act, Non-Resident Indians are not obliged to file a return of income under section 139(1) of the Act, if their only source of income is income from specified investments or long-term capital gains earned on transfer of such investments or both, provided tax has been deducted at source from such income as per the provisions of Chapter XVII-B of the Act.
  - (iv) As per section 115H of the Act, where the Non-Resident Indian becomes assessable as a resident in India, he may furnish a declaration in writing to the Assessing Officer, along with his return of income for the assessment year in which he is first assessable as a Resident, under section 139 of the Act to the effect that the provisions of the Chapter XII-A shall continue to apply to him in relation to such investment income derived from the specified assets for that year and subsequent assessment years until such assets are converted into money.
  - (v) As per section 115-I of the Act, a Non-Resident Indian may elect not to be governed by the provision of Chapter XII-A for any assessment year by furnishing his return of income for that assessment year under section 139 of the Act, declaring therein that the provisions of Chapter



XIIA shall not apply to him for that assessment year and accordingly his total income for that assessment year will be computed in accordance the other provisions of the Act.

- 8) The tax rates and consequent taxation mentioned above shall be further subject to any benefits available under the Tax Treaty, if any, between India and the country in which the non-resident has fiscal domicile. As per the provisions of section 90(2) of the Act, the provisions of the Act would prevail over the provisions of the Tax Treaty to the extent they are more beneficial to the non-resident.

**IV. Benefits available to Foreign Institutional Investors (‘FIIs’) under the Income Tax Act, 1916:**

- 1) Dividend income, if any, received by the Company from its investment in shares of another domestic company will be exempt from tax under Section 10(34) read with Section 115-O of the Income Tax Act, 1961. Income, if any, received on units of a Mutual Funds specified under Section 10(23D) of the Income Tax Act, 1961 will also be exempt from tax under Section 10(35) of the Income Tax Act, 1961 received on the shares of the Company is exempt from tax.
- 2) As per section 10(38) of the Act, long-term capital gains arising to the FIIs from the transfer of a long-term capital asset being an equity share in the Company or a unit of equity oriented fund where such transaction is chargeable to securities transaction tax would not be liable to tax in the hands of the FIIs.
- 3) As per section 115AD of the Act, FIIs will be taxed on the capital gains that are not exempt under the section 10(38) of the Act at the following rates:

Nature of income	Rate of tax (%)
Long-Term Capital Gain	10
Short-Term Capital Gain (Referred to Section 111A)	15
Short-Term Capital Gain (other than under section 111A)	30

The above tax rates have to be increased by the applicable surcharge, education cess, and secondary and higher education cess.

- 4) In case of long-term capital gains, (in cases not covered under section 10(38) of the Act), the tax is levied on the capital gains computed without considering the cost indexation and without considering foreign exchange fluctuation.
- 5) As per section 54EC of the Act and subject to the conditions and to the extent specified therein, long-term capital gains (in cases not covered under section 10(38) of the Act) arising on the transfer of a long-term capital asset will be exempt from capital gains tax if the capital gains are invested in a “long-term specified asset” within a period of 6 months after the date of such transfer. If only a part of the capital gains is invested, the exemption available shall be in the same proportion as the cost of long term specified assets bears to the whole of the capital gain. Provided that the investment made in the long term specified asset during any financial year does not exceed Fifty Lac rupees. Provided further that the investment made by an assessee in the long-term specified asset, from capital gains arising from transfer of one or more original assets, during the financial year in which the original asset or assets are transferred and in the subsequent financial year does not exceed fifty lakh rupees. However, if the assessee transfers or converts the long-term specified asset into money within a period of three years from the date of their acquisition, the amount of capital gains exempted earlier would become chargeable to tax as long-term capital gains in the year in which the long-term specified asset is transferred or converted into money.





A “long term specified asset” means any bond, redeemable after three years and issued on or after the 1st day of April 2006:

- a. by the National Highways Authority of India constituted under section 3 of the National Highways Authority of India Act, 1988, and notified by the Central Government in the Official Gazette for the purposes of this section; or
- b. by the Rural Electrification Corporation Limited, a company formed and registered under the Companies Act, and notified by the Central Government in the Official Gazette for the purposes of this section.
- 6) The tax rates and consequent taxation mentioned above shall be further subject to any benefits available under the Tax Treaty, if any, between India and the country in which the FII has fiscal domicile. As per the provisions of section 90(2) of the Act, the provisions of the Act would prevail over the provisions of the Tax Treaty to the extent they are more beneficial to the FII.
- 7) However, where the equity shares form a part of its stock-in-trade, any income realized in the disposition of such equity shares may be treated as business profits, taxable in accordance with the DTAA between India and the country of tax residence of the FII. The nature of the equity shares held by the FII is usually determined on the basis of the substantial nature of the transactions, the manner of maintaining books of account, the magnitude of purchases, sales and the ratio between purchases and sales and the holding etc. If the income realized from the disposition of equity shares is chargeable to tax in India as business income, FII's could claim, STT paid on purchase/sale of equity shares as allowable business expenditure. Business profits may be subject to applicable Tax Laws.

#### **V. Venture Capital Companies/Funds**

Under Section 10(23FB) of the Income Tax Act, 1961, any income of Venture Capital company / funds (set up to raise funds for investment in venture capital undertaking notified in this behalf) registered with the Securities and Exchange Board of India would be exempt from income tax, subject to conditions specified therein. As per Section 115U of the Income Tax Act, 1961, any income derived by a person from his investment in venture capital companies / funds would be taxable in the hands of the person making an investment in the same manner as if it were the income received by such person had the investments been made directly in the venture capital undertaking.

#### **VI. Mutual Funds**

As per Section 10(23D) of the Act, any income of Mutual Funds registered under the Securities and Exchange Board of India Act, 1992 or Regulations made there under, Mutual Funds set up by public sector banks or public financial institutions and Mutual Funds authorized by the Reserve Bank of India would be exempt from income tax, subject to such conditions as the Central Government may by notification in the Official Gazette specify in this behalf.

#### **Tax Treaty Benefits**

An investor has an option to be governed by the provisions of the Income Tax Act, 1967 or the provisions of a Tax Treaty that India has entered into with another country of which the investor is a tax resident, whichever is more beneficial.

**Benefits available under the Gift Tax Act:** Gift tax is not leviable in respect of any gifts made on or after 1st October 1998. Therefore, any gift of shares of the Company will not attract gift tax in the hands of the donor.

**Note:**

- 1) All the above benefits are as per the current tax laws and will be available only to the sole / first name holder where the shares are held by joint holders;
- 2) The above Statement of Possible Direct Tax Benefits sets out the provisions of law in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of equity shares;
- 3) The above Statement of Possible Direct Tax Benefits sets out the possible tax benefits available to the Company and its shareholders under the current tax laws presently in force in India as amended from time to time. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant tax laws;
- 4) This Statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences, the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the issue;
- 5) In respect of non-residents, the tax rates and the consequent taxation mentioned above shall be further subject to any benefits available under the Double Taxation Avoidance Agreement, if any, between India and the country in which the non-resident has fiscal domicile; and
- 6) The stated benefits will be available only to the sole/first named holder in case the shares are held by joint shareholders.



## SECTION V – ABOUT THE ISSUER COMPANY

### INDUSTRY OVERVIEW

*The information in this section has not been independently verified by us, the Lead Manager or any of our or their respective affiliates or advisors. The information may not be consistent with other information compiled by third parties within or outside India. Industry sources and publications generally state that the information contained therein has been obtained from sources it believes to be reliable, but their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured. Industry and government publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry and government sources and publications may also base their information on estimates, forecasts and assumptions which may prove to be incorrect. Accordingly, investment decisions should not be based on such information.*

#### ***Global Economic Scenario***

Since the last meeting of the MPC in October 2017, global economic activity has been gaining momentum through the final quarter of the year, driven mainly by advanced economies (AEs). US growth remained largely resilient to hurricanes and grew at the highest pace in the past three years in Q3 of 2017, with positive contributions from private consumption, investment activity and net exports. The unemployment rate fell to 4.1 per cent in October, the lowest in the last 17 years. In the Euro area, economic activity expanded, underpinned by accommodative monetary policy and strong job gains. The Japanese economy also continued to grow in Q3, largely supported by external demand, which helped compensate for the slowing of domestic consumption.

Among major emerging market economies (EMEs), the services sector remained the main driver of growth in China in Q3. However, weakness in real estate and construction activity remained a drag on growth. In Brazil, incoming data suggest that the recovery gained further momentum in Q3, with unemployment touching an intra-year low in September. Business and consumer confidence rose in October. Economic activity in Russia moderated in Q3 due to weakness in industrial production. The South African economy continued to face headwinds from weak manufacturing activity, elevated levels of unemployment and political instability.

*(Source: Monetary Policy Report, issued by RBI in December, 2017)*

Global economic activity is picking up with a long awaited cyclical recovery in investment, manufacturing, and trade. World growth is expected to rise from 3.1 percent in 2016 to 3.5 percent in 2017 and 3.6 percent in 2018, slightly above the October 2016 World Economic Outlook (WEO) forecast. Stronger activity and expectations of more robust global demand, coupled with agreed restrictions on oil supply, have helped commodity prices recover from their troughs in early 2016. But these positive developments should not distract from binding structural impediments to a stronger recovery and a balance of risks that remains tilted to the downside, especially over the medium term. Structural problems—such as low productivity growth and high income inequality—are likely to persist.

In the second half of 2016, the stronger global momentum in demand—investment in particular—resulted in marked improvements in manufacturing and trade, which were very weak in late 2015 and early 2016. Consistent with indications of firming global manufacturing activity, global trade is showing some signs of recovery after a long period of weakness.

Economic activity gained some momentum in the second half of 2016, especially in advanced economies. Growth picked up in the United States as firms grew more confident about future demand, and inventories started contributing positively to growth (after five quarters of drag). Economic performance across emerging market and developing economies has remained mixed. Whereas China's growth remained strong,



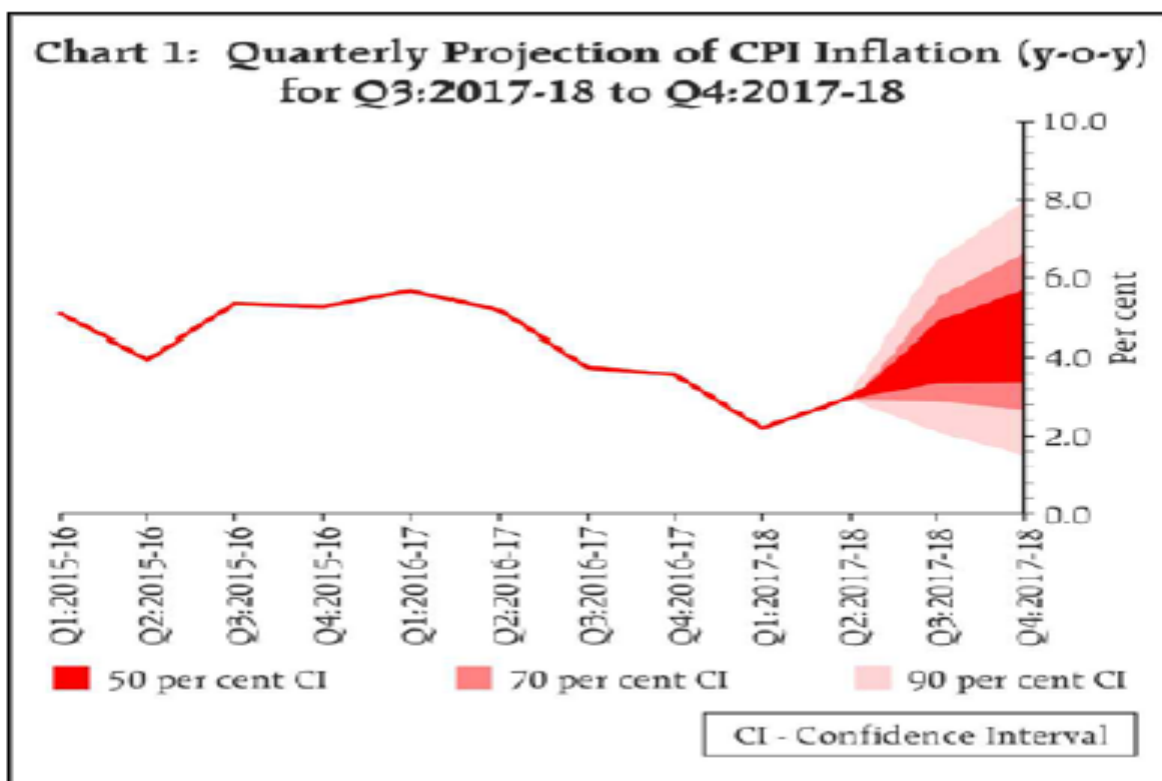
reflecting continued policy support, activity has slowed in India because of the impact of the currency exchange initiative, as well as in Brazil, which has been mired in a deep recession.

(Source: World Economic Outlook Update, IMF, April 2017)

### Indian Economic Scenario

The growth of real gross value added (GVA) accelerated sequentially in Q2 of 2017-18, after five consecutive quarters of deceleration. It was powered by a sharp acceleration in industrial activity. All the three sub-sectors of industry registered higher growth. GVA growth in the manufacturing sector – the key component of industry – accelerated sharply on improved demand and re-stocking post goods and services tax (GST) implementation. The mining sector expanded in Q2 due to higher coal and natural gas production. GVA growth in the electricity, gas, water supply and other utility services sector also strengthened on higher demand. In contrast, growth in agriculture and allied activities slackened, reflecting the lower than expected kharif harvest. Activity in the services sector decelerated, mainly on account of slowdown in financial, insurance, real estate and professional services, and in public administration, defence and other services (PADO) following the large front-loading of government expenditure in Q1.

Retail inflation measured by year-on-year change in the consumer price index (CPI) recorded a seven-month high in October, driven by a sharp uptick in momentum, tempered partly by some favourable base effects. Food inflation was volatile in the last two months – declining sharply in September and bouncing back in October – due mainly to vegetables and fruits. Milk and eggs inflation has shown an uptick, while pulses inflation remained negative for the eleventh successive month in October. Cereal inflation remained stable. Fuel group inflation, which has been on an upward trajectory since July, accelerated further due to a sharp pick-up in inflation in liquefied petroleum gas (LPG), kerosene, coke and electricity.



(Source: Monetary Policy Report, issued by RBI in December, 2017)

Available high-frequency indicators suggest a mixed picture of industrial activity for Q3. Core industries' growth was flat in October as all constituents barring steel and fertilisers slowed down sequentially. Coal mining, which revived strongly in Q2, slowed down too, while cement production contracted. In contrast, the



Purchasing Managers' Index (PMI) for manufacturing, which fell in October, rebounded in November, driven by output and new orders. Also, according to the Reserve Bank's Industrial Outlook Survey (IOS), production is expected to pick up in Q3 as order books are rising.

GVA projections, Q2 growth was lower than that projected in the October resolution. The recent increase in oil prices may have a negative impact on margins of firms and GVA growth. Shortfalls in kharif production and rabi sowing pose downside risks to the outlook for agriculture. On the positive side, there has been some pick up in credit growth in recent months. Recapitalisation of public sector banks may help improve credit flows further. While there has been weakness in some components of the services sector such as real estate, the Reserve Bank's survey indicates that the services and infrastructure sectors are expecting an improvement in demand, financial conditions and the overall business situation in Q4. Taking into account the above factors, the projection of real GVA growth for 2017-18 of the October resolution at 6.7 per cent has been retained, with risks evenly balanced.

(Source: Monetary Policy Report, issued by RBI in December, 2017)

### Global Furniture Industry

World production of furniture is worth about US\$ 406 billion in 2015. This estimate is based on CSIL processing of data from official sources, both national and international, that cover the 70 most important countries. With 5 billion inhabitants, that is roughly 75% of the world population, they account for more than 90% of world trade of goods and of world furniture production in value.

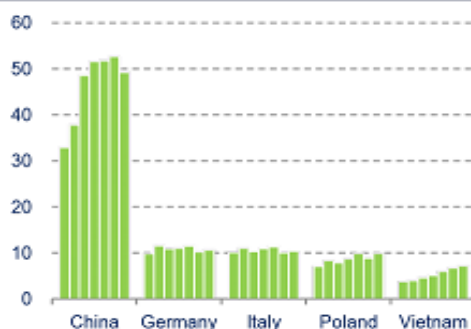
(Source: <http://www.furnitureandfurnishing.com/html/jan17/market-outlook-world-furniture-outlook-on-global-markets.php>)

A simple comparison between 2016 and 2015 gives the idea that something has already changed, for the worse. The 2016 world consumption of furniture valued at producer prices (i.e. excluding the markup for the distribution) is about 395 billion US dollars. In 2015, it was 455 billion US dollars.

Another important fact is that China, the biggest exporter of furniture, which in the last six years has more than doubled its exports, rising from 25 billion in 2009 to 53 in 2015, according to preliminary estimates, has undergone a sharp decline in 2016, stopping at 49 billion (which still make up 36% of total exports of furniture, but correspond to a decrease of 6%).

Figure 2

Major furniture exporting countries, 2010-2016  
US\$ billion



Major furniture importing countries, 2010-2016  
US\$ billion



(Source: <https://www.iffs.com.sg/industry-news/world-furniture-outlook-2017-abstract/>)

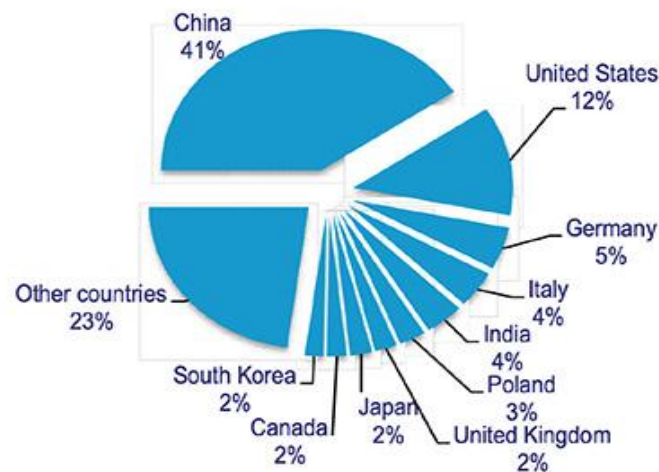
The other major exporters, Germany, Italy and Poland, have continued to grow in 2016; Italy is back to 8% of the world total, the same as in Germany (although in 2007 it held a share of 11.8%), Poland stands at 7%, and Vietnam 5%; the large exporters reach 64% of total exports of furniture in the world. The furniture importers are the United States (with a share of 26%), Germany (11%), the UK (6%), France (6%), Canada (5%), which



together account for 53% of furniture imports. For 2017, the consumption growth will still be contained, below 3%, except in the Asia-Pacific region, but this situation is affected by the uncertainty of the international situation.

(Source: <http://italianconsulting.sg/the-furniture-market-state-of-the-art/>)

**Percentage breakdown of world furniture production, 2015**



(Source: CSIL)

**Indian Furniture Industry**

As the economy recovers from the slump of the last couple of years, the Indian interiors sector proves that the consumer is willing to spend big to live a better life. India boasts a rich list of over 100,000 very high net worth individuals across the country, of which nearly half (46%) is concentrated in Tier-II cities and suburban areas where new demand is being generated. The dynamics of the furniture industry is undergoing a paradigm shift in the wake of the arrival of a better informed and well-resourced consumer. The entry of a large number of international brands and the proliferation of several branded showrooms offers consumers a wider spectrum of design and products to choose from, while exhibition initiatives have fuelled the desire for aspirational homes.

As of 2015, the Indian furniture market is estimated to be worth US\$ 17,922 million. Of this, wooden furniture accounts for US\$ 5,358 million and within this, US\$ 852 million is imported with imports growing at 50-60% every year. India was the largest furniture importer in the world with a 19% share in furniture imports worldwide. A total of 10,476 importers shipped furniture to India during this period, mainly from Italy, Germany, Spain, China, Korea, Malaysia, Indonesia, Philippines and Japan. The Indian furniture sector makes a respectable contribution of 0.5% to the GDP.

(Source: LinkedIn)

The Indian furniture retail industry is valued as the 14th largest furniture market in the world driven largely by a substantial middle-class population. The industry is expected to reach a size of Rs. 2,708 billion by 2019, registering a CAGR of 25%.

(Source: Cushman and Wakefield)



Nevertheless, the Indian furniture industry is still considered as an unorganized sector as the artisan-driven portion accounts for about 85% of furniture production, while wooden home furniture tops the list of the organized segment of the industry. However, the entry of several international brands has boosted furniture retail in the country, pushing growth in this dynamic sector.

### ***India Home Furnishing Sector***

The home furnishing market in India is expected to witness a CAGR of around 8% by 2018 and to reach revenues of US\$ 5.29 billion by 2018, driven by the growing retail industry and the high per capita consumer income. Industry experts expect robust growth in both Tier I and II cities with well-known furnishing brands looking to enhance their presence with local distribution tie-ups or standalone stores across major cities. The growth of this segment is not restricted to high street retail as online players have carved a niche for themselves in this segment too.

*(Source: India Home Furnishing Market Forecast & Opportunities)*

India is one of the fastest growing markets for home furnishing products in Asia-Pacific. Rising demand for home decor products such as bed linen products, wall hangings, rugs & carpets, etc., along with growing demand for handcrafted products is boosting the country's home furnishing market. Rising domestic production of home furnishing products along with increasing number of government initiatives such as handicraft schemes, Technology Upgradation Fund Scheme (TUFS), integrated textile parks, etc., coupled with government campaigns such as Make in India and Skill India aimed at encouraging domestic manufacturing, rising FDI inflow in textile and apparel sectors are anticipated to fuel growth in India home furnishing market through 2020. Growing usage of home furnishing products in residential as well as non-residential sectors is expected to drive demand for home furnishing products in India, during the forecast period.

Growing trend of custom designed furniture, growth in housing and real estate sectors, rising adoption of eco-friendly products and increasing demand for wallpapers, blinds, etc., is expected to continue driving home furnishing market in the country. India home furnishing market is a highly fragmented with several leading players across the value chain. Hospitality, healthcare, food services, residential and commercial sectors are the key end-use segments of home furnishing products in the country.

*(Source: <https://www.techsciresearch.com/report/india-home-furnishing-market-by-product-type-curtain-fabric-upholstery-bed-linen-bath-linen-kitchen-linen-table-linen-quilts-blankets-wallpapers-blinds-rugs-and-carpets-and-other-made-ups-competition-forecast-and-opportunities-2010-2020/597.html>)*

### ***Overview of Office Furniture Market in India***

The office furniture market in India will grow at a CAGR of above 20%. The rise in number of corporate offices is one of the primary drivers for market growth. An increase in the number of office buildings and technology parks in India has increased the sales of office furniture. The expansion of MNCs into new offices has resulted in a rise in the number of employees, which has created a demand for office furniture. Favorable government policies, large innovative environment, and the availability of suitable legal protection are some of the factors supporting the rise in the number of offices in India. The growth of the real estate market and the construction market are also rising driving the demand for office furniture. Additionally, the development of new industries such as e-commerce and the rise in entrepreneurship ventures that contribute to the increase in office spaces, will also drive the growth of the office furniture market in India.

One of the latest trends that will gain traction in the office furniture market in India is the rise in the number of office furniture imports. India has become one of the biggest importers of office furniture and accounts for less than one-fifth of the world's total office furniture imports. This market share is foreseen to grow during the



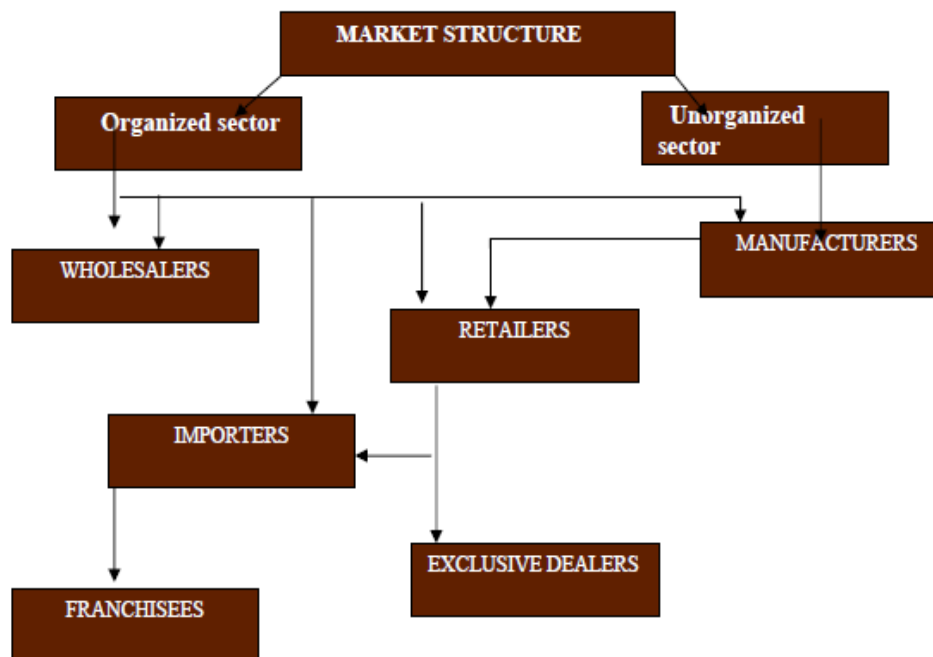
forecast period as India's imports are rising at a strong rate every year. Moreover, India is currently a significant outsourcing location for the majority of the countries as it is believed to be the best place for investment by companies. This will certainly increase the need for office space in the country and significantly contribute to the growth of the office furniture market.

(Source: <https://www.technavio.com/report/office-furniture-market-in-india>)

### Demand factors in the Furniture Sector

- *Real estate / housing boom:* -
  - a) Housing and real estate construction on a rise.
  - b) Expansion of residential and commercial infrastructure across metros and smaller cities
- *Tourism / hospitality industry growth:* -
  - a) Increasing tourist inflow
  - b) Demand for hospitality space and infrastructure
- *Consumer demographics:* -
  - a) Increasing income levels
  - b) Increased consumption of lifestyle products, including furniture

### Market Structure of the Furniture Industry



### Furniture Industry Forecast and Development

Over the last few years, there has been a shift from traditional furniture towards contemporary furniture as buyers in the country are becoming more brand conscious coupled with their increasing purchasing power. Moreover, rapidly expanding distribution network of exclusive stores and easy availability of standardized furniture products is also expected to aid the country's furniture market in the next five years. Furthermore, increasing investments in healthcare and hospitality industries by public as well as private entities is forecast to boost the demand for furniture in India during 2017 – 2022. Increasing number of hotels along with growing tourist footfall are anticipated to boost the demand for furniture from hospitality industry during forecast period. In India, an average age of home buyer has dropped from 40 to 27, and youth population, with unique and





individual preferences are opting for modern furniture rather than traditional furniture. Improving literacy rate and growing influence of western culture are motivating Indian consumers to adopt modern lifestyle.

The furniture market in India is anticipated to cross \$27 Billion by 2022, on account of growing urbanization, rising trend of nuclear families, and expanding working population base coupled with surging demand for new designs of furniture. Home furniture occupied the largest share in India furniture market in 2016. The segment is anticipated to maintain its dominance during the forecast period as well. With favorable political and economic conditions in India, the construction sector is expected to grow at a robust pace over the next five years, thereby boosting the demand for home furniture. Region-wise, north region is the largest demand generating region for furniture in the country. Some of the major companies operating in India furniture market are Godrej Interio, Nilkamal Ltd., Durian, Zuari Furniture and Usha Furniture, among others.

*(Source: <https://www.techsciresearch.com/report/india-furniture-market-by-type-home-office-institutional-by-product-type-sofa-bed-wardrobe-dining-table-others-by-point-of-sale-by-raw-material-type-by-organized-vs-unorganized-competition-forecast-opportunities/907.html>)*

## **Government Initiatives**

### **1. Skill India**

The furniture market in India is moving towards an organized segment by increasing customer preference for readymade, branded and online products. The industry is also continuously adapting and customizing its products according to the changing taste of the consumers. The role of skilled manpower is very significant for matching the standards of the industry. The industry faces challenges for getting well-trained persons. Here, FFSC (Furniture & Fittings Skill Council) works as a connecting link which mitigates the problem of industry and impart skill to the candidates.

The skill development training programme in Indian furniture industry is mostly done in an informal way, as the skill is imparted with the help of family members, relatives etc. Their working experience and skill are their proof of knowledge. FFSC identifies such skilled people and certify through the Recognition of Prior Learning (RPL) scheme so that they can have a better advantage. The certification helps them to enter into the formal organized furniture industry. FFSC is in the process of setting up Industry-owned State-of-the-Art Centers to substantially increase youth aspirations as part of the Skill India initiative. The training facility will produce highly skilled workforce for the modular furniture industry.

Though this sector is known to predominantly employ male workforce, FFSC plans to develop Job Roles which will be suitable for both urban and rural women. As a first for this sector, one of the Training Partners of FFSC is training 11 girls in Amravati, Maharashtra for the job role of Carpenter – Wooden Furniture.

*(Sources: <http://www.modernwoodworkindia.com/products/furniture-fittings-skill-council-bridging-the-skills-gaps-in-indian-furniture-industry/>)*

### **2. Make In India**

Prime Minister Narendra Modi's 'Make in India' initiative came at the right time to make an impact in the minds of Indians and help push domestically manufactured products and brands. Until recently, the price competitive Chinese manufacturers or design focused European brands fulfilled the needs of the Indian market, giving little space for Indian made furniture brands.

The Indian consumer, who is naturally suspicious, was hesitant to trust such brands often questioning quality and finish. The Make in India campaign has helped to shift that thought process. It brought a sense of pride to Indian brands who now have the invitation to educate the customer of their benefits and value propositions



which aren't difficult to spot. Local brands are more aware and capable of handling issues that arise with Indian conditions, such as heat, termites, storage solutions etc. They can easily accommodate and understand the needs of an Indian household which foreign brands may not be aware of. Delivery times and response times also improve as does customer service and speed in resolving any issues.

(Sources: <https://retail.franchiseindia.com/article/sector-watch/home/Impact-of-Make-In-India-in-the-evolving-of-online-furniture-industry.a4973/>)

### Major Players



### Market Segmentation

The category's three broad segments – furnishings, furniture and décor, have been growing positively. There is a small shift of market share from furniture to décor during last couple of years. This is due to the reason of controlled consumption which resulted in spending less on high value items like furniture. Consumers continued to spend on furnishings as it has been and invested more in upgrading interiors and décor items to get refreshing look at home and office. The furniture market saw marginal drop of 1 per cent and décor gained with same since previous retail report.

The furniture segment contributes highest in the overall market with small furniture like chair, table, stools, cabinets, desks etc. Collection of such items generates volume business for the category. The large furniture items such as beds, sofa set, dining furniture set, large wardrobes, cup-boards are high ticket items which require higher investments. The market share of small furniture is 75 per cent and that of large is 25 per cent.

Home furnishings segment, on the other hand, contributes the lowest share of 26 per cent. The segment is further broken into sub-segments of bed linen, towels and robes, kitchen linen, curtains, upholstery, blankets, rugs and carpets. Among these sub-segments bed linen has the largest share close to half of total market. But the faster growing sub-segments are curtains, upholstery, blankets, rugs and carpets.

(Source: <http://www.indiaretailing.com/2017/05/01/retail/india-home-furnishing-market-prospects-and-opportunities/>)

### ***Consumption***

It is true that frequency of buying products in the category has increased over last decade but the category still remains one among low consumption categories. It is not just because of low consumption appetite but also due to scarcity of players in the segment on one hand and low penetration of existing modern players in smaller cities on the other hand.

The retail presence of home decor and furnishing brands are more in south and west. Interestingly north is having lowest share of store count in spite of being densely populated region.

(Source:<http://www.indiaretailing.com/2017/05/01/retail/india-home-furnishing-market-prospects-and-opportunities/>)

### ***Challenges faced by the sector***

The furniture and home décor industry in India is largely unorganized which is a major hindrance for its growth. The perception and outlook of the industry also needs to change. It is still not open to innovation and experiment. Second major issue is the skyrocketing real estate price which makes it very difficult for new ventures to be profitable. Indian market is also susceptible to global economic volatility which makes an impact on the home furnishing players. However in spite of all this we feel Indian artists, designers brands have lot of potential to market themselves globally but a lot of effort needs to be there for marketing and promotion.

Currently people like to shop online rather than to shop offline because of the many advantages and benefits available. There are many schemes, discounts and pocket-friendly offers that are offered by many retailers that attracts the customers and yet it is another way to save money. Also, Government should start financial benefit programs for small scale workers who make very alluring handmade products and still not getting the enough wages to fulfill their needs to feed their family.

Improper distribution channels and retail infrastructure are the major factors affecting growth of this industry. Quality also has been an issue that needs to be taken a note off.

### **How to Mitigate these Challenges**

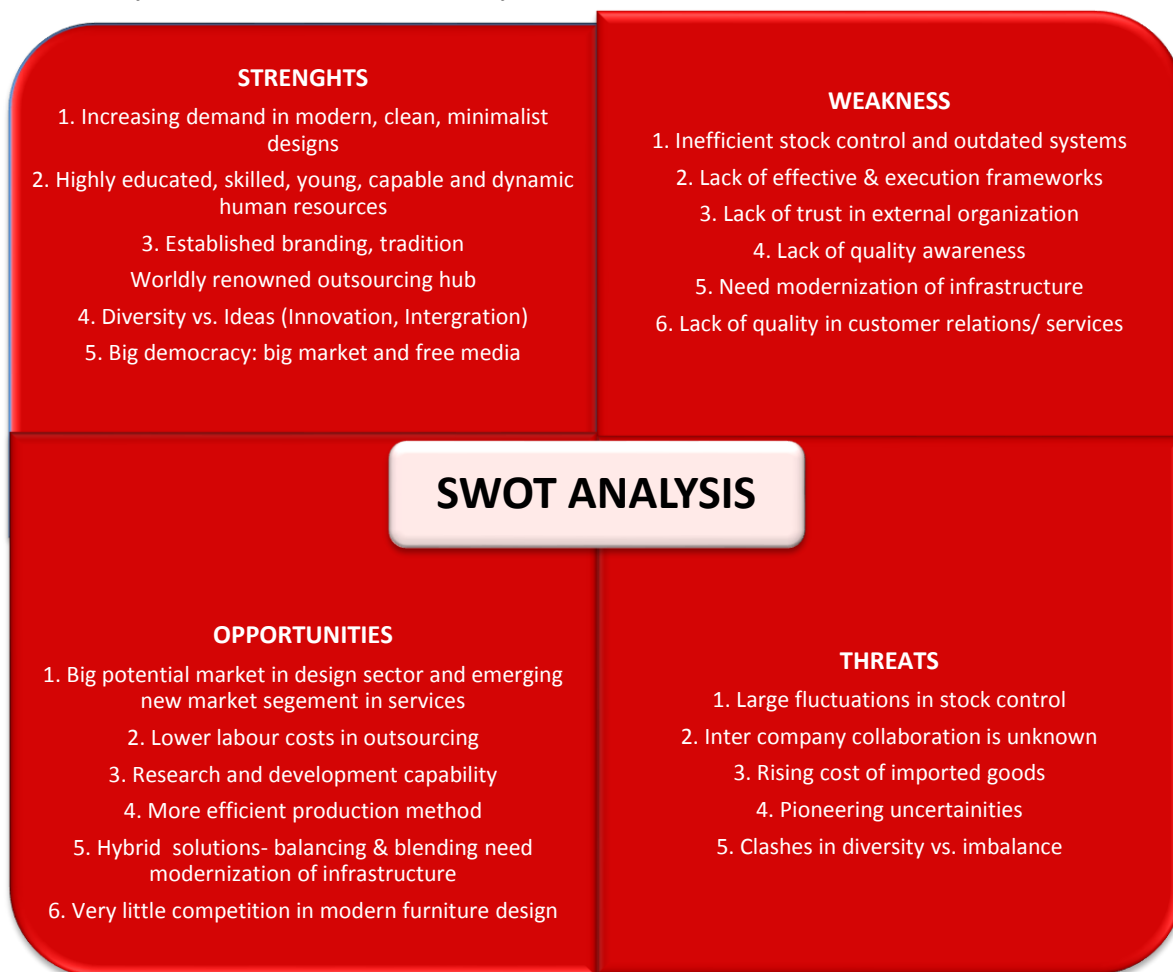
The rising Government focus and favorable policies do support the industry. Following are the ways to mitigate these challenges:

- **Technology**– Retailers in the segment are giving due importance to technology. They have got customized software to have insights in buying behaviour of their loyal customer groups and real time inventory status at each stage in the entire value chain.
- **New concept market** – This comes to fore when a new house/ office is planned. This will require everything including design, architecture, interiors, furnishings, furniture and décor new to create a concept to live or work in. Though this market has low frequency of consumption but drives huge ticket sales. This market will always survive on innovation and aspiration.
- **Refurbishment market** – This is more regular market which thrives on upgradation, renovation and improvement within living or working space. The consumption frequency is relatively higher but with lower ticket sale items.

Thus industry needs to develop a healthy mix of these two markets which can complement each other. The optimum balance between both will strengthen its position and drive the category sales.



### SWOT Analysis of Indian Furniture Industry



### Way Forward

Many online players have entered in the category and are doing fairly good business. Urban ladder, Pepper fry, Fabfurnish are few of such players. The main driver of this segment is increased use of Internet, enhanced reach due to shopping websites and an urge of getting exposed to various regional taste and preferences through virtual medium.

The modern players in the segment are giving due importance to marketing and consumer promotions. The idea behind such promotions is to provide opportunities for customers to experience new product lines, categories and brands introduced in the stores. These are planned either with season's mood like Diwali, New Year, Valentine's Day or are category-centric to draw attention towards some specific category. During such promotion the category is filled with complete and exhaustive range of products with various discounts and offers. Realising the importance of employees, retailers are investing in training them on products, soft skills, customer services and other technical knowhow of the merchandise. There are programs to develop skill and talent at every key level in the organization. The furnishing retailers, buoyed by huge growth opportunities, are investing in technologies like augmented reality and handholding customers to design theme-based homes.

*(Source: <http://www.indiaretailing.com/2017/05/01/retail/india-home-furnishing-market-prospects-and-opportunities/>)*



## BUSINESS OVERVIEW

*The following information is qualified in its entirety by, and should be read together with, the more detailed financial and other information included in this Prospectus, including the information contained in the section titled 'Risk Factors', beginning on page no.20 of this Prospectus.*

*This section should be read in conjunction with, and is qualified in its entirety by, the more detailed information about our Company and its financial statements, including the notes thereto, in the section titled 'Risk Factors' and the chapters titled 'Restated Financial Statement' and 'Management Discussion and Analysis of Financial Conditions and Results of Operations' beginning on page no.20, 175 and 201 respectively, of this Prospectus.*

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

### Overview

Our Company was originally incorporated as “Milestone Furniture Private Limited” on March 12, 2014 under the Companies Act, 1956 vide certificate of incorporation issued by the Registrar of Companies, Mumbai. Our Company was subsequently converted in to a public company and consequently name was changed to “Milestone Furniture Limited” (MFL) vide fresh certificate of incorporation dated June 14, 2017 issued by Registrar of Companies, Mumbai. The CIN of the Company is U36912MH2014PLC254131.

Our Company was incorporated by our Promoters- Mr. Digambar S. Songhare & Mr. Ganeshkumar S. Patalikadan with an aim of running manufacturing and marketing of Interior and Modular Furniture business. As a part of business growth, the Company registered with the Registrar of Companies, Mumbai on 12th March, 2014 as Milestone Furniture Private Limited.

Our Company & its executives have developed the skill and expertise in Space & work station Management, designing and innovation in Furniture used in Education, Healthcare and Corporate organisation. We have also developed the In house technical & Design team to provide turnkey solution and implementation of interior and work space in Commercial, Residential and Institutions. Our aim to develop Interiors and Designs in Modular furniture and developed the technique to make all products as “Make in India” and provide competition to China and other Markets.

Under the guidance of promoters, our company has successfully executed turnkey projects for design, supply and implementation of Interiors and Modular furniture in Education, healthcare and corporate organisation. Our company has regular business from existing clients such as Poddar International School, Architect and Contractors. Our company has developed the regular clients for supply of office furniture and fittings. Our company has developed the In house team of professionals for Design, drawing and space management interiors suitable and specification of client needs.

With determined efforts and dedication, our company has developed the reputation, brand and goodwill for quality furniture and timely delivery & installation.

We believe that we have differentiated ourselves from our competitors through introduction of new products, including launching innovative designs targeted at addressing consumer needs, market trends and providing superior value to consumers. Our diversified product portfolio enables us to cater to a wide range of preferences and consumer segments. Our products are the Ready to use and provide space management and primarily



targeted to clients in Education, healthcare, hospitality, banking, insurance and Info tech companies. Our diversified product portfolio is therefore, relatively less susceptible to shifts in consumer preferences, market trends and risks of operating in a particular product segment.

Our company has well established and high tech manufacturing equipments and Design facility to manufacture the various combination and size products as per the specification and design of client. Our Facility is located at 1<sup>st</sup> Floor, Aslam Compound, Shree Nagar, Behind Boghul House, Chandivali Road, Saki Naka, Mumbai, 400 072, India. Our company has obtained the ISO 9000 certification for manufacture facility for quality.

We are equipped with all facilities to execute all types of manufacturing activities such as fabrication, moulding, cutting and polishing & packaging, etc. Our Company is consistent in supplying of quality products round the year as customized products are made available to them as per the market demand. Our products comply with requisite safety standards. As a quality conscious company, we provide high performance oriented range of products. We undertake extremely stringent quality checks at every level of the manufacturing processes. We are constantly striving to expand our line of products and we are always on the lookout for complementary products that will add to our solution bouquet. We would seek product lines which have better scope for value addition and therefore offer us higher than average margins.

The company provides the right kind of furniture that is practical and affordable as well as attractive and enduring. It can be tailored as per unique needs. The company is using latest machineries and technology. The company keeps on up-grading its Manufacturing set-up, design capabilities and workmanship to deliver superior quality products with on-time deliveries and without any compromise on quality.

Currently, we have a head office and a sales office located in Mumbai, Maharashtra. The company establishes a long-term relationship with their clients by providing good quality product, which will surely go a long way and benefit the company. The company is backed by a team of highly creative and experienced professionals who have an affinity for creating innovative designs. The company's team has been a major strength as it understands the varied needs of the clients and works accordingly. From processing to finish, the company tries its best to ensure the quality of every single product delivered by the company.

Our Promoters, Mr. Ganeshkumar S. Patalikadan and Mr. Digambar S. Songhare with their rich experience of more than 10 years, have been prominent in growing the furniture business in a more organized manner thereby expanding their horizon to various sectors. For further information on our business, please refer to "Business Overview" beginning on page no. 116 of this Prospectus.

Our Revenues have grown from Rs. 551.76 Lakhs in fiscal 2016 to Rs. 894.68 Lakhs in fiscal 2017. Our net profit after tax was Rs.19.89 Lakhs in fiscal 2016 and Rs. 32.48 Lakhs in fiscal 2017.

For further details pertaining to our financial performance, please see "Financial Information" beginning on page no. 175 of this Prospectus.

### ***Registered Office and factory***

Our Company's Registered Office and factory is currently situated at 1st Floor, Aslam Compound Shree Nagar, Behind Boghul House, Chandivali Road, Sakinaka Mumbai Mumbai City Maharashtra 400072 India. Since incorporation, the registered office address has remained the same and there is no change in the registered office address as on the date of filing this Prospectus. Our corporate Office is situated at Unit No. 102, First Floor VTM Building Condominium, Mehra Ind Compound, Sakinaka, A. K. Road, Andheri,(E) Mumbai – 400072. For further details of our Properties, please refer to the chapter titled Business Overview beginning on page no. 116 of this Prospectus.

## Our Products

### Major Products manufactured & Offered by the Company as follows

- 1) **Call center \ Info tech \ Bank \ Insurance Furniture:** The Company offers complete solutions for office furniture designed to meet the growing demands of modern day business. It offers a wide range of high quality modern day modular office furniture which includes modular office partition systems, office chairs, cabinets and Wardrobe, storage racks, storage systems, executive chairs, office workstations etc. It develops different types of furniture and caters to different industries encompassing office furniture, institutional furniture, service sector furniture and even furniture for residential purposes. For service sector we design and develop furniture for hospitals, banks, spas, salons, colleges, schools, libraries, laboratories, and research institutes. We also supply furniture to IT companies in different parts of India, BPO offices and KPO offices.

### CONFERENCE TABLE



**WORKSTATION:** Workstation is often central to the function of any modern company. We design and innovates Workstations to promote group tasks, freedom and co-operation. We can transform any workplace with creative, adaptable and functional solutions into an inspiring work environment.





**PEDESTALS:** We provide Pedestals as fixed or mobile units, Our Pedestals provide singular flexibility, making it a useful storage addition to any working environment.

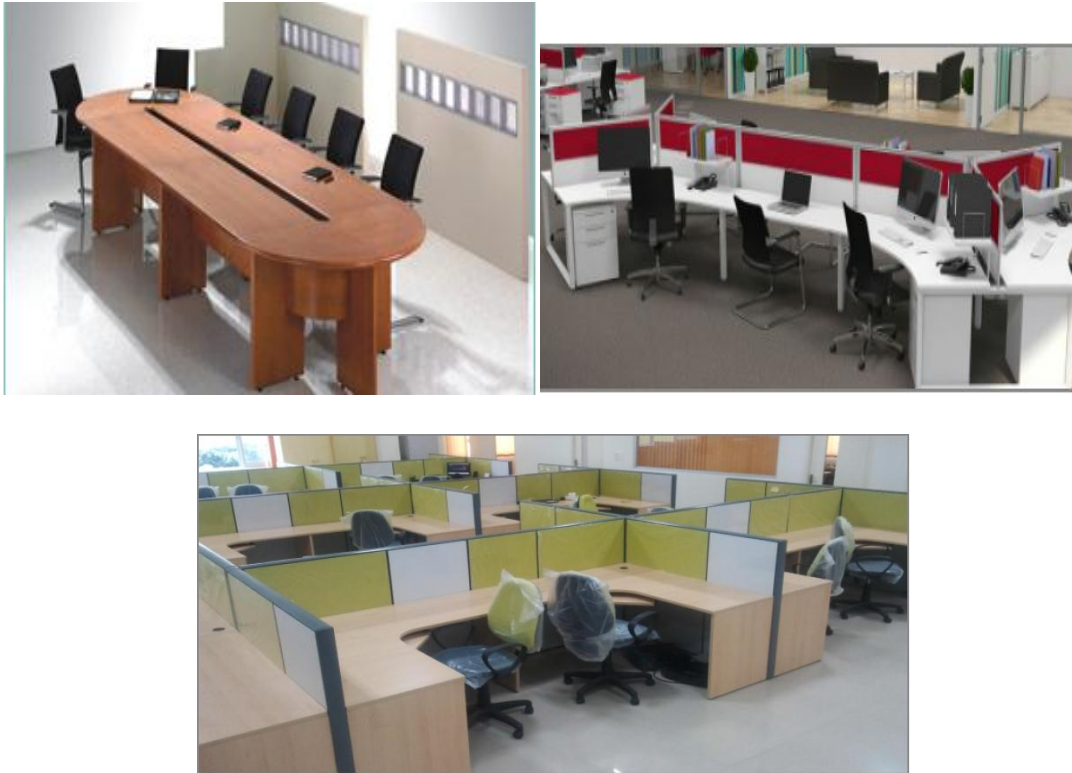


**CHAIRS:** We design Chairs exquisitely with striking armrest and backrest. They will lend a regal touch with their contemporary appeal. We believe in going beyond the obvious and evolving with the options that manages to satisfy the demanding users.



- 2) **COMMERCIAL \ OFFICE FURNITURE:** The Company has established itself as an reputed firm engaged in manufacturing and supplying a wide range of Commercial Furniture. These are developed by a team of creative professionals as per the norms and guidelines laid down by the industry. Moreover, to meet the specific needs of individuals, it also provide customized version of these products as per the specifications detailed by the clients. Clients can avail Bank Furniture, Hospital Furniture and Modular Office Furniture from the company under this category. To enhance the interiors, the company is engaged to offer premium modular office furniture which is elegant and exclusive and gives a pleasing appeal to office spaces and dwelling places. The furniture has smooth ulterior finish. They are sturdy and ideal for house and office furniture. The products are made of high grade materials procured by reliable vendors and quality tested. The furniture is made of quality raw materials which include Ply wood, Teak wood, Formica, Black Board, Fevicol, Particle board, Prelam board and MDF.





- 3) **HOME FURNITURE:**The Company is dedicatedly involved in manufacturing and supplying a range of Home Furniture. Customers can avail a variety of Wardrobe, Designer Double Bed Furniture, T.V. Unit, Sofa Set, Center Table and Dining Table from the company in different colors, designs, sizes and shapes as per their needs. Owing to the elegant looks, innovative designs and resistance against termite, these products are widely acknowledged in the market. Clients can avail these products from the company at market-leading prices. The clients can avail stylish and trendy Customized Modular Kitchens that are designed and fabricated by skilled and experienced designers. These modular kitchens are fabricated in accordance with client's specifications in various designs, shapes and patterns. The company designs attractively various cabinets and racks for the proper arrangements of kitchen utensils. It also designs and fabricates specially as per the choices of clients within the stipulated time frame.

**BED ROOM:** The type of bed we sleep in can have a dramatic effect on the quality of our sleep and our health. And when it comes to comfort, wooden beds are considered the best due to the solid nature of wood that gives a rigid support to the body while making your backbone and spine rest comfortably. we provide an exclusive range of stylish, well-designed, and high-quality, comfortable beds that are made up of solid hardwood and dressed up in rich finishes. The design and structure of these beds make an impressive statement in any bedroom.



**WARDROBES:** We make only the best furniture with best quality and design. We provide wide range of wardrobes at affordable price so that there is something for everyone.



**KITCHENS:** We offer varieties in Modular kitchen. We are leading modular kitchen manufacturers with many years of experience in designing and implementing kitchen fixtures. We provide latest modular kitchen designs. We give a proper inspection to your kitchen and come out with the best design that can change the entire look of your kitchen. We give more space to your kitchen where you have to make fewer efforts in order to organize it.



**SOFAS:**The company is also involved in offering an excellent range of Sofas that is best known for its premium quality. The sets that are respected in market owing to their well-designed designs. Further, these sofas are comfortable to sit, attractive in look and find applications in residential as well as



commercial sector. When working with Sofas and Chairs designers, we give the clients to choose the styles, fabrics and design.



**EDUCATION \ SCHOOL FURNITURE:** With expertise in this domain, the company also caters a wide range of classroom furniture to various schools. These are light weighted so they can be moved easily even by the children. Range of classroom furniture is durable in quality and is safe for children. This range of furniture has mar-proof plastic foot caps and edge molding so that children may not hurt themselves. The company manufactures a wide range of school furniture, dual desk, student desks, student chair, school/college chairs that is widely used in schools and educational institutes. These student desks, student chair and school chairs are designed using state-of-the-art technology and latest machinery. The company offers a wide range of school furniture that is available in contrasting colors and designs to appeal children.

The range of school furniture is in line with industrial standards and is available in various dimensions and sizes to suit the variegated taste and preferences of our clients. The range of student chair offered is widely used in schools across the nation.

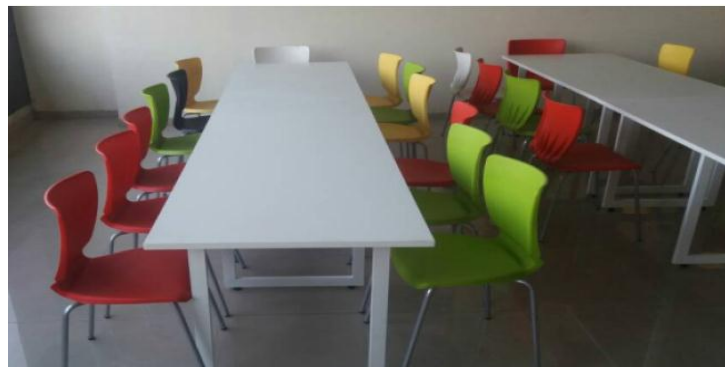
**BENCHES/DESKS:** we are offering a quality assured assortment of Educational Benches. The Educational Benches we offer is widely demanded for its availability in various sizes and specifications. Offered products are available in committed time frame.



**LIBRARY FURNITURE:** Good school library furniture takes a beating and keeps looking great. We provide library chairs, library tables, study carrels, library shelving and book trucks that will make library an inviting place for your students for years to come.



**CANTEEN TABLE:** Our canteen tables can be used in a variety of commercial dining areas like pre-schools, schools, colleges, offices, etc Our range includes table tops in different shapes like rectangular, circular, curved and square. Our tables are designed to be durable and have laminate tops that are easy to clean and maintain. Our canteen chairs are available with seat heights with comfortable heights.



## **MAIN FEATURES OF OUR PRODUCTS:-**

- Environment Friendly Manufacturing Processes
- White Ant Proof and Shock Proof Reliability & durability
- Advanced Technology
- Economical Designs as per the customer requirement
- Long Term Product Guarantees & Warranties
- Updated Service for Installation and Field Back Up

## **MANUFACTURING PROCESS FLOW CHARTS:-**

**Our Manufacturing Facility is designed with object to achieve the following:**

- **Material Saving:** It provides maximum material saving, especially on shaped and non-symmetrical parts.
- **Set-Up Time:** There is virtually zero set-up time for preparing the work cell and placing the boards on the machine table. This is a critical advantage over traditional production systems, where manual machines need to be set up for every single, or batch of components.
- **Material handling:** One of the prime reasons for adapting to work based cell is to solve material handling problems. In most factories, workers spend as much time in handling, moving, stacking and un-stacking components, as they do processing on them. On the other hand in work cell, an operator loads a sheet onto a CNC router, and a few minutes later he is ready to unload finished components which are all cut and routed.
- **Floor Space:** A work cell can function in a smaller space.
- **Quality & Precision:** Increased quality is a big advantage in a manufacturing. Every single edge of the panel is routed instead of being cut with a saw blade, and parts are sized to the accuracy of a CNC router.
- **Time:** The advantages in terms of the timing of material flow in the factory (from raw materials to a finished product) are enormous.

### **Process**

The main operations in making of modular furniture are namely

- Panel cutting
- Edge banding
- Boring

### **Panel Cutting**

#### **Important criteria's while selecting the Panel Beam Saw:**

Panel cutting is done using in line panel beam saw or Angular Cutting depending up on the automation and production needed per shift. For a capacity of 300 to 600 sheets sizing per shift, a good quality and sturdy equipment is needed.

In this type of composition two beam saws are kept in line. The panels are loaded with the help of auto loader in the first beam saw (3.2, 4.5 or 5.6 meter length). We can select the saw diameter so as to accommodate maximum number of sheets at a time. This machine has got pairs of clamping bars that are independent of movement. Thus we can cut different lengths in one cut by variable movement of the clamps.

This machine has inbuilt optimization software that controls the wastages. It can also store large number of cutting programs that make the job easy. The programs can easily modify to new cutting patterns.



All these machines are connected to heavy suction for removal of dust and keep the machine clean. The air flow from dust collectors keeps the saw blade cool that increases the life of the saw blade.

### **Edge banding**



### **Various types of Edge banding**

Edge banding is the second important process of value addition in panel Furniture manufacturing. It is necessary to edge band two sides in one passage. This starts with a smooth track movement, uniform gluing, and right pressure to give thin glue line, fine trimming of top and bottom edges buffing and cleaning.

### **Boring**

The ready components are fed to through feed automatic boring machine. These are very fast operating machines that can handle 20 to 25 work pieces per minute and these have very fast set-up times from 5 to 20 seconds. The machine can have the latest-generation 8000 rpm drilling heads that are ultra-rigid and allow maximum configurability for all production needs: up to 12 machining heads and as many as 384 independent spindles. The machines are provided with barcode reader that sets the machine automatically for the designed drilling pattern. Due to this one can have different size panels with different drilling pattern handled with ease. Hence these machines are very flexible and require very little setting time.

### **SALES AND MARKETING:-**

Sales and marketing is crucial in the success of our business. Management has developed the in house team of executives for Interior design, drawing and unique product with optimum utility.

We have launched the products suitable for Education, healthcare and corporate sectors where demand is high and more standard products are needed. We have created and positioned our brand in niche market for modular furniture – bench, desk, work station, wardrobe, chairs and tables.

Our marketing and business development team under the leadership of our promoter namely Mr. Ganesh, who endeavor to make our bids competitive in order to maintain old clients as well as searching for new customer base and clientele. To retain our clients we regularly interact with them to gain insight into customized product requirements and bring innovation into our product offerings.



Backing by our strong commitment towards High Quality Products and timely Delivery Schedules we are able to secure repeated orders from our customers. We always try to assess properly our customers' needs and keep on innovating up gradation for better performance of our products.

#### **Marketing strategies:-**

We intend to focus on following:

- **Marketing strategy** - Marketing strategy is identifying customer groups and serves them better than its competitors by offering tailor made products, prices, distribution and promotional methods to that segment. The strategy should address unmet customer needs that earn potential profitability.
- **Target marketing** - Identifying separate customers who makes up large groups which helps to locate their needs more specifically. This smaller segment of the general market is convenient for market research and information helps to serve this segment better. This segmentation can be done in two ways
- **Geographical segmentation** – Company currently serves in the state of Maharashtra and hence serving customers needs in a particular geographical area other than its current presence..
- **Customer segmentation** - identifying those people who buy products and services and targeting those groups.
- **Products and service:** To satisfy the target markets product is very important. This is how organizations earn revenue. These products may be in the form of goods, services or ideas.
- **Promotional strategy:** Promotion is communication process with the customers about the products through advertisements and direct customer interactions. This helps companies to distinguish their product from competitors.
- **Pricing strategy:** The right price is the crucial for maximizing total revenue. In general higher prices means lower volume and vice versa.

Our company has created wide range of products which are suitable and affordable for owners of affordable house owners and plan to do arrangement and tie up with few builders and developers to supply set of modular furniture for first time buyers of home.

#### **Quality Control and Quality Assurance**

In our industry, Quality Control and Assurance is prime importance for customer satisfaction and brand building. Our Management has obtained

- 1) The Level 1 BIFMA compliance and has been registered as meeting requirements of compliance of sustainability standard - ANSI/BIFMA E-3-2012. This certificate is valid up to 2/1/2020.
- 2) Quality Management System Standard - AS/NZS ISO 9001:2015/ISO 9001:2015 has been obtained for Quality Management System and Valid up to 14/9/2020.

Our Company ensure the customers end-to-end quality assurance for furniture products. By assessing the performance, electrical safety, regulatory and sustainability of furniture products, we expertise to provide assurance of the quality and safety of our products. We offer & follow:

- **Performance:** Evaluating the durability and performance of our furniture products to meet industry standards and consumer expectations.
- **Electrical Safety:** Ensuring furniture products with integrated electrical components, such as height adjustable tables, panel systems, and furniture power distribution units, meet applicable safety standards and comply to the National Electric Code.
- **Flammability:** Determining the fire resistance of furniture, cover fabrics, and filling materials in accordance with national and international standards.
- **Environmental/Sustainability:** Demonstrating reduced negative environmental and social impacts of our furniture products while safeguarding the triple bottom line: people, planet, and profit.
- **Consulting:** Leveraging on-demand expertise to better facilitate our business. Whether it is designing for compliance, in need of extra resources, or overcoming industry challenges, we assist to our customers.

Performance testing to national, international or industry standards gives us a competitive edge and adds value to our products. We can gain confidence in knowing how our product stacks up against the competition. Durability testing evaluates how well a product holds up when put to the test beyond its expected or designated function. We do testing for furnishing fabrics, filling materials, furniture components and more.

We do inspect at every stage and angle of our business process with:

- Factory Evaluations
- Pre-Production Inspections - Our executives are available to inspect by random sampling the raw materials and components to be used in production.
- During Production Inspections - As soon as the first goods leave the product lines, our inspectors are there to check for any defects or deviations from quality parameters, and to suggest practical and effective ways in which these can be rectified in the production process.
- Final Random Inspections - The pre-shipment inspection takes place when the merchandise is completed, packed and ready for shipment. Our inspectors pull a random sample of finished goods, based on internationally recognized statistical random sampling techniques. We verify quantity, workmanship, function, colour, size specifications and packing details, all with a view to ensure that the contract specifications are met.
- Supervision of Loadings

**With above, we have following benefits**

- Decreased potential of recalls and returns through compliant products
- Enhanced brand protection with reduced risk
- Increased customer confidence and satisfaction

**Major Works Completed & Ongoing:**

**Work Completed**

Sr. No.	Name of the Project/Client	Location	Amount(Rs.)
1	Poddar International School Group of Companies	Santacruz (w), Mumbai	50,55,241
2	Rameshwar Enterprises Group of Companies	Borivali to Andheri (West & East), Mumbai	1,99,45,663
3	Sonali Marketing Group of Companies	Vikroli & Bhiwandi, Mumbai	1,87,65,442
4	Ahuliya Manufacturing india Pvt. Ltd. group of Companies	Kurla, Vikroli & Bhiwandi, Mumbai	68,67,887
5	Kavya Enterprises Group of Companies	Mumbai Suburban & Mumbai Central, Mumbai	89,22,388



**Work Ongoing**

Sr. No.	Name of the Project/Client	Location	Amount(Rs.)
1	IIT	Powai, Mumbai	2,43,65,862
2	GSN Associates	Mumbai Suburban & Mumbai Central, Mumbai	11,47,85,685
3	ONGC	Bandra, Mumbai	3,52,46,865
4	Jet Airways	BKC Office, Mumbai	2,81,00,000
5	Mahendra Realtors & Infrastructure Private Limited (MRIPL)	GOA	2,17,45,869

**PLANT AND MACHINERY**

We have installed high tech and ultra modern Plant and Machinery in our factory for manufacturing of modular furniture and related items. Brief details of major Plant and Machinery installed are Beam saw panel saw Cutter machine with sliding table and sizing saw, Automatic through feed edge banding machine, Multi boring machine, Manual edge banding machine, ducting and air suck machines, Pipe bending, cold press machine, CO2 welding ,Shearing machine, Power presses and powder coating unit and ovens.

We have also installed machines at our manufacturing for testing the quality & strength of the product; so that it meets the required specifications.

Sr. No.	Machinery	Application	No. of Machines	Automated/ Manual	Owned/ On Contract
1	Pipe Bending	Manual bending to give various shapes and sizes.	1	Manual	Owned
2	CO2 Welding	High end welding machine.	4	Automated	Owned
3	Shearing Machine	Machine used to shearing (cutting) of sheets.	1	Automated	Owned
4	Powder Coating Booth	It is used for powder coating.	1	Automated	Owned
5	Oven Baking	It is used for heating	1	Automated	Owned
6	Pipe Cutting	Used for cutting pipes to the required lengths.	4	Automated	Owned
7	Cold Press Machine	The cold press is a necessary equipment in plywood machine. The machine is used to pre-press the glued veneer and to make it flat and stick together. The machine is suitable for pre-press process of making plywood, block board and decorative board.	1	Automated	Owned
8	Cutter Machine (Sliding Table Panel Sizing Saw)	Anodized aluminum rip fence with sliding system on heavy round bar for parallel cutting upto 1250mm. Easy & Fast, saw	1	Automated	Owned



		scoring blades changing. Provides a rigid support for all cutting with telescopic cross-cut fence.			
9	Duster Machine	Used for collection of small dust particles	3	Automated	Owned
10	Multi Boring Machine	It can process material upto 60mm in height, Quick-change glue pot system, Maximum feed speed with corner rounding, Solid heavy-duty build	1	Automated	Owned
11	CNC Router Machine	CNC router (Computer Numerical Control router) is a computer-controlled cutting machine related to the hand held router used for cutting various hard materials, such as wood, composites, aluminium, steel, plastics, and foams.	1	Automated	Owned
12	Manual Edge Banding Machine	Capable of Edge banding thickness from 0.5 to 3mm on straight & curved panels. Edging wooden strips upto 3mm. Hylum Surfaces working table can be tilted upto 45° & has 'Swivel bar roller system' for guide the work piece.	1	Automated	Owned
13	Automatic Through Feed Edge Banding Machine	It can process material upto 60mm in height, Quick-change glue pot system, Maximum feed speed with corner rounding, Solid heavy-duty build	1	Automated	Owned
14	Post forming Machine	Bending a flat sheet of heat formable decorative laminate over a supporting radius, under heat and constant pressure.	1	Automated	Owned

**OUR COMPETITIVE STRENGTHS:**

**1. Experienced promoters, Management Expertise and Skilled Workforce**

Our Promoter, Mr. Digambar S. Songhare is Commerce Graduate with experience in Interior Designing and Mr. P.S. Ganeshkumar is experience with modular Furniture and has been actively involved with the furniture industry since 12 and 20 years respectively. They have developed the skill and expertise in Space & work station Management, designing and innovation in Furniture used in



Education, Healthcare and Corporate organisation. Under their guidance, knowledge and business skills we have been able to successfully implement our business plans and achieve growth.

For further details regarding the educational qualifications and experience of our Board of Directors and our Key Managerial Personnel please refer to chapter titled “*Our Management*” beginning on page no. 146 of this Prospectus. We believe that our management team’s experience and their understanding of the furniture industry will enable us to continue to take advantage of both current and future market opportunities. It is also expected to help us in addressing and mitigating various risks inherent in our business.

## **2. Timely Delivery of Products**

Our promoter has excellent record of delivering the products in specified time period which makes our company unique from our competitors. In terms of Quality, our company focuses significantly on the quality of the raw materials and finished products at all our Manufacturing units to ensure the desired quality is attained.

## **3. Unique Brand Positioning**

The company believes in providing the customers value for their money and have positioned the furniture at an affordable price with a focus on the Corporate, middle & affordable home segment. The company believes that there is an untapped market in the middle income segment which is both brand conscious and aspiration in nature. The company feels it is targeting one of the fastest growing segments, having an increasing level of disposable income. Our brands give us a broader platform to market our products to our customers.

## **4. Lead in moulded furniture**

The furniture industry is a fragmented and an unorganized industry. We believe we have created a niche for ourselves in this industry by introducing our brand for moulded furniture in Education and Hospitality segment. We believe our brand is synonymous with quality assurance in terms of strength and durability. We have been able to sustain the demand for moulded furniture by offering a continuous flow of value additions such as new designs and finishes. We believe that our products enjoy easy recall and help us enhance our market share.

## **5. Well-developed distribution and marketing network**

Our company has developed and implemented a wide range of networking channels throughout the industry and society to strengthen the scope of identifying core customer base and designing right marketing strategies for procurement and liaising of projects to deliver customized solutions for clients. Our distribution and marketing network ensures our product availability to our customers translating into efficient supply chain, focused customer service and short turnaround times for product delivery.

## **6. Team of professional and skilled staff**

Our team has been a major strength as it understands the varied needs of the clients and works accordingly. From processing to finish, we try our best to ensure the quality of every single product delivered by us. Also, we have in house design and technical team for our new product development.

**7. Large & Diverse Product Portfolio**

We are engaged in the manufacturing of the modular furniture & accessories products and undertake turnkey projects. We are currently manufacturing a wide range of products like desk, bench, sitting chairs, work station, wardrobe, bed and modular kitchen with different specification & design and many other furniture items which are used by the corporate and household.

**8. Established relationship with institutional & corporate customers**

Our company focuses on providing the customers with the desired quality and standard products. By providing the products with the desired quality and standards we aim to achieve highest level of customer satisfaction and procure repeated orders from customers.

**9. Quality Assurance and Control**

We have received an ISO 9001:2008 certification on the quality management system of our company for designing and manufacturing of furniture. We follow a practice of testing our products for the desired quality and customer requirement before dispatching & installation the same to the customers. We perform test such as visual inspection, mechanical test, Insulation resistance test, operational test, Continuity test and temperature & strength test to ensure the quality and safety of the products.

**10. Integrated manufacturing facility**

We do continuous endeavour to maintain the requisite infrastructure and technological up gradation for the smooth running of the manufacturing process as well as to cope with the changing market demand situation. There is a continuous change in the technology and the markets are very dynamic to the change in technology. We keep ourselves technologically upgraded with the latest machines and infrastructure.

**OUR BUSINESS STRATEGIES/ FUTURE PLANS**

• **Leveraging Market Skills**

Under the leadership and experience of our Promoter namely Mr. Digambar Sudam Songhare who is overseeing the marketing of the products and also handles the co-ordination with the various corporate and government authority in the country. We have been able to procure good & regular orders. We aim to further leverage our marketing skills and relationships and further enhancing customer satisfaction. We also intend to further expand our client base by meeting orders in time and maintaining customer relationships.

• **Long Term Relationship with Clients**

Customer satisfaction and Strong long term relationship with the client is key to success for any organization. Our on time delivery and quality product helps us maintain strong relationship with our customers and also gives us competitive against our peers.

• **Achieving Operational Efficiencies**

Our company aims to achieve operational efficiencies through cost reduction. We believe that this could be done through economies of scale and further increasing our areas of operations. We continue to invest in latest technology to ensure operational and management efficiencies, and to standard to quality. Also, increasing our penetration in Modular furniture in household segment will enable us to



penetrate into new areas and affordable housing segment. As a result our company will be able to increase its market share and profitability.

- **Expand Distribution Network & Customer Base**

Our company has presence in many parts of the country and aims to further increase its production capacity. We aim to widen our marketing network further to cover unexplored areas in India and strengthen our customer base.

- **Brand Building**

The industry is seeing a shift in market share from the unorganised to the organised sector. We seek to capture a greater market share in this environment and it is important to invest in the brand to strengthen the top of the mind recall and consequently we shall continue to invest in our brands.

- **Expand the Business in new location**

We currently intend to focus on developing additional Manufacturing facility in Murbad MIDC, Maharashtra in a timely and efficient manner. We intend to continue to focus on performance and project execution in order to maximize client satisfaction. We also intend to Develop In house Drawing, design and Quality control unit for our products and also leverage advanced technologies, designs and project management tools to increase productivity.

### **Our Business Model**

Our company has developed and source business in three models

- **Turnkey Projects** – Obtained orders via tenders or presentation. Our scope of work from Design & drawing as per specification, area and need of client till implementation of interiors and furniture. We provide solution for space and utility, Air conditioning, Work station, flooring, roofing, windows and sound proofing.
- **Tender & Bulk supply**– We apply tender and presentation for Government and Institution supply for bulk and institution business. We also participate and do vender registration to supply chain of stores, E commerce and online marketing companies.
- **Interior and Supply Furniture** – We supply tailor made furniture and installation as per the specification and need of clients.
- **Supply Ready to use furniture** – We have developed the standard design and size of desk, bed, work station, wardrobe and various products which can be ready to use.

### **Our Client Base**

Our company has specialised in supply of Interiors and furniture suitable in following sectors:

- **Education** – School, College and vocational classes. Chairs, Bench, board, storage, library, cafeteria and presentation area.
- **Healthcare and hospitality** – waiting room multiple and single sitting arrangement, storage, wardrobe, display area and conference sitting arrangement.
- **Banking and Insurance Sector** – Provide the Work station, desk, chairs and wardrobe apart from provide complete space solution and Interiors.

- **Corporate office** – cube partition, desk and work station, storage, wardrobe, display area and conference sitting arrangement
- **Call Centre and Info tech** - Work station, Desk, storage and safety area for computer hardware, cafeteria and Conference area.
- **Apartment Hotel** – Modular kitchen, storage rack & wardrobe, sitting chairs and Bed. Furniture for sun desk and swimming pool area.
- **Furniture for affordable housing** – Combination of sofa set, TV wardrobe, dining table, bed and modular kitchen made suitable for affordable housing to cover mass customers.
- **E commerce and Online Marketing Portal** – Supply standard design of sofa, table, executive chair and office furniture.

## **SWOT ANALYSIS OF OUR COMPANY**

### **Strengths:**

- Quality & Innovative product gives a market edge for most of the suppliers.
- Manufacturing of modular furniture, demand for which is continuously rising.
- Competitive edge in terms of quality and competitive bidding.
- The company has well marketing & distribution network.
- Long Experience of Promoter in the Field.

### **Weaknesses**

- Dependent upon growth in Furniture industry & competition from China and International suppliers
- Requirement of Finance to cater on national level
- Limited market share & presence in few segments
- Customers service at door to door on national level
- Competitors can offer similar products quickly

### **Opportunities**

- Growing acceptance by consumers of Modular furniture
- Rising in the demand for products in emerging areas – Education, Office and Household segments
- E commerce and Online sale is growing and can able to cater on national level easily
- Development of specialise products suitable for Affordable housing has huge demand

### **Threats**

- Changes of government policies
- Fluctuations in raw material prices
- Rising labour wages
- Change of behaviour of consumer demand
- Increase in Input cost can cause upward pricing
- Too many players entering and exit the market

## **INFRASTRUCTURE & UTILITIES**

### **Raw Materials:-**

Most of our raw material like particle board, Commercial ply, laminates, PVC Edge band, Hot Melt Glue, Fabric, Aluminium Section, MS Tube, M S Sheets, Resin, glass fibre, hardware is procured mainly from domestic market.

### **Power:-**

Power is sourced from state electricity board. The Company has consumed 47,111 kwh of Power in Last one year.

### **Water:-**

Water requirement for the manufacturing and allied activities is very minimal and the same is met through own bore well and Municipal corporation. The Company has consumed 2187 Litres of Water in last one year.

## **HUMAN RESOURCES/ EMPLOYEES**

We believe that a team of committed and motivated employees is a key competitive advantage and will benefit us in our future growth and expansion. Our business model requires a mix of skilled, semi-skilled and un-skilled labour. Our Company currently has 70 employees in total.

The details of manpower employed as on date are as under:

<b>Category</b>	<b>Company Pay Roll</b>
Executive Directors	4
Senior Managerial Team / KMP	5
Managers / Officers / Executives	15
Supervisors/Workers	46
<b>TOTAL</b>	<b>70</b>

Company has not engaged any workers on contract basis.

## **COMPETITION**

We face competition from different regional & national domestic Furniture producers. Competitors having superior financial, research, execution and marketing resources than us pose competition to us. Our competitors include both large and small furniture producers in the regions and areas where we operate. We also face competition from various small unorganized operators. However, we expect that our commitment to quality, past record of timely execution and transparency will provide us with an edge over our competitors.

## **COLLABORATIONS**

The Company has so far not entered into any technical or financial or any other collaboration agreement till date.

**SAFETY, HEALTH AND ENVIRONMENT**

We are committed to complying with applicable health, safety and environmental regulations and other requirements in our operations. To help ensure effective implementation of our safety policies and practices, at the beginning of each project we identify potential material hazards, evaluate all material risks and institute, implement and monitor appropriate risk mitigation measures. We endeavour to minimize accidents at our factory and project sites. Our Company equips labourers with safety equipment and material that covers them from the risk of potential health hazards.

**INFORMATION TECHNOLOGY**

We use information technology systems to enhance our performance and efficiency. We are in the process of implementing enterprise resource planning software across the various business functions in our Company to integrate systems among our departments. We believe that this system will allow us to streamline our processes while enhancing our monitoring and control functions.

**OUR PROPERTIES**

Our Factory, Registered office and corporate office are taken on lease and license basis by our Companies. The detail of the properties is as follows:

Agreement Date	Name of the Licensor	Location	Purpose	Rent Amount Rs. (P.M.)
07/07/2016	Mr. Naresh D. Bhatia & Sucheta N. Bhatia	Unit No. 102, First Floor VTM Building Condominium, Mehra Ind Compound, Sakinaka, A. K. Road, Andheri,(E) Mumbai – 400072	Corporate Office	67,400/-
01/10/2016	Mr. Atmaram Borge, Mr. Mohan Borge, Mr. Rajendra Borge & Mrs. Prabha Borge	1st Floor, Aslam Compound Shree Nagar, Behind Boghul House, Chandivali Road, Sakinaka Mumbai Mumbai City MH 400072 IN	Registered Office and Factory	2,06,660/-

**INSURANCE POLICIES**


Sr. No.	Policy No.	Description/ Property Insured	Expiry date	Sum Assured Amt (In Rs.)	Premium amount	Insurance Company
1.	17070048170300000047	Money Insurance	21/09/2018	1,00,000/-	496/-	The New India Assurance Co. Ltd.
2.	17070011170100001032	Furniture, Fixture, Fittings & Other Contents	01/09/2018	34,18,500/-	2,417/-	The New India Assurance Co. Ltd.
3.	OG-18-1933-4001-00007169	Standard Fire & Special Perils and Addons-Stock	12/09/2018	5,22,24,774/-	1,48,671/-	Bajaj Allianz General Insurance Co. Ltd.



**INTELLECTUAL PROPERTY**



As on the date of this Prospectus, the current logo of the Company belongs to and under registration in the name of Milestone Furniture Ltd.

Our Company has made an application on 14th November, 2017 for the registration of the  **Milestone Group** logo under Class 20 and 42 with the Trade Mark Registry, Mumbai.

The application is under the process and approval for the registration is pending. Any delay in receiving the registration or rejection in processing the application form for registering the logo or if there is any opposition filed against the trademark application; our company may lose the statutory protection available to it under the Trade Marks Act, 1999 for such trademarks and right to use the said logo. For details on the status of the application made to register our logo, please refer to the chapter “Government and Other Approvals” on page no.212.



## KEY INDUSTRY REGULATIONS AND POLICIES

*The following description is a summary of the relevant regulations and policies as prescribed by the Government of India and other regulatory bodies that are applicable to our business. The information detailed in this chapter has been obtained from various legislations, including rules and regulations promulgated by the regulatory bodies that are available in the public domain. The regulations and policies set out below may not be exhaustive, and are only intended to provide general information to the investors and are neither designed nor intended to be a substitute for professional legal advice. The Company may be required to obtain licenses and approvals depending upon the prevailing laws and regulations as applicable. For details of such approvals, please see the section titled “Government and other Approvals” on page 212 of this Prospectus.*

*The business of our Company requires, at various stages, the sanction of the concerned authorities under the relevant Central, State legislation and local bye-laws. The following is an overview of the important laws, regulations and policies which are relevant to our business in India. Certain information detailed in this chapter has been obtained from publications available in the public domain. The description of law, regulations and policies set out below are not exhaustive, and are only intended to provide general information to bidders and is neither designed nor intended to be a substitute for professional legal advice.*

*In addition to what has been specified in this Prospectus, taxation statutes such as the Income Tax Act, 1961 and Central Goods and Services Tax Act, 2017, various labor laws and other miscellaneous laws apply to us as they do to any other Indian company. The statements below are based on the current provisions of Indian law, and the judicial and administrative interpretations thereof, which are subject to change or modification by subsequent legislative, regulatory, administrative or judicial decisions. For details of government approvals obtained by us, see the section titled “Government and Other Approvals” beginning on page 212 of this Prospectus.*

Depending upon the nature of the activities undertaken by our Company the following are the various regulations are applicable to our company

### LABOUR LAW

Our Company is required to comply with the laws, rules and regulations in relation to hiring and employment of labour. Labour legislation in India classifies persons into ‘employees’ and ‘workmen’ based on factors which inter alia include nature of work and remuneration. While workmen are typically entitled to various statutory benefits including gratuity, bonus, retirement benefits and insurance protection, employees are governed by the terms of the contracts governing them.

#### ***1. Employees Provident Fund And Miscellaneous Provisions Act, 1952***

Under the Employees’ Provident Funds and Miscellaneous Provisions Act, 1952 (“EPF Act”), compulsory provident fund, employees pension fund and deposit linked insurance are payable to employees in factories and other establishments. The EPF Act inter-alia provides that a factory mentioned in Schedule I employing 20 (twenty) or more persons, either directly or indirectly, in any capacity whatsoever, is either required to constitute its own provident fund or subscribe to the statutory employee’s provident fund. The Central Government may notify other establishments to which the EPF Act shall apply. The employer of such establishment is required to make a monthly contribution to the provident fund equivalent to the amount of the employee’s contribution to the provident fund. There is also a requirement to maintain prescribed records and registers and filing of forms with the concerned authorities. The EPF Act also inter-alia imposes punishments on any person who avoids making payments required to be made under the schemes made under the EPF Act and specifically on employers who contravene or default in complying with certain provisions of the EPF Act. If the



person committing an offence is a company, every person who at the time the offence was committed was in charge of the company, as well as the company, shall be deemed to be guilty of the offence and shall be liable to be proceeded against and punished accordingly.

### **2. *The Employees State Insurance Act, 1948("ESI Act")***

An ESI Act aims to provide for certain benefits to employees in case of sickness, maternity, 'employment injury disablement and to make provision for certain other matters in relation thereto. The Act provides for the establishment of a Corporation to be known as the Employees' State Insurance Corporation for the purpose of the administration of Employees State Insurance Scheme. The Corporation shall be a body corporate by the name of Employees' State Insurance Corporation having perpetual succession and a common seal and shall by the said name sue and be sued.

### **3. *Workmen Compensation Act,1923***

The workmen Compensation Act, 1923 has been enacted with the object to provide compensation to employees by employers for injuries caused by accident(s) arising out of and in the course of employment, resulting into (i) death, (ii) permanent total disablement (iii) permanent partial disablement (iv) temporary disablement whether total or partial, or who has contracted an occupational disease. The Act inter-alia lays down the amount of compensation to be paid in any such circumstance. In case the employer fails to pay the compensation under the provisions of the Act within 1 (one) month from the date it falls due, the employer may be directed to pay the compensation along with simple interest interest or may be liable to pay penalty as directed.

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

The Minimum Wages Act, 1948 was enacted to establish minimum wages for certain categories of employees. Under this Act, the Central and the State Governments stipulate the scheduled industries and establishments and fix minimum wages. An employer who pays to any employee wages less than the minimum rate of wages fixed is punishable with imprisonment upto six months or fine upto five hundred rupees only or both.

### **5. *Payment Of Bonus Act, 1965***

Pursuant to the Payment of Bonus Act, 1965, an employee in a factory or in any establishment where 20 (twenty) or more persons are employed on any day during an accounting year, who has worked for at least 30 (thirty) working days in a year, is eligible to be paid a bonus on the basis of profits of the establishment. Contravention of the provisions of the Payment of Bonus Act, 1965 is punishable with imprisonment up to six months or a fine upto Rs.1,000/- only or both.

### **6. *The Payment Of Wages Act, 1936***

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

## **TAX RELATED LEGISLATIONS**

### **1. *Income Tax Act, 1961***

Income Tax Act, 1961 is applicable to every Domestic / Foreign Company whose income is taxable under the provisions of this Income Tax Act or Rules made under it depending upon its Residential Status and type of Income involved under section 139(1) every company is required to file its Income tax return for every Previous Year (as defined under the Act) by 31<sup>st</sup> October of the Assessment Year. Other compliances like those relating to Tax Deduction at Source, Fringe Benefit Tax, Advance Tax, and Minimum Alternative Tax and the like are also required to be complied by every Company.

### **2. *Maharashtra Value Added Tax Act 2002 (“VAT Act”)***

The VAT Act aims to address the problem of cascading effect (double taxation) that were being levied under the system of sales tax. Under the regime of VAT the trader of goods has to pay the tax (VAT) only on the Value added on the goods sold. Hence, VAT is a multi-point levy on each of the entities in the supply chain with the facility of set-off of input tax-that is the tax paid at the stage of purchase of goods by a trader and on purchase of raw materials by a manufacturer. Only the value addition in the hands of each of the entities is subject to tax. Periodical returns are required to be filed with the VAT Department of the respective States by the company.

### **3. *Central Sales Tax Act, 1956***

In accordance with the Central Sales Tax Act, every dealer registered under the Act shall be required to furnish a return in Form I (Monthly/ Quarterly/ Annually) as required by the State sale Tax laws of the assessee authority together with treasury challan or bank receipt in token of the payment of taxes due.

### **4. *Service Tax (Finance Act, 1994)***

In accordance with Rule 6 of Service tax Rules the assessee is required to pay Service tax in TR 6 challan by fifth of the month immediately following the month to which it relates. Further under Rule 7 (1) of Service Tax Rules, the company is required to file a half yearly return in Form ST 3 by twenty fifth of the month immediately following the half year to which the return relates.

### **5. *Goods and Service Tax Act, 2017***

Goods and Service Tax (GST) is one of the most remarkable tax reforms that has taken place in India so far. The Central Goods and Services Tax Act, 2017 (“GST Act”), simplifies the process of taxation on goods and services in India. The act bestows power on the Parliament and the State legislatures to make laws for imposing taxes on goods and services at the national level. **GST** is an indirect tax which was introduced in India on 1 July 2017 and is applicable throughout India which has replaced multiple cascading taxes levied by the central and state governments. The single GST replaced several former taxes and levies which includes central excise duty, services tax, additional customs duty, surcharges, state-level value added tax and Octroi. Other levies which were applicable on inter-state transportation of goods have also been done away with in GST regime.

## IMPORTANT GENERAL LAWS:

### *1. The Companies Act, 2013*

The Companies Act, 2013, has been introduced to replace the existing Companies Act, 1956 in a phased manner. The Ministry of Corporate Affairs vide its notification dated September 12, 2013 has notified 98 sections of the Companies Act, 2013 and the same are applicable from the date of the aforesaid notification. Further 183 sections have been notified on March 26, 2014 and have become applicable from April 1, 2014. The Ministry of Corporate Affairs, has also issued rules complementary to the Companies Act, 2013 establishing the procedure to be followed by companies in order to comply with the substantive provisions of the Companies Act, 2013.

### *2. The Indian Contract Act, 1872 (Contract Act)*

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

### *3. The Information Technology (Amendment) Act, 2008 (IT Act)*

The Information Technology Act, 2000 (also known as ITA-2000, or the IT Act) is an Act of the Indian Parliament (No 21 of 2000) notified on 17 October 2000. It is the primary law in India dealing with cybercrime and electronic commerce. The Act provides legal recognition for transactions carried out by means of electronic data interchange and other means of electronic communication, commonly referred to as "electronic commerce", which involve the use of alternatives to paper-based methods of communication and storage of information, to facilitate electronic filing of documents with the Government agencies and further to amend the Indian Penal Code, the Indian Evidence Act, 1872, the Bankers' Books Evidence Act, 1891 and the Reserve Bank of India Act, 1934 and for matters connected therewith or incidental thereto. A major amendment was made in 2008 introducing Sections 66A and 69 giving wide powers to the government authorities.

### *4. The Consumer Protection Act, 1986 (COPRA)*

COPRA aims at providing better protection to the interests of consumers and for that purpose makes provisions for the establishment of authorities for the settlement of consumer disputes. The COPRA provides a mechanism for the consumer to file a complaint against a trader or service provider in cases of unfair trade practices, restrictive trade practices, defects in goods, deficiency in services; price charged being unlawful and goods being hazardous to life and safety when used. The COPRA provides for a three tier consumer grievance redressal mechanism at the national, state and district levels.

### *5. Competition Act, 2002 ("Competition Act")*

The Competition Act aims to prevent anti-competitive practices that cause or are likely to cause an appreciable adverse effect on competition in the relevant market in India. The Competition Act regulates anti-competitive agreements, abuse of dominant position and combinations. The Competition Commission of India "**Competition Commission**") which became operational from May 20, 2009 has been established under the Competition Act to deal with inquiries relating to anti-competitive agreements and abuse of dominant position and regulate combinations. The Competition Act also provides that the Competition Commission has the jurisdiction to



inquire into and pass orders in relation to an anti-competitive agreement, abuse of dominant position or a combination, which even though entered into, arising or taking place outside India or signed between one or more non-Indian parties, but causes an appreciable adverse effect in the relevant market in India.

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

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

**7. *The Trade Marks Act, 1999***

In India, trademarks enjoy protection under both statutory and common law. Indian trademark law permits the of trademarks for goods and services. The Trade Marks Act, 1999 (“**Trademark Act**”) governs the statutory protection of trademarks and for the prevention of the use of fraudulent marks in India. Certification marks and collective marks can also be registered under the Trademark Act. An application for trademark registration may be made by individual or joint applicants by any person claiming to be the proprietor of a trade mark, and can be made on the basis of either use or intention to use a trademark in the future.

Applications for a trademark registration may be made for in one or more international classes. Once granted, trademark registration is valid for ten years unless cancelled. If not renewed after ten years, the mark lapses and the registration has to be restored. While both registered and unregistered trademarks are protected under Indian Law, the registration of trademarks offers significant advantages to the registered owner, particularly with respect to proving infringement. The Trademark (Amendment) Act, 2010 has been enacted by the GoI to amend the Trademark Act to enable Indian nationals as well as foreign nationals to secure simultaneous protection of trademark in other countries, and to empower the Registrar of Trademarks to do so. It also seeks to simplify the law relating to transfer of ownership of trademarks by assignment or transmission and to bring the law generally in line with international practice.

**Apart from the abovementioned legislations, the following enactments, rules and guidelines may also apply to our Company:**

1. The Maharashtra State Tax on Professions, Trades, Callings and Employments Act, 1975
2. The Arbitration and Conciliation Act, 1996
3. The Industrial Disputes Act, 1947
4. The Maharashtra Shops and Establishment Act, 1948



## HISTORY AND CERTAIN CORPORATE MATTERS

### *History of our Company*

Our Company was originally incorporated as “Milestone Furniture Private Limited” on March 12, 2014 under the Companies Act, 1956 vide certificate of incorporation issued by the Registrar of Companies, Mumbai. Our Company was subsequently converted in to a public company and consequently name was changed to “Milestone Furniture Limited” (MFL) vide fresh certificate of incorporation dated July 5<sup>th</sup>, 2016 issued by Registrar of Companies, Mumbai. The CIN of the Company is U36912MH2014PLC254131.

Our Company was incorporated by our Promoters- Mr. Ganeshkumar S. Patalikadan and Mr. Digambar S. Songhare with an aim of running manufacturing and marketing of furniture business. As a part of business growth, the Company registered with the Registrar of Companies, Mumbai on 12<sup>th</sup> March, 2014 as Milestone Furniture Private Limited.

Currently, we have a head office and a sales office located in Mumbai, Maharashtra. Both the promoters of the company are having more than 10 years of experience in furniture making and designing interiors. The Company has fully equipped Factory and warehouse at Chandivali, Andheri. The total manufacturing facility of the company amounts to 8,000 Sq feet. The company provides the right kind of furniture that is practical and affordable as well as attractive and enduring. It can be tailored as per unique needs. The company is using latest machineries and technology. The company keeps on up-grading its Manufacturing set-up, design capabilities and workmanship to deliver superior quality products with on-time deliveries and without any compromise on quality.

The company establishes a long-term relationship with their clients by providing good quality product, which will surely go a long way and benefit the company. The company is backed by a team of highly creative and experienced professionals who have an affinity for creating innovative designs. The company’s team has been a major strength as it understands the varied needs of the clients and works accordingly. From processing to finish, the company tries its best to ensure the quality of every single product delivered by the company.

Milestone Furniture Ltd is rapidly growing Company in manufacturing of furnitures.based in Mumbai, Maharashtra, in the field of Interior, Builders and Developers, Furniture, Turnkey Solutions and Related Domains. In Turnkey Solutions we cater Electrical Civil, Ceilings , Paintings , POP, Plumbing, Furniture (Fix Furniture and Modular Furniture), Wall Papers, Blinds, Curtains, Films, etc.

Our Promoters, Mr. Ganeshkumar S. Patalikadan and Mr. Digambar S. Songhare with their rich experience of more than 10 years, have been prominent is growing the furniture business in a more organized manner thereby expanding their horizon to various sectors. For further information on our business, please refer to “Business Overview” beginning on page no.116 of this Prospectus.

Our Revenues have grown from Rs. 551.76 Lakhs in fiscal 2016 to Rs. 894.68 Lakhs in fiscal 2017. Our net profit after tax was Rs.19.89 Lakhs in fiscal 2016 and Rs. 32.48 Lakhs in fiscal 2017. For further details pertaining to our financial performance, please see “Financial Information” beginning on page no.175 of this Prospectus.

For details on the government approvals, please refer to the chapter titled “*Government and Other Approvals*” on page no.212 of this Prospectus.

For further details of our Company's activities, services and the growth of our Company, please refer to the chapters titled ‘*Business Overview*’ and ‘*Management's Discussion and Analysis of Financial Conditions and Results of Operations*’ beginning on page no. 116 and 201 respectively of this Prospectus.

The total number of members of our Company as on the date of filing of this Prospectus is 7 (Seven only). For further details, please refer the chapter titled '*Capital Structure*' beginning on page no. 59 of this Prospectus.

***Registered Office and factory***

Our Company's Registered Office and factory is currently situated at 1st Floor, Aslam Compound Shree Nagar, Behind Boghul House, Chandivali Road, Sakinaka Mumbai Mumbai City Maharashtra 400072 India. Since incorporation, the registered office address has remained the same and there is no change in the registered office address as on the date of filing this Prospectus. Our Corporate Office is situated at Unit No. 102, First Floor VTM Building Condominium, Mehra Ind Compound, Sakinaka, A. K. Road, Andheri, (E) Mumbai – 400072. For further details of our Properties, please refer to the chapter titled '*Business Overview*' beginning on page no. 116 of this Prospectus.

***Main object of the company***

To carry on the business of manufacturing Of all kinds of furniture made of wood, iron and steel, fabrication, jobwork and allied activities. To carry on the business of manufacturers, repairers, or otherwise dealers in furniture and fixtures made from wood, brass, steel, fibre glass, plastics or other alloys and to carry on the business by wholesale or retail and whether manufacturing or otherwise of house furnishers, upholsters and dealers in and hirers, repairers, cleaners, stores and warehouse of furniture, carpets, linoleums, furnishings, fabrics and other fibre coverings household utensils, china and glass goods fittings, colourful curtains, handmade home furnishings and carpets household requisites of all kinds and all the things capable of being used therewith or in the maintenance and repair thereof. Manufacturers of and dealers in, all types of furniture equipment, appliances for domestic, office, industrial and agricultural uses from metal, wooden and synthetic material or in any composition thereof.

***Amendments to the MOA of our Company since Incorporation***

Since incorporation, the following amendments have been made to the MoA of our Company:

<b>Sr. No.</b>	<b>Changes In M.O.A</b>	<b>Date &amp; Type of Meeting</b>
1.	Increase in authorized capital from Rs.1.00 Lakhs to Rs.300.00 Lakhs.	25/03/2017; EGM
2.	Increase in authorized capital of the Company from Rs.300 Lakhs to Rs.1000 Lakhs.	16/10/2017; EGM
4.	Change in the name of Company from “Milestone Furniture Private Limited” to “Milestone Furniture Limited”	14/06/2017; EGM
5.	Adoption of new set of Memorandum of Association and Articles of Association	14/06/2017; EGM

***Subsidiaries and Holding Company:***

Our Company is not a subsidiary of any company. Further, as on the date of this Prospectus our Company does not have any subsidiary company.

Our Company has no holding company as on the date of filing of the Prospectus.



***Promoters of our Company:***

The Promoters of our Company are , Mr. Ganeshkumar S. Patalikadan and Mr. Digambar S. Songhare. For details, please refer to the Chapter titles “Our Promoters and Promoter Group” beginning on page 164 of the Prospectus.

***Fund raising through equity or debt:***

For details in relation to our fund raising activities through equity and debt, please refer to the chapters titled '*Restated Financial Statement*' and '*Capital Structure*' beginning on page no.175 and 59, respectively, of this Prospectus.

***Revaluation of assets:***

Our Company has not revalued its assets since its incorporation.

***Changes in the activities of Our Company having a material effect***

Other than as mentioned above in the chapters titled '*Business Overview*' and '*History and Corporate Structure*' beginning on page no.116 and 142, respectively, of this Prospectus, there has been no change in the activities being carried out by our Company which may have a material effect on the profits/ loss of our Company, including discontinuance of the current lines of business, loss of projects or markets and similar factors.

***Details of Past Performance***

For details in relation to our financial performance in the previous two financial years, including details of nonrecurring items of income, please refer to the section titled “*Financial Information*” beginning on page 175 of this Prospectus.

***Injunctions or Restraining Orders:***

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

***Mergers and acquisitions in the history of our Company***

There has been no merger or acquisition of businesses or undertakings in the history of our Company and we have not acquired any business/undertakings till date.

***Defaults or Rescheduling of borrowings with financial institutions/banks:***

There have been no Defaults or Rescheduling of borrowings with financial institutions/banks.

***Strikes and lock-outs:***

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

***Time and cost overruns in setting up projects:***

As on the date of this Prospectus, there have been no time and cost overruns in any of the projects undertaken by our Company.

***Number of Shareholder in the Company***

As on the date of this Prospectus, the total number of holders of our Equity Shares is 7. For further details of our shareholding pattern, please see '*Capital Structure*' on page no. 59 of this Prospectus.

***Shareholders' agreement:***

As on the date of this Prospectus, our company does not have any shareholders' agreement.

***Other Agreements:***

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

***Strategic/ Financial Partners:***

Our Company does not have any strategic/Financial partner(s) as on the date of this Prospectus.

***Corporate Profile of our Company***

For details on the description of our Company's activities, the growth of our Company, please see "Our Business", "Management's Discussion and Analysis of Financial Conditions and Results of Operations" and "Basis for Issue Price" on pages 116, 201 and 93 of this Prospectus.

***Other declarations and disclosures***

Our Company is not a listed entity and its securities have not been refused listing at any time by any recognized stock exchange in India or abroad. Further, our Company has not made any Public Issue or Rights Issue (as defined in the SEBI (ICDR) Regulations) in the past. No action has been taken against our Company by any Stock Exchange or by SEBI. Our Company is not a sick company within the meaning of the term as defined in the Sick Industrial Companies (Special Provisions) Act, 1985. Our Company is not under winding up nor has it received a notice for striking off its name from the relevant Registrar of Companies.

## OUR MANAGEMENT

Currently, our Company has 8 (Eight) Directors out of which 4(Four) are Independent directors. We confirm that the composition of our Board of Directors complies with Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015.

### The Board of Directors of our Company

The following table sets forth certain details regarding the members of our Company's Board as on the date of this Prospectus:

<b>Name : DIGAMBER SUDAM SONGHARE</b>	<b>Name : P. S. GANESHKUMAR</b>
DOB : 10/10/1982	DOB : 01/10/1976
AGE: 35 years	AGE: 41 years
DIN : 06809398	DIN : 06809407
PAN : AZUPS4580N	PAN : AKHPP3112D
Designation: Managing director	Designation: CEO & Executive Director
Address: G/3, A Wing, Dosti Plaza Chs Ltd, Dsouza Nagar, 90 Feet Road, Sakinaka, Mumbai, Mumbai Suburban, Maharashtra- 400072	Address: 06, Shehnaz Villa, 337/E, Hall Village Road, Kurla (West), Mumbai - 400070
Experience : 12 years	Experience : 18 years
Occupation : Business	Occupation : Business
Qualification: Bachelor of Commerce	Qualification: Diploma
Appointment: 12/03/2014	Appointment: 12/03/2014
Change in Designation: 15/11/2017	Change in Designation as CEO: 15/11/2017
Date of Expiry of Term of Office: 5years	Date of Expiry of Term of Office: Liable to retire by rotation
Holding : 29,99,975 Shares	Holding : 29,99,975 Shares
Other Directorships: <ul style="list-style-type: none"> <li>▪ Milestone Builders &amp; Developers India Private Limited</li> </ul>	Other Directorships: <ul style="list-style-type: none"> <li>▪ Milestone Builders &amp; Developers India Private Limited</li> </ul>
<b>Name : SHANTARAM PRAHLAD BADAJ</b>	<b>Name : SUSHMA S. NEVASE</b>
DOB : 19/04/1979	DOB : 04/02/1989
AGE: 37 years	AGE: 27 Years
DIN : 07847596	DIN : 07977981
PAN : AZCPS3782J	PAN : FBVPS8253L
Designation: Executive Director	Designation: Additional Executive Director
Address : Opp Jai Bhawani Store, Saharvillage, Chandrabali Yadav, Church Pakhadi Road No 2 Sahar Sahar P& T Colony Mumbai 400099 Maharashtra, India.	Address : Bhakti Vilas Society, 06 <sup>th</sup> floor, 604, M N Road, Kurla west, off Sheetal Talab, Kurla West, Mumbai, Mumbai Suburban, Maharashtra - 400072
Experience : 10 Years	Experience : 5 Years
Occupation : Business	Occupation : Business
Qualification: B.Com	Qualification: Diploma in Medical Laboratory Technology



Appointment: 09/06/2017	Appointment: 15/11/2017
Change in Designation: 30/09/2017	Change in Designation: N.A.
Date of Expiry of Term of Office: Liable to retire by rotation	Date of Expiry of Term of Office: Date of the next annual general meeting or the last date on which the annual general meeting should have been held, whichever is earlier.
Holding : 10 shares	Holding : 10 Shares
Other Directorships: Nil	Other Directorships: NIL
<b>Name : SHIVAJI LAXMAN DABHANE</b>	<b>Name : ZESHAN ALI RAMZAN ALI SAYED</b>
DOB : 08/06/1972	DOB : 20/01/1991
AGE: 46 yrs	AGE: 27 Years
DIN : 07978002	DIN : 08063240
PAN : ALBPD7394J	PAN : CZNPS1308H
Designation: Independent Director	Designation: Independent Director
Address : Room No. 1, Bavdekar Chawl, Jarimari Shivaji Nagar, Kurla Andheri Road, Sakinaka, Mumbai 400072, Maharashtra, India.	Address : Near Yogiraj School, 603, Dosti Plaza, D'souza Nagar, 90 Feet Road, Sakinaka, Mumbai 400072, Maharashtra, India
Experience : 10 Years	Experience : 8 Years
Occupation : Business	Occupation : Business
Qualification: 12 <sup>th</sup> Pass	Qualification: B.E. (Civil)
Appointment: 31/01/2018	Appointment: 31/01/2018
Change in Designation: N.A.	Change in Designation: N.A.
Date of Expiry of Term of Office: 5 Years	Date of Expiry of Term of Office: 5 Years
Holding : Nil	Holding : NIL
Other Directorships: Nil	Other Directorships: NIL
<b>Name : ASHIS SATPATHY</b>	<b>Name : AMARDEEP BHAU MAHADIK</b>
DOB : 17/09/1992	DOB : 24/08/1974
AGE: 26 yrs	AGE: 44 Years
DIN : 08063252	DIN : 08068952
PAN : FIYPS3123K	PAN : AHPPM9325E
Designation: Independent Director	Designation: Independent Director
Address : 207, Dosti Plaza, D'souza Nagar, 90 Feet Road, Near Peninsula Grand Hotel, Sakinaka, Andheri East, Mumbai 400072, Maharashtra, India.	Address : C-1301, Dosti Vrishti, Dosti Vihar, Near Vedant Complex, Pokharan Road No. 1, Jekegram, Thane 400606, Maharashtra, India
Experience : 5 Years	Experience : 10 Years
Occupation : Business	Occupation : Business
Qualification: B.com	Qualification: B.Sc.
Appointment: 31/01/2018	Appointment: 14/02/2018
Change in Designation: N.A.	Change in Designation: N.A.
Date of Expiry of Term of Office: 5 Years	Date of Expiry of Term of Office: 5 Years
Holding : Nil	Holding : NIL
Other Directorships: Nil	Other Directorships: NIL

*As on the date of the Prospectus:*

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

*Brief Profile of the Directors of our Company*

#### **PROMOTER DIRECTOR**

##### **Mr. Digambar Sudam Songhare - Managing Director**

Commerce Graduate, having 12 years of business experience in Material Management and Interior Design, manufacturing and marketing of Interior and Modular Furniture. He has developed the skill and expertise in Space & work station Management, designing and innovation in Furniture used in Education, Healthcare and Corporate organization. He has focus and developed the In house technical & Design team to provide turnkey solution and implementation of interior and work space in Commercial, Residential and Institutions. He has participated the seminars and conference in Interiors and Designs in Modular furniture and developed the technique to make all products as “Make in India” and provide competition to China and other Markets.

Under his guidance, Design & Innovation Team has developed the various technique and methodology for optimum space utilization and spacious work environment. He is look after the Business development, Customers Relation and Tenders for Turnkey project.

##### **Mr. GaneshKumar Sadanand Patlikadan - CEO & Executive Director**

Technical Training in Tools and die and in Material Management and Interior Design, having 18 years of experience in manufacturing and marketing of Modular Furniture suitable for Education and Corporate organisation. During his career, he has developed the innovative design and material combination for education furniture used in classroom, library, Presentation, Cafeteria. He has developed the skill for Interior design and space management to have healthy work environment. He has successfully obtained orders from various reputed education organisation on regular basis for their expansion program.

He looks after the overall day to day business activities, Customer Relation, manufacturing, sourcing of material, design, Quality Control and Installation at site. He is assisted by team of professional and experience staff for various functions of business activities. He has also focus for customer satisfaction and after sales services to retain customers on long term basis.

## **OTHER DIRECTORS**

### **Mr. Shantaram Prahalad Badai - Executive Director**

Commerce Graduate from Mumbai University, having 10 years of experience in Banking, finance and accounts. He has developed the skill and program for working, specification & costing to apply quotation, tender and work order. He used Software program & technique to monitors progress, schedule, material supply, costing and delivery. He monitors the supply chain management and inventory of material and controls the wastages. He also looks after the business development for export and explores the new areas for tenders. He headed the Finance, Banking and accounts & assisted by team of executives.

### **Ms. Sushma S. Nevase - Additional Executive Directors**

Diploma in Medical Lab Technology from Maharashtra Para Medical Institute, Mumbai, having 5 years of experience in Human Resource, healthcare, safety and Administration. She is looking after to maintain the healthy business environment, staff training and co-ordination with employees. She is assisted by executives for HR and Admn.

### **Mr. Shivaji Laxman Dabhane - Independent Director**

Mr. Shivaji Laxman Dabhane, aged 46 years, is a graduated in Chemical (Industrial Chemical). He has started his own profession as Advisor for Industrial Chemical and Pollution control. During his Internship he has gained knowledge and experience in Industrial Norms for Safty measure.

### **Mr. Zeshan Ali Ramzan Sayed - Independent Director**

Mr. Zeshan Ali Ramzan Sayed, aged 25 years, is a graduated in construction Studies, has been associated with construction industry for over 8 years. He acts as a construction and finishing material supplier to various builders in Suburban and Greater Mumbai region. Besides this, he also has an experience as a coordinator at various redevelopment meetings between societies and developers. Drawing from his experience of handling redevelopment related meetings and long lasting construction related association, he has also started working as an independent Liaisons coordinator for past 3 years.

### **Mr. Ashis Satpathy - Independent Director**

Mr. Ashis Satpathy, aged 25 years, is a graduated in Accounts, Taxation & Finance Studies and specialized in Accounts, Taxation & Finance. He has started his own profession in Accounts, Taxation & Finance in Service. He is provides guidance for Accounts, Taxation & Finance and training in Corporate Governance Audit Committee and Brand Building with knowledge of Accounting Standard Norms.

### **Mr. Amardeep Bhau Mahadik- Independent Director**

Mr. Amardeep Bhau Mahadik, aged 44 years, is a graduated in Management Studies and specialized in Banking & Insurance. He has started his own profession in Banking, Insurance and Public Relation in Service. He is provides guidance for Insurance of managerial person and training in Corporate Governance and Brand Building with knowledge of Banking Guidelines.

### ***Relationship between Directors***

None of the other directors are related to each other and have any family relationships.

***Borrowing Powers of the Board***

Our Articles of Association, subject to applicable law, authorize our Board to raise or borrow money or secure the payment of any sum or sums of money for the purposes of our Company.

Pursuant to a resolution passed in EGM on October 16, 2017 our shareholders authorized our Board to borrow from time to time such sums of money as may be required, provided that such amount shall not exceed Rs. 100 Crores.

For further details of the provisions of our Articles of Association regarding borrowing powers, please refer to the section titled '*Main Provisions of the Articles of Association*' beginning on page no. 294 of this Prospectus.

***Remuneration/ Compensation of our Directors***

Set forth below is the remuneration received by our Directors in FY 2017.

<b>Sr. No.</b>	<b>Name of Director</b>	<b>Designation</b>	<b>Amt (Rs. In Lakhs)</b>
1.	Mr. Digambar Sudam Songhare	Managing Director	9.00
2.	Mr. GaneshKumar Sadanand Patlikadan	Executive Director	10.20
3.	Mr. Shantaram Prahalad Badai	Executive Director	-
4.	Ms. Sushma S. Nevase	Additional Executive Director	-
5.	Mr. Shivaji Laxman Dabhane	Independent Director	-
6.	Mr. Zeshan Ali Ramzan Sayed	Independent Director	-
7.	Mr. Ashis Satpathy	Independent Director	-
8.	Mr. Amardeep Bhau Mahadik	Independent Director	-

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

**Mr. Digambar Sudam Songhare, Chairman & Managing Director**

Mr. Digambar Sudam Songhare was designated as the Managing Director for a term of five years commencing, w.e.f. 15<sup>th</sup> November, 2017.

**Compensation of our Managing Director** - As per the agreement that has been entered into between our Company and the managing director dated 15<sup>th</sup> November, 2017, the compensation of the Managing Director is as follows:

<b>Period</b>	5 Years
<b>Remuneration</b>	6,00,000/- P.A
<b>Perquisite, Allowances and Commission</b>	As per Schedule V of the Companies Act, 2013

***Non-Executive and Independent Directors***

Our Independent Directors and Non-Executive Directors are entitled to sitting fees for attending meetings of the Board, or of any committee of the Board.

We also confirm that no remuneration being paid to independent directors.

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

Our Articles of Association do not require our Directors to hold qualification shares. As on date of filing of this Prospectus, except the following, none of our Directors hold any Equity Shares of our Company:

<b>Sr. No.</b>	<b>Name of the Directors</b>	<b>Designation</b>	<b>No. of Shares held in our Company</b>	<b>% of pre-issue paid-up Equity Share Capital</b>
1.	Mr. Digambar Sudam Songhare	Managing Director	29,99,975	49.99
2.	Mr. GaneshKumar Sadanand Patlikadan	Executive Director & CEO	29,99,975	49.99
3.	Mr. Shantaram Prahalad Badai	Executive Director	10	0.0002
4.	Ms. Sushma S. Nevase	Additional Executive Director	10	0.0002
5.	Mr. Shivaji Laxman Dabhane	Independent Director	-	-
6.	Mr. Zeshan Ali Ramzan Sayed	Independent Director	-	-
7.	Mr. Ashis Satpathy	Independent Director	-	-
8.	Mr. Amardeep Bhau Mahadik	Independent Director	-	-
	<b>TOTAL</b>		<b>59,99,950</b>	<b>99.99</b>

***Details of current and past directorship(s) in listed companies whose shares have been / were suspended from being traded on the BSE / NSE and reasons for suspension***

None of our Directors is/ was a Director in any listed company during the last five years before the date of filing this Prospectus, whose shares have been/ were suspended from being traded on the BSE and NSE.

***Details of current and past directorship(s) in listed companies which have been/ were delisted from the stock exchange(s) and reasons for delisting***

None of our Directors is or was a director on any listed companies which have been or were delisted from any stock exchange during the term of their directorship in such companies.

None of our Directors is or was a director of any listed companies during the five years immediately preceding the date of filing of this Prospectus and until date, whose shares have been or were suspended from being traded on any stock exchange during the term of their directorship in such companies.

***Interest of Directors***

All of our Directors may be deemed to be interested to the extent of fees payable to them (if any) for attending meetings of the Board or a committee thereof as well as to the extent of remuneration payable to them for their services as Managing Director of our Company and reimbursement of expenses as well as to the extent of commission and other remuneration, if any, payable to them under our Articles of Association. Some of the Directors may be deemed to be interested to the extent of consideration received/ paid or any loans or advances provided to any body corporate including companies and firms, and trusts, in which they are interested as directors, members, partners or trustees.



All our Directors may also be deemed to be interested to the extent of equity shares, if any, already held by them or their relatives in our Company, or that may be subscribed for and allotted to our non-promoter Directors, out of the Issue and also to the extent of any dividend payable to them and other distribution in respect of the said equity shares.

The Directors may also be regarded as interested in the equity shares, if any, held or that may be subscribed by and allocated to the companies, firms and trusts, if any, in which they are interested as directors, members, partners, and/ or trustees.

Our Directors may also be regarded interested to the extent of dividend payable to them and other distribution in respect of the equity shares, if any, held by them or by the companies/firms/ventures promoted by them or that may be subscribed by or allotted to them and the companies, firms, in which they are interested as directors, members, partners and promoters, pursuant to the Issue.

All our Directors may be deemed to be interested in the contracts, agreements/ arrangements entered into or to be entered into by the Company with either the Director himself or other company in which they hold directorship or any partnership firm in which they are partners, as declared in their respective declarations.

***Interest in promotion of Our Company***

Except for, being Promoters and to the extent to remuneration received/ to be received, none of our Directors have any interest in the promotion of our Company.

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

Except stated below, our Directors have no interest in any property acquired or proposed to be acquired by our Company in the preceding two years from the date of the Prospectus nor do they have any interest in any transaction regarding the acquisition of land, construction of buildings and supply of machinery, etc. with respect to our Company. However, the following relates to the interest of Director in the Properties proposed to be acquired by our Company. MOU has been entered to acquire the following properties

<b>MOU Date</b>	<b>Name of the Sellor</b>	<b>Location</b>	<b>Advance Given Amount Rs.</b>
15/09/2017	P. S. Ganeshkumar	Flat No. 6, Shenaz Villa, 337/E Hall Village Road, Kurla West - 400070	75,00,000/-
15/09/2017	P. S. Ganeshkumar	Flat No. 5, Shenaz Villa, 337/E Hall Village Road, Kurla West - 400070	1,00,00,000/-

***Interest in the business of Our Company***

Further, save and except as stated otherwise in ‘Annexure 14: Statement of Related Parties’ Transactions’ in the chapter titled ‘Restated Financial Statement’ beginning on page no. 191 of this Prospectus, our Directors do not have any other interests in our Company as on the date of this Prospectus. Our Directors are not interested in the appointment of Underwriters, Registrar and Bankers to the Issue or any such intermediaries registered with SEBI.



There is no arrangement or understanding with major shareholders, customers, suppliers or others, pursuant to which any of the directors was selected as a director or member of senior management.

***Details of Service Contracts***

However, there is no service contracts entered into with any Directors for payments of any benefits or amount upon termination of employment. Further, since our Company does not have any subsidiaries or associate companies as on the date of filing of this Prospectus, our Directors have received remuneration only from our Company.

***Bonus or Profit Sharing Plan for the Directors***

There is no bonus or profit sharing plan for the Directors of our Company.

***Contingent and Deferred Compensation payable to Directors***

No Director has received or is entitled to any contingent or deferred compensation.

***Changes in the Board for the last three years***

Except as mentioned below, there has been no change in the Board of Directors during the last three (3) years:

	<b>Name</b>	<b>Designation</b>	<b>Date Of Appointment</b>	<b>Date Of Cessation</b>	<b>Remarks</b>
1.	Mr. Amardeep Bhau Mahadik	Independent Director	14-02-2018		Fresh Appointment
2.	Mr. Shivaji Laxman Dabhane	Independent Director	31-01-2018		Fresh Appointment
3.	Mr. Zeshan Ali Ramzan Sayed	Independent Director	31-01-2018		Fresh Appointment
4.	Mr. Ashis Satpathy	Independent Director	31-01-2018		Fresh Appointment
5.	Mr. Digambar Sudam Songhare	Managing Director	15-11-2017	-	Regularized as Managing Director
6.	Ms. Sushma S. Nevase	Additional Executive Director	15-11-2017	-	Fresh Appointment
7.	Mr. Shantaram Prahalad Badai	Executive Director	30-09-2017	-	Regularized as Executive Director
8.	Mr. Shantaram Prahalad Badai	Additional Executive Director	09-06-2017	-	Fresh Appointment
9.	Mr. Digambar Sudam Songhare	Managing Director	15-11-2017	-	Regularized as Managing Director
10.	Ms. Sushma S. Nevase	Additional Executive Director	15-11-2017	-	Fresh Appointment

***Corporate Governance***

Our Company stands committed to good corporate governance practices based on the principles such as accountability, transparency in dealings with our stakeholders, emphasis on communication and transparent



reporting. Further, our Company undertakes to comply with all the necessary requirements relating to Corporate Governance as prescribed under Companies Act, 2013 and SEBI Regulations.

However, our Company is in compliance with the corporate governance code in accordance with Companies Act, 2013, particularly those relating to composition of Board of Directors, constitution of committees such as Audit Committee, Remuneration and Shareholder/ Investors Grievance Committee. Our Board functions either as a full board or through various committees constituted to oversee specific operational areas.

The requirements pertaining to the Composition of the Board of Directors as per section 149 of Companies Act, 2013 and the constitution of the committees such as the Audit Committee, Stakeholders Relationship Committee and Nomination and Remuneration Committees as per Section 177 & 178 of Companies Act, 2013 will be complied prior to the listing of our Company on the SME platform of BSE.

**Composition of Board of Directors**

The Board of Directors of our Company has an optimum combination of executive and non-executive Directors as envisaged in accordance with Companies Act, 2013. Our Board has six Directors, comprising of two Executive Director, two Non-Executive Director and two Independent Directors.

In terms of Companies Act, 2013, our Company has constituted the following Committees of the Board:

- 1) Audit Committee;
- 2) Nomination and Remuneration Committee; and
- 3) Shareholders/ Investors Grievance Committee;

**Audit Committee**

The Audit Committee was constituted *vide* Board resolution dated February 20, 2018. As on the date of this Prospectus the Audit Committee consists of the following Directors:

<b>Name of the Director</b>	<b>Designation in the Committee</b>	<b>Nature of Directorship</b>
Mr. Shivaji Laxman Dabhane	Chairman	Independent Director
Mr. Ashis Satpathy	Member	Independent Director
Mr. Digambar Sudam Songhare	Member	Managing Director

Our Company Secretary, Mr. Kamlesh Vyas the secretary of the Audit Committee.

Set forth below are the scope, functions and the terms of reference of our Audit Committee, in accordance with Section 177 of the Companies Act, 2013.

- 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 statutory 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 before submission to the board for approval, with particular reference to:
  - Matters required to be included in the Director’s Responsibility Statement to be included in the Board’s report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013

- Changes, if any, in accounting policies and practices and reasons for the same
  - Major accounting entries involving estimates based on the exercise of judgment by management
  - Significant adjustments made in the financial statements arising out of audit findings
  - Compliance with listing and other legal requirements relating to financial statements
  - Disclosure of any related party transactions
  - Qualifications 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, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document//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 and 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 review the functioning of the Whistle Blower mechanism.
  - 19) 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.
  - 20) Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

**The Audit Committee enjoys following powers:**

- 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
- d) To secure attendance of outsiders with relevant expertise if it considers necessary
- e) The audit committee may invite such of the executives, as it considers appropriate (and particularly the head of the finance function) to be present at the meetings of the committee, but on occasions it may also meet without the presence of any executives of the Issuer. The finance director, head of internal audit and a representative of the statutory auditor may be present as invitees for the meetings of the audit committee.

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 committee has to attend the Annual General Meetings of the Company to provide clarifications on matters relating to the audit.

**Quorum and Meetings**

The audit committee shall meet at least four times in a year and not more than four months shall elapse between two meetings. The quorum shall be 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 members present. The Company Secretary of the Company acts as the Secretary to the Committee.

**Nomination and Remuneration Committee**

The Nomination and Remuneration Committee was constituted at a meeting of the Board of Directors held on February 20, 2018 .

As on the date of this Draft Prospectus the Remuneration Committee consists of the following Directors:

<b>Name of the Director</b>	<b>Designation in the Committee</b>	<b>Nature of Directorship</b>
Mr. Ashis Satpathy	Chairman	Independent Director
Mr. Shivaji Laxman Dabhane	Member	Independent Director
Mr. Amardeep Bhau Mahadik	Member	Independent Director

Our Company Secretary, Mr. Kamlesh Vyas the secretary of the Nomination and Remuneration Committee.

The scope of Nomination and Remuneration Committee shall include but shall not be restricted to the following:

- 1) 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;
- 2) Formulation of criteria for evaluation of Independent Directors and the Board;
- 3) Devising a policy on Board diversity;
- 4) 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;
- 5) To recommend to the Board, the remuneration packages i.e. salary, benefits, bonuses, perquisites, commission, incentives, stock options, pension, retirement benefits, details of fixed component and performance linked incentives along with the performance criteria, service contracts, notice period, severance fees etc. of the executive directors;
- 6) To implement, supervise and administer any share or stock option scheme of our Company; and
- 7) To attend to any other responsibility as may be entrusted by the Board within the terms of reference.

**Quorum and Meetings**

The quorum necessary for a meeting of the Nomination and Remuneration Committee shall be two members or one third of the members, whichever is greater. The Company Secretary of our Company acts as the Secretary to the Committee. The Committee is required to meet at least once a year.

**Shareholders/ Investors Grievance Committee**



The Shareholders/ Investors Grievance Committee has been formed by the Board of Directors at the meeting held on February 20, 2018.

As on the date of this Draft Prospectus the Shareholders/ Investors Grievance Committee consists of the following

<b>Name of the Director</b>	<b>Designation in the Committee</b>	<b>Nature of Directorship</b>
Mr. Shivaji Laxman Dabhane	Chairman	Independent Director
Mr. Zeshan Ali Ramzan Sayed	Member	Independent Director
Mr. Digambar Sudam Songhare	Member	Managing Director

Our Company Secretary, Mr. Kamlesh Vyas the secretary of the Shareholders/ Investors Grievance Committee.

This Committee will address all grievances of Shareholders and Investors in compliance of the provisions of section 178 (5) of the Companies Act, 2013 and its terms of reference include the following:

1. Redressing of shareholders and investor complaints such as non-receipt of declared dividend, annual report, transfer of Equity Shares;
2. Issue of duplicate certificates and new certificates on split/consolidation/renewal, etc.;
3. Allotment of shares, monitoring and approving 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;
4. Reference to statutory and regulatory authorities regarding investor grievances;
5. To otherwise ensure proper and timely attendance and redressal of investor queries and grievances;
6. And to do all such acts, things or deeds as may be necessary or incidental to the exercise of the above powers; and
7. Carrying out any other function contained in the SEBI (LODR) Regulations as and when amended from time to time.

#### **Quorum and Meetings**

The quorum necessary for a meeting of the Stakeholders Relationship Committee shall be two members or one third of the members, whichever is greater. The Company Secretary of our Company acts as the Secretary to the Committee.

#### **Internal Complaints Committee:**

The Internal Complaints Committee has been formed by the Board of Directors at the meeting held on February 20, 2018 in compliance with the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

As on the date of this Draft Prospectus the Internal Complaints Committee consists of the following:

<b>Name of the Director</b>	<b>Designation in the Committee</b>
Ms. Sushma S. Nevase	Presiding Officer
Mr. GaneshKumar Sadanand Patlikadan	Member

Mr. Dilip Rajgor	Member
Mr. Rahul Ashirwar	Member

Our Company Secretary, Mr. Kamlesh Vyas the secretary of the Internal Complaints Committee.

This Committee will address all and its terms of reference include the following:

The scope and function of the **Internal Complaints Committee** and its terms of reference shall include the following:

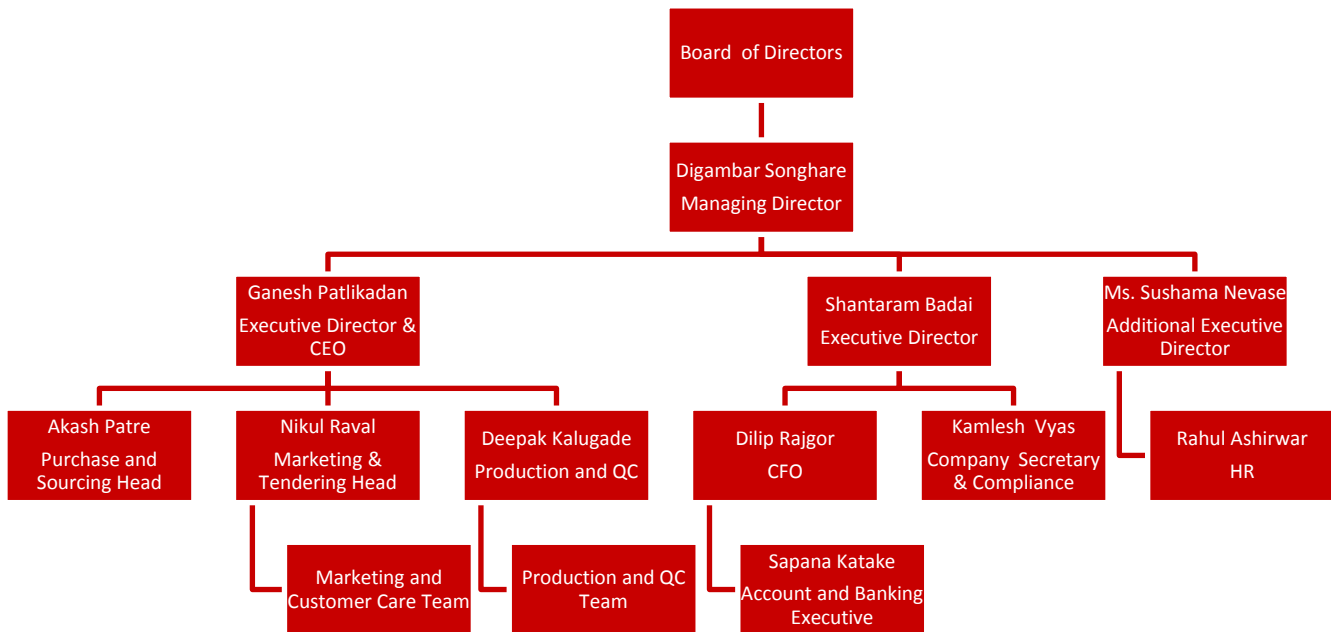
- 1) To create and maintain an atmosphere in which employees can work together, without fear of sexual harassment, exploitation or intimidation.
- 2) Every employee is made aware that the Company is strongly opposed to sexual harassment and that such behavior is prohibited both by law and by the Company.
- 3) The committee shall take reasonable steps to ensure prevention of sexual harassment at work which may include circulating applicable policies and other relevant information to all associates, including to all new joiners'.
- 4) Ensure to provide safeguards against false or malicious charges.
- 5) To discourage and prevent employment-related sexual harassment.
- 6) To investigate every formal written complaint of sexual harassment.
- 7) Review the complainant's complaint in a fair and objective manner.
- 8) Determine the facts of the case with the individuals concerned and the witnesses, if any, and prepare a report with the findings.
- 9) To redress complaints of sexual harassment by taking appropriate remedial measures to respond to any substantiated allegations of sexual harassment.
- 10) To protect the interests of the victim, the accused person and others who may report incidents of sexual harassment, confidentiality will be maintained throughout the investigatory process to the extent practicable and appropriate under the circumstances.
- 11) To ensure all records of complaints, including contents of meetings, results of investigations and other relevant material kept are confidential by the Company except where disclosure is required under disciplinary or other remedial processes.
- 12) Be bound in the principle of natural justice and be unbiased in their evaluation.

The quorum will be either two members or one third of the members of the Sexual Harassment Committee whichever is greater, but there should be a minimum of two independent members present.

#### **Policy on Disclosures and Internal Procedure for Prevention of Insider Trading**

Our Company undertakes to comply with the provisions of the SEBI (Prohibition of Insider Trading) Regulations, 2015 after listing of our Company's shares on the Stock Exchanges. Our Company Secretary, Ms. Hena Shah, is responsible for setting forth policies, procedures, monitoring and adhering to the rules for the prevention of price sensitive information and in the implementation of the code of conduct under the overall supervision of the Board.

*Organizational Structure of the Company*





## KEY MANAGERIAL PERSONNEL

### KEY MANAGERIAL PERSONNEL

Our Company is managed by our Board of Directors, assisted by qualified professionals, who are permanent employees of our Company. Below are the details of the Key Managerial Personnel of our Company:

Name	Designation	Age	Qual.	Exp. In Yrs	Date Of Joining	Functional Responsibility	Current CTC (Rs. In Lakhs)	Previously Employed
Mr. Digambar Songhare	Managing Director	35 yrs	B. Com	12	15/11/2017	Handles the overall business including business development, Design & Innovation, Liason marketing and public relations.	6.00	-
Mr. Ganesh Kumar Patlikadan	CEO	41 yrs	Diploma In Technical Training	18	15/11/2017	Overall day to day business activities, Customer Relation, manufacturing, sourcing of material, design, Quality Control and Installation at site.	6.00	-
Mr. Kamlesh Vyas	Compliance officer & CS	32 yrs	B.Com & C.S.	10	02/12/2017	In charge of secretarial & Corporate Governance matters.	4.80	-
Mr. Dilip Rajgor	CFO	40 Years	B.Com & STP	15	02/12/2017	Financial Planning, Banking, Tender costing and finance	4.80	-

**Notes:**

- All of our Key Managerial Personnel mentioned above are on the payrolls of our Company as permanent employees.
- There is no agreement or understanding with major shareholders, customers, suppliers or others pursuant to which any of the above mentioned personnel was selected as a director or member of senior management.
- none of the other Key Managerial Personnel are “related” to each other or to the Promoters or Directors of our Company as defined under the Companies Act, 2013.

***Bonus and/ or Profit Sharing Plan for the Key Managerial Personnel***

Our Company does not have any bonus and/ or profit sharing plan for the Key Managerial Personnel. However, Our Company makes bonus payments to the employees based on their performances, which is as per their terms of appointment.

***Contingent and Deferred Compensation payable to Key Managerial Personnel***

None of our Key Managerial Personnel has received or is entitled to any contingent or deferred compensation.

***Shareholding of the Key Managerial Personnel other than the Directors***

As on date of filing of this Prospectus, except the following, none of our KMP holds any Equity Shares of our Company:

<b>Sr. No.</b>	<b>Name of the Directors</b>	<b>Designation</b>	<b>No. of Shares held in our Company</b>	<b>% of pre-issue paid-up Equity Share Capital</b>
1.	Mr. Digambar Songhare	MD	29,99,975	49.99
2.	Mr. Ganesh Kumar Patlikadan	Executive Director & CEO	29,99,975	49.99
5.	Mr. Kamlesh Vyas	Compliance officer & CS	-	-
6.	Mr. Dilip Rajgor	CFO	-	-
	<b>Totoal</b>		<b>59,99,970</b>	<b>99.98</b>

***Interest of Key Managerial Personnel***

None of our key managerial personnel has any interest in our Company other than to the extent of the remuneration or benefits to which they are entitled to as per their terms of appointment, reimbursement of expenses incurred by them during the ordinary course of business.

Our key managerial personnel may also be deemed to be interested to the extent of Equity Shares that may be subscribed for and allotted to them, pursuant to this Issue. Such key managerial personnel may also be deemed



to be interested to the extent of any dividend payable to them and other distributions in respect of the said Equity Shares.

None of our key managerial personnel has been paid any consideration of any nature, other than their remuneration. However, the following relates to the interest of Director in the Properties proposed to be acquired by our Company. MOU has been entered to acquire the following properties:

<b>MOU Date</b>	<b>Name of the Sellor</b>	<b>Location</b>	<b>Advance Given Amount Rs.</b>
15/09/2017	P. S. Ganeshkumar	Flat No. 6, Shenaz Villa, 337/E Hall Village Road, Kurla West - 400070	75,00,000/-
15/09/2017	P. S. Ganeshkumar	Flat No. 5, Shenaz Villa, 337/E Hall Village Road, Kurla West - 400070	1,00,00,000/-

#### ***Changes in Key Managerial Personnel during the last three years***

Following have been the changes in the Key Managerial Personnel during the last three years:

<b>Name</b>	<b>Designation</b>	<b>Date Of Appointment</b>	<b>Date Of Cessation</b>	<b>Remarks</b>
Mr. Digambar Songhare	MD	15/11/2017	--	Change in Designation
Mr. Ganesh Kumar Patlikadan	Executive Director & CEO	15/11/2017	--	Change in Designation
Mr. Kamlesh Vyas	Compliance officer & CS	02/12/2017	--	Fresh Appointment
Mr. Dilip Rajgor	CFO	02/12/2017	--	Fresh Appointment

#### ***Scheme of Employee Stock Options or Employee Stock Purchase (ESOP/ESPS SCHEME)***

Our Company does not have any Employee Stock Option Scheme or other similar scheme giving options in our Equity Shares to our employees.

#### ***Employees***

As on the date of this Prospectus, our Company has 70 employees including the Managing Director. For details of the Employees/ Manpower of our Company, please refer to the paragraph titled 'Manpower' under the chapter titled '***Business Overview***' beginning on page no.116 of this Prospectus.

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

There are no loans outstanding against the Key Managerial Personnel as on the date of this Prospectus.

***Payment of Benefits to officers of our Company (non-salary related)***

Except for the payment of salaries and perquisites and reimbursement of expenses incurred in the ordinary course of business, we have not paid/ given any benefit to the officers of our Company, within the two preceding years nor do we intend to make such payment/ give such benefit to any officer as on the date of this Prospectus.

***Retirement Benefits***

Except statutory benefits upon termination of their employment in our Company or superannuation, no officer of our Company is entitled to any benefit upon termination of his employment in our Company.

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


None of our key managerial personnel or Directors has been appointed pursuant to any arrangement or understanding with our major shareholders, customers, suppliers or others.



## OUR PROMOTERS & PROMOTER GROUP

The Promoters of our Company are:

### 1) MR. P. S. GANESHKUMAR;

	<b>Pan</b>	AKHPP3112D
	<b>Passport Number</b>	P2845996
	<b>Nationality</b>	Indian
	<b>Bank A/C Details</b>	Axis Bank; A/c No.:- 913010033182698
	<b>Address</b>	06, Shehnaz Villa, 337/E, Hall Village Road, Kurla (West), Mumbai - 400070
	<b>Other Details</b> - E.C. Voter Id No.;	- MT/06/048/580595
- U.I.D. No.	- 2553 4018 7189	


#### Brief Profile

Technical Training in Tools and die and in Material Management and Interior Design, having 18 years of experience in manufacturing and marketing of Modular Furniture suitable for Education and Corporate organisation. During his career, he has developed the innovative design and material combination for education furniture used in classroom, library, Presentation, Cafeteria. He has developed the skill for Interior design and space management to have healthy work environment. He has successfully obtained orders from various reputed education organization on regular basis for their expansion program.

He looks after the overall day to day business activities, Customer Relation, manufacturing, sourcing of material, design, Quality Control and Installation at site. He is assisted by team of professional and experience staff for various functions of business activities. He has also focus for customer satisfaction and after sales services to retain customers on long term basis.

For further details relating to Mr. P. S. Ganeshkumar, including terms of appointment as Executive Director cum CEO and other directorships, please refer to the chapter titled '*Our Management*' on page no.146 of this Prospectus.

### 2. MR. DIGAMBAR SUDAM SONGHARE

	<b>Pan</b>	AZUPS4580N
	<b>Passport Number</b>	L4769004
	<b>Nationality</b>	Indian
	<b>Bank A/C Details</b>	Axis Bank; A/c No.:-916020042741602
	<b>Address</b>	G/3, A Wing, Dosti Plaza Chs Ltd, Dsouza Nagar, 90 Feet Road, Sakinaka, Mumbai, Mumbai Suburban, Maharashtra- 400072
	<b>Other Details</b> - E.C. Voter Id No.;	- HCF4125043;
- U.I.D. No.	- 9791 9784 2219	

### **Brief Profile**

Commerce Graduate, having 12 years of business experience in Material Management and Interior Design, manufacturing and marketing of Interior and Modular Furniture. He has developed the skill and expertise in Space & work station Management, designing and innovation in Furniture used in Education, Healthcare and Corporate organization. He has focus and developed the In house technical & Design team to provide turnkey solution and implementation of interior and work space in Commercial, Residential and Institutions. He has participated the seminars and conference in Interiors and Designs in Modular furniture and developed the technique to make all products as “ Make in India” and provide competition to China and other Markets.

Under his guidance, Design & Innovation Team has developed the various technique and methodology for optimum space utilization and spacious work environment. He is look after the Business development, Customers Relation and Tenders for Turnkey project.

For further details relating to Mr. Digambar Sudam Songhare, including terms of appointment as Managing Director and other directorships, please refer to the chapter titled ‘*Our Management*’ on page no.146 of this Prospectus.

### ***Other Declaration and Confirmations***

Our Company hereby confirms that the personal details of our Individual Promoter viz., Permanent Account Number, Passport Number and Bank Account Number have been submitted to BSE, at the time of filing this Prospectus with them.

Our Promoters and Promoter Group Companies have not been prohibited from accessing or operating in the capital markets or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI or any other authorities. None of our Promoters was or also is a promoter, director or person in control of any other company which is debarred from accessing the capital market under any order or directions made by the SEBI.

Further, our Promoters have not been identified as a willful defaulter by RBI or any other Government authority and there are no violations of securities laws committed by the Promoters in the past or any such proceedings are pending against the Promoters.

### ***Payment or Benefit to Promoters of Our Company***

No payment has been made or benefit given to our Promoters in the two years preceding the date of the Prospectus or is intended to be given by us except mentioned / referred to in this Chapter and in page no. 191 under Related Party Transactions, under the Chapter “*Financial Information of our company*” of the Prospectus.

### ***Common Pursuits Of Our Promoters***

Our Promoters have promoted our Group entities i.e.1) Milestone Builders & Developers India Private Limited being company, established with different objective. For details please refer to chapter titled “*Our Promoters Group Companies*” on page no. 168 of this Prospectus.

Immediate relatives of our Promoters have not promoted any Group entities being company, established with different objective.

Further, our promoters have not established any Limited Liability Partnership.

Further, our promoters have established the following Sole proprietor firm- 1) Aadv Enterprise having similar objective to carry on the business of Trading of Interior and design goods for turnkey solution.

However, as on the date of this Prospectus, our Company has not signed any non-compete or any other agreement / document with any of above mentioned entities.

However, we cannot assure that the said entities will resume their operations nor we can assure that our Promoters who have common interest in such other entities will not favor the interests of the said entities over our interest which may adversely affect our business operations. For details of our Promoter Group and Group Company/entities, please refer to Section titled ***“Our Promoter Group and Group Companies / Entities”*** on page no.168 and page no. 191 under Related Party Transactions, under the Chapter ***“Financial Information of our company”*** of this Prospectus.

## **INTEREST OF PROMOTERS**

### ***Interest in promotion of Our Company***

Our Promoters jointly hold 59,99,950 Equity Shares aggregating to 99.99 % of pre-issue Equity Share Capital in our Company and they are interested to the extent that they have promoted our Company and to the extent of their shareholding in our Company & dividend payable thereon, if any. The Promoters of our company Mr. P. S. Ganeshkumar and Mr. Digambar Sudam Songhare are also the Executive Director and Managing Director, respectively of our Company who may be deemed to be interested to the extent of remuneration, as per the terms of his appointment and reimbursement of expenses payable to them or sitting fees paid to them. Our Promoters may be interested to the extent of unsecured loans granted to our Company. Further our Promoters may also interested to the extent of loans, if any, taken by them or their relatives or taken by the companies/ firms in which they are interested as Directors/Members/Partners. Further they may be deemed to be interested to the extent of transactions carried on / payment made by our Company to the proprietorship firm / partnership firm / companies in which they are Proprietor/ Partner / Promoter and/or Directors. For further details, please refer to section titled ***“Related Party Transactions”*** on page no. 191 and ***“Interest of Directors”*** on page no. 151 of this Prospectus.

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

Except as disclosed in the chapters titled ***“Our Business”*** and ***“Restated Financial Statements – Related Party Transactions”*** on page no. 116 and 191 respectively of this Prospectus, our Promoters do not have any interest in any property acquired two years prior to the date of this Prospectus. Further, our Promoters are not currently interested in any transaction with our Company involving acquisition of land, construction of building or supply of any machinery.

### ***Interest as a creditor of Our Company***

Except as stated in the ***‘Annexure 14: Statement of Related Parties’ Transactions’*** beginning on page no.191, our Company has not availed any loans from the Promoters of our Company as on the date of this Prospectus.

### ***Interest as Director of our Company***

Except as stated in '*Annexure 14: Statement of Related Parties' Transactions*' beginning on page no.191 of this Prospectus, our Promoters/ Directors, may be deemed to be interested to the extent of fees, if any, payable to them for attending meetings of our Board or Committees thereof as well as to the extent of remuneration and/or reimbursement of expenses payable to them for services rendered to us in accordance with the provisions of the Companies Act and in terms of our AOA.

### ***Interest in transactions involving acquisition of land***

Our Promoters are not currently interested in any transaction with our Company involving acquisition of land, construction of building or supply of any machinery.

### **Other Ventures of our Promoters**

Except as disclosed in the chapter titled '*Promoters and Group Companies*' beginning on page no.168 of this Prospectus, there are no other ventures of our Promoters in which they have business interests/other interests.

### **Payment or benefit to Promoters**

For details of payments or benefits paid to our Promoters, please refer to the paragraph "*Compensation of our Managing Director*" in the chapter titled '*Our Management*' beginning on page no.146 of this Prospectus and as disclosed under '*Annexure 14: Statement of Related Parties' Transactions*' on page no.191 of the chapter titled "*Restated Financial Statement*" beginning on page no.175 of this Prospectus, there has been no payment or benefit to Promoters of our Company.

### **Related Party Transactions**

For details of related party transactions entered into by our Company, please refer to '*Annexure 14: Statement of Related Parties' Transactions*' on page no. 183 of the chapter titled '*Financial Information*' beginning on page no.175 of this Prospectus.

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

For details on litigations and disputes pending against the Promoters and defaults made by the Promoters please refer to the section titled "*Outstanding Litigations*" beginning on page no.210 of this Prospectus.



## OUR PROMOTER GROUP AND GROUP COMPANIES

In addition to the Promoters named above, the following natural persons are part of our Promoter Group:

### 1. Natural Persons who are part of the Promoter Group

As per Regulation 2(zb)(ii) of the SEBI (ICDR) Regulations, 2009, the Natural persons who are part of the Promoter Group (due to their relationship with the Promoters), other than the Promoters, are as follows:

Relationship	Mr. Digambar Songhare	Mr. P.S. Ganesh Kumar
Father	Late Sudam Songhare	Sadanand Raman Patalikadan
Mother	Late Saraswati Songhare	Sathyabhama Sadanand Patalikadan
Spouse	Priya Digambar Songhare	Ambili Ganeshkumar Patalikadan
Brother	N.A	N.A
Sister	N.A	N.A
Son	Aditya Digambar Songhare	Darsh Ganeshkumar Patalikadan
Daughter-in-Law	N.A	N.A.
Daughter	Divya Digambar Songhare	Jancy GaneshkumarPatalikadan
Son-in-Law	N.A	N.A
Sister-in-law	N.A	N.A
Brother-in-law	N.A	N.A

### 2. Corporate Entities or Firms forming part of the Promoter Group:

As per Regulation 2(zb) of the SEBI (ICDR) Regulations, 2009, the following entities would form part of our Promoter Group:

Nature of Relationship	Entity
Any Body corporate in which ten percent or more of the equity share capital is held by the promoters or an immediate relative of the promoters or a firm or HUF in which the promoter or any one or more of his immediate relative is a member.	1. Milestone Builders and Developers India Private Limited
Any Body corporate in which a body corporate as provided above holds ten percent or more of the equity share capital.	Not Applicable
Any HUF or firm in which the aggregate shareholding of the promoter and his immediate relatives is equal to or more than ten percent of the total	1. Aadv Enterprises

## OUR GROUP COMPANIES / ENTITIES

In accordance with the provisions of the SEBI (ICDR) Regulations, for the purposes of identification of “ Group Companies” Our company has considered companies covered under the applicable Accounting Standard i.e. Accounting Standard 18 issued by Institute of Chartered Accountant of India and such other companies as considered material by the Board. Pursuant to Resolution Dated November 15, 2017 our board vide a policy of materiality has resolved that except as mentioned in related parties prepared in accordance with Accounting Standard 18 no Firm as mentioned below is material in nature.

### Other entities forming part of Promoter Group

#### 1. Aadv Enterprises (Sole Proprietorship)

The following companies, are promoted by our Promoters (including companies under the same management pursuant to Section 370 (1B) of the Companies Act) and thus, are our Group Companies as defined under Schedule VIII of the SEBI ICDR Regulations:

- 1) MILESTONE BUILDERS AND DEVELOPERS INDIA PRIVATE LIMITED;

No equity shares of our above mentioned Group Companies are listed on any stock exchange and they have not made any public or rights issue of securities in the preceding three years.

### Details of Group Companies

#### 1. MILESTONE BUILDERS AND DEVELOPERS INDIA PRIVATE LIMITED

<b>Pan Card No.</b>	#
<b>CIN</b>	U74900MH2016PTC274289
<b>Date of Incorporation</b>	13/03/2016
<b>Registered Office Address</b>	Aslam Compound, Gala No. 3, Shri Nagar, Chandivali Sakivihar Road, Sakinaka, Kurla (West) Mumbai Mumbai City MH 400072 IN
<b>Name of the Promoters</b>	Mr. Digambar Sudam Songhare & Mr. P. S. Ganeshkumar

# Company has not applied for PAN till date.

### Main Objects of the Company

The main objects of the Company to be pursued by the Company on its incorporation:

1. To purchase, acquire, take on lease or in exchange or in any other lawful manner any area, land, building, structures and to turn the same into account, develop the same and dispose of or maintain the same and to build townships, markets or other buildings residential and commercial or conveniences thereon and to equip the same or part thereof with all or any amenities or conveniences, drainage facility, electric, telephonic, television installations and to deal with the same in any manner whatsoever, and by advancing money to and entering into the contracts and arrangements of all kind with builders, tenants and others.
2. To construct, erect, build, repair, re-model, demolish, develop, improve, grades, curve, pave, macadamize, cement and maintain building, structures, houses, apartments, hospitals, schools, places of worship, highways, roads, paths, streets, sideways, courts, alleys, pavements and to do other similar construction,



levelling or paving work, and for these purposes to purchase, take on lease, or otherwise acquire and hold any lands and prepare lay-out thereon or buildings of any tenure description wherever situate, or rights or interests therein or connected therewith.

- To purchase or otherwise acquire certain lands, houses, buildings and here diamantes, known as the Estate known as the estate or otherwise at any estate in the country and to acquire by purchase, exchange or otherwise either for and estate in fee simple or for any less estate, whether immediate or reversionary, and whether vested or contingent, any other lands tenements and here detements of any tenure, whether subject or no to any charges or in cumbrances and to hold or to sell, let alienate, mortgage, charge or otherwise deal with all or any such lands, tenements or here diamantes. To construct, erect and maintain, either by the company or other parties, sewers, roads, streets, tramways, gasworks, brick-kilns and works, building, houses, flats, shops and all other works, erections and things of any description whatsoever, either upon the lands acquired by the company or upon other lands, and generally to alter and improve the lands and other property of the company. To lend or advance money to builder and other persons on securities of all description whether real or personal and to grant loans upon mortgage of any lands, buildings and here ditaments of whatever tenure, for the improvement thereof or otherwise. To carry on the business of builders architects and surveyors, brick and tile makers, lime-burners, house and estate agents.

#### Interest of our Promoters

Our Promoter, Mr. P. S. Ganeshkumar and Mr. Digambar Sudam Songhare holds 10,000 equity shares constituting 100 % of the issued and paid up share capital of Milestone Builders And Developers India Private Limited. The authorized and paid up share capital of the company is Rs. 1 Lakhs divided into 0.10 Lakh equity shares of Rs. 10.00 per equity share.

#### Board of Directors of the Company

Sr. No.	Name of the Directors	Age	DIN No.	Pan Card No.	Address
1.	Mr. Digambar Sudam Songhare	35	06809398	AZUPS4580N	G/3, A Wing, Dosti Plaza Chs Ltd, Dsouza Nagar, 90 Feet Road, Sakinaka, Mumbai, Mumbai Suburban, Maharashtra-400072
2.	Mr. P. S. Ganeshkumar	41	06809407	AKHPP3112D	06, Shehnaz Villa, 337/E, Hall Village Road, Kurla (West), Mumbai - 400070

#### Share Capital History of the Company

Date of Allotment of Equity Shares	No. of shares Allotted	Cumulative No. of Equity Shares	Face Value (Rs.)	Issue Price (Rs.)	Consideration (Cash, Bonus, Consideration other than cash)	Cumulative Share Capital (Rs.)	Nature of / Reasons for Allotment
13/03/2016	10,000	10,000	10	10	Cash	1,00,000	On Subscription of MOA

**Shareholding Pattern of the Company as on March 31, 2017**

Sr. No.	Name of the Shareholder	No. of Shares Held	% of Holding
1.	Mr. Digamber Sudam Songhare	5,000	50%
2.	Mr. P. S. Ganeshkumar	5,000	50%
	<b>Total</b>	<b>10,000</b>	<b>100%</b>

**Brief Provisional Financials**

(Amt.In Rs.)

Particulars	2016 – 17*	2015 – 16#	2014 - 15#
Equity Capital	1,00,000	-	-
Reserves (excluding revaluation reserve) and Surplus	0	-	-
Net Worth	85,000	-	-
Income including other income	0	-	-
Profit/ (Loss) after tax	0	-	-
Earnings per share (face value of Rs. 10 each)	0	-	-
Net asset value per share	8.5	-	-

\*Figures for financial year 2016-17 is based on provisional financial statement.

# Company has been incorporated on 13<sup>th</sup> March, 2016 so no financial statement has been prepared for financial year 2014-15 & 2015-16

**Changes in the Management and Control**

There has been no change in the management and control of Milestone Builders And Developers India Private Limited in the three years preceding the date of this Prospectus.

**Other Disclosures:**

- Milestone Builders And Developers India Private Limited is not a listed Company.
- Milestone Builders And Developers India Private Limited is neither a sick company within the meaning of the Sick Industrial Companies (Special Provisions) Act, 1985 nor is under winding up.
- There are no defaults in meeting any statutory/bank/institutional dues.
- No proceedings have been initiated for economic offences against Milestone Builders And Developers India Private Limited.
- No application has been made to ROC for striking off the name of Milestone Builders And Developers India Private Limited.
- Milestone Builders And Developers India Private Limited is not prohibited from accessing the capital markets for any reasons by the SEBI or any other authorities.

**NATURE AND EXTENT OF THE INTEREST OF THE GROUP COMPANIES IN OUR COMPANY**

**Common Pursuits/Conflict of Interest**

None of our Promoter /Group Companies /Entities have any common pursuits. For details please refer to chapter titled “Our Promoters Group Companies” on page no. 168 of this Prospectus.

We shall adopt the necessary procedures and practices as permitted by law to address any conflicting situations, as and when they may arise.

For details relating to sales or purchases our Company and any of our Group entities, please refer to 'Annexure 14: Statement of Related Parties' Transactions' on page no.191 of the chapter titled 'Restated Financial Statements' beginning on page no. 175 of this Prospectus.

#### **In the promotion of our Company**

None of the Group Companies have any interest in the promotion of our Company.

#### **Companies / Firms from which the Promoters have disassociated themselves in last 3 (three) years**

Our Promoters have not disassociated themselves from any company in which they were promoters, in last three years.

Further, none of the Group Companies are defunct and no application has been made to the Registrar of Companies for striking off the name of any of the Group Companies during the five years preceding the date of this Prospectus.

#### **In the properties acquired by our Company**

None of the Group Companies have any interest in the properties acquired by our Company within the three years of the date of filing this Prospectus or proposed to be acquired by our Company.

#### **Sick Companies/ Winding up**

No Promoter Group Entities listed above have been declared as a sick company under the Sick Industrial Companies (Special Provisions) Act, 1985. There are no winding up proceedings against any of the Promoter Group Entities.

#### **Litigation**

For details relating to legal proceedings involving our Group Company/Entities, if any, please refer to the chapter titled 'Outstanding Litigations' beginning on page no. 210 of this Prospectus.

#### **Related business transactions within the Group Companies and its significance on the financial performance of Our Company**

For details, please see the chapter titled "Financial Statements- Annexure 14 - Related Party Transactions" on page no. 191 of this Prospectus.

#### **Undertaking / confirmations**

None of our Promoters or Promoter Group or Group Companies/entities or person in control of our Company has been

- (i) 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 SEBI or any other authority; or



(ii) Refused listing of any of the securities issued by such entity by any stock exchange, in India or abroad.

None of our Promoters, person in control of our Company or have ever been a Promoter, Director or person in control of any other Company which is debarred from accessing the capital markets under any order or direction passed by the SEBI or any other authority.

Further, neither our Promoters, the relatives of our individual Promoters (as defined under the Companies Act) nor our Group Companies /entities have been declared as a willful defaulter by the RBI or any other government authority and there are no violations of securities laws committed by them or any entities they are connected with in the past and no proceedings for violation of securities laws are pending against them.



## **DIVIDEND POLICY**

Under the Companies Act, our Company can pay dividends upon a recommendation by our Board of Directors and approval by the shareholders at the general meeting of our Company. The Articles of Association of our Company give our shareholders, the right to decrease, and not to increase, the amount of dividend recommended by the Board of Directors.

The Articles of Association of our Company also gives the discretion to our Board of Directors to declare and pay interim dividends. No dividend shall be payable for any financial except out of profits of our Company for that year or that of any previous financial year or years, which shall be arrived at after providing for depreciation in accordance with the provisions of Companies Act, 2013.

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

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



**SECTION VI - FINANCIAL INFORMATION OF THE COMPANY**

**AUDITORS REPORT ON RESTATED FINANCIAL STATEMENT**

To,  
The Board of Directors,  
**Milestone Furniture Limited**  
Mumbai,  
India

**Sub.: Public Issue of Equity Shares by listing of Equity on BSE SME Platform**

**Re.: INDEPENDENT AUDITORS' REPORT**

Dear Sirs,

We have examined the Financial Information of Milestone Furniture Limited ('the Company') described below and annexed to this report for the purpose of inclusion in the offer document. The Financial Information has been prepared in accordance with the requirements of paragraph B (1) of Part II of Schedule II to the Companies Act, 1956 ('the Act'), ), Sub- Clauses (i) and (iii) of clause (b) of sub-section (1) of section 26 of the Companies Act, 2013 ('the Act') read with Rule 4 of Companies ( Prospectus and Allotment of Securities) Rules ('the Rules'),2014, The Securities and Exchange Board of India (SEBI) - Issue of Capital and Disclosure Requirements Regulations, 2009 ('ICDR Regulations') notified on August 26, 2009, as amended from time to time in pursuance of Section 30 of the Securities and Exchange Board of India Act,1992 and related the Guidance Note on Reports in Company Prospectus (Revised) issued by the Institute of Chartered Accountants of India (ICAI) and in terms of the letter of engagement agreed upon by us with the Company for the proposed IPO.

The Restated Financial Statements have been extracted from audited Financial Statements of the Company for the period ended March 31, 2014, year ended March 31, 2015, March 31, 2016 and March 31, 2017 & Period ended November 30, 2017 and which has been approved by the Board of Directors. In terms of Schedule VIII, Clause IX (9) of the SEBI (ICDR) Regulations, 2009, the Company is required to give the financial information for the preceding 5 financial years from the date of the Prospectus. Since, the Company was incorporated on March 12, 2014; the financial information for period ended March 31, 2014, year ended March 31, 2015, March 31, 2016 and March 31, 2017 & Period ended November 30, 2017 can only be mentioned in the prospectus. The Company proposes to make an SME Initial Public Offer (IPO) for the fresh issue of equity shares.

The Audit for the financial year ended March 31, 2014, March 31, 2015 and March 31, 2016 was conducted by M/s. J H Ghumara & Co, Chartered Accountants and accordingly reliance has been placed on the financial information examined by them for the said year. The financial report for financial year 2013-14, 2014-15 and 2015-16 is solely based on the report submitted by them.

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

Based on the above, we report that in our opinion and according to the information and explanations given to us, we have found the same to be correct and the same have been accordingly used in the restated financial information appropriately.



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

We have examined:

- a. the attached Statement of Assets and Liabilities, as Restated as at period ended March 31, 2014, year ended March 31, 2015, March 31, 2016 and March 31, 2017 & Period ended November 30, 2017 (**Annexure 1**);
- b. the attached Statement of Profits and Losses, as Restated for the period ended March 31, 2014, year ended March 31, 2015, March 31, 2016 and March 31, 2017 & Period ended November 30, 2017 (**Annexure 2**);
- c. the attached Statement of Cash Flows, as Restated for the period ended March 31, 2014, year ended March 31, 2015, March 31, 2016 and March 31, 2017 & Period ended November 30, 2017 (**Annexure 3**);
- d. the significant accounting policies adopted by the Company and notes to the Restated Financial Statements along with adjustments on account of audit qualifications / adjustments / regroupings. (**Annexure 4**);

**(Collectively hereinafter referred as “Restated Financial Statements”)**

Based on our examination and in accordance with the requirements of the Companies Act, 2013, SEBI ICDR Regulations, 2009 we state that:

- Restated Statement of Assets and Liabilities of the Company as at period ended March 31, 2014, year ended March 31, 2015, March 31, 2016 and March 31, 2017 & Period ended November 30, 2017 are as set out in **Annexure 1**, which are after making such material adjustments and regroupings as, in our opinion are appropriate, and are to be read with the significant accounting policies and notes thereon in **Annexure 4**;
- Restated Statement of Profits and Losses of the Company for the period ended March 31, 2014, year ended March 31, 2015, March 31, 2016 and March 31, 2017 & Period ended November 30, 2017 are as set out in **Annexure 2**, which have been arrived at after making such material adjustments and regroupings to the audited financial statements as, in our opinion are appropriate, and are to be read with the significant accounting policies and notes thereon in **Annexure 4**;
- Restated Statement of Cash Flows of the Company for the period ended March 31, 2014, year ended March 31, 2015, March 31, 2016 and March 31, 2017 & Period ended November 30, 2017 are as set out in **Annexure 3** after making such material adjustments and regroupings; to the audited financial statements as, in our opinion are appropriate, and are to be read with the significant accounting policies and notes thereon in **Annexure 4**;
- Adjustments for any material amounts in the respective financial years have been made to which they relate;
- There are no Extra-ordinary items that need to be disclosed separately in the Restated Summary Statements or Auditor's qualification requiring adjustments.
- Adjustments in Financial Statements have been made in accordance with the correct accounting policies.
- There was no change in accounting policies, which needs to be adjusted in the “Restated Financial Statements”.
- There are no revaluation reserves, which need to be disclosed separately in the “Restated Financial Statements”.

- There are no audit qualifications in the “Restated Financial Statements”.
- There are no provision is made for the Gratuity for staff as company has no employees employed for more than 5 years.

**B. Other Financial Information:**

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

1. Statement of Details of Reserves & Surplus as at period ended March 31, 2014, year ended March 31, 2015, March 31, 2016 and March 31, 2017 & Period ended November 30, 2017 as set out in **Annexure 5** to this report.
2. Statement of Accounting Ratios for the period ended March 31, 2014, year ended March 31, 2015, March 31, 2016 and March 31, 2017 & Period ended November 30, 2017 as set out in **Annexure 6** to this report.
3. Capitalization Statement as at November 30, 2017 as set out in **Annexure 7** to this report.
4. Statement of Tax Shelters for the period ended March 31, 2014, year ended March 31, 2015, March 31, 2016 and March 31, 2017 & Period ended November 30, 2017 as set out in **Annexure 8** to this report.
5. Statement of Short Term Borrowings as at period ended March 31, 2014, year ended March 31, 2015, March 31, 2016 and March 31, 2017 & Period ended November 30, 2017 as set out in **Annexure 9** to this report.
6. Statement of Long Term Borrowings as at period ended March 31, 2014, year ended March 31, 2015, March 31, 2016 and March 31, 2017 & Period ended November 30, 2017 as set out in **Annexure 10** to this report.
7. Statement of Details of Trade Receivables as at period ended March 31, 2014, year ended March 31, 2015, March 31, 2016 and March 31, 2017 & Period ended November 30, 2017 as set out in **Annexure 11** to this report.
8. Statement of Details of Long Term Loans and Advances as at period ended March 31, 2014, year ended March 31, 2015, March 31, 2016 and March 31, 2017 & Period ended November 30, 2017 as set out in **Annexure 12** to this report.
9. Statement of Details of Short Term Loans and Advances as at period ended March 31, 2014, year ended March 31, 2015, March 31, 2016 and March 31, 2017 & Period ended November 30, 2017 as set out in **Annexure 13** to this report.
10. Statement of Details of Related Party Transactions as at period ended March 31, 2014, year ended March 31, 2015, March 31, 2016 and March 31, 2017 & Period ended November 30, 2017 as set out in **Annexure 14** to this report.
11. Statement of Trade Payable as at period ended March 31, 2014, year ended March 31, 2015, March 31, 2016 and March 31, 2017 & Period ended November 30, 2017 as set out in **Annexure 15** to this report.
12. Statement of Current Liabilities and Short Term Provisions as at period ended March 31, 2014, year ended March 31, 2015, March 31, 2016 and March 31, 2017 & Period ended November 30, 2017 as set out in **Annexure 16** to this report.

13. Statement of Fixed Assets as at period ended March 31, 2014, year ended March 31, 2015, March 31, 2016 and March 31, 2017 & Period ended November 30, 2017 as set out in **Annexure 17** to this report.
14. Statement of Inventory as at period ended March 31, 2014, year ended March 31, 2015, March 31, 2016 and March 31, 2017 & Period ended November 30, 2017 as set out in **Annexure 18** to this report
15. Statement of Investments as at period ended March 31, 2014, year ended March 31, 2015, March 31, 2016 and March 31, 2017 & Period ended November 30, 2017 as set out in **Annexure 19** to this report.
16. Statement of Cash and Cash Equivalent as at period ended March 31, 2014, year ended March 31, 2015, March 31, 2016 and March 31, 2017 & Period ended November 30, 2017 as set out in **Annexure 20** to this report.
17. Statement of Other Current Asset as at period ended March 31, 2014, year ended March 31, 2015, March 31, 2016 and March 31, 2017 & Period ended November 30, 2017 as set out in **Annexure 21** to this report.
18. Statement of Income as at period ended March 31, 2014, year ended March 31, 2015, March 31, 2016 and March 31, 2017 & Period ended November 30, 2017 as set out in **Annexure 22** to this report.
19. Statement of Financial Indebtness as at November 30, 2017 as set out in **Annexure 23** to this report.

In our opinion, the "Restated Financial Statements" and "Other Financial Information" mentioned above contained in Annexure 1 to 23 of this report have been prepared in accordance with Part II of Schedule II to the Act, the SEBI Guidelines and the Guidance Note on the reports in Company Prospectus (Revised) issued by ICAI.

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

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

We have no responsibility to update our report for events and circumstances occurring after the date of the report.

This report is intended solely for your information and for inclusion in the Offer Document in connection with the proposed SME IPO of the Company and is not to be used, referred to or distributed for any other purpose without our prior written consent.

**For M/S NGST & Associates**  
**Chartered Accountants**  
Firm Registration No.: 135159W

**Sd/-**  
**Bhupendra Gandhi**  
Partner  
Membership No. 122296  
Place: Mumbai  
Date: March 27, 2018

ANNEXURE-01

STATEMENT OF ASSETS AND LIABILITIES, AS RESTATED

Amount In  
Rs

Particulars	As on 30 <sup>th</sup> November, 2017	As on March 31,			
		2,017	2,016	2,015	2,014
<b>Equity &amp; Liabilities</b>					
<b>Shareholders' Funds</b>					
Share Capital	40,000,000	30,000,000	100,000	100,000	100,000
Share Application Money	29,156,621		3,200,000		
Reserve & Surplus	20,627,873	10,102,813	2,875,136	885,658	343,186
<b>Total (A)</b>	<b>89,784,494</b>	<b>40,102,813</b>	<b>6,175,136</b>	<b>985,658</b>	<b>443,186</b>
<b>Non Current Liabilities</b>					
Long Term Borrowings	9,494,325	1,111,993	7,125,857	8,270,445	5,413,821
Deferred Tax Liabilities (Net)			154,782	157,819	80,592
Long Term Provisions					
<b>Total (B)</b>	<b>9,494,325</b>	<b>1,111,993</b>	<b>7,280,639</b>	<b>8,428,264</b>	<b>5,494,413</b>
<b>Current Liabilities</b>					
Short Term Borrowings	49,998,303	7,143,188	-	-	-
Trade Payables	8,864,086	2,581,851	3,720,420	7,035,484	1,320,897
Other Current Liabilities	4,312,481	2,220,718	5,838,705	5,260,712	999,185
Short Term Provisions					
<b>Total (C)</b>	<b>63,174,870</b>	<b>11,945,757</b>	<b>9,559,125</b>	<b>12,296,196</b>	<b>2,320,082</b>
<b>Total (D=A+B+C) - TOTAL LIABILITIES</b>	<b>162,453,690</b>	<b>53,160,563</b>	<b>23,014,900</b>	<b>21,710,118</b>	<b>8,257,681</b>
<b>Assets</b>					
Fixed Assets	30,996,574	7,772,331	3,777,002	3,330,186	3,394,628
Non Current Investments	-	-	-	-	-
Deferred Tax Asset	158,698	171,148			
Long Term Loans & Advances	-	1,037,025	-	-	-
Other Non Current Assets					
<b>Total (E)</b>	<b>31,155,272</b>	<b>8,980,504</b>	<b>3,777,002</b>	<b>3,330,186</b>	<b>3,394,628</b>
<b>Current Assets</b>					



Current Investments					
Inventories	43,172,815	19,666,442	10,125,897	9,562,520	936,540
Trade Receivables	43,543,812	16,204,135	7,883,000	7,925,963	2,325,987
Cash & Bank Balances	4,775,166	2,919,792	729,001	215,960	1,083,206
Short Term Loans & Advances	38,816,734	5,389,690	500,000	662,500	500,000
Other Current Assets	989,891	-	-	12,989	17,320
<b>Total (F)</b>	<b>131,298,418</b>	<b>44,180,059</b>	<b>19,237,898</b>	<b>18,379,932</b>	<b>4,863,053</b>
<b>Total (G=E+F) - TOTAL ASSETS</b>	<b>162,453,690</b>	<b>53,160,563</b>	<b>23,014,900</b>	<b>21,710,118</b>	<b>8,257,681</b>

## ANNEXURE-02

## STATEMENT OF PROFIT AND LOSS, AS RESTATED

In Rs.

Particulars	30 <sup>th</sup> November , 2017	As on March 31,			
		2,017	2,016	2,015	2,014
<b>Revenue</b>					
<b>(i) Revenue From Operation</b>					
Sale of Product & Services	236,836,280	89,224,111	55,175,651	32,860,284	3,772,509
<b>II. Other Income</b>	356,252	243,888	-	369,125	15,250
<b>Total Revenue (I+II)</b>	<b>237,192,532</b>	<b>89,467,999</b>	<b>55,175,651</b>	<b>33,229,409</b>	<b>3,787,759</b>
<b>Expenses</b>					
Cost of Material Consumed	220,832,457	80,461,128	48,105,117	33,419,098	3,501,357
Changes in Inventories of Goods	(23,506,373)	(9,540,545)	(563,377)	(8,625,980)	(936,540)
Employee Benefits Expenses	13,607,556	5,732,908	2,010,000	3,193,800	72,542
Finance Cost	4,490,737	499,312			-
Depreciation and Amortization Expenses	2,628,577	2,363,700	437,775	310,296	8,496
Admn. & Selling Expenses	8,510,304	4,904,749	2,383,000	4,131,078	618,126
<b>Total Expenses</b>	<b>226,563,258</b>	<b>84,421,252</b>	<b>52,372,515</b>	<b>32,428,292</b>	<b>3,263,981</b>
<b>Net profit before Tax - Operating Income</b>					



	10,629,274	5,046,747	2,803,136	801,117	523,778
<b>Provision for Taxes</b>					
1. Current taxes	2,657,318	2,125,000	817,037	181,418	100,000
2. Deferred tax	12,450	(325,930)	(3,037)	77,227	80,592
<b>Profit after tax and before extraordinary items</b>	7,959,505	3,247,677	1,989,136	542,472	343,186
<b>Extraordinary items-Excess tax prov.</b>	565,555				
<b>Net Profit after extraordinary items available for appropriation</b>	8,525,060	3,247,677	1,989,136	542,472	343,186
<b>Proposed Dividend</b>					
<b>Dividend distribution tax</b>					
<b>Net profit carried to Balance sheet</b>	8,525,060	3,247,677	1,989,136	542,472	343,186

**ANNEXURE-03**

**STATEMENT OF CASH FLOW, AS RESTATED**

in Rs.

Particulars	As on 30th November, 2017	For the year ended March 31			
		2,017	2,016	2,015	2,014
<b>A. Cash Flows From Operating Activities</b>					
Net Profit before Tax	10,629,274	5,046,747	2,803,136	801,117	523,778
Adjustments for:					
Depreciation	2,628,577	2,363,700	437,775	310,296	8,496
Share Issue Expenses					
Interest & Finance charges	4,490,737	499,312	-	-	-
Others					
<b>Operating Cash Generated Before Working Capital Changes</b>	17,748,588	7,909,759	3,240,911	1,111,413	532,274
Decrease (Increase) in Current Investments	-	-	-	-	-
(Increase) / Decrease in Inventory	(23,506,373)	(9,540,545)	(563,377)	(8,625,980)	(936,540)
(Increase) / Decrease in Receivables	(27,339,677)	(8,321,135)	42,963	(5,599,976)	(2,325,987)



(Increase) / Decrease in Short Term Loans and Advances	(33,427,044)	(4,889,690 )	162,500	(162,500)	(500,000)
(Increase)/Decrease in Other current assets	(989,891)	-	12,989	4,331	(17,320)
Increase / (Decrease) in Short Term Borrowings	42,855,115	7,143,188	-	-	-
Increase / (Decrease) in Trade Payable	6,282,235	(1,138,569 )	(3,315,064)	5,714,587	1,320,897
Increase / (Decrease) in Other Current Liabilities	2,091,763	(3,617,987 )	577,993	4,261,527	999,185
Increase / (Decrease) in Short Term Provisions	-	-	-	-	-
Net Changes in working capital	(34,033,872)	(20,364,738)	(3,081,996)	(4,408,011)	(1,459,765)
Less : Tax Paid	2,091,763	1,806,209	816,696	111,100	-
<b>Net Cash Flow from Operating Activities (A)</b>	<b>(18,377,047)</b>	<b>(14,261,188)</b>	<b>(657,781)</b>	<b>(3,407,698)</b>	<b>(927,491)</b>
<b>B. Cash Flows From Investing Activities</b>					
Sale / (Purchase) of Fixed Assets (Net)	(25,852,820)	(6,677,820 )	(884,591)	(245,853)	(3,403,124)
Sale / (Purchase) of Non-Investments (Net)	-	-	-	-	-
<b>Net Cash Generated From Investing Activities (B)</b>	<b>(25,852,820)</b>	<b>(6,677,820 )</b>	<b>(884,591)</b>	<b>(245,853)</b>	<b>(3,403,124)</b>
<b>C. Cash Flow From Financing Activities</b>					
Proceeds from Issue of Share Capital(including Share Premium)	12,000,000	33,880,000	-	-	100,000
Share Application Money Received	29,156,621	(3,200,000 )	3,200,000		
Increase / (Decrease) in Secured Loans					
Increase/(Decrease) in Unsecured Loans	8,382,332	(6,013,864 )	(1,144,588)	2,856,624	5,413,821
Share Issue Expenses					
Differed Revenue \ Amortized				(70,318)	(100,000)
Interest Expenses	(4,490,737)	(499,312)			
Decrease (Increase) in Long Term Loans & Advances	1,037,025	(1,037,025 )	-	-	-
Dividend Paid (including Div Tax)					
<b>Net Cash from Financing Activities [C]</b>	<b>46,085,241</b>	<b>23,129,799</b>	<b>2,055,412</b>	<b>2,786,306</b>	<b>5,413,821</b>
<b>Net Increase / (Decrease) in Cash and Cash Equivalents (A + B + C)</b>	<b>1,885,374</b>	<b>2,190,791</b>	<b>513,040</b>	<b>(867,245)</b>	<b>1,083,206</b>



Opening Balance of Cash and Cash Equivalents	2,919,792	729,001	215,961	1,083,206	-
<b>Closing Balance of Cash and Cash Equivalents</b>	<b>4,775,166</b>	<b>2,919,792</b>	<b>729,001</b>	<b>215,961</b>	<b>1,083,206</b>

#### ANNEXURE-04

### SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNT FOR PREPARATION OF RESTATED FINANCIAL STATEMENT

#### A. SIGNIFICANT ACCOUNTING POLICIES:

##### 1. Basis of Preparation of Financial Statements

The financial statements have been prepared and presented under the historical cost convention, on accrual basis of accounting in accordance with generally accepted accounting principles in India and the provisions of the Companies Act, 2013. They are prepared in accordance with the Accounting Standards specified under section 133 of the Companies Act, 2013 ('the Act') read with Rule 7 of Companies (Accounts) Rules, 2014 and other relevant provisions to the extent applicable.

##### 2. Use of Estimates

The preparation of Financial Statements in conformity with generally accepted accounting principles requires estimates and assumptions to be made, that affects the reported amounts of assets and liabilities on the date of the Financial Statements and the reported amounts of revenue and expenses during the reporting period. Differences between the actual results and estimates are recognized in the period in which the results are known / materialized.

##### 3. Fixed Assets

Fixed assets are stated at cost of acquisition or construction, net of recoverable taxes including any cost attributable for bringing the asset to its working condition for its intended use less accumulated depreciation and impairment loss, if any.

##### 4. Depreciation / Amortization

Depreciation on fixed assets is provided on Straight Line Method at the rates and in the manner prescribed in Schedule II to the Companies Act, 2013.

##### 5. Inventories

*Finished goods, Work in progress & material is valued at cost including material cost and attributable overheads. Provision is made when expected realisation is lesser than the carrying cost.*

*Closing Stock is taken as certified by the Management. The inventories are stated at lower of cost and Net realizable value.*

##### 6. Revenue Recognition



Sales and Revenue Income: The revenue is recognized on the mercantile basis. Sales are recorded exclusive of Taxes and When Risk is transferred to Customers.

Other items of Revenue recognized are in accordance with the Accounting Standard 'Revenue Recognition' (AS-9) issued by the Institute of Chartered Accountant of India.

## **7. Expenses**

Expenses are accounted for on accrual basis and provision is made for all known losses and liabilities.

## **8. Foreign Currency Transactions**

There are no such foreign currency transactions during the year.

## **9. Employee Benefits**

(i) As certified by the management, the company has no liability under the Provident Fund & Super Annuation Fund as the said act does not apply to the company. (ii) It is explained to us that the company does not provide for any leave encashment and any liability arising thereon shall be paid and dealt with in the books of accounts at the actual time of payment

## **10. Taxation**

Current tax is measured at the amount expected to be paid/recovered from the taxation authorities, using the applicable tax rates and tax law. The tax effect of the timing differences that result between taxable income and accounting income and are capable of reversal in one or more subsequent period are recognized as deferred tax assets or deferred tax liability. They are measured using the substantively enacted tax rates and tax regulations. Deferred tax assets are recognized only to the extent there is reasonable certainty that sufficient future taxable income will be available against which such deferred assets can be realized. Deferred tax assets are recognized on carried forward of unabsorbed depreciation and tax losses only if there is virtual certainty that such deferred tax assets can be realized against future taxable profits.

## **11. Impairment of Assets**

Consideration is given at each balance sheet date to determine whether there is any indication of impairment of the carrying amount of the Company's fixed assets. If any such indication exists, then recoverable amount of the asset is estimated. An impairment loss, if any, is recognised whenever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is greater of the net selling price and the value in use. In assessing value in use, the estimated future cash flows are discounted to their present value based on an appropriate discount factor. The impairment loss recognised in a prior accounting period is reversed, if there has been a change in the estimate of recoverable amount.

## **12. Earnings per Share**

In The basic earnings per share is computed by dividing the net profit attributable to the equity shareholders for the year by the weighted average number of equity shares outstanding during the reporting period. Diluted earnings per share is computed by dividing the net profit attributable to the equity shareholders for the year by the weighted average number of equity and dilutive equity equivalent shares outstanding during the year, except where the results would be anti-dilutive.

### 13. Contingent Liabilities & Provisions

- a) A provision is recognised when there is a present obligation as a result of a past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate.
- b) A disclosure for a contingent liability is made when there is a possible or present obligation that may but probably will not require an outflow of resources. When there is a possible obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

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

There is no change in significant accounting policies during the reporting period except, as and when Accounting Standards issued by the Institute of Chartered Accountants of India / Companies (Accounting Standard) Rules, 2006 were made applicable on the relevant dates.

### C. NOTES ON RESTATED FINANCIAL STATEMENTS

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

#### MATERIAL ADJUSTMENTS [AS PER SEBI (ICDR) REGULATIONS, 2009]

- A. The reconciliation of Profit after tax as per audited results and the Profit after tax as per Restated Accounts is presented below. This summarizes the results of restatements made in the audited accounts for the respective years and its impact on the profit & losses of the company.

Particulars	As on 30 <sup>th</sup> November , 2017	As on March 31,			In Rs.
		2,017	2,016	2,015	2,014
Profit after tax before appropriation (as per Audited accounts)	7,959,505	3,247,677	1,989,136	542,472	343,186
<b>Adjustments</b>	0	0	0	0	0
Profit after Tax as per Restated Profit & Loss Account	7,959,505	3,247,677	1,989,136	542,472	343,186

#### B. Material regroupings:

Appropriate adjustments have been made in the restated summary Statements of Assets and Liabilities, Profits and Losses and Cash flows, wherever required, by reclassification of the corresponding items of income, expenses, assets and liabilities, in order to bring them in line with the regroupings as per the audited financials of the Company for the period ended March 31, 2014, year ended March 31, 2015, March 31,



2016 and March 31, 2017 & Period ended November 30, 2017, prepared in accordance with Revised schedule VI, and the requirements of the Securities and Exchange Board of India (Issue of Capital & Disclosure Requirements) Regulations, 2009 (as amended).

## 2. Other Notes

### a) General

The Company was incorporated on March 12, 2014 and restated financial statements have been prepared for the period ended March 31, 2014, year ended March 31, 2015, March 31, 2016 and March 31, 2017 & Period ended November 30, 2017.

### b) Earnings per Share

*The details of Earnings per Share as per AS-20 are provided in Annexure 6.*

### c) Related Party Transactions:

*The details of Related Party Transactions as per Accounting Standard -18 are provided in Annexure 14.*

d) The Company is not having any earning / Expenditure in Foreign Currency.

e) The Company has not given any guarantee to bank or corporate and the Company is no having any contingent liability.

f) The figures in the Restated Financial Statements and Other Financial Information are stated in Lakhs and rounded off to two decimals and minor rounding off difference is ignored.

### g) Adjustments made in the Transactions:

Since the Company was incorporated on March 12, 2014, the financial information for period ended March 31, 2014, year ended March 31, 2015, March 31, 2016 and March 31, 2017 & Period ended November 30, 2017.

## ANNEXURE- 05

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

Particulars	As on 30 <sup>th</sup> November , 2017	As on March 31,			
		2,017	2,016	2,015	2,014
<b><u>A. Surplus</u></b>					
Opening balance	6,122,813	2,875,136	885,658	343,186	-
Add: Addition during the year					
Net profit/(Net loss) for the current year	8,525,060	3,247,677	1,989,13	542,47	343,18



			6	2	6
Misc other income			342		
Less : Dividend \ bonus during the year					
Sub Total - Reserves	14,647,873	6,122,813	2,875,136	885,658	343,186
<b>B. Securities Premium</b>					
Opening Balance	3,980,000				
Add: Share Premium on Issue of Equity Shares	2,000,000	3,980,000			
Less : Utilized for issue of bonus shares	-				
Sub Total - Share Premium	5,980,000	3,980,000	-	-	-
<b>Total</b>	<b>20,627,873</b>	<b>10,102,813</b>	<b>2,875,136</b>	<b>885,658</b>	<b>343,186</b>

ANNEXURE-06

STATEMENT OF ACCOUNTING RATIOS

Particulars	As on 30th November, 2017	As on March 31,			
		2,017	2,016	2,015	2,014
Net worth ( A )	60,627,873	40,102,813	29,75,136	985,658	443,186
Net Profit after Tax ( B )	7,959,505	3,247,677	1,989,136	542,472	343,186
No. of Shares outstanding at the end [F.V Rs.10]( C )	4,000,000	3,000,000	10,000	10,000	10,000
Weighted average number of shares outstanding [F.V Rs.10]( D )	3,066,400	34,575	10,000	10,000	10,000
Bonus Shares [E]	-	-	-	-	-
Weighted average number of shares outstanding Post Bonus Shares [F.V Rs.10] (F) (D+E)	3,066,400	34,575	10,000	10,000	10,000
Earnings per Share (EPS) (B / F) (Rs.)	2.6	93.9	198.9	54.2	34.3
Return on Networth (B / A)	13%	8%	67%	55%	77%
Net Assets Value per Share (A / F)	15.2	13.4	297.51	98.6	44.3



## ANNEXURE -07

## CAPITALIZATION STATEMENT

Particulars	Pre-issue as at 30 <sup>th</sup> November , 2017	Post Issue
<b>Borrowing</b>		
Short - Term Debt	49,998,303	49,998,303
Long - Term Debt	9,494,325	9,494,325
<b>Total Debt</b>	<b>59,492,628</b>	<b>59,492,628</b>
<b>Shareholders' Funds</b>		
Share Capital		
- Equity	40,000,000	92,970,000
Less: Calls - in – arrears		
Share Application money	29,156,621	0
- Preference		
Reserves & Surplus	20,627,873	206,022,873
<b>Total Shareholders' Funds</b>	<b>89,784,494</b>	<b>298,992,873</b>
<b>Long - Term Debt / Shareholders Fund</b>	<b>0.11</b>	<b>0.03</b>
<b>Short - Term Debt / Shareholders Fund</b>	<b>0.56</b>	<b>0.17</b>

## ANNEXURE- 08

STATEMENT OF TAX  
SHELTERS

Particulars	As on 30 <sup>th</sup> November , 2017	As on March 31,			
		2,017	2,016	2,015	2,014
Profit before tax as per Restated P/L	10,629,274	5,046,747	2,803,136	801,117	523,778
Applicable Corporate Tax Rate	30.90%	30.90%	30.90%	30.90%	30.90%
Applicable tax at notional Rate	19.06%	19.06%	19.06%	19.06%	19.06%
<b>Adjustments</b>					
Difference between Tax Depreciation and Book Depreciation	(2,628,574)	(1,054,789 )	225,670	249,927	260,817
Exempted Income					
Disallowance					



Items Chargeable at special rates					
Other Items			(235,500)		
Set off of Business Losses / Unabsorbed Depreciation					
<b>Net Adjustments</b>	<b>(2,628,574)</b>	<b>(1,054,789 )</b>	<b>(9,830)</b>	<b>249,927</b>	<b>260,817</b>
Tax Saving thereon	(812,229)	(325,930 )	(3,037)	77,227	80,592
Tax Saving to the extent of Tax at Notional Rate					
<b>Tax Payable [A]</b>	<b>3,284,446</b>	<b>1,559,445</b>	<b>793,401</b>	<b>176,196</b>	<b>99,805</b>
<b>Tax Payable on items chargeable at special rates [B]</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Tax Payable [C=A+B]</b>	<b>3,284,446</b>	<b>1,559,445</b>	<b>793,401</b>	<b>176,196</b>	<b>99,805</b>
Tax Rebates [D]	-	-	-	-	-
<b>Net Tax Payable [E=C-D]</b>	<b>3,284,446</b>	<b>1,559,445</b>	<b>793,401</b>	<b>176,196</b>	<b>99,805</b>

## ANNEXURE- 09

## STATEMENT OF DETAILS OF SHORT TERM BORROWINGS

Particulars	As on 30 <sup>th</sup> November , 2017	As on March 31,			
		2,017	2,016	2,015	2,014
<b>Secured Loans:</b>					
Secured Loan from Bank -Saraswat Bank	49,998,3035				
Secured Loan from Bank - axis bank		7,143,188			
<b>Unsecured Loans:</b>					
<b>Total</b>	<b>49,998,303</b>	<b>7,143,188</b>	<b>-</b>	<b>-</b>	<b>-</b>

## ANNEXURE- 10



## STATEMENT OF DETAILS OF LONG TERM BORROWINGS

Particulars	As on 30 <sup>th</sup> November , 2017	As on March 31,			
		2,017	2,016	2,015	2,014
-					
<b><u>Secured Loan</u></b>					
-					
<b><u>Unsecured Loan</u></b>					
From Directors and Group Firms		458,585	7,125,857	8,270,445	5,413,821
From Others - bank and NBFC	9,494,325	653,408			
<b>Total</b>	<b>9,494,325</b>	<b>1,111,993</b>	<b>7,125,857</b>	<b>8,270,445</b>	<b>5,413,821</b>

## ANNEXURE-11

## STATEMENT OF DETAILS OF TRADE RECEIVABLES

Particulars	As on 30 <sup>th</sup> November , 2017	As on March 31,			
		2,017	2,016	2,015	2,014
Unsecured and considered good					
Out standing more than six months	-	-	-	-	-
Out standing less than six months	43,543,812	16,204,135	7,883,000	7,925,963	2,325,987
<b>Total</b>	<b>43,543,812</b>	<b>16,204,135</b>	<b>7,883,000</b>	<b>7,925,963</b>	<b>2,325,987</b>

**ANNEXURE-12**

**STATEMENT OF DETAILS OF LONG TERM LOANS & ADVANCES**

(In Rs.)

Particulars	As on 30 <sup>th</sup> November , 2017	As on March 31,			
		2,017	2,016	2,015	2,014
Security Deposit and Advances	-	1,037,025	-		
<b>Total</b>	<b>-</b>	<b>1,037,025</b>	<b>-</b>		

**ANNEXURE-13**

**STATEMENT OF DETAILS OF SHORT TERM LOANS & ADVANCES**

(In Rs.)

Particulars	As on 30 <sup>th</sup> November , 2017	As on March 31,			
		2,017	2,016	2,015	2,014
-					
Advance to suppliers and vendors	21,316,734	5,389,690	500,000	662,500	500,000
Advance for Premises	17,500,000				
<b>Total</b>	<b>38,816,734</b>	<b>5,389,690</b>	<b>500,000</b>	<b>662,500</b>	<b>500,000</b>

**ANNEXURE-14**

**STATEMENT OF DETAILS OF RELATED PARTY TRANSACTIONS**

Particulars	As on 30 <sup>th</sup> November , 2017	As on March 31,			
		2,017	2,016	2,015	2,014
<b>REVENUE ITEMS :</b>					
<b>Salary paid</b>					
Mr. Digambar Sudam Songhare	700,000	900,000	600,000	500,000	40,000





Mr. P.S. Ganeshkumar	581,000	1,020,000	760,000	540,000	40,000
Mr. Santaram Badai	119,000				
<b>Total</b>					
<b>NON-REVENUE ITEMS :</b>					
<b>Advance for Material \ premsies</b>					
M/s. Aadv Enterprises	20,000,000				
Mr. P.S. Ganeshkumar	17,500,000				
<b>Loan Taken</b>					
Mr. Digambar Sudam Songhare	-	58,585	3,291,891	3,225,897	2,387,925
Mr. P.S. Ganeshkumar	-	200,000	38,833,966	3,785,963	3,025,896

**ANNEXURE-15  
STATEMENT OF TRADE PAYABLE**

(In Rs.)

Particulars	As on 30 <sup>th</sup> November , 2017	As on March 31,			
		2,017	2,016	2,015	2,014
Trade Payable	8,864,086	2,581,851	3,720,420	7,035,484	1,320,897
<b>Total</b>	<b>8,864,0861</b>	<b>2,581,851</b>	<b>3,720,420</b>	<b>7,035,484</b>	<b>1,320,897</b>

**ANNEXURE-16  
STATEMENT OF CURRENT LIABILITIES AND SHORT TERM PROVISIONS**

(In Rs.)

Particulars	As on 30 <sup>st</sup> November , 2017	As on March 31,			
		2,017	2,016	2,015	2,014



<b>Current Liabilities</b>					
Advance from Customers			2,059,503	2,725,697	775,675
<b>OTHER CURRENT LAIBILITY</b>					
Duties and Taxes	4,312,481	2,220,718	3,779,202	2,535,015	223,510
<b>Total</b>	<b>4,312,481</b>	<b>2,220,718</b>	<b>5,838,705</b>	<b>5,260,712</b>	<b>999,185</b>

**ANNEXURE-17**

**STATEMENT OF FIXED ASSETS**

Particulars	As on 30 <sup>th</sup> November , 2017	As on March 31,			
		2,017	2,016	2,015	2,014
<b>Office and Equipment</b>					
Gross Block					
Opening balance	2,394,693	267,693	146,393	59,500	-
Addition during the year	1,082,820	2,127,000	121,300	86,893	59,500
Reduction during the year					-
Closing balance ( GB)	3,477,513	2,394,693	267,693	146,393	59,500
Depreciation Block					
Opening balance	874,791	77,597	34,873	139	
Depreciation during the year	698,475	797,194	42,724	34,734	139
Closing balance ( DB)	1,573,266	874,791	77,597	34,873	139
Net WDV - OE	1,904,247	1,519,902	190,096	111,520	59,361
<b>Computer</b>					
Gross Block					
Opening balance	141,500				



		141,500	84,000	76,000	
Addition during the year			57,500	8,000	76,000
Reduction during the year					-
Closing balance ( GB)	141,500	141,500	141,500	84,000	76,000
<b>Depreciation Block</b>					
Opening balance	120,104	45,819	40,203	608	
Depreciation during the year	28,528	74,285	5,616	39,595	608
Closing balance ( DB)	148,632	120,104	45,819	40,203	608
Net WDV - C	7,132	21,396	95,681	43,797	75,392
<b>Furniture</b>					
<b>Gross Block</b>					
Opening balance	5,058,756	507,936	120,936	120,936	-
Addition during the year		4,550,820	387,000		120,936
Reduction during the year					-
Closing balance ( GB)	5,058,756	5,058,756	507,936	120,936	120,936
<b>Depreciation Block</b>					
Opening balance	1,041,928	78,016	13,101	378	-
Depreciation during the year	743,632	963,912	64,915	12,723	378
Closing balance ( DB)	1,785,560	1,041,928	78,016	13,101	378
Net WDV - f	3,273,196	4,016,828	429,920	107,835	120,558
<b>Plant and Machinery</b>					
<b>Gross Block</b>					
Opening balance	3,297,648	3,297,648	3,297,648	3,146,688	-
Addition during the year	18,770,000			150,960	3,146,688
Reduction during the year					



					-
Closing balance ( GB)	22,067,648	3,297,648	3,297,648	3,297,648	3,146,688
Depreciation Block					
Opening balance	1,083,443	555,134	230,614	7,371	-
Depreciation during the year	1,157,943	528,309	324,520	223,243	7,371
Closing balance ( DB)	2,241,386	1,083,443	555,134	230,614	7,371
Net WDV - PM	19,826,262	2,214,205	2,742,514	3,067,034	3,139,317
<b>FIXED ASSETS</b>					
GROSS BLOCK	30,745,417	10,892,597	4,214,777	3,648,977	3,403,124
FACTORY PREMISES-AD	6,000,000	-	-	-	-
WIP			318,791		
DEPRECIATION BLOCK	5,748,843	3,120,266	756,566	318,791	8,496
NET ASSETS BLOCK	30,996,574	7,772,331	3,777,002	3,330,186	3,394,628

**ANNEXURE-18**

**STATEMENT OF INVENTORY**

Particulars	As on 30 <sup>th</sup> November, 2017	As on March 31,			
		2,017	2,016	2,015	2,014
Closing stock of Finished goods and materials	43,172,815	19,666,442	10,125,897	9,562,520	936,540
<b>Total</b>	<b>43,172,815</b>	<b>19,666,442</b>	<b>10,125,897</b>	<b>9,562,520</b>	<b>936,540</b>

**ANNEXURE-19**



## STATEMENT OF INVESTMENTS

Particulars	As on 30 <sup>th</sup> November, 2017	As on March 31,			
		2,017	2,016	2,015	2,014
	-				
	-				
<b>Total</b>	-				

## ANNEXURE-20

## STATEMENT OF CASH AND CASH EQUIVALENT

Particulars	As on 30 <sup>th</sup> November, 2017	As on March 31,			
		2,017	2,016	2,015	2,014
CASH IN HAND	1,287,571	1,297,046	55,500	215,325	67,616
BANK BALANCE					
WITH CURRENT ACCOUNTS	3,487,595	1,622,746	673,501	635	1,015,590
<b>Total</b>	<b>4,775,166</b>	<b>2,919,792</b>	<b>729,001</b>	<b>215,960</b>	<b>1,083,206</b>

## ANNEXURE-21

## STATEMENT OF OTHER CURRENT ASSET

Particulars	As on 30 <sup>th</sup> November, 2017	As on March 31,			
		2,017	2,016	2,015	2,014
Other Current Assets	989,891			12,990	17,320
<b>Total</b>	<b>989,891</b>	-	-	<b>12,990</b>	<b>17,320</b>

**ANNEXURE-22**

**STATEMENT OF INCOME**

Particulars	As on 30 <sup>th</sup> November, 2017	As on March 31,			
		2,017	2,016	2,015	2,014
Revenue from Business	236,836,280	89,224,111	55,175,651	32,860,284	3,772,509
Other Income	356,252	243,888	-	369,125	15,250
<b>Total</b>	<b>237,192,532</b>	<b>89,467,999</b>	<b>55,175,651</b>	<b>33,229,409</b>	<b>3,787,759</b>

**ANNEXURE-23**

**STATEMENT OF FINANCIAL INDEBTEDNESS**

**FULLERTON INDIA CREDIT CO. LTD.; Corp Office: "Vishwakarma", 86C, Topsia Road (South), Kolkata 700046.**

Our Company has been sanctioned Rs. 20.64 Lakhs and from FULLERTON INDIA CREDIT CO. LTD. vide their letter no. 036102410165384 dated 28/04/2017. The terms and conditions of the Loan mentioned as below:

<b>Amount of Loan</b>	Rs. 20.64 lakhs
<b>Currency</b>	INR
<b>Nature of Facility</b>	Term Loan
<b>Purpose</b>	Business Loan
<b>Rate of Interest</b>	19.00%
<b>Repayment</b>	1st Instalment of Rs. 4,358/- on 4th May, 2017 and then after 24 Equal Instalments payable of Rs.1,04,044/- commencing from June, 2017 payable on 4th of every month and ending on May, 2019
<b>Security</b>	NIL
<b>Penal Interest</b>	Not Applicable
<b>Balance as on November 30, 2017</b>	1,618,515.95

**INDUSIND BANK LTD.; Warden House, 2nd Floor, Sir P.M Road (South), Fort, Mumbai 400001.**

Our Company has been sanctioned a Business Loan of Rs. 15.00Lakhs. vide their letter no. 34735771/174 dated 04/05/2017. The terms and conditions of the Loan mentioned as below:

<b>Amount of Loan</b>	Rs. 15.00 lakhs
-----------------------	-----------------

<b>Currency</b>	INR
<b>Nature of Facility</b>	Term Loan
<b>Purpose</b>	Business Loan
<b>Rate of Interest</b>	18.50% p.a.
<b>Repayment</b>	36 Equated monthly instalments of Rs. 54,606/- commencing from June, 2017 payable on 4th of every month and ending on May, 2020.
<b>Security</b>	NIL
<b>Penal Interest</b>	Not Applicable
<b>Balance as on November 30, 2017</b>	1,169,323

**TATA CAPITAL; I-Think Techno Campus, A wing, 4th Floor, Off Pokhran Road No. 2, Thane West 400607**

Our Company has been sanctioned a Business Loan of Rs. 20.00 Lakhs. vide their letter no. 7289812 dated 30/04/2017. The terms and conditions of the Loan mentioned as below:

<b>Amount of Loan</b>	Rs. 20.00 lakhs
<b>Currency</b>	INR
<b>Nature of Facility</b>	Term Loan
<b>Purpose</b>	Business Loan
<b>Rate of Interest</b>	18.35% p.a.
<b>Repayment</b>	Equated Monthly Installment - Rs. 72,807/-
<b>Security</b>	NIL
<b>Penal Interest</b>	Not Applicable
<b>Balance as on November 30, 2017</b>	1,741,603

**DEUTSCHE BANK ; P. O. Box No. 9080, Goregaon(East), Mumbai 400 063**

Our Company has been sanctioned a Working capital Loan of Rs. 35.00 Lakhs. vide their letter no. 1180844 dated 05/05/2017. The terms and conditions of the Loan mentioned as below:

<b>Amount of Loan</b>	Rs. 35.00 lakhs
<b>Currency</b>	INR
<b>Nature of Facility</b>	Term Loan
<b>Purpose</b>	Business Loan
<b>Rate of Interest</b>	Bank MCLR+ 8.45%
<b>Repayment</b>	Equated Monthly Installment - Rs. 1,24,785/-
<b>Security</b>	NIL
<b>Penal Interest</b>	Not Applicable
<b>Balance as on November 30, 2017</b>	3,045,400

**SARASWAT BANK ; P. O. Box No. 9080, Goregaon(East), Mumbai 400 063**

Our Company has been sanctioned a Cash Credit of Rs. 500.00 Lakhs. vide their Ref. No.: SCB/Z-III//16-17/BDB/108 dated 10/03/2017. The terms and conditions of the Loan mentioned as below:

<b>Amount of Loan</b>	Rs. 500.00 lakhs
<b>Currency</b>	INR



<b>Nature of Facility</b>	Cash Credit-Floating
<b>Purpose</b>	Working Capital Requirement
<b>Rate of Interest</b>	PLR-1.75% subject to minimum @ 12.50%
<b>Repayment</b>	Repayable on Demand and Reviewed/Renewed Periodically
<b>Security</b>	Flat No. 1501 & 1502, Aawez Heights, S V Road, Andheri West in the of Promoter of the Company Mr. P S Ganesh Kumar & Mr. Digambar S Songhare
<b>Penal Interest</b>	Not Applicable
<b>Balance as on November 30, 2017</b>	49,998,303

**EDELWEISS RETAIL FINANCE LIMITED ; Tower 3, Wing B, Kohinoor City, Kirol Road, Kurla (W) Mumbai 400 070**

Our Company has been sanctioned a Cash Credit of Rs. 20.10 Lakhs. vide their App. No.:121896 dated 28/04/2017. The terms and conditions of the Loan mentioned as below:

<b>Amount of Loan</b>	Rs. 20.10 lakhs
<b>Currency</b>	INR
<b>Nature of Facility</b>	Term Loan
<b>Purpose</b>	Business Loan
<b>Rate of Interest</b>	19.50%
<b>Repayment</b>	30(1 Advance) Equated monthly instalments of Rs. 85,182 each .
<b>Security</b>	NIL
<b>Penal Interest</b>	Not Applicable
<b>Balance as on November 30, 2017</b>	1,593,843

**CAPITAL FIRST; Tower 3, Wing B, Kohinoor City, Kirol Road, Kurla (W) Mumbai 400 070**

Our Company has been sanctioned a Cash Credit of Rs. 10.10 Lakhs. vide their Agreement No. 7536784 dated 12/09/2016. The terms and conditions of the Loan mentioned as below:

<b>Amount of Loan</b>	Rs. 10.10 lakhs
<b>Currency</b>	INR
<b>Nature of Facility</b>	Term Loan
<b>Purpose</b>	Business Loan
<b>Rate of Interest</b>	19.00%
<b>Repayment</b>	Equated Monthly Installment - Rs.50,913/-
<b>Security</b>	NIL
<b>Penal Interest</b>	Not Applicable
<b>Balance as on November 30, 2017</b>	423,944.05

**BAJAJ FINSERV**

Our Company has been sanctioned a Business Loan at of Rs. 20.00 Lakhs. vide their Agreement No. 405BFR39059814 dated 28/04/2017. The terms and conditions of the Loan mentioned as below:

<b>Amount of Loan</b>	Rs. 20.00 lakhs
<b>Currency</b>	INR





<b>Nature of Facility</b>	Term Loan
<b>Purpose</b>	Business Loan
<b>Rate of Interest</b>	18.00%
<b>Repayment</b>	96 Equated monthly installments of which 1st Installment if of Rs. 35,000/- & from 2nd installment onwards Rs. 30,000/- commencing from June,2017 payable on 2nd of every month and ending on May, 2025.
<b>Security</b>	NIL
<b>Penal Interest</b>	Not Applicable
<b>Balance as on November 30, 2017</b>	2,000,000



## MANAGEMENT DISCUSSION & ANALYSIS OF FINANCIAL CONDITIONS & RESULT OF OPERATIONS

*You should read the following discussion of our financial condition and results of operations together with our restated financial statements included in the Prospectus. You should also read the section entitled “Risk Factors” beginning on page 20 and “Forward Looking Statements” beginning on page 18, which discusses a number of factors, risks and contingencies that could affect our financial condition and results of operations.*

*The following discussion of our financial condition and results of operations should be read in conjunction with our restated summary statements as of and for the period ending on fiscal years ended March 31, 2017; March 31, 2016; March 31, 2015, March 31, 2014 and for the period ended on November 30, 2017 including the schedules and notes thereto and the reports thereto, which appear in the section titled “Financial Information of the Company” on Page No.175 of the Prospectus. The financial statements presented and discussed herein have been prepared to comply in all material respects with the notified accounting standards by Companies (Accounting Standards) Rules, 2006 (as amended), the relevant provisions of the Companies Act and SEBI (Issue of Capital and Disclosure Requirements) Regulations, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Our fiscal year ends on March 31 of each year. Accordingly, all references to a particular fiscal year/financial year are to the twelve-month period ended on March 31 of that year. The forward-looking statements contained in this discussion and analysis is subject to a variety of factors that could cause actual results to differ materially from those contemplated by such statements.*

### Overview

Our Company was originally incorporated as “Milestone Furniture Private Limited” on March 12, 2014 under the Companies Act, 1956 vide certificate of incorporation issued by the Registrar of Companies, Mumbai. Our Company was subsequently converted in to a public company and consequently name was changed to “Milestone Furniture Limited” (MFL) vide fresh certificate of incorporation dated June 14, 2017 issued by Registrar of Companies, Mumbai. The CIN of the Company is U36912MH2014PLC254131.

Our Company was incorporated by our Promoters- Mr. Digambar Sudam Songhare & Mr. P. S. Ganeshkumar with an aim of running manufacturing and marketing of Interior and Modular Furniture business. As a part of business growth, the Company registered with the Registrar of Companies, Mumbai on 12th March, 2014 as Milestone Furniture Private Limited.

Our Company & its executives have developed the skill and expertise in Space & work station Management, designing and innovation in Furniture used in Education, Healthcare and Corporate organization. We have also developed the In house technical & Design team to provide turnkey solution and implementation of interior and work space in Commercial, Residential and Institutions. Our aim to develop Interiors and Designs in Modular furniture and developed the technique to make all products as “Make in India” and provide competition to China and other Markets.

Under the guidance of promoters, our company has successfully executed turnkey projects for design, supply and implementation of Interiors and Modular furniture in Education, healthcare and corporate organization. Our company has regular business from existing clients such as Poddar International School, Architect and Contractors. Our company has developed the regular clients for supply of office furniture and fittings. Our company has developed the In house team of professionals for Design, drawing and space management interiors suitable and specification of client needs.

With determined efforts and dedication, our company has developed the reputation, brand and goodwill for quality furniture and timely delivery & installation. We believe that we have differentiated ourselves from our



competitors through introduction of new products, including launching innovative designs targeted at addressing consumer needs, market trends and providing superior value to consumers. Our diversified product portfolio enables us to cater to a wide range of preferences and consumer segments. Our products are the Ready to use and provide space management and primarily targeted to clients in Education, healthcare, hospitality, banking, insurance and Info tech companies. Our diversified product portfolio is therefore, relatively less susceptible to shifts in consumer preferences, market trends and risks of operating in a particular product segment.

Our company has well established and high tech manufacturing equipments and Design facility to manufacture the various combination and size products as per the specification and design of client. Our Facility is located at 1<sup>st</sup> Floor, Aslam Compound, Shree Nagar, Behind Boghul House, Chandivali Road, Saki Naka, Mumbai, 400 072, India. Our company has obtained the ISO 9000 certification for manufacture facility for quality.

With determined efforts and dedication, our company has developed the reputation, brand and goodwill for quality furniture and timely delivery & installation.

We believe that we have differentiated ourselves from our competitors through introduction of new products, including launching innovative designs targeted at addressing consumer needs, market trends and providing superior value to consumers. Our diversified product portfolio enables us to cater to a wide range of preferences and consumer segments. Our products are the Ready to use and provide space management and primarily targeted to clients in Education, healthcare, hospitality, banking, insurance and Info tech companies. Our diversified product portfolio is therefore, relatively less susceptible to shifts in consumer preferences, market trends and risks of operating in a particular product segment.

#### **Significant Developments Subsequent to the Last Financial Year**

In the opinion of the Board of Directors of our Company, there have not arisen any circumstances since the date of the last financial statements disclosed in this Prospectus that materially or adversely affect the operations or profitability of the Company or the Value of its assets or its ability to pay its liability within next twelve months except below changes occurred after Balance Sheet date:-

1. Our Company will appoint Independent directors prior Listing of the shares on BSE SME Platform so No Committees has been formed till date.
2. We have appointed Mr. Kamlesh Vyas as Company Secretary of the Company with effect from December 02, 2017.

#### **Key factors affecting our results of operation:**

The business is subjected to various risks and uncertainties, including those discussed in the section titled “Risk Factor” beginning on page no. 20 of this Prospectus. Our results of operations and financial conditions are affected by numerous factors including the following:

- The condition and performance of the Furniture & Décor market in India
- General economic and demographic conditions;
- Regulation affecting the Manufacturing, pollution and wood industry;
- Our ability to supply the innovative and modular furniture at suitable costs;
- Our ability to cater the modular furniture to Education, Corporate and House hold segment, identify suitable turnkey projects and execute them in a timely and cost effective manner;
- Supply Modular furniture to Household segment in Affordable housing through Builder on national level;
- The availability of finance on favorable terms for our business and for our customers;
- Competition;
- Variations in prices for our products;
- Significant developments in India’s economic and fiscal policies;

- Our ability to attract and retain its consumers and job workers;
- Our ability to meet our capital expenditure requirements; and
- Our ability to obtain the necessary licenses in timely manner.

**Our Significant Accounting Policies:**

Our significant accounting policies are described in the Section VI entitled “Financial Statements” on page no. 175 of this Prospectus.

**Our Results of Operations**

The following table sets forth select financial data from restated Profit and Loss Accounts for the Financial Year ended on March 31, 2017, 2016, 2015 and 2014 and for the Eight months period ending on November 30, 2017 the components of which are also expressed as a percentage of total income for such periods. Further, in terms of Schedule VIII, Clause IX (9) of the SEBI (ICDR) Regulations, 2009, the company is required to give the financial information for the preceding 5 financial years from the date of the Prospectus. Since, Milestone Furniture Limited was incorporated on March 12, 2014, the financial information for years ending March 31, 2015 and March 31, 2016, March 31, 2017 and partially for March 31, 2014 can only be mentioned in the prospectus.

Particulars (For the Year Ended)	30 <sup>th</sup> November 2017	% of Total Income	31st March 2017	% of Total Income	31st March 2016	% of Total Income	31st March 2015	% of Total Income	31st March 2014	% of Total Income
Revenue From Operations	236,836,280	99.85	89,224,111	99.73	55,175,651	100	32,860,284	98.89	3,772,509	99.60
Other Income	356,252	0.15	243,888	0.27	-	-	369,125	1.11	15,250	0.40
<b>Total Income</b>	<b>237,192,532</b>	<b>100</b>	<b>89,467,999</b>	<b>100</b>	<b>55,175,651</b>	<b>100</b>	<b>33,229,409</b>	<b>100</b>	<b>3,787,759</b>	<b>100</b>
<b>Expenditure</b>										
Cost of Materials Consumed	220,832,457	93.10	80,461,128	89.93	48,105,117	87.19	33,419,098	100.57	3,501,357	92.44
Changes in Inventories of Finished Goods, WIP	(23,506,373)	(9.91)	(9,540,545)	(10.66)	(563,377)	(1.02)	(8,625,980)	(25.96)	(936,540)	(24.72)
Employee Benefit Expense	13,607,556	5.74	5,732,908	6.41	2,010,000	3.64	3,193,800	9.61	72,542	1.91
Financial Expense	4,490,737	1.89	499,312	0.56	-	-	-	-	-	-
Depreciation & Amortization Expense	2,628,577	1.11	2,363,700	2.64	437,775	0.79	310,296	0.93	8,496	0.22
Administration & Selling Expenses	8,510,304	3.59	4,904,749	5.48	2,383,000	4.32	4,131,078	12.43	618,126	16.32
<b>Total Expenses</b>	<b>226,563,258</b>	<b>95.52</b>	<b>84,421,252</b>	<b>94.36</b>	<b>52,372,515</b>	<b>94.92</b>	<b>32,428,292</b>	<b>97.59</b>	<b>3,263,981</b>	<b>86.17</b>



<b>Profit Before exceptional and extraordinary items &amp; taxes</b>	<b>10,629,274</b>	<b>4.48</b>	<b>5,046,747</b>	<b>5.64</b>	<b>2,803,136</b>	<b>5.08</b>	<b>801,117</b>	<b>2.41</b>	<b>523,778</b>	<b>13.83</b>
Exceptional Items	-	-	-	-	-	-	-	-	-	-
<b>Profit before extraordinary items and tax</b>	<b>10,629,274</b>	<b>4.48</b>	<b>5,046,747</b>	<b>5.64</b>	<b>2,803,136</b>	<b>5.08</b>	<b>801,117</b>	<b>2.41</b>	<b>523,778</b>	<b>13.83</b>
Extraordinary Items	-	-	-	-	-	-	-	-	-	-
<b>Profit Before Tax</b>	<b>10,629,274</b>	<b>4.48</b>	<b>5,046,747</b>	<b>5.64</b>	<b>2,803,136</b>	<b>5.08</b>	<b>801,117</b>	<b>2.41</b>	<b>523,778</b>	<b>13.83</b>
<b>Tax Expense</b>										
Current Tax	2,657,318	1.12	2,125,000	2.38	817,037	1.48	181,418	0.51	100,000	2.64
Deferred Tax	12,450	0.01	(325,930)	(0.36)	(3,037)	(0.01)	77,227	0.23	80,592	2.13
<b>Profit after tax and before extraordinary items</b>	<b>7,959,505</b>	<b>3.36</b>	<b>3,247,677</b>	<b>3.63</b>	<b>1,989,136</b>	<b>3.61</b>	<b>542,472</b>	<b>1.65</b>	<b>343,186</b>	<b>9.10</b>
<b>Extraordinary items-Excess tax prov</b>	<b>565,555</b>	<b>0.24</b>								
<b>Net profit after extraordinary items available for appropriation</b>	<b>8,525,060</b>	<b>3.59</b>	<b>3,247,677</b>	<b>3.63</b>	<b>1,989,136</b>	<b>3.61</b>	<b>542,472</b>	<b>1.65</b>	<b>343,186</b>	<b>9.10</b>
<b>Restated profit after tax for the period from continuing operations</b>	<b>8,525,060</b>	<b>3.59</b>	<b>3,247,677</b>	<b>3.63</b>	<b>1,989,136</b>	<b>3.61</b>	<b>542,472</b>	<b>1.65</b>	<b>343,186</b>	<b>9.10</b>

## **REVIEW OF EIGHT MONTH PERIOD ENDED NOVEMBER 30, 2017**

### ***Revenue from Operations***

During the Eight month period ended November 30, 2017, the total revenue of our company was Rs. **2,371.92** lakhs. This is due to successful introduction of product ranges in furniture in education & Banking. Products were developed in house suitable for the school, college and banking industry.

### ***Total Expenses***

The operating cost consists of Purchase of stock-in-trade, Employee Benefit Expenses, Finance cost, Depreciation and Administration Expenses. During the Eight month period ended November 30, 2017, the cost of material consumed was consists of raw material such as wooden & ply sheet, metal bars and chemicals. The material consumed Rs. 2,208.32 lakhs.

### ***Employee expenses***

Expenses incurred on labour and its welfare during the eight month period ended November 30, 2017 was Rs. 136.07 lakhs and had been kept as direct expenses towards manufacturing and process activities.

### ***Finance cost***

Expenses incurred on finance and interest cost during the eight month period ended November 30, 2017 was Rs. 44.90 Lakhs. This was mainly on account of loan been taken from bank.

### ***Depreciation and amortization expense***

During the eight month period ended November 30, 2017, depreciation and amortization expense of our company was Rs. 26.28 Lakhs.

### ***Administration and other selling expenses***

Administrative & Selling expenses for eight month period ended November 30, 2017 was Rs. 85.10 lakhs. The expenses had been increased due to increase in business and our management has launched new product ranges.

### ***Profit/ (Loss) After Tax***

The PAT for eight month period ended November 30, 2017 was Rs. 85.25 lakhs. This was mainly on account of growth in business during the year.

## **COMPARISON OF THE FINANCIAL PERFORMANCE OF FISCAL 2017 WITH FISCAL 2016**

### ***Revenue from Operations***

During the year 2016-17, the total revenue of our company has increased to Rs. 894.68 lakhs as against Rs. 551.76 lakhs in year 2015-16. It represents increase of 62 % of the total revenue. This revenue increased due to introduction of product ranges in furniture in education & Banking. Products were developed in house suitable for the school, college and banking industry.

### ***Total Expenses***

The operating cost consists of Purchase of stock-in-trade, Employee Benefit Expenses, Finance cost, Depreciation and Administration Expenses. During the year 2016-17, the cost of material consumed was consists of raw material such as wooden & ply sheet, metal bars and chemicals. The material consumed was increased to Rs. 709.21 lakhs from Rs. 475.42 lakhs as compared to year 2015-16 showing increase of 49%. This has increased due to overall business also increased during the year.

### ***Employee expenses***

Expenses incurred on labour and its welfare during the financial year 2016- 17 was Rs. 57.33 lakhs and 2015-16 was Rs. 20.10 lakhs had been kept as direct expenses towards manufacturing and process activities. This show increase in employees expenses of 185% due to increase in production and business.

### ***Finance cost***

Expenses incurred on finance and interest cost during the financial year 2016-17 increased to Rs. 4.99 Lakhs from nil in fiscal year 2015-16, showing a increase of 100%.

### ***Depreciation and amortization expense***

During the year 2016-17, depreciation and amortization expense of our company has increased to Rs. 23.64 Lakhs as against Rs. 4.38 Lakhs in year 2015-16 showing a increase of 440%.

### ***Administration and other selling expenses***

Administrative & Selling expenses for the year 2016-17 increased to Rs. 49.05 lakhs from Rs. 23.83 lakhs in fiscal year 2015-16. The expenses had been increased due to increase in business and our management has launched new product ranges. This show increased by 106% as compared to previous year.

### ***Profit/ (Loss) After Tax***

The PAT for Financial Year 2016-17 has increased to Rs. 32.48 lakhs from Rs. 19.89 lakhs in Financial Year 2015-16, a jump of around 63% over the previous year. This was mainly on account of increase in business during the year.

## **COMPARISON OF THE FINANCIAL PERFORMANCE OF FISCAL 2016 WITH FISCAL 2015**

### ***Revenue from Operations***

During the year 2015-16, the total revenue of our company has increased to Rs. 551.76 lakhs as against Rs. 332.29 lakhs in year 2014-15. It represents increase of 66 % of the total revenue. This revenue increased due to ongoing business expansion and catered few turnkey projects. Products were developed in house suitable for the corporate and SME segments.

### ***Total Expenses***

The operating cost consists of Purchase of stock-in-trade, Employee Benefit Expenses, Finance cost, Depreciation and Administration Expenses.



During the year 2015-16, the cost of material consumed was consists of raw material such as wooden & ply sheet, metal bars and chemicals. The material consumed was increased to Rs. 475.42 lakhs from Rs. 247.93 lakhs as compared to year 2014-15 showing increase of 92%.

***Employee expenses***

Expenses incurred on labour and its welfare during the financial year 2015- 16 was Rs. 20.10 lakhs and 2014-15 was Rs. 31.94 lakhs had been kept as direct expenses towards manufacturing and process activities. This show decreased in employees expenses of 37% as compared with previous year.

***Finance cost***

Expenses incurred on finance and interest cost during the financial year 2015-16 was nil and nil in fiscal year 2014-15.

***Depreciation and amortization expense***

During the year 2015-16, depreciation and amortization expense of our company has increased to Rs. 4.38 Lakhs as against Rs. 3.10 Lakhs in year 2014-15 showing a increase of 41%.

***Administration and other selling expenses***

Administrative & Selling expenses for the year 2015-16 decreased to Rs. 23.83 lakhs from Rs. 41.31 lakhs in fiscal year 2014-15. The expenses had been decreased due to cost cutting and control the expenses. This show decreased by 42% as compared to previous year.

***Profit/ (Loss) After Tax***

The PAT for Financial Year 2015-16 has increased to Rs. 19.89 lakhs from Rs. 5.42 lakhs in Financial Year 2014-15, a jump of around 266% over the previous year. This was mainly on account of increase in business during the year.

**COMPARISON OF THE FINANCIAL PERFORMANCE OF FISCAL 2015 WITH FISCAL 2014**

***Revenue from Operations***

During the year 2014-15, the total revenue of our company has increased to Rs. 332.29 lakhs as against Rs. 37.87lakhs in year 2013-14. It represents increase of 777 % of the total revenue. This revenue increased due to ongoing business expansion and and the company had jus started the business in the fiscal year 2013-14.

***Total Expenses***

The operating cost consists of Purchase of stock-in-trade, Employee Benefit Expenses, Finance cost, Depreciation and Administration Expenses.

During the year 2014-15, the cost of material consumed was consists of raw material such as wooden & ply sheet, metal bars and chemicals. The material consumed was increased to Rs. 247.93 lakhs from Rs. 25.64 lakhs as compared to year 2013-14 showing increase of 867%.



***Employee expenses***

Expenses incurred on labour and its welfare during the financial year 2014- 15 was Rs. 31.94 lakhs and 2013-14 was Rs. 0.73 lakhs had been kept as direct expenses towards manufacturing and process activities. This show increase in employees expenses of 44 times as compared with previous year.

***Finance cost***

Expenses incurred on finance and interest cost during the financial year 2014-15 was nil and nil in fiscal year 2013-14.

***Depreciation and amortization expense***

During the year 2014-15, depreciation and amortization expense of our company has increased to Rs. 3.10 Lakhs as against Rs. 0.08 Lakhs in year 2013-14 showing increase of 39 times.

***Administration and other selling expenses***

Administrative & Selling expenses for the year 2014-15 increased to Rs. 41.31 lakhs from Rs. 6.18 lakhs in fiscal year 2013-14. The expenses had been increased due to business expansion and growth. This show increase of 568% as compared to previous year.

***Profit/ (Loss) After Tax***

The PAT for Financial Year 2014-15 has increased to Rs. 5.42 lakhs from Rs. 3.43 lakhs in Financial Year 2013-14, a jump of around 58% over the previous year. This was mainly on account of increase in business during the year.

***Other Key factors that may affect our results of operation:***

**1. Unusual or infrequent events or transactions.**

Except as described in this Prospectus, during the periods under review there have been no transactions or events, which in our best judgment, would be considered unusual or infrequent.

**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 no. 20 of this Prospectus respectively, 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 revenue or income from continuing operations.**

Other than as described in the section titled “Risk Factors” beginning on page no. 20 of this Prospectus, in our opinion 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.**

Our Company's future costs and revenues will be determined by demand/supply situation, government policies and prices quoted by material suppliers and service vendors.

**5. Increases in net sales or revenue and Introduction of new products or services or increased sales prices.**

Increases in revenues are by and large linked to increases in volume of business and inception of new projects.

**6. Total turnover of each major industry segment in which the Company operated.**

As on date the Company operates in three industry segment i.e. water and waste water treatment; e-waste recycling and industrial piping. The details relating to the same has been mentioned in under Section "Restated Financial Statements" and "Industry Overview" beginning on page no.175 and 106.

**7. Status of any publicly announced new products or business segment.**

The Company has not announced any new product and segment / scheme, other than through the Prospectus.

**8. Seasonality of business**

Our Company's business is not seasonal in nature.

**9. Dependence on single or few customers / supplier**

We are in interior and furniture business having wide range of products and cater to corporate, SME, Education and Household segments and hence our clients/customers are non repetitive in nature.

**10. Major Suppliers**

The following are the top 5 suppliers for the last financial year ended March 2017:-

<b>Name of the Suppliers</b>	<b>Amount (Rs. In Lakhs)</b>	<b>% of purchase</b>
Salco Extrusions Pvt Ltd	4615067	5.73
Pooja Plywood	1565366	1.94
Kavya Enterprises	7871886	9.78
Prism Laminates Pvt Ltd	2229604	2.77
Surani Interiors Products LLP	1551186	1.92
<b>TOTAL ( INCLUSIVE OF TAXES)</b>	<b>17833109</b>	<b>22.16</b>

**11. Competitive conditions.**

We face competition from existing and potential 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 no. 116 of this Prospectus.



**SECTION VII – LEGAL AND OTHER INFORMATION**

**OUTSTANDING LITIGATIONS AND MATERIAL DEVELOPMENTS**

*Except as stated below there are no outstanding litigations, suits, criminal or civil prosecutions, proceedings or tax liabilities against/by the Company, its Directors, its Promoters and its Group Companies and there are no defaults, non-payment of statutory dues, over-dues to banks/financial institutions, defaults against banks/financial institutions by the Company, defaults in dues payable to holders of any debenture, bonds and fixed deposits and arrears of preference shares issued by our Company, default in creation of full security as per terms of issue/other liabilities, no amounts owed to small scale undertakings or any other creditor exceeding Rs. 1 Lakhs, which is outstanding for more than 30 days, no proceedings initiated for economic/civil/any other offences (including past cases where penalties may or may not have been awarded and irrespective of whether they are specified under paragraph (1) of Part 1 of Schedule XIII to the Companies Act, 1956 or Schedule V of the Companies Act, 2013) other than unclaimed liabilities of our Company and no disciplinary action has been taken by SEBI or any stock exchange against the Company, its Promoters, its Directors and Group Companies.*

*Further, except as stated herein, there are no past cases in which penalties have been imposed on the Company, its Promoters, its Directors or its Group Companies, and there is no outstanding litigation against any other Company whose outcome could have a material adverse effect on the position of the Company. Further, there are no cases of litigation, defaults etc. in respect of companies/firms/ventures with which the Promoters were associated in the past but are no longer associated, in respect of which the name(s) of the Promoters continues to be associated.*

*Further, apart from those as stated below, there are no show-cause notices / claims served on the Company, its Promoters and its Directors or its Group Companies from any statutory authority / revenue authority that would have a material adverse effect on our business.*

**(A) Outstanding Litigations involving Our Company: NIL**

**LITIGATIONS**

**(B) Pending Litigation**

(i) Labour Cases filed against the Company	: NIL
(ii) Labour Cases filed by the Company	: NIL
(iii) Civil Cases filed against the Company	: NIL
(iv) Civil Cases filed by the Company	: NIL
(v) Criminal cases against the company	: NIL
(vi) Criminal cases filed by the company	: NIL
(vii) Notices served on the Company	: NIL
(viii) Tax related matters	: NIL

**(C) Pending litigation- Promoters**

1. There are no criminal case and civil cases filed against our promoters Mr. Digmabar S. Songhare and Mr. P.S. Ganesh Kumar.
2. There are no criminal cases and civil cases filed by our promoters Mr. Digmabar S. Songhare and Mr. P.S. Ganesh Kumar.



3. There are no cases relating to tax matters against or filed by our promoters Mr. Digmabar S. Songhare and Mr. P.S. Ganesh Kumar.

**(D) Pending litigation- Directors**

1. There are no criminal case and civil cases filed against our director Mrs. Sushama S. Nevase and Mr. Shantaram P. Badai.
2. There are no criminal cases and civil cases filed by our director Mrs. Sushama S. Nevase and Mr. Shantaram P. Badai.
3. There are no cases relating to tax matters against or filed by our director Mrs. Sushama S. Nevase and Mr. Shantaram P. Badai.

**(E) Pending litigation- For Independent Directors**

Independent Directors will be appointed prior to listing on SME Platform of BSE

**(F) Pending litigation- For Our Promoter Groups**

1. There are no criminal case and civil cases filed against our promoter group Mrs. Ambili P.S. Ganeshkumar and Mrs. Priya Digambar Songhare.
2. There are no criminal cases and civil cases filed by our promoter group Mrs. Ambili P.S. Ganeshkumar and Mrs. Priya Digambar Songhare.
3. There are no cases relating to tax matters against or filed by our promoter group Mrs. Ambili P.S. Ganeshkumar and Mrs. Priya Digambar Songhare.

**(G) Pending litigation- Our Group Companies/ Entities**

**1. Milestone Builders and Developers India Private Limited**

- |  |       |
|--|-------|
| i) Labour Cases filed against the Company  | : NIL |
| ii) Labour Cases filed by the Company      | : NIL |
| iii) Civil Cases filed against the Company | : NIL |
| iv) Civil Cases filed by the Company       | : NIL |
| v) Criminal cases against the company      | : NIL |
| vi) Criminal cases filed by the company    | : NIL |
| vii) Notices served on the Company         | : NIL |
| viii) Tax related matters                  | : NIL |

**2. Aadv Enterprises**

- |  |       |
|--|-------|
| i) Labour Cases filed against the Company  | : NIL |
| ii) Labour Cases filed by the Company      | : NIL |
| iii) Civil Cases filed against the Company | : NIL |
| iv) Civil Cases filed by the Company       | : NIL |
| v) Criminal cases against the company      | : NIL |
| vi) Criminal cases filed by the company    | : NIL |
| vii) Notices served on the Company         | : NIL |
| viii) Tax related matters                  | : NIL |

## GOVERNMENT AND OTHER APPROVALS

*We have received the necessary consents, licenses, permissions and approvals from the Government and various governmental agencies required for our present business (as applicable on date of this Prospectus) and except as mentioned below, no further approvals are required for carrying on our present business.*

*In view of the approvals listed below, we can undertake the Offer and our current/ proposed business activities and no further major approvals from any governmental or regulatory authority or any other entity are required to be undertaken in respect of the Offer or to continue our business activities. It must be distinctly understood that, in granting these approvals, the Government of India does not take any responsibility for our financial soundness or for the correctness of any of the statements made or opinions expressed in this behalf. Unless otherwise stated, these approvals are all valid as of the date of this Prospectus.*

*The main objects clause of the Memorandum of Association and objects incidental to the main objects enable our Company to carry out its activities. The following statement sets out the details of licenses, permissions and approvals taken by us under various central and state laws for carrying out our business.*

*For further details in connection with the regulatory and legal framework within which we operate, please refer to the chapter titled 'Key Industry Regulations and Policies' on page no. 137 of this Prospectus.*

### A) APPROVALS FOR THE ISSUE

#### Corporate Approvals

1. Our Board has pursuant to a resolution passed at its meeting dated on November 15, 2017 under Section 23 and 62(1)(c) of the Companies Act 2013, authorized the Fresh Issue of Equity Shares.
2. Our Shareholders have pursuant to a resolution passed at their meeting dated December 15, 2017 under Section 62(1)(c) of the Companies Act 2013, authorized the Fresh Issue Shares.
3. Our Company has obtained an approval from the BSE SME Platform for listing our Equity Shares through the Letter dated February 21, 2018.

### B) INCORPORATION DETAILS

1. Certificate of Incorporation dated March 12, 2014 under the name of "Milestone Furniture Private Limited" allotting Corporate Identification Number "U36912MH2014PTC254131" was issued by the Registrar of Companies, Mumbai, Maharashtra.
2. Fresh Certificate of Incorporation dated July 05, 2017 under the name of "Milestone Furniture Limited" allotting Corporate Identification Number "U36912MH2014PLC254131" was issued by the Registrar of Companies, Maharashtra, Mumbai, upon name change of the company.
3. The Corporate Identity Number (CIN) of the Company is U36912MH2014PLC254131.

### C) APPROVALS/ LICENSES IN RELATION TO THE BUSINESS OF OUR COMPANY

We require various approvals and/ or licenses under various rules and regulations to conduct our business. Some of the material approvals required by us to undertake our business activities are set out below:



Sr. No.	Issuing Authority	Registration / License No.	Nature Of Registration / License	Date Of Registration	Valid Upto
<b>I. Under Direct and Indirect Laws</b>					
1.	Registration in Income Tax Department	AAJCM1365N	Allotment of Permanent Account Number (PAN) in the name of “ <b>Milestone Furniture Limited</b> ”	March 12, 2014	Perpetual
2.	Registrar of Companies, Maharashtra, Mumbai	CIN: U36912MH2014PTC254131	Certificate of Incorporation in the name of “ <b>Milestone Furniture Private Limited</b> ”	March 12, 2014	-
3.	Registrar of Companies, Maharashtra, Mumbai,	CIN: U36912MH2014PLC254131	Certificate of Incorporation in the name of “ <b>Milestone Furniture Limited</b> ”	July 05, 2017	Perpetual
4.	Income Tax Department, Government of India	MUMM46066G	Allotment of Tax Deduction Account Number (TAN)	March 12, 2014	Perpetual
5.	Commissioner of Commercial tax, Maharashtra#	27961059339V	Allotment of CST Tax Payer Identification Number (VAT)	March 26, 2014	Converted into GST
6.	Commissioner of Commercial tax, Maharashtra#	27961059339C	Allotment of CST Tax Payer Identification Number (CST)	March 26, 2014	Converted into GST
7.	Small & Medium Enterprises, Office of Joint Director of Industries, Government of Maharashtra#	27221202273	Allotment of Entrepreneur’s Memorandum Number	September 01, 2014	Perpetual
8.	Office under Maharashtra Shop & Establishment Act, 1948	760390909	Gumasta Dhara Certificate	May 12, 2014	31/12/2021
9.	The Maharashtra State Tax on Professions, Trades, Callings and Employments Act, 1975#	27961059339P	Professional Tax Certificate	March 26, 2014	
10.	Trade mark Registry	Applied for	Trademark under Class 20	--	--
			Trademark under Class 42		



Sr. No.	Issuing Authority	Registration / License No.	Nature Of Registration / License	Date Of Registration	Valid Upto
11.	Government of India and Government of Maharashtra#	27AAJCM1365N1Z0	Provisional Certificate of Registration for GST	June 28, 2017	Perpetual
12.	Employee State Insurance Corporation#	35000380250000902	Allotment of ESIC Number	October 17, 2016	Perpetual
13	Employee Provident Fund Organisation#	THTHA1532696000	Allotment of PF Number	November 08, 2016	Perpetual
13.	Central Excise Officer, Mumbai#	AAJCM1365NEM001	Allotment of Excise Number	June 24, 2014	Converted into GST

**D) PENDING APPROVAL**

- *\*The Company has applied for Name Change pursuant to conversion from Private Limited Company to Public Limited Company and the same is pending with the relevant department.*
- *#The Company has not applied for Name Change pursuant to conversion from Private Limited Company to Public Limited Company*
- *The Registered office of the Company situated at 1st Floor, Aslam Compound Shree Nagar, Behind Boghul House, Chandivali Road, Sakinaka Mumbai Mumbai City Mh 400072 IN is taken on Lease. The Company has received a No Objection Certificate in favour of the Company permitting the Company to use the Premises. As on the date of this Prospectus, the Company has not executed a legally valid and binding Leave and License Agreement.*

**Domain Details**

Domain Name and ID	Sponsoring Registrar and IANA ID	Registrant Name and Address	Creation Date	Registration Expiry Date
Milestonegroup.asia ID D10770000000457829 5-AGRS	PDR Ltd. d/b/a PublicDomainRegistry.com  IANA ID: 303	Digambar Songhare, Milestone Group, Andheri (East), Mumbai-400 072	16 <sup>th</sup> April, 2016	16 <sup>th</sup> April, 2018
Milestonegroup.com	<a href="http://who.godaddy.com/whoischeck.aspx?">http://who.godaddy.com/whoischeck.aspx?</a>	Patrick Nagle Milestone Group, Andheri (East), Mumbai-400 072	19 <sup>th</sup> December , 2017	24 <sup>th</sup> January, 2019



## OTHER REGULATORY AND STATUTORY DISCLOSURES

### *Authority for the Issue*

1. The Fresh Issue of Equity Shares has been authorized by a resolution by the Board of Directors passed at their meeting held on November 15, 2017.
2. The Fresh Issue of Equity Shares has been authorized by a resolution by the EGM passed at their meeting held on December 15, 2017.

Our Company has also obtained all necessary contractual approvals required for the Issue. For further details, refer to the chapter titled '**Government and Other Approvals**' beginning on page no. 212 of this Prospectus.

Our Company has received approval from BSE *vide* their letter dated February 21, 2018 to use the name of BSE in this Prospectus for listing of the Equity Shares on SME Platform of BSE. BSE is the Designated Stock Exchange.

### *Prohibition by SEBI*

Our Company, Directors, Promoters, members of the Promoter Group and Group Companies or the directors and promoters of our Promoter Companies have not been prohibited from accessing or operating in the capital markets or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI or any other regulatory or governmental authority.

The companies, with which Promoters, Directors or persons in control of our Company were or are associated as promoters, directors or persons in control of any other company have not been debarred from accessing or operating in capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority. Further, none of our Directors are or were associated with any entities which are engaged in securities market related business and are or registered with SEBI for the same.

The listing of any securities of our Company has never been refused by any of the stock exchanges in India.

### *Association with Securities Market*

None of our Directors are in any manner associated with the securities market and there has been no action taken by SEBI against our Directors or any entity in which our Directors are involved as promoters or directors.

### *Prohibition by RBI or Governmental authority*

Neither our Company, our Promoters, our Promoter Group, our Group Entities, relatives of our Promoters (as defined under the Companies Act 2013), our Directors and companies with which our Directors are associated as directors or promoters have not been declared as wilful defaulters by RBI / government authorities and there are no violations of securities laws committed by them in the past and no proceedings are pending against them except as details provided in the Chapter "**Outstanding Litigations**" beginning on page no. 210 of the Prospectus.

Our Directors have not been declared as defaulter by RBI or any other government authority and there have been no violation of securities laws committed by them in the past or no such proceedings are pending against our Company or them.



### ***Eligibility for the Issue***

Our Company is an “Unlisted Issuer” in terms of the SEBI (ICDR) Regulations; and this Issue is an “Initial Public Offer” in terms of the SEBI (ICDR) Regulations.

Our Company is eligible for the Issue in accordance with Regulation 106M(1) and other provisions of Chapter XB of the SEBI (ICDR) Regulations, as we are an Issuer whose post-issue face value capital is not more than Ten Crores Rupees and we may hence 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 BSE).

We confirm that:

1. In accordance with regulation 106(P) of the SEBI ICDR Regulations, this Issue is 100% underwritten and that the LM will underwrite at least 15% of the total issue size. For further details pertaining to underwriting please refer to chapter titled “General Information” beginning on page 50 of this Prospectus.
2. In accordance with Regulation 106R of the SEBI (ICDR) Regulations, we shall ensure that the total number of proposed Allottee’s in the Issue is not less than fifty, otherwise, the entire application money will be refunded forthwith. If such money is not repaid within 7 (seven) days from the date our Company becomes liable to repay it, than our Company and every officer in default shall, on and from expiry of 7 (seven) days, be liable to repay such application money, with interest as prescribed under the Companies Act, 2013.
3. In accordance with Regulation 106O the SEBI (ICDR) Regulations, we have not filed any Draft Offer Document with SEBI nor has SEBI issued any observations on our Offer Document. Also, we shall ensure that our Lead Manager submits the copy of Prospectus along with a Due Diligence Certificate including additional confirmations as required to SEBI at the time of filing the Prospectus with Stock Exchange and the Registrar of Companies.
4. In accordance with Regulation 106V of the SEBI (ICDR) Regulations, we have entered into an agreement with the Lead Manager and Market Maker to ensure compulsory Market Making for a minimum period of three years from the date of listing of equity shares offered in the Issue. For further details of the arrangement of market making please refer to paragraph titled ‘**Details of the Market Making Arrangement for the Issue**’ under chapter titled ‘**General Information**’ on page no. 56 of this Prospectus.

***We further confirm that, we shall be complying with all the other requirements as laid down for such an Issue under Chapter XB of SEBI (ICDR) Regulations, as amended from time to time and subsequent circulars and guidelines issued by SEBI and the Stock Exchange.***

As per Regulation 106M (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 Regulation 49(1) of SEBI (ICDR) Regulations, 2009 shall not apply to us in the Issue.

5. Our Company shall mandatorily facilitate trading in demat securities and will enter into an agreement with both the depositories. The Company has entered into an agreement for registration with the Central Depository Services Limited (CDSL) dated February 14, 2018 and National Securities Depository Limited dated February 07, 2018 for establishing connectivity
6. Our Company has a website i.e. [www.milestonefurniture.com](http://www.milestonefurniture.com)
7. There has been no change in the promoter/s of the Company in the preceding one year from date of

filing application to BSE for listing on SME segment.

***BSE Eligibility Norms:***

Our Company is also eligible for the Issue in accordance with eligibility norms for Listing on BSE SME Platform which states as follows:

***1. The company is incorporated under the Companies Act, 1956.***

Our Company was originally incorporated on March 12, 2014 as “Milestone Furniture Private Limited” vide Registration no. 254131 (CIN: U36912MH2014PTC254131) under the provisions of the Companies Act, 2013 with the Registrar of Companies, Maharashtra, Mumbai. Later, our Company was converted into Public Limited Company and consequently name of company was changed from “Milestone Furniture Private Limited” to “Milestone Furniture Limited” vide Special resolution passed by the Shareholders at the Extra Ordinary General Meeting held on June 14<sup>th</sup>, 2017 and a fresh certificate of incorporation dated July 5<sup>th</sup>, 2017 issued by the Registrar of Companies, Maharashtra, Mumbai.

***2. The post issue paid up capital of the company shall be atleast Rs. 3 Crore.***

The Post issue paid up capital of the company will be 92,97,000 shares of face value of Rs.10/- aggregating to Rs. 9.29 Crores which is more than Rs. 3 Crore and less than Rs. 25 Crore.

***3. The Company should have track record of atleast 3 years.***

The Company confirms that it has track record of atleast 3 years. The Company has a Distributable profits in terms of Section 123 of the Companies Act 2013 for last three financial years. The profit after tax of the Company as on March 31, 2017 was Rs. 32.48 Lakhs, on March 31, 2016 was Rs. 19.89 Lakhs and on March 31, 2015 was Rs. 5.42 Lakhs.

***4. The Company should have net tangible Assets of atleast 3 Crore.***

The Net Tangible Assets of the Company for previous years are as follows:

Particulars	As on November 30, 2017	As on March 31, 2017	As on March 31, 2016	As on March 31, 2015
Net Tangible Assets	991.20 Lakhs	410.44 Lakhs	134.55 lakhs	94.14 lakhs

***5. The Company should have Networth of atleast Rs. 3 crore.***

As on November 30, 2017 Restated Financials, the company has a Networth of Rs. 606.28 Lakhs

***6. Other Requirements:***

***a. Companies shall mandatorily have a website.***

Our Company has a live and operational website: [www.milestonefurniture.com](http://www.milestonefurniture.com)

***b. The company shall mandatorily facilitate trading in demat securities and enter into an agreement with both the depositories.***

Our Company has entered into tripartite agreements dated February 14, 2018 with CDSL and dated February 07, 2018 with NSDL along with our Registrar and Share Transfer Agent for facilitating



trading in dematerialized mode. Also the Equity Shares allotted through the Issue will be in dematerialized mode.

- c. *There should not be any change in the promoters of the company in preceding one year from date of filing the application to BSE for listing under SME segment.*

We confirm that there is no change in the promoters of the company in preceding one year from date of filing the application to BSE for listing under SME segment.

**7. Certificate from the applicant company / promoting companies stating the following:**

- a. *The Company has not been referred to the Board for Industrial and Financial Reconstruction (BIFR).*

Our Company has not been referred to the Board for Industrial and Financial Reconstruction (BIFR).

- b. *There is no winding up petition against the company, which has been admitted by the court or a liquidator has not been appointed.*

There is no winding up petition against our Company, which has been admitted by the court. Also, no liquidator has been appointed.

- c. *No material regulatory or disciplinary action by a stock exchange or regulatory authority in the past one year in respect of promoters, Group Companies, companies promoted by the promoters of the company.*

Our Company confirms that there is no material regulatory or disciplinary action by a stock exchange or regulatory authority in the past one year in respect of promoters, Group Companies, companies promoted by the promoters of the company.

***We confirm that we comply with all the above requirements / conditions so as to be eligible to be listed on the SME Platform of the BSE.***

***Compliance with Part A of Schedule VIII of the SEBI (ICDR) Regulations***

Our Company is in compliance with the provisions specified in Part A of the SEBI (ICDR) Regulations 2009. No exemption from eligibility norms has been sought under Regulation 109 of the SEBI (ICDR) Regulations, with respect to the Issue. Further, our Company has not been formed by the conversion of a partnership firm into a company.

**DISCLAIMER CLAUSE OF SEBI**

**IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THE OFFER DOCUMENT TO THE SECURITIES AND EXCHANGE BOARD OF INDIA (SEBI) SHOULD NOT, IN ANY WAY, BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE OFFER IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE OFFER DOCUMENT. THE LEAD MERCHANT BANKER, MONARCH NETWORK CAPITAL LIMITED, HAS CERTIFIED THAT THE DISCLOSURES MADE IN THE OFFER DOCUMENT ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, 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 ISSUER ARE PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS PROSPECTUS, THE LEAD MERCHANT BANKER, MONARCH NETWORTH CAPITAL LIMITED, IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE ISSUER DISCHARGE THEIR RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE LEAD MERCHANT BANKER, MONARCH NETWORTH CAPITAL LIMITED, HAS FURNISHED TO SEBI A DUE DILIGENCE CERTIFICATE DATED JANUARY 15, 2018 WHICH READS AS FOLLOWS:**

**WE, THE LEAD MERCHANT BANKER TO THE ABOVE MENTIONED FORTHCOMING ISSUE, STATE AND CONFIRM AS FOLLOWS:**

- 1 WE HAVE EXAMINED VARIOUS DOCUMENTS INCLUDING THOSE RELATING TO LITIGATION LIKE COMMERCIAL DISPUTES, PATENT DISPUTES, DISPUTES WITH COLLABORATORS, ETC. AND OTHER MATERIAL IN CONNECTION WITH THE FINALISATION OF THE PROSPECTUS PERTAINING TO THE SAID ISSUE**
- 2 ON THE BASIS OF SUCH EXAMINATION AND THE DISCUSSIONS WITH THE ISSUER, ITS DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES, AND INDEPENDENT VERIFICATION OF THE STATEMENTS CONCERNING THE OBJECTS OF THE ISSUE, PRICE JUSTIFICATION AND THE CONTENTS OF THE DOCUMENTS AND OTHER PAPERS FURNISHED BY THE ISSUER, WE CONFIRM THAT:**
  - A. THE PROSPECTUS FILED WITH THE BOARD IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPERS RELEVANT TO THE ISSUEAS SUBMITTED BY THE COMPANY;**
  - B. ALL THE LEGAL REQUIREMENTS RELATING TO THE ISSUE AS ALSO THE REGULATIONS GUIDELINES, INSTRUCTIONS, ETC. FRAMED/ISSUED BY THE BOARD, THE CENTRAL GOVERNMENT AND ANY OTHER COMPETENT AUTHORITY IN THIS BEHALF HAVE BEEN DULY COMPLIED WITH; AND**
  - C. THE DISCLOSURES MADE IN THE PROSPECTUS ARE TRUE, FAIR AND ADEQUATE TO ENABLE THE INVESTORS TO MAKE A WELL INFORMED DECISION AS TO THE INVESTMENT IN THE PROPOSED ISSUE AND SUCH DISCLOSURES ARE IN ACCORDANCE WITH THE REQUIREMENTS OF THE COMPANIES ACT, 2013, APPLICABLE PROVISIONS OF THE COMPANIES ACT, 1956 / 2013, THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 AND OTHER APPLICABLE LEGAL REQUIREMENTS.**
- 3 WE CONFIRM THAT BESIDES OURSELVES, ALL THE INTERMEDIARIES NAMED IN THE PROSPECTUS ARE REGISTERED WITH THE BOARD AND THAT TILL DATE SUCH REGISTRATION IS VALID.**
- 4 WE HAVE SATISFIED OURSELVES ABOUT THE CAPABILITY OF THE UNDERWRITERS TO FULFILL THEIR UNDERWRITING COMMITMENTS.**
- 5 WE CERTIFY THAT WRITTEN CONSENT FROM PROMOTER HAS BEEN OBTAINED FOR INCLUSION OF THEIR SPECIFIED SECURITIES AS PART OF PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN AND THE SPECIFIED SECURITIES PROPOSED TO**



FORM PART OF PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN SHALL NOT BE DISPOSED / SOLD / TRANSFERRED BY THE PROMOTER DURING THE PERIOD STARTING FROM THE DATE OF FILING THE PROSPECTUS WITH THE BOARD TILL THE DATE OF COMMENCEMENT OF LOCK-IN PERIOD AS STATED IN THE PROSPECTUS.

- 6 WE CERTIFY THAT REGULATION 33 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, WHICH RELATES TO SPECIFIED SECURITIES INELIGIBLE FOR COMPUTATION OF PROMOTERS CONTRIBUTION, HAS BEEN DULY COMPLIED WITH AND APPROPRIATE DISCLOSURES AS TO COMPLIANCE WITH THE SAID REGULATION HAVE BEEN MADE IN THE PROSPECTUS.
- 7 WE UNDERTAKE THAT SUB-REGULATION (4) OF REGULATION 32 AND CLAUSE (C) AND (D) OF SUB-REGULATION (2) OF REGULATION 8 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 SHALL BE COMPLIED WITH. WE CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION SHALL BE RECEIVED AT LEAST ONE DAY BEFORE THE OPENING OF THE ISSUE. WE UNDERTAKE THAT AUDITORS' CERTIFICATE TO THIS EFFECT SHALL BE DULY SUBMITTED TO THE BOARD. WE FURTHER CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION SHALL BE KEPT IN AN ESCROW ACCOUNT WITH A SCHEDULED COMMERCIAL BANK AND SHALL BE RELEASED TO THE ISSUER ALONG WITH THE PROCEEDS OF THE PUBLIC ISSUE. – NOT APPLICABLE AS THE PROMOTERS CONTRIBUTION HAS ALREADY BEEN DEPLOYED.
- 8 WE CERTIFY THAT THE PROPOSED ACTIVITIES OF THE ISSUER FOR WHICH THE FUNDS ARE BEING RAISED IN THE PRESENT ISSUE FALL WITHIN THE 'MAIN OBJECTS' LISTED IN THE OBJECT CLAUSE OF THE MEMORANDUM OF ASSOCIATION OR OTHER CHARTER OF THE ISSUER AND THAT THE ACTIVITIES WHICH HAVE BEEN CARRIED OUT UNTIL NOW ARE VALID IN TERMS OF THE OBJECT CLAUSE OF ITS MEMORANDUM OF ASSOCIATION.
- 9 WE CONFIRM THAT NECESSARY ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT THE MONEYS RECEIVED PURSUANT TO THE ISSUE ARE KEPT IN A SEPARATE BANK ACCOUNT AS PER THE PROVISIONS OF SUB-SECTION (3) OF SECTION 40 OF THE COMPANIES ACT, 2013 AND THAT SUCH MONEYS SHALL BE RELEASED BY THE SAID BANK ONLY AFTER PERMISSION IS OBTAINED FROM ALL THE STOCK EXCHANGES MENTIONED IN THE PROSPECTUS. WE FURTHER CONFIRM THAT THE AGREEMENT ENTERED INTO BETWEEN THE BANKERS TO THE ISSUE AND THE ISSUER SPECIFICALLY CONTAINS THIS CONDITION.
- 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.
- 11 WE CERTIFY THAT ALL THE APPLICABLE DISCLOSURES MANDATED IN THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 HAVE BEEN MADE IN ADDITION TO DISCLOSURES WHICH, IN OUR VIEW, ARE FAIR AND ADEQUATE TO ENABLE THE INVESTOR TO MAKE A WELL INFORMED DECISION.
- 12 WE CERTIFY THAT THE FOLLOWING DISCLOSURES HAVE BEEN MADE IN THE

**PROSPECTUS:**

- A. AN UNDERTAKING FROM THE ISSUER THAT AT ANY GIVEN TIME, THERE SHALL BE ONLY ONE DENOMINATION FOR THE EQUITY SHARES OF THE ISSUER AND
  - B. AN UNDERTAKING FROM THE ISSUER THAT IT SHALL COMPLY WITH SUCH DISCLOSURE AND ACCOUNTING NORMS SPECIFIED BY THE BOARD FROM TIME TO TIME.
- 13 WE UNDERTAKE TO COMPLY WITH THE REGULATIONS PERTAINING TO ADVERTISEMENT IN TERMS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 WHILE MAKING THE ISSUE.
- 14 WE ENCLOSE A NOTE EXPLAINING HOW THE PROCESS OF DUE DILIGENCE HAS BEEN EXERCISED BY US IN VIEW OF THE NATURE OF CURRENT BUSINESS BACKGROUND OR THE ISSUER, SITUATION AT WHICH THE PROPOSED BUSINESS STANDS, THE RISK FACTORS, PROMOTERS EXPERIENCE, ETC.
- 15 WE ENCLOSE A CHECKLIST CONFIRMING REGULATION-WISE COMPLIANCE WITH THE APPLICABLE PROVISIONS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, CONTAINING DETAILS SUCH AS THE REGULATION NUMBER, ITS TEXT, THE STATUS OF COMPLIANCE, PAGE NUMBER OF THE PROSPECTUS WHERE THE REGULATION HAS BEEN COMPLIED WITH AND OUR COMMENTS, IF ANY.
- 16 WE ENCLOSE STATEMENT ON “PRICE INFORMATION OF PAST ISSUES HANDLED BY MERCHANT BANKER BELOW (WHO ARE RESPONSIBLE FOR PRICING THE ISSUE”), AS PER FORMAT SPECIFIED BY SEBI THROUGH CIRCULAR NO. CIR/CFD/DIL/7/2015 DATED OCTOBER 30, 2017.
- 17 WE CERTIFY THAT PROFITS FROM RELATED PARTY TRANSACTIONS HAVE ARISEN FROM LEGITIMATE BUSINESS TRANSACTIONS.

**ADDITIONAL CONFIRMATIONS/ CERTIFICATION TO BE GIVEN BY MERCHANT BANKER IN DUE DILIGENCE CERTIFICATE TO BE GIVEN ALONG WITH OFFER DOCUMENT REGARDING SME EXCHANGE**

- 1 WE CONFIRM THAT NONE OF THE INTERMEDIARIES NAMED IN THE PROSPECTUS HAVE BEEN DEBARRED FROM FUNCTIONING BY ANY REGULATORY AUTHORITY.
- 2 WE CONFIRM THAT ALL THE MATERIAL DISCLOSURES IN RESPECT OF THE ISSUER HAVE BEEN MADE IN PROSPECTUS AND CERTIFY THAT ANY MATERIAL DEVELOPMENT IN THE ISSUER OR RELATING TO THE ISSUE UP TO THE COMMENCEMENT OF LISTING AND TRADING OF THE SPECIFIED SECURITIES OFFERED THROUGH THIS ISSUE SHALL BE INFORMED THROUGH PUBLIC NOTICES/ ADVERTISEMENTS IN ALL THOSE NEWSPAPERS IN WHICH PRE-ISSUE ADVERTISEMENT AND ADVERTISEMENT FOR OPENING OR CLOSURE OF THE ISSUE HAVE BEEN GIVEN.
- 3 WE CONFIRM THAT THE ABRIDGED PROSPECTUS CONTAINS ALL THE DISCLOSURES AS SPECIFIED IN THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009.



- 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 PROVISOR TO SUB-REGULATION (4) OF REGULATION 32 OF SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009; CASH FLOW STATEMENT HAS BEEN PREPARED AND DISCLOSED IN THE PROSPECTUS. - **NOT APPLICABLE**
- 6 WE CONFIRM THAT UNDERWRITING AND MARKET MAKING ARRANGEMENTS AS PER REQUIREMENTS OF REGULATION 106P AND 106V OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 HAVE BEEN MADE.

**NOTE:**

**THE FILING OF THE PROSPECTUS DOES NOT, HOWEVER, ABSOLVE THE ISSUER FROM ANY LIABILITIES UNDER SECTION 34 AND SECTION 36 OF THE COMPANIES ACT, 2013 OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY OR OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE PROPOSED ISSUE. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP AT ANY POINT OF TIME, WITH THE LEAD MERCHANT BANKER, ANY IRREGULARITIES OR LAPSES IN THIS PROSPECTUS.**

All legal requirements pertaining to the Issue will be complied with at the time of registration of the Prospectus with the Registrar of Companies, Mumbai. *The filing of the Prospectus does not, however, absolve our company from any liabilities under section 34, Section 35, Section 36 and section 38(1) of the Companies Act, 2013 or from the requirement of obtaining such statutory and / or other clearances as may be required for the purpose of the proposed Issue. SEBI further reserves the right to take up at any point of time, with the LM any irregularities or lapses in the Prospectus.*

*All legal requirements pertaining to the Issue will be complied with at the time of registration of the Prospectus with the Registrar of Companies, Maharashtra, Mumbai in terms of sections 26 and 32 of the Companies Act, 2013.*

**DISCLAIMER CLAUSE OF THE BSE EMERGE PLATFORM**

As required, a copy of this Offer Document has been submitted to Bombay Stock Exchange (BSE Ltd.) (hereinafter referred to as BSE). BSE has given vide its letter dated February 21, 2018 permission to the Company to use the Exchange's name in this Offer Document as one of the stock exchanges on which this Company's securities are proposed to be listed. The Exchange has scrutinized offer document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Company.

It is to be distinctly understood that the aforesaid permission given by BSE should not in any way be deemed or construed that the offer document has been cleared or approved by BSE; 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 Company'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 Company, its Promoter, its management or any scheme or project of this Company.

Every person who desires to apply for or otherwise acquire any securities of this Company 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 STATEMENT FROM OUR COMPANY AND THE LEAD MANAGER**

Our Company, our Directors and the Lead Manager accept no responsibility for statements made otherwise than in this Prospectus or in the advertisements or any other material issued by or at instance of our Company and anyone placing reliance on any other source of information, including our website, [www.milestonefurniture.com](http://www.milestonefurniture.com) would be doing so at his or her own risk.

#### **CAUTION**

We the Lead Manager/Merchant Bankers, *Monarch Networth Capital Limited*, have taken reasonable and due care and have primarily verified the documents submitted by the Company, Promoters as well as collaborated the same with the Auditors, public records to establish reasonable certainties as to the statement made by the Promoters /directors to prepare this document as required by Securities and Exchange Board of India (SEBI) and Company Law.

The Lead Manager, *Monarch Networth Capital Limited*, does not in any way vouch about the future performance of the company and investors is advised to obtain independent financial advice for his decisions.

The Lead Manager, *Monarch Networth Capital Limited*, accepts no responsibility, save to the limited extent as provided in the Issue Agreement entered into among the Lead Manager and our Company dated December 30, 2017, the Underwriting Agreement dated December 30, 2017, entered into among the Underwriter and our Company and the Market Making Agreement dated December 30, 2017, entered into among the Market Maker and our Company.

Our Company, our Directors and the Lead Manager shall make all information available to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever including at road show presentations, in research or sales reports or at collection centres, etc.

The Lead Manager and their respective associates and affiliates may engage in transactions with, and perform services for, our Company, our Promoter Group, Group Entities, or our affiliates or associates in the ordinary course of business and have engaged, or may in future engage, in commercial banking and investment banking transactions with our Company, our Promoter Group, Group Entities, and our affiliates or associates, for which they have received and may in future receive compensation. *Monarch Networth Capital Limited* is not an 'associate' of the company and is eligible to act as Lead Manager in this issue, under the SEBI (Merchant Bankers) Regulations, 1992.

**Investors who apply in the Issue will be required to confirm and will be deemed to have represented to our Company and the Underwriter and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares and will not offer, sell, pledge or transfer the Equity Shares to any person who is not eligible under applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of our Company. Our Company and the Lead Manager 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.**





**PRICE INFORMATION AND THE TRACK RECORD OF THE PAST ISSUES HANDLED BY THE LEAD MANAGER – MONARCH NETWORK CAPITAL LIMITED**

**TABLE 1- Disclosure of Price Information of Past Issues Handled By Merchant Banker(s)**

Sr. No.	Issue Name	Issue Size (Rs. Cr.)	Issue Price (Rs.)	Listing Date	Opening Price on listing date	+/- % change in closing price, [+/- % change in closing benchmark]- 30 <sup>th</sup>	+/- % change in closing price, [+/- % change in closing benchmark]- 90 <sup>th</sup>	+/- % change in closing price, [+/- % change in closing benchmark]- 180 <sup>th</sup>
1	Looks Health Services Limited (Formerly known as Monarch health Services Limited)	12.00	40.00	30-05-2012	42.00	29 <sup>th</sup> June, 2012 – Rs.40.25 -4.17% [+6.85%]	28 <sup>th</sup> Aug, 2012- Rs.40.25 -4.17 [+8.09%]	26 <sup>th</sup> Nov, 2012- Rs.83.00 +97.62% [+13.64%]
2	VCU Data Management Limited	18.75	25.00	23-10-2013	36.25	22 <sup>th</sup> Nov, 2013- Rs.34.40 -5.1% [-2.65%]	21 <sup>st</sup> Jan, 2014- Rs.28.15 +22.34% [+2.33%]	21 <sup>st</sup> April, 2014- Rs.27.00 -25.52% [+9.62%]
3	SPS Finquest Limited	25.08	75.00	03-06-2014	78.00	3 <sup>rd</sup> July, 2014- Rs.78.90 +1.15% [+3.88%]	31 <sup>st</sup> Aug, 2014- 77.00 (-1.28%, +7.16%)	29 <sup>th</sup> Nov, 2014- 83.00 (+6.41%, +15.43%)
4	Relstruct Buildcon Limited*	23.35	50.00	05-04-2017	50.00	5 <sup>th</sup> May 2017- 36.00 (-28%, -0.39%)	4 <sup>th</sup> July 2017- 39.00 (-22%, +4.12%)	2 <sup>nd</sup> October 2017- 35.40 (-29.2%, +4.37%)
5	Felix Industries Limited	4.78	35.00	05-12-2017	35.50	3 <sup>rd</sup> January 2018- 35.25 (-0.7%, +3.21%)	4 <sup>th</sup> March 2018- 32.25 (-9.15%, +3.36%)	3 <sup>rd</sup> January 2018- 35.25 (-0.7%, +3.21%)

**TABLE2 -SUMMARY STATEMENT OF DISCLOSURE**

Financial Year	Total no. of IPOs	Total Amount of funds raised (Rs. Cr.)	No. of IPOs trading at discount–30 <sup>th</sup> calendar days from listing			No. of IPOs trading at premium–30 <sup>th</sup> calendar days from listing			No. of IPOs trading at discount–180 <sup>th</sup> calendar days from listing			No. 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%
2012-13	1	12.00	0	0	0	0	0	1	0	0	0	1	0	0
2013-14	1	18.75	0	0	0	0	1	0	0	0	0	0	0	1
2014-15	1	25.08	0	0	0	0	0	1	0	0	0	0	0	1
2017-18	2*	28.13	0	1	0	0	0	1	0	1	0	0	0	0

\*Felix Industries Limited has been listed on 5<sup>th</sup> December 2017 therefore the data after 30<sup>th</sup> calendar day for Felix Industries Limited has not been incorporated in the above table.

**Notes:**

- The opening price is based on the date of listing.
- BSE SENSEX and NSE NIFTY has been considered as the Benchmark Index.

- c) Prices on BSE / NSE is considered for all the above information.
- d) In case 30th / 90th / 180th day is not a trading day, closing price on BSE / NSE of the next trading day has been considered.
- e) In case, on 30th / 90th / 180th day, scrip are not traded, then the previous trading price has been considered.
- f) As per SEBI Circular no. CIR/CFD/DIL/7/2015 dated October 30, 2015, the above table should disclose maximum 10 Public Issues handled by us during the last three Financial Year including the current financial year. Hence, disclosure pertaining to recent Public Issues are only provided.

For details regarding track record of LM to the Issue as specified in the Circular reference no. CIR/MIRSD/1/2012 dated January 10, 2012 issued by the SEBI, please refer the website of the LM at: [www.mnclgroup.com](http://www.mnclgroup.com)

#### **DISCLAIMER IN RESPECT OF JURISDICTION**

The Issue is being made in India to persons resident in India (including Indian nationals resident in India who are not minors, HUFs, companies, corporate bodies and societies registered under the applicable laws in India and authorized to invest in shares, Indian Mutual Funds registered with SEBI, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), or trusts under applicable trust law and who are authorized under their constitution to hold and invest in shares, public financial institutions as specified in Section 2 (72) of the Companies Act, 2013, VCFs, state industrial development corporations, insurance companies registered with Insurance Regulatory and Development Authority, provident funds (subject to applicable law) with minimum corpus of Rs. 2,500 Lakhs, pension funds with minimum corpus of Rs. 2,500 Lakhs and the National Investment Fund, and permitted non-residents including FIIs, Eligible NRIs, QFIs, multilateral and bilateral development financial institutions, FVCIs and eligible foreign investors, provided that they are eligible under all applicable laws and regulations to hold Equity Shares of the Company, this Prospectus does not, however, constitute an invitation to purchase shares offered hereby in any jurisdiction other than India to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession this Prospectus comes is required to inform himself or herself about, and to observe, any such restrictions. Any dispute arising out of 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.

Accordingly, our Company's Equity Shares, represented thereby may not be offered or sold, directly or indirectly, and Prospectus may not be distributed, in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of Prospectus nor any sale here under shall, under any circumstances, create any implication that there has been any change in our Company's affairs from the date hereof or that the information contained herein is correct as of any time subsequent to this date.

#### **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 "US 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 US Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US 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 US Securities Act, and (ii) outside the United States in offshore transactions in reliance on Regulation S under the US 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 applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction. Further, each applicant where required agrees that such applicant will not sell or transfer any Equity Shares or create any economic interest therein, including any off-shore derivative instruments, such as participatory notes, issued against the Equity Shares or any similar security, other than pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act and in compliance with applicable laws and legislations in each jurisdiction, including India.

### ***Filing***

The Draft Prospectus/ Prospectus are being filed with Bombay Stock Exchange of India Limited, Exchange P. J. Towers, Dalal Street, Fort, Mumbai – 400 001, Maharashtra

A copy of this Draft Prospectus shall not be filed with the SEBI, nor will SEBI issue any observation on the offer document in term of Regulation 106(M) (3) of the SEBI (ICDR) Regulations. However, a copy of the Prospectus shall be filed with SEBI at Plot No.C 4-A, G Block, Near Bank of India, Bandra Kurla Complex, Bandra East, Mumbai, Maharashtra 400051, India for their record purpose only.

A copy of the Prospectus, along with the documents required to be filed under Section 26 of the Companies Act, 2013, will be delivered to the RoC situated at 100, Everest, Marine Drive, Mumbai- 400002

### ***Listing***

Our company has obtained approval from BSE vide letter dated February 21, 2018 to use name of BSE in this offer document for listing of equity shares on SME Platform.

In terms of Chapter XB of the SEBI (ICDR) Regulations, 2009, there is no requirement of obtaining Inprinciple approval from BSE. However, applications will be made to the BSE-SME Platform for obtaining permission to deal in and for an official quotation of our Equity Shares. BSE is the Designated Stock Exchange, with which the Basis of Allotment will be finalized for the issue.

If the permissions to deal in and for an official quotation of our Equity Shares are not granted by the BSE, the Company shall forthwith repay, without interest, all moneys received from the applicants in pursuance of the Prospectus. If such money is not repaid within Eight days after our Company becomes liable to repay it then our Company and every officer in default shall, on and from such expiry of Eight days, be liable to repay such application money, with interest at the rate of 15% per annum on application money, as prescribed under 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 BSE-SME Platform mentioned above are taken within Six Working Days from the Issue Closing Date.

### ***Impersonation***

Attention of the Applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:

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 to action under section 447 of the Companies Act, 2013.

The liability prescribed under Section 447 of the Companies Act, 2013, includes imprisonment for a term of not less than six months extending up to ten years (provided that where the fraud involves public interest, 249 such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending up to three times of such amount.

### ***Consents***

We have obtained consents in writing of our Directors, Promoters, Company Secretary & Compliance Officer, the Lead Manager, Registrar to the Issue, Peer Reviewed Auditor to the Company, the Statutory Auditor, the Legal Advisor to the Issue and Banker(s) to the Company. We will obtain consents in writing of the Market Maker(s), Underwriter(s), and the Banker(s) to the Issue/ Escrow Collection Bank(s) to act in their respective capacities. These consents will be filed along with a copy of the Prospectus with the ROC as required under Sections 60 and 60B of the Companies Act, 1956 and Section 32 of the Companies Act, 2013. Further, such consent and report will not be withdrawn up to the time of delivery of the Prospectus for registration with the ROC.

In accordance with the Companies Act, 2013 and the SEBI (ICDR) Regulations, 2009, M/s. NGST & Associates., Chartered Accountants, our Statutory Auditors have agreed to provide their respective written consents for inclusion of their name, report on financial statements and report relating to the possible general and special tax benefits, as applicable, accruing to our Company and its shareholders, in this Prospectus in the form and context in which they appear in this Prospectus.

### ***Expert Opinion To The Issue***

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

Our Company has received consent from the Statutory Auditor of the Company to include their name as an expert as per Section 26 of the Companies Act 2013 in this Prospectus in relation to the (a) Auditors' reports on the restated financial statements; and (b) Statement of Tax Benefits by the Statutory Auditors and such consent has not been withdrawn as on the date of this Prospectus. However, the term "expert" shall not be construed to mean an "expert" as defined under the U.S. Securities Act 1933.

### ***Issue Related Expenses***

The expenses of the Issue include, among others, underwriting and management fees, selling commission, printing and distribution expenses, legal fees, advertising expenses and listing fees. For details of total expenses of the Issue, see the chapter "Objects of the Issue" beginning on page no. 77 of the Prospectus.

### ***Details Of Fees Payable***

#### ***Fees Payable to the Lead Manager***

The total fees payable to the Lead Manager will be as per the Issue Agreement dated December 30, 2017, has been executed between our Company and the Lead Manager, a copy of which is available for inspection at our Registered Office.

### ***Underwriting Commission, Brokerage and Selling Commission***

The underwriting and selling commission for the Issue is as set out in the Underwriting Agreement dated December 30, 2017, between our Company, the Lead Manager, Market Maker and Underwriter, a copy of which is available for inspection at our Registered Office. Payment of underwriting commission, brokerage and selling commission would be in accordance with applicable laws.

### ***Fees Payable to the Market Maker(s)***

The fees payable to the Market Maker(s) to the Issue will be as per the Market Making Agreement dated December 30, 2017, between our Company, Lead Manager and Market Maker, a copy of which is available for inspection at our Registered Office.

### ***Fees Payable to the Registrar to the Issue***

The fees payable to the Registrar to the Issue will be as per the Memorandum of Understanding dated November 7, 2017 executed between our Company and the Registrar to the Issue, a copy of which is available for inspection at our Registered Office.

The Registrar to the Issue will be reimbursed for all out-of-pocket expenses including cost of stationery, postage, stamp-duty and communication expenses. Adequate funds will be provided by our Company to the Registrar to the Issue to enable them to send refund orders or Allotment advice by registered post/ speed post/ under certificate of posting.

### ***Fees Payable to Others***

The total fees payable to the Legal Advisor, Auditor, and Advertiser, *etc.* will be as per the terms of their respective engagement letters.

### ***Previous Rights And Public Issues During The Last Five Years***

We have not made any previous rights and/or public issues during the last five years, and are an “Unlisted Issuer” in terms of the SEBI (ICDR) Regulations, 2009, amended from time to time and the Issue is an “Initial Public Offering” in terms of the SEBI (ICDR) Regulations, 2009, amended from time to time.

### ***Companies Under The Same Management***

No Company under the same management as the Company within the meaning of Section 370(1B) of the Companies Act 1956 / Section 186 of the Companies Act, 2013, has made any public issue (including any rights issues to the public) during the last three (3) years.

### ***Previous Issues Of Shares Otherwise Than For Cash***

Except as stated in the chapter titled ‘*Capital Structure*’ beginning on page 59 of this Prospectus, our Company has not issued any Equity Shares for consideration otherwise than for cash.

### ***Commission And/ Or Brokerage On Previous Issues***

Since this is the initial public offer of the Equity Shares by our Company, no sum has been paid or has been payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of our Equity Shares since inception.

***Particulars in regard to our company and other listed companies under the same management within the meaning of section 370 (1) (b) of the companies act, 1956 / section 186 of the companies act,2013 which made any capital issue during the last three years:***

There are no listed companies under the same management within the meaning of Section 370(1)(b) of the Companies Act, 1956 / Section 186 of the Companies Act, 2013 that made any capital issue viz. initial public offering, rights issue or composite issue during the last three years.

***Promise Versus Performance For Our Company***

Our Company is an “Unlisted Issuer” in terms of the SEBI (ICDR) Regulations, 2009, and the Issue is an “Initial Public Offering” in terms of the SEBI (ICDR) Regulations, 2009. Therefore, data regarding promise versus performance is not applicable to us.

None of the Group Companies has made public issue of equity shares during the period of ten years immediately preceding the date of filing this Prospectus with the BSE.

***Outstanding Debentures, Bonds, Redeemable Preference Shares And Other Instruments Issued By Our Company***

As on the date of this Prospectus, our Company has no outstanding debentures, bonds or redeemable preference shares.

***Option To Subscribe***

Equity Shares being offered through the Prospectus shall be applied for in dematerialized form only.

***Stock Market Data For Our Equity Shares***

Our Company is an “Unlisted Issuer” in terms of the SEBI (ICDR) Regulations, 2009, and the Issue is an “Initial Public Offering” in terms of the SEBI (ICDR) Regulations, 2009. Thus there is no stock market data available for the Equity Shares of our Company.

***Mechanism For Redressal Of Investor Grievances***

The Company has appointed ***Karvy Computershare Pvt. Ltd.*** as the Registrar to the Issue, to handle the investor grievances in co-ordination with the Compliance Officer of the Company. The Company would monitor the work of the Registrar to ensure that the investor grievances are settled expeditiously and satisfactorily.

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

We estimate that the average time required by us or the Registrar to the Issue or the SCSBs for the redressal of routine investor grievances will be fifteen business days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, we will seek to redress these complaints as expeditiously as possible.

The Memorandum of Understanding between the Registrar and Our Company provides for retention of records with the Registrar for a period of at least three year from the last date of dispatch of the letters of Allotment and demat credit to enable the investors to approach the Registrar to this Issue for redressal of their grievances.

All grievances relating to the ASBA process may be addressed to the SCSB, giving full details such as name, address of the applicant, number of Equity Shares applied for, amount paid on application and the Designated Branch or the collection centre of the SCSB where the Application Form was submitted by the ASBA Applicants.

#### ***Disposal of Investor Grievances by Our Company***

Our Company or the Registrar to the Issue or the SCSB in case of ASBA Bidders shall redress routine investor grievances. We estimate that the average time required by us or the Registrar to the Issue for the redressal of routine investor grievances will be 15 (Fifteen) Working Days from the date of receipt of the complaint. In case of non- routine complaints and complaints where external agencies are involved, we will seek to redress these complaints as expeditiously as possible.

We have constituted the Shareholders/ Investors Grievance Committee of the Board *vide* resolution passed at the Board Meeting held on February 20, 2018. For further details, please refer to the chapter titled '***Our Management***' beginning on page no. 146 of this Prospectus.

Our Company has appointed Mr. Kamlesh Vyas as the Company Secretary and Compliance Officer and she may be contacted at the following address:

**MR. Kamlesh Vyas**  
**Company Secretary & Compliance Officer**  
**Milestone Furniture Limited**  
Tel. No.: +91 9819616915  
Email: [vyas\\_cs@yahoo.in](mailto:vyas_cs@yahoo.in);  
Website: [www.milestonefurniture.com](http://www.milestonefurniture.com)

Investors can contact the Company Secretary and Compliance Officer or the Registrar in case of any pre-issue or post-issue related problems such as non-receipt of letters of allocation, credit of allotted Equity Shares in the respective beneficiary account *etc.*

#### ***Changes In Auditors During The Last Three Financial Years***

J.H.Ghumara & Co., Chartered Accountants were the Statutory Auditor for the financial year ending 31<sup>st</sup> March 2015. J.H.Ghumara & Co., Chartered Accountants were the Statutory Auditor for the financial year ending 31<sup>st</sup> March 2016 and NGST & Associates, Chartered Accountants were the Statutory Auditor for the financial year ended 31<sup>st</sup> March 2017.

#### ***Capitalization of Reserves Or Profits***

Save and except as stated in the chapter titled '***Capital Structure***' beginning on page no. 59 of this Prospectus, our Company has not capitalized its reserves or profits at any time since inception.

#### ***Revaluation of Assets***

Our Company has not revalued its assets since incorporation.



**SECTION VIII – ISSUE RELATED INFORMATION**

**TERMS OF THE ISSUE**

*The Equity Shares being offered are subject to the provisions of the Companies Act, 2013, SCRR, 1957, SEBI (ICDR) Regulations, 2009, our Memorandum and Articles of Association, the terms of the Prospectus, Application Form, the Revision Form, the Confirmation of Allocation Note, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other terms and conditions as may be incorporated in the allotment advices and other documents/certificates that may be executed in respect of the Issue. The Equity Shares shall also be subject to laws as applicable, guidelines, notifications and regulations relating to the issue of capital and listing and trading of securities issued from time to time by SEBI, the Government of India, the Stock Exchanges, the RBI, the FIPB, the RoC and/or other authorities, as in force on the date of the Issue and to the extent applicable.*

*Please note that, in terms of SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated 10th November, 2015. All the investors applying in a public issue shall use only Application Supported by blocked Amount (ASBA) facility for making payment. Further vide the said circular Registrar to the Issue and DP's have been also authorized to collect the Application forms. Investors may visit the official websites of the concerned stock exchanges for any information on operationalization of this facility of form collection by Registrar to the Issue and DPs as and when the same is made available.*

***Authority for the Issue***

The present Public Issue of 32,97,000 Equity Shares which have been authorized by a resolution of the Board of Directors of our Company at their meeting held on November 15, 2017 and was approved by the Shareholders of the Company by passing Special Resolution at the Extra Ordinary General Meeting held on December 15, 2017 in accordance with the provisions of Section 62 (1) (c) of the Companies Act, 2013.

***Ranking of Equity Shares***

The Equity Shares being issued shall be subject to the provisions of the Companies Act, 2013 and our Memorandum and Articles of Association and shall rank pari-passu in all respects with the existing Equity Shares of our Company including in respect of the rights to receive dividends and other corporate benefits, if any, declared by us after the date of Allotment. For further details, please refer to "Main Provisions of Articles of Association of the Company" on page 294 of the Prospectus.

***Mode of Payment of Dividend***

The declaration and payment of dividend will be as per the provisions of Companies Act, the Articles of Association, the provision of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and recommended by the Board of Directors and the Shareholders at their discretion and will depend on a number of factors, including but not limited to earnings, capital requirements and overall financial condition of our Company. We shall pay dividends in cash and as per provisions of the Companies Act. For further details, please refer to "Dividend Policy" on page 174 of the Prospectus.

***Face Value and Issue Price***

The Equity Shares having a Face Value of Rs.10.00 each are being offered in terms of the Prospectus at the price of Rs.45/-per equity Share (including premium of Rs.35/-per share). The Issue Price is determined by our Company in consultation with the Lead Manager and is justified under the section titled "Basis for Issue Price" on page 93 of the Prospectus. At any given point of time there shall be only one denomination of the Equity Shares of our Company, subject to applicable laws.



### ***Compliance with the disclosure and accounting norms***

Our Company shall comply with all requirements of the SEBI ICDR Regulations. Our Company shall comply with all disclosure and accounting norms as specified by SEBI from time to time.

### **Rights of the Equity Shareholders**

Subject to applicable laws, rules, regulations and guidelines and the Articles of Association, the equity shareholders shall have the following rights:

1. Right to receive dividend, if declared;
2. Right to receive Annual Reports & notices to members;
3. Right to attend general meetings and exercise voting rights, unless prohibited by law;
4. Right to vote on a poll either in person or by proxy;
5. Right to receive offer for rights shares and be allotted bonus shares, if announced;
6. Right to receive surplus on liquidation; subject to any statutory or preferential claims being satisfied;
7. Right of free transferability of the Equity Shares; and
8. Such other rights, as may be available to a shareholder of a listed Public Limited Company under the Companies Act, terms of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Memorandum and Articles of Association of our Company.

For a detailed description of the main provision of the Articles of Association of our Company relating to voting rights, dividend, forfeiture and lien, transfer, transmission and/ or consolidation/ splitting, etc., please refer to Section titled “Main Provisions of Articles of Association of the Company” beginning on page 294 of the Prospectus.

### ***Minimum Application Value, Market Lot and Trading Lot***

As per regulations made under and Section 29(1) of the Companies Act, 2013 the Equity Shares to be allotted must be in Dematerialized form i.e. not in the form of physical certificates but be fungible and be represented by the statement issued through electronic mode. Hence, the Equity Shares being offered can be applied for in the dematerialized form only. In this context, two agreements have been signed among our Company, the respective Depositories and the Registrar to the Issue:

- Tripartite Agreement dated February 07, 2018 between NSDL, our Company and Registrar to the Issue; and
- Tripartite Agreement dated February 14, 2018 between CDSL, our Company and Registrar to the Issue; and

The trading of the Equity Shares will happen in the minimum contract size of 3000 Equity Shares and the same may be modified by the SME platform of BSE from time to time by giving prior notice to investors at large.

Allocation and allotment of Equity Shares through this Offer will be done in multiples of 3000 Equity Shares and is subject to a minimum allotment of 3000 Equity Shares to the successful applicants in terms of the SEBI circular No. CIR/MRD/DSA/06/2012 dated February 21, 2012.

*Further, in accordance with Regulation 106(Q) of the SEBI (ICDR) Regulations the minimum application size in terms of number of specified securities shall not be less than Rupees One Lakh per application.*

***Minimum Number of Allottees***

The minimum number of allottees in the Issue shall be 50 shareholders. In case the number of prospective allottees is less than 50, no allotment will be made pursuant to this Issue and the amounts in the ASBA Account shall be unblocked forthwith.

***Joint Holders***

Where 2 (two) or more persons are registered as the holders of any Equity Shares, they will be deemed to hold such Equity Shares as joint-holders with benefits of survivorship.

***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 applicants, as the case may be, the Equity Shares allotted, if any, shall vest. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall in accordance with Section 72 of the Companies Act, 2013 be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to Equity Share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale of equity share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at the Registered Office of our Company or to the Registrar and Transfer Agents of our Company.

In accordance with Section 72 of the Companies Act, 2013 any Person who becomes a nominee by virtue of Section 72 of the Companies Act, 2013 shall upon the production of such evidence as may be required by the Board, elect either:

1. To register himself or herself as the holder of the Equity Shares; or
2. To make such transfer of the Equity Shares, as the deceased holder could have made.

Further, the Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of 90 (ninety) days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the allotment of Equity Shares in the Issue is 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 investors require changing the nomination, they are requested to inform their respective depository participant.

***Period of Operation of Subscription List of Public Issue***

<b>ISSUE OPENS ON</b>	May 7, 2018
<b>ISSUE CLOSES ON</b>	May 11, 2018

***Underwriting and Minimum Subscription***

*In accordance with Regulation 106 P (1) of the SEBI (ICDR) Regulations, our Issue shall be hundred percent underwritten. Thus, the underwriting obligations shall be for the entire hundred percent of the offer through the Prospectus and shall not be restricted to the minimum subscription level.*

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 issue of Prospectus, the application money has to be returned within such period as may be prescribed.

If the issuer does not receive the subscription of 100% of the Issue through this offer document including devolvement of Underwriters within 60 (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 8 (eight) days after the issuer becomes liable to pay the amount, the issuer shall pay interest prescribed under Section 39 read with Rule 11 of Companies(Prospectus and Allotment of Securities) Rules, 2014 of the Companies Act, 2013 and other applicable laws, if any.

In accordance with Regulation [106R] of SEBI ICDR Regulations, The minimum number of allottees in this Issue shall be 50 shareholders. In case the minimum number of prospective allottees is less than 50, no allotment will be made pursuant to this Issue and the amounts in the ASBA Account shall be unblocked forthwith.

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

*Further, in accordance with Regulation 106R of the SEBI (ICDR) Regulations, our Company shall ensure that the minimum number of Allottee`s in the Issue shall be 50 (Fifty) shareholders and the minimum application size in terms of number of specified securities shall not be less than Rupees One Lakhs per application. In case the minimum number of prospective Allottee`s is less than 50 (Fifty), no Allotment will be made pursuant to the Issue and the monies collected shall be refunded within 15 days of closure of the Issue.*

*Further, in accordance with Regulation 106 Q of the SEBI (ICDR) Regulations the minimum application size in terms of number of specified securities shall not be less than Rupees One Lakh per application.*

#### ***Arrangements for disposal of odd lots***

The trading of the Equity Shares will happen in the minimum contract size of 3000 shares in terms of the SEBI circular No. CIR/MRD/DSA/06/2012 dated February 21, 2012. However, the Market Maker shall buy the entire shareholding of a shareholder in one lot, where value of such shareholding is less than the minimum contract size allowed for trading on the SME Exchange.

#### ***Application by Eligible NRIs, FPIs or VCFs registered with SEBI***

It is to be understood that there is no reservation for Eligible NRIs, FPIs or VCF registered with SEBI. Such Eligible NRIs, FPIs or VCF registered with SEBI will be treated on the same basis with other categories for the purpose of Allocation.

***As per the extent Guidelines of the Government of India, OCBs cannot participate in this Issue.***

The current provisions of the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000, provides a general permission for the NRIs, FPIs and foreign venture capital investors registered with SEBI to invest in shares of Indian companies by way of subscription in an IPO. However, such investments would be subject to other investment restrictions under the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000, RBI and/or SEBI regulations as may be applicable to such investors.

The Allotment of the Equity Shares to Non-Residents shall be subject to the conditions, if any, as may be prescribed by the Government of India/RBI while granting such approvals.

***Restrictions on transfer and transmission of shares or debentures and on their consolidation or splitting***

Except for lock-in of the Pre- Issue Equity Shares and Promoter minimum contribution in the Issue as detailed in the section titled “Capital Structure” beginning on page 59 of the Prospectus, and except as provided in the Articles of Association of our Company, there are no restrictions on transfers of Equity Shares. There are no restrictions on transfer and transmission of shares/ debentures and on their consolidation/ splitting except as provided in the Articles of Association. For further details please refer sub-heading "Main Provisions of the Articles of Association" on page 294 of the Prospectus.

*The above information is given for the benefit of the Applicants. The Applicants are advised to make their own enquiries about the limits applicable to them. Our Company and the Lead Managers do not accept any responsibility for the completeness and accuracy of the information stated hereinabove. Our Company and the Lead Manager are not liable to inform the investors of any amendments or modifications or changes in applicable laws or regulations, which may occur after the date of this Prospectus. Applicants are advised to make their independent investigations and ensure that the number of Equity Shares Applied for do not exceed the applicable limits under laws or regulations.*

***Option to receive Equity Shares in Dematerialized Form***

As per section 29(1) of the new Companies Act 2013, every company making public offer shall issue securities only in dematerialized form only. The investors have an option either to receive the security certificate or to hold the securities with depository. However, as per SEBI's circular RMB (compendium) series circular no. 2 (1999-2000) dated February 16, 2000, it has been decided by the SEBI that trading in securities of companies making an initial public offer shall be in dematerialized form only. The Equity Shares on Allotment will be traded only on the dematerialized segment of the SME Exchange.

***Migration to Main Board***

Our Company will have to be mandatorily listed and traded on the SME Platform of the BSE for a minimum period of 2 (Two) years from the date of listing and only after that it can migrate to the Main Board of the BSE as per the guidelines specified by SEBI and as per the procedures laid down under Chapter XB of the SEBI (ICDR) Regulations.

As per the provisions of the Chapter XB of the SEBI (ICDR) Regulation, 2009, our Company may migrate to the main board of BSE from the SME Exchange on a later date subject to the following:

- If the Paid up Capital of the Company is likely to increase above Rs.25 Crore 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), we shall have to apply to BSE for listing our shares on its main board subject to the fulfillment of the eligibility criteria for listing of specified securities laid down by the main board or
- If the Paid-Up Capital of our Company is more than Rs.10.00 Crore and up to RS.25.00 Crore, our company may still apply for migration to the Main Board. If our Company fulfils the eligibility criteria for listing laid down by the Main Board of BSE and 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.

### ***Market Making***

The shares offered through this Issue are proposed to be listed on the SME platform of BSE, wherein the Lead Manager to this Issue shall ensure compulsory Market Making through the registered Market Makers of the SME Exchange for a minimum period of 3 (three) years from the date of listing on the SME platform of BSE. For further details of the agreement entered into between the Company, the Lead Manager and the Market Maker please refer to "General Information - Details of the Market Making Arrangements for this Issue" on page 56 of the Prospectus.

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

<b>Issue Size</b>	<b>Buy quote exemption threshold (including mandatory initial inventory of 5% of the Issue Size)</b>	<b>Re-Entry threshold for buy quote (including mandatory initial inventory of 5% of the Issue Size)</b>
Up to Rs.20 Crore	25%	24%
Rs. 20 to Rs.50 Crore	20%	19%
Rs. 50 to Rs. 80 Crore	15%	14%
Above Rs.80 Crore	12%	11%

Further, the Market Maker shall give (2) Two way quotes till it reaches the upper limit threshold; thereafter it has the option to give only sell quotes. Two (2) way quotes shall be resumed the moment inventory reaches the prescribed re-entry threshold.

In view of the Market Maker obligation, there shall be no exemption/threshold on downside. However, in the event the Market Maker exhausts its inventory through market making process on the platform of the exchange, the concerned stock exchange may intimate the same to SEBI after due verification.

### ***New Financial Instruments***

There are no new financial instruments such as deep discounted bonds, debenture, warrants, secured premium notes, etc. issued by our Company.

### ***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.

### ***Jurisdiction***

Exclusive jurisdiction for the purpose of this Issue is with the competent courts / authorities in Maharashtra, 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, except pursuant to an exemption from or in a transaction not subject to, registration requirements of the Securities Act. Accordingly, the Equity Shares are only being offered or sold outside the United States in compliance with Regulation S under the Securities Act and the applicable laws of the jurisdictions 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.



## ISSUE STRUCTURE

This Issue is being made in terms of Regulation 106(M) (1) of Chapter XB of SEBI (ICDR) Regulations, 2009, as amended from time to time, whereby, an issuer whose post issue paid up face value capital is less than Rs. 10 Crore, shall issue shares to the public and propose to list the same on the Small and Medium Enterprise Exchange (“SME Exchange”, in this case being the SME Platform of BSE). For further details regarding the salient features and terms of such an issue please refer chapter titled "Terms of the Issue" and "Issue Procedure" on page 231 and 241 of the Prospectus.

The Issue comprise of a Public Issue of 32,97,000 Equity Shares of Face Value of Rs.10/- each fully paid (The “Equity Shares”) for cash at a price of Rs.45/-per Equity Shares (*including a premium of Rs.35/-per equity share*) aggregating to Rs. 1483.65Lakhs (“*the issue*”) by our Company of which 1,65,000 Equity Shares of Rs.10/- each will be reserved for subscription by Market Maker Reservations Portion and a Net Issue to public of 32,97,000 Equity Shares of Rs.10/- each is hereinafter referred to as the net issue. The Issue and the Net Issue will constitute 35.46% and 33.69% respectively of the post issue paid up Equity Share Capital of the Company.

The Issue is being made by way of Fixed Price Issue Process

Particulars of the Issue	Net Issue to Public*	Market Maker Reservation Portion
Number of Equity Shares available for allocation	32,97,000 Equity Shares	1,65,000 Equity Shares
Percentage of Issue Size available for allocation	95.00% of the Issue Size	5.00% of the Issue Size
Basis of Allotment	Proportionate subject to minimum allotment of 3000 Equity Shares and further allotment in multiples of 3000 Equity Shares each. For further details please refer to " <i>Issue Procedure - Basis of Allotment</i> " on page 283 of this Prospectus.	Firm Allotment
Mode of Application	All the applications shall make the application (Online or Physical) through ASBA Process Only	Through ASBA Process Only
Mode of Allotment	Compulsorily in dematerialized form.	Compulsorily in dematerialized form.
Minimum Application Size	<p style="text-align: center;"><b><u>For Other than Retail Individual Investors:</u></b></p> <p>Such number of Equity Shares in multiples of 3000 Equity Shares at an Issue price of Rs. 45/-each, such that the Application Value exceeds Rs. 2.00 Lakh.</p> <p style="text-align: center;"><b><u>For Retail Individuals Investors:</u></b></p> <p>15,66,000 Equity Shares at an Issue price of `Rs. 45/-each</p>	2,00,000 Equity Shares
Maximum Application Size	<p style="text-align: center;"><b><u>For Other than Retails Individual Investors:</u></b></p> <p>The maximum application size is the Net Issue to public subject to limits the investor has to adhere under the relevant laws and regulations applicable.</p>	2,00,000 Equity Shares



	<p><b><u>For Retail Individuals Investors:</u></b> Such number of Equity Shares in multiples of 3000 Equity Shares such that the Application Value does not exceed Rs. 2.00 Lakh</p>	
Trading Lot	3000 Equity Shares	3000 Equity Shares, However the Market Makers may accept odd lots if any in the market as required under the SEBI (ICDR) Regulations, 2009.
Application lot Size	3000 Equity Shares thereafter Equity Shares and in multiples of 3000	
Terms of Payment	Full Application Amount shall be blocked by the SCSBs in the bank account of the ASBA Applicant that is specified in the Application Form at the time of submission of the Application Form.	

This Issue is being made in terms of Chapter XB of the SEBI (ICDR) Regulations, 2009, as amended from time to time. For further details please refer to “*Issue Structure*” on page 238 of the Prospectus.

\*As per Regulation 43(4) of the SEBI (ICDR) Regulations, as amended, as present issue is a fixed price issue ‘the allocation’ in the net offer to the public category shall be made as follows:

- a) Minimum fifty percent to retail individual investors; and
- b) Remaining to
  - (i) Individual Applicant other than retail Individual Investors; and
  - (ii) other investors including corporate bodies or institutions, irrespective of the number of specified securities applied for;
- c) The unsubscribed portion in either of the categories specified in (a) or (b) above may be allocated to the applicants in the other category.

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

#### **Withdrawal of the Issue**

The Company in consultation with the Lead Manager, reserves the right not to proceed with the Issue at any time before the Issue Opening Date, without assigning any reason thereof.

In case, the Company wishes to withdraw the Issue after Issue Opening but before allotment, the Company will give public notice giving reasons for withdrawal of Issue. The public notice will appear in two widely circulated national newspapers (one each in English and Hindi) and one in regional newspaper.

The Lead Manager, through the Registrar to the Issue, will instruct the SCSBs, to unblock the ASBA Accounts within one Working Day from the day of receipt of such instruction. The notice of withdrawal will be issued in the same newspapers where the pre-Issue advertisements have appeared and the Stock Exchange will also be informed promptly.

If the Company withdraws the Issue after the Issue Closing Date and subsequently decides to undertake a public offering of Equity Shares, the Company will file a fresh Prospectus with the stock exchange where the Equity Shares may be proposed to be listed.





Notwithstanding the foregoing, the Issue is subject to obtaining (i) the final listing and trading approvals of the Stock Exchange, which our Company will apply for only after Allotment; and (ii) the final RoC approval to the Prospectus after it is filed with the RoC.

**Issue Programme**

<b>ISSUE OPENING DATE</b>	May 7, 2018
<b>ISSUE CLOSING DATE</b>	May 11, 2018

Applications and any revisions to the same will be accepted only between 10.00 a.m. to 5.00 p.m. (Indian Standard Time) during the Issue Period at the Application Centers mentioned in the Application Form.

Standardization of cut-off time for uploading of applications on the issue closing date:

- a) A standard cut-off time of 3.00 p.m. for acceptance of applications.
- b) A standard cut-off time of 4.00 p.m. for uploading of applications received from other than retail individual applicants.
- c) A standard cut-off time of 5.00 p.m. for uploading of applications received from only retail individual applicants, which may be extended up to such time as deemed fit by BSE after taking into account the total number of applications received up to the closure of timings and reported by LM to BSE within half an hour of such closure.

It is clarified that Bids not uploaded in the book, would be rejected. In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical Bid form, for a particular bidder, the details as per physical application form of that Bidder may be taken as the final data for the purpose of allotment.

Applications will be accepted only on Working Days, i.e., Monday to Friday (excluding any public holiday).



## ISSUE PROCEDURE

All Applicants should review the General Information Document for Investing in Public Issues prepared and issued in accordance with the circular (CIR/CFD/DIL/12/2013) dated October 23, 2013 notified by SEBI (“General Information Document”) included below under section “-PART B – General Information Document”, which highlights the key rules, processes and procedures applicable to public issues in general in accordance with the provisions of the Companies Act 2013 (to the extent notified), the Companies Act, 1956 (to the extent not repealed by the Companies Act, 2013), the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957 and the SEBI ICDR Regulations as amended. The General Information Document has been updated to include reference to the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014, SEBI Listing Regulations 2015 and certain notified provisions of the Companies Act, 2013, to the extent applicable to a public issue. The General Information Document is also available on the websites of the Stock Exchanges and the Lead Manager. Please refer to the relevant portions of the General Information Document which are applicable to this Issue.

Pursuant to the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements)(Fifth Amendment)Regulations, 2015, there have been certain changes in the issue procedure for initial public offerings including making ASBA Process mandatory for all investors, allowing registrar, share transfer agents, collecting depository participants and stock brokers to accept application forms. Further, SEBI, by its circular No. (CIR/CFD/POLICYCELL/11/2015) dated November 10, 2015, reduced the time taken for listing after the closure of an issue to six working days.

**Please note that the information stated/ covered in this section may not be complete and/or accurate and as such would be subject to modification/change.** Our Company and the Lead Manager do not accept any responsibility for the completeness and accuracy of the information stated in this section and the General Information Document. Applicants are advised to make their independent investigations and ensure that their Applications do not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or as specified in this Draft Prospectus and the Prospectus.

This section applies to all the Applicants, please note that all the Applicants are required to make payment of the full Application Amount along with the Application Form.

**Our Company and the LM are not liable for any amendments, modifications or change in applicable laws or regulations, which may occur after the date of this Prospectus.**

### PART A

#### **Fixed Price Issue Procedure**

The Issue is being made under Regulation 106(M) (1) of Chapter XB of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended via Fixed Price Process wherein 50% of the Net Issue to Public is being offered to the Retail Individual Applicants and the balance shall be offered to Non Retail Category i.e. QIBs and Non-Institutional Applicants. However, if the aggregate demand from the non retail portion offered to investors including QIBs and NIIs Applicants is less than 50%, then the balance Equity Shares in that portion will be added to Retail Individual and vice-versa subject to valid Applications being received from them at or above the Issue Price.

Applicants are required to submit their Applications to the Designated Intermediaries. In case of QIB Applicants, our Company in consultation with the Lead Manager may reject Applications at the time of acceptance of Application Form provided that the reasons for such rejection shall be provided to such Applicant in writing.



In case of Non-Institutional Applicants and Retail Individual Applicants, our Company would have a right to reject the Applications only on technical grounds.

Investors should note that according to section 29(1) of the Companies Act, 2013, allotment of Equity Shares to all successful Applicants will only be in the dematerialized form. Applicants will not have the option of being Allotted Equity Shares in physical form. Further the Equity shares on allotment shall be trade only in the dematerialized segment of the Stock Exchange, as mandated by SEBI. However, the investors may get the equity shares rematerialized subsequent to allotment.

#### **Application Form**

***In accordance with Regulation 58 of SEBI ICDR Regulation, 2009 (as amended) and SEBI Circular CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015, SEBI had with effect from 1<sup>st</sup> January, 2016, made it mandatory for all the Investors applying in a public issue to use only Application Supported by Blocked Amount (ASBA) facility for making payment.***

The prescribed color of the Application Form for various categories applying in this issue is as follows:

<b>Category</b>	<b>Color</b>
Indian Public / eligible NRI's applying on a non-repatriation basis (ASBA)	White
Non-Residents including eligible NRI's, FPI's, FIIs, FVCIs, etc. applying on a repatriation basis (ASBA)	Blue

Applicants shall only use the specified Application Form for the purpose of making an Application in terms of this Prospectus. The Application Form shall contain information about the Applicant and the price and the number of Equity Shares that the Applicants wish to apply for. Application Forms downloaded and printed from the websites of the Stock Exchange shall bear a system generated unique application number.

Applicants shall only use the specified Application Form for the purpose of making an Application in terms of this Prospectus. An Investor, intending to subscribe to this Issue, shall submit a completed application form to any of the following Intermediaries (Collectively called ***“Designated Intermediaries”***)

<b>Sr. No.</b>	<b>Designated Intermediaries</b>
1.	An SCSB, with whom the bank account to be blocked, is maintained
2.	A syndicate member (or sub-syndicate member)
3.	A stock broker registered with a recognized stock exchange (and whose name is mentioned on the website of the stock exchange as eligible for this activity) ('broker')
4.	A depository participant ('DP') (whose name is mentioned on the website of the stock exchange as eligible for this activity)
5.	A registrar to an issue and share transfer agent ('RTA') (whose name is mentioned on the website of the stock exchange as eligible for this activity)

*The aforesaid intermediary shall, at the time of receipt of application, give an acknowledgement to investor, by giving the counter foil or specifying the application number to the investor, as a proof of having accepted the application form, in physical or electronic mode, respectively.*

The upload of the details in the electronic bidding system of stock exchange will be done by:

<b>For Applications submitted by Investors to SCSB:</b>	After accepting the form, SCSB shall capture and upload the relevant details in the electronic bidding system as specified by the stock exchange and may begin blocking funds available in the bank account specified in the form, to the extent of the application money specified.
<b>For applications submitted by</b>	After accepting the application form, respective Intermediary shall



**investors to intermediaries other than SCSBs:**

capture and upload the relevant details in the electronic bidding system of the stock exchange. Post uploading, they shall forward a schedule as per prescribed format along with the application forms to designated branches of the respective SCSBs for blocking of funds within one day of closure of Issue.

Applicants shall submit an Application Form either in physical or electronic form to the SCSB's authorizing blocking funds that are available in the bank account specified in the Application Form used by ASBA Applicants.

***Availability of Prospectus and Application Forms***

The Application Forms and copies of the Prospectus may be obtained from the Registered Office of our Company, (Lead Manager to the Issue as mentioned in the Application Form. The application forms may also be downloaded from the website of BSE i.e. [www.bseindia.com](http://www.bseindia.com).

***Who can apply?***

In addition to the category of Applicants as set forth under “General Information Document for Investing in Public Issues-Category of Investors Eligible to participate in an Issue”, the following persons are also eligible to invest in the Equity Shares under all applicable laws, regulations and guidelines, including:

- FPIs and sub-accounts registered with SEBI other than Category III foreign portfolio investor;
- Category III foreign portfolio investors, which are foreign corporate or foreign individuals only under the Non Institutional Investors category;
- Scientific and / or industrial research organizations authorized in India to invest in the Equity Shares.
- Any other persons eligible to apply in this Issue under the laws, rules, regulations, guidelines and policies applicable to them.

**Applications not to be made by:**

1. Minors (except through their Guardians)
2. Partnership firms or their nominations
3. Foreign Nationals (except NRIs)
4. Overseas Corporate Bodies

***Maximum And Minimum Application Size***

**1. For Retail Individual Applicants**

The Application must be for a minimum of 3000 Equity Shares and in multiples of 3000 Equity Shares thereafter, so as to ensure that the Application Price payable by the Applicant does not exceed Rs. 2,00,000. In case of revision of Applications, the Retail Individual Applicants have to ensure that the Application Price does not exceed Rs. 2,00,000.

**2. For Other than Retail Individual Applicants (Non-Institutional Applicants and QIBs):**

The Application must be for a minimum of such number of Equity Shares that the Application Amount exceeds Rs.2,00,000 and in multiples of 3000 Equity Shares thereafter. An Application cannot be submitted for more than the Net Issue Size. However, the maximum Application by a QIB investor should not exceed the investment limits prescribed for them by applicable laws. Under existing SEBI Regulations, a QIB Applicant cannot withdraw its Application after the Issue Closing Date and is required to pay 100% QIB Margin upon submission of Application.

In case of revision in Applications, the Non-Institutional Applicants, who are individuals, have to ensure that the Application Amount is greater than Rs. 2, 00,000 for being considered for allocation in the Non-Institutional Portion.

**Applicants are advised to ensure that any single Application from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Prospectus.**

**The above information is given for the benefit of the Applicants. The Company and the LMs are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Prospectus. Applicants are advised to make their independent investigations and ensure that the number of Equity Shares applied for do not exceed the applicable limits under laws or regulations.**

***Participation by Associates /Affiliates of LM and the Syndicate Members***

The LM, Market Maker and the Underwriter, if any shall not be entitled to subscribe to this Issue in any manner except towards fulfilling their underwriting and market making obligations. However, associates/affiliates of the LM and Syndicate Members, if any may subscribe for Equity Shares in the Issue, either in the QIB Category or in the Non- Institutional Category as may be applicable to the Applicants, where the allocation is on a proportionate basis and such subscription may be on their own account or on behalf of their clients.

***Option To Subscribe In The Issue***

- a) As per Section 29 (1) of the Companies Act, 2013, all the shares shall be issued in dematerialized form in compliance with the provisions of the Depositories act, 1996 and the regulations made there under, thus, the investors should note that Allotment of Equity Shares to all successful applicants will only be in the dematerialized form and the Investors will not have the option of getting allotment of specified securities in physical form.
- b) The Equity Shares, on Allotment, shall be traded on stock exchange in demat segment only.
- c) A single application from any investor shall not exceed the investment limit/ minimum number of specified securities that can be held by him/her/ it under the relevant regulations/ statutory guidelines and applicable laws.

***Information for the Applicants:***

1. Our Company and the Lead Managers shall declare the Issue Opening Date and Issue Closing Date in the Prospectus to be registered with the RoC and also publish the same in two national newspapers (one each in English and Hindi) and in a regional newspaper with wide circulation. This advertisement shall be in prescribed format.
2. Our Company will file the Prospectus with the RoC at least 3 (three) days before the Issue Opening Date.
3. Copies of the Application Form along with Abridge Prospectus and copies of the Prospectus will be available with the, the Lead Managers, the Registrar to the Issue, and at the Registered Office of our Company. Electronic Application Forms will also be available on the websites of the Stock Exchange.
4. Any applicant who would like to obtain the Prospectus and/ or the Application Form can obtain the same from our Registered Office or the Corporate office of LM.



5. Applicants who are interested in subscribing for the Equity Shares should approach Designated Intermediaries to register their applications.
6. Application Forms submitted directly to the SCSBs should bear the stamp of the SCSBs and/or the Designated Branch, or the respective Designated Intermediaries. Application Form submitted by Applicants whose beneficiary account is inactive shall be rejected.
7. The Application Form can be submitted either in physical or electronic mode, to the SCSBs with whom the ASBA Account is maintained, or other Designated Intermediaries (Other than SCSBs). SCSBs may provide the electronic mode of collecting either through an internet enabled collecting and banking facility or such other secured, electronically enabled mechanism for applying and blocking funds in the ASBA Account.
8. Applicants applying directly through the SCSBs should ensure that the Application Form is submitted to a Designated Branch of SCSB, where the ASBA Account is maintained. Applications submitted directly to the SCSB's or other Designated Intermediaries (Other than SCSBs) , the relevant SCSB , shall block an amount in the ASBA Account equal to the Application Amount specified in the Application Form, before entering the ASBA application into the electronic system.
9. Except for applications by or on behalf of the Central or State Government and the Officials appointed by the courts and by investors residing in the State of Sikkim, the Applicants, or in the case of application in joint names, the first Applicant (the first name under which the beneficiary account is held), should mention his/her PAN allotted under the Income Tax Act. In accordance with the SEBI Regulations, the PAN would be the sole identification number for participating transacting in the securities market, irrespective of the amount of transaction. Any Application Form without PAN is liable to be rejected. The demat accounts of Applicants for whom PAN details have not been verified, excluding persons resident in the State of Sikkim or persons who may be exempted from specifying their PAN for transacting in the securities market, shall be "suspended for credit" and no credit of Equity Shares pursuant to the Issue will be made into the accounts of such Applicants.
10. The Applicants may note that in case the PAN, the DP ID and Client ID mentioned in the Application Form and entered into the electronic collecting system of the Stock Exchange Designated Intermediaries do not match with PAN, the DP ID and Client ID available in the Depository database, the Application Form is liable to be rejected.

***Application by Indian Public including eligible NRIs applying on Non-Repatriation Basis***

Application must be made only in the names of individuals, Limited Companies or Statutory Corporations/institutions and not in the names of Minors, Foreign Nationals, Non Residents Indian (except for those applying on non-repatriation), trusts, (unless the Trust is registered under the Societies Registration Act, 1860 or any other applicable Trust laws and is authorized under its constitution to hold shares and debentures in a Company), Hindu Undivided Families, Partnership firms or their nominees. In case of HUFs, application shall be made by the Karta of the HUF. An applicant in the Net Public Category cannot make an application for that number of Equity Shares exceeding the number of Equity Shares offered to the public. Eligible NRIs applying on a non-repatriation basis should authorize their SCSB to block their NRE/FCNR accounts as well as NRO accounts.

***Applications by eligible NRIs/ FPI's on Repatriation Basis***

Application Forms have been made available for eligible NRIs at our registered office.



Eligible NRIs applicants may please note that only such applications as are accompanied by payment in free foreign exchange shall be considered for Allotment under reserved category. The Eligible NRIs who intend to get the amount blocked in the Non Resident Ordinary (NRO) accounts shall use the form meant for Resident Indians and shall not use the forms meant for reserved category.

Under FEMA, general permission is granted to companies vide notification no. FEMA/20/2000 RB dated 03/05/2000 to issue securities to NRIs subject to the terms and conditions stipulated therein. Companies are required to file the declaration in the prescribed form to the concerned Regional Office of RBI within 30 (thirty) days from the date of issue of shares of allotment to NRIs on repatriation basis.

Allotment of Equity shares to Non-Resident Indians shall be subject to the prevailing Reserve Bank of India Guidelines. Sale proceeds of such investments in Equity shares will be allowed to be repatriated along with the income thereon subject to the permission of the RBI and subject to the Indian Tax Laws and regulations and any other applicable laws.

**As Per The Current Regulations, The Following Restrictions Are Applicable For Investments By FPIs.**

1. A foreign portfolio investor shall invest only in the following securities, namely- (a) Securities in the primary and secondary markets including shares, debentures and warrants of companies, listed or to be listed on a recognized stock exchange in India; (b) Units of schemes floated by a domestic mutual funds, whether listed on a recognized stock exchange or not; (c) Units of Schemes floated by a collective investment scheme; (d) Derivatives traded on a recognized Stock Exchange; (e) Treasury bills and dated government securities; (f) Commercial papers issued by an Indian Company; (g) Rupee denominated credit enhanced bonds; (h) Security receipts issued by asset reconstruction companies; (i) Perpetual debt instruments and debt capital instruments, as specified by the Reserve Bank of India from time to time; (j) Listed and unlisted non-convertible debentures/bonds issued by an Indian company in the infrastructure sector, where 'infrastructure' is defined in terms of the extant External Commercial Borrowings (ECB) guidelines; (k) Non-Convertible debentures or bonds issued by Non – Banking Financial Companies categorized as 'Infrastructure Finance Companies' (IFC) by the Reserve Bank of India; (i) Rupee denominated bonds or units issued by infrastructure debt funds; (m) Indian depository receipts; and (n) Such other instruments specified by the Board from time to time.
2. Where a foreign institutional investor or a sub account, prior to commencement of SEBI (Foreign Portfolio Investors) Regulations, 2014, hold equity shares in a company whose shares are not listed on any recognized stock exchange, and continues to hold such shares after Initial Public Offering and listing thereof, such shares shall be subject to lock-in for the same period, if any, as is applicable to shares held by a foreign direct investor placed in similar position, under the policy of the Government of India relating to foreign direct investment from the time being in force.
3. In respect of investments in the secondary market, the following additional conditions shall apply:
  - a) A foreign portfolio investor shall transact in the securities in India only on the basis of taking and giving delivery of securities purchased or sold;
  - b) Nothing contained in clause (a) shall apply to:
    - ❖ Any transactions in derivatives on a recognized stock exchange;
    - ❖ Short selling transactions in accordance with the framework specified by the Board;
    - ❖ Any transaction in securities pursuant to an agreement entered into with the merchant banker in the process of market making or subscribing to unsubscribed portion of the issue in accordance with Chapter XB of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009
    - ❖ Any other transaction specified by the Board.

- c) No transaction on the stock exchange shall be carried forward;
  - d) The transaction of business in securities by a foreign portfolio investor shall be only through stock brokers registered by the Board; provided nothing contained in this clause shall apply to;
    - i. transactions in Government securities and such other securities falling under the purview of the Reserve Bank of India which shall be carried out in the manner specified by the Reserve Bank of India;
    - ii. Sale of securities in response to a letter of offer sent by an acquirer in accordance with the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
    - iii. Sale of securities in response to an offer made by any promoter or acquirer in accordance with the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
    - iv. Sale of securities, in accordance with the Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998;
    - v. divestment of securities in response to an offer by Indian Companies in accordance with Operative Guidelines of Disinvestment of shares of Indian Companies in the overseas market through issue of American Depository Receipts or Global Depository Receipts as notified by the Government of India and directions issued by Reserve Bank of India from time to time;
    - vi. Any bid for, or acquisition of, securities in response to an offer for disinvestment of shares made by the Central Government or any State Government;
    - vii. Any transaction in securities pursuant to an agreement entered into with merchant banker in the process of market making portion of the issue in accordance with Chapter XB of the Securities and Exchange Board of India ( Issue of Capital and Disclosure Requirements) Regulations, 2009;
    - viii. Any other transaction specified by Board.
  - e) A foreign portfolio investor shall hold, deliver or cause to be delivered securities only in dematerialized form: Provided that any shares held in non-dematerialized form, before the commencement of these regulation, can be held in non-dematerialized form, if such shares cannot be dematerialized.
4. Unless otherwise approved by the Board, securities shall be registered in the name of the foreign portfolio investor as a beneficial owner for the purposes of the Depositories Act, 1996.
  5. The purchase of Equity Shares of each company by a single foreign portfolio investor or an investor group shall be below ten percent of the total issued capital of the company.
  6. The investment by the foreign portfolio investor shall also be subject to such other conditions and restrictions as may be specified by the Government of India from time to time.
  7. In cases where the Government of India enters into agreements or treaties with other sovereign Governments and where such agreements or treaties specifically recognize certain entities to be distinct and separate, the Board may, during the validity of such agreements or treaties, recognize them as such, subject to conditions as may be specified by it.
  8. A foreign portfolio investor may lend or borrow securities in accordance with the framework specified by the Board in this regard.

No foreign portfolio investor may issue, subscribe to or otherwise deal in offshore derivative instruments, directly or indirectly, unless the following conditions are satisfied:

- a) Such offshore derivative instruments are issued only to persons who are regulated by an appropriate foreign regulatory authority



b) Such offshore derivatives instruments are issued after compliance with ‘know your client’ norms:

Provided that those unregulated broad based funds, which are classified as Category II foreign portfolio investor by virtue of their investment manager being appropriately regulated shall not issue, subscribe or otherwise deal, in offshore derivatives instruments directly or indirectly.

Provided further that no Category III foreign portfolio investor shall issue, subscribe to or otherwise deal in offshore derivatives instruments directly or indirectly.

A foreign portfolio investor shall ensure that further issue or transfer of any offshore derivative instruments issued by or on behalf of it is made only to persons who are regulated by an appropriate foreign regulatory authority.

Foreign portfolio investors shall fully disclose to the Board any information concerning the terms of and parties to off-shore derivative instruments such as participatory notes, equity linked notes or any other such instruments, by whatever names they are called, entered into by it relating to any securities listed or proposed to be listed in any stock exchange in India, as and when and in such form as the Board may specify.

Any offshore derivative instruments issued under the Securities and Exchange Board of India of India (Foreign Institutional Investors) Regulations, 1995 before commencement of SEBI (Foreign Portfolio Investors) Regulation, 2014 shall be deemed to have been issued under the corresponding provision of SEBI (Foreign Portfolio Investors) Regulation, 2014.

The purchase of equity shares of each company by a single foreign portfolio investor or an investor group shall be below 10 per cent of the total issued capital of the company.

An FII or its subaccount which holds a valid certificate of registration shall, subject to the payment of conversion fees, be eligible to continue to buy, sell or otherwise deal in securities till the expiry of its registration as a foreign institutional investor or sub-account, or until he obtains a certificate of registration as foreign portfolio investor, whichever is earlier.

Qualified foreign investor may continue to buy, sell or otherwise deal in securities subject to the provision of SEBI (Foreign Portfolio Investors) Regulation, 2014, for a period of one year from the date of commencement of aforesaid regulations, or until it obtains a certificate of registration as foreign portfolio investor, whichever is earlier.

#### ***Application by Mutual Funds***

As per the current regulations, the following restrictions are applicable for investments by Mutual fund:

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 Applications by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged with the Application Form. Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason thereof.

In case of a Mutual Fund, a separate Application can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Applications in respect of more than one scheme of the Mutual Fund will not be



treated as multiple Applications provided that the Applications clearly indicate the scheme concerned for which the Application has been made.

The Application made by Asset Management Companies or custodians of Mutual Funds shall specifically state the names of the concerned schemes for which the Applications are made.

***Applications by Limited Liability Partnerships***

In case of Applications made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the LLP Act, 2008 must be attached to the Application Form. Failing this, our Company reserves the right to reject any Application without assigning any reason thereof.

***Applications by Insurance Companies***

In case of Applications made by insurance companies registered with the IRDA, a certified copy of certificate of registration issued by IRDA must be attached to the Application Form. Failing this, our Company in consultation with the LM, reserve the right to reject any Application without assigning any reason thereof. The exposure norms for insurers, prescribed under the Insurance Regulatory and Development Authority (Investment) Regulations, 2016, as amended, are broadly set forth below:

- (a) equity shares of a company: 10% of the investee company's outstanding equity shares (face value) or 10% of the respective fund in case of life insurance or 10% of investment assets in case of general insurance business/ Re-insurance business/ Health Insurance business; whichever is lower.
- (b) the entire group of the investee company: Not more than 15% of the respective fund in case of a life insurance business or a general insurance or reinsurance or health insurance and not more than 5% of investment asset in all companies belonging to the Promoter group; and
- (c) The industry sector in which the investee company belongs: Not more than 15 % of the respective fund in case of a life insurance business or a general insurance or reinsurance or health insurance.

***Applications under Power of Attorney***

In case of applications made pursuant to a power of attorney by limited companies, corporate bodies, registered societies, FIIs, FPI's, Mutual Funds, insurance companies and provident funds with minimum corpus of Rs. 2,500 Lakhs (subject to applicable law) and pension funds with a minimum corpus of Rs. 2,500 Lakhs, a certified copy of the power of attorney or the relevant Resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/or bye laws must be lodged with the Application Form. Failing this, our Company reserves the right to accept or reject any application in whole or in part, in either case, without assigning any reason therefore.

With respect to the applications by VCFs, FVCIs and FPIs, a certified copy of the power of attorney or the relevant resolution or authority, as the case may belong with a certified copy of their SEBI registration certificate must be lodged along with the Application Form. Failing this, our Company reserves the right to accept or reject any application in whole or in part, in either case, without assigning any reason therefore.

In the case of Applications made pursuant to a power of attorney by Mutual Funds, a certified copy of the power of attorney or the relevant resolutions or authority, as the case may be, along with the certified copy of their SEBI registration certificate must be submitted along with the Application Form. Failing this, the Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason therefore.

In the case of Applications made by insurance companies registered with the IRDA, a certified copy of certificate of registration issued by the IRDA must be lodged along with the Application Form. Failing this, the Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason therefore.

In the case of Applications made by to the power of attorney by FIIs, a certified copy of the power of attorney the relevant resolution or authority, as the case may be along with the certified copy of SEBI registration certificate must be lodged with the Application Form. Failing this, the Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason thereof.

In the case of Applications made by provident funds, subject to applicable law, with minimum corpus of Rs. 2500 Lacs and pension funds with minimum corpus of Rs. 2500 Lacs, a certified copy of a certificate from a chartered accountant certifying the corpus of the provident fund/pension fund must be lodged along with the Application Form. Failing this, the Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason thereof.

#### ***Application by Provident Funds/Pension Funds***

In case of Applications made by provident funds with minimum corpus of Rs. 2,500 lakhs (subject to applicable law) and pension funds with minimum corpus of Rs. 2,500 lakhs, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/ pension fund must be lodged along with the Application Form. Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason thereof.

The above information is given for the benefit of the Applicants. Our Company and the LM are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of filing of this Prospectus. Applicants are advised to make their independent investigations and ensure that the maximum number of Equity Shares applied for or maximum investment limits do not exceed the applicable limits under laws or regulations or as specified in this Prospectus.

#### ***Method and Process of Applications***

1. The Designated Intermediaries shall accept applications from the Applicants during the Issue Period.
2. The Issue Period shall be for a minimum of three Working Days and shall not exceed 10 Working Days. The Issue Period may be extended, if required, by an additional three Working Days, subject to the total Issue Period not exceeding 10 Working Days.
3. During the Issue Period, Applicants who are interested in subscribing to the Equity Shares should approach the Designated Intermediaries to register their applications.
4. The Applicant cannot apply on another Application Form after applications on one Application Form have been submitted to the Designated Intermediaries. Submission of a second Application form to either the same or to another Designated Intermediaries will be treated as multiple applications and is liable to be rejected either before entering the application into the electronic collecting system or at any point prior to the allocation or Allotment of Equity Shares in this Issue.
5. Designated Intermediaries accepting the application forms shall be responsible for uploading the application along with other relevant details in application forms on the electronic bidding system of stock exchange and submitting the form to SCSBs for blocking of funds (except in case of SCSBs, where blocking of funds



will be done by respective SCSBs only). All applications shall be stamped and thereby acknowledged by the Designated Intermediaries at the time of receipt.

6. The Designated Intermediaries will enter each application option into the electronic collecting system as a separate application and generate a TRS and give the same to the applicant.
7. Upon receipt of the Application Form, submitted whether in physical or electronic mode, the Designated Intermediaries shall verify if sufficient funds equal to the Application Amount are available in the ASBA Account, as mentioned in the Application Form, prior to uploading such applications with the Stock Exchange.
8. If sufficient funds are not available in the ASBA Account, the Designated Intermediaries shall reject such applications and shall not upload such applications with the Stock Exchange.
9. If sufficient funds are available in the ASBA Account, the SCSB shall block an amount equivalent to the Application Amount mentioned in the Application Form and will enter each application option into the electronic collecting system as a separate application and generate a TRS for each price and demand option. The TRS shall be furnished to the Applicant on request.
10. The Application Amount shall remain blocked in the aforesaid ASBA Account until finalization of the Basis of Allotment and consequent transfer of the Application Amount against the Allotted Equity Shares to the Public Issue Account, or until withdraw/ failure of the Issue or until withdrawal/ rejection of the Application Form, as the case may be.
11. Once the Basis of Allotment is finalized, the Registrar to the Issue shall send an appropriate request to the Controlling Branch of the SCSB for unblocking the relevant ASBA Accounts and for transferring the amount allocable to the successful Applicants to the Public Issue Account.
12. In case of withdrawal/ failure of the Issue, the blocked amount shall be unblocked on receipt of such information from the LM.

#### ***Terms of payment***

The entire Issue Price of Rs. 45/- per Equity Share is payable on application. In case of Allotment of lesser number of Equity Shares than the number applied, the SCSBs shall unblock the excess amount paid on Application as per the instruction received by the Registrar to the Public Issue Bank Account.

Upon submission of an Application Form with the SCSB, whether in physical or electronic mode, each ASBA Applicant shall be deemed to have agreed to block the entire Application Amount and authorized the Designated Branch of the SCSB to block the Application Amount, in the bank account maintained with the SCSB.

Application Amount paid in cash, cheque, by money order or by postal order or by stock invest, or ASBA Application Form accompanied by cash, cheque, draft, money order, postal order or any mode of payment other than blocked amounts in the SCSB bank accounts, shall not be accepted.

After verifying that sufficient funds are available in the ASBA Account, the SCSB shall block an amount equivalent to the Application Amount mentioned in the ASBA Application Form till the Designated Date.

On the Designated Date, the SCSBs shall transfer the amounts allocable to the ASBA Applicants from the respective ASBA Account, in terms of the SEBI Regulations, into the Public Issue Account. The balance amount, if any against the said Application in the ASBA Accounts shall then be unblocked by the SCSBs on the basis of the instructions issued in this regard by the Registrar to the Issue.

The entire Application Amount, as per the Application Form submitted by the respective Applicants, would be required to be blocked in the respective ASBA Accounts until finalization of the Basis of Allotment in the Issue and consequent transfer of the Application Amount against allocated shares to the Public Issue Account, or until withdrawal/failure of the Issue or until rejection of the ASBA Application, as the case may be.

Pursuant to SEBI circular no.-CIR/CFD/POLICYCELL/11/2015 dated 10<sup>th</sup> November, 2015 all the Applicants have to compulsorily apply through the ASBA Mode only.

The applicants should note that the arrangement with Bankers to the Issue or the Registrar is not prescribed by SEBI and has been established as an arrangement between our Company, Banker to the Issue and the Registrar to the Issue to facilitate collections from the Applicants.

### ***Electronic Registration of Applications***

1. The Designated Intermediaries will register the applications using the on-line facilities of the Stock Exchange.
2. The Designated Intermediaries will undertake modification of selected fields in the application details already uploaded before 1.00 p.m. of next Working Day from the Issue Closing Date.
3. The Designated Intermediaries shall be responsible for any acts, mistakes or errors or omissions and commissions in relation to,
  - i. the applications accepted by them,
  - ii. the applications uploaded by them
  - iii. the applications accepted but not uploaded by them or
  - iv. With respect to applications by Applicants, applications accepted and uploaded by any Designated Intermediary other than SCSBs, the Application form along with relevant schedules shall be sent to the SCSBs or the Designated Branch of the relevant SCSBs for blocking of funds and they will be responsible for blocking the necessary amounts in the ASBA Accounts. In case of Application accepted and Uploaded by SCSBs, the SCSBs or the Designated Branch of the relevant SCSBs will be responsible for blocking the necessary amounts in the ASBA Accounts.
4. Neither the Lead Managers nor our Company nor the Registrar to the Issue, shall be responsible for any acts, mistakes or errors or omission and commissions in relation to,
  - (i) The applications accepted by any Designated Intermediaries
  - (ii) The applications uploaded by any Designated Intermediaries
  - (iii) The applications accepted but not uploaded by any Designated Intermediaries
5. The Stock Exchange will offer an electronic facility for registering applications for the Issue. This facility will be available at the terminals of Designated Intermediaries and their authorized agents during the Issue Period. The Designated Branches or agents of Designated Intermediaries can also set up facilities for off-line electronic registration of applications subject to the condition that they will subsequently upload the off-line data file into the online facilities on a regular basis. On the Issue Closing Date, the Designated Intermediaries shall upload the applications till such time as may be permitted by the Stock Exchange. This information will be available with the Lead Manager on a regular basis.
6. With respect to applications by Applicants, at the time of registering such applications, the Syndicate Bankers, DPs and RTAs shall forward a Schedule as per format given below along with the Application Forms to Designated Branches of the SCSBs for blocking of funds:

S. No.	Details*
1.	Symbol

2.	Intermediary Code
3.	Location Code
4.	Application No.
5.	Category
6.	PAN
7.	DP ID
8.	Client ID
9.	Quantity
10.	Amount

*\*Stock Exchanges shall uniformly prescribe character length for each of the above-mentioned fields*

7. With respect to applications by Applicants, at the time of registering such applications, the Designated Intermediaries shall enter the following information pertaining to the Applicants into in the on-line system:
- Name of the Applicant;
  - IPO Name;
  - Application Form Number;
  - Investor Category;
  - PAN (of First Applicant, if more than one Applicant);
  - DP ID of the demat account of the Applicant;
  - Client Identification Number of the demat account of the Applicant;
  - Number of Equity Shares Applied for;
  - Bank Account details;
  - Locations of the Banker to the Issue or Designated Branch, as applicable, and bank code of the SCSB branch where the ASBA Account is maintained; and
  - Bank account number.
8. In case of submission of the Application by an Applicant through the Electronic Mode, the Applicant shall complete the above-mentioned details and mention the bank account number, except the Electronic ASBA Application Form number which shall be system generated.
9. The aforesaid Designated Intermediaries shall, at the time of receipt of application, give an acknowledgment to the investor, by giving the counter foil or specifying the application number to the investor, as a proof of having accepted the application form in physical as well as electronic mode. The registration of the Application by the Designated Intermediaries does not guarantee that the Equity Shares shall be allocated / allotted either by our Company.
10. Such acknowledgment will be non-negotiable and by itself will not create any obligation of any kind.
11. In case of Non Retail Applicants and Retail Individual Applicants, applications would not be rejected except on the technical grounds as mentioned in the Prospectus. The Designated Intermediaries shall have no right to reject applications, except on technical grounds.
12. The permission given by the Stock Exchanges to use their network and software of the Online IPO system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company and/or the Lead Manager are cleared or approved by the Stock Exchanges; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the compliance with the statutory and other requirements nor does it take any responsibility for the financial or other soundness of our company; our Promoter, our management or any scheme or project of our Company; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Prospectus, nor does it warrant that the Equity Shares will be listed or will continue to be listed on the Stock Exchanges.

13. The Designated Intermediaries will be given time till 1.00 p.m. on the next working day after the Issue Closing Date to verify the DP ID and Client ID uploaded in the online IPO system during the Issue Period, after which the Registrar to the Issue will receive this data from the Stock Exchange and will validate the electronic application details with Depository's records. In case no corresponding record is available with Depositories, which matches the three parameters, namely DP ID, Client ID and PAN, then such applications are liable to be rejected.
14. The SCSBs shall be given one day after the Issue Closing Date to send confirmation of Funds blocked (Final certificate) to the Registrar to the Issue.
15. The details uploaded in the online IPO system shall be considered as final and Allotment will be based on such details for applications.

***Basis of Allotment***

Allotment will be made in consultation with SME Platform of BSE (The Designated Stock Exchange). In the event of oversubscription, the allotment will be made on a proportionate basis in marketable lots as set forth here:

1. The total number of Shares to be allocated to each category as a whole shall be arrived at on a proportionate basis i.e. the total number of Shares applied for in that category multiplied by the inverse of the over subscription ratio (number of applicants in the category x number of Shares applied for).
2. The number of Shares to be allocated to the successful applicants will be arrived at on a proportionate basis in marketable lots (i.e. Total number of Shares applied for into the inverse of the over subscription ratio).
3. The total number of Shares to be allocated to retail Individual Investors shall be minimum 3000 Equity Shares at an Issue prices of Rs. 45 each and thereafter such number of Equity Shares in multiples of 3000 Equity Shares such that the Application Value does not exceed Rs. 2,00,000/- .
4. The total number of Shares to be allocated to other than retail Individual Investors shall be minimum 6000 Equity Shares at an Issue prices of Rs. 45/- each and thereafter such number of Equity Shares in multiples of 3000 Equity Shares such that the Application Value exceed Rs. 2,00,000/- subject to limits the investor has to adhere under the relevant laws and regulations applicable.
5. For applications where the proportionate allotment works out to less than 3000 Equity Shares the allotment will be made as follows:
  - a) Each successful applicant shall be allotted 1000 Equity Shares; and
  - b) The successful applicants out of the total applicants for that category shall be determined by the withdrawal of lots in such a manner that the total number of Shares allotted in that category is equal to the number of Shares worked out as per (2)above.
6. If the proportionate allotment to an applicant works out to a number that is not a multiple of 3000 Equity Shares, the applicant would be allotted Shares by rounding off to the lower nearest multiple of 3000 Equity Shares subject to a minimum allotment of 3000 Equity Shares.
7. If the Shares allotted on a proportionate basis to any category is more than the Shares allotted to the applicants in that category, the balance available Shares for allocation shall be first adjusted against any category, where the allotted Shares are not sufficient for proportionate allotment to the successful applicants in that category, the balance Shares, if any, remaining after such adjustment will be added to the category comprising of applicants applying for the minimum number of Shares. If as a result of the process of rounding off to the lower nearest multiple of 3000 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, upto 110% of the size of the offer specified under the Capital Structure mentioned in this Prospectus.
8. The above proportionate allotment of shares in an Issue that is oversubscribed shall be subject to the

reservation for small individual applicants as described below:

As per Regulation 43(4) of the SEBI (ICDR) Regulations, as amended, as present issue is a fixed price issue 'the allocation' is the net offer to the public category shall be made as follows:

- a) Minimum fifty percent to retail individual investors; and
- b) Remaining to
  - (i) Individual applicants other than retail individual investors; and
  - (ii) other investors including corporate bodies or institutions, irrespective of the number of specified securities applied for;
- c) The unsubscribed portion in either of the categories specified in (a) or (b) above may be made available for allocation to the applicants in the other category, if so required.

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

Retail Individual Investor' means an investor who applies for shares of value of not more than Rs. 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 SME Platform of BSE.

The Executive Director / Managing Director of the SME Platform of BSE, Designated Stock Exchange in addition to Lead Merchant Banker and Registrar to the Public Issue shall be responsible to ensure that the basis

of allotment is finalized in a fair and proper manner in accordance with the SEBI (ICDR) Regulations, 2009.

#### ***Allocation of Equity shares***

- 1) The Issue is being made through the Fixed Price Process wherein 1,65,000 Equity Shares shall be reserved for Market Maker and 15,66,000 Equity shares will be allocated on a proportionate basis to Retail Individual Applicants, subject to valid applications being received from Retail Individual Applicants at the Issue Price. The balance of the Net Issue will be available for allocation on proportionate basis to Non Retail Applicants.
- 2) Under- subscription if any, in any category, would be allowed to be met with spill-over from any other category or combination of categories at the discretion of our Company in consultation with the Lead Managers and the Stock Exchange.
- 3) Allocation to Non-Residents, including Eligible NRIs, Eligible QFIs, FIIs and FVCIs registered with SEBI, applying on repatriation basis will be subject to applicable law, rules, regulations, guidelines and approvals.
- 4) In terms of SEBI Regulations, Non Retail Applicants shall not be allowed to either withdraw or lower the size of their applications at any stage.
- 5) Allotment status details shall be available on the website of the Registrar to the Issue.

#### ***Designated Date and Allotment of Equity Shares***

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.

Our Company will ensure that (i) the Allotment of Equity Shares; and (ii) initiate corporate action for credit of shares to the successful Applicants Depository Account will be completed within 5 Working Days of the Issue Closing Date. The Issuer also ensures the credit of shares to the successful Applicant's depository account is completed within 6 Working Days of the Issue Closing Date.

In accordance with section 29(1) of the Companies Act, 2013, Equity Shares will be issued and Allotment shall



be made only in the dematerialized form to the Allottees.

Allottees will have the option to re-materialize the Equity Shares so allotted as per the provisions of the Companies Act and the Depositories Act. However, trading in the Equity shares of the Company shall be done only in dematerialized form.

Investors are advised to instruct their Depository Participant to accept the Equity Shares that may be credited to their depository account pursuant to this Issue.

### ***Issuance of Allotment Advice***

Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Lead Manager or the Registrar to the Issue shall send to the Bankers to the Issue a list of their Applicants who have been allocated/Allotted Equity Shares in this Issue.

Pursuant to confirmation of corporate actions with respect to Allotment of Equity Shares, the Registrar to the Issue will dispatch Allotment Advice to the Applicants who have been Allotted Equity Shares in the Issue.

The dispatch of Allotment Advice shall be deemed a valid, binding and irrevocable contract for the Applicant.

### ***General Instructions***

#### **Do's:**

- Check if you are eligible to apply;
- Read all the instructions carefully and complete the applicable Application Form;
- Ensure that the details about the Depository Participant and the beneficiary account are correct as Allotment of Equity Shares will be in the dematerialized form only;
- Each of the Applicants should mention their Permanent Account Number (PAN) allotted under the Income Tax Act, 1961;
- Ensure that the Demographic Details are updated, true and correct in all respects;
- Ensure that the name(s) given in the Application Form is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant.
- Ensure that you have funds equal to the Application Amount in the ASBA account maintained with the SCSB before submitting the Application Form under the ASBA process to the respective member of the Syndicate (in the Specified Locations), the SCSBs, the Registered Broker (at the Broker Centers), the RTA (at the Designated RTA Locations) or CDP (at the Designated CDP Locations); Instruct your respective Banks to not release the funds blocked in the ASBA Account under the ASBA process;
- Ensure that the Application Form is signed by the account holder in case the applicant is not the account holder. Ensure that you have mentioned the correct bank account number in the Application Form;
- Ensure that the Application Forms are delivered by the applicants within the time prescribed as per the Application Form and the Prospectus;
- Ensure that you have requested for and receive a TRS;
- Ensure that you request for and receive a stamped acknowledgement of the Application Form for all your application options;
- All Investors submit their applications through the ASBA process only;
- Ensure that you receive an acknowledgement from the concerned Designated Intermediary, for the submission of your Bid cum Application Form; and
- The Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

#### **Don'ts:**

- Do not apply for lower than the minimum Application size;
- Do not apply for a price different from the price mentioned herein or in the Application Form;
- Do not apply on another Application Form after you have submitted an application to the SCSBs, Registered Brokers of Stock Exchange, RTA and DPs registered with SEBI;
- Do not pay the Application Price in cash, by money order or by postal order or by stock invest;

- Do not send Application Forms by post, instead submit the Designated Intermediary only;
- Do not submit the Application Forms to any non-SCSB bank or our Company;
- Do not apply on an Application Form that does not have the stamp of the relevant Designated Intermediary;
- Do not submit the application without ensuring that funds equivalent to the entire application Amount are blocked in the relevant ASBA Account;
- Do not apply for an Application Amount exceeding Rs. 2,00,000 (for applications by Retail Individual Applicants);
- Do not fill up the Application Form such that the Equity Shares applied for exceeds the Issue Size and/or investment limit or maximum number of Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations;
- Do not submit the GIR number instead of the PAN as the application is liable to be rejected on this ground;
- Do not submit incorrect details of the DP ID, beneficiary account number and PAN or provide details for a beneficiary account which is suspended or for which details cannot be verified by the Registrar to the Issue;
- Do not submit applications on plain paper or incomplete or illegible Application Forms in a color prescribed for another category of Applicant; and
- Do not make Applications if you are not competent to contract under the Indian Contract Act, 1872, as amended.
- Do not make more than five applications from one bank account.

#### ***Instructions for Completing the Application Form***

The Applications should be submitted on the prescribed Application Form and in BLOCK LETTERS in ENGLISH only in accordance with the instructions contained herein and in the Application Form. Applications not so made are liable to be rejected. Application Forms should bear the stamp of the Designated Intermediaries. ASBA Application Forms, which do not bear the stamp of the Designated Intermediaries, will be rejected.

SEBI, vide Circular No.CIR/CFD/14/2012 dated October 04, 2012 has introduced an additional mechanism for investors to submit Application forms in public issues using the stock broker (broker) network of Stock Exchanges, who may not be syndicate members in an issue with effect from January 01, 2013. The list of Broker Centre is available on the websites of BSE i.e. [www.bseindia.com](http://www.bseindia.com) and NSE i.e. [www.nseindia.com](http://www.nseindia.com). With a view to broad base the reach of Investors by substantial, enhancing the points for submission of applications, SEBI vide Circular No.CIR/CFD/POLICY CELL/11/2015 dated November 10, 2015 has permitted Registrar to the Issue and Share Transfer Agent and Depository Participants registered with SEBI to accept the Application forms in Public Issue with effect front January 01, 2016. The List of ETA and DPs centers for collecting the application shall be disclosed is available on the websites of BSE i.e. [www.bseindia.com](http://www.bseindia.com) and NSE i.e. [www.nseindia.com](http://www.nseindia.com)

#### ***Permanent Account Number or PAN***

Pursuant to the circular MRD/DoP/Circ 05/2007 dated April 27, 2007, SEBI has mandated Permanent Account Number (“PAN”) to be the sole identification number for all participants transacting in the securities market, irrespective of the amount of the transaction w.e.f. July 2, 2007. Each of the Applicants should mention his/her PAN allotted under the IT Act. **Applications without this information will be considered incomplete and are liable to be rejected.** It is to be specifically noted that Applicants should not submit the GIR number instead of the PAN, as the Application is liable to be rejected on this ground.

Please note that, Central or State Government and the officials appointed by the courts and investors residing in the State of Sikkim are exempted from specifying their PAN subject to the Depository Participants’ verifying the veracity of such claims of the investors in accordance with the conditions and procedures under this section on Issue Procedure.

#### ***Applicant’s Depository Account and Bank Details***

Please note that, providing bank account details in the space provided in the application form is mandatory and applications that do not contain such details are liable to be rejected.

Applicants should note that on the basis of name of the Applicants, Depository Participant's name, Depository Participant Identification number and Beneficiary Account Number provided by them in the Application Form, the Registrar to the Issue will obtain from the Depository the demographic details including address, Applicants bank account details, MICR code and occupation (hereinafter referred to as 'Demographic Details'). These Bank Account details would be used for all correspondence with the Applicants including mailing of the Allotment Advice. Hence, Applicants are advised to immediately update their details as appearing on the records of the depository participant. Please note that failure to do so could result in non receipt of any correspondence to Applicants at the Applicants sole risk and neither the LMs or the Registrar or the Bankers to the Issue or the SCSB nor the Company shall have any responsibility and undertake any liability for the same. Hence, Applicants should carefully fill in their Depository Account details in the Application Form.

These Demographic Details would be used for all correspondence with the Applicants including mailing of the CANs / Allocation Advice and printing of Bank particulars on the refund orders or for refunds through electronic transfer of funds, as applicable. The Demographic Details given by Applicants in the Application Form would not be used for any other purpose by the Registrar to the Issue.

By signing the Application Form, the Applicant would be deemed to have authorized the depositories to provide, upon request, to the Registrar to the Issue, the required Demographic Details as available on its records.

#### ***Submission of Application Form***

All Application Forms duly completed shall be submitted to the Designated Intermediaries. The aforesaid intermediaries shall, at the time of receipt of application, give an acknowledgement to investor, by giving the counter foil or specifying the application number to the investor, as a proof of having accepted the application form, in physical or electronic mode, respectively.

#### ***Joint Applications in the case of Individuals***

Applications may be made in single or joint names (not). In the case of joint Applications, all payments will be made out in favour of the Applicant whose name appears first in the Application Form or Revision Form. All communications will be addressed to the First Applicant and will be dispatched to his or her address as per the Demographic Details received from the Depository.

#### ***Multiple Applications***

An Applicant should submit only one Application (and not more than one) for the total number of Equity Shares required. Two or more Applications will be deemed to be multiple Applications if the sole or First Applicant is one and the same.

In this regard, the procedures which would be followed by the Registrar to the Issue to detect multiple applications are given below:

All applications are electronically strung on first name, address (1<sup>st</sup> line) and applicant's status. Further, these applications are electronically matched for common first name and address and if matched, these are checked manually for age, signature and father/ husband's name to determine if they are multiple applications:

- i) Applications which do not qualify as multiple applications as per above procedure are further checked for common DP ID/ beneficiary ID. In case of applications with common DP ID/ beneficiary ID, are manually checked to eliminate possibility of data entry error to determine if they are multiple applications.



- ii) Applications which do not qualify as multiple applications as per above procedure are further checked for common PAN. All such matched applications with common PAN are manually checked to eliminate possibility of data capture error to determine if they are multiple applications.
- iii) For Applications from Mutual Funds and FII sub-accounts, submitted under the same PAN, as well as Applications on behalf of the Applicants for whom submission of PAN is not mandatory such as the Central or State Government, an official liquidator or receiver appointed by a court and residents of Sikkim, the Application Forms will be checked for common DP ID and Client ID.

No separate applications for demat and physical is to be made. If such applications are made, the applications for physical shares will be treated as multiple applications and rejected accordingly.

After submitting an ASBA Application either in physical or electronic mode, an ASBA Applicant cannot apply (either in physical or electronic mode) to either the same or another Designated Branch of the SCSB and Submission of a second Application in such manner will be deemed a multiple Application and would be rejected. More than one ASBA Applicant may apply for Equity Shares using the same ASBA Account, provided that the SCSBs will not accept a total of more than five Application Forms with respect to any single ASBA Account.

Duplicate copies of Application Forms downloaded and printed from the website of the Stock Exchange bearing the same application number shall be treated as multiple Applications and are liable to be rejected. The Company, in consultation with the LM reserves the right to reject, in its absolute discretion, all or any multiple Applications in any or all categories.

In case of a mutual fund, a separate Application can be made in respect of each scheme of the mutual fund registered with SEBI and such Applications in respect of more than one scheme of the mutual fund will not be treated as multiple Applications provided that the Applications clearly indicate the scheme concerned for which the Application has been made.

In cases where there are more than 20 valid applications having a common address, such shares will be kept in abeyance, post Allotment and released on confirmation of “know your client” norms by the depositories. The Company reserves the right to reject, in our absolute discretion, all or any multiple Applications in any or all categories.

#### ***Signing of Underwriting Agreement***

This issue is 100 % Underwritten. The Company has entered into Underwriting agreement dated December 30, 2017 with Monarch Network Capital Limited.

#### ***Filing of the Prospectus with the RoC***

The Company will file a copy of the Prospectus with the RoC in terms of Section 32 of the Companies Act, 2013.

#### ***Pre-Issue Advertisement***

Subject to Section 30 of the Companies Act 2013, our Company shall, after registering the Prospectus with the RoC, publish a pre-Issue advertisement, in the form prescribed by the SEBI Regulations, in (i) English National Newspaper; (ii) Hindi National Newspaper and (iii) Regional Newspaper each with wide circulation.

#### ***Communications***



All future communications in connection with Applications made in this Issue should be addressed to the Registrar to the Issue quoting the full name of the sole or First Applicant, Application Form number, Applicants Depository Account Details, number of Equity Shares applied for, date of Application form, name and address of the Designated Intermediary where the Application was submitted thereof and a copy of the acknowledgement slip.

Investors can contact the Compliance Officer or the Registrar to the Issue in case of any pre Issue or post Issue related problems such as non-receipt of letters of allotment, credit of allotted shares in the respective beneficiary accounts, etc.

***Disposal of Application and Application Moneys and Interest in Case of Delay***

The Company shall ensure the dispatch of Allotment advice, and give benefit to the beneficiary account with Depository Participants and submit the documents pertaining to the Allotment to the Stock Exchange within 2 (two) working days of date of Allotment of Equity Shares.

The Company shall use best efforts to ensure that all steps for completion of the necessary formalities for listing and commencement of trading at SME Platform of BSE where the Equity Shares are proposed to be listed are taken within 6 (Six) working days from Issue Closing Date.

In accordance with the Companies Act, the requirements of the Stock Exchange and the SEBI Regulations, the Company further undertakes that:

1. Allotment and Listing of Equity Shares shall be made within 6 (Six) working days from the Issue Closing Date;
2. Instruction to SCSBs to unblock funds given to the clearing system within 4 (four) working days of the Issue Closing Date would be ensured; and
3. The Company shall pay interest at 15% p.a. for any delay beyond the 6 (Six) working days time period as mentioned above, if Allotment is not made and Instruction to SCSBs to unblock funds are not given and/ or demat credits are not made to investors within the 4 (four) working days time.

***Right to Reject Applications***

In case of QIB Applicants, the Company in consultation with the LM may reject Applications provided that the reasons for rejecting the same shall be provided to such Applicant in writing. In case of Non Institutional Applicants, Retail Individual Applicants who applied, the Company has a right to reject Applications based on technical grounds.

***Impersonation***

***Attention of the Applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:***

***"Any person who—***

- (a) Makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or***
- (b) Makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or***
- (c) Otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under Section 447."***



*Section 447 of the Companies Act, 2013, is reproduced as below: “Without Prejudice to any liability including repayment of any debt under this Act or any other law for the time being in force, any person who is found to be guilty of fraud, shall be punishable with imprisonment for a term which shall not be less than six months but which may exceed to ten years and shall also be liable to fine which shall not be less than the amount involved in the fraud, but which may extend to three times the amount involved in the fraud.*

*Provided that where the fraud in question involves public interest, the term of imprisonment shall not be less than three years.”*

***Undertakings by Our Company***

We undertake as follows:

- 1) That the complaints received in respect of the Issue shall be attended to by us expeditiously and satisfactorily;
- 2) That all steps will be taken for the completion of the necessary formalities for listing and commencement of trading at the Stock Exchange where the Equity Shares are proposed to be listed within 6 (six) Working days of Issue Closing Date.
- 3) That if the Company do not proceed with the Issue, the reason thereof shall be given as a public notice to be issued by our Company within two days of the Issue Closing Date. The public notice shall be issued in the same newspapers where the pre-Issue advertisements were published. The stock exchange on which the Equity Shares are proposed to be listed shall also be informed promptly;
- 4) That the our Promoters’ contribution in full has already been brought in;
- 5) That no further issue of Equity Shares shall be made till the Equity Shares offered through the Prospectus are listed or until the Application monies are unblocked on account of non-listing, under subscription etc. and
- 6) That if the Company withdraws the Issue after the Issue Closing Date, our Company shall be required to file a fresh offer document with the RoC/ SEBI, in the event our Company subsequently decides to proceed with the Issuer;

***Utilization of Issue Proceeds***

The Board of Directors of our Company certifies that:

- 1) All monies received out of the Issue shall be credited/ transferred to a separate bank account other than the bank account referred to in 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 unutilized, under an appropriate head in our 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 the 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 SEBI Listing Regulations, 2015 in relation to the disclosure and monitoring of the utilization of the proceeds of the Issue.
- 5) Our Company shall not have recourse to the Issue Proceeds until the approval for listing and trading of the Equity Shares from the Stock Exchange where listing is sought has been received.
- 6) The Lead Manager undertakes that the complaints or comments received in respect of the Issue shall be attended by our Company expeditiously and satisfactorily.

***Equity Shares in Dematerialized Form with NSDL or CDSL***

To enable all shareholders of our Company to have their shareholding in electronic form, the Company will sign the following tripartite agreements with the Depositories and the Registrar and Share Transfer Agent:

- a) Agreement dated February 07, 2018 between NSDL, the Company and the Registrar to the Issue;



- b) Agreement dated February 14, 2018 between CDSL, the Company and the Registrar to the Issue;

The Company's equity shares bear an ISIN No. INE424Z01011

An Applicant applying for Equity Shares must have at least one beneficiary account with either of the Depository Participants of either NSDL or CDSL prior to making the Application.

Allotment to a successful Applicant will be credited in electronic form directly to the beneficiary account (with the Depository Participant) of the Applicant.

Names in the Application Form or Revision Form should be identical to those appearing in the account details in the Depository. In case of joint holders, the names should necessarily be in the same sequence as they appear in the account details in the Depository.

If incomplete or incorrect details are given under the heading 'Applicants Depository Account Details' in the Application Form or Revision Form, it is liable to be rejected.

The Applicant is responsible for the correctness of his or her Demographic Details given in the Application Form vis a vis those with his or her Depository Participant.

Equity Shares in electronic form can be traded only on the stock exchanges having electronic connectivity with NSDL and CDSL. The Stock Exchange where our Equity Shares are proposed to be listed have electronic connectivity with NSDL and CDSL.

The trading of the Equity Shares of the Company would be in dematerialized form only for all investors.

***Procedure and time of Schedule for allotment and issue of Certificates***

As per SEBI Circular CIR/CFD/POLICYCELL/11/2015 dated 10<sup>th</sup> November, 2015 which relates to streamlining the process for Public Issue of Equity Shares and Convertibles, SEBI has indicated timeline schedule for various activities related to public issue which is mentioned hereunder:

Sl. No.	Details of Activities	Due Date(working day*)
1.	An investor, intending to subscribe to a public issue, shall submit a completed bid-cum-application form to any of the following intermediaries: <ol style="list-style-type: none"> <li>i. an SCSB, with whom the bank account to be blocked, is maintained</li> <li>ii. a syndicate member (or sub-syndicate member)</li> <li>iii. a stock broker registered with a recognised stock exchange (and whose name is mentioned on the website of the stock exchange as eligible for this activity) ('broker')</li> <li>iv. a depository participant ('DP') (whose name is mentioned on the website of the stock exchange as eligible for this activity)</li> <li>v. a registrar to an issue and share transfer agent ('RTA') (whose name is mentioned on the website of the stock exchange as eligible for this activity)</li> </ol>	Issue opening date to issue closing date (where T is issue closing date)
2.	The aforesaid intermediaries shall, at the time of receipt of application, give an acknowledgement to investor, by giving the counter foil or specifying the application number to the investor, as a proof of having accepted the application form, in physical or electronic mode, respectively. <p>(i) <u>For applications submitted by investors to SCSB:</u> After accepting the form, SCSB shall capture and upload the relevant details in the electronic bidding system as specified by the stock exchange(s) and may begin blocking funds available in the bank account specified in the form, to the extent of the application</p>	



	<p>money specified.</p> <p>(ii) <u>For applications submitted by investors to other intermediaries:</u> After accepting the application form, respective intermediary shall capture and upload the relevant details in the electronic bidding system of stock exchange(s).</p> <p>Stock exchange(s) shall validate the electronic bid details with depository’s records for DP ID, Client ID and PAN, by the end of each bidding day and bring the inconsistencies to the notice of intermediaries concerned, for rectification and re-submission within the time specified by stock exchange.</p> <p>Stock exchange(s) shall allow modification of selected fields in the bid details already uploaded on a daily basis.</p>																							
3.	Closing of Issue	T (Issue closing date)																						
4.	<p>Stock exchange(s) shall allow modification of selected fields (till 01:00 PM) in the bid details already uploaded.</p> <p>Registrar shall get the electronic bid details from the stock exchanges by end of the day.</p> <p>Syndicate members, brokers, DPs and RTAs shall forward a schedule as per format given below along with the application forms to designated branches of the respective SCSBs for blocking of funds.</p> <table border="1" data-bbox="284 1153 1013 1592"> <thead> <tr> <th>Field No.</th> <th>Details*</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Symbol</td> </tr> <tr> <td>2</td> <td>Intermediary Code</td> </tr> <tr> <td>3</td> <td>Location Code</td> </tr> <tr> <td>4</td> <td>Application No.</td> </tr> <tr> <td>5</td> <td>Category</td> </tr> <tr> <td>6</td> <td>PAN</td> </tr> <tr> <td>7</td> <td>DP ID</td> </tr> <tr> <td>8</td> <td>Client ID</td> </tr> <tr> <td>9</td> <td>Quantity</td> </tr> <tr> <td>10</td> <td>Amount</td> </tr> </tbody> </table> <p>(*Stock exchange(s) shall uniformly prescribe character length for each of the above-mentioned fields)</p> <p>SCSBs shall continue / begin blocking of funds.</p> <p>Designated branches of SCSBs may not accept schedule and applications after T+1 day.</p>	Field No.	Details*	1	Symbol	2	Intermediary Code	3	Location Code	4	Application No.	5	Category	6	PAN	7	DP ID	8	Client ID	9	Quantity	10	Amount	T+1
Field No.	Details*																							
1	Symbol																							
2	Intermediary Code																							
3	Location Code																							
4	Application No.																							
5	Category																							
6	PAN																							
7	DP ID																							
8	Client ID																							
9	Quantity																							
10	Amount																							
5.	Issuer, merchant banker and registrar shall submit relevant documents to the stock exchange(s) except listing application, allotment details and demat credit and refund details for the																							





	<p>purpose of listing permission.</p> <p>SCSBs shall send confirmation of funds blocked (Final Certificate) to the registrar by end of the day.</p> <p>Registrar shall reconcile the compiled data received from the stock exchange(s) and all SCSBs (hereinafter referred to as the “reconciled data”).</p> <p>Registrar shall reject multiple applications determined as such, based on common PAN.</p> <p>Registrar shall undertake “Technical Rejection” test based on electronic bid details and prepare list of technical rejection cases.</p>	T+2
6.	<p>Finalisation of technical rejection shall be done and minutes of the meeting between issuer, lead manager, registrar shall be prepared.</p> <p>Registrar shall finalise the basis of allotment and submit it to the designated stock exchange for approval.</p> <p>Designated Stock Exchange(s) shall approve the basis of allotment.</p> <p>Registrar shall prepare funds transfer schedule based on approved basis of allotment.</p> <p>Registrar / Issuer shall initiate corporate action to carry out lock-in for pre-issue capital held in depository system.</p> <p>Registrar and merchant banker shall issue funds transfer instructions to SCSBs.</p>	T+3
7.	<p>Registrar shall receive confirmation for pre-issue capital lock-in from depositories.</p> <p>SCSBs shall credit the funds in public issue account of the issuer and confirm the same.</p> <p>Issuer shall make the allotment.</p> <p>Registrar / Issuer shall initiate corporate action for credit of shares to successful allottees.</p> <p>Issuer and registrar shall file allotment details with designated stock exchange(s) and confirm all formalities are complete except demat credit.</p> <p>Registrar shall send bank-wise data of allottees, amount due on shares allotted, if any, and balance amount to be unblocked to SCSBs.</p>	T+4
8.	<p>Registrar shall receive confirmation of demat credit from depositories.</p> <p>Issuer and registrar shall file confirmation of demat credit, lock-in</p>	

	<p>and issuance of instructions to unblock ASBA funds, as applicable, with stock exchange(s).</p> <p>Issuer shall make a listing application to stock exchange(s) and stock exchange(s) to give listing and trading permission.</p> <p>Issuer, merchant banker and registrar shall publish allotment advertisement before the commencement of trading, prominently displaying the date of commencement of trading, in all the newspapers where issue opening/closing advertisements have appeared earlier.</p> <p>Stock exchange(s) shall issue commencement of trading notice.</p>	T+5
9.	Commencement of Trading	T+6
<b>*Working days will be all trading days excluding Sundays and bank holidays</b>		

## PART B

### GENERAL INFORMATION DOCUMENT FOR INVESTING IN PUBLIC ISSUES

This General Information Document highlights the key rules, processes and procedures applicable to public issues in accordance with the provisions of the Companies Act, 2013 (to the extent notified and in effect), the Companies Act, 1956 (without reference to the provisions thereof that have ceased to have effect upon the notification of the Companies Act, 2013), the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957 and the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009. Applicants should not construe the contents of this General Information Document as legal advice and should consult their own legal counsel and other advisors in relation to the legal matters concerning the Issue. For taking an investment decision, the Applicants should rely on their own examination of the Issuer and the Issue, and should carefully read the Draft Prospectus/Prospectus before investing in the Issue

#### **Section 1: Purpose of the General Information Document (GID)**

This document is applicable to the public issues undertaken inter-alia through the Fixed Price Issues. The purpose of the “General Information Document for Investing in Public Issues” is to provide general guidance to potential Applicants in IPOs, on the processes and procedures governing IPOs, undertaken in accordance with the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (“**SEBI ICDR Regulations, 2009**”) as amended.

Applicants should note that investment in equity and equity related securities involves risk and Applicant should not invest any funds in the Issue unless they can afford to take the risk of losing their investment. The specific terms relating to securities and/or for subscribing to securities in an Issue and the relevant information about the Issuer undertaking the Issue; are set out in the Prospectus filed by the Issuer with the Registrar of Companies (“**RoC**”). Applicants should carefully read the entire Prospectus and the Application Form and the Abridged Prospectus of the Issuer in which they are proposing to invest through the Issue. In case of any difference in interpretation or conflict and/or overlap between the disclosure included in this document and the Prospectus, the disclosures in the Prospectus shall prevail. The Prospectus of the Issuer is available on the websites of stock exchanges, on the website(s) of the **LM(s)** to the Issue and on the website of Securities and Exchange Board of India (“**SEBI**”) at [www.sebi.gov.in](http://www.sebi.gov.in).



For the definitions of capitalized terms and abbreviations used herein Applicants may refer to the section “Glossary and Abbreviations”.

## **Section 2: Brief Introduction to IPOs on SME Exchange**

### **2.1 Initial public offer (IPO)**

An IPO means an offer of specified securities by an unlisted Issuer to the public for subscription and may include an Offer for Sale of specified securities to the public by any existing holder of such securities in an unlisted Issuer.

For undertaking an IPO, an Issuer is inter-alia required to comply with the eligibility requirements of in terms of either Regulation 26(1) or Regulation 26(2) of the SEBI ICDR Regulations, 2009 if applicable. For details of compliance with the eligibility requirements by the Issuer Applicants may refer to the Prospectus.

The Issuer may also undertake IPO under Chapter XB of 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 its specified securities in accordance with provisions of this Chapter.

The present Issue being made under Regulation 106M (1) of Chapter XB of SEBI (ICDR) Regulation.

### **2.2 Other Eligibility Requirements**

In addition to the eligibility requirements specified in paragraphs 2.1 an Issuer proposing to undertake an IPO is required to comply with various other requirements as specified in the SEBI ICDR Regulations, 2009, the Companies Act, 1956 and the Companies Act, 2013 as may be applicable (“the Companies Act), the Securities Contracts (Regulation) Rules, 1957 (the “SCRR”), industry-specific regulations, if any, and other applicable laws for the time being in force.

Following are the eligibility requirements for making an SME IPO under Regulation 106M (1) of Chapter XB of SEBI (ICDR) Regulation:

- a) In accordance with Regulation 106(P) of SEBI (ICDR) Regulation, Issue has to be 100% underwritten and the LM has to underwrite at least 15% of the total issue size.
- b) In accordance with regulation 106(R) of SEBI (ICDR) Regulation, total number of proposed allottees in the Issue shall be greater than or equal to fifty, otherwise the entire application money will be blocked 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) Regulation, Company is not required to file any Offer Document with SEBI nor has SEBI issued any observations on the Offer Document. The Lead Manager shall submit the copy of Prospectus along with a Due Diligence Certificate including additional confirmations as required to SEBI at the time of filing the Prospectus with Stock Exchange and the Registrar of Companies.
- d) In accordance with Regulation 106(V) of the SEBI (ICDR) Regulation, the LM has to ensure compulsory market making for a minimum period of three years from the date of listing of Equity Shares offered in the Issue.

- e) The issuer shall mandatorily facilitate trading in demat securities
- f) The issuer should not be referred to Board for Industrial and Financial Reconstruction.
- g) No petition for winding up is admitted by a court of competent jurisdiction against the Issuer.
- h) 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.
- i) The company should have a website
- j) There has been no change in the promoter(s) of the company in the 1 year preceding the date of filing application to BSE for listing on SME segment.
- k) The Issuer / Company shall have Net Tangible assets of at least Rs. 3 crore as per the latest audited financial results.
- l) The Net worth (excluding revaluation reserves) of the Issuer / Company shall be atleast Rs. 3 crore as per the latest audited financial results.
- m) The Issuer / Company should have a track record of distributable profits in terms of section 123 of Companies Act, 2013 for two out of immediately preceding three financial years.
- n) The Post-issue / Offer paid up capital of the Issuer / Company shall be at least Rs. 3 Crore.

Issuer shall also comply with all the other requirements as laid down for such an Issue under Chapter X-B of SEBI (ICDR) Regulations and subsequent circulars and guidelines issued by SEBI and the Stock Exchange.

As per Regulation 106 (M) (3) of SEBI (ICDR) Regulation, 2009 the provisions of regulations 6(1), 6(2), 6(3) , Regulation 8, Regulation 9, Regulation 10, Regulation 25, Regulation 26, Regulation 27 and Sub regulation (1) of Regulation 49 of SEBI (ICDR) Regulations, 2009 shall not apply to this Issue.

Thus the Company is eligible for the Issue in accordance with Regulation 106M(1) and other provision of Chapter XB of SEBI (ICDR) Regulations as the post –issue face value capital does not exceed rs.1,000 Lakh. Company also complies with the eligibility conditions laid by the SME Platform of BSE for listing of our Equity Shares.

### 2.3 Types of Public Issues – Fixed Price Issues and Book Built Issues

In accordance with the provisions of the SEBI ICDR Regulations, 2009, an Issuer can either determine the Issue Price through the Book Building Process (“**Book Built Issue**”) or undertake a Fixed Price Issue (“**Fixed Price Issue**”). An Issuer may mention Floor Price or Price Band in the RHP (in case of a Book Built Issue) and a Price or Price Band in this Draft Prospectus (in case of a fixed price Issue) and determine the price at a later date before registering the Prospectus with the Registrar of Companies.

The cap on the Price Band should be less than or equal to 120% of the Floor Price. The Issuer shall announce the Price or the Floor Price or the Price Band through advertisement in all newspapers in which the pre-issue advertisement was given at least five Working Days before the Bid/Issue Opening Date, in case of an IPO and at least one 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.

Applicants should refer to the Prospectus or Issue advertisements to check whether the Issue is a Book Built Issue or a Fixed Price Issue.

#### **2.4 Issue Period**

The Issue may be kept open for a minimum of three Working Days (for all category of Applicants) and not more than ten Working Days. Applicants are advised to refer to the Application Form and Abridged Prospectus or Prospectus for details of the Issue Period. Details of Issue Period are also available on the website of Stock Exchange.

#### **2.5 Migration To Main Board**

SME Issuer may migrate to the Main Board of Stock Exchange from the SME Exchange at a later date subject to the following:

- a) If the Paid up Capital of the Company is likely to increase above Rs. 25 crores by virtue of any further issue of capital by way of rights, preferential issue, bonus issue etc. (which has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the 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 BSE 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

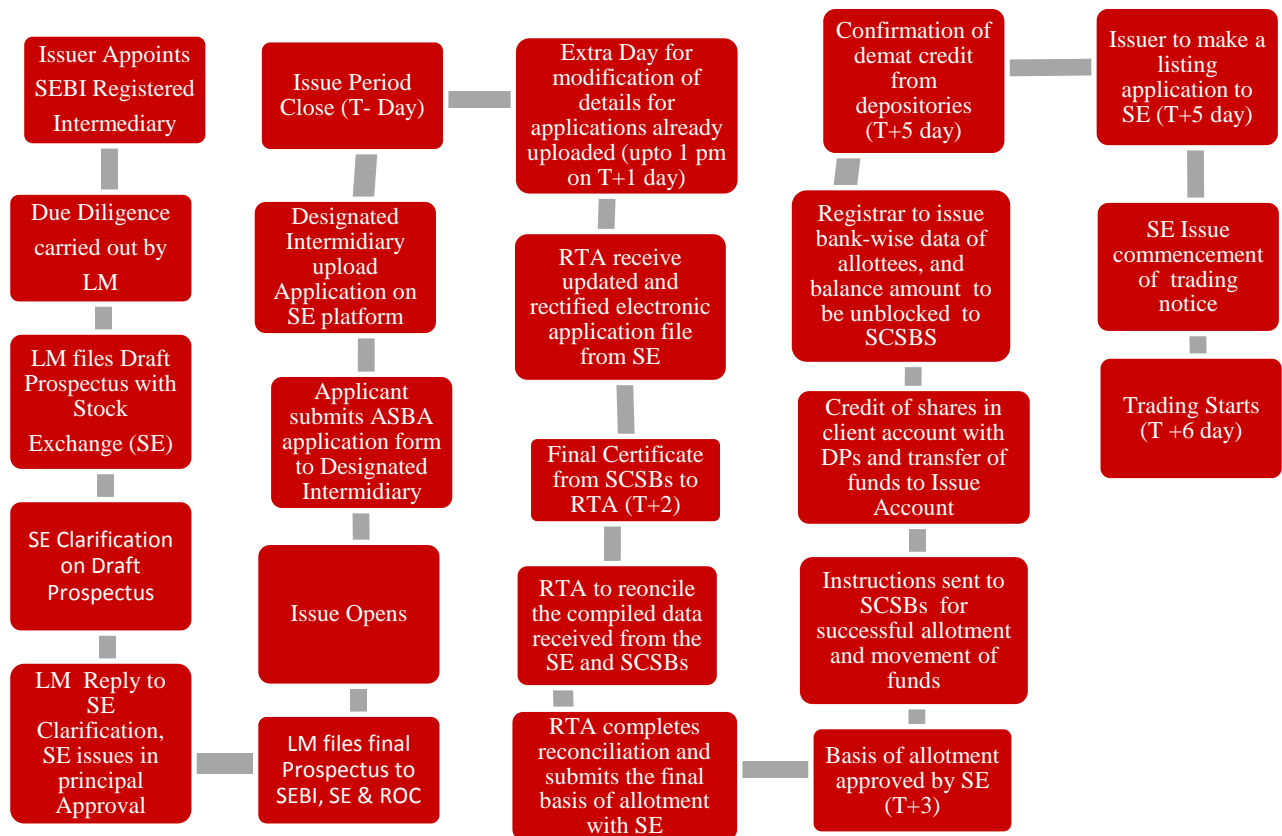
- b) If the Paid up Capital of the company is more than 10 crores but below Rs. 25 crores, the Company may still apply for migration to the main board if the same has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the Promoter in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal.

#### **2.6 Flowchart Of Timelines**

A flow chart of process flow in Fixed Price Issues is as follows:



## Milestone Group



### Section 3: Category of Investors Eligible to Participate in an Issue

**Each Applicant should check whether it is eligible to apply under applicable law.** Furthermore, certain categories of Bidders/Applicants, such as NRIs, FII's, FPIs and FVCIs may not be allowed to apply in the Issue or to hold Equity Shares, in excess of certain limits specified under applicable law. Applicants are requested to refer to the Prospectus for more details.

Subject to the above, an illustrative list of Applicants is as follows:

- Indian nationals resident in India who are competent to contract under the Indian Contract Act, 1872, in single or joint names (not more than three) or in the names of minors as natural / legal guardian;
- Hindu Undivided Families or HUFs, in the individual name of the Karta. The Bidder/Applicant should specify that the Application is being made in the name of the HUF in the Application Form as follows: "Name of sole or first Applicant: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta". Applications by HUFs may be considered at par with those from individuals;
- Companies, corporate bodies and societies registered under applicable law in India and authorized to invest in equity shares under their respective constitutional and charter documents;
- Mutual Funds registered with SEBI;
- Eligible NRIs on a repatriation basis or on a non-repatriation basis subject to applicable law; NRIs other than Eligible NRIs are not eligible to participate in this Issue.
- Indian Financial Institutions, scheduled commercial banks regional rural banks, co-operative banks (subject to RBI regulations and the SEBI ICDR Regulations, 2009 and other laws, as applicable);
- FPIs other than Category III foreign portfolio investors, VCFs and FVCIs registered with SEBI.
- Limited liability partnerships registered in India and authorized to invest in equity shares.
- State Industrial Development Corporations.



- Trusts/societies registered under the Societies Registration Act, 1860, as amended or under any other law relating to trusts/societies and who are authorized under their respective constitutions to hold and invest in equity shares;
- Scientific and/ or Industrial Research Organizations authorized to invest in equity shares.
- Insurance Companies registered with IRDA;
- Provident Funds and Pension Funds with minimum corpus of Rs. 2500 Lakhs and who are authorized under their constitution to hold and invest in equity shares;
- Multilateral and Bilateral Development Financial Institutions;
- National Investment Fund set up by resolution no F.No.2/3/2005-DDII dated November 23, 2005 of Government of India published in the Gazette of India;
- Insurance funds set up and managed by army, navy, air force of the Union of India or by Department of Posts, India;
- Any other person eligible to apply to this 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**

**Fixed Price Issue:** Applicants should only use the specified cum Application Form either bearing the stamp of Designated Intermediaries as available or downloaded from the websites of the Stock Exchanges. Application Forms are available with the registered office of the Issuer, and office of the RTA and at the office of the LM. For further details regarding availability of Application Forms, Applicants may refer to the Prospectus.

Applicants should ensure that they apply in the appropriate category. The prescribed color of the Application Form for various categories of Applicants is as follows:

<b>Category</b>	<b>Color of the Application</b>
Resident Indian, Eligible NRIs applying on a non -repatriation basis	White
NRIs, FVCIs, FIIs, their Sub-Accounts (other than Sub-Accounts which are foreign corporate(s) or foreign individuals bidding under the QIB), FPIs on a repatriation basis	Blue

Securities Issued in an IPO can only be in dematerialized form in compliance with Section 29 of the Companies Act, 2013. Applicants will not have the option of getting the allotment of specified securities in physical form. However, they may get the specified securities rematerialized subsequent to allotment.

**4.1 Instructions For Filing Application Form/ Application Form (Fixed Price Issue)**

Applicants may note that forms not filled completely or correctly as per instructions provided in this GID, the Prospectus and Application Form are liable to be rejected.

Instructions to fill each field of the Application Form can be found on the reverse side of the Application Form. Specific instructions for filling various fields of the Resident Application Form and Non-Resident Application Form and samples are provided below.

The samples of the Application Form for resident Applicants and the Application Form for non-resident Applicants are reproduced below:



TEAR HERE

<b>COMMON BID CUM APPLICATION FORM</b>	<b>XYZ LIMITED - INITIAL PUBLIC ISSUE - R</b> Address : _____ Contact Details: _____ CIN No _____	<b>FOR RESIDENT INDIANS, INCLUDING RESIDENT QIBs AND ELIGIBLE NRIs APPLYING ON A NON-REPATRIATION BASIS</b>
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LOGO **TO, THE BOARD OF DIRECTORS XYZ LIMITED**

**FIXED PRICE GME ISSUE**  
**INE000000000**

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 _____ Email _____ Tel. No (with STD code) / Mobile _____
<b>SUB-BROKER'S / SUB-AGENT'S STAMP &amp; CODE</b>	<b>ESCROW BANK/SCSB BRANCH STAMP &amp; CODE</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 For NSDL, enter 8 digit DP ID followed by 8 digit Client ID / For CDSL, enter 16 digit Client ID	<b>6. INVESTOR STATUS</b> <input type="checkbox"/> Individual(s) - IND <input type="checkbox"/> Hindu Undivided Family* - HUF <input type="checkbox"/> Bodies Corporate - CO <input type="checkbox"/> Banks & Financial Institutions - FI <input type="checkbox"/> Mutual Funds - MF <input type="checkbox"/> Non-Resident Indians - NRI (Non-Repatriation basis) <input type="checkbox"/> National Investment Fund - NIF <input type="checkbox"/> Insurance Companies - IC <input type="checkbox"/> Venture Capital Funds - VCF <input type="checkbox"/> Alternative Investment Funds - AIF <input type="checkbox"/> Others (Please specify) - OTH <small>* HUF should apply only through Karta (Application by HUF would be treated as per unit individual)</small>
<b>4. BID OPTIONS (ONLY RETAIL INDIVIDUAL BIDDERS CAN BID AT "CUT-OFF")</b>	<b>5. CATEGORY</b> <input type="checkbox"/> Retail Institutional Bidder <input type="checkbox"/> Non-Institutional Bidder <input type="checkbox"/> QIB

Bid Options	No. of Equity Shares Bid (In Figures) (Does not be in multiples of Bid Lot as advertised)	Price per Equity Share (₹) "Cut-off" (Price in multiples of ₹ 1/- only) (In Figures)			"Cut-off" (Please tick)
		Bid Price	Retail Discount	Net Price	
Option 1	8   7   6   5   4   3   2   1	8   7   1   1	8   7   1   1	8   7   1   1	<input type="checkbox"/>
(OR) Option 2					<input type="checkbox"/>
(OR) Option 3					<input type="checkbox"/>

**7. PAYMENT DETAILS** **PAYMENT OPTION : FULL PAYMENT  PART PAYMENT**

Amount paid (₹ in figures) \_\_\_\_\_ (₹ in words) \_\_\_\_\_

ASBA Bank A/c No. \_\_\_\_\_

Bank Name & Branch \_\_\_\_\_

I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ AND UNDERSTOOD THE TERMS AND CONDITIONS OF THIS BID CUM APPLICATION FORM AND THE ATTACHED ABRIDGED PROSPECTUS AND THE GENERAL INFORMATION DOCUMENT FOR INVESTING IN PUBLIC ISSUES (GID) AND HEREBY AGREE AND CONFIRM THE "BIDDERS UNDERTAKING" AS GIVEN OVERLEAF. I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ THE INSTRUCTIONS FOR FILING UP THE BID CUM APPLICATION FORM GIVEN OVERLEAF.

<b>SA. SIGNATURE OF SOLE / FIRST BIDDER</b>	<b>SD. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(S) (AS PER BANK RECORDS)</b> I/We authorize the SCSB to deal with as necessary to make the Application in the line 1) _____ 2) _____ 3) _____ Date : _____	<b>BROKER / SCSB / DP / RTA STAMP (Acknowledging upload of Bid in Stock Exchange system)</b>
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LOGO **XYZ LIMITED INITIAL PUBLIC ISSUE - R**

**Acknowledgement Slip for Broker/SCSB/DP/RTA**

Bid cum Application Form No. \_\_\_\_\_

FAN of Sole / First Bidder

DPID / CLID	Amount paid (₹ in figures)	Bank & Branch	Stamp & Signature of SCSB Branch
	ASBA Bank A/c No.		
	Received from Mr./Ms.		
	Telephone / Mobile	Email	

TEAR HERE

<b>XYZ LIMITED - INITIAL PUBLIC ISSUE - R</b>	Option 1	Option 2	Option 3	Stamp & Signature of Broker / SCSB / DP / RTA	Name of Sole / First Bidder
	No. of Equity Shares				
	Bid Price				
	Amount Paid (₹)				
	ASBA Bank A/c No.				

**Acknowledgement Slip for Bidder**

Bid cum Application Form No. \_\_\_\_\_





TEAR HERE

<b>COMMON BID CUM APPLICATION FORM</b>	<b>XYZ LIMITED - INITIAL PUBLIC ISSUE - NR</b>	For Eligible NRI, FI, FVCI, applying on Repatriation Basis
LOGO	TO, THE BOARD OF DIRECTORS XYZ LIMITED	Address : _____ Contact Details: _____ CIN No _____
		<b>FIXED PRICE OME ISSUE</b> <b>INE0000000000</b>
		Bid cum Application Form No. _____

SYNDICATE MEMBER'S STAMP & CODE	BROKER/SCSB/DP/RTA STAMP & CODE	1. NAME & CONTACT DETAILS OF SOLE / FIRST BIDDER	
		Mr. / Ms. _____	
		Address _____	
		Email _____	
		Tel. No (with STD code) / Mobile _____	
		2. PAN OF SOLE / FIRST BIDDER _____	

3. BIDDER'S DEPOSITORY ACCOUNT DETAILS <input type="checkbox"/> NSDL <input type="checkbox"/> CDSL		<b>6. Investor Status</b> <input type="checkbox"/> Non-Resident Indians (Repatriation Basis) NR <input type="checkbox"/> Foreign Institutional Investor FI <input type="checkbox"/> Foreign Venture Capital Investor FVCI <input type="checkbox"/> FI Sub Account Corporate/Individual FI SA <input type="checkbox"/> Others (Please Specify) OTH
For NSDL, enter 8 digit DP ID followed by 8 digit Client ID / For CDSL, enter 16 digit Client ID		
4. BID OPTIONS (ONLY RETAIL INDIVIDUAL BIDDERS CAN BID AT "CUT-OFF")		

Bid Options	No. of Equity Shares Bid (In Figures) (This must be in multiples of Bid Lot as advertised)	Price per Equity Share (₹) "Cut-off" (Price in multiples of ₹ 2/- only) (In Figures)			"Cut-off" Please tick	E. CATEGORY
		Bid Price	Retail Discount	Net Price		
Option 1					<input type="checkbox"/>	<input type="checkbox"/> Retail Investor Bidder
(OR) Option 2					<input type="checkbox"/>	<input type="checkbox"/> Non-Institutional Bidder
(OR) Option 3					<input type="checkbox"/>	<input type="checkbox"/> QIB

7. PAYMENT DETAILS		PAYMENT OPTION : FULL PAYM
Amount paid (₹ in figures)		(₹ in words) _____
ASBA Bank A/c No.		
Bank Name & Branch		

PLEASE FILL IN BLOCK LETTERS

I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ AND UNDERSTOOD THE TERMS AND CONDITIONS OF THIS BID CUM APPLICATION FORM AND THE ATTACHED ABBREVIATED PROSPECTUS AND THE GENERAL INFORMATION DOCUMENT FOR INVESTING IN PUBLIC ISSUES (GII) AND HEREBY AGREE AND CONFIRM THE "BIDDERS UNDERTAKING" AS GIVEN OVERLEAF. I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ THE INSTRUCTIONS FOR FILING UP THE BID CUM APPLICATION FORM GIVEN OVERLEAF.

8A. SIGNATURE OF SOLE/ FIRST BIDDER	8B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(S) (AS PER BANK RECORDS) <small>I/We authorize the SCSB to do all acts as are necessary to make the Application in the line</small>	BROKER / SCSB / DP / RTA STAMP (Acknowledging upload of Bid in Stock Exchange system)
	1) _____ 2) _____ 3) _____	
Date : _____		

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LOGO	<b>XYZ LIMITED</b> INITIAL PUBLIC ISSUE - NR	Acknowledgement Slip for Broker/SCSB/DP/RTA	Bid cum Application Form No. _____
DPID / CIN ID			PAN of Sole / First Bidder _____
Amount paid (₹ in figures)	Bank & Branch	Stamp & Signature of SCSB Branch	
ASBA Bank A/c No.			
Received from Mr/Ms.			
Telephone / Mobile	Email		

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<b>XYZ LIMITED - INITIAL PUBLIC ISSUE - NR</b>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <th></th> <th>Option 1</th> <th>Option 2</th> <th>Option 3</th> </tr> <tr> <td>No. of Equity Shares</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Bid Price</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Amount Paid (₹)</td> <td></td> <td></td> <td></td> </tr> </table>		Option 1	Option 2	Option 3	No. of Equity Shares				Bid Price				Amount Paid (₹)				Stamp & Signature of Broker / SCSB / DP / RTA	Name of Sole / First Bidder _____
	Option 1	Option 2	Option 3																
No. of Equity Shares																			
Bid Price																			
Amount Paid (₹)																			
ASBA Bank A/c No.			<b>Acknowledgement Slip for Bidder</b>																
Bank & Branch			Bid cum Application Form No. _____																

1



#### 4.1.1 FIELD NUMBER 1: NAME AND CONTACT DETAILS OF THE SOLE/FIRST APPLICANT

Applicants should ensure that the name provided in this field is exactly the same as the name in which the Depository Account is held.

- a) **Mandatory Fields:** Applicants should note that the name and address fields are compulsory and e-mail and/or telephone number/mobile number fields are optional. Applicants should note that the contact details mentioned in the Application Form may be used to dispatch communications (including letters notifying the unblocking of the bank accounts of \Applicants) in case the communication sent to the address available with the Depositories are returned undelivered or are not available. The contact details provided in the Application Form may be used by the Issuer,
- b) The Designated Intermediaries and the Registrar to the Issue only for correspondence(s) related to an Issue and for no other purposes.
- c) **Joint Applications:** In the case of Joint Applications, the Applications should be made in the name of the Applicant whose name appears first in the Depository account. The name so entered should be the same as it appears in the Depository records. The signature of only such first Applicant would be required in the Bid cum Application Form/Application Form and such first Applicant would be deemed to have signed on behalf of the joint holders. All communications may be addressed to such Applicant and may be dispatched to his or her address as per the Demographic Details received from the Depositories.
- d) **Impersonation:** Attention of the Applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:

“Any person who:

- makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or
  - makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or
  - otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under Section 447.”
- e) **Nomination Facility to Applicant:** Nomination facility is available in accordance with the provisions of Section 72 of the Companies Act, 2013. In case of allotment of the Equity Shares in dematerialized form, there is no need to make a separate nomination as the nomination registered with the Depository may prevail. For changing nominations, the Applicants should inform their respective DP.

#### 4.1.2 FIELD NUMBER 2: PAN NUMBER OF SOLE FIRST APPLICANT

- a) PAN (of the sole/ first Applicant) provided in the Application Form should be exactly the same as the PAN of the person(s) in whose name the relevant beneficiary account is held as per the Depositories’ records.
- b) PAN is the sole identification number for participants transacting in the securities market irrespective of the amount of transaction except for Applications on behalf of the Central or State Government, Applications by officials appointed by the courts and Applications by Applicants residing in Sikkim (“PAN Exempted Applicants”). Consequently, all Applicants, other than the PAN Exempted Applicants, are required to disclose their PAN in the Application Form, irrespective of the Application Amount. An Application Form without PAN, except in case of Exempted Applicants, is liable to be rejected. Applications by the Applicants whose PAN is not available as per the Demographic Details available in their Depository records, are liable to be rejected.



- c) The exemption for the PAN Exempted Applicants is subject to (a) the Demographic Details received from the respective Depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in “active status”; and (b) in the case of residents of Sikkim, the address as per the Demographic Details evidencing the same.
- d) Application Forms which provide the General Index Register Number instead of PAN may be rejected.
- e) Applications by Applicants whose demat accounts have been ‘suspended for credit’ are liable to be rejected pursuant to the circular issued by SEBI on July 29, 2010, bearing number CIR/MRD/DP/22/2010. Such accounts are classified as “Inactive demat accounts” and demographic details are not provided by depositories.

#### **4.1.3 FIELD NUMBER 3: APPLICANTS DEPOSITORY ACCOUNT DETAILS**

- a) Applicants should ensure that DP ID and the Client ID are correctly filled in the Application Form. The DP ID and Client ID provided in the Application Form should match with the DP ID and Client ID available in the Depository database, **otherwise, the Application Form is liable to be rejected.**
- b) Applicants should ensure that the beneficiary account provided in the Application Form is active.
- c) Applicants should note that on the basis of DP ID and Client ID as provided in the Application Form, the Applicant may be deemed to have authorized the Depositories to provide to the Registrar to the Issue, any requested Demographic Details of the Applicant as available on the records of the depositories. These Demographic Details may be used, among other things, for unblocking of ASBA Account or for other correspondence(s) related to an Issue.
- d) Applicants are, advised to update any changes to their Demographic Details as available in the records of the Depository Participant to ensure accuracy of records. Any delay resulting from failure to update the Demographic Details would be at the Applicants’ sole risk.

#### **4.1.4 FIELD NUMBER 4: APPLICATION DETAILS**

- a) The Issuer may mention Price as per Prospectus. However a Prospectus registered with RoC contains one price.
- b) Minimum and Maximum Application Size
  - i. For Retail Individual Applicants

The Application must be for a minimum of 3000 equity shares. As the application price payable by the retail individual applicants cannot exceed Rs.200000 they can make Application for only minimum Application size i.e. for 3000 equity shares.

- ii. For Other Applicants (Non Institutional Applicants and QIBs):

The Application must be for a minimum of such number of equity shares such that the Application Amount exceeds Rs.200000 and in multiples of 3000 equity shares thereafter. An application cannot be submitted for more than the Issue Size. However, the maximum application by a QIB investor should not exceed the investment limits prescribed for them by applicable laws. Under existing SEBI Regulations, a QIB Applicant cannot withdraw its Application after the Issue Closing Date and is required to pay 100% QIB Margin upon submission of Application. In case of revision of Applications, the Non Institutional Applicants, who are individuals, have to ensure that



the Application Amount is greater than Rs. 200000 for being considered for allocation in the Non Institutional Portion. Applicants are advised to ensure that any single Application from them does not exceed the investment limits or maximum number of equity shares that can be held by them under prescribed law or regulation or as specified in this Prospectus.

- c) **Multiple Applications:** An applicant should submit only one Application Form. Submission of a second Application Form to either the same or to the Designated Intermediaries and duplicate copies of Application Forms bearing the same application number shall be treated as multiple applications and are liable to be rejected.
- d) Applicants are requested to note the following procedures may be followed by the Registrar to the issue to detect multiple applications:
  - i. All applications may be checked for common PAN as per the records of the Depository. For Applicants other than Mutual Funds and PFI sub-accounts, applications bearing the same PAN may be treated as multiple applications by an Applicant and may be rejected.
  - ii. For applications from Mutual Funds and FPI sub-accounts, submitted under the same PAN, as well as Applications on behalf of the PAN Exempted Applicants, the Application Forms may be checked for common DP ID and Client ID. In any such applications which have the same DP ID and Client ID, these may be treated as multiple applications and may be rejected.
- e) The following applications may not be treated as multiple applications:
  - i. Application by Reserved Categories in their respective reservation portion as well as that made by them in the Net Issue portion in public category.
  - ii. Separate applications by Mutual Funds in respect of more than one scheme of the Mutual Fund provided that the Application clearly indicates the scheme for which the application has been made.
  - iii. Application by Mutual Funds, and sub-accounts of FPIs (or FPIs and its sub-accounts) submitted with the same PAN but with different beneficiary account numbers, Client IDs, and DP IDs.

#### **4.1.5 FIELD NUMBER 5: CATEGORY OF APPLICANTS**

- a) The categories of Applicants identified as per the SEBI ICDR Regulations, 2009 as amended for the purpose of Application, allocation and allotment in the Issue are RIIs, Individual applicants other than RIIs, and other investors (including corporate bodies or institutions, irrespective of the number of specified securities applied for).
- b) An Issuer can make reservation for certain categories of Applicants as permitted under the SEBI ICDR Regulations, 2009 as amended. For details of any reservations made in the Issue, Applicants may refer to the Prospectus.
- c) The SEBI ICDR Regulations, 2009, specify the allocation or allotment that may be made to various categories of Applicants in an Issue depending upon compliance with the eligibility conditions. For details pertaining to allocation and Issue specific details in relation to allocation Applicant may refer to the Prospectus.

#### **4.1.6 FIELD NUMBER 6: INVESTOR STATUS**

- a) Each Applicant should check whether it is eligible to apply under applicable law and ensure that any prospective allotment to it in the Issue is in compliance with the investment restrictions under applicable law.
- b) Certain categories of Applicants, such as NRIs, FIIs, FPIs and FVCIs may not be allowed to Apply in the Issue or hold Equity Shares exceeding certain limits specified under applicable law. Applicants are requested to refer to the Prospectus for more details.
- c) Applicants should check whether they are eligible to apply on non-repatriation basis or repatriation basis and should accordingly provide the investor status. Details regarding investor status are different in the Resident Application Form and Non-Resident Application Form.
- d) Applicants should ensure that their investor status is updated in the Depository records.

#### **4.1.7 FIELD NUMBER 7: PAYMENT DETAILS**

- a) All Applicants are required to use ASBA facility to block the full Amount (net of any Discount, as applicable) along-with the Application Form. If the Discount is applicable in the Issue, the RIIs should indicate the full Amount in the Application Form and the funds shall be blocked for Amount net of Discount. Only in cases where the Prospectus indicates that part payment may be made, such an option can be exercised by the Applicant.
- b) All categories of investors can participate in the Issue only through ASBA mechanism.
- c) Application Amount cannot be paid in cash, through money order or through postal order or through stock invest.

##### **4.1.7.1 Payment instructions for Applicants**

- (a) Applicants may submit the Application Form either in physical mode or online mode to any Designated Intermediaries.
- (b) Applicants should specify the Bank Account number in the Application Form. The Application Form submitted by an Applicant and which is accompanied by cash, demand draft, money order, postal order or any mode of payment other than blocked amounts in the ASBA Account maintained with an SCSB, may not be accepted.
- (c) Applicant should ensure that the Application Form is also signed by the ASBA Account holder(s) if the Applicant is not the ASBA Account holder;
- (d) Applicant 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 Application Forms can be submitted.
- (f) Applicants applying through a member of the Syndicate should ensure that the Application Form is submitted to a member of the Syndicate only at the Specified Locations. Applicants should also note that Application Forms submitted to the Syndicate at the Specified Locations may not be accepted by the member of the Syndicate if the SCSB where the ASBA Account, as specified in the Application Form, is



maintained has not named at least one branch at that location for the members of the Syndicate to deposit Application Forms (a list of such branches is available on the website of SEBI at <http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries>).

- (g) Applicants applying through a Registered Broker, RTA or CDP should note that Application Forms submitted to them may not be accepted, if the SCSB where the ASBA Account, as specified in Application Form, is maintained has not named at least one branch at that location for the Registered Brokers, RTA or CDP, as the case may be, to deposit Application Forms.
- (h) ASBA Applicant applying directly through the SCSBs should ensure that the Application Form is submitted to a Designated Branch of a SCSB where the ASBA Account is maintained.
- (i) Upon receipt of Application Form, the Designated Branch of the SCSB may verify if sufficient funds equal to the Application Amount are available in the ASBA Account, as mentioned in the Application Form.
- (j) If sufficient funds are available in the ASBA Account, the SCSB may block an amount equivalent to the Application Amount mentioned in the Application Form may upload the details on the Stock Exchange Platform.
- (k) If sufficient funds are not available in the ASBA Account, the Designated Branch of the SCSB may not upload such Applications on the Stock Exchange platform and such Applications are liable to be rejected.
- (l) Upon submission of a completed Application Form each Applicant may be deemed to have agreed to block the entire Application Amount and authorized the Designated Branch of the SCSB to block the Application Amount specified in the Application Form in the ASBA Account maintained with the SCSBs.
- (m) The Application Amount may remain blocked in the aforesaid ASBA Account until finalization of the Basis of allotment and consequent transfer of the Application Amount against the Allotted Equity Shares to the Public Issue Account, or until withdrawal or failure of the Issue, or until withdrawal or rejection of the Application, as the case may be.
- (n) SCSBs applying in the Issue must apply through an Account maintained with any other SCSB; else their Application is liable to be rejected.

#### **4.1.8 Unblocking of ASBA Account**

- a) Once the Basis of Allotment is approved by the Designated Stock Exchange, the Registrar to the Issue may provide the following details to the controlling branches of each SCSB, along with instructions to unblock the relevant bank accounts and for successful applications transfer the requisite money to the Public Issue Account designated for this purpose, within the specified timelines: (i) the number of Equity Shares to be Allotted, if any, against each Application, (ii) the amount to be transferred from the relevant bank account to the Public Issue Account, for each Application, (iii) the date by which funds referred to in (ii) above may be transferred to the Public Issue Account, and (iv) details of rejected/ non allotment / partial allotment ASBA Application, if any, along with reasons for rejection and details of withdrawn or unsuccessful Application, if any, to enable the SCSBs to unblock the respective bank accounts.
- b) On the basis of instructions from the Registrar to the Issue, the SCSBs may transfer the requisite amount against each successful Application to the Public Issue Account and may unblock the excess amount, if any, in the ASBA Account.



In the event of withdrawal or rejection of the Application Form and for unsuccessful Application, the Registrar to the Issue may give instructions to the SCSB to unblock the Application Amount in the relevant ASBA Account within 6 Working Days of the Issue Closing Date.

#### **4.1.8.1 Discount (if applicable)**

- a) The Discount is stated in absolute rupee terms.
- b) RII, Employees and Retail Individual Shareholders are only eligible for discount. For Discounts offered in the Issue, Applicants may refer to the Prospectus.
- c) For the Applicants entitled to the applicable Discount in the Issue the Application Amount less Discount (if applicable) shall be blocked.

#### **4.1.8.2 Additional Instructions for NRIs**

The Non-Resident Indians who intend to block funds in their Non-Resident Ordinary (NRO) accounts shall use the form meant for Resident Indians (non-repatriation basis). In the case of Application by NRIs applying on a repatriation basis, blocking of funds in their NRO account shall not be accepted.

### **4.1.9 FIELD NUMBER 8: SIGNATURES AND OTHER AUTHORISATIONS**

- a) Only the First Applicant is required to sign the Application Form. Applicants should ensure that signatures are in one of the languages specified in the Eighth Schedule to the Constitution of India.
- b) If the ASBA Account is held by a person or persons other than the Applicant, then the Signature of the ASBA Account holder(s) is also required.
- c) In relation to the Applications, signature has to be correctly affixed in the authorization/undertaking box in the Application Form, or an authorization has to be provided to the SCSB via the electronic mode, for blocking funds in the ASBA Account equivalent to the Application Amount mentioned in the Application Form.
- d) Applicants must note that Application Form without signature of Applicant and /or ASBA Account holder is liable to be rejected.

#### **4.1.10 ACKNOWLEDGEMENT AND FUTURE COMMUNICATION**

Applicants should ensure that they receive the acknowledgment duly signed and stamped by the Designated Intermediary, as applicable, for submission of the Application Form.

- a) All communications in connection with Applications made in the Issue should be addressed as under:
  - i. In case of queries related to Allotment, non-receipt of Allotment Advice, credit of allotted equity shares, the Applicants should contact the Registrar to the Issue.
  - ii. In case of Applications submitted to the Designated Branches of the SCSBs or Registered Brokers or Registered RTA/DP, the Applicants should contact the relevant Designated Branch of the SCSBs or Registered Brokers or Registered RTA/DP, as the case maybe.
  - iii. Applicant may contact the Company Secretary and Compliance Officer or LM(s) in case of any other complaints in relation to the Issue.
- b) The following details (as applicable) should be quoted while making any queries –
  - i. Full name of the sole or Applicant, Application Form number, Applicants' DP ID, Client ID, PAN, number of Equity Shares applied for, amount paid on application.

- ii. name and address of the Designated Intermediary, where the Application was submitted; or
- iii. In case of ASBA Applications, ASBA Account number in which the amount equivalent to the Application Amount was blocked.

For further details, Applicant may refer to the Prospectus and the Application Form.

#### **4.2 INSTRUCTIONS FOR FILING THE REVISION FORM**

- a) During the Issue Period, any Applicant (other than QIBs and NIIs, who can only revise their application upwards) who has registered his or her interest in the Equity Shares at a particular number of shares is free to revise number of shares applied using revision forms available separately.
- b) RII may revise their applications till closure of the issue period or withdraw their applications until finalization of allotment.
- c) Revisions can be made in both the desired number of Equity Shares and the Bid Amount by using the Revision Form.
- d) The Applicant can make this revision any number of times during the Issue Period. However, for any revision(s) in the Application, the Applicants will have to use the services of the same Designated Intermediary through which such Applicant had placed the original Application.

A sample Revision form is reproduced below:





<b>COMMON BID REVISION FORM</b>		<b>XYZ LIMITED - INITIAL PUBLIC ISSUE - R</b>		<b>FOR RESIDENT INDIANS, INCLUDING RESIDENT QIBs, AND ELIGIBLE NRIs APPLYING ON A NON-REPATRIATION BASIS</b>											
Address : _____ Contact Details: _____ CIN No _____		BOOK BUILT ISSUE		Bid cum Application Form No. _____											
ISIN : _____		TO, THE BOARD OF DIRECTORS XYZ LIMITED													
SYNDICATE MEMBER'S STAMP & CODE		BROKER/SCSB/DP/RTA STAMP & CODE		1. NAME & CONTACT DETAILS OF SOLE / FIRST BIDDER											
SUB-BROKER'S / SUB-AGENT'S STAMP & CODE		ESCROW BANK/SCSB BRANCH STAMP & CODE		Mr./Ms. _____											
BANK BRANCH SERIAL NO.		SCSB SERIAL NO.		Address _____											
				Tel. No (with STD code) / Mobile _____ Email _____											
				2. PAN OF SOLE / FIRST BIDDER _____											
				3. BIDDER'S DEPOSITORY ACCOUNT DETAILS <input type="checkbox"/> NSDL <input type="checkbox"/> CDSL											
				For NSDL, enter 8 digit DP ID followed by 8 digit Client ID / For CDSL, enter 16 digit Client ID _____											
<b>PLEASE CHANGE MY BID</b>															
<b>4 FROM (AS PER LAST BID OR REVISION)</b>															
Bid Option:	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)											
	8	7	6	5	4	3	2	1	3	2	1	3	2	1	"Cut-off" (Please tick)
Option 1															<input type="checkbox"/>
(OR) Option 2															<input type="checkbox"/>
(OR) Option 3															<input type="checkbox"/>
<b>5. TO (Revised Bid) (Only Retail Individual Bidders can Bid at "Cut-off")</b>															
Bid Option:	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)											
	8	7	6	5	4	3	2	1	3	2	1	3	2	1	"Cut-off" (Please tick)
Option 1															<input type="checkbox"/>
(OR) Option 2															<input type="checkbox"/>
(OR) Option 3															<input type="checkbox"/>
<b>6. PAYMENT DETAILS</b>															
Additional Amount Paid (₹ in figures) _____ (₹ in words) _____			PAYMENT OPTION : FULL PAYMENT <input type="checkbox"/> PART PAYMENT <input type="checkbox"/>												
ASBA Bank A/c No. _____ Bank Name & Branch _____															
I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ AND UNDERSTOOD THE TERMS AND CONDITIONS OF THIS BID REVISION FORM AND THE ATTACHED BROCHURE PROSPECTUS AND THE GENERAL INFORMATION DOCUMENT FOR INVESTING IN PUBLIC ISSUE (NFI) AND HEREBY AGREE AND CONFIRM THE BIDDERS UNDERTAKING AS GIVEN OVERLEAF I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ THE INSTRUCTIONS FOR FILLING UP THE BID REVISION FORM GIVEN OVERLEAF.															
7A. SIGNATURE OF SOLE / FIRST BIDDER		7B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(S) (AS PER BANK RECORDS) (I/We authorize the SCSB/DP/RTA to act as necessary to make the Application in the line			BROKER / SCSB / DP / RTA STAMP (Acknowledging receipt of Bid in Stock Exchange system)										
Date : _____		1) _____ 2) _____ 3) _____													
TEAR HERE															
LOGO		XYZ LIMITED		Bid cum Application Form No. _____											
		BID REVISION FORM - INITIAL PUBLIC ISSUE - R		Acknowledgement Slip for Broker/SCSB/DP/RTA											
DPID / CLID		PAN of Sole / First Bidder													
Additional Amount Paid (₹)		Bank & Branch		Stamp & Signature of SCSB Branch											
ASBA Bank A/c No.															
Received from Mr./Ms. _____															
Telephone / Mobile _____		Email _____													
TEAR HERE															
XYZ LIMITED - BID REVISION FORM - INITIAL PUBLIC ISSUE - R		Option 1		Option 2		Option 3		Stamp & Signature of Broker / SCSB / DP / RTA		Name of Sole / First Bidder _____					
		No. of Equity Shares													
		Bid Price													
		Additional Amount Paid (₹)													
ASBA Bank A/c No. _____		Bank & Branch _____								Acknowledgement Slip for Bidder					
										Bid cum Application Form No. _____					

**4.2.1 FIELDS 1, 2 AND 3: NAME AND CONTACT DETAILS OF SOLE/FIRST APPLICANT, PAN OF SOLE/FIRST APPLICANT & DEPOSITORY ACCOUNT DETAILS OF THE APPLICANT**

Applicants should refer to instructions contained in paragraphs 4.1.1, 4.1.2 and 4.1.3.

**4.2.2 FIELD 4 & 5: BID OPTIONS REVISION 'FROM' AND 'TO'**

- a) Apart from mentioning the revised options in the Revision Form, the Applicant must also mention the details of the share applied for given in his or her Application Form or earlier Revision Form.
- b) In case of revision of Applications by RIIs, Employees and Retail Individual Shareholders, such Applicants should ensure that the Application Amount, should not exceed Rs.200,000/- due to revision and the application may be considered, subject to the eligibility, for allocation under the Non-Institutional Category.

#### **4.2.3 FIELD 6: PAYMENT DETAILS**

Applicant may Issue instructions to block the revised amount in the ASBA Account, to the Designated Branch through whom such Applicant had placed the original Application to enable the relevant SCSB to block the additional Application Amount, if any.

#### **4.2.4 FIELDS 7: SIGNATURES AND ACKNOWLEDGEMENTS**

Applicants may refer to instructions contained at paragraphs 4.1.8 and 4.1.9 for this purpose.

#### **4.3 SUBMISSION OF REVISION FORM/APPLICATION FORM**

Applicants may submit completed application form / Revision Form in the following manner:-

<b>Mode of Application</b>	<b>Submission of Application Form</b>
All Investor Applications	To the Designated Intermediaries

The aforesaid intermediaries shall, at the time of receipt of application, give an acknowledgement to investor, by giving the counter foil or specifying the application number to the investor, as a proof of having accepted the application form, in physical or electronic mode, respectively

### **SECTION 5: ISSUE PROCEDURE IN FIXED PRICE ISSUE**

#### **5.1 Applicants may note that there is no Bid cum Application Form in a Fixed Price Issue.**

As the Issue Price is mentioned in the Fixed Price Issue therefore on filing of the Prospectus with the RoC, the Application so submitted is considered as the application form. Applicants may only use the specified Application Form for the purpose of making an Application in terms of the Prospectus which may be submitted through Designated Intermediary.

Applicants may submit an Application Form either in physical/ electronic form to Designated Intermediaries or the Designated Branches of the SCSBs authorizing blocking of funds that are available in the bank account specified in the Application Form only (“ASBA Account”). The Application Form is also made available on the websites of the Stock Exchanges at least one day prior to the Issue Opening Date.

In a fixed price Issue, allocation in the net offer to the public category is made as follows: minimum fifty per cent to Retail Individual Investors; and remaining to (i) individual investors other than Retail Individual Investors; and (ii) other Applicants including corporate bodies or institutions, irrespective of the number of specified securities applied for. The unsubscribed portion in either of the categories specified above may be allocated to the Applicants in the other category.

#### **5.2 GROUNDS FOR TECHNICAL REJECTIONS**

Applicants are advised to note that the Applications are liable to be rejected, inter-alia, on the following technical grounds:-

- Amount paid does not tally with the amount payable for the Equity shares applied for;
- In case of partnership firms, Application for Equity Shares made in the name of the individual partners and no firm as such shall be entitled to apply.
- Application by persons not competent to contract under the Indian Contract Act, 1872, including minors, insane person.

- PAN not mentioned in the Application Form.
- GIR number furnished instead of PAN.
- Applications for lower number of Equity Shares than the minimum specified for that category of investors;
- Applications at a price other than the Fixed Price of the Issue;
- Applications for number of Equity Shares which are not in multiples of 3000;
- Category not ticked;
- Multiple Applications as defined in this Prospectus as such, based on common PAN;
- In case of Applications under power of attorney or by limited companies, corporate, trust etc., relevant documents are not being submitted;
- Signature of sole Applicant is missing;
- Application Forms are not delivered by the Applicants within the time prescribed as per the Application Form, Issue Opening Date advertisement and Prospectus as per the instructions in the Prospectus and Application Forms;
- In case no corresponding record is available with the Depositories that matches the DP ID, the Client ID and the PAN;
- Applications for amounts greater than the maximum permissible amounts prescribed by the regulations;
- Applications by OCBs;
- Applications by US person other than in reliance on Regulation S or “qualified institutional buyers” as defined in Rule 144A under the Securities Act;
- Application not duly signed by the sole applicant;
- Application by any person outside India if not in compliance with applicable foreign and Indian Laws;
- Application that do not comply with the securities laws of their respective jurisdictions are liable to be rejected.
- Applications by persons prohibited from buying, selling or dealing in the shares directly or indirectly by SEBI or any other regulatory authority;
- Application by person not eligible to acquire equity shares of the company in terms of all applicable laws, rules, regulations, guidelines, and approvals.
- Application or revision thereof by QIB Applicants , Non Institutional Applicants where the Application Amount is in excess of Rs. 200000 received after 3.00 pm on the issue Closing date unless the extended time is permitted by BSE.
- Inadequate funds in the bank account to block the Application Amount specified in the Application Form/Application Form at the time of blocking such Application Amount in the bank account;
- Where no confirmation is received from SCSB for blocking of funds;
- Applications by Applicants not submitted through ASBA process;
- Applications not uploaded on the terminals of the Stock Exchanges; and
- Applications by SCSBs wherein a separate account in its own name held with any other SCSB is not mentioned as the ASBA Account in the Application Form.
- Details of ASBA Account not provided in the Application form
- From one ASBA Account, more than five applications are made by applicant.

For details of instructions in relation to the Application Form, Applicants may refer to the relevant section of GID.

**APPLICANT SHOULD NOTE THAT IN CASE THE PAN, THE DP ID AND CLIENT ID MENTIONED IN THE APPLICATION FORM AND ENTERED INTO THE ELECTRONIC APPLICATION SYSTEM OF THE STOCK EXCHANGE BY THE BROKERS DO NOT MATCH WITH PAN, THE DP ID AND CLIENT ID AVAILABLE IN THE DEPOSITORY DATABASE, THE APPLICATION FORM IS LIABLE TO BE REJECTED.**

## **SECTION 6: ISSUE PROCEDURE IN BOOK BUILT ISSUE**

This being the Fixed Price Issue this section is not applicable for this Issue.

## **SECTION 7: ALLOTMENT PROCEDURE AND BASIS OF ALLOTMENT**

### **7.1 Basis of Allotment**

Allotment will be made in consultation with SME Platform of BSE (The Designated Stock Exchange). In the event of oversubscription, the allotment will be made on a proportionate basis in marketable lots as set forth here:

- a) The total number of Shares to be allocated to each category as a whole shall be arrived at on a proportionate basis i.e. the total number of Shares applied for in that category multiplied by the inverse of the over subscription ratio (number of applicants in the category x number of Shares applied for).
- b) The number of Shares to be allocated to the successful applicants will be arrived at on a proportionate basis in marketable lots (i.e. Total number of Shares applied for into the inverse of the over subscription ratio).
- c) For applications where the proportionate allotment works out to less than 3000 Equity Shares the allotment will be made as follows:
  - i. Each successful applicant shall be allotted 3000 Equity Shares;
  - ii. The successful applicants out of the total applicants for that category shall be determined by the drawal of lots in such a manner that the total number of Shares allotted in that category is equal to the number of Shares worked out as per (2) above.
- d) If the proportionate allotment to an applicant works out to a number that is not a multiple of 3000 Equity Shares, the applicant would be allotted Shares by rounding off to the lower nearest multiple of 3000 Equity Shares subject to a minimum allotment of 3000 Equity Shares.
- e) If the Shares allotted on a proportionate basis to any category is more than the Shares allotted to the applicants in that category, the balance available Shares for allocation shall be first adjusted against any category, where the allotted Shares are not sufficient for proportionate allotment to the successful applicants in that category, the balance Shares, if any, remaining after such adjustment will be added to the category comprising of applicants applying for the minimum number of Shares. If as a result of the process of rounding off to the lower nearest multiple of 3000 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, upto 110% of the size of the offer specified under the Capital Structure mentioned in the Prospectus.
- f) The above proportionate allotment of shares in an Issue that is oversubscribed shall be subject to the reservation for Retail Individual applicants as described below:
  - i. As per Regulation 43(4) of the SEBI (ICDR) Regulations, as the Retail Individual Investor category is entitled to more than fifty percent on proportionate basis, the retail individual investors shall be allocated that higher percentage.
  - ii. Remaining to Individual applicants other than retail individual investors and Other investors including corporate bodies or institutions, irrespective of the number of specified securities applied for;
  - iii. The unsubscribed portion in either of the categories specified in (a) or (b) above may be available for allocation to the applicants in the other category, if so required.

'Retail Individual Investor' means an investor who applies for shares of value of not more than Rs. 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 SME Platform of BSE.



The Executive Director/ Managing Director of the SME Platform of BSE, Designated Stock Exchange in addition to Lead Merchant Banker and Registrar to the Public Offer shall be responsible to ensure that the basis of allotment is finalized in a fair and proper manner in accordance with the SEBI (ICDR) Regulations, 2009.

## **7.2 DESIGNATED DATE AND ALLOTMENT OF EQUITY SHARES**

- a) **Designated Date:** On the Designated Date, the SCSBs shall transfer the funds represented by allocation of Equity Shares into the Public Issue Account with the Bankers to the Issue.
- b) **Issuance of Allotment Advice:** Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Registrar shall upload the same on its website. On the basis of the approved Basis of Allotment, the Issuer shall pass necessary corporate action to facilitate the Allotment and credit of Equity Shares. Applicants **are advised to instruct their Depository Participant to accept the Equity Shares that may be allotted to them pursuant to the Issue.**

Pursuant to confirmation of such corporate actions, the Registrar will dispatch Allotment Advice to the Applicants who have been Allotted Equity Shares in the Issue.

- c) The dispatch of Allotment Advice shall be deemed a valid, binding and irrevocable contract.
- d) Issuer will ensure that: (i) the Allotment of Equity Shares; and (ii) initiate corporate action for credit of shares to the successful Applicants Depository Account will be completed within 5 Working Days of the Issue Closing Date. The Issuer also ensures the credit of shares to the successful Applicant's depository account is completed within 5 Working Days of the Issue Closing 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 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 Issue Closing Date.

### **8.2 GROUNDS FOR UNBLOCKING OF FUNDS**

#### **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 finalized.

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 initiate action to unblock the application amount from the Investors accounts. If such money is not repaid within the 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 Companies Act, and disclosed in the Prospectus.

### **8.2.2 Minimum Subscription**

This Issue is not restricted to any minimum subscription level. This Issue is 100% underwritten.

As per Section 39 of 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 our company does not receive the 100% subscription of the offer through the Offer Document including devolvement of underwriters , if any, within sixty (60) days from the date of closure of the issue, our company shall forthwith unblocked the entire application amount received. If there is a delay beyond eighty days after our company becomes liable to pay the amount, our company and every officer in default will, on and from the expiry of this period be jointly and severally liable to repay the money, with interest or other penalty as prescribed under SEBI Regulations and the Companies Act, 2013.

The minimum number of allottees in this Issue shall be 50 shareholders. In case the minimum number of prospective allottees is less than 50 no allotment will be made pursuant to this Issue and the amounts in the ASBA Account shall be unblocked within 6 working days of closure of the issue.

Further in accordance with Regulation 106(Q) of the SEBI (ICDR) Regulations, our Company shall ensure that the minimum application size in terms of number of specified securities shall not be less than Rs.100000/- (Rupees One Lakh) per application.

The equity shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and applications may not be made by persons in any such jurisdiction, except in compliance without the applicable laws of such jurisdiction.

### **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 unblocked forthwith.

### **8.3 Mode of Unblocking of Funds**

Within 6 Working Days of the Issue Closing Date, the Registrar to the Issue may give instructions to SCSBs for unblocking the amount in ASBA Account on unsuccessful Application and also for any excess amount blocked on Application.

#### **8.3.1 Mode of making refunds for Applicants**

The Registrar to the Issue may instruct the controlling branch of the SCSB to unblock the funds in the relevant ASBA Account for any withdrawn, rejected or unsuccessful ASBA applications or in the event of withdrawal or failure of the Issue.

### **8.4 Interest In Case Of Delay in Allotment**

The Issuer may pay interest at the rate of 15% per annum if demat credits are not made to Applicants or instructions for unblocking of funds in the ASBA Account are not dispatched within the 6 Working days of the Issue Closing Date.

The Issuer may pay interest at 15% per annum for any delay beyond 6 working days from the Issue Closing Date, if Allotment is not made.

**SECTION 9: GLOSSARY AND ABBREVIATIONS**

*Unless the context otherwise indicates or implies, certain definitions and abbreviations used in this document may have the meaning as provided below. References to any legislation, act or regulation may be to such legislation, act or regulation as amended from time to time.*

<b>Term</b>	<b>Description</b>
Allotment/ Allot/ Allotted	The allotment of Equity Shares pursuant to the Issue to successful Applicants
Allottee	An Applicant to whom the Equity Shares are Allotted
Allotment Advice	Note or advice or intimation of Allotment sent to the Applicants who have been allotted Equity Shares after the Basis of Allotment has been approved by the designated Stock Exchanges
Application Form	The form in terms of which the Applicant should make an application for Allotment in case of issues other than Book Built Issues, includes Fixed Price Issue
Application Supported by Blocked Amount/ (ASBA)/ASBA	An application, whether physical or electronic, used by Applicants to make a Application authorizing an SCSB to block the Bid Amount in the specified bank account maintained with such SCSB
ASBA Account	Account maintained with an SCSB which may be blocked by such SCSB to the extent of the Application Amount of the ASBA Applicant
ASBA Application	An Application made by an ASBA Applicant
Applicant	Prospective Applicants in the Issue who apply through ASBA
Basis of Allotment	The basis on which the Equity Shares may be Allotted to successful Applicants under the Issue
Bid	The date after which the SCSBs may not accept any application for the Issue, which may be notified in an English national daily, a Hindi national daily and a regional language newspaper at the place where the registered office of the Issuer is situated, each with wide circulation. Applicants may refer to the Prospectus for the Issue Closing Date
Issue Closing Date	The date on which the SCSBs may start accepting application for the Issue, which may be the date notified in an English national daily, a Hindi national daily and a regional language newspaper at the place where the registered office of the Issuer is situated, each with wide circulation. Applicants may refer to the Prospectus for the Issue Opening Date
Issue Opening Date	The date on which the SCSBs may start accepting application for the Issue, which may be the date notified in an English national daily, a Hindi national daily and a regional language newspaper at the place where the registered office of the Issuer is situated, each with wide circulation. Applicants may refer to the Prospectus for the Issue Opening Date



<b>Term</b>	<b>Description</b>
Issue Period	Except in the case of Anchor Investors (if applicable), the period between the Issue Opening Date and the Issue Closing Date inclusive of both days and during which prospective Applicants (other than Anchor Investors) can submit their Application, inclusive of any revisions thereof. The Issuer may consider closing the Issue Period for QIBs one working day prior to the Issue Closing Date in accordance with the SEBI ICDR Regulations, 2009. Applicants may refer to the Prospectus for the Issue Period
Application Amount	The value indicated in the Application Form and payable by the Applicant upon submission of the Application (except for Anchor Investors), less discounts (if applicable).
Application Form	The form in terms of which the Applicant should make an offer to subscribe for or purchase the Equity Shares and which may be considered as the application for Allotment for the purposes of the Prospectus, whether applying through the ASBA or otherwise.
Applicant	Any prospective investor (including an ASBA Applicant) who makes an Application pursuant to the terms of the Prospectus and the Application Form. In case of issues undertaken through the fixed price process, all references to a Applicant should be construed to mean an Applicant
Book Built Process/ Book Building Process/ Book Building Method	The book building process as provided under SEBI ICDR Regulations, 2009,
Broker Centers	Broker Centers notified by the Stock Exchanges, where Applicants can submit the Application Form to a Registered Broker. The details of such broker centers, along with the names and contact details of the Registered Brokers are available on the websites of the Stock Exchanges.
Lead Manager/ LM	The Lead Manager to the Issue as disclosed in the Prospectus and the Application Form of the Issuer.
Business Day	Monday to Friday (except public holidays)
CAN/Confirmation of Allotment Note	The note or advice or intimation sent to each successful Applicant indicating the Equity Shares which may be Allotted, after approval of Basis of Allotment by the Designated Stock Exchange
Client ID	Client Identification Number maintained with one of the Depositories in relation to demat account
Collecting Depository Participant or CDP	A depository participant as defined under the Depositories Act, 1996, registered with SEBI and who is eligible to procure Applications at the Designated CDP Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI
DP	Depository Participant
DP ID	Depository Participant's Identification Number
Depositories	National Securities Depository Limited and Central Depository Services (India) Limited





Term	Description
Demographic Details	Details of the Applicants including the Applicant's address, name of the Applicant's father/husband, investor status, occupation and bank account details
Designated Branches	Such branches of the SCSBs which may collect the Application Forms used by the ASBA Applicants applying through the ASBA and a list of which is available on <a href="http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries">http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries</a> .
Designated Locations	CDP Such locations of the CDPs where Applicant can submit the Application Forms to Collecting Depository Participants. The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept Application Forms are available on the websites of the Stock Exchange i.e. <a href="http://www.bseindia.com">www.bseindia.com</a>
Designated Locations	RTA Such locations of the RTAs where Applicant can submit the Application Forms to RTAs. The details of such Designated RTA Locations, along with names and contact details of the RTAs eligible to accept Application Forms are available on the websites of the Stock Exchange i.e. <a href="http://www.bseindia.com">www.bseindia.com</a>
Designated Date	The date on or after which funds are transferred by the SCSBs to the Public Issue Account of the Issuer.
Designated Exchange	Stock The designated stock exchange as disclosed in the Prospectus of the Issuer
Designated Intermediaries /Collecting Agent	Syndicate Members, Sub-Syndicate/Agents, SCSBs, Registered Brokers, Brokers, the CDPs and RTAs, who are authorized to collect Application Forms from the Applicants, in relation to the Issue
Discount	Discount to the Issue Price that may be provided to Applicants in accordance with the SEBI ICDR Regulations, 2009.
Prospectus	This Prospectus filed with Stock Exchange in case of Fixed Price Issues and which may mention a price
Employees	Employees of an Issuer as defined under SEBI ICDR Regulations, 2009 and including, in case of a new company, persons in the permanent and full time employment of the promoting companies excluding the Promoter and immediate relatives of the promoter. For further details Applicant may refer to the Prospectus
Equity Shares	Equity shares of the Issuer
FCNR Account	Foreign Currency Non-Resident Account
First Applicant	The Applicant whose name appears first in the Application Form or Revision Form
FII(s)	Foreign Institutional Investors as defined under the SEBI (Foreign Institutional Investors) Regulations, 1995 and registered with SEBI under applicable laws in India
Fixed Price Issue/Fixed Price Process/Fixed Price Method	The Fixed Price process as provided under SEBI ICDR Regulations, 2009, in terms of which the Issue is being made
FPIs	Foreign Portfolio Investors as defined under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014



<b>Term</b>	<b>Description</b>
FPO	Further public offering
Foreign Venture Capital Investors or FVCIs	Foreign Venture Capital Investors as defined and registered with SEBI under the SEBI (Foreign Venture Capital Investors) Regulations, 2000
IPO	Initial public offering
Issue	Public Issue of Equity Shares of the Issuer including the Offer for Sale if applicable
Issuer/ Company	The Issuer proposing the initial public offering/further public offering as applicable
Issue Price	The final price, less discount (if applicable) at which the Equity Shares may be Allotted in terms of the Prospectus. The Issue Price may be decided by the Issuer in consultation with the Lead Manager(s)
Maximum RII Allottees	The maximum number of RIIs who can be allotted the minimum Application Lot. This is computed by dividing the total number of Equity Shares available for Allotment to RIIs by the minimum Application Lot.
MICR	Magnetic Ink Character Recognition - nine-digit code as appearing on a cheque leaf
Mutual Fund	A mutual fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996
NECS	National Electronic Clearing Service
NEFT	National Electronic Fund Transfer
NRE Account	Non-Resident External Account
NRI	NRIs from such jurisdictions outside India where it is not unlawful to make an offer or invitation under the Issue and in relation to whom the 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 Applicants, including sub accounts of FIIs registered with SEBI which are foreign corporate or foreign individuals and FPIs which are Category III foreign portfolio investors, that are not QIBs or RIBs and who have Applied 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 Prospectus and the Application Form
Non-Resident	A person resident outside India, as defined under FEMA and includes Eligible NRIs, FIIs, FPIs and FVCIs



<b>Term</b>	<b>Description</b>
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
Other Investors	Investors other than Retail Individual Investors in a Fixed Price Issue. These include individual applicants other than retail individual investors and other investors including corporate bodies or institutions irrespective of the number of specified securities applied for.
PAN	Permanent Account Number allotted under the Income Tax Act, 1961
Pricing Date	The date on which the Issuer in consultation with the Book Running Lead Manager(s), finalize the Issue Price
Prospectus	The prospectus to be filed with the RoC in accordance with Section 32 of the Companies Act, 2013 read with section 26 of Companies Act 2013 after the Pricing Date, containing the Issue Price, the size of the Issue and certain other information
Public Issue Account	An account opened with the Banker to the Issue to receive monies from the ASBA Accounts on the Designated Date
QIB Category	The portion of the Issue being such number of Equity Shares to be Allotted to QIBs on a proportionate basis
Qualified Institutional Buyers or QIBs	As defined under SEBI ICDR Regulations, 2009
RTA	Registrar to the Issue and Share Transfer Agent
Registered Broker	Stock Brokers registered with the Stock Exchanges having nationwide terminals, other than the members of the Syndicate
Registrar to the Issue/RTI	The Registrar to the Issue as disclosed in the Prospectus and Application Form
Reserved Category/ Categories	Categories of persons eligible for making application/bidding under reservation portion
Reservation Portion	The portion of the Issue reserved for category of eligible Applicants as provided under the SEBI ICDR Regulations, 2009
Retail Individual Investors / RIIs	Investors who applies or bids for a value of not more than ` 200,000.
Retail Individual Shareholders	Shareholders of a listed Issuer who applies or bids for a value of not more than ` 200,000.
Retail Category	The portion of the Issue being such number of Equity Shares available for allocation to RIIs which shall not be less than the minimum bid lot, subject to availability in RII category and the remaining shares to be allotted on proportionate basis.



Term	Description
Revision Form	The form used by the Applicant in an issue to modify the quantity of Equity Shares indicates therein in any of their Application Forms or any previous Revision Form(s)
RoC	The Registrar of Companies
SEBI	The Securities and Exchange Board of India constituted under the Securities and Exchange Board of India Act, 1992
SEBI ICDR Regulations, 2009	The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009
Self Certified Syndicate Bank(s) or SCSB(s)	A bank registered with SEBI, which offers the facility of ASBA and a list of which is available on <a href="http://www.sebi.gov.in/cms/sebi_data/attachdocs/1316087201341.html">http://www.sebi.gov.in/cms/sebi_data/attachdocs/1316087201341.html</a>
Specified Locations	Refer to definition of Broker Centers
Stock Exchanges/ SE	The stock exchanges as disclosed in the Prospectus of the Issuer where the Equity Shares Allotted pursuant to the Issue are proposed to be listed
Syndicate	The Book Running Lead Manager(s) and the Syndicate Member
Syndicate Agreement	The agreement to be entered into among the Issuer, and the Syndicate in relation to collection of the Bids in this Issue (excluding Application from ASBA Applicants)
Syndicate Member(s)/SM	The Syndicate Member(s) as disclosed in the Prospectus
Underwriters	The Lead Manager(s)
Underwriting Agreement	The agreement dated entered into between the Underwriters and our company.
Working Day	Any day, other than 2nd and 4th Saturday of the month, Sundays or public holidays, on which commercial banks in India are open for business, provided however, with reference to announcement Issue Period, "Working Days" shall mean all days, excluding Saturdays, Sundays and public holidays, which are working days for commercial banks in India.



## RESTRICTION ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of the Government, the FDI Policy (as defined below) and FEMA. While the Industrial Policy, 1991 prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. Under the Industrial Policy, unless specifically restricted, foreign investment is freely permitted in all sectors of Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. The government bodies responsible for granting foreign investment approvals are FIPB and the RBI.

The Government has from time to time made policy pronouncements on FDI through press notes and press releases. The Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India (“DIPP”), issued consolidated FDI Policy, which with effect from August 28, 2017 consolidates and supersedes all previous press notes, press releases and clarifications on FDI issued by the DIPP that were in force and effect as on August 28, 2017. The Government proposes to update the consolidated circular on FDI Policy once every year and therefore, the Consolidation FDI Policy will be valid until the DIPP issues an updated circular.

### **Subscription by foreign investors (NRIs/FPIs)**

FPIs are permitted to subscribe to Equity 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. SEBI registered FPIs have been permitted to purchase shares of an Indian company through Issue, subject to total FPI investment being within the individual FPI/sub account investment limit of 10 per cent subject to the total sectoral cap of all FPIs/sub-accounts put together being 24 per cent of the paid-up capital of the Indian company.

The transfer of shares between an Indian resident and a Non-resident does not require prior approval of FIPB or RBI, subject to fulfillment of certain conditions as specified by DIPP / RBI, from time to time. Such conditions include (i) the activities of the investee company are under the automatic route under the foreign direct investment (“FDI”) Policy and 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. Investors are advised to refer to the exact text of the relevant statutory provisions of law before investing and / or subsequent purchase or sale transaction in the Equity Shares of Our Company.

### **Representation from the Applicants**

No person shall make an application in the Issue, unless such person is eligible to acquire Equity Shares of our Company in accordance with applicable laws, rules, regulations, guidelines and approvals.

Investors that make application under 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, as applicable, 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 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, as applicable, accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire Equity Shares of our Company.

There is no reservation for Non Residents, NRIs, FPIs, foreign venture capital funds, multi-lateral and bilateral development financial institutions and any other foreign investor. All Non Residents, NRIs, FPIs and foreign



venture capital funds, multi-lateral and bilateral development financial institutions and any other foreign investor applicants will be treated on the same basis with other categories for the purpose of allocation.

As per the existing policy of the Government of India, OCBs also cannot participate in any Public 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 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 promulgated under 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 are only being offered and sold outside the United States to certain persons in offshore transactions in compliance with Regulation S under the Securities Act.

Our Company, LM and the Issue Management Team are not making any selling efforts in any jurisdiction outside India.

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

The above information is given for the benefit of the Applicants. The Company and the LM are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of the Prospectus. Applicants are advised to make their independent investigations and ensure that the number of Equity Shares applied for do not exceed the applicable limits under laws or regulations.

**SECTION IX – MAIN PROVISIONS OF ARTICLES OF ASSOCIATION**

Pursuant to Schedule II of the Companies Act, the SEBI ICDR Regulations, the main provisions of the Articles of Association relating to voting rights, dividend, lien, forfeiture, restrictions on transfer and transmission of Equity Shares or debentures and/or on their consolidation/splitting are detailed below. Please note that the each provision herein below is numbered as per the corresponding article number in the Articles of Association. Certain defined terms used in the Articles of Association are set forth below. All other defined terms used in this section have the meaning given to them in the Articles of Association.

The Authorized capital of our Company is Rs. 10,00,00,000 divided into 10,00,000 Equity Shares of Rs. 10 each.

- **Altered Vide Special Resolution passed in the EGM on 14/06/2017 for conversation private to public Company, MILESTONE FURNITURE PRIVATE LIMITED to MILESTONE FURNITURE LIMITED.**

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| 1. | The regulations contained in Table ‘F’ in Schedule I to the Companies Act, 2013 (“Table ‘F’”), as are applicable to a public company limited by shares, shall apply to the Company so far as they are not inconsistent with any of the provisions contained in these Articles or modifications thereof and only to the extent that there is no specific provision in these Articles. In case of any conflict between the provisions of these Articles and Table ‘F’, the provisions of these Articles shall prevail. | Table “F” to apply save as varied |
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**Interpretation**

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| 2. | In the interpretation of these Articles, unless repugnant to the subject or context :-   | Interpretation Clause           |
|    | “Act” means the Companies Act, 2013 and rules made thereunder or any statutory modification or re-enactment thereof for the time being in force and the term shall be deemed to refer to the applicable section thereof which is relatable to the relevant Article in which the said term appears in these Articles and any previous company law, so far as may be applicable. | “Act”                           |
|    | altered from time to time.   |                                 |
|    | “Board” or “Board of Directors” means a meeting of the Directors duly called and constituted, or the case may be, the Directors assembled at a meeting of the Board, or the requisite number of Directors entitled to pass a circular resolution in accordance with the Articles, or the Directors of the Company collectively.  | “Board” or “Board of Directors” |
|    | “Company” means <b>MILESTONE FURNITURE LIMITED</b> .   | “Company”                       |
|    | “Directors” means the Directors for the time being of the Company or, as the case may be, the Directors assembled at a meeting of the Board.   | “Directors”                     |
|    | “Depository” shall mean a Depository as defined in Section 2 of the Depositories Act, 1996.  | “Depository”                    |
|    | “Rules” means the applicable rules for the time being in force as prescribed under relevant sections of the Act.   | “Rules”                         |
|    | “Seal” means the common seal of the Company.   | “Seal”                          |

The marginal notes used in these Articles shall not affect the Construction hereof.

Words importing the singular number shall include the plural number and words importing the masculine gender shall, where the context admits, include the feminine and neuter gender.

Unless the context otherwise requires, words or expressions contained in these Articles shall bear the same meaning as in the Act or any statutory modification thereof in force at the date at which these

Articles become binding on the Company

### **Share capital and variation of rights**

3. The Authorised Share Capital of the Company shall be as stated in Clause V of the Memorandum of Association, with the power to increase or reduce such capital from time to time in accordance with the Articles and the legislative provisions for the time being in force in this behalf and with the power also to divide the shares in the capital for the time being into equity share capital and preference share capital and to attach thereto respectively any preferential, qualified or special rights, privileges or conditions, in accordance with the provisions of the Act and these Articles.
4. Subject to the provisions of the Act and these Articles, the shares in the capital of the Company shall be under the control of the Directors who may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par and at such time as they may from time to time think fit.
5. Subject to the provisions of the Act and these Articles, the Board may issue and allot shares in the capital of the Company on payment or part payment for any property or assets of any kind whatsoever sold or transferred, goods or machinery supplied or for services rendered to the Company in 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 for cash, and if so issued, shall be deemed to be fully paid-up or partly paid-up shares, as the case may be, if the price of such shares is determined by the valuation report of a registered valuer and such issuance and allotment is approved by a special resolution of the shareholders of the Company.
6. The Company may issue the following kinds of shares in accordance with these Articles, the Act, the Rules and other applicable laws:
  - i. Equity share capital:
    - a. with voting rights; and / or
    - b. with differential rights as to dividend, voting or otherwise in accordance with the Rules; and
  - ii. Preference share capital
7.
  - i. Every person whose name is entered as a member in the register of members shall be entitled to receive within two months after allotment or within one

Capital  
 Shares under control of Board  
 Shares for consideration other than cash  
 Kinds of share capital  
 Issue of certificate



month from the date of receipt by the Company of the application for the registration of transfer or transmission or within such other period as the conditions of issue provide:

- a. one certificate for all his shares without payment of any charges; or
  - b. several certificates, each for one or more of his shares, upon payment of twenty rupees, or such other fees as may be fixed by the Board, for each certificate after the first.
- ii. Every certificate shall be under the Seal and shall specify the shares to which it relates and the amount paid-up thereon. Certificate to bear seal
- iii. In respect of any share or shares held jointly by several persons, the Company shall not be bound to issue more than one certificate, and delivery of a certificate for a share to one of several joint holders shall be sufficient delivery to all such holders. One certificate for shares held jointly
8. i. If any share certificate be worn out, defaced, mutilated or torn or if there be no further space on the back for endorsement of transfer, then upon production and surrender thereof to the company, a new certificate may be issued in lieu thereof, and if any certificate is lost or destroyed then upon proof thereof to the satisfaction of the Company and on execution of such indemnity as the Company deem adequate, a new certificate in lieu thereof shall be given. Every certificate under this Article shall be issued without any fee or on payment of such other fees as may be fixed by the Board from time to time in accordance with the Act, for each certificate. Issue of new share certificate in place of one defaced, lost or destroyed
- ii. The provisions of the foregoing Articles relating to issue of certificates shall *mutatis mutandis* apply to issue of certificates for any other securities including debentures (except where the Act otherwise requires) of the Company. Provisions as to issue of certificates to apply *mutatis mutandis* to debentures, etc.
9. Except as required by law, no person shall be recognised by the Company as holding any share upon any trust, and the Company shall not be bound by, or be compelled in any way to recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any share, or any interest in any fractional part of a share, or (except only as by the Articles or by law otherwise provided) any other rights in respect of any share except an absolute right to the entirety thereof in the registered holder.
10. i. The Company may exercise the powers of paying commissions conferred by the Act, to any person in connection with the subscription to its securities, provided that the rate per cent or the amount of the commission paid or agreed to be paid shall be disclosed in the manner required by the Act and the Rules. Power to pay commission in connection with securities issued
- ii. The rate or amount of the commission shall not exceed the rate or amount Rate of commission in



	prescribed in the Act and the Rules.	accordance with the Rules
	iii. The commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in the one way and partly in the other.	Mode of payment of commission
11.	i. If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, subject to the provisions of the Act, and whether or not the Company is being wound up, be varied with the consent in writing of the holders of three-fourths of the issued shares of that class, or with the sanction of a special resolution passed at a separate meeting of the holders of the shares of that class, as prescribed under the Act.	Variation of the members right
	ii. To every such separate meeting, the provisions of these regulations relating to general meetings shall <i>mutatis mutandis</i> apply, but so that the necessary quorum shall be at least two persons holding at least one-third of the issued shares of the class in question.	Provisions as to general meetings to apply <i>mutatismutandis</i> to each meeting
12.	The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking <i>pari passu</i> therewith.	Issue of further shares not to affect rights of existing members
13.	Subject to the provisions of the Act, any preference shares may, with the sanction of a special resolution, be issued or re issued on the terms that they are to be redeemed on such terms and in such manner as the Company before the issue of the shares may, by such special resolution, determine.	Power to issue redeemable preference shares
14.	i. The Company, as the case may be, may, in accordance with the Act and the Rules, issue further shares to: a. persons who, at the date of offer, are holders of equity shares of the Company; such offer shall be deemed to include a right exercisable by the person concerned to renounce the shares offered to him or any of them in favour of any other person; or b. employees under any scheme of employees' stock option, subject to approval by the shareholders of the Company by way of a special resolution; or c. any persons, whether or not those persons include the persons referred to in clause (a) or clause (b) above, subject to approval by the shareholders of the Company by way of a special resolution.	Further issue of share capital
	ii. A further issue of shares may be made in any manner whatsoever as the Board may determine including by way of preferential offer or private placement, subject to and in accordance with the Act and the Rules.	Mode of further issue of shares
15.	Subject to the provisions of the Act and other applicable provisions of law, the Company may with the approval of the shareholders by a special resolution in general meeting issue sweat equity shares in accordance with such rules and guidelines issued by the Securities and Exchange Board of India and/or other competent authorities for the time being and further subject to such conditions as	Sweat equity shares

may be prescribed in that behalf.

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| 16.   | Any debentures, debenture-stock or other securities may be issued subject to the provisions of the Act and these Articles, at a discount, premium or otherwise and may be issued on the condition that they shall be convertible into shares of any denomination and with any special 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 or other securities 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 way of a special resolution. | Terms of issue of debentures   |
| <b>Lien</b>   |   |  |
| 17.   | <p>i. The Company shall have a first and paramount lien—</p> <p style="margin-left: 20px;">a. on every share (not being a fully paid share), for all monies (whether presently payable or not) called, or payable at a fixed time, in respect of that share; and</p> <p style="margin-left: 20px;">b. on all shares (not being fully paid shares) standing registered in the name of a single person, for all monies presently payable by him or his estate to the Company:</p>   | Company's lien on shares   |
| <p>Provided that the Board may at any time declare any share to be wholly or in part exempt from the provisions of this clause.</p> |   |  |
|   | <p>ii. The Company's lien, if any, on a share shall extend to all dividends or interest, as the case may be, payable and bonuses declared from time to time in respect of such shares.</p>  | Lien to extend to dividends, etc.  |
| 18.   | <p>The Company may sell, in such manner as the Board thinks fit, any shares on which the Company has a lien:</p> <p>Provided that no sale shall be made:</p> <p style="margin-left: 20px;">a. unless a sum in respect of which the lien exists is presently payable; or</p> <p style="margin-left: 20px;">b. until the expiration of fourteen days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the share or the person entitled thereto by reason of his death or insolvency or otherwise.</p>          | As to enforcing lien by sale   |
| 19.   | <p>i. To give effect to any such sale, the Board may authorise some person to transfer the shares sold to the purchaser thereof.</p> <p>ii. The purchaser shall be registered as the holder of the shares comprised in any such transfer.</p> <p>iii. The purchaser shall not be bound to see to the application of the purchase</p>  | <p>Validity of sale</p> <p>Purchaser to be registered holder</p> <p>Purchaser not affected</p> |

money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.

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| 20. | The receipt of the Company for the consideration (if any) given for the share on the sale thereof shall (subject, if necessary, to execution of an instrument of transfer or a transfer by relevant system, as the case may be) constitute a good title to the share and the purchaser shall be registered as the holder of the share.  | Validity of Company's receipt  |
| 21. | i. The proceeds of the sale shall be received by the Company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable.<br><br>ii. The residue, if any, shall, subject to a like lien for sums not presently payable as existed upon the shares before the sale, be paid to the person entitled to the shares at the date of the sale.  | Application of proceeds of sale<br><br>Payment of residual money           |
| 22. | In exercising its lien, the Company shall be entitled to treat the registered holder of any share as the absolute owner thereof and accordingly shall not (except as ordered by a court of competent jurisdiction or unless required by any statute) be bound to recognise any equitable or other claim to, or interest in, such share on the part of any other person, whether a creditor of the registered holder or otherwise. The Company's lien shall prevail notwithstanding that it has received notice of any such claim. | Outsider's lien not to effect Company's lien                               |
| 23. | The provisions of these Articles relating to lien shall <i>mutatis mutandis</i> apply to any other securities including debentures of the Company.  | Provisions as to lien to apply <i>mutatis mutandis</i> to debentures, etc. |

#### **Certificates**

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| 24. | Notwithstanding anything contained elsewhere in these Articles, the Board may in their absolute discretion refuse sub-division of share certificates or debenture certificates into denominations of less than the marketable lots except where such sub-division is required to be made to comply with a statutory provision or an order of a competent court of law.   | Right of Directors to refuse sub-division   |
| 25. | Notwithstanding anything contained elsewhere in these Articles, a certificate, if required, for a dematerialised share, debenture and other security shall be issued in the name of the Depository and all the provisions contained in these Articles in respect of the rights of a member/debenture holder of the Company shall <i>mutatis mutandis</i> apply to the Depository as if it were a member / debenture holder / security holder excepting that and notwithstanding that the Depository shall have been registered as the holder of a dematerialised share, debenture and other security, the person who is the beneficial owner of such shares, debentures and other securities shall be entitled to all other rights available to the registered holders of the shares, debentures and other securities in the Company as set out in the other provisions of these Articles. | Issue of certificates, if required, in the case of dematerialised shares/debentures/ other securities and rights of beneficial owner of such shares/debentures/ other securities. |

**Dematerialisation of Securities**

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| 26. | Notwithstanding anything contained in these Articles, the Company shall be entitled to dematerialise its shares, debentures and other securities and to offer any shares, debentures or other securities proposed to be issued by it for subscription in a dematerialised form and on the same being done, the Company shall further be entitled to maintain a register of members/ debenture-holders/ other security-holders with the details of members/ debenture-holders/ other security-holders holding shares, debentures or other securities both in materialised and dematerialised form in any media as permitted by the Act.  | Company entitled to dematerialise its shares, debentures and other securities |
| 27. | Every person subscribing to or holding securities of the Company shall have the option to receive security certificates or to hold the securities in electronic form with a Depository. If a person opts to hold his security with a Depository, the Company shall intimate such Depository the details of allotment of the security, and on receipt of the information, the Depository shall enter in its records the name of the allottee as the beneficial owner of the security.  | Option to hold shares in electronic or physical form                          |
| 28. | Save as herein otherwise provided, the Company shall be entitled to treat the person whose name appears as the beneficial owner of the shares, debentures and other securities in the records of the Depository as the absolute owner thereof as regards receipt of dividends or bonus on shares, interest/premium on debentures and other securities and repayment thereof or for service of notices and all or any other matters connected with the Company and accordingly the Company shall not (except as ordered by a court of competent jurisdiction or as by law required and except as aforesaid) be bound to recognise any benami trust or equity or equitable, contingent or other claim to or interest in such shares, debentures or other securities as the case may be, on the part of any other person whether or not it shall have express or implied notice thereof. | Beneficial owner deemed as absolute owner                                     |
| 29. | In the case of transfer of shares, debentures or other securities where the Company has not issued any certificates and where such shares, debentures or other securities are being held in an electronic and fungible form, the provisions of the Depositories Act, 1996 shall apply.  | Shares, debentures and other securities held in electronic form               |
|     | Provided that in respect of the shares and securities held by the Depository on behalf of a beneficial owner, provisions of Section 9 of the Depositories Act, 1996, shall apply so far as applicable.  |   |
| 30. | Every Depository shall furnish to the Company, information about the transfer of securities in the name of the beneficial owner at such intervals and in such manner as may be specified by the bye-laws of the Depository and the Company in that behalf.  | Information about transfer of securities                                      |
| 31. | Except as specifically provided in these Articles, the provisions relating to joint holders of shares, calls, lien on shares, forfeiture of shares and transfer and transmission of shares shall be applicable to shares held in electronic form so far as they apply to shares in physical form subject however to the provisions of the Depositories Act, 1996.   | Provisions to apply to shares in electronic form                              |

**Calls on shares**

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| 32. | i. The Board may, from time to time, make calls upon the members in respect of any monies unpaid on their shares (whether on account of the nominal value of the shares or by way of premium) and not by the conditions of allotment thereof made payable at fixed times:  | Board may make calls                                |
|     | Provided that no call shall exceed one-fourth of the nominal value of the share or be payable at less than one month from the date fixed for payment of the last preceding call.   |   |
|     | ii. Each member shall, subject to receiving at least fourteen days' notice specifying the time or times and place of payment, pay to the Company, at the time or times and place so specified, the amount called on his shares.  | Notice of call                                      |
|     | iii. The Board may, from time to time, at its discretion, extend the time fixed for the payment of any call in respect of one or more members as the Board may deem appropriate in any circumstances.  | Board may extend time for payment                   |
|     | iv. A call may be revoked or postponed at the discretion of the Board.   | Revocation or postponement of call                  |
| 33. | A call shall be deemed to have been made at the time when the resolution of the Board authorising the call was passed and may be required to be paid by installments.  | Call to take effect from date of resolution         |
| 34. | The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.  | Liability of joint holders of shares                |
| 35. | i. If a sum called in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest thereon from the day appointed for payment thereof to the time of actual payment at ten per cent per annum or at such lower rate, if any, as the Board may determine.        | When interest on call payable                       |
|     | ii. The Board shall be at liberty to waive payment of any such interest wholly or in part.   | Board may waive interest                            |
| 36. | i. Any sum which by the terms of issue of a share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the share or by way of premium, shall, for the purposes of these Articles, be deemed to be a call duly made and payable on the date on which by the terms of issue such sum becomes payable. | Sums deemed to be calls                             |
|     | ii. In case of non-payment of such sum, all the relevant provisions of these Articles as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.  | Effect of non-payment of sums                       |
| 37. | The Board:   | Payment in anticipation of calls may carry interest |
|     | i. may, if it thinks fit, receive from any member willing to advance the same, all or any part of the monies uncalled and unpaid upon any shares held by   |   |

him; and

- ii. upon all or any of the monies so advanced, may (until the same would, but for such advance, become presently payable) pay interest at such rate not exceeding, unless the Company in general meeting shall otherwise direct, twelve per cent. per annum, as may be agreed upon between the Board and the member paying the sum in advance. Nothing contained in this clause shall confer on the member (a) any right to participate in profits or dividends or (b) any voting rights in respect of the moneys so paid by him until the same would, but for such payment, become presently payable by him.
38. If by the conditions of allotment of any shares, the whole or part of the amount of issue price thereof shall be payable by installments, then every such installment shall, when due, be paid to the Company by the person who, for the time being and from time to time, is or shall be the registered holder of the share or the legal representative of a deceased registered holder. Installments on shares to be duly paid
39. All calls shall be made on a uniform basis on all shares falling under the same class. Calls on shares of same class to be on uniform basis
40. Neither a judgment nor a decree in favour of the Company for calls or other moneys due in respect of any shares nor any part payment or satisfaction thereof nor the receipt by the Company of a portion of any money which shall from time to time be due from any member in respect of payment of any such money shall preclude the forfeiture of such shares as herein provided. Partial payment not to preclude forfeiture
41. The provisions of these Articles relating to calls on shares shall *mutatis mutandis* apply to any other securities including debentures of the Company. Provisions as to calls to apply *mutatis mutandis* to debentures etc.

#### **Transfer of shares**

42. i. The instrument of transfer of any share in the Company which is in physical form shall be executed by or on behalf of both the transferor and transferee. Instrument of transfer to be executed by transferor and transferee
- ii. The transferor shall be deemed to remain a holder of the share until the name of the transferee is entered in the register of members in respect thereof.
43. The Company shall not register a transfer of shares in, or debentures of the Company held in physical form 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 certificates relating to the shares or debentures, or if no such certificate is in existence, along with the letter of allotment of the shares or debentures: Transfer not to be registered except on production of instrument of transfer

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 that the instrument of transfer signed by or on behalf of the transferor and by or on behalf of the transferee has been lost or where the instrument of transfer has not been delivered within the prescribed

period, 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 or debenture holder any person to whom the right to any shares in, or debentures of, the Company has been transmitted by operation of law.

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| 44.  | In case of shares held in physical form, the Board may, subject to the right of appeal conferred by the Act decline to register any transfer of shares on which the Company has a lien.  | Board may refuse to register transfer                      |
| 45.  | A transfer of the shares or other interest in the Company of a deceased member thereof made by his legal representatives shall, although the legal representative is not himself a member be as valid as if he had been a member at the time of the execution of the instrument of transfer.   | Transfer by legal representative                           |
| 46.  | Where the application is made by the transferor and relates to partly paid shares, the transfer shall not be registered, unless the Company gives notice of the application to the transferee and the transferee makes no objection to the transfer within two weeks from the date of receipt of the notice.   | Transfer of partly paid shares                             |
| <p>For the purpose of above clause notice to the transferee shall be deemed to have been duly given if it is dispatched by pre-paid registered post to the transferee at the address given in the instrument of transfer, and shall be deemed to have been duly delivered upon the expiry of seven days from the date of dispatch.</p> |  |  |
| 47.  | <p>In case of shares held in physical form, the Board may decline to recognise any instrument of transfer unless:</p> <ul style="list-style-type: none"> <li>i. the instrument of transfer is in the form as prescribed in the Rules or under the Act,</li> <li>ii. the instrument of transfer is accompanied by the certificate of the shares to which it relates, and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer; and</li> <li>iii. the instrument of transfer is in respect of only one class of shares.</li> </ul> | Board may decline to recognize instrument of transfer      |
| 48.  | If the Company refuses to register the transfer of any share pursuant to these Articles, it shall within thirty days from the date on which the instrument of transfer was delivered to the Company send notice of refusal to the transferee and transferor.   | Notice of refusal to be given to transferor and transferee |
| 49.  | No transfer shall be made to a person of unsound mind. However, transfer of fully paid up shares can be made in the name of a minor if he is represented by his lawful guardian.   | No transfer to minor                                       |
| 50.  | All instruments of transfer shall be retained by the Company, but any instrument of transfer which the Board may decline to register shall be returned to the person depositing the same.  | When transfers to be retained                              |
| 51.  | The Board may, in their discretion, waive the payment of any transfer or transmission fee either generally or in any particular case or cases.   | Fee on transfer  |



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| 52. | The Company may, after giving not less than seven days' previous notice by advertisement in some newspaper circulating in the district in which the registered office of the Company is situate, close the register of members or the register of debenture-holders or other security holders for any period or periods not exceeding in the whole forty-five days in each year, but not exceeding thirty days at any one time. | Power to close Register of Members or other security-holders                             |
| 53. | The provisions of these Articles relating to transfer of shares shall <i>mutatis mutandis</i> apply to any other securities including debentures of the Company.  | Provisions as to transfer of shares to apply <i>mutatis mutandis</i> to debentures, etc. |

**Transmission of shares**

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| 54. | i. On the death of a member, the survivor or survivors where the member was a joint holder, and his nominee or nominees or legal representatives where he was a sole holder, shall be the only persons recognised by the Company as having any title to his interest in the shares.  | Title to shares on death of a member |
|     | ii. Nothing in clause (i) shall release the estate of a deceased joint holder from any liability in respect of any share which had been jointly held by him with other persons.  | Estate of deceased member liable     |
| 55. | i. Any person becoming entitled to a share in consequence of the death or insolvency of a member may, upon such evidence being produced as may from time to time properly be required by the Board and subject as hereinafter provided, elect, either—<br>a. to be registered himself as holder of the share; or<br>b. to make such transfer of the share as the deceased or insolvent member could have made. | Transmission Clause                  |
|     | ii. The Board shall, in either case, have the same right to decline or suspend registration as it would have had, if the deceased or insolvent member had transferred the share before his death or insolvency.  | Board's right unaffected             |
| 56. | The Company shall be fully indemnified by such person from all liability, if any, by actions taken by the Board to give effect to such registration or transfer.   | Indemnity to the Company             |
| 57. | i. If the person so becoming entitled shall elect to be registered as holder of the share himself, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects.  | Right to election of holder of share |
|     | ii. If the person aforesaid shall elect to transfer the share, he shall testify his election by executing a transfer of the share.   | Manner of testifying election        |
|     | iii. All the limitations, restrictions and provisions of these Articles relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or insolvency of the member had not occurred and the notice or transfer were a transfer signed by  | Limitations applicable to notice     |

that member.

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| 58. | A person becoming entitled to a share by reason of the death or insolvency of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share, except that he shall not, before being registered as a member in respect of the share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company:<br><br>Provided that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the share, and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the share, until the requirements of the notice have been complied with. | Claimant to be entitled to same advantage  |
| 59. | The provisions of these Articles relating to transmission by operation of law shall <i>mutatis mutandis</i> apply to any other securities including debentures of the Company.   | Provisions as to transmission to apply <i>mutatis mutandis</i> to debentures, etc. |

#### **Forfeiture of shares**

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| 60. | If a member fails to pay any call, or installment of a call, on the day appointed for payment thereof, the Board may, at any time thereafter during such time as any part of the call or installment remains unpaid, serve a notice on him requiring payment of so much of the call or installment as is unpaid, together with any interest which may have accrued.                               | If call or installment not paid notice must be given |
| 61. | The notice aforesaid shall:<br><br>i. name a further day (not being earlier than the expiry of fourteen days from the date of service of the notice) on or before which the payment required by the notice is to be made; and<br><br>ii. state that, in the event of non-payment on or before the day so named, the shares in respect of which the call was made shall be liable to be forfeited. | Form of notice                                       |
| 62. | If the requirements of any such notice as aforesaid are not complied with, any share in respect of which the notice has been given may, at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect.  | In default of payment of shares to be forfeiture     |
| 63. | When any share shall have been so forfeited, notice of the forfeiture shall be given to the defaulting member and an entry of the forfeiture with the date thereof, shall forthwith be made in the register of members but no forfeiture shall be invalidated by any omission or neglect or any failure to give such notice or make such entry as aforesaid.                                      | Entry of forfeiture in register of members           |
| 64. | The forfeiture of a share shall involve extinction at the time of forfeiture, of all interest in and all claims and demands against the Company, in respect of the  | Effect of forfeiture                                 |



- share and all other rights incidental to the share.
65. i. A forfeited share may be sold or otherwise disposed of on such terms and in such manner as the Board thinks fit. Forfeited shares may be sold, etc.  
Cancellation of forfeiture
- ii. At any time before a sale or disposal as aforesaid, the Board may cancel the forfeiture on such terms as it thinks fit.
66. i. A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares, but shall, notwithstanding the forfeiture, remain liable to pay to the Company all monies which, at the date of forfeiture, were presently payable by him to the Company in respect of the shares. Member still liable to pay money owing at time of forfeiture
- ii. All such monies payable shall be paid together with interest thereon at such rate as the Board may determine, from the time of forfeiture until payment or realisation. The Board may, if it thinks fit, but without being under any obligation to do so, enforce the payment of the whole or any portion of the monies due, without any allowance for the value of the shares at the time of forfeiture or waive payment in whole or in part. Member still liable to pay money owing at time of forfeiture and interest
- iii. The liability of such person shall cease if and when the company shall have received payment in full of all such monies in respect of the shares. Cesser of liability
67. i. A duly verified declaration in writing that the declarant is a Director, the manager or the secretary, of the Company, and that a share in the Company has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share; Certificate of forfeiture
- ii. The Company may receive the consideration, if any, given for the share on any sale or disposal thereof and may execute a transfer of the share in favour of the person to whom the share is sold or disposed of; Title of purchaser and transferee of forfeited shares
- iii. The transferee shall thereupon be registered as the holder of the share; and Transferee to be registered as holder
- iv. The transferee shall not be bound to see to the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale or disposal of the share. Transferee not affected
68. Upon any sale after forfeiture or for enforcing a lien in exercise of the powers hereinabove given, the Board may, if necessary, appoint some person to execute an instrument for 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 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. Validity of the sales
69. Upon any sale, re-allotment or other disposal under the provisions of the preceding Articles, the certificate(s), if any, originally issued in respect of the relative shares shall (unless the same shall on demand by the Company has been previously surrendered to it by the defaulting member) stand cancelled and Cancellation of share certificate in respect of forfeited shares



(except participation in the dividends and profits of the company and in the assets on winding up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage.

- iii. such of the regulations of the company as are applicable to paid-up shares shall apply to stock and the words “share” and “shareholder” in those regulations shall include “stock” and “stock-holder” respectively.

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| 76. | The Company may, by special resolution, reduce in any manner and with, and subject to, any incident authorised and consent required by law: <ul style="list-style-type: none"> <li>i. its share capital;</li> <li>ii. any capital redemption reserve account; or</li> <li>iii. any share premium account</li> </ul> | Reduction of capital |
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#### **Joint Holders**

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| 77. | Where two or more persons are registered as joint holders (not more than three) of any share, they shall be deemed (so far as the Company is concerned) to hold the same as joint holders with benefits of survivorship, subject to the following and other provisions contained in these Articles: <ul style="list-style-type: none"> <li>i. The joint-holders of any share shall be liable severally as well as jointly for and in respect of all calls or installments and other payments which ought to be made in respect of such share.</li> <li>ii. On the death of any one or more of such joint holders, the survivor or survivors shall be the only person or persons recognized by the Company as having any title to the share but the Directors may require such evidence of death as they may deem fit, and nothing herein contained shall be taken to release the estate of a deceased joint-holder from any liability on shares held by him jointly with any other person.</li> <li>iii. Any one of such joint holders may give effectual receipts of any dividends, interests or other moneys payable in respect of such share.</li> <li>iv. 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 the delivery of certificate, if any, relating to such share or to receive notice (which term shall be deemed to include all relevant documents) and any notice served on or sent to such person shall be deemed service on all the joint-holders.</li> <li>v.             <ul style="list-style-type: none"> <li>a. Any one of two or more joint holders may vote at any meeting either personally or by attorney or by proxy in respect of such shares as if he were solely entitled thereto and if more than one of such joint holders be present at any meeting personally or by proxy or by attorney then that one of such persons so present whose name stands first or higher (as the case may be) on the register in respect of such shares shall alone be entitled to vote in respect thereof but the other or others of the joint-holders shall be entitled to vote in preference to a joint holder present</li> </ul> </li> </ul> | <p>Joint-holders</p> <p>Liability of joint-holders</p> <p>Death of one or more joint holders</p> <p>Receipt of one sufficient</p> <p>Delivery of certificate and giving of notice to first named holder</p> <p>Vote of joint-holders</p> |
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by attorney or by proxy although the name of such joint holder present by any attorney or proxy stands first or higher (as the case may be) in the register in respect of such shares.

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| <ul style="list-style-type: none"> <li>b. Several executors or administrators of a deceased member in whose (deceased member) sole name any share stands, shall for the purpose of this clause be deemed joint-holders.</li> </ul>                    | <p>Executors or administrator<br/>as joint holders</p>  |
| <ul style="list-style-type: none"> <li>vi. The provisions of these Articles relating to joint holders of shares shall <i>mutatis mutandis</i> apply to any other securities including debentures of the Company registered in joint names.</li> </ul> | <p>Provisions as to joint<br/>holders as to shares to<br/>apply <i>mutatis mutandis</i> to<br/>debentures, etc.</p> |

**Capitalisation of profits**

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| <p>78. i. The Company in general meeting may, upon the recommendation of the Board, resolve—</p> <ul style="list-style-type: none"> <li>a. that it is desirable to capitalise any part of the amount for the time being standing to the credit of any of the Company’s reserve accounts, or to the credit of the profit and loss account, or otherwise available for distribution; and</li> <li>b. that such sum be accordingly set free for distribution in the manner specified in clause (ii) amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.</li> </ul>  | <p>Capitalisation</p>                             |
| <p>ii. The sum aforesaid shall not be paid in cash but shall be applied, subject to the provision contained in clause (iii), either in or towards—</p> <ul style="list-style-type: none"> <li>a. paying up any amounts for the time being unpaid on any shares held by such members respectively;</li> <li>b. paying up in full, unissued shares of the Company to be allotted and distributed, credited as fully paid-up, to and amongst such members in the proportions aforesaid;</li> <li>c. partly in the way specified in sub-clause (a) and partly in that specified in sub-clause (b);</li> <li>d. A securities premium account and a capital redemption reserve account may, for the purposes of this regulation, be applied in the paying up of unissued shares to be issued to members of the company as fully paid bonus shares;</li> <li>e. The Board shall give effect to the resolution passed by the Company in pursuance of this Article.</li> </ul> | <p>Sum how applied</p>                            |
| <p>79. i. Whenever such a resolution as aforesaid shall have been passed, the Board shall:</p>  | <p>Powers of the Board for<br/>capitalisation</p> |

- a. make all appropriations and applications of the undivided profits resolved to be capitalised thereby, and all allotments and issues of fully paid shares if any; and
  - b. generally do all acts and things required to give effect thereto.
- ii. The Board shall have power:
- a. to make such provisions, by the issue of fractional certificates or by payment in cash or otherwise as it thinks fit, for the case of shares becoming distributable in fractions; and
  - b. to authorise any person to enter, on behalf of all the members entitled thereto, into an agreement with the company providing for the allotment to them respectively, credited as fully paid-up, of any further shares to which they may be entitled upon such capitalisation, or as the case may require, for the payment by the company on their behalf, by the application thereto of their respective proportions of profits resolved to be capitalised, of the amount or any part of the amounts remaining unpaid on their existing shares;
- iii. Any agreement made under such authority shall be effective and binding on such members.

Board's power to issue fractional certificate/coupon etc.

Agreement binding on members

#### **Buy-back of shares**

80. Notwithstanding anything contained in these Articles but subject to the provision of the Act or any other law for the time being in force, the Company may purchase its own shares or other specified securities.
81. The Company shall not give any financial assistance for or in connection with the purchase or subscription of any shares in the Company or in its holding company, save as provided by the Act.

Buy-back of shares

Restrictions on purchase by Company of its own shares

#### **General meetings**

82. All general meetings other than annual general meeting shall be called extraordinary general meeting.
83. i. The Board may, whenever it thinks fit, call an extraordinary general meeting.
- ii. If at any time Directors capable of acting who are sufficient in number to form a quorum are not within India, any Director or any two members of the Company may call an extraordinary general meeting in the same manner, as nearly as possible, as that in which such a meeting may be called by the Board.

Extraordinary general meeting

Powers of Board to call extraordinary general meeting

#### **Proceedings at general meetings**

84. i. No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business.

Presence of Quorum

ii. Save as otherwise provided herein, the quorum for the general meetings shall be as provided in the Act.	Quorum for general meeting
85. The chairperson, if any, of the Board shall preside as Chairperson at every general meeting of the Company.	Chairperson of the meetings
86. No business shall be discussed or transacted at any general meeting whilst the chair is vacant, except election of Chairperson.	Business confined to election of Chairperson whilst chair vacant
87. If there is no such Chairperson, or if he is not present within fifteen minutes after the time appointed for holding the meeting, or is unwilling to act as chairperson of the meeting, the Co-Chairman, or in the absence of the Co-Chairman, the Vice Chairman, of the Board shall preside as Chairman of such meeting and in such event the Co-Chairman or Vice Chairman (as applicable) shall assume all the powers, authorities and responsibilities of the Chairman as set out in these Articles. In the absence of Chairman, Co-Chairman or Vice Chairman, the Directors present shall elect one of their members to be Chairperson of the meeting.	
88. If at any meeting, pursuant to Article 89 above, no Director is willing to act as Chairperson or if no Director is present within fifteen minutes after the time appointed for holding the meeting, the members present shall, by poll or electronically choose one of their members to be Chairperson of the meeting.	Members to elect chairperson
89. The Chairperson of any meeting shall be the sole judge of the validity of every vote tendered at such meeting. The Chairperson present at the taking of a poll shall be the sole judge of the validity of every vote tendered at such poll.	Power of Chairperson
90. On any business at any general meeting, in case of an equality of votes, whether on a show of hands or electronically or on a poll, the Chairperson shall have a second or casting vote.	Casting vote of Chairperson at general meeting
91. i. The Company shall cause minutes of the proceedings of every general meeting of any class of members or creditors and every resolution passed by postal ballot to be prepared and signed in such manner as may be prescribed by the Rules and kept by making within thirty days of the conclusion of every such meeting concerned or passing of resolution by postal ballot entries thereof in books kept for that purpose with their pages consecutively numbered.	Minutes of proceedings of meetings and resolutions passed by postal ballot
ii. There shall not be included in the minutes any matter which, in the opinion of the Chairperson of the meeting:	Certain matters not to included in the minutes books
a. is, or could reasonably be regarded, as defamatory of any person; or	
b. is irrelevant or immaterial to the proceedings; or	



- c. is detrimental to the interests of the Company.
- iii. The Chairperson shall exercise an absolute discretion in regard to the inclusion or non-inclusion of any matter in the minutes on the grounds specified in the aforesaid clause. Discretion of the chairperson in relation to Minutes
- iv. The minutes of the meeting kept in accordance with the provisions of the Act shall be evidence of the proceedings recorded therein. Minutes to be evidence
92. i. The books containing the minutes of the proceedings of any general meeting of the Company or a resolution passed by postal ballot shall: Inspection of minute books of general meeting
- a. be kept at the registered office of the Company; and
- b. be open to inspection of any member without charge, during 11.00 a.m. to 1.00 p.m. on all working days other than Saturdays.
- ii. Any member shall be entitled to be furnished, within the time prescribed by the Act, after he has made a request in writing in that behalf to the Company and on payment of such fees as may be fixed by the Board, with a copy of any minutes referred to above. Members may obtain copy of the minutes
- Adjournment of meeting**
93. i. The Chairperson may with the consent of any meeting at which a quorum is present, and shall, if so directed by the meeting, adjourn the meeting from time to time and from place to place. Chairperson may adjourn the meeting
- ii. No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. Business at adjourned meeting
- iii. When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting. Notice of adjourned meeting
- iv. Save as aforesaid, and as provided in 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. Notice of adjourned meeting not required
- Voting rights**
94. Subject to any rights or restrictions for the time being attached to any class or classes of shares,— Entitlement to vote on show of hands and on poll
- i. on a show of hands, every member present in person shall have one vote; and
- ii. on a poll, the voting rights of members shall be in proportion to their share in the paid-up equity share capital of the Company.

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| 95.  | Where a poll is to be taken, the Chairman of the meeting shall appoint such number of persons, as he deems necessary to scrutinise the poll process and votes given on the poll and to report thereon to him;   | Scrutineers at poll  |
| 96.  | The Chairman shall have power, at any time before the result of the poll is declared to remove a scrutineer from office and to fill vacancies in the office of scrutineer arising from such removal or from any other cause.  |  |
| 97.  | A member may exercise his vote at a meeting by electronic means in accordance with the Act and shall vote only once.  | Voting through electronic means                                    |
| 98.  | i. In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders.  | Vote of joint-holders  |
|      | ii. For this purpose, seniority shall be determined by the order in which the names stand in the register of members.   | Seniority of names   |
| 99.  | A member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee or other legal guardian, and any such committee or guardian may, on a poll, vote by proxy. If any member be a minor, the vote in respect of his share or shares shall be by his guardian or any one of his guardians.  | How members <i>non compos mentis</i> and minor may vote            |
| 100. | Subject to the provisions of the Act and other provisions of these Articles, any person entitled to any shares, pursuant to the provisions related to <i>Transmission</i> in these Articles, may vote at any general meeting in respect thereof as if he was the registered holder of such shares, provided that at least 48 (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 duly satisfy the Board of his right to such shares unless the Board shall have previously admitted his right to vote at such meeting in respect thereof. | Votes in respect of shares of deceased or insolvent members, etc.  |
| 101. | Any business other than that upon which a poll has been demanded may be proceeded with, pending the taking of the poll.   | Business may proceed pending poll                                  |
| 102. | No member shall be entitled to vote at any general meeting unless all calls or other sums presently payable by him in respect of shares in the Company have been paid or in regard to which the Company has exercised any right of lien.  | Restriction on voting rights                                       |
| 103. | A member is not prohibited from exercising his voting on the ground that he has not held his share or other interest in the Company for any specified period preceding the date on which the vote is taken, or on any other ground not being a ground set out in the preceding Article.   | Restriction on exercise of voting rights in other cases to be void |
| 104. | i. No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes.   | Validity of the Vote   |
|      | ii. Any such objection made in due time shall be referred to the Chairperson of the meeting, whose decision shall be final and conclusive.  |  |

105. Any member shall enjoy the same rights and be subject to the same liabilities as all other members of the same class. Equal rights of members

**Proxy**

106. Any member entitled to attend and vote at a general meeting may do so either personally or through his constituted attorney or through another person as a proxy on his behalf, for that meeting. Member may vote in person or otherwise
107. The instrument appointing a proxy and the power-of-attorney or other authority, if any, under which it is signed or a notarised copy of that power or authority, shall be deposited at the registered office of the Company not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, or, in the case of a poll, not less than 24 hours before the time appointed for the taking of the poll; and in default the instrument of proxy shall not be treated as valid. Proxies when to be deposited
108. An instrument appointing a proxy shall be in the form as prescribed in the Rules and under the Act. Form of proxy
109. A vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the previous death or insanity of the principal or the revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the shares in respect of which the proxy is given: Proxies to be valid notwithstanding death of the principal

Provided that no intimation in writing of such death, insanity, revocation or transfer shall have been received by the company at its office before the commencement of the meeting or adjourned meeting at which the proxy is used.

**Board of Directors**

110. Unless otherwise determined by the Company in general meeting, the number of Directors shall not be less than 3 (three) and shall not be more than 12 (Twelve). Board of directors

The first Directors shall be:

1. **Mr. P S Ganesh Kumar**
2. **Mr. Digambar S Songhare**

First Directors shall not be liable to retire by rotation. Unless decided otherwise, the Directors appointed by General Meeting shall not be liable to retire by rotation.

111. Notwithstanding anything contrary contained in the Articles, if the Company has availed any loan(s) from, or issued any debentures or other instruments/securities to, any bank(s), financial institution(s), non-banking financial companies, asset reconstruction companies or any other body corporate (“Lender(s)”) and so long as any monies with respect to such loan(s) granted by such Lender(s) to the Company remain outstanding by the Company to any Lender(s) or so long as the Lender(s) continue to hold debentures in the Company by direct subscription or private placement, or so long as the Lender(s) hold equity shares in the Company as a result of conversion of such loans/debentures, or if the agreement with the respective Lender(s) provide for appointment of any person or persons as a Director or Directors, or if the Company is required to appoint to appoint any person as a director pursuant to any agreement,(which Director or Directors is / are herein after referred to as “Nominee Director(s) / Observer(s)”) on the Board, the Company may appoint such person nominated by such Lender(s) as Nominee Director / Observer, in accordance with the terms and conditions specified in the agreement executed with such Lender. Nominee Directors



## Milestone Group

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| 112. | The same individual may, at the same time, be appointed as the Chairperson of the Company as well as the Managing Director or Chief Executive Officer of the Company, subject to section 203 of the Act.   | Same individual may be Chairperson and Managing Director / Chief Executive Officer |
| 113. | The remuneration of the Directors shall, in so far as it consists of a monthly payment, be deemed to accrue from day-to-day.   | Remuneration of directors  |
| 114. | i. The remuneration payable to the Directors, including any managing or whole-time director or manager, if any, shall be determined in accordance with and subject to the provisions of the Act by an ordinary resolution passed by the Company in general meeting.  | Remuneration to require members' consent   |
|      | ii. In addition to the remuneration payable to them in pursuance of the Act, the Directors may be paid all travelling, hotel and other expenses properly incurred by them—   | Travelling and other expenses  |
|      | a. in attending and returning from meetings of the Board of Directors or any committee thereof or general meetings of the company; or  |  |
|      | b. in connection with the business of the company.   |  |
| 115. | The fees payable to the Director for attending the meeting of the Board or committee thereof shall be decided by the Board of Directors from time to time within the maximum limits of such fees that may be prescribed under the Act or the Rules.  |  |
| 116. | The Company may exercise the powers conferred on it by section 88 of the Act with regard to the keeping of a foreign register; and the Board may (subject to the provisions of that section) make and vary such regulations as it may think fit respecting the keeping of any such register.   |  |
| 117. | All cheques, promissory notes, drafts, <i>hundis</i> , bills of exchange and other negotiable instruments, and all receipts for monies paid to the Company, shall be signed, drawn, accepted, endorsed, or otherwise executed, as the case may be, by such person and in such manner as the Board or a committee thereof shall from time to time by resolution, determine. | Execution of negotiable instruments  |
| 118. | Every Director present at any meeting of the Board or of a committee thereof shall sign his name in the attendance book or attendance sheet kept for that purpose or submit a duly signed attendance slip which shall be maintained as part of the book to be kept for that purpose.   |  |
| 119. | i. Subject to the provisions of the Act, the Board shall have power at any time, and from time to time, to appoint a person as an additional director, provided the number of the Directors and additional directors together shall not at any time exceed the maximum strength fixed for the Board by the Articles.   | Appointment of Additional director   |
|      | ii. Such person shall hold office only up to the date of the next annual general meeting of the Company but shall be eligible for appointment by the Company as a Director at that meeting subject to the provisions of the Act.   | Duration of the office of the additional director                                  |

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| 120. | The Board may appoint an alternate director to act for a Director (hereinafter in this Article called “the Original Director”) during his absence for a period of not less than three months from India. No person shall be appointed as an alternate director for an independent director unless he is qualified to be appointed as an independent director under the provisions of the Act. | Appointment of alternate director                                 |
| 121. | An alternate director shall not hold office for a period longer than that permissible to the Original Director in whose place he has been appointed and shall vacate the office if and when the Original Director returns to India.   | Duration of office of alternate director                          |
| 122. | If the term of office of the Original Director is determined before he returns to India the automatic reappointment of retiring Directors in default of another appointment shall apply to the Original Director and not to the alternate director.   | Re-appointment provisions applicable to Original Director         |
| 123. | i.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, the resulting casual vacancy may, be filled by the Board of Directors at a meeting of the Board.   | Appointment of director to fill casual vacancies                  |
|      | ii.The Director so appointed 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.   | Duration of office of Director appointed to fill casual vacancies |

#### **Power of Board**

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| 124. | The management of the business of the Company shall be vested in the Board and the Board may exercise all such powers, and do all such acts and things, as the Company is by the memorandum of association or otherwise authorized to exercise and do, and, not hereby or by the statute or otherwise directed or required to be exercised or done by the Company in general meeting but subject nevertheless to the provisions of the Act and other laws and of the memorandum of association and these Articles and to any regulations, not being inconsistent with the memorandum of association and these Articles or the Act, from time to time made by the Company in general meeting provided that no such regulation shall invalidate any prior act of the Board which would have been valid if such regulation had not been made. | General powers of the Company vested in Board |
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#### **Borrowing Powers**

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| 125. | The Directors may, from time to time, at their discretion, raise or borrow, or secure the payment of, any sum or sums of money for the purposes of the Company; Provided that the moneys to be borrowed together with the moneys already borrowed by the Company (apart from temporary loans obtained from the Company’s bankers in the ordinary course of business) shall not at any time except with the consent of the Company by way of special resolution 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 specific purpose. | Power to borrow                           |
| 126. | The Directors, with shareholders’ consent where required by the Act and Rules, may raise or secure the payment or repayment of such sum or sums in such manner and upon such terms and conditions in all respects as they think fit and,   | Conditions on which money may be borrowed |

in particular, by the issue of debentures or debenture-stock of the Company charged upon all or any part of the property of the Company (both present and future) including its uncalled capital for the time being.

**Proceedings of the Board**

127.	i. The Board of Directors may meet for the conduct of business, adjourn and otherwise regulate its meetings, as it thinks fit.	When meeting to be convened
	ii. The Chairperson or any one Director with the previous consent of the Chairperson may, or the company secretary on the direction of the Chairperson shall, at any time summon a meeting of the Board.	Who may summon Board meeting
128.	A meeting of the Board of Directors shall be held at least four times every year and not more than 120 days shall lapse between two Board meetings.	
129.	Notice of every meeting of the Board of Directors of the Company shall be given in writing to every Director at his address registered with the Company and such notice shall be sent by hand delivery or by post or by electronic means.	Notice of Meetings
130.	The quorum for a Board meeting shall be as provided in the Act.	Quorum for Board meetings
131.	The participation of Directors in a meeting of the Board may be either in person or through video conferencing or audio visual means or teleconferencing, as may be prescribed by the Rules or permitted under law.	Participation at Board meetings
132.	i. Save as otherwise expressly provided in the Act, questions arising at any meeting of the Board shall be decided by a majority of votes.	Questions at Board meeting how decided
	ii. In case of an equality of votes, the Chairperson of the Board shall have a second or casting vote.	Casting vote of Chairperson at Board meeting
133.	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.	Directors not to act when number falls below minimum
134.	i. The Board may elect a Chairperson of its meetings and determine the period for which he is to hold office.	Who to preside at meetings of the Board
	ii. The Board may elect one of their members as Co-Chairperson to preside over their meetings in the absence of the Chairperson and determine the period for which he is to hold office. The Co-Chairperson shall in the absence of the Chairperson, have all the powers conferred on the Chairperson by these Articles.	Directors to elect a Co – Chairperson
	iii. The Board may elect one of their members as Vice Chairman to preside over their meetings in the absence of the Chairperson and Co- Chairperson and determine the period for which he is to hold office. The Vice Chairman shall in the absence of the Chairperson and Co-Chairperson, have all the powers conferred on the Chairperson by these Articles.	Directors to elect a Vice Chairman
	iv. If no such Chairperson, Co-Chairperson or Vice Chairman is elected, or if	Absence of Chairperson

at any meeting the Chairperson, Co-Chairperson and Vice Chairman is not present within fifteen minutes after the time appointed for holding the meeting, the Directors present may choose one of their number to be Chairperson of the meeting.

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| 135. | i. The Board may, subject to the provisions of the Act, delegate any of its powers to committees consisting of such member or members of its body as it thinks fit.   | Delegation of powers   |
|      | ii. Any committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may be imposed on it by the Board.   | Committee to conform to Board regulations                              |
| 136. | The participation of Directors in a meeting of the committee may be either in person or through video conferencing or audio visual means or teleconferencing, as may be prescribed by the Rules or permitted under law.   | Participation at Committee meetings                                    |
| 137. | i. A committee may elect a Chairperson of its meetings.   | Chairperson of Committee   |
|      | ii. If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the members present may choose one of their members to be Chairperson of the meeting.  | Who to preside at meetings of Committee                                |
| 138. | i. A committee may meet and adjourn as it thinks fit.   | Committee to meet  |
|      | ii. Questions arising at any meeting of a committee shall be determined by a majority of votes of the members present, and in case of an equality of votes, the Chairperson shall have a second or casting vote.  | Questions at Committee meeting how decided                             |
| 139. | All acts done in any meeting of the Board or of a committee thereof or by any person acting as a Director, shall, notwithstanding that it may be afterwards discovered that there was some defect in the appointment of any one or more of such Directors or of any person acting as aforesaid, or that they or any of them were disqualified, be as valid as if every such Director or such person had been duly appointed and was qualified to be a Director. | Acts of Board or Committee valid notwithstanding defect of appointment |
| 140. | Save as otherwise expressly provided in the Act, a resolution in writing, signed by all the members of the Board or of a committee thereof, for the time being entitled to receive notice of a meeting of the Board or committee, shall be valid and effective as if it had been passed at a meeting of the Board or committee, duly convened and held.   | Passing of resolution by circulation                                   |

**Chief Executive Officer, Manager, Company Secretary, Whole Time Director, Chief Financial Officer**

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| 141. | Subject to the provisions of the Act,—  |   |
|      | i. A chief executive officer, manager, company secretary or chief financial officer may be appointed by the Board for such term, at such remuneration and upon such conditions as it may think fit; and any chief executive officer, manager, company secretary or chief financial officer so appointed may be removed by means of a resolution of the Board; | Chief Executive Officer, etc                  |
|      | ii. A Director may be appointed as chief executive officer, manager, company secretary or chief financial officer.  | Director may be chief executive officer, etc. |

142. A provision of the Act or these regulations requiring or authorising a thing to be done by or to a Director and chief executive officer, manager, company secretary or chief financial officer shall not be satisfied by its being done by or to the same person acting both as Director and as, or in place of, chief executive officer, manager, company secretary or chief financial officer.
- Same person not authorized to act in different capacity

#### **Managing Director**

143. i. Subject to the provisions of the Act, the Directors may from time to time appoint one or more of their body to be the Managing Director of the Company, in accordance with the provisions of the Act and the Rules
- Managing Director
- ii. A Managing Director so appointed shall exercise the powers and authorities conferred upon him by an agreement entered into between him and the Company and/or by a resolution of the Board and be subject to the obligations and restrictions imposed upon him thereby or by the Act.

#### **Registers**

144. The Company shall keep and maintain at its registered office all statutory registers including, register of charges, register of annual return, register of loans, guarantees, security and acquisitions, register of investments not held in its own name and register of contracts and arrangements for such duration as the Board may, unless otherwise prescribed, decide, and in such manner and containing such particulars as prescribed by the Act and the Rules. The registers and copies of annual return shall be open for inspection during 11.00 a.m. to 1.00 p.m. on all working days, other than Saturdays, at the registered office of the Company by the persons entitled thereto on payment, where required, of such fees as may be fixed by the Board but not exceeding the limits prescribed by the Rules.
- Statutory registers
- i. The Company may exercise the powers conferred on it by the Act with regard to the keeping of a foreign register; and the Board may (subject to the provisions of the Act) make and vary such regulations as it may think fit respecting the keeping of any such register.
- Foreign register
- ii. The foreign register shall be open for inspection and may be closed, and extracts may be taken therefrom and copies thereof may be required, in the same manner, *mutatis mutandis*, as is applicable to the register of members.

#### **The Seal**

145. The Company shall have a common Seal and the Directors shall provide for the safe custody thereof. The Seal shall not be affixed to any instrument except:
- Seal
- i. by the authority of a resolution of the Board of Directors or a committee of the Board authorized in that behalf, and
- ii. in the presence of at least two Directors or one Director and the secretary of the Company or such other person as the Board may appoint for the purpose, who shall sign every instrument to which the Seal is so affixed. Such signatures shall be conclusive evidence of the fact that the Seal has been properly affixed.



**Dividends and Reserve**

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| 146. | The Company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board.  | Company in general meeting may declare dividends  |
| 147. | Subject to the provisions of the Act, 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.   | Interim dividends   |
| 148. | i. The Board may, before recommending any dividend, set aside out of the profits of the Company such sums as it thinks fit as a reserve or reserves which shall, at the discretion of the Board, be applicable for any purpose to which the profits of the Company may be properly applied, including provision for meeting contingencies or for equalizing dividends; and pending such application, may, at the like discretion, either be employed in the business of the Company or be invested in such investments (other than shares of the Company) as the Board may, from time to time, thinks fit. | Dividends only to be paid out of profits  |
|      | ii. The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.   | Carry forward of profits  |
| 149. | i. Subject to the rights of persons, if any, entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid, but if and so long as nothing is paid upon any of the shares in the Company, dividends may be declared and paid according to the amounts of the shares.   | Division of profits   |
|      | ii. No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this Article as paid on the share.  | Payments in advance   |
|      | iii. All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid; but if any share is issued on terms providing that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly.  | Dividends to be apportioned   |
| 150. | The Board may deduct from any dividend payable to any member all sums of money, if any, presently payable by him to the Company on account of calls or otherwise in relation to the shares of the Company.   | No member to receive dividend whilst indebted to the Company and Company's right to reimbursement therefrom |
| 151. | The Board may retain dividends payable upon shares in respect of which any person is, under the <i>Transmission</i> clause hereinbefore contained, entitled to become a member, until such person shall become a member in respect of such shares.   |   |
| 152. | i. Any dividend, interest or other monies payable in cash in respect of shares may be paid by electronic mode or cheque or warrant sent through post or courier directed to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint holders who  |   |

- is first named on the register of members, or to such person and to such address as the holder or joint holders may in writing direct.
- ii. Every such cheque or warrant or electronic payment mode shall be made payable to the order of the person to whom it is sent. Instrument of payment
153. Any one of two or more joint holders of a share may give effective receipts for any dividends, bonuses or other monies payable in respect of such share. Receipt of one holder sufficient
154. 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. Notice of Dividend
155. The waiver in whole or in part of any dividend on any share by any document (whether or not under Seal) shall be effective only if such document is signed by the member (or the person entitled to the share in consequence of the death or bankruptcy of the holder) and delivered to the Company and if or to the extent that the same is accepted as such or acted upon by the Board. Waiver of dividend
156. No dividend shall bear interest against the Company. No Interest on Dividend

#### **Accounts**

157. The books of account and books and papers of the Company, or any of them, shall be open to the inspection of Directors in accordance with the applicable provisions of the Act and the Rules. Inspection by Directors
158. i. The Board shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations, the accounts and books of the Company, or any of them, shall be open to the inspection of members not being Directors.
- ii. No member (not being a Director) shall have any right of inspecting any account or book or document of the Company except as conferred by law or authorised by the Board or by the Company in general meeting. Restriction on inspection by members

#### **Winding up**

159. Subject to the provisions of Chapter XX of the Act and Rules thereunder— Winding up of Company
- i. If the Company shall be wound up, the liquidator may, with the sanction of a special resolution of the Company and any other sanction required by the Act, divide amongst the members, in specie or kind, the whole or any part of the assets of the Company, whether they shall consist of property of the same kind or not.
- ii. For the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members.
- iii. The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories if he considers necessary, but so that no member shall be compelled to accept any

shares or other securities whereon there is any liability.

**Indemnity and Insurance**

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| 160. | Subject to the provisions of the Act, every Director, managing director, whole-time director, manager, company secretary and other officer of the Company shall be indemnified by the Company out of the funds of the Company, to pay all costs, losses and expenses (including travelling expense) which such Director, manager, company secretary and officer may incur or become liable for by reason of any contract entered into or act or deed done by him in his capacity as such Director, manager, company secretary or officer or in any way in the discharge of his duties in such capacity including expenses. | Directors and officers right to indemnity |
| 161. | Subject as aforesaid, every Director, managing director, manager, company secretary or other officer of the Company shall be indemnified against any liability incurred by him in defending any proceedings, whether civil or criminal in which judgment is given in his favour or in which he is acquitted or discharged or in connection with any application under applicable provisions of the Act in which relief is given to him by a court or such authority.   |   |
| 162. | The Company may take and maintain any insurance as the Board may think fit on behalf of its present and/or former Directors and key managerial personnel for indemnifying all or any of them against any liability for any acts in relation to the Company for which they may be liable but have acted honestly and reasonably.  | Insurance                                 |

**General Power**

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| 163. | Wherever in the Act or the Rules, it has been provided that the Company shall have any right, privilege or authority or that the Company could carry out any transaction only if the Company is so authorized by its articles, then and in that case this Article authorizes and empowers the Company to have such rights, privileges or authorities and to carry such transactions as have been permitted by the Act, without there being any specific Article in that behalf herein provided. | General Power |
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**Secrecy Clause**

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| 164. | Subject to the provisions of the Act, no member shall be entitled to require discovery of any information respecting any detail of the Company's trading or any matter in the nature of a trade secret, mystery of trade or secret process which may relate to the conduct of the business of the Company and which in the opinion of the Board of Directors it may be inexpedient in the interest of the Company to communicate to the public. | Secrecy clause |
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## SECTION X – OTHER INFORMATION

### MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

*The following contracts (not being contracts entered into in the ordinary course of business carried on by our Company or contracts entered into more than two (2) years before the date of filing of this Prospectus) which are or may be deemed material have been entered or are to be entered into by our Company. These contracts, copies of which will be attached to the copy of the Prospectus will be delivered to the ROC for registration and also the documents for inspection referred to hereunder, may be inspected on working days between 10.00 a.m. to 5.00 p.m. at the Registered Office of our Company located at 1st Floor, Aslam Compound Shree Nagar, Behind Boghul House, Chandivali Road, Sakinaka Mumbai Mumbai City Maharashtra 400072 from date of filing the Prospectus with ROC till the Issue Closing Date.*

#### Material Contracts

- 1) Memorandum of Understanding dated December 30, 2017 between our Company to the Lead Manager to the Issue.
- 2) Agreement dated November 07, 2017 between our Company and the Registrar to the Issue
- 3) Underwriting Agreement dated December 30, 2017 between our Company, the Lead Manager, the Market Maker and Underwriter.
- 4) Market Making Agreement dated December 30, 2017 between our Company, Lead Manager and Market Maker.
- 5) Tripartite agreement among the NSDL, our Company and the Registrar to the Issue dated February 07, 2018.
- 6) Tripartite agreement among the CDSL, our Company and the Registrar to the Issue dated February 14, 2018.
- 7) Public Issue Account Agreement dated March 12, 2018 signed between our Company, the Lead Manager, Banker(s) to the Issue/ Escrow Collection Bank(s) and the Registrar to the Issue.

#### Material Documents

- 1) Certified true copy of the Memorandum and Articles of Association of our Company, as amended from time to time including certificates of incorporation.
- 2) Copy of resolution passed at the meeting of the Board of Directors of our Company dated November 15, 2017, authorizing the Fresh Issue of Equity Shares.
- 3) Copy of special resolution of the shareholders passed at the Extra Ordinary General Meeting dated December 15, 2017, authorizing the Fresh Issue of Equity Shares.
- 4) Copy of resolution passed at the Board Meeting held on November 15, 2017 for fixing the term of appointment and the remuneration of, Mr. Digambar Sudam Songhare, Managing Director.
- 5) Copy of Certificate from the Auditors of the Company, M/s NGST & Associates, Chartered Accountants dated March 27, 2018 regarding the Eligibility of the Issue.
- 6) Copy of Letter dated December 21, 2017 issued by Statutory Auditor to the Company, M/s NGST & Associates, Chartered Accountants detailing the Tax Benefits.
- 7) Independent Audit Report and Restated Financial Statements for the Financial Year ended as on March 31, 2017, 2016, 2015, 2014 and for the eight months period ended on November 30, 2017 of our Company, issued by the Independent Auditor to the Company (Peer Reviewed Auditor), M/s NGST & Associates, Chartered Accountants dated March 27, 2018 included in the Prospectus.
- 8) Copies of Annual reports of the Company for the years ended March 31, 2017, 2016, 2015 and 2014.
- 9) Consents of our Promoter, Directors, Company Secretary and Compliance Officer, Chief Financial Officer, the Lead Manager, the Registrar to the Issue, the Statutory Auditors to the Company, Peer Reviewed Auditor, the Legal Advisor to the Issue, Banker(s) to the Company, Market Maker(s), Underwriter(s), and the Banker(s) to the Issue/ Escrow Collection Bank(s) to act in their respective capacities.

- 10) Copy of Board Resolution dated January 15, 2018 for approval of Draft Prospectus and dated April 23, 2018 for approval of Prospectus.
- 11) Copy of approval from BSE vide letter dated February 21, 2018, to use the name of BSE in this offer document for listing of Equity Shares on BSE SME Platform.
- 12) Legal Due diligence Report dated January 12, 2018, issued by Advocate Pooja Sharma.
- 13) Due Diligence Certificate from Lead Manager dated January 15, 2018 filed with BSE and dated April 16, 2018 filed with SEBI.

Any of the contracts or documents mentioned in the Prospectus may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, subject to compliance of the provisions contained in the Companies Act and other relevant statutes.

**DECLARATION**

We hereby declare that, all the relevant provisions of the Companies Act,1956, Companies Act, 2013 and the guidelines/regulations issued by the Government of India or the regulations issued by Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992 as the case may be, have been complied with and no statement made in this Prospectus is contrary to the provisions of the Companies Act, 1956 / Companies Act, 2013 ( to the extent notified), the Securities and Exchange Board of India Act, 1992 or rules made there under or regulations/ guidelines issued, as the case may be. We further certify that all statements in this Prospectus are true and correct.

**SIGNATURE BY ALL THE DIRECTORS OF OUR COMPANY**

<b>Name of the Directors</b>	<b>Signature</b>
<b>Mr. DIGAMBER SUDAM SONGHARE</b> DIN No.: 06809398	-Sd/- _____
<b>Mr. GANESHKUMAR SADANAND</b> PATLIKANDAN DIN No.: 06809407	-Sd/- _____
<b>Ms. SUSHMA SAMPAT NEVASE</b> DIN No.: 07977981	-Sd/- _____
<b>Mr. SHANTARAM PRAHALADBHAI BADAII</b> DIN No.: 07847596	-Sd/- _____
<b>Mr. SHIVAJI LAXMAN DABHANE</b> DIN No.: 07978002	-Sd/- _____
<b>Mr. ZESHAN ALI RAMZAN ALI SAYED</b> DIN No.: 08063240	-Sd/- _____
<b>Mr. ASHIS SATPATHY</b> DIN No.: 08063252	-Sd/- _____
<b>Mr. AMARDEEP BHAU MAHADIK</b> DIN No.: 08068952	-Sd/- _____
<b>SIGNED BY THE CHIEF FINANCIAL OFFICER OF OUR COMPANY</b>	
<b>Mr. DILIP RAJGOR</b>	-Sd/- _____
<b>SIGNED BY THE COMPANY SECRETARY &amp; COMPLIANCE OFFICER</b>	
<b>Mr. KAMLESH VYAS</b>	-Sd/- _____

**PLACE: Mumbai**

**DATE: April 23, 2018**