



AKI INDIA LIMITED

Our Company was originally incorporated as AKI Leather Industries Private Limited on May 16, 1994 as a private limited company under the Companies Act, 1956 with the Registrar of Companies, Kanpur, Uttar Pradesh. Pursuant to a special resolution passed by the shareholders of the Company at the Extra Ordinary General Meeting held on March 18, 2006, our Company's name was changed to AKI India Private Limited vide fresh certificate of incorporation consequent upon change of name dated April 03, 2006 issued by RoC, Uttar Pradesh & Uttaranchal, Kanpur. Thereafter, our Company was converted from Private Limited to Public Company and a fresh certificate of incorporation consequent upon Conversion from Private Company to Public Company was issued on May 29, 2017 by the Registrar of Companies, Kanpur. The Corporate Identification Number of our Company is U19201UP1994PLC016467.

For details of incorporation, change of name and registered office of our Company, please refer to chapter titled "General Information" and "Our History and Certain Other Corporate Matters" beginning on page 48 and 119 respectively of this Prospectus.

Registered office: 9/6(11), Asharfabad Jajmau, Kanpur - 208010, Uttar Pradesh, India.

Tel: 91 512 2463130; E-mail: info@groupaki.com; Website: www.groupaki.com

Company Secretary and Compliance Officer: Ms. Divya Gupta; E-Mail: cs@groupaki.com

#### PROMOTERS OF THE COMPANY : MR. ASAD KAMAL IRAQI AND MR. ANWAR KAMAL IRAQI

**PUBLIC ISSUE OF 28,00,000 EQUITY SHARES OF FACE VALUE OF RS.10 EACH OF AKI INDIA LIMITED (THE "COMPANY" OR THE "ISSUER") FOR CASH AT A PRICE OF RS. 11.00 PER EQUITY SHARE INCLUDING A SHARE PREMIUM OF RS. 1.00 PER EQUITY SHARE (THE "ISSUE PRICE") AGGREGATING TO RS. 308.00 LACS/- ("THE ISSUE"), OF WHICH 1,40,000 EQUITY SHARES OF FACE VALUE OF RS.10.00 EACH FOR CASH AT A PRICE OF RS.11.00 PER EQUITY SHARE INCLUDING A SHARE PREMIUM OF RS 1.00 PER EQUITY SHARE AGGREGATING TO RS. 15.40 LAKHS WILL BE RESERVED FOR SUBSCRIPTION BY MARKET MAKER TO THE ISSUE (THE "MARKET MAKER RESERVATION PORTION"). THE ISSUE LESS THE MARKET MAKER RESERVATION PORTION I.E. NET ISSUE OF 26,60,000 EQUITY SHARES OF FACE VALUE OF RS 10/- EACH AT A PRICE OF RS. 11.00 PER EQUITY SHARE AGGREGATING TO RS. 292.60 LAKHS IS HEREIN AFTER REFERRED TO AS THE "NET ISSUE". THE ISSUE AND THE NET ISSUE WILL CONSTITUTE 27.19 % AND 25.83% RESPECTIVELY OF THE POST ISSUE PAID UP EQUITY SHARE CAPITAL OF OUR COMPANY.**

THIS ISSUE IS BEING IN TERMS OF CHAPTER XB OF THE SEBI (ICDR) REGULATIONS, 2009 AS AMENDED FROM TIME TO TIME.

For further details see "Terms of the Issue" beginning on page 181 of this Prospectus.

All the investors applying in a public issue shall use only Application Supported by Blocked Amount (ASBA) facility for making payment providing details about the bank account which will be blocked by the Self Certified Syndicate Banks ("SCSBs") as per the SEBI circular CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015. For further details, please refer to section titled "Issue Procedure" beginning on page 190 of this Prospectus. In case of delay, if any in refund, our Company shall pay interest on the application money at the rate of 15 % per annum for the period of delay.

THE FACE VALUE OF THE EQUITY SHARES IS RS. 10 EACH AND THE ISSUE PRICE IS 1.1TIMES OF THE FACE VALUE.

#### RISK IN RELATION TO THE FIRST ISSUE

This being the first Public Issue of our Company, there has been no formal market for the securities of our Company. The face value of the shares is Rs10 per Equity Shares and the Issue price is 1.1 times of the face value. The Issue Price (as determined by our Company in consultation with the Lead Manager) as stated in the chapter titled on "Basis for Issue Price" beginning on page 75 of this Prospectus should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active or sustained trading in the 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 offering. For taking an investment decision, investors must rely on their own examination of our Company and the Issue including the risks involved. The Equity Shares issued in the Issue have neither been recommended nor approved by Securities and Exchange Board of India nor does Securities and Exchange Board of India guarantee the accuracy or adequacy of this Prospectus. Specific attention of the investors is invited to the section titled "Risk Factors" beginning on page 16 of this Prospectus.

#### ISSUER'S ABSOLUTE RESPONSIBILITY

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

#### LISTING

The Equity Shares offered through the Prospectus are proposed to be listed on the BSE SME Platform. In terms of the Chapter XB of the SEBI (ICDR) Regulations, 2009, as amended from time to time. Our Company has received an approval letter dated September 24, 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 Limited ("BSE").

#### LEAD MANAGER



**Finshore Management Services Limited**  
Anandlok, Block – A, 2<sup>nd</sup> Floor, Room No.207  
227, A.J.C. Bose Road, Kolkata – 700 020, West Bengal – India  
Tel. No.: +91 33-22895101/9920379029  
Fax No.: +91 33-22895101  
SEBI Registration No: INM000012185  
Email: info@finshoregroup.com  
Website: www.finshoregroup.com  
Contact Person: Mr. S. Ramakrishna Iyengar

#### REGISTRAR TO THE ISSUE



**Link Intime India Private Limited**  
C-101, 1st Floor, 247 Park, Lal Bhadur Shastri Marg, Vikhroli (West),  
Mumbai, Maharashtra, India  
Tel: +91 22 4918 6200  
Facsimile : +91 22 4918 6195  
Website: www.linkintime.co.in  
Email: aki.ipo@linkintime.co.in  
Investor Grievance Email: aki.ipo@linkintime.co.in  
Contact Person: Ms. Shanti Gopalkrishnan  
SEBI Registration No: INR000004058

#### ISSUE PROGRAMME

ISSUE OPENS ON: SEPTEMBER 28, 2018

ISSUE CLOSES ON: OCTOBER 03, 2018

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## SECTION I: GENERAL

### DEFINITIONS AND ABBREVIATIONS

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

As on the date of this Prospectus, our Company has one (1) subsidiary. Consequently, all references to “Our Company”, “we”, “our”, “us” or “AKI India Limited”, a Company incorporated under the Companies Act, 1956 and having its Registered Office at 9/6(11), Asharfabad Jajmua, Kanpur - 208010, Uttar Pradesh, India.

The words and expression used in this Prospectus, but not defined herein, shall have the same meaning ascribed to such terms under the SEBI (ICDR) Regulations, the Companies Act, the SCRA, the Depositories Act and the rules and regulations made thereunder as the case may be. Notwithstanding the foregoing, the terms not defined but used in the sections titled “*Statement of Possible Tax Benefits*”; “*Financial Statements as Restated*”; “*Outstanding Litigation and Material Developments*”; and “*Main Provisions of Articles of Association*” beginning on pages 78, 145, 157 and 209 respectively, shall have the meanings ascribed to such terms in these respective sections.

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

### COMPANY RELATED TERMS

| Term  | Description  |
|---|--|
| Articles/ Articles of Association/ AoA                | The articles of association of our Company, as amended from time to time.  |
| Audit Committee                                       | Audit Committee of our Company constituted in accordance with Regulation 18 of the SEBI Listing Regulations and Section 177 of the Companies Act, 2013   |
| Auditor/ Statutory Auditor                            | The statutory auditors of our Company, being Jaiswal Misra & Co., Chartered Accountants having their office at 15/271-C, Civil Lines, Kanpur – 208001, India   |
| Banker to our Company                                 | Jammu and Kashmir Bank Limited, as disclosed in the section titled “ <i>General Information</i> ” beginning on page 48 of this Prospectus  |
| Board of Director(s)/the Board/our Board/ Director(s) | The director(s) on our Board, unless otherwise specified. For further details of our Directors, please refer to section titled “ <i>Our Management</i> ” beginning on page 123 of this Prospectus.   |
| Equity Shares   | The Equity Shares of our Company of face value of ₹10 each, fully paid-up, unless otherwise specified in the context thereof   |
| Equity Shareholders                                   | Persons/ Entities holding Equity Shares of our Company.  |
| Group Companies/ Entities                             | The companies included under the definition of “Group Companies” under the SEBI (ICDR) Regulations and identified by the Company in its Materiality Policy. For further details, please refer to section titled “ <i>Group Entities of Our Company</i> ” beginning on page 142 of this Prospectus. |
| Key Managerial Personnel/ KMP                         | The key management personnel of our Company in terms of the SEBI (ICDR) Regulations and the Companies Act, 2013 disclosed in section titled “ <i>Our Management</i> ” beginning on page 123 of this Prospectus.  |
| Materiality Policy                                    | The policy on determination of materiality, by our Board on December 31, 2017, in accordance with the requirements Regulation 30 of the SEBI (ICDR) Regulations.   |
| Memorandum/ Memorandum of Association/ MoA            | The Memorandum of Association of our Company, as amended from time to time   |
| Nomination and Remuneration                           | The nomination and remuneration committee of our Company, as disclosed in “ <i>Our Management</i> ” on page 123 of this Prospectus.  |

| Term  | Description   |
|---|---|
| Committee                                   |   |
| Peer Review Auditor                         | Independent Auditor having a valid Peer Review certificate in our case being M/s. Gupta Agarwal & Associates, Chartered Accountants having office at Kolkata.   |
| Promoters                                   | The Promoters of our Company being:<br>Mr. Asad Kamal Iraqi<br>Mr. Anwar Kamal Iraqi<br>For further details, please refer to section titled “ <i>Our Promoters and Promoter Group</i> ” beginning on page 138 of this Prospectus.   |
| Promoter Group                              | Includes such persons and entities constituting the promoter group of our Company in terms of Regulation 2(1)(zb) of the SEBI (ICDR) Regulations and as disclosed under section titled “ <i>Our Promoters and Promoter Group</i> ” beginning on page 138 of this Prospectus.  |
| Registered Office                           | 9/6 (11), Asharfabad Jajmau Kanpur-208010, Uttar Pradesh, India   |
| Restated Consolidated Financial Information | The restated consolidated financial information of our Company, Subsidiaries of our Company which comprises of the restated consolidated balance sheet, the restated consolidated profit and loss information and the restated consolidated cash flow information for the financial years ended March 31, 2018, March 31, 2017, March 31, 2016, March 31, 2015 and March 31, 2014 together with the annexures and notes thereto, which have been prepared in accordance with the Companies Act and restated in accordance with the SEBI (ICDR) Regulations. |
| Restated Financial Statement                | Audited Financial Statements for the Financial Years ended March 31, 2018; 2017; 2016; 2015 and 2014, as restated in accordance with SEBI (ICDR) Regulations, comprises of (i) Financial Information as per Restated Summary Financial Statements and (ii) Other Financial Information.   |
| Restated Standalone Financial Information   | The restated standalone financial information of our Company which comprises of the restated standalone balance sheet, the restated standalone profit and loss and the restated standalone cash flow information for the financial years ended March 31, 2018, March 31, 2017, March 31, 2016, March 31, 2015 and March 31, 2014 together with the annexures and notes thereto, which have been prepared in accordance with the Companies Act and restated in accordance with the SEBI (ICDR) Regulations.  |
| RoC/ Registrar of Companies                 | Registrar of Companies, Kanpur, 10/499-B, Allenganj, Khalasi Line, Kanpur - 208002, Uttar Pradesh, India  |
| Stakeholders’ Relationship Committee        | Stakeholder’s relationship committee of our Company constituted in accordance with Regulation 18 of the SEBI Listing Regulations and Companies Act, 2013  |
| Subsidiary of our Company                   | A subsidiary of our Company as of the date of this Prospectus, in accordance with the Companies Act, 2013, and as set out under section titled “ <i>Our History and Certain Corporate Matters</i> ” – <i>Subsidiary(ies) of our Company</i> ” beginning on page 119 and 136 of this Prospectus. Our Company has one (1) subsidiaries as on the date of this Prospectus  |

### ISSUE RELATED TERMS

| Terms                  | Description   |
|------------------------|---|
| Acknowledgement Slip   | The slip or document issued by the Designated Intermediary to an Applicant as proof of having accepted the Application Form.  |
| Allot/ Allotted Shares | Unless the context otherwise requires, allotment of the Equity Shares pursuant to the Issue of the Equity Shares to the successful Applicants.  |
| 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 (s) to whom the Equity Shares are being/ have been issued /allotted.   |

| Terms   | Description  |
|---|--|
| Applicant                                       | Any prospective investor who makes an application pursuant to the terms of the Prospectus and the Application Form. Pursuant to SEBI (Issue of Capital and Disclosure Requirements) (Fifth Amendment) Regulations, 2015, with effect from January 01, 2016 all applicants participating in this Issue are required to mandatorily use the ASBA facility to submit their Applications.  |
| Application                                     | An indication to make an offer during the Issue Period by an Applicant, pursuant to submission of Application Form, to subscribe for or purchase our Equity Shares at the Issue Price including all revisions and modifications thereto, to the extent permissible under the SEBI (ICDR) Regulations.  |
| Application Amount                              | The number of Equity Shares applied for and as indicated in the Application Form multiplied by the price per Equity Share payable by the Applicants on submission of the Application Form.   |
| Application Form                                | The form in terms of which an Applicant shall make an Application and which shall be considered as the application for the Allotment pursuant to the terms of this Prospectus.   |
| Application Supported by Blocked Amount / ASBA  | An application, whether physical or electronic, used by an Applicant to make an application authorizing the relevant SCSB to block the application amount in the ASBA Account maintained with the SCSB.<br>Pursuant to SEBI Circular dated November 10, 2015 and bearing Reference No. CIR/CFD/POLICYCELL/11/2015 which shall be applicable for all public issues opening on or after January 01, 2016, all the investors can apply through ASBA process.                                  |
| ASBA Account                                    | Account maintained with a SCSB and specified in the Application Form which will be blocked by such SCSB to the extent of the appropriate Application Amount in relation to an Application by an Applicant.   |
| ASBA Applicant(s)                               | Any prospective investors in this Issue who apply for Equity Shares of our Company through the ASBA process in terms of this Prospectus.   |
| ASBA Application Location (s)/ Specified Cities | Such Branches of the SCSBs which shall collect the Application Forms used by the Applicants applying through the ASBA process and a list of which is available on <a href="http://www.sebi.gov.in/pmd/scsb.pdf">www.sebi.gov.in/pmd/scsb.pdf</a>   |
| Banker to the Issue                             | Bank which are clearing members and registered with SEBI as banker to an issue and with whom the Public Issue Account will be opened, in this case being Kotak Mahindra Bank Limited.  |
| Basis of Allotment                              | The basis on which the Equity Shares will be Allotted to successful Applicants under the Issue, as described in the section titled “ <i>Issue Procedure</i> ” - Basis of Allotment beginning on page 190 of this Prospectus.   |
| Broker Centres                                  | Broker centres notified by the Stock Exchanges, where the Applicants can submit the Application Forms to a Registered Broker<br>The details of such broker centres, along with the names and contact details of the Registered Brokers, are available on the website of the BSE on the following link:-<br><a href="http://www.bseindia.com/Markets/PublicIssues/brokercentres_new.aspx?expandable=3">http://www.bseindia.com/Markets/PublicIssues/brokercentres_new.aspx?expandable=3</a> |
| Broker to the Issue                             | All recognized members of the stock exchange would be eligible to act as the Broker to the Issue.  |
| Business Day                                    | Monday to Saturday (except 2nd & 4th Saturday of a month and public holidays)  |
| BSE SME   | The SME platform of BSE Limited, approved by SEBI as an SME Exchange for listing of equity shares issued under Chapter X-B of the SEBI ICDR Regulations  |
| CAN or Confirmation of Allocation Note          | The note or advice or intimation sent to each successful Applicant indicating the Equity Shares 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  |

| Terms                                      | Description  |
|--|--|
| Collection Centres                         | Centres at which the Designated Intermediaries shall accept the ASBA Forms.  |
| Compliance Officer                         | The Company Secretary of our Company, i.e. Divya Gupta   |
| 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  |
| Controlling Branches of SCSBs              | Such branches of the SCSBs which co-ordinate Applications under this Issue made by the Applicants with the Lead Manager, the Registrar to the Issue and the Stock Exchanges, a list of which is provided on <a href="http://www.sebi.gov.in">http://www.sebi.gov.in</a> or at such other website as may be prescribed by SEBI from time to time  |
| Demographic Details                        | The demographic details of the Applicants such as their Address, PAN, Occupation and Bank Account details  |
| Depository/ Depositories                   | A depository registered with SEBI under the SEBI (Depositories and Participant) Regulations, 1996 as amended from time to time, being NSDL and CDSL  |
| Depository Participant/DP                  | A depository participant as defined under the Depositories Act, 1966.  |
| Designated CDP Locations                   | Such locations of the CDPs where Applicant can submit the Application Forms to Collecting Depository Participants<br><br>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 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 with whom the bank account to be blocked, is maintained, a syndicate member (or sub-syndicate member), a Registered Broker, Designated CDP Locations for CDP, a registrar to an issue and share transfer agent (RTA) (whose names is mentioned on website of the stock exchange as eligible for this activity)   |
| Designated Market Maker                    | In our case, Sparkle Securities Solutions Pvt. Ltd   |
| Designated RTA Locations                   | Such locations of the RTAs where Applicant can submit the Application Forms to RTAs<br><br>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 SCSB Branches                   | Such branches of the SCSBs which shall collect the ASBA Application Form from the ASBA 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/Recognised-Intermediaries">http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries</a> or at such other website as may be prescribed by SEBI from time to time. |
| Designated Stock Exchange                  | SME Platform of BSE Limited  |
| Draft Prospectus                           | The Draft Prospectus dated September 10, 2018 issued in accordance with Section 32 of the Companies Act, 2013.   |
| DP   | Depository Participant   |
| DP ID                                      | Depository Participant's Identity number.  |
| Eligible NRI(s)                            | NRI(s) from such jurisdiction outside India where it is not unlawful to make an Issue or invitation under the Issue and in relation to whom this Prospectus constitutes an invitation to subscribe for the Equity Shares Issued herein on the basis of the terms thereof   |
| 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.  |

| Terms   | Description  |
|---|--|
| First/ Sole Applicant                                     | The Applicant whose name appears first in the Application Form or Revision Form.   |
| General Information Document/ GID                         | The General Information Document for investing in public issues prepared and issued in accordance with the Circular (CIR/CFD/DIL/12/2013) dated 23rd October, 2013, notified by SEBI read with SEBI Circular dated November 10, 2015 and bearing Reference No. CIR/CFD/POLICYCELL/11/2015 which shall be applicable for all public issues opening on or after January 01, 2016, all the investors can apply through ASBA process.  |
| Issue/ Public Issue/ Issue Size Initial Public Issue/ IPO | Public issue of 28,00,000 Equity Shares of face value of `10.00 each of our Company for cash at a price of `11.00 per Equity Share (including a share premium of Re.1.00 per Equity Share) aggregating to `308.00 Lakh by our Company, in term of this Prospectus.   |
| Issue Agreement   | The Issue Agreement dated August 31, 2018 between our Company and Lead Manager.  |
| Issue Closing Date  | The date on which Issue Closes for Subscription  |
| Issue Opening Date  | The date on which Issue Opens for Subscription   |
| Issue Period  | The period between the Issue Opening Date and the Issue Closing Date, inclusive of both days, during which prospective Investors may submit their application.   |
| Issue Price   | The price at which Equity Shares are being issued by our Company being `11.00 per Equity Share.  |
| Issue Proceeds  | The proceeds of the Issue as stipulated by the Company. For further information about use of the Issue Proceeds please refer to section titled “ <i>Objects of the Issue</i> ” beginning on page 68 of this Prospectus.  |
| Lead Manager/ LM  | Lead Manager to the Issue, in this case being Finshore Management Services Limited.  |
| Listing Agreement   | Unless the context specifies otherwise, this means the Equity Listing Agreement to be signed between our Company and the BSE Limited.  |
| Market Maker  | Member Brokers of BSE who are specifically registered as Market Makers with the BSE SME Platform. In our case, Sparkle Securities Solutions Pvt. Limited , Market Maker to the Issue.  |
| Market Making Agreement                                   | The Market Making Agreement dated September 08, 2018 between our Company and Market Maker  |
| Market Maker Reservation Portion                          | The reserved portion of 1,40,000 Equity Shares of face value of `10.00 each fully paid for cash at an Issue Price of `11.00 each per Equity Shares aggregating `15.40 Lakh for the Market Maker to the Issue.  |
| Mutual Fund(s)  | Mutual fund (s) registered with SEBI pursuant to the SEBI (Mutual Funds) Regulations, 1996, as amended.  |
| Net Issue   | The Issue (excluding the Market Maker Reservation Portion) of up to 26,60,000 Equity Shares of face value `10.00 each for cash at an Issue price of `11.00 per Equity Share (the “Issue Price”), including a share premium of Re 1.00 per equity share aggregating up to ` 292.60 Lakh.  |
| Net Proceeds  | The Issue Proceeds, less the Issue related expenses, received by the Company.  |
| Non Institutional Investors or NIIs                       | All Applicants, including sub-accounts of FIIs registered with SEBI which are foreign corporate or foreign individuals, that are not QIBs or Retail Individual Investors and who have applied for Equity Shares for an amount of more than ` 2 Lakh (but not including NRIs other than Eligible NRIs)  |
| 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 (OCB’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. |
| 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.  |
| Person/ Persons   | Any individual, sole proprietorship, unincorporated association, unincorporated organization, body corporate, corporation, company, partnership, limited liability   |

| Terms                                       | Description   |
|---|---|
|   | company, joint venture, or trust, or any other entity or organization validly constituted and/or incorporated in the jurisdiction in which it exists and operates, as the context requires.   |
| Prospectus                                  | The Prospectus, to be filed with the RoC in accordance with the provisions of Section 26 of the Companies Act, 2013.  |
| Public Issue Account                        | The Bank Account opened with the Banker(s) to this Issue, Kotak Mahindra Bank Limited under Section 40 of the Companies Act, 2013 to receive monies from the SCSBs from the bank accounts of the ASBA Accounts on the Designated Date.  |
| Qualified Institutional Buyers or QIBs      | A qualified institutional buyer as defined under Regulation 2(1)(zd) of the SEBI ICDR Regulations.  |
| Registered Brokers                          | Stock brokers registered with the stock exchanges having nationwide terminals, other than the Members of the Syndicate.   |
| Registrar and Share Transfer Agents or RTAs | Registrar and share transfer agents registered with SEBI and eligible to procure Applications at the Designated RTA Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI  |
| Registrar / Registrar to this Issue /RTI    | Registrar to the Issue being LinkIntime India Private Limited   |
| Registrar Agreement                         | The agreement dated January 30, 2018, entered into between our Company and the Registrar to the Issue in relation to the responsibilities and obligations of the Registrar pertaining to the Issue.   |
| Reserved Category/ Categories               | Categories of persons eligible for making application under reservation portion.  |
| Retail Individual Investors/RIIs            | Applicants or minors applying through their natural guardians, (including HUFs in the name of Karta and Eligible NRIs) who have applied for an amount less than or equal to ` 2 Lakh in this Issue.   |
| Revision Form                               | The form used by the Applicants to modify the quantity of Equity Shares or the Application Amount in any of their Application Forms or any previous Revision Form(s), as applicable.  |
| Self-Certified Syndicate Bank(s) or SCSB(s) | Banks registered with SEBI, Issuing services in relation to ASBA, a list of which is available on the website of SEBI at <a href="http://www.sebi.gov.in/cms/sebi_data/attachdocs/1365051213899.html">http://www.sebi.gov.in/cms/sebi_data/attachdocs/1365051213899.html</a>  |
| Specified Locations                         | Collection centres where the SCSBs shall accept application forms, a list of which is available on the website of the SEBI ( <a href="http://www.sebi.gov.in">www.sebi.gov.in</a> ) and updated from time to time.  |
| SEBI Listing Regulations                    | Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and as amended thereto.  |
| SME Exchange                                | The SME Platform of the BSE i.e. BSE SME  |
| SME Platform                                | The SME Platform of BSE i.e. BSE SME for listing equity shares Issued under Chapter XB of the SEBI ICDR Regulation which was approved by SEBI as an SME Exchange.   |
| Underwriters                                | Finshore Management Services Limited  |
| Underwriting Agreement                      | The agreement dated September 08, 2018 entered into between our Company and the Underwriters.   |
| Working Days                                | All days, other than second and fourth Saturday of a month, Sunday or a public holiday, on which commercial banks in Mumbai are open for business; provided however, with reference to Issue Period, "Working Day" shall mean all days, excluding all Saturdays, Sundays and public holidays, on which commercial banks in Mumbai are open for business; and with reference to the time period between the Issue Closing Date and the listing of the Equity Shares on the SME Exchange of BSE, "Working Day" shall mean all trading days of Stock Exchanges, excluding Sundays and bank holidays, as per the SEBI Circular SEBI/HO/CFD/DIL/CIR/P/2016/26 dated January 21, 2016 |

#### Conventional and General Terms:

| Term   | Description   |
|--------|---|
| ACIT   | Assistant Commissioner of Income Tax  |
| AIF(s) | The alternative investment funds, as defined in, and registered with SEBI under the |



| Term   | Description  |
|--|--|
|  | Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012  |
| Air Act, 1981                                | Air (Prevention and Control of Pollution) Act, 1981  |
| Category I Foreign Portfolio Investor(s)     | FPIs who are registered as “Category I foreign portfolio investor” under the SEBI FPI Regulations  |
| Category II Foreign Portfolio Investor(s)    | FPIs who are registered as “Category II foreign portfolio investor” under the SEBI FPI Regulations   |
| Category III Foreign Portfolio Investor(s)   | FPIs who are registered as “Category III foreign portfolio investor” under the SEBI FPI Regulations  |
| Companies Act, 1956                          | Companies Act, 1956 (without reference to the provisions thereof that have ceased to have effect upon notification of the sections of the Companies Act, 2013) along with the relevant rules made thereunder   |
| Companies Act/<br>Companies Act, 2013        | Companies Act, 2013, to the extent in force pursuant to the notification of sections of the Companies Act, 2013, along with the relevant rules made thereunder   |
| Competition Act                              | The Competition Act, 2002  |
| Consolidated FDI Policy                      | Consolidation FDI Policy dated August 28, 2017 issued by the Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India, and any modifications thereto or substitutions thereof, issued from time to time.  |
| CST Act                                      | Central Sales Tax Act, 1956  |
| FCNR Account                                 | Foreign currency non-resident account  |
| FEMA   | Foreign Exchange Management Act, 1999 read with rules and regulations thereunder   |
| FEMA Regulations                             | Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations 2000  |
| FII(s)                                       | Foreign Institutional Investors as defined under the SEBI FPI Regulations.   |
| Financial Year/ Fiscal/<br>Fiscal Year/ F.Y. | Period of twelve (12) months ended March 31 of that particular year, unless otherwise stated   |
| Foreign Portfolio Investor or FPI            | Foreign Portfolio Investors, as defined under the SEBI FPI Regulations and registered with SEBI under applicable laws in India.  |
| FVCI   | Foreign Venture Capital Investor, registered under the FVCI Regulations  |
| FVCI Regulations                             | Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000   |
| Hazardous Waste Rules, 2008                  | Hazardous Wastes (Management, Handling and Trans boundary Movement) Rules, 2008  |
| Income Tax Act or the I.T. Act               | The Income Tax Act, 1961   |
| Ind AS                                       | New Indian Accounting Standards notified by Ministry of Corporate Affairs on February 16, 2015, applicable from Financial Year commencing April 1, 2016 as amended.  |
| LLP Act                                      | The Limited Liability Partnership Act, 2008  |
| Notified Sections                            | The sections of the Companies Act, 2013 that have been notified by the Government as having come into effect prior to the date of this Prospectus  |
| NRE Account                                  | Non-resident external account  |
| NRO Account                                  | Non-resident ordinary account  |
| OCB/<br>Overseas<br>Corporate Body           | A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date was eligible to undertake transactions pursuant to the general permission granted to OCBs under FEMA |
| RBI Act                                      | Reserve Bank of India Act, 1934  |
| SCRA   | Securities Contracts (Regulation) Act, 1956  |
| SCRR   | Securities Contracts (Regulation) Rules, 1957  |
| SEBI   | The Securities and Exchange Board of India, constituted under the SEBI Act   |
| SEBI Act                                     | Securities and Exchange Board of India Act, 1992   |
| SEBI AIF Regulations                         | Securities and Exchange Board of India (Alternative Investment Funds) Regulations,   |

| Term   | Description  |
|--|--|
|  | 2012   |
| SEBI FII Regulations                                 | Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995   |
| SEBI FPI Regulations                                 | Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014   |
| SEBI FVCI Regulations                                | Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000   |
| SEBI (ICDR) Regulations                              | Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended                          |
| SEBI (LODR) Regulations/<br>SEBI Listing Regulations | SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended   |
| SEBI Takeover Regulations                            | Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011                                   |
| SEBI VCF Regulations                                 | The erstwhile Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996   |
| Securities Act                                       | U.S. Securities Act of 1933, as amended  |
| State Government                                     | The government of a state of the Union of India  |
| STT  | Securities Transaction Tax   |
| Sub-account  | Sub-accounts registered with SEBI under the SEBI FII Regulations other than sub-accounts which are foreign corporates or foreign individuals |
| VCFs   | Venture Capital Funds as defined and registered with SEBI under the SEBI VCF Regulations   |
| Water Act, 1974                                      | Water (Prevention and Control of Pollution) Act, 1974  |
| Wilful Defaulter(s)                                  | Wilful defaulter as defined under Regulation 2(1)(zn) of SEBI Regulations  |

#### Technical and Industry related terms

| Term                               | Description  |
|------------------------------------|--|
| ARMs                               | Additional Revenue Measures                            |
| BFA                                | British Footwear Association                           |
| CAGR (Compound Annual Growth Rate) | $CAGR = (End\ Value / Start\ Value)^{(1/Periods)} - 1$ |
| CapEx                              | Capital Expenditure                                    |
| CETPs                              | Common Effluent Treatment Plants                       |
| CPI                                | Consumer price index                                   |
| CLE                                | Council for Leather Export                             |
| CLRI                               | Central Leather Research Institute                     |
| CSO                                | Central Statistics Organisation                        |
| DDDM                               | Drum dyed, dry milled leather.                         |
| DDDN                               | Drum dyed, dry Napa                                    |
| DIPP                               | Department of Industrial Policy and Promotion          |
| DOC                                | Department of Commerce                                 |
| EPCG                               | Export Promotion Capital Goods Scheme                  |
| FDI                                | Foreign Direct Investment                              |
| FDDI                               | Footwear Design and Development Institute              |
| FOB                                | Freight On Board                                       |
| FTP                                | Foreign Trade Policy                                   |
| GDP                                | Gross Domestic Product                                 |
| GVA                                | Gross value added                                      |
| HVI                                | High Volume Instrument                                 |
| IDLS                               | Integrated Development of Leather Sector Scheme        |
| IEC                                | Importer Exporter Code Number                          |
| IFDC                               | International Footwear Design Competition              |
| IIP                                | Index of Industrial Production                         |
| ILDIP                              | Integrated Leather Development Programme               |
| IMF                                | International Monetary Fund                            |

| Term  | Description   |
|-------|---|
| ISO   | The International Organization for Standardization                  |
| LERIG | Leather Research Industry Get-Together                              |
| LIDO  | Leather Industry Development Organization                           |
| MAI   | Market Access Initiative  |
| MEIS  | Merchandise Exports from India Scheme                               |
| MDA   | Market Development Assistance                                       |
| MoU   | Memorandum of Understanding   |
| NCP   | National Productivity Council                                       |
| NDM   | Natural dry milled leather ("natural" is undetermined, dry milled). |
| NSDC  | National Skill Development Corporation                              |
| PDM   | Printed dry milled leather (embossed, dry milled).                  |
| PMI   | Purchasing Managers' Index  |
| WEO   | World Economic Outlook  |

**General terms/ Abbreviations:**

| Term                      | Description  |
|---------------------------|--|
| ₹ or Rs. or Rupees or INR | Indian Rupees  |
| AGM                       | Annual General Meeting   |
| AS/Accounting Standards   | Accounting Standards issued by the Institute of Chartered Accountants of India |
| A. Y.                     | Assessment year  |
| BC                        | Before Christ  |
| BPLR                      | Bank Prime Lending Rate  |
| BSE                       | BSE Limited  |
| CARO                      | Companies (Auditor's Report) Order, 2003                                       |
| CDSL                      | Central Depository Services (India) Limited                                    |
| CEO                       | Chief Executive Officer  |
| CIN                       | Corporate Identity Number  |
| CLB                       | Company Law Board  |
| CrPC                      | Criminal Procedure Code, 1973, as amended                                      |
| CSR                       | Corporate Social Responsibility  |
| DIN                       | Director Identification Number   |
| DP ID                     | Depository participant's identification  |
| ECS                       | Electronic Clearing System   |
| EBITDA                    | Earnings before Interest, Tax Depreciation and Amortisation                    |
| EGM                       | Extraordinary General Meeting of the Shareholders of the Company               |
| EPS                       | Earnings Per Share   |
| ESOS                      | Employee Stock Option Scheme   |
| FDI                       | Foreign direct investment  |
| FIPB                      | Foreign Investment Promotion Board   |
| GAAR                      | General anti avoidance rules   |
| GBP                       | Great Britain Pound  |
| GIR                       | General index register   |
| GoI/ Government           | Government of India  |
| HNI                       | High Net worth Individual  |
| HUF                       | Hindu Undivided Family   |
| ICAI                      | Institute of Chartered Accountants of India                                    |
| IFRS                      | International Financial Reporting Standards                                    |
| Indian GAAP               | Generally Accepted Accounting Principles in India                              |
| ISO                       | International Organization for Standardization                                 |
| IT Act                    | The Income Tax Act, 1961, as amended   |
| IT Rules                  | The Income Tax Rules, 1962, as amended   |
| JV                        | Joint Venture  |
| MCA                       | Ministry of Corporate Affairs, Government of India                             |
| MoU                       | Memorandum of understanding  |

| Term                 | Description  |
|----------------------|--|
| N.A.                 | Not Applicable   |
| NAV/ Net Asset Value | Net asset value being paid up equity share capital plus free reserves (excluding reserves created out of revaluation) less deferred expenditure not written off (including miscellaneous expenses not written off) and debit balance of profit and loss account, divided by number of issued Equity Shares |
| NECS                 | National Electronic Clearing Services  |
| NEFT                 | National Electronic Fund Transfer  |
| NoC                  | No Objection Certificate   |
| No.                  | Number   |
| NR                   | Non-resident   |
| NSDL                 | National Securities Depository Limited.  |
| NTA                  | Net Tangible Assets  |
| p.a.                 | Per annum  |
| PAN                  | Permanent Account Number   |
| PAT                  | Profit After Tax   |
| PBT                  | Profit before tax  |
| PCB                  | Pollution Control Board  |
| P/E Ratio            | Price per earnings ratio   |
| Pvt.                 | Private  |
| RBI                  | Reserve Bank of India  |
| RoC                  | Registrar of Companies   |
| RONW                 | Return on Net Worth  |
| RTGS                 | Real time gross settlement   |
| SCN                  | Show Cause Notice  |
| SCSB                 | Self-certified syndicate bank  |
| UIN                  | Unique identification number   |
| US                   | United States  |
| U.S. GAAP            | Generally Accepted Accounting Principles in the United States of America   |
| VAT                  | Value added tax  |
| YoY                  | Year on Year   |



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

### Certain Conventions

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

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

### Financial Data

Unless stated otherwise, the financial information in this Prospectus are extracted from the restated Financial Statements of our Company (i) as of and for F.Y. ended March 31, 2014; 2015; 2016; 2017 and 2018 prepared in accordance with Indian GAAP and the Companies Act, and restated in accordance with the SEBI (ICDR) Regulations.

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

In accordance with India’s roadmap for “Convergence of its existing standards with IFRS”, referred to as “IND (AS)”, as announced by the GoI, Ministry of Corporate Affairs (the “MCA”) through press note dated January 22, 2010, read with the Companies (Indian Accounting Standards) Rules, 2015 issued by the MCA on February 16, 2015, effective April 1, 2015, our annual and interim financial statements must be reported under IND (AS) for accounting periods commencing on or after April 1, 2016. Therefore, our annual and interim financial statements reported after April 1, 2016 will not be directly comparable to the Restated Financial Statements.

Pursuant to a SEBI circular dated March 31, 2016, with respect to financial information to be included in any offer document filed with SEBI on or after April 1, 2016 and until March 31, 2017, we have chosen to report our Restated Financial Statements, for the preceding five years, included in this Prospectus under Indian GAAP. Further, for risk in relation to IND (AS), see “*Risk Factor*” and “*Financial Statement as Restated*” for the preceding five years, on standalone, included in this Prospectus, has been prepared under IGAAP, which varies in certain respects from other accounting principles, including IND (AS), which may be material to investors’ assessment of our results of operations and financial condition on page 15 and 145 respectively. In order to comply with requirements applicable to public companies in India, subsequent to our Equity Shares being listed on the Stock Exchanges, we will be required to prepare our annual and interim financial statements under IND (AS), as applicable. IND (AS) is different in many respects from Indian GAAP under which our audited financial statements for statutory reporting purposes under the Companies Act have been prepared until Fiscal 2016. The preparation and presentation of our financial statements after listing may be not be comparable with, or may be substantially different from, the preparation and presentation of the Restated Financial Statement is being disclosed in this Prospectus.

There are significant differences between Indian GAAP, IND (AS) and UK GAAP. Accordingly, the degree to which the Restated Financial Statements included in this Prospectus will provide meaningful information is entirely dependent on the reader’s level of familiarity with Indian accounting practices. Any reliance by persons not familiar with Indian accounting practices, Indian GAAP, IND (AS), the Companies Act and the SEBI ICDR Regulations, on the Restated Financial Statements presented in this Prospectus should accordingly be limited. Although we have included a summary of qualitative and quantitative differences between Indian GAAP and IND (AS), our financial statements reported under IND (AS) in future accounting periods may not be directly comparable with our financial statements historically prepared in accordance with Indian GAAP, including disclosed in this Prospectus. You should consult your own advisors regarding such differences and their impact on our financial data.

Unless otherwise indicated, any percentage amounts, as set forth in this Prospectus, including in the sections titled “*Risk Factors*”; “*Our Business*”; “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” beginning on pages 15, 91 and 146 respectively, have been calculated on the basis of the restated audited financial statements of our Company included in this Prospectus.



## AKI India Limited

### Currency and Units of Presentation

All references to “Rupees”, “Rs.”, “INR” or “₹” are to Indian Rupees, the official currency of the Republic of India. All reference to “£” or “GBP” are to Great Britain Pound, the official currency of the United Kingdom.

Our Company has presented certain numerical information in this Prospectus in “Lakh” units. One lakh represents 1,00,000. In this Draft Prospectus, any discrepancies in any table between the total and the sums of the amounts listed therein are due to rounding-off.

### Industry and Market Data

Unless stated otherwise, industry and market data used throughout this Draft Prospectus has been derived from RBI and industry publications. Industry publications generally state that the information contained in those publications has been obtained from sources believed to be reliable but that their accuracy and completeness are not guaranteed and their reliability cannot be assured. Although, we believe that the industry and market data used in this Prospectus is reliable, neither we nor the Lead Manager nor any of their respective affiliates or advisors have prepared or verified it independently. The extent to which the market and industry data used in this Prospectus is meaningful depends on the reader’s familiarity with and understanding of the methodologies used in compiling such data.

Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in the section titled “*Risk Factors*” beginning on 15 of this Prospectus. Accordingly, investment decisions should not be based on such information.

In accordance with the SEBI (ICDR) Regulations, we have included in the section titled “*Basis for Issue Price*” beginning on page 75 of this Prospectus, information pertaining to the peer group entities of our Company. Such information has been derived from publicly available data of the peer group companies.

### Exchange Rates

This Prospectus may contain conversions of certain other currency amounts into Indian Rupees that have been presented solely to comply with the SEBI ICDR Regulations. These conversions should not be construed as a representation that these currency amounts could have been, or can be converted into Indian Rupees, at any particular rate or at all.

The following table sets forth, for the dates indicated, information with respect to the exchange rate between the Rupee and the respective foreign currencies:

| Currency                | March 31, 2018 | March 31, 2017 | March 31, 2016 | March 31, 2015 | March 31, 2014* |
|-------------------------|----------------|----------------|----------------|----------------|-----------------|
| Great Britain Pound (£) | 92.2846        | 80.8797        | 95.0882        | 92.4591        | 99.8498         |

Source: [www.rbi.org.in](http://www.rbi.org.in)

\* Exchange rate as on March 28, 2014, as RBI Reference Rate is not available for March 31, 2014, March 30, 2014 and March 29, 2014 being a public holiday, a Sunday and a Saturday, respectively.

Please note that the above exchange rates have been provided for indicative purposes only and the amounts reflected in our Restated Financial Statements may not have been converted using any of the above mentioned exchange rates.

## FORWARD LOOKING STATEMENTS

The Company has included statements in this Prospectus which contain words or phrases such as “may”, “will”, “aim”, “believe”, “expect”, “will continue”, “anticipate”, “estimate”, “intend”, “plan”, “seek to”, “future”, “objective”, “goal”, “project”, “should”, “potential” and similar expressions or variations of such expressions, that are or may be deemed to be forward looking statements.

All statements regarding the expected financial condition and results of operations, business, plans and prospects are forward-looking statements. These forward-looking statements include statements as to the business strategy, the revenue, profitability, planned initiatives. These forward-looking statements and any other projections contained in this Prospectus (whether made by us or any third party) are predictions and involve known and unknown risks, uncertainties and other factors that may cause the actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements or other projections. Important factors that could cause actual results, performance or achievements to differ materially include, but are not limited to, those discussed under the section titled “*Risk Factors*”; “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*”; “*Industry Overview*”; and “*Our Business*” beginning on pages 15, 146, 80 and 91 respectively of this Prospectus.

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

Certain important factors that could cause actual results to differ materially from our Company’s expectations include, but are not limited to, the following:

- Government behaviour towards Leather Industry and Tannery.
- General economic and business conditions in India and other countries;
- Ability to retain the customers is heavily dependent upon various factors including our reputation and our ability to maintain a high level of product quality including our satisfactory performance for the customers;
- We operate in a significantly fragmented and competitive market in each of our business segments;
- Regulatory changes relating to the finance and capital market sectors in India and our ability to respond to them;
- Our ability to successfully implement our strategy, our growth and expansion, technological changes, our exposure to market risks that have an impact on our business activities or investments;
- The monetary and fiscal policies of India, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India and globally, changes in domestic and foreign laws, regulations and taxes and changes in competition in our industry;
- Changes in the value of the Rupee and other currencies;
- The occurrence of natural disasters or calamities; and

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. Our Company, the Lead Manager, or their respective affiliates do not have any obligation to, and do not intend to, update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with SEBI requirements, our Company and the Lead Manager will ensure that investors are informed of material developments until the time of the grant of final listing and trading permissions with respect to Equity Shares being issued in this Issue, by the Stock Exchanges. Our Company will ensure that investors are informed of material developments in relation to statements about our Company in this Prospectus until the Equity Shares are allotted to the investors.

## SECTION II: RISK FACTORS

### RISK FACTORS

Any investment in equity securities involves a high degree of risk. You should carefully consider all the information in this Prospectus, including the risks and uncertainties described below, before making an investment in our Equity Shares. To obtain a more complete understanding, you should read this section together with section titled “*Our Business*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” beginning on pages 91 and 146 respectively, as well as the other financial and statistical information contained in this Prospectus.

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

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

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

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

**1. *Our Promoter, Mr. Asad Kamal Iraqi and Anwar Kamal Iraqi is party to certain legal proceedings. Any adverse decision in such proceedings may have a material adverse effect on our business, results of operations and financial condition.***

Our Promoter, Mr. Asad Kamal Iraqi and Anwar Kamal Iraqi is party to certain legal proceedings. These legal proceedings are pending at different levels of adjudication before various courts, tribunals and forums.

Mentioned below are the details of the proceedings pending against our Promoter, Mr. Asad Kamal Iraqi and Anwar Kamal Iraqi as on the date of this Prospectus along with the amount involved, to the extent quantifiable, based on the materiality policy for litigations, as approved by the Company in its Board meeting held on December 09, 2017:

| Sr. No.  | Nature of Cases |              | No. of outstanding cases | Amount to the extent quantifiable (in `)(1) |
|--|-----------------|--------------|--------------------------|---|
| <b>(I) Litigations filed against our Promoter, Mr. Asad Kamal Iraqi</b>    |                 |              |                          |   |
| 1.   | Tax             | Direct Tax   | 3                        | 37,140                                      |
| 2.   | CIVIL           | Indirect Tax | NIL                      | NIL   |
| <b>(II) Litigations filed by our Promoter</b>                              |                 |              |                          |   |
| 1.   | Tax             | Direct Tax   | NIL                      | NIL   |
| 2.   | CIVIL           | Indirect Tax | NIL                      | NIL   |
| <b>(III) Litigations filed against our Promoter, Mr. Anwar Kamal Iraqi</b> |                 |              |                          |   |
| 1.   | Tax             | Direct Tax   | 1                        | 3,320                                       |
| 2.   | CIVIL           | Indirect Tax | NIL                      | NIL   |
| <b>(IV) Litigations filed by our Promoter</b>                              |                 |              |                          |   |



|    |       |              |     |     |
|----|-------|--------------|-----|-----|
| 1. | Tax   | Direct Tax   | NIL | NIL |
| 2. | CIVIL | Indirect Tax | NIL | NIL |

(1)The amounts mentioned above may be subject to additional interest rates/ penalties being levied by the concerned authorities for delay in making payment or otherwise. Amount of interest/penalty that may be levied is unascertainable as on the date of this Prospectus.

There can be no assurance that these litigations will be decided in favour of our Promoter and consequently it may divert the attention of our management and Promoters and waste our corporate resources and we may incur significant expenses in such proceedings and may have to make provisions in our financial statements, which could increase our expenses and liabilities. If such claims are determined against our Promoter, there could be a material adverse effect on our reputation, business, financial condition and results of operations, which could adversely affect the trading price of our Equity Shares.

For further details of such cases and the cases filed by and against our Promoters, please see the chapter titled “*Outstanding Litigation and Material Developments*” beginning on page 157 of this Prospectus.

**2. *We face significant competition in the Indian Leather Manufacturing market, which may reduce our market share and adversely affect our business, financial condition, results of operations and prospects.***

Our industry is highly competitive and our results of operations and financial conditions are sensitive to, and may be materially and 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.

Competition in the Leather Manufacturing industry is significant. We operate in highly competitive and fragmented markets, and competition in these markets is based primarily on market trends and customer preferences. The players in the Leather Manufacturing Industry sector in India often offer their products at highly competitive prices and many of them are well established in their local markets.

We compete directly against wholesalers and direct retailers of other companies with substantial market share, established companies selling internationally renowned footwear brands, as well as against domestic retailers, regional competitors and local unorganised players. Many of our competitors are large footwear companies with strong brand recognition. We compete primarily on the basis of price range, product range, brand image, style, performance and quality. We believe that in order to compete effectively, we must continue to maintain our brand image and reputation, be flexible and innovative in responding to rapidly changing market demands, fashion trends, and consumer preferences, and offer consumers a wide variety of high quality fashionable footwear at affordable prices. Further, foreign investment in the retail business has recently been liberalized, and we could be adversely affected by new entrants or foreign investment in existing competitors, which would enhance their economic condition.

Some of our competitors may be larger than us in terms of business volume. In addition, our competitors that are smaller specialized companies may compete effectively against us based on price and their concentrated size and focus. For details of our competitors, see the section “Our Business” on page 91.

**3. *Our business is dependent on certain principal customers and the loss of, or a significant reduction in purchases by, such customers could adversely affect our business, financial condition, results of operations and future prospects***

A majority of our revenue is derived from our top ten domestic and overseas customers. Sales to our top ten customers contributed 24.34%, of our revenue from operations in the period ended March 31, 2018. Since we are largely dependent on certain key customers for a significant portion of our sales, the loss of any one of our key customers or a significant reduction in demand from such customers could have a material adverse effect on our business, financial condition, results of operations and future prospects.

Further, since our business is presently concentrated among a few significant customers, we may also experience reduction in cash flows and liquidity if we lose one or more of our top customers.

Additionally, the loss of any key customer may significantly affect our revenues and we may have difficulty securing comparable levels of business from other customers or may not be able to secure new customers in a timely manner or at all to offset any loss of revenue from the loss of any of our key customers, including our largest customer or even our top ten customers. We may also not be able to easily re-allocate our resources and assets in a timely or efficient manner. Additionally, in order to retain some of our significant customers we may also be required to offer terms to them which may place restraints on our resources and reduce our profitability.

The occurrence of any of the above may have a significant adverse impact on our business, financial condition, results of operations and future prospects.

4. ***Our Company had negative cash flows from our operating activities, investing activities as well as financing activities in some of the previous year(s) as per the Restated Financial Statements and the same are summarized as under:***

| <i>Standalone</i>                     | <i>( In Lakh)</i>                     |                            |                            |                            |                            |
|---------------------------------------|---------------------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
| <b>Particulars</b>                    | <b>31<sup>st</sup> March<br/>2018</b> | <b>31st March<br/>2017</b> | <b>31st March<br/>2016</b> | <b>31st March<br/>2015</b> | <b>31st March<br/>2014</b> |
| Cash Flow from Operating Activities   | 313.91                                | 118.37                     | 279.15                     | 93.48                      | (368.01)                   |
| Cash Flow from Investing Activities   | 48.10                                 | (93.87)                    | (261.64)                   | (246.87)                   | (442.54)                   |
| Cash Flow from Financing Activities   | (415.12)                              | (52.26)                    | (56.53)                    | 233.51                     | 861.43                     |
| Net change in Cash & Cash Equivalents | (53.11)                               | (27.75)                    | (39.02)                    | 80.12                      | 50.89                      |

5. ***We are penetrated in the Kanpur region only and in future if penetration to other is subject to risks associated with expansion into new geographic markets. Any inability to expand into new geographic markets or penetrate existing markets may adversely affect our growth and future prospects.***

Expansion into new geographic regions, including different states in India, subjects us to various challenges, including those relating to our lack of familiarity with the culture, consumer preferences, regulations and economic conditions of these new regions. Language barriers, difficulties in staffing and managing such operations coupled with, the lack of brand recognition and reputation in such regions may also affect our ability to expand into newer geographic regions. The risks involved in entering new geographic markets and expanding operations, may be higher than expected, and we may face significant competition in such markets.

Major challenge is high inflation rate in India and shortage of Leather and dedicated skilled manpower. This is posing a big problem as the acceptable selling price does not increase in the same ratio as compared to increase in cost of raw material and labour costs and specially leather which has been increasing per annum along with shortage of availability. This is a huge challenge. Exports are down due to the world economic conditions and specially reduction in cost of crude oil. To offset the same we are rigorously exploring local markets, specially tendering work for the government. However it is highly competitive.

By expanding into new geographical regions, we could be subject to additional risks associated with establishing and conducting operations, including:

- ✓ compliance with a wide range of local and municipal laws, regulations and practices, including uncertainties associated with changes in laws, regulations and practices and their interpretation;
- ✓ uncertainties with new local business partners including franchisees and logistics partners;
- ✓ inability to understand consumer preferences and local trends in such new regions;
- ✓ exposure to expropriation or other government actions; and
- ✓ Political, economic and social instability.

Further, we may also face significant competition from other players who may already be established in such markets and may have a significant market share. We may not be able to compete with such players if we are unable to offer competitive products at better price points which appeal to consumers in such markets. By expanding into new geographical regions, we may be exposed to significant liability and could lose some or all of our investment in such regions, as a result of which our business, financial condition and results of operations could be adversely affected.

We continuously seek to increase penetration through distribution by engaging distributors targeted at different markets and geographies. We cannot assure you that we will be able to successfully identify and appoint new distributors. Further, we may not be able to enter into distribution arrangements in new geographic regions due to existing relationships of our competitors with distributors in such areas, including any exclusive arrangements that may be in place.

Further, we may not be able to continue to penetrate existing markets due to any of the reasons specified above. Any inability to enter into new geographic markets or penetrate existing markets could adversely affect our growth, future prospects, financial condition and results of operation.

**6. *We rely with respect to our retail business on our distributors with respect to our distribution business. Any failure to maintain relationships with such third parties could adversely affect our business, results of operations and financial condition.***

We operate our retail business substantially through our Promoter Group Entity, with whom we have not entered into contractual arrangements. As at January 31, 2018, of our 1 (one) exclusive retail stores, was operated by us through our Group Entities. We cannot assure you that our Group Entities will be able to fulfill their obligations under such agreements entirely, in a manner acceptable to us, or at all if entered.

We do not enter into any short or long term agreements with our other distributors and also our Group entity. Distributors, as independent business operators, may, from time to time, disagree with us and our strategies regarding the business or our interpretation of our respective rights and obligations, our default on their payment obligations, which may result in higher provisioning. Further, we do not have any exclusivity arrangements with our distributors. Accordingly, our distributors may deal with our competitors.

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

We require several statutory and regulatory permits, licenses and approvals to operate our business, some of which our Company has either received, applied for or is in the process of application. Many of these approvals are granted for fixed periods of time and need renewal from time to time. Non-renewal of the said permits and licenses would adversely affect our Company's operations, thereby having a material adverse effect on our business, results of operations and financial condition. Our Company is yet to make applications to respective authorities for updating each of the aforesaid certificates to reflect its current name. There can be no assurance that the relevant authorities will issue any of such permits or approvals in the time-frame anticipated by us or at all. Our Company has yet to apply for the following approvals and the receipt of the same are pending as on date of this Prospectus:

- (i) Factory License in relation to Tannery
- (ii) Environmental Clearance for Raw skins and hides from Central Government for Tannery.
- (iii) Export Promotion Bureau Registration Certificate from Export Promotion Bureau, Uttar Pradesh
- (iv) Application for registration as a small industry under MSME Act in relation to factory premises
- (v) License for Weighing Balance from Legal Metrology Department

(vi) Boiler Certificate from Director, Industrial Safety and Health Competent Authority

(vii) Registration under Contract Labour (Regulation & Abolition) Act, 1970.

We may be penalized for non-compliance with the aforementioned laws for which we have not obtained the requisite license. Further, some of our permits, licenses and approvals are subject to several conditions and we cannot provide any assurance that we will be able to continuously meet such conditions or be able to prove compliance with such conditions to the statutory authorities, which may lead to the cancellation, revocation or suspension of relevant permits, licenses or approvals. Any failure by us to apply in time, to renew, maintain or obtain the required permits, licenses or approvals, or the cancellation, suspension or revocation of any of the permits, licenses or approvals may result in the interruption of our operations and may have a material adverse effect on the business. If we fail to comply with all applicable regulations or if the regulations governing our business or their implementation change, we may incur increased costs, be subject to penalties or suffer a disruption in our business activities, any of which could adversely affect our results of operations. For further details, please see chapters titled “*Key Industry Regulations and Policies*” and “*Government and Other Approvals*” at pages 114 and 163 respectively of this Prospectus.

**8. *Activities involving our manufacturing process can be dangerous and can cause injury to people or property in certain circumstances. A significant disruption at any of our manufacturing facilities may adversely affect our production schedules, costs, sales and ability to meet demand.***

Our business involves manufacturing processes that can be dangerous to our employees, specifically with respect to the raw materials in use. Although we employ safety procedures in the operation of our facilities and maintain what we believe to be adequate insurance, there is a risk that an accident may occur in our facilities. An accident may result in casualty, injury, destruction of property or equipment, environmental damage, manufacturing or delivery delays, or may lead to suspension of our operations and/or imposition of liabilities and/or criminal proceedings and investigation. The outcome of such proceedings which is difficult to assess or quantify, and the cost to defend such proceedings may be significant. As a result, the costs to defend any action or the potential liability resulting from any such accident or arising out of any related litigation, and any negative publicity associated therewith, may have a negative effect on our business, reputation, financial condition and results of operations. In particular, if operations at our manufacturing facilities were to be disrupted as a result of any significant workplace accident, equipment failure, natural disaster, power outage, fire, explosion, terrorism, adverse weather conditions, labour dispute, obsolescence or other reasons, our financial performance may be adversely affected as a result of our inability to meet demands of our distributors or meet inventory schedules for our products. Interruptions in production may also increase our costs and reduce our sales, and may require us to make substantial capital expenditures to remedy the situation or to defend litigation that we may become involved in as a result, which may negatively affect our profitability, business, reputation, financial condition and results of operations.

**9. *Our growth will depend on our ability to develop our brand and failure to do so may have a negative impact on our ability to compete in the finance industry.***

We believe that continuous brand building is necessary for achieving widespread recognition of our services. Promoting and positioning our brand will depend largely on the success of our marketing efforts and our ability to provide high quality services. Brand promotion activities may not yield increased revenues, and even if they do, any increased revenues may not offset the expenses we incur in building our brand. If we fail to promote and maintain our brand, our business, financial condition and results of operations could be adversely affected.

**10. *Our cost of manufacture of products using contract manufacturers may increase in the future. Any inability to pass on costs to consumers and distributors may result in reduction in our margins.***

We rely on contract manufacturers for the manufacture of finished products with respect to our retail business. Further, we believe one of our key attributes is to provide affordable fashion for the entire family. The MRP of each stock keeping unit (“SKU”) and the average selling price (“ASP”) of our products is dependent on, the cost at which we procure such products from contract manufacturers.

Typically, our products sold through our exclusive retail stores are high value products, which also entail higher production costs. We may not be able to control the costs of production of our contract

manufactures, which may increase in the future, including due to increase in the cost of raw materials, cost of labour and other utilities. We may be unable to replace our existing outsourced vendors at short notice or at all, with vendors who provide more competitive pricing. Further, any substantial increase in the MRP of our products, may affect our ability to provide affordable footwear, and we cannot assure you that consumers will continue to prefer our products over the products of our competitors at such enhanced price range. Further, our inability to pass the entire cost to consumers in our retail business would result in lower margins from the retail business, which may in turn, affect our profitability and financial condition.

**11. Our results of operations may be materially adversely affected by our failure to anticipate and respond to changes in fashion trends and consumer preferences in a timely manner.**

Our markets for products are characterised by rapidly changing consumer preferences and new product introductions. Our results of operations are dependent on our ability to anticipate such changes in consumer preferences and design new products or modify our existing products in line with changes in fashion trends as well as consumer demands and preferences. If we are unable to anticipate consumer preferences or fashion trends, or if we are unable to adapt to such changes by modifying our existing products or launch new products on a timely basis, we may lose customers, our inventory would become obsolete and we may be subject to pricing pressure to clean up our inventory. A decline in demand for our products or a misjudgement on our part could, among other things, lead to lower sales, and higher markdowns, each of which could have a material adverse effect on our brand, reputation, results of operations and financial condition.

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

Our Company has currently availed unsecured loans which may be recalled by their lenders at any time. In the event that the lenders seeks a repayment of any such loans, our company would need to find alternative sources of financing, which may not be available on commercially reasonable terms, or at all.

**13. As per BSE Notice no: 20180711-23 dated 11th July, 2018 the Company should have positive Net worth as per the latest audited financial result and the same was not disclosed in the Draft Prospectus.**

As per BSE Notice no: 20180711-23 dated 11<sup>th</sup> July, 2018 the Company should have positive Net worth as per the latest audited financial results.

(Rs. In Lakh)

| Particulars | For FY 2017-18 | For FY 2016-17 | For FY 2015-16 |
|-------------|----------------|----------------|----------------|
| Net worth   | 764.46         | 662.40         | 297.60         |


As per BSE Notice no: 20180711-23 dated 11<sup>th</sup> July, 2018 the Company should have a track record of at least 3 years and Positive Cash Accruals (Earnings Before Depreciation and Tax) from operations for at least 2 financial years preceding the Application.

(Amt. in Lakhs.)

| Particulars  | For F.Y. 2017-18 | For F.Y. 2016-17 | For F.Y. 2015-16 |
|--|------------------|------------------|------------------|
| Earnings Before Depreciation and Tax (as restated) | 266.53           | 163.65           | 147.70           |

**14. We do not own a few of the trademarks that we use**



Our corporate name and logo  that is used by our Company is licensed to us by our Promoter by way of an unregistered trademark license agreement/understanding. We cannot assure you that these trademark names will not be adversely affected in the future by events such as actions that are beyond our control, including customer complaints and dissatisfaction or adverse publicity from any other source. Further, we cannot assure you that we will continue to have the uninterrupted use and

enjoyment of the aforesaid trademark names. In the event that we are unable to renew the trademark license agreement/understanding or in the event our promoter terminates/discontinue the said arrangement, any damage to these trademark names, if not immediately and sufficiently remedied, can have an adverse effect on our business and results of operations. For details, see *Government and Other Approvals* on page 163.

**15. *Failure to successfully procure raw materials and non-availability or high cost of quality of Raw Material (Rawhide) or to identify new raw material suppliers could adversely affect us.***

Our distribution business depends on our ability to attract and retain high quality and cost efficient raw material suppliers. India has an abundance of raw materials with access to 20% of world's cattle and buffalo and 11% of the world's goat and sheep populations. In the event of non-availability of Rawhide we are unable to continue to procure raw materials at competitive prices, at terms acceptable to us or at all, our business will be adversely affected. Furthermore, the success of our supplier relationships depends significantly on satisfactory performance by our suppliers and their fulfillment of their obligations. There can be no assurance that there will not be a significant disruption in the supply of raw materials currently sourced by us or, in the event of a disruption, that we would be able to locate alternative suppliers of materials or third party manufacturers of comparable quality at an acceptable price, or at all. While we are not significantly dependent on any single raw material supplier, raw material supply and pricing can be volatile due to a number of factors beyond our control, including global demand and supply, general economic and political conditions, transportation and labour costs, labour unrest, natural disasters, competition, import duties, tariffs and currency exchange rates, and there are uncertainties inherent in estimating such variables, regardless of the methodologies and assumptions that we may use. Further, any significant increase in raw material costs could also result in an increase in our manufacturing costs, which we may not be able to pass on to our customers, which, in turn, may adversely impact our margins and results of operations. Further a significant number of our products and seek suitable alternative raw materials, which we may not be able to procure at competitive rates or at all.

**16. *Our customer contracts/arrangements can typically be terminated without cause and with little or no notice or penalty, which could negatively impact our revenues and profitability.***

Most of our customer arrangements/contracts with private parties can be terminated with or without cause, usually at short notice and without termination related penalties. Additionally, most of our agreements with customers are without any commitment to future work. Our business is dependent on the decisions and actions of our customers, and there are number of factors relating to our customers that are outside our control and which might result in the termination of a project or the loss of a customer. Any of these factors could adversely affect our revenues and profitability.

**17. *Our success largely depends upon the knowledge and experience of our Promoters and our Key Management Personnel as well as our ability to attract and retain skilled personnel. Any loss of our Key Management Personnel or our ability to attract and retain them and other skilled personnel could adversely affect our business, results of operations and financial condition.***

We depend on the management skills and guidance of our Promoters for development of business strategies, monitoring their successful implementation and meeting future challenges. Further, we also significantly depend on the expertise, experience and continued efforts of our Key Management Personnel. Our future performance will depend largely on our ability to retain the continued service of our management team. If one or more of our Key Management Personnel are unable or unwilling to continue in his or her present position, it could be difficult for us to find a suitable or timely replacement and our business could be adversely affected.

There is significant competition for management and other skilled personnel in the footwear industry in which we operate, and it may be difficult to attract and retain the personnel we require in the future. There can be no assurance that our competitors will not offer better compensation packages, incentives and other perquisites to such skilled personnel. Further, in the event we are not able to attract and retain talented employees, as required for conducting our business, or if we experience high attrition levels which are largely out of our control, or if we are unable to motivate and retain existing employees, our business, financial condition and results of operations may be adversely affected. For further details, see "*Our Management*" on page 123.

- 18. *Our business is manpower intensive and a high proportion of our total staff comprises of employees on contract. Our business may be adversely affected if we are unable to obtain employees on contract or at commercially attractive costs.***

Our success depends on our ability to attract, hire, train and retain skilled personnel. Our business is manpower intensive and our continued growth depends in part on our ability to recruit and retain suitable staff. As we expand our network, we will need experienced manpower that has knowledge of the local market and the retail industry to operate our stores. Typically, the retail industry suffers from high attrition rates especially at the store level. There can be no assurance that attrition rates for our employees, particularly our sales personnel, will not increase. Further, an increase in costs to retain such employees could also adversely affect our financial condition. A significant increase in our employee attrition rate could also result in decreased operational efficiencies and productivity, loss of market knowledge and customer relationships, and an increase in recruitment and training costs, thereby materially and adversely affecting our business, results of operations and financial condition. We cannot assure you that we will be able to find or hire personnel with the necessary experience or expertise to operate our retail stores in our existing markets or new markets that we are entering into. In the event that we are unable to hire people with the necessary knowledge or the necessary expertise, our business may be severely disrupted, financial condition and results of operations may be adversely affected. Furthermore, a high proportion of our total staff, including our sales personnel, typically comprised of employees on contract. While we believe that such a high proportion of employees on contract gives us the necessary flexibility and helps us run our business in an efficient and cost-effective manner, it also makes us more susceptible to sudden shortages and lack of skilled personnel while competing for them with our competitors in the market we operate. Additionally, we have seen an increasing trend in manpower costs in India, which has had a direct impact on our employee costs and consequently, on our margins. We may need to increase compensation and other benefits in order to attract and retain key personnel in the future and that may materially affect our costs and profitability. We cannot assure you that as we continue to grow our business in the future, our employee costs coupled with operating expenses will not significantly increase.

- 19. *Failure to successfully procure raw materials or to identify new raw material suppliers could adversely affect us.***

Our business depends on our ability to attract and retain high quality and cost efficient raw material suppliers. In the event we are unable to continue to procure raw materials at competitive prices, at terms acceptable to us or at all, our business will be adversely affected.

Furthermore, the success of our supplier relationships depends significantly on satisfactory performance by our suppliers and their fulfillment of their obligations. There can be no assurance that there will not be a significant disruption in the supply of raw materials currently sourced by us or, in the event of a disruption, that we would be able to locate alternative suppliers of materials or third party manufacturers of comparable quality at an acceptable price, or at all.

- 20. *Our inability to identify and understand evolving industry trends, technological advancements, customer preferences and develop new products to meet our customers' demands may adversely affect our business.***

The Indian Market is characterised by technological advancements, introduction of innovative products, price fluctuations and intense competition. Changes in consumer preferences, regulatory or industry requirements or in competitive technologies may render certain of our products less attractive or obsolete. Our ability to anticipate changes in technology and regulatory standards and to successfully develop and introduce new and enhanced products to create new or address yet unidentified needs among our current and potential customers in a timely manner, is a significant factor in our ability to remain competitive. However, there can be no assurance that we will be able to secure the necessary technological knowledge, through our own research and development or through technical assistance agreements that will allow us to continue to develop our product portfolio or that we will be able to respond to industry trends by developing and offering cost effective products. We may also be required to make significant investments in research and development, which may strain our resources and may not provide results that can be monetized. If we are unable to obtain such

knowledge in a timely manner, or at all, we may be unable to effectively implement our strategies, and our business and results of operations may be adversely affected.

Moreover, we cannot assure you that we will be able to achieve the technological advances that may be necessary for us to remain competitive or that certain of our products will not become obsolete. Further, if we do not continue to distinguish our products through distinctive, technologically advanced features and design, as well as continue to build and strengthen our brand recognition, we could lose market share and our revenues and earnings could decline. We are also subject to the risks generally associated with new product introductions, including lack of market acceptance, delays in product development and failure of products to operate properly which may lead to increased warranty claims. We need to identify and understand the key market trends and address our customers' evolving needs proactively and on a timely basis. As a result, we may incur, and have in the past incurred, capital expenditures for development of products to meet the demands of our customers. We cannot assure you, however, that we will be able to install and commission the equipment needed to manufacture products for our customers' in time. Our failure to successfully and timely develop and manufacture new products in order to cater to the requirements of our customers and industry trends could have a material adverse effect on our business, financial condition, results of operations and future prospects.

**21. *We are also involved in the export of our products. Our inability to sustain these businesses may affect our business and results and operations.***

In fiscal 2018, our revenue from exports accounted for 88.17% of our revenue from operations. Our ability to continue to generate revenue and increase demand for our products outside of India significantly depends on our international customers. Changes in relationships with such international customers, non-adherence to product standards or other contractual breaches or irregularities may adversely affect our business. We cannot assure you that we will be able to retain or attract international customers who have the business abilities or financial resources necessary to develop and operate their businesses on schedule, or who will conduct operations in a manner consistent with our standards and requirements. Any inability to sustain such businesses, including due to reduced demand or change in public policy, may adversely affect our profitability, business and results of operations.

**22. *Some of our corporate records/documents including corporate registers and forms filed with the Registrar of Companies are not traceable***

Our Company does not have all supporting documents and/or RoC filings in relation to the allotment and increase of authorised capital during the period from 1994 till 2005. Further, we do not have some secretarial documents such as Minutes, notices of Board Meeting, General Meeting. Also, our Company has made wrongly disclosures in the Annual Return for the financial year 2014-15, 2015-16 & 2016-17. Thus, we may be liable for payment of penalty in future.

**23. *Relevant copies of educational qualifications and experience certificate of our Promoters, Directors are not traceable.***

Relevant copies of the educational qualifications of our promoters and Directors are not traceable. We cannot assure you that the back-ups for the relevant copies of the educational qualifications will be available in a timely manner or at all.

**24. *If we are unable to maintain and enhance our brand, the sales of our products may suffer which would have a material adverse effect on our financial condition and results of operations.***

We believe that the brand we have developed has significantly contributed to the success of our business. We also believe that maintaining and enhancing the brand, are critical to maintaining and expanding our customer base. Maintaining and enhancing our brand and sub-brands may require us to make substantial investments in areas such as research and development, marketing and brand building activities, and these investments may not be successful. There can be no assurance that consumers will continue to be receptive to our sub-brands.

In particular, as we expand into new geographic markets, there can be no assurance that consumers in these markets will accept our brand and sub-brands. We anticipate that, as our business expands into new markets and as the market becomes increasingly competitive, maintaining and enhancing our



brand and sub-brands may become increasingly difficult and expensive. Our brand may also be adversely affected if our public image or reputation is tarnished by any negative publicity. Maintaining and enhancing our brand and sub-brands will depend largely on our ability to anticipate, gauge and respond in a timely manner to changing fashion trends and consumer demands and preferences, and to continue to provide high quality products, which we may not do successfully. If we are unable to maintain or enhance our brand image, our results of operations may suffer and our business may be harmed.

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

We have entered into and may in the course of our business continue to enter into transactions specified in the Restated Financial Statements contained in this Prospectus with related parties that include our Promoters, Directors and Group Companies. Further, there are certain leases entered into with certain members of the Promoters and Promoter Group. For further details in relation to our related party transactions, please see the section entitled “*Related Party Transactions*” on page 143. While we believe that all such transactions have been conducted on an arm’s length basis and in the ordinary course of business, there can be no assurance that we could not have achieved more favourable terms. Furthermore, it is likely that we may enter into related party transactions in the future.

There can be no assurance that such transactions, individually or in the aggregate, will not have a material adverse effect on our financial condition and results of operations.

**26. *A significant amount of the revenue of our Company is contributed through our Subsidiary. Therefore our ability to pay dividends on the Equity Shares depend on our ability to obtain cash dividends and/or repatriate cash payments from our Subsidiary.***

A significant amount of the revenue of our Company is contributed through our Subsidiary, incorporated in United Kingdom. The ability of our Subsidiary to generate returns and pay dividends depends on the success of their business operations, financial condition and applicable laws in the jurisdictions where they are incorporated. Further, the ability of our Company to receive cash dividend and/or cash payments are also dependent on, inter alia, Indian and foreign taxation laws and foreign exchange laws. In addition, our Subsidiary maybe restricted from giving us dividends by contracts, including financing arrangements and charter provisions. We may not be able to monetize our investments in the Subsidiary and may not derive fair value from our investments. Therefore, eventually we may not be able to derive any investment income from the Subsidiary. Further, we cannot assure you that our Subsidiary will generate sufficient profits and cash flows, or otherwise will be able to pay dividends or other cash payments to our Company. The inability of one or more of these entities to generate profits, pay dividends and/or cash payments could have a material adverse impact on our cash flows and results of operations.

**27. *Our Company may not be able to obtain sufficient quantities or desired quality of finished products from outsourced vendors in a timely manner or at acceptable prices, which could adversely affect our retail business, financial condition and results of operation.***

We rely on outsourced vendors for manufacturing of finished products including accessories sold through our retail business at our exclusive retail stores. Further, some of our products distributed through our distribution business is also procured from outsourced vendors. Thus, any shortfall or disruption in supply of products from our outsourced vendors, or insufficiency in the quality and consistency of the products supplied, would result in shortfall in supply, lower stock in stores and /or lower sales.

Should our supply of products be disrupted, we may not be able to procure alternate sources of supply of products, in time to meet the demands of our customers or maintain our inventory levels, or we may not be able to procure same products from other vendors of acceptable quality or on competitive terms, or at all. Such disruption in supply would materially and adversely affect our business, profitability and reputation.

**28. *We may incur significant advertising and marketing costs to promote our brand in the future.***

We believe that our future success will be partially influenced by further development of our brand our ability to communicate effectively about our products to various target consumers through consistent and focused marketing and advertising initiatives. Insufficient investments in marketing and brand building could also erode or impede the development of our brand. Accordingly, we may be required to invest significant resources towards marketing and brand building exercises, specifically with respect to new geographic markets where we intend to penetrate. Further, we cannot assure you that our marketing and advertising ventures will be successful and achieve their objectives or we may not be required to make further investments than anticipated. This could have an adverse effect on our prospects and growth.

***29. Conflicts of interest may arise out of common business object shared by our company, our Promoters and of our Promoters Group.***

AKI International, proprietary firm of our promoter Mr. Asad Iraqi is also engaged into the same line of business, mainly into distribution and retail business of leather products. Our company is also doing business through the same and conflicts of interest may arise which may affect our financial results.

***30. Compliance with, and changes in, environmental, health and safety laws and regulations may adversely affect our financial condition and results of operations.***

We are subject to environmental, health and safety regulations, specifically with respect to our manufacturing facilities. The Government of India (the “GoI”) may implement measures towards the adoption of more stringent environmental, health and safety regulations, and we cannot assure you that we will be at all times in full compliance with these regulatory requirements. For example, these regulations may require us to purchase and install expensive pollution control equipment or make changes to our existing operations to limit any adverse impact or potential adverse impact on the environment or the health and safety of our workforce, and any violation of these regulations, whether or not accidental, may result in substantial fines, criminal sanctions, revocations of operating permits or other penalties.

Due to the possibility of unanticipated regulatory developments, the amount and timing of future expenditures to comply with regulatory requirements may vary substantially from those currently anticipated. If there is any unanticipated change in the environmental, health and safety regulations we are subject to, we may need to incur substantial capital expenditures to comply with such new regulations. Our costs of complying with current and future environmental, health and safety laws and our liabilities arising from failure to comply with applicable regulatory requirements may adversely affect our business, financial condition and results of operations.

***31. Our Promoters together with our promoter group will continue to retain majority shareholding in our company subsequent to the issue, which will allow them to exercise significant influence over our company. We cannot assure you that our promoters and /or our promoter group will always act in our company’s or your best interest.***

The majority of our issued and outstanding Equity Shares are currently beneficially owned by our Promoters and our Promoter Group. Upon completion of the Issue, our Promoters and Promoter Group will own 74,97,000 Equity Shares, or 72.80% of our post-Issue Equity Share capital (assuming full subscription of the Issue). Accordingly, our Promoters and Promoter Group will continue to exercise significant influence over our business policies and affairs and all matters requiring shareholders' approval, including the composition of our Board, the adoption of amendments to our memorandum and articles of association, the approval of mergers, strategic acquisitions or joint ventures or the sales of substantially all of our assets, and the policies for dividends, lending, investments and capital expenditures. This concentration of ownership also may delay, defer or even prevent a change in control of our Company and may make some transactions more difficult or impossible without the support of these shareholders. The interests of the Promoters and Promoter Group as our Company's controlling shareholders could conflict with our Company's interests or the interests of its other shareholders. We cannot assure you that the Promoters and Promoter Group will act to resolve any conflicts of interest in our Company's or your favour.

- 32. *Our business is manpower intensive and a high proportion of our total staff comprises of employees on contract. Our business may be adversely affected if we are unable to obtain employees on contract or at commercially attractive costs.***

Our success depends on our ability to attract, hire, train and retain skilled sales personnel. Our business is manpower intensive and our continued growth depends in part on our ability to recruit and retain suitable staff. As we expand our network, we will need experienced manpower that has knowledge of the local market. There can be no assurance that attrition rates for our employees, particularly our sales personnel, will not increase. Further, an increase in costs to retain such employees could also adversely affect our financial condition. A significant increase in our employee attrition rate could also result in decreased operational efficiencies and productivity, loss of market knowledge and customer relationships, and an increase in recruitment and training costs, thereby materially and adversely affecting our business, results of operations and financial condition. We cannot assure you that we will be able to find or hire personnel with the necessary experience or expertise to operate our retail stores in our existing markets or new markets that we are entering into. In the event that we are unable to hire people with the necessary knowledge or the necessary expertise, our business may be severely disrupted, financial condition and results of operations may be adversely affected. Furthermore, a high proportion of our total staff, including our sales personnel, typically comprised of employees on contract. While we believe that such a high proportion of employees on contract gives us the necessary flexibility and helps us run our business in an efficient and cost-effective manner, it also makes us more susceptible to sudden shortages and lack of skilled personnel while competing for them with our competitors in the market we operate. Additionally, we have seen an increasing trend in manpower costs in India, which has had a direct impact on our employee costs and consequently, on our margins. We may need to increase compensation and other benefits in order to attract and retain key personnel in the future and that may materially affect our costs and profitability. We cannot assure you that as we continue to grow our business in the future, our employee costs coupled with operating expenses will not significantly increase.

- 33. *In addition to our existing indebtedness for our existing operations, we may require further indebtedness during the course of business. We cannot assure that we would be able to service our existing and/ or additional indebtedness.***

As on March 31, 2018 our Company's total indebtedness is Rs. 1768.48 Lakhs. In addition to the indebtedness for our existing operations, we may require further indebtedness during the course of business. There can be no guarantee that we will be able to obtain the new facilities at favourable terms or at all. Increased borrowings, if any, may adversely affect our debt-equity ratio and our ability to further borrow at competitive rates. Also we cannot assure you that the budgeting of our working capital requirements for a particular year will be accurate. There may be situations where we may under-budget for our working capital requirements, in which case there may be delays in arranging the additional working capital requirements which may lead to an adverse effect on the cash flows.

Any failure to service our indebtedness or otherwise perform our obligations under our financing agreements which may be entered into with our lenders could lead to a termination of one or more of our credit facilities, trigger cross default provisions, penalties, enforcement of security and acceleration of amounts due under such facilities which may adversely affect our business, financial condition and results of operations.

- 34. *If we fail to manage growth effectively it could have an adverse effect on our results of operations***

We believe our expansion plans will place significant demands on our managerial, operational and financial resources. Growth in our business would require us to expand, train and manage our employee base. The expansion of our Company could also cause problems related to our operational and financial systems and controls and could cause us to encounter working capital issues, as we will need increased liquidity to finance the purchase of inventory, establishment of new showrooms and the hiring of additional employees. If we fail to manage our growth effectively it may lead to operational and financial inefficiencies that would have a negative effect on our results of operations

- 35. *The operations of our Company are subject to manufacturing risk and may be disrupted by failure in the facilities.***

Our Company is subject to operating risks associated with leather manufacturing and processing. Our manufacturing 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, loss of services of our external contractors, earthquakes, other natural disasters and industrial accidents. Our manufacturing facilities are also subject to operating risk arising from compliance with the directives of relevant government authorities. Operating risks may result in personal injury and property damage and in the imposition of civil and criminal penalties. The occurrence of any of these events could have a material adverse effect on our business, financial condition and results of operations.

**36. *Our ability to pay dividends in the future will depend upon our future earnings, financial condition, cash flows, working capital requirements and capital expenditures and the terms of our financial arrangements.***

Our Company has not paid any dividends in the last four Fiscal years. The declaration of dividends in the future will be recommended by our Board of Directors, at its sole discretion, and will depend upon our future earnings, financial condition, cash flows, working capital requirements and capital expenditures. There can be no assurance that we will pay dividends in the future. Additionally, we are restricted by the terms of our debt financing from making dividend payments in the event we default in any of the debt repayment instalments.

**37. *Insurance coverage not obtained by us against unforeseen losses.***

Our Company has not maintained insurance coverage in accordance with industry standards. In case of any unforeseen damage or loss suffered by us will affect the business adversely and could adversely affect our financial condition, cash flows and results of operations.

Our Company has allotted Equity Shares during the preceding one (1) year from the date of this Prospectus which is lower than the Issue Price.

**38. *In the last 12 (twelve) months, we have issued and allotted certain equity shares at a price lower than the Issue Price which is as follows:***

Bonus issue in the ratio of 1:2 dated December 31, 2017 issued 24,99,000 Equity shares face value ₹ 10/- per Equity Share for consideration other than cash.

For Further details of equity shares issued, please refer to the chapter titled “*Capital Structure*” beginning on page 55 of this Prospectus.

**39. *Our business operations may be materially adversely affected by strikes, work stoppages or increased wage demands by our employees.***

As at August 31, 2018, we had 16 full-time employees on our rolls and 27 personnel, on a contract basis, respectively. Although we have not experienced any major disruptions to our business operations due to any labour disputes or other problems with our work force in the past, there can be no assurance that we will not experience such disruptions in the future. Such disruptions may adversely affect our business, reputation and results of operations and may also divert the management's attention and result in increased costs. India has stringent labour legislations that protect the interests of workers, including legislations that set forth detailed procedures for the establishment of trade unions, dispute resolution and employee removal and legislations that impose certain financial obligations on employers upon retrenchment. 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, demand for increase in wages, work stoppages, which may lead to 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.

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. Further, the minimum wage laws in India may be amended leading to upward revisions in the minimum wages payable in one or more states in which we currently operate or

are planning to expand to. Shortage of skilled personnel or work stoppages caused by disagreements with employees could have an adverse effect on our business and results of operations.

***40. Insufficient cash flows to meet required working capital requirements could adversely affect our Company's operations and financial results***

The business of our Company requires a significant amount of working capital to finance the payments for Man-power, day to day Expenses, purchase of raw materials. The working capital requirements of our Company are also affected by the credit lines that our Company extends to its customers, in line with industry practice. Moreover, our Company may need to raise term loans and working capital loans in the future to meet its capital expenditure and to satisfy its working capital requirements. There can be no assurance that our Company will continue to be successful in arranging adequate working capital and term loans for its existing or expanded operations on acceptable terms or at all, which could adversely affect our Company's operations and financial results.

- 41. Our operations are subject to high working capital requirements. Our inability to maintain sufficient cash flow, credit facilities and other sources of funding, in a timely manner, or at all, to meet requirement of working capital or pay out debts, could adversely affect our operations.**

Our business requires significant amount of working capital and major portion of our working capital is utilized towards debtors and inventories. We have not been sanctioned any working capital and funding the same through the internal sources only. Our inability to maintain sufficient cash flow, credit facility and other sourcing of funding, in a timely manner, or at all, to meet the requirement of working capital or pay out debts, could adversely affect our financial condition and result of our operations.

- 42. Our Promoters, Directors and Key Management Personnel of our Company may have interests in us other than reimbursement of expenses incurred or normal remuneration or benefits.**

Our Promoters are interested in us to the extent of any transactions entered into or their shareholding and dividend entitlement in us. Our Directors are also interested to the extent of remuneration paid to them for services rendered as our Directors and reimbursement of expenses payable to them. Our Directors may also be interested to the extent of any transaction entered into by us with any other company or firm in which they are directors or partners or in their individual capacity. For further details, please see the sections entitled, “*Our Promoters and Promoter Group*”, “*Our Management*” and “*Related Party Transactions*” on pages 138, 123 and 143 respectively.

- 43. Our funding requirements and proposed deployment of the Net Proceeds are based on management estimates and have not been independently appraised, and may be subject to change based on various factors, some of which are beyond our control.**

Our funding requirements and deployment of the Net Proceeds are based on internal management estimates based on current market conditions, and have not been appraised by any bank or financial institution or another independent agency. Furthermore, in the absence of such independent appraisal, our funding requirements may be subject to change based on various factors which are beyond our control. For further details, please see the section titled “*Objects of the Issue*” beginning on page 68 of this Draft Prospectus.

- 44. If we are unable to establish and maintain an effective system of internal controls and compliances our business and reputation could be adversely affected.**

We manage regulatory compliance by monitoring and evaluating our internal controls, and ensuring that we are in compliance with all relevant statutory and regulatory requirements. However, there can be no assurance that deficiencies in our internal controls and compliances will not arise, or that we will be able to implement, and continue to maintain, adequate measures to rectify or mitigate any such deficiencies in our internal controls, in a timely manner or at all. As we continue to grow, there can be no assurance that there will be no other instances of such inadvertent non-compliances with statutory requirements, which may subject us to regulatory action, including monetary penalties, which may adversely affect our business and reputation.

- 45. Third party industry and statistical data in this Draft Prospectus may be incomplete, incorrect or unreliable.**

Neither the LM nor the Company have independently verified the data obtained from the official and industry publications and other sources referred in this Draft Prospectus and therefore, while we believe them to be true, there can be no assurance that they are complete or reliable. Such data may also be produced on different bases from those used in the industry publications we have referenced. The discussion of matters relating to India, its economy and our industry in this Prospectus are subject to the caveat that the statistical and other data upon which such discussions are based may be incomplete or unreliable. Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base their information on estimates, projections, forecasts and assumptions that may prove to be incorrect. While industry sources take due care and caution while preparing their reports, they do not guarantee the accuracy, adequacy or completeness of the data or report and do not take responsibility for any errors or omissions or for the results obtained from using their data or report. Accordingly, investors should not place undue reliance on, or base their investment decision on this

information, please refer to section titled “*Industry Overview*” beginning on page 80 of this Prospectus.

**46. *We may not be able to successfully implement our business strategies.***

The success of our business depends substantially on our ability to implement our business strategies effectively. We have successfully executed our business strategies in the past but there can be 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.

**47. *We face competition in our business from organized and unorganized players, which may adversely affect our business operation and financial condition.***

The market for our services is competitive because both the organized and unorganized players. Players in this industry generally compete on key attributes such as distribution network, skilled man power, pricing and timely delivery and quality of products. Some of our competitors may have longer industry experience and greater financial, technical and other resources, which may enable them to react faster in changing market scenario and remain competitive. Moreover, the unorganized sector Issues their products at highly competitive prices which may not be matched by us and consequently affect our volume of revenue and growth prospects. Growing competition may result in a decline in our market share and may affect our margins which may adversely affect our business operations and our financial condition.

**48. *Our Restated Financial Statements for the preceding five years as included in this Prospectus, have been prepared under IGAAP, which varies in certain respects from other accounting principles, including IND (AS), which may be material to investors’ assessment of our results of operations and financial condition***

In accordance with India’s roadmap for convergence of its existing standards with IFRS, referred to as IND (AS), announced by the MCA, through press notes dated January 22, 2010, read with the Companies (Indian Accounting Standards) Rules, 2015 issued by the MCA on February 16, 2015, effective April 1, 2015, our Company is required to prepare their financial statements in accordance with IND AS for periods beginning on or after April 1, 2017

Pursuant to a SEBI circular dated March 31, 2016, with respect to financial information to be included in any offer document filed with SEBI on or after April 1, 2016 and until March 31, 2017, we have chosen to report our Restated Financial Statements, included in this Prospectus under Indian GAAP. In order to comply with requirements applicable to public companies in India, subsequent to our Equity Shares being listed on the Stock Exchanges, we will be required to prepare our annual and interim financial statements under IND (AS), as applicable. IND (AS) is different in many respects from Indian GAAP under which our audited financial statements for statutory reporting purposes under the Companies Act have been prepared until Fiscal 2016. The preparation and presentation of our financial statements after listing may be not be comparable with, or may be substantially different from, the preparation and presentation of the Restated Financial Statements is being disclosed in this Prospectus.

Accordingly, the degree to which the Restated Financial Statements included in this Prospectus will provide meaningful information is entirely dependent on the reader’s level of familiarity with Indian accounting practices, Indian GAAP, the Companies Act and SEBI ICDR Regulations. Any reliance by a reader not familiar with Indian accounting practices and applicable laws on the financial disclosures presented in this Prospectus should accordingly be limited. Further, our Restated Financial Statements included in this Prospectus may not form an accurate basis to consider the accounting policies and financial statements adopted by our Company for future periods, which may differ materially from our Restated Financial Statements. We urge you to consult your own advisors regarding differences between Indian GAAP and other accounting policies and the impact of such differences on our financial data, including the impact of our transition to, and adoption of IND (AS), for accounting periods commencing on or after April 1, 2016.

**49. *Some of our corporate records are not traceable. There have been certain instances of discrepancies in statutory filings and records made by our Company with the RoC under applicable law.***

Certain corporate records and regulatory filings made by us before 2006 are not traceable. Despite having conducted an extensive search of our records, and a search in the records of the RoC, we have not been able to retrieve the aforementioned documents, and accordingly, have relied on other documents, including minutes of meetings of our board of directors and shareholders, our statutory registers of members and share transfer, annual reports and audited financial statements for such matters. We cannot assure you that the abovementioned form filings and resolutions will be available in the future. Further, there have been certain discrepancies in relation to statutory filings and records required to be made by us with the RoC.

**50. *Our Promoters, Mr. Asad Kamal Iraqi and Mr. Anwar Kamal Iraqi, have been disqualified to act as directors which may subject them to any regulatory action in future.***

Our Promoters, Mr. Asad Kamal Iraqi and Mr. Anwar Kamal Iraqi, were acting as directors on the board of Model Leather Industries Private Limited. Pursuant to ROC's order, the said company has been struck off from the Register of Companies maintained by the ROC on account of not having filed their financial statements or annual returns for a continuous period of at least 3 financial years and consequently, our Promoters have incurred disqualification under section 164(2) of the Companies Act, 2013 from acting as director for a period of five years from 01.11.2016. Any action taken against them in future by a regulatory authority may adversely affect the operations of our Company. However before the list made public, model leather industries private limited has filled its financial statements till FY 2017.

**51. *Our company has not filled the consolidated financial statements from the FY 2015.***

Our company has a foreign subsidiary AKI UK Limited from 31.03.2006. Our company has to mandatorily file the consolidated financial statements from FY 2015 to ROC but our company has failed to do so. However our company has prepared and get audited the same. Our company may face litigation from roc for non-filling of the same.

**52. *Osama Anwar Iraqi has been appointed while he was Eighteen years old.***

As per the companies act any person can become a whole time director if he has attained the age of 21. Osama Anwar Iraqi has been appointed while he was eighteen years old. The company may face the objection from ROC in this regard.

**53. *Our company has filled the form for conversion of the company with six shareholders only.***

As per the companies act, a public limited company needs to have at least 7 shareholders. Our Company has filled the form for conversion of the company with only six share holders while one of the share holder has already transferred the shares to other and there were seven shareholders.

**54. *Our Company has executed some of its documents in the name of private limited company while the same was converted into public limited company.***

Our Company has executed some documents in the name of private limited company while the same was converted into public limited company. Our Company has applied for the new PAN in the name of AKI India Limited but have not received the same.

## **EXTERNAL RISKS**

**55. *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, change in regulatory framework, inflation, deflation, foreign exchange fluctuations, consumer credit availability, consumer debt levels, unemployment trends, terrorist threats



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and activities, worldwide military and domestic disturbances and conflicts, and other matters that influence consumer confidence, spending and tourism.

**56. *The Government of India had recently implemented certain currency demonetization measures, which may affect the Indian economy and our business, results of operations, financial condition and prospects.***

On November 8, 2016, the RBI and the Ministry of Finance of the GoI withdrew the legal tender status of ₹500 and ₹ 1,000 currency notes pursuant to notification dated November 8, 2016. The short-term impact of these developments has been, among other things, a decrease in liquidity of cash in India. There is uncertainty on the medium- and long-term impact of this action. The medium- and long-term effects of demonetization on the Indian economy and our business are uncertain and we cannot accurately predict its effect on our business, results of operations, financial condition and prospects.

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

Our Company is subject to various regulations and policies. For details see section titled “**Key Industry Regulations and Policies**” beginning on page 114 of this Prospectus. Our business and prospects could be materially adversely affected by changes in any of these regulations and policies, including the introduction of new laws, policies or regulations or changes in the interpretation or application of existing laws, policies and regulations. There can be no assurance that our Company will succeed in obtaining all requisite regulatory approvals in the future for our operations or that compliance issues will not be raised in respect of our operations, either of which could have a material adverse effect on our business, financial condition and results of operations.

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

Certain events that are beyond our control such as earthquake, fire, floods and similar natural calamities may cause interruption in the business undertaken by us. Our operations and financial results and the market price And liquidity of our equity shares may be affected by changes in Indian Government policy or taxation or social, ethnic, political, economic or other adverse developments in or affecting India.

**59. *Our 100% Revenue is not derived from business in India and a decrease in economic growth in India could cause our business to suffer.***

We do not derive 100% of our revenue from our operations in India rather we derive our major revenue from outside India and, consequently, our performance and the quality and growth of our business are dependent on the health of the economy of India. However, the Indian economy may be adversely affected by factors such as adverse changes in liberalization policies, social disturbances, terrorist attacks and other acts of violence or war, natural calamities or interest rates changes, which may also affect the microfinance industry. Any such factor may contribute to a decrease in economic growth in India which could adversely impact our business and financial performance.

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

Prior to this Issue, there has been no public market for our Equity Shares. However, the trading price of our Equity Shares may fluctuate after this Issue due to a variety of factors, including our results of operations and the performance of our business, competitive conditions, general economic, political and social factors, the performance of the Indian and global economy and significant developments in India’s fiscal regime, volatility in the Indian and global securities market, performance of our competitors, the Indian Capital Markets and Finance industry, changes in the estimates of our performance or recommendations by financial analysts and announcements by us or others regarding contracts, acquisitions, strategic partnership, joint ventures, or capital commitments.

**61. *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 shall be determined by Book building method. This price is based on numerous factors (For further information, please refer chapter titled “**Basis for Issue Price**” beginning on page 75 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 include without limitation. The following:

- Half yearly 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;
- General market conditions; and
- Domestic and international economic, legal and regulatory factors unrelated to our performance.

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

Once listed, we would be subject to circuit breakers imposed by all stock exchanges in India, which does not allow transactions beyond specified increases or decreases in the price of the Equity Shares. This circuit breaker operates independently of the index-based market-wide circuit breakers generally imposed by SEBI on Indian stock exchanges. The percentage limit on circuit breakers is set by the stock exchanges based on the historical volatility in the price and trading volume of the Equity Shares. The stock exchanges do not inform us of the percentage limit of the circuit breaker in effect from time to time, and may change it without our knowledge. This circuit breaker limits the upward and downward movements in the price of the Equity Shares. As a result of this circuit breaker, no assurance may be given regarding your ability to sell your Equity Shares or the price at which you may be able to sell your Equity Shares at any particular time

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

Any major hostilities involving India or other acts of violence, including civil unrest or similar events that are beyond our control, could have a material adverse effect on India’s economy and our business. Terrorist attacks and other acts of violence may adversely affect the Indian stock markets, where our Equity Shares will trade, and the global equity markets generally.

**64. *The proposed adoption of IFRS could result in our financial condition and results of operations appearing materially different than under Indian GAAP.***

Public companies in India, including us, may be required to prepare annual and interim financial statements under IFRS in accordance with the roadmap for the adoption of, and convergence with, IFRS announced by the Ministry of Corporate Affairs, GoI (MCA), through a press note dated January 22, 2010. The MCA through a press release dated February 25, 2011, announced that it will implement the converged accounting standards in a phased manner after various issues including tax-related issues are resolved. The MCA is expected to announce the date of implementation of the converged accounting standards at a later date. Our financial condition, results of operations, cash flows or changes in shareholders’ equity may appear materially different under IFRS than under Indian GAAP. This may have a material adverse effect on the amount of income recognized during that period and in the corresponding period in the comparative fiscal year/period. In addition, in our transition to IFRS reporting, we may encounter difficulties in the ongoing process of implementing and enhancing our management information systems. Moreover, our transition may be hampered by increasing competition and increased costs for the relatively small number of IFRS-experienced accounting personnel available as more Indian companies begin to prepare IFRS financial statements.

**65. *Economic developments and volatility in securities markets in other countries may cause the price of the Equity Shares to decline.***

The Indian economy and its securities markets are influenced by economic developments and volatility in securities markets in other countries. Investor's reactions to developments in one country may have adverse effects on the market price of securities of companies situated in other countries, including India. For instance, the recent financial crisis in the United States and European countries lead to a global financial and economic crisis that adversely affected the market prices in the securities markets around the world, including Indian securities markets. Negative economic developments, such as rising fiscal or trade deficits, or a default on national debt, in other emerging market countries may affect investor confidence and cause increased volatility in Indian securities markets and indirectly affect the Indian economy in general. The Indian stock exchanges have experienced temporary exchange closures, broker defaults, settlement delays and strikes by brokerage firm employees. In addition, the governing bodies of the Indian stock exchanges have from time to time imposed restrictions on trading in certain securities, limitations on price movements and margin requirements. Furthermore, from time to time, disputes have occurred between listed companies and stock exchanges and other regulatory bodies, which in some cases may have had a negative effect on market sentiment.

**66. *The Companies Act, 2013 has effected significant changes to the existing Indian company law framework, which may subject us to higher compliance requirements and increase our compliance costs***

A majority of the provisions and rules under the Companies Act, 2013 have recently been notified and have come into effect from the date of their respective notification, resulting in the corresponding provisions of the Companies Act, 1956 ceasing to have effect. The Companies Act, 2013 has brought into effect significant changes to the Indian company law framework, such as in the provisions related to issue of capital, disclosures in draft prospectus/ prospectus, corporate governance norms, audit matters, related party transactions, introduction of a provision allowing the initiation of class action suits in India against companies by shareholders or depositors, a restriction on investment by an Indian company through more than two layers of subsidiary investment companies (subject to certain permitted exceptions), prohibitions on loans to directors and insider trading and restrictions on directors and key managerial personnel from engaging in forward dealing. To ensure compliance with the requirements of the Companies Act, 2013, we may need to allocate additional resources, which may increase our regulatory compliance costs and divert management attention.

**67. *Political instability or a change in economic liberalization and deregulation policies could seriously harm business and economic conditions in India generally and our business in particular***

The Government of India has traditionally exercised and continues to exercise influence over many aspects of the economy. Our business and the market price and liquidity of our Equity Shares may be affected by interest rates, changes in Government policy, taxation, social and civil unrest and other political, economic or other developments in or affecting India. The rate of economic liberalization could change, and specific laws and policies affecting the information technology sector, foreign investment and other matters affecting investment in our securities could change as well. Any significant change in such liberalization and deregulation policies could adversely affect business and economic conditions in India, generally, and our business, prospects, financial condition and results of operations, in particular

**68. *The nationalized goods and services tax (GST) regimes implemented by the Government of India have impact on our operations***

The Government of India has from July 01, 2017 has implemented the Goods and Service Tax a comprehensive national goods and service tax (GST) regime that combines taxes and levies by the Central and State Governments into a unified rate structure. The GST imposed on the diamond industry is 5% as compare the NIL from Gujarat VAT. Since we are an SEZ unit and majorly engaged in Export Activities, the same is not affecting us significantly.

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

While facts and other statistics in the Prospectus relating to India, the Indian economy and the transformers, cables and wire 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 “*Industry Overview*” beginning on page 80 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

**70. *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.

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

Global economic, social 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

**72. *Foreign investors are subject to foreign investment restrictions under Indian law that limits our ability to attract foreign investors, which may adversely impact the market price of the Equity Shares***

Under the foreign exchange regulations currently in force in India, transfers of shares between non-residents and residents are freely permitted (subject to certain exceptions) if they comply with the pricing guidelines and reporting requirements specified by the RBI. If the transfer of shares, which are sought to be transferred, is not in compliance with such pricing guidelines or reporting requirements or fall under any of the exceptions referred to above, then the prior approval of the RBI will be required. Additionally, shareholders who seek to convert the Rupee proceeds from a sale of shares in India into foreign currency and repatriate that foreign currency from India will require a no objection / tax clearance certificate from the income tax authority. There can be no assurance that any approval required from the RBI or any other government agency can be obtained on any particular terms or at all

**73. *The extent and reliability of Indian infrastructure could adversely affect our Company's results of operations and financial condition***

India's physical infrastructure is in developing phase compared to that of many developed nations. Any congestion or disruption in its port, rail and road networks, electricity grid, communication systems or any other public facility could disrupt our Company's normal business activity. Any deterioration of

India's physical infrastructure would harm the national economy, disrupt the transportation of goods and supplies, and add costs to doing business in India. These problems could interrupt our Company's business operations, which could have an adverse effect on its results of operations and financial condition

**74. Any downgrading of India's sovereign rating by an independent agency may harm our ability to raise financing**

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

**75. Natural calamities could have a negative impact on the Indian economy and cause our Company's business to suffer**

India has experienced natural calamities such as earthquakes, tsunamis, floods etc. in recent years. The extent and severity of these natural disasters determine their impact on the Indian economy. Prolonged spells of abnormal rainfall or other natural calamities could have a negative impact on the Indian economy, which could adversely affect our business, prospects, financial condition and results of operations as well as the price of the Equity Shares.

**PROMINENT NOTES TO RISK FACTORS**

1. Public Issue of 28,00,000 equity shares of face value `10 each of AKI India Limited for cash at a price of ` 11.00 per Equity Share (the "Issue Price"), including a share premium of Re. 1.00 per equity share aggregating up to ` 308.00 Lakh.
2. The Net Asset Value per Equity Share of our Company as per the Restated Financial Information as of March 31, 2018 is ` 15.30 (pre bonus) per share and ` 10.20 per share (Post Bonus) and as on March 31, 2017 is ` 44.16 per share (Pre Bonus) and ` 16.56 per share (Post Bonus). For further details, please refer to section titled "**Financial Statements as Restated**" beginning on page 145 of this Prospectus.
3. The Net Worth of our Company as per the Restated Financial Information as of March 31, 2018 is ` 764.46 Lakhs and as on March 31, 2017 is ` 662.40 Lakhs. For further details, please refer to the section titled "**Financial Statements as Restated**" beginning on page 145 of this Prospectus.
4. The average cost of acquisition per Equity Share of our Promoters is set out below:

| Sr. No. | Name of the Promoters | No. of Equity Share held | Average price per Equity Share (₹)* |
|---------|-----------------------|--------------------------|-------------------------------------|
| 1.      | Mr. Asad Kamal Iraqi  | 42,98,520                | 6.67                                |
| 2.      | Mr. Anwar Kamal Iraqi | 13,96,650                | 6.67                                |

*\*The average cost of acquisition of shares is less due to allotment of bonus shares dated December 31, 2017.*

5. For further details, please refer to section titled "**Capital Structure**" beginning on page 55 of this Prospectus.
6. There has been no change of name of our Company at any time during the last three (3) years immediately preceding the date of filing Prospectus.
7. There has been no financing arrangement whereby our Directors or any of their respective relatives have financed the purchase by any other person of securities of our Company during the six (6) months preceding the date of this Prospectus.
8. The details of transactions of our Company with related parties, nature of transactions and the cumulative value of transactions please refer to section titled "**Financial Statements as Restated**" - Annexure 28 - Related Party Transactions of the standalone financial statement and Annexure AA-related financial statements beginning on page F23 and F55 of this Prospectus.



## AKI India Limited

9. Except as stated under the section titled “*Capital Structure*” beginning on page 55 of this Prospectus, our Company has not issued any Equity Shares for consideration other than cash.
10. For information on changes in the Company’s name and Objects Clause of the Memorandum of Association of our Company, please refer to the section titled “*Our History and Certain Corporate Matters*” beginning on page 119 of this Prospectus.
11. Except as disclosed in the sections titled “*Capital Structure*”, “*Our Promoters and Promoter Group*”, “*Group Entities of our Company*” and “*Our Management*” beginning on pages 55, 138, 142 and 123 respectively of this Prospectus, none of our Promoters, Directors or Key Managerial Personnel has any interest in our Company.

## SECTION III: INTRODUCTION

### SUMMARY OF INDUSTRY

*Unless specified otherwise, the information in this section has been obtained or derived from the Report of Working Group on Leather & Leather Products Twelfth Five Year Plan Period (2012-17) (By Department of Industrial Policy & Promotion) and other Sources of which Link are mentioned (As available on Public domain). So All the Information Shared is believed to be accurate and reliable. None of the Company, the LM or any other person connected with the Issue has independently verified this information. Industry sources and publications generally state that the information contained therein has been obtained from sources believed to be reliable, but their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured. Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base their information on estimates, projections, forecasts and assumptions that may prove to be incorrect. Accordingly, investors should not place undue reliance on or base their investment decision on this information.*

#### Overview of Global Economy

Global growth is expected to tick up to 3.9 percent this year and next, supported by strong momentum, favorable market sentiment, accommodative financial conditions, and the domestic and international repercussions of expansionary fiscal policy in the United States.

At 3.8 percent, global growth in 2017 was the fastest since 2011. With financial conditions still supportive, global growth is expected to tick up to a 3.9 percent rate in both 2018 and 2019. Advanced economies will grow faster than potential in 2018 and the next year; euro area economies are set to narrow excess capacity with support from accommodative monetary policy, and expansionary fiscal policy will drive the US economy above full employment. Aggregate growth in emerging market and developing economies is projected to firm further, with continued strong growth in emerging Asia and Europe and a modest upswing in commodity exporters after three years of weak performance. Global growth is projected to soften beyond the next couple of years. Once their output gaps close, most advanced economies are poised to return to potential growth rates well below pre-crisis averages, held back by aging populations and lackluster productivity. US growth will slow below potential as the expansionary impact of recent fiscal policy changes goes into reverse. Growth is projected to remain subpar in several emerging market and developing economies, including in some commodity exporters that continue to face substantial fiscal consolidation needs. Economic activity in 2017 ended on a high note growth in the second half of the year was above 4 percent, the strongest since the second half of 2010, supported by a recovery in investment. Outcomes exceeded the October 2017 World Economic Outlook forecasts in the euro area, Japan, the United States, and China, and continued to improve gradually in commodity exporters. Financial conditions remain supportive, despite the recent volatility in equity markets and increases in bond yields following signs of firming inflation in advanced economies. With broad-based momentum and expectations of a sizable fiscal expansion in the United States over this year and the next, global growth is now projected at 3.9 percent for 2018–19, a 0.2 percentage point upgrade for both years relative to the October 2017 forecast.

This positive momentum will eventually slow, however, leaving many countries with a challenging medium-term outlook. Some cyclical forces will wane: financial conditions are expected to tighten naturally with the closing of output gaps and monetary policy normalization; US tax reform will subtract momentum starting in 2020, and then more strongly as full investment expensing is phased out starting in 2023; and China's transition to lower growth is expected to resume as credit growth and fiscal stimulus diminish. At the same time, while the expected recovery in investment will help raise potential output, weak productivity trends and reduced labor force growth due to population aging constrain medium-term prospects in advanced economies. The outlook is mixed across emerging market and developing economies. Prospects remain favorable in emerging Asia and Europe, but are challenging in Latin America, the Middle East and sub-Saharan Africa, where despite some recovery the medium term outlook for commodity exporters remains generally subdued, with a need for further economic diversification and adjustment to lower commodity prices. More than one-quarter of emerging market and developing economies are projected to grow by less than advanced economies in per capita terms over the next five years, and hence fall further behind in terms of living standards. Risks around the short-term outlook are broadly balanced, but risks beyond the next several quarters are clearly to the downside. On the upside, the growth spurt in advanced economies may turn out to be stronger and more durable than in the baseline, as slack in labor markets can be larger than currently assessed. Furthermore, the ongoing recovery in investment could

## AKI India Limited

foster a rebound in productivity, implying higher potential growth going forward. In the United States, financial conditions could tighten faster than expected, triggered, for example, by an adjustment in market pricing of the future path of monetary policy, higher realized or expected wage and price inflation, and/or a sudden decompression of term premiums. Tighter financial conditions in the United States would have spillovers to other economies, including through a reduction in capital flows to emerging markets. Very expansionary fiscal policy in the United States, at a time when the current account deficit is already larger than justified by fundamentals, combined with persistent excess current account surpluses in other countries, is projected to widen global imbalances. Anxiety about technological change and globalization is on the rise and, when combined with wider trade imbalances, could foster a shift toward inward-looking policies, disrupting trade and investment. Recent import restrictions announced by the United States, announced retaliatory actions by China and potential retaliation by other countries raise concerns in this regard and threaten to damage global and domestic activity and sentiment. Similarly, changes in US tax policies are expected to exacerbate income polarization, which could affect the political climate for policy choices in the future. Climate change, geopolitical tensions, and cyber security breaches pose additional threats to the subdued medium-term global outlook. (Source: <https://www.imf.org/en/Publications/WEO/Issues/2018/03/20/world-economic-outlook-april-2018>)

### Leather Industry – Overview

- The Leather Industry holds a prominent place in the Indian economy. This sector is known for its consistency in high export earnings and it is among the top ten foreign exchange earners for the country.

### Strengths of Indian Leather Sector

- Own raw material source – About 3 billion sq ft of leather produced annually
- Some varieties of goat / calf / sheep skins command premium position
- Some varieties of goat / calf / sheep skins command premium position
- Some varieties of goat / calf / sheep skins command premium position
- Some varieties of goat / calf / sheep skins command premium position

<http://leatherindia.org>

### Future Outlook:

The Government of India had identified the Leather Sector as a Focus Sector in the Indian Foreign Trade Policy in view of its immense potential for export growth prospects and employment generation. Accordingly, the Government is also implementing various Special Focus Initiatives under the Foreign Trade Policy for the growth of leather sector. With the implementation of various industrial developmental programmes as well as export promotional activities; and keeping in view the past performance, and industry's inherent strengths of skilled manpower, innovative technology, increasing industry compliance to international environmental standards, and dedicated support of the allied industries, the Indian leather industry aims to augment the production, thereby enhance export, and resultantly create additional employment opportunities.



## **SUMMARY OF OUR BUSINESS**

We were established in year 1994 with the object of manufacturing and export of leather and leather goods with the technical assistance of Horse riding group from Germany for the making of Leather Saddlery & Harness Goods and after successful running of saddlery business for 13 years, the company set up its own leather footwear unit in the year 2007-08 and started manufacturing and export of leather shoes through the next several years, our Company was involved in wholesaling and distribution of branded basic footwear and had forayed into the retail business in year 2013.

Further in the year 2010, our Company decided to go in for the backward integration and planned to set up its own tannery to produce finished leather also. In this connection, we first purchased a running tannery in Unnao in its name and then renovated and expanded the tannery into a big and highly advanced tannery.

Our Company is engaged in the activities of producing and export of saddlery goods, services of the leather shoes and trading of leather chemicals at domestic level. Changing economic scenario and business conditions, evolving consumer preferences, rapid technological innovations and adoption and globalization are driving us to transform the manner in which they operate. Our core competencies are our in-house technical knowledge, skilled workforce, diversified product portfolio which enable us to meet varied client requirements. Our Company deals in all kinds of footwear's leather accessories.

Our Company operates through two distinct business verticals, retail and distribution, each with its predominantly own customer base, sale channels and product range. Our retail business operates through exclusive retail stores run by our Promoters through the proprietorship concern catering to middle and upper middle income consumers, who primarily shop in high street stores and malls, for fashionable products. Our distribution business operates through a wide network of distributors catering to lower and middle income consumers, who primarily shop in multi-brand-outlets ("MBO") for functional products.

We have been found to conform to the Quality Management System standard, ISO 9001:2008 certified for manufacturer and exporter of leather harness and saddler goods, leather goods, leather footwear, horse rug, riding apparels, leather pet products, dog covers, and export of finished leather for footwear and upholstery and is primarily responsible for the design and manufacture of leather products for equestrian sports, Horse covers, Leather footwear and finished Leather. We believe that our company follows all applicable standards and we commit to quality improvements. We believe that our brands are well accepted.

We are committed to satisfying our customers' need for quality products by product innovations, using the quality materials available and manufacturing the highest quality products and continually searching for better materials and improved methods of production. Our on-going success is dependent on our loyal customer base and continued addition of new and satisfied customers.

## SUMMARY OF FINANCIAL INFORMATION

AKI INDIA LTD

CIN: U19201UP1994PLC016467

## STATEMENT OF STANDALONE ASSETS AND LIABILITIES AS RESTATED

(Rupees in Lacs)

| S. N.     | PARTICULARS | NOTE NO.   | 31 <sup>ST</sup> MAR 2018 | 31 <sup>ST</sup> MAR 2017 | 31 <sup>ST</sup> MAR 2016 | 31 <sup>ST</sup> MAR 2015 | 31 <sup>ST</sup> MAR 2014 |
|-----------|-------------|--|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|
| <b>I</b>  | <b>1</b>    | <b><u>EQUITY AND LIABILITIES</u></b>                           |                           |                           |                           |                           |                           |
|           |             | <u>SHAREHOLDERS FUNDS</u>                                      |                           |                           |                           |                           |                           |
|           |             | (a) SHARE CAPITAL  | 1                         | 749.70                    | 499.80                    | 150.00                    | 150.00                    |
|           |             | (b) RESERVES AND SURPLUS                                       | 2                         | 14.76                     | 162.60                    | 147.60                    | 133.45                    |
|           |             | TOTAL(1)   |                           | 764.46                    | 662.40                    | 297.60                    | 283.45                    |
|           | 2           | <u>SHARE APPLICATION MONEY PENDING ALLOTMENT</u>               | 3                         | -                         | -                         | -                         | -                         |
|           | 3           | <u>NON-CURRENT LIABILITIES</u>                                 |                           |                           |                           |                           |                           |
|           |             | (1) LONG TERM BORROWINGS                                       | 4                         | 549.80                    | 697.78                    | 910.45                    | 784.71                    |
|           |             | TOTAL(3)   |                           | 549.80                    | 697.78                    | 910.45                    | 784.71                    |
|           | 4           | <u>CURRENT LIABILITIES</u>                                     |                           |                           |                           |                           |                           |
|           |             | (a) SHORT TERM BORROWINGS                                      | 5                         | 1,098.00                  | 1,231.63                  | 1,250.57                  | 1,274.35                  |
|           |             | (a) TRADE PAYABLES   | 6                         | 972.92                    | 1,187.57                  | 1,303.99                  | 1,230.82                  |
|           |             | (b) OTHER CURRENT LIABILITIES                                  | 7                         | 140.47                    | 191.29                    | 139.24                    | 87.54                     |
|           |             | (c) SHORT TERM PROVISIONS                                      | 8                         | 49.99                     | 22.08                     | 8.39                      | 4.83                      |
|           |             | TOTAL(4)   |                           | 2,261.38                  | 2,632.58                  | 2,702.19                  | 2,597.53                  |
|           |             | <b>TOTAL(1+2+3+4)</b>  |                           | <b>3,575.64</b>           | <b>3,992.77</b>           | <b>3,910.23</b>           | <b>3,665.69</b>           |
| <b>II</b> |             | <b><u>ASSETS</u></b>   |                           |                           |                           |                           |                           |
|           | 1           | <u>NON-CURRENT ASSETS</u>                                      |                           |                           |                           |                           |                           |
|           |             | (i) FIXED ASSETS   | 9                         | 764.48                    | 933.53                    | 988.13                    | 934.34                    |
|           |             | - PROPERTY, PLANT & EQUIPMENT                                  |                           |                           |                           |                           |                           |
|           |             | (ii) INTANGIBLE ASSETS   |                           |                           |                           |                           |                           |
|           |             | (iii) CAPITAL WORK-IN-PROGRESS                                 | 10                        | 200.10                    | 200.10                    | 186.67                    | 111.46                    |
|           |             | (iv) INTANGIBLE ASSETS UNDER DEV.                              |                           |                           |                           |                           |                           |
|           |             | (b) NON-CURRENT INVESTMENTS                                    | 11                        | 103.61                    | 95.31                     | 95.31                     | 95.31                     |
|           |             | (b) DEFERRED TAX ASSETS (NET)                                  | 12                        | 29.24                     | 24.07                     | 16.99                     | 11.27                     |
|           |             | (c) LONG-TERM LOANS AND ADVANCES                               | 13                        | 5.43                      | 5.43                      | 5.43                      | 5.43                      |
|           |             | (d) OTHER NON-CURRENT ASSETS                                   | 14                        | 0.01                      | 0.01                      | 0.00                      | 0.00                      |
|           |             | TOTAL(1)   |                           | 1,102.87                  | 1,258.45                  | 1,292.53                  | 1,157.80                  |
|           | 2           | <u>CURRENT ASSETS</u>  |                           |                           |                           |                           |                           |
|           |             | (a) CURRENT INVESTMENTS  |                           | -                         | -                         | -                         | -                         |
|           |             | (b) INVENTORIES  | 15                        | 1,099.79                  | 1,207.68                  | 1,061.70                  | 918.34                    |
|           |             | (c) TRADE RECEIVABLES  | 16                        | 1,020.81                  | 1,171.21                  | 1,254.66                  | 1,184.22                  |
|           |             | (d) CASH AND CASH EQUIVALENTS                                  | 17                        | 45.53                     | 98.64                     | 126.39                    | 165.41                    |
|           |             | (e) SHORT-TERM LOANS AND ADVANCES                              | 18                        | 131.15                    | 107.80                    | 41.69                     | 38.74                     |
|           |             | (f) OTHER CURRENT ASSETS                                       | 19                        | 175.49                    | 148.99                    | 133.26                    | 201.17                    |
|           |             | TOTAL(2)   |                           | 2,472.77                  | 2,734.32                  | 2,617.70                  | 2,507.88                  |
|           |             | <b>TOTAL(1+2)</b>  |                           | <b>3,575.64</b>           | <b>3,992.77</b>           | <b>3,910.23</b>           | <b>3,665.68</b>           |
|           |             | <b>SIGNIFICANT ACCOUNTING POLICIES &amp; NOTES ON ACCOUNTS</b> | 29                        |                           |                           |                           |                           |

**AKI INDIA LTD**  
**CIN: U19201UP1994PLC016467**  
**STATEMENT OF STANDALONE PROFIT AND LOSS AS RESTATED**

| S. N. | PARTICULARS   | NOTE NO. | 31 <sup>ST</sup> MAR 2018 | 31 <sup>ST</sup> MAR 2017 | 31 <sup>ST</sup> MAR 2016 | 31 <sup>ST</sup> MAR 2015 | 31 <sup>ST</sup> MAR 2014 |
|-------|---|----------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|
|       | <b>REVENUE FROM OPERATIONS</b>  |          |                           |                           |                           |                           |                           |
| I     | REVENUE FROM OPERATIONS   | 20       | 4,252.52                  | 4,034.28                  | 3,866.36                  | 3,004.31                  | 1,454.67                  |
| II    | OTHER INCOME  | 21       | 283.74                    | 235.58                    | 201.11                    | 175.72                    | 86.38                     |
| III   | <b>TOTAL REVENUE(I+II)</b>  |          | 4,536.26                  | 4,269.87                  | 4,067.47                  | 3,180.03                  | 1,541.05                  |
| IV    | <b>EXPENSES:</b>  |          |                           |                           |                           |                           |                           |
| a     | COST OF MATERIALS CONSUMED  | 22       | 3,066.00                  | 2,718.33                  | 2,706.52                  | 2,209.45                  | 627.43                    |
|       | PURCHASE OF STOCK-IN-TRADE  |          | 598.50                    | 685.20                    | 524.44                    | 426.26                    | 493.86                    |
| b     | CHANGES IN INVENTORIES OF FINISHED GOODS                                  | 23       | (306.99)                  | (123.19)                  | (22.91)                   | (143.90)                  | (51.50)                   |
| c     | EMPLOYEE BENEFITS EXPENSES  | 24       | 167.02                    | 159.14                    | 140.69                    | 134.16                    | 70.52                     |
| d     | DEPRECIATION AND AMORTIZATION EXPENSE                                     | 25       | 115.58                    | 139.37                    | 139.17                    | 137.54                    | 26.88                     |
|       | FINANCE COSTS   | 26       | 133.50                    | 170.46                    | 158.49                    | 159.18                    | 55.76                     |
| e     | OTHER EXPENSES  | 27       | 611.70                    | 496.28                    | 412.53                    | 328.82                    | 294.10                    |
|       | <b>TOTAL EXPENSES</b>   |          | 4,385.32                  | 4,245.58                  | 4,058.94                  | 3,251.51                  | 1,517.05                  |
| V     | <b>PROFIT BEFORE EXCEPTIONAL AND EXTRAORDINARY ITEMS AND TAX (III-IV)</b> |          | 150.95                    | 24.28                     | 8.53                      | (71.48)                   | 24.00                     |
| VI    | EXCEPTIONAL ITEMS   |          |                           |                           |                           |                           |                           |
| VII   | <b>PROFIT BEFORE EXTRAORDINARY ITEMS AND TAX (V-VI)</b>                   |          | 150.95                    | 24.28                     | 8.53                      | (71.48)                   | 24.00                     |
| VIII  | EXTRAORDINARY ITEMS   |          |                           |                           |                           |                           |                           |
| IX    | <b>PROFIT BEFORE TAX (VII-VIII)</b>                                       |          | 150.95                    | 24.28                     | 8.53                      | (71.48)                   | 24.00                     |
| X     | <b>TAX EXPENSE</b>  |          |                           |                           |                           |                           |                           |
|       | CURRENT TAX   |          | 44.62                     | 14.62                     | 1.63                      | -                         | 8.29                      |
|       | EARLIER YEARS TAX   |          | 9.29                      | -                         | -                         | -                         | 3.63                      |
|       | DEFERRED TAX  |          | (5.18)                    | (7.08)                    | (5.72)                    | (8.03)                    | (0.88)                    |
|       | MAT CREDIT ENTITLEMENT ACCOUNT  |          | -                         | 1.63                      | (1.63)                    | -                         | -                         |
| XI    | <b>PROFIT(LOSS) FOR THE PERIOD FROM CONTINUING OPERATIONS (VII-VIII)</b>  |          | 102.22                    | 15.11                     | 14.26                     | (63.45)                   | 12.95                     |
| XII   | PROFIT(LOSS) FROM DISCONTINUING OPERATIONS                                |          |                           |                           |                           |                           |                           |
| XIII  | TAX EXPENSE OF DISCONTINUING OPERATIONS                                   |          |                           |                           |                           |                           |                           |
| XIV   | PROFIT(LOSS) FROM DISCONTINUING OPERATIONS (AFTER TAX) (XII-XIII)         |          |                           |                           |                           |                           |                           |
| XV    | INCOME TAX FOR EARLIER YEARS  |          |                           |                           |                           |                           |                           |
| XVI   | <b>PROFIT (LOSS) FOR THE PERIOD (XI+XIV)</b>                              |          | 102.22                    | 15.11                     | 14.26                     | (63.45)                   | 12.95                     |
| XVII  | EARNING PER EQUITY SHARE  |          |                           |                           |                           |                           |                           |
| a     | BASIC   | 28       | 1.36                      | 0.76                      | 0.95                      | (4.23)                    | 1.49                      |
| b     | DILUTED   |          | 1.36                      | 0.76                      | 0.95                      | (4.23)                    | 1.49                      |

**AKI INDIA LTD**  
**CIN: U19201UP1994PLC016467**  
**STATEMENT OF STANDALONE CASH FLOW AS RESTATED**

| S. N.    | PARTICULARS  | NOTE NO.       | 31 <sup>ST</sup> MAR 2018 | 31 <sup>ST</sup> MAR 2017 | 31 <sup>ST</sup> MAR 2016 | 31 <sup>ST</sup> MAR 2015 | 31 <sup>ST</sup> MAR 2014 |
|----------|--|----------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|
| <b>A</b> | <b><u>Cash Flow from Operating Activities :</u></b>                |                |                           |                           |                           |                           |                           |
|          | Net Profit/(Loss) before tax                                       |                | 150.95                    | 24.28                     | 8.53                      | (71.48)                   | 24.00                     |
|          | Adjustments for:   |                |                           |                           |                           |                           |                           |
|          | Finance Cost   |                | -                         | -                         | -                         | -                         | -                         |
|          | Depreciation   |                | 115.58                    | 139.37                    | 139.17                    | 137.54                    | 26.88                     |
|          | Interest Expenses  |                | 133.50                    | 170.46                    | 158.49                    | 159.18                    | 55.76                     |
|          | Interest Income  |                | (5.08)                    | (4.44)                    | (6.64)                    | (1.39)                    | (1.10)                    |
|          | Preliminary Expenses   |                | -                         | -                         | -                         | -                         | -                         |
|          | Profit on sale of Land   |                | -                         | -                         | -                         | -                         | -                         |
|          | (Profit)/Loss on sale of Car                                       |                | 2.20                      |                           |                           | (0.66)                    |                           |
|          | <b>Operating Profit before working capital changes</b>             |                | <b>397.15</b>             | <b>329.67</b>             | <b>299.55</b>             | <b>223.19</b>             | <b>105.54</b>             |
|          | Increase / (Decrease) in Trade Payables                            |                | (214.65)                  | (116.42)                  | 73.18                     | 713.40                    | 153.26                    |
|          | Increase / (Decrease) in Other Current Liabilities                 |                | (50.82)                   | 52.05                     | 51.70                     | 54.93                     | (14.91)                   |
|          | Increase / (Decrease) in Short Term Provisions                     |                | (2.09)                    | 0.70                      | 1.93                      | (1.65)                    | 2.06                      |
|          | (Increase) / Decrease in Inventories                               |                | 107.89                    | (145.98)                  | (143.36)                  | (166.10)                  | (508.68)                  |
|          | (Increase) / Decrease in Trade Receivable                          |                | 150.40                    | 83.45                     | (70.44)                   | (626.54)                  | (28.69)                   |
|          | (Increase) / Decrease in Other Current Assets                      |                | (11.12)                   | (3.36)                    | 86.91                     | (109.48)                  | (38.27)                   |
|          | (Increase) / Decrease in Short Term Loans & Advances               |                | (22.92)                   | (66.10)                   | (2.95)                    | 20.73                     | (25.21)                   |
|          | <b>Operating Profit after working capital changes</b>              |                | <b>353.85</b>             | <b>134.00</b>             | <b>296.52</b>             | <b>108.48</b>             | <b>(354.91)</b>           |
|          | Less: Income Tax paid  |                | 39.94                     | 14.00                     | 19.00                     | 15.00                     | 13.10                     |
|          | Adjustment of MAT Credit entitlement account                       |                |                           | (1.63)                    | 1.63                      |                           |                           |
|          | <b>Net Cash from/ (used in) Operating Activities</b>               | <b>( A )</b>   | <b>313.91</b>             | <b>118.37</b>             | <b>279.15</b>             | <b>93.48</b>              | <b>(368.01)</b>           |
| <b>B</b> | <b><u>Cash Flow from Investing Activities :</u></b>                |                |                           |                           |                           |                           |                           |
|          | Purchase of Fixed Assets   |                | (74.48)                   | (98.30)                   | (268.28)                  | (249.17)                  | (443.63)                  |
|          | Sale of Fixed Assets   |                | 0.27                      | -                         | -                         | 0.24                      | -                         |
|          | Purchase of Current Investments                                    |                | (8.30)                    | -                         | -                         | -                         | -                         |
|          | Grant Received towards addition of fixed assets                    |                | 125.53                    |                           |                           |                           |                           |
|          | (Increase) / Decrease in Long Term Loans & Advances                |                | -                         | -                         | -                         | -                         | -                         |
|          | Interest Income  |                | 5.08                      | 4.44                      | 6.64                      | 1.39                      | 1.10                      |
|          | Profit on sale of Asset  |                | -                         | -                         | -                         | 0.66                      | -                         |
|          | <b>Net Cash from/ (used in) Investing Activities</b>               | <b>( B )</b>   | <b>48.10</b>              | <b>(93.87)</b>            | <b>(261.64)</b>           | <b>(246.87)</b>           | <b>(442.54)</b>           |
| <b>C</b> | <b><u>Cash Flow from Financing Activities :</u></b>                |                |                           |                           |                           |                           |                           |
|          | Increase / (Decrease) in Long Term Borrowings                      |                | (147.99)                  | (212.66)                  | 125.74                    | (9.99)                    | 360.87                    |
|          | Increase / (Decrease) in Short Term Borrowings                     |                | (133.63)                  | (18.94)                   | (23.78)                   | 402.68                    | 492.82                    |
|          | Proceeds from Issue of shares                                      |                | -                         | 349.80                    | -                         | -                         | 63.50                     |
|          | Adjustment of ROC Fees for increasing Authorised Capital           |                | -                         | -                         | -                         | -                         | -                         |
|          | Finance Cost paid  |                | (133.50)                  | (170.46)                  | (158.49)                  | (159.18)                  | (55.76)                   |
|          | <b>Net Cash from/ (used in) Financing Activities</b>               | <b>( C )</b>   | <b>(415.12)</b>           | <b>(52.26)</b>            | <b>(56.53)</b>            | <b>233.51</b>             | <b>861.43</b>             |
|          | <b>Net Increase/ (Decrease) in Cash &amp; Cash Equivalents</b>     | <b>(A+B+C)</b> | <b>(53.11)</b>            | <b>(27.75)</b>            | <b>(39.02)</b>            | <b>80.12</b>              | <b>50.89</b>              |
|          | <b>Cash &amp; Cash Equivalents as at the beginning of the year</b> |                | <b>98.64</b>              | <b>126.39</b>             | <b>165.41</b>             | <b>85.30</b>              | <b>34.41</b>              |
|          | <b>Cash &amp; Cash Equivalents as at the end of the year</b>       |                | <b>45.53</b>              | <b>98.64</b>              | <b>126.39</b>             | <b>165.41</b>             | <b>85.30</b>              |

**AKI INDIA LTD**  
**CIN: U19201UP1994PLC016467**  
**STATEMENT OF CONSOLIDATED ASSETS AND LIABILITIES AS RESTATED**  
 (Rupees in Lacs)

| S. N.     | PARTICULARS | NOTE NO.   | 31 <sup>ST</sup> MAR 2018 | 31 <sup>ST</sup> MAR 2017 | 31 <sup>ST</sup> MAR 2016 | 31 <sup>ST</sup> MAR 2015 | 31 <sup>ST</sup> MAR 2014 |
|-----------|-------------|--|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|
| <b>I</b>  | <b>1</b>    | <b><u>EQUITY AND LIABILITIES</u></b>                           |                           |                           |                           |                           |                           |
|           |             | <b><u>SHAREHOLDERS FUNDS</u></b>                               |                           |                           |                           |                           |                           |
|           |             | (a) SHARE CAPITAL  | 1                         | 749.70                    | 499.80                    | 150.00                    | 150.00                    |
|           |             | (b) RESERVES AND SURPLUS                                       | 2                         | (25.13)                   | 109.74                    | 98.78                     | 83.20                     |
|           |             | TOTAL(1)   |                           | 724.57                    | 609.54                    | 248.78                    | 233.20                    |
|           | 2           | <b><u>SHARE APPLICATION MONEY PENDING ALLOTMENT</u></b>        | 3                         | -                         | -                         | -                         | -                         |
|           | 3           | <b><u>NON-CURRENT LIABILITIES</u></b>                          |                           |                           |                           |                           |                           |
|           |             | (1) LONG TERM BORROWINGS                                       | 4                         | 549.80                    | 697.78                    | 910.45                    | 784.71                    |
|           |             | TOTAL(3)   |                           | 549.80                    | 697.78                    | 910.45                    | 784.71                    |
|           | 4           | <b><u>CURRENT LIABILITIES</u></b>                              |                           |                           |                           |                           |                           |
|           |             | (a) SHORT TERM BORROWINGS                                      | 5                         | 1,098.00                  | 1,231.63                  | 1,250.57                  | 1,274.35                  |
|           |             | (a) TRADE PAYABLES   | 6                         | 1,123.63                  | 1,252.63                  | 1,411.23                  | 1,418.92                  |
|           |             | (b) OTHER CURRENT LIABILITIES                                  | 7                         | 140.47                    | 191.29                    | 139.24                    | 87.54                     |
|           |             | (c) SHORT TERM PROVISIONS                                      | 8                         | 49.99                     | 22.08                     | 8.39                      | 4.83                      |
|           |             | TOTAL(4)   |                           | 2,412.09                  | 2,697.63                  | 2,809.43                  | 2,785.63                  |
|           |             | <b>TOTAL(1+2+3+4)</b>  |                           | <b>3,686.46</b>           | <b>4,004.96</b>           | <b>3,968.66</b>           | <b>3,803.54</b>           |
| <b>II</b> |             | <b><u>ASSETS</u></b>   |                           |                           |                           |                           |                           |
|           | 1           | <b><u>NON-CURRENT ASSETS</u></b>                               |                           |                           |                           |                           |                           |
|           |             | (i) FIXED ASSETS   | 9                         | 765.84                    | 934.49                    | 988.65                    | 934.60                    |
|           |             | - PROPERTY, PLANT & EQUIPMENT                                  |                           |                           |                           |                           |                           |
|           |             | (ii) INTANGIBLE ASSETS   |                           |                           |                           |                           |                           |
|           |             | (iii) CAPITAL WORK-IN-PROGRESS                                 | 10                        | 200.10                    | 200.10                    | 186.67                    | 111.46                    |
|           |             | (iv) INTANGIBLE ASSETS UNDER DEV.                              |                           |                           |                           |                           |                           |
|           |             | (b) NON-CURRENT INVESTMENTS                                    | 11                        | 3.50                      | 3.50                      | 3.50                      | 3.50                      |
|           |             | (b) DEFERRED TAX ASSETS (NET)                                  | 12                        | 29.24                     | 24.07                     | 16.99                     | 11.27                     |
|           |             | (c) LONG-TERM LOANS AND ADVANCES                               | 13                        | 5.43                      | 5.43                      | 5.43                      | 5.43                      |
|           |             | (d) OTHER NON-CURRENT ASSETS                                   | 14                        | 0.01                      | 0.01                      | 0.00                      | 0.00                      |
|           |             | TOTAL(1)   |                           | 1,004.11                  | 1,167.60                  | 1,201.24                  | 1,066.25                  |
|           | 2           | <b><u>CURRENT ASSETS</u></b>                                   |                           |                           |                           |                           |                           |
|           |             | (a) CURRENT INVESTMENTS  |                           | -                         | -                         | -                         | -                         |
|           |             | (b) INVENTORIES  | 15                        | 1,099.79                  | 1,247.54                  | 1,108.36                  | 977.16                    |
|           |             | (c) TRADE RECEIVABLES  | 16                        | 1,194.81                  | 1,211.36                  | 1,331.79                  | 1,351.37                  |
|           |             | (d) CASH AND CASH EQUIVALENTS                                  | 17                        | 81.10                     | 121.67                    | 152.32                    | 168.84                    |
|           |             | (e) SHORT-TERM LOANS AND ADVANCES                              | 18                        | 131.15                    | 107.80                    | 41.69                     | 38.74                     |
|           |             | (f) OTHER CURRENT ASSETS                                       | 19                        | 175.49                    | 148.99                    | 133.27                    | 201.18                    |
|           |             | TOTAL(2)   |                           | 2,682.35                  | 2,837.36                  | 2,667.43                  | 2,737.29                  |
|           |             | <b>TOTAL(1+2)</b>  |                           | <b>3,686.46</b>           | <b>4,004.96</b>           | <b>3,968.67</b>           | <b>3,803.53</b>           |
|           |             | <b>SIGNIFICANT ACCOUNTING POLICIES &amp; NOTES ON ACCOUNTS</b> | 29                        |                           |                           |                           |                           |

**AKI INDIA LTD**  
**CIN: U19201UP1994PLC016467**  
**STATEMENT OF CONSOLIDATED PROFIT AND LOSS AS RESTATED**

| S. N. | PARTICULARS   | NOTE NO. | 31 <sup>ST</sup> MAR 2018 | 31ST MAR 2017   | 31ST MAR 2016   | 31ST MAR 2015   | 31ST MAR 2014   |
|-------|---|----------|---------------------------|-----------------|-----------------|-----------------|-----------------|
|       | <b><u>REVENUE FROM OPERATIONS</u></b>                                     |          |                           |                 |                 |                 |                 |
| I     | REVENUE FROM OPERATIONS   | 20       | 4,604.56                  | 4,104.07        | 4,024.97        | 3,301.99        | 1,722.18        |
| II    | OTHER INCOME  | 21       | 308.00                    | 241.16          | 211.88          | 199.35          | 99.57           |
| III   | <b>TOTAL REVENUE(I+II)</b>  |          | <b>4,912.56</b>           | <b>4,345.24</b> | <b>4,236.85</b> | <b>3,501.34</b> | <b>1,821.75</b> |
| IV    | <b><u>EXPENSES:</u></b>   |          |                           |                 |                 |                 |                 |
| a     | COST OF MATERIALS CONSUMED  | 22       | 3,066.00                  | 2,718.33        | 2,706.52        | 2,209.45        | 627.43          |
|       | PURCHASE OF STOCK-IN-TRADE  |          | 908.68                    | 754.99          | 666.89          | 721.60          | 735.75          |
| b     | CHANGES IN INVENTORIES OF FINISHED GOODS                                  | 23       | (267.13)                  | (116.39)        | (10.75)         | (137.39)        | (53.45)         |
| c     | EMPLOYEE BENEFITS EXPENSES  | 24       | 177.82                    | 159.84          | 148.50          | 142.49          | 85.98           |
| d     | DEPRECIATION AND AMORTIZATION EXPENSE                                     | 25       | 115.96                    | 139.85          | 139.43          | 137.67          | 27.08           |
|       | FINANCE COSTS   | 26       | 134.15                    | 170.75          | 158.79          | 159.67          | 56.25           |
| e     | OTHER EXPENSES  | 27       | 617.64                    | 498.14          | 416.54          | 334.68          | 329.72          |
|       | <b>TOTAL EXPENSES</b>   |          | <b>4,753.13</b>           | <b>4,325.50</b> | <b>4,225.92</b> | <b>3,568.17</b> | <b>1,808.76</b> |
| V     | <b>PROFIT BEFORE EXCEPTIONAL AND EXTRAORDINARY ITEMS AND TAX (III-IV)</b> |          | <b>159.44</b>             | <b>19.74</b>    | <b>10.93</b>    | <b>(66.83)</b>  | <b>12.99</b>    |
| VI    | EXCEPTIONAL ITEMS   |          |                           |                 |                 |                 |                 |
| VII   | <b>PROFIT BEFORE EXTRAORDINARY ITEMS AND TAX (V-VI)</b>                   |          | <b>159.44</b>             | <b>19.74</b>    | <b>10.93</b>    | <b>(116.10)</b> | <b>12.99</b>    |
| VIII  | EXTRAORDINARY ITEMS   |          |                           |                 |                 |                 |                 |
| IX    | <b>PROFIT BEFORE TAX (VII-VIII)</b>                                       |          | <b>159.44</b>             | <b>19.74</b>    | <b>10.93</b>    | <b>(116.10)</b> | <b>12.99</b>    |
| X     | <b>TAX EXPENSE</b>  |          |                           |                 |                 |                 |                 |
|       | CURRENT TAX   |          | 44.62                     | 14.62           | 1.63            | -               | 8.29            |
|       | EARLIER YEARS TAX   |          | 9.29                      | -               | -               | -               | 3.63            |
|       | DEFERRED TAX  |          | (5.18)                    | (7.08)          | (5.72)          | (8.03)          | (0.88)          |
|       | MAT CREDIT ENTITLEMENT ACCOUNT  |          | -                         | 1.63            | (1.63)          | -               | -               |
| XI    | <b>PROFIT(LOSS) FOR THE PERIOD FROM CONTINUING OPERATIONS (VII-VIII)</b>  |          | <b>110.71</b>             | <b>10.56</b>    | <b>16.65</b>    | <b>(108.07)</b> | <b>1.95</b>     |
| XII   | PROFIT(LOSS) FROM DISCONTINUING OPERATIONS                                |          |                           |                 |                 |                 |                 |
| XIII  | TAX EXPENSE OF DISCONTINUING OPERATIONS                                   |          |                           |                 |                 |                 |                 |
| XIV   | PROFIT(LOSS) FROM DISCONTINUING OPERATIONS (AFTER TAX) (XII-XIII)         |          |                           |                 |                 |                 |                 |
| XV    | INCOME TAX FOR EARLIER YEARS  |          |                           |                 |                 |                 |                 |
| XVI   | <b>PROFIT (LOSS) FOR THE PERIOD (XI+XIV)</b>                              |          | <b>110.71</b>             | <b>10.56</b>    | <b>16.65</b>    | <b>(108.07)</b> | <b>1.95</b>     |
| XVII  | EARNING PER EQUITY SHARE  |          |                           |                 |                 |                 |                 |
| a     | BASIC   | 28       | 1.48                      | 0.53            | 1.11            | (7.20)          | 0.22            |
| b     | DILUTED   |          | 1.48                      | 0.53            | 1.11            | (7.20)          | 0.22            |

**AKI INDIA LTD**  
**CIN: U19201UP1994PLC016467**  
**STATEMENT OF CONSOLIDATED CASH FLOW AS RESTATED**

| S. N.    | PARTICULARS   | NOT E NO.       | 31 <sup>ST</sup> MAR 2018 | 31 <sup>ST</sup> MAR 2017 | 31 <sup>ST</sup> MAR 2016 | 31 <sup>ST</sup> MAR 2015 | 31 <sup>ST</sup> MAR 2014 |
|----------|---|-----------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|
| <b>A</b> | <b><u>Cash Flow from Operating Activities :</u></b>                       |                 |                           |                           |                           |                           |                           |
|          | Net Profit/(Loss) before tax  |                 | 159.44                    | 19.74                     | 10.93                     | (116.10)                  | 12.99                     |
|          | Adjustments for:  |                 |                           |                           |                           |                           |                           |
|          | Finance Cost  |                 | -                         | -                         | -                         | -                         | -                         |
|          | Depreciation  |                 | 115.96                    | 139.85                    | 139.43                    | 137.67                    | 27.08                     |
|          | Interest Expenses   |                 | 134.15                    | 170.75                    | 158.79                    | 159.67                    | 56.25                     |
|          | Interest Income   |                 | (5.08)                    | (4.44)                    | (6.64)                    | (1.39)                    | (1.10)                    |
|          | Unrealised Gain/(Loss) on account of Foreign Currency translation Reserve |                 | 4.18                      | 0.50                      | (0.96)                    | 0.83                      | 5.19                      |
|          | Preliminary Expenses  |                 | -                         | -                         | -                         | -                         | -                         |
|          | Profit on sale of Land  |                 | -                         | -                         | -                         | -                         | -                         |
|          | (Profit)/Loss on sale of Car  |                 | 2.20                      |                           |                           | (0.66)                    |                           |
|          | Investment written off  |                 | -                         | -                         | -                         | 50.05                     | -                         |
|          | <b>Operating Profit before working capital changes</b>                    |                 | <b>410.85</b>             | <b>326.39</b>             | <b>301.55</b>             | <b>230.07</b>             | <b>100.42</b>             |
|          | Increase / (Decrease) in Trade Payables                                   |                 | (129.00)                  | (158.60)                  | (7.68)                    | 730.84                    | 219.91                    |
|          | Increase / (Decrease) in Other Current Liabilities                        |                 | (50.82)                   | 52.05                     | 51.70                     | 54.93                     | (14.91)                   |
|          | Increase / (Decrease) in Short Term Provisions                            |                 | (2.09)                    | 0.69                      | 1.93                      | (1.65)                    | 2.06                      |
|          | (Increase) / Decrease in Inventories                                      |                 | 147.75                    | (139.18)                  | (131.20)                  | (159.59)                  | (510.63)                  |
|          | (Increase) / Decrease in Trade Receivable                                 |                 | 16.55                     | 120.42                    | 19.58                     | (657.12)                  | (81.70)                   |
|          | (Increase) / Decrease in Other Current Assets                             |                 | (10.50)                   | (3.35)                    | 86.91                     | (109.49)                  | (38.27)                   |
|          | (Increase) / Decrease in Short Term Loans & Advances                      |                 | (23.23)                   | (66.10)                   | (2.95)                    | 20.73                     | (25.21)                   |
|          | <b>Operating Profit after working capital changes</b>                     |                 | <b>359.51</b>             | <b>132.31</b>             | <b>319.84</b>             | <b>108.73</b>             | <b>(348.34)</b>           |
|          | Less: Income Tax paid   |                 | 39.94                     | 14.00                     | 19.00                     | 15.00                     | 13.10                     |
|          | Adjustment of MAT Credit entitlement account                              |                 |                           | (1.63)                    | 1.63                      |                           |                           |
|          | <b>Net Cash from/ (used in) Operating Activities</b>                      | <b>( A )</b>    | <b>319.57</b>             | <b>116.68</b>             | <b>302.47</b>             | <b>93.73</b>              | <b>(361.44)</b>           |
| <b>B</b> | <b><u>Cash Flow from Investing Activities :</u></b>                       |                 |                           |                           |                           |                           |                           |
|          | Purchase of Fixed Assets  |                 | (75.26)                   | (99.22)                   | (268.79)                  | (249.17)                  | (443.63)                  |
|          | Sale of Fixed Assets  |                 | 0.27                      | -                         | -                         | 0.24                      | -                         |
|          | Purchase of Current Investments   |                 | -                         | -                         | -                         | -                         | (8.78)                    |
|          | Grant Received towards addition of fixed assets                           |                 | 125.53                    |                           |                           |                           |                           |
|          | (Increase) / Decrease in Long Term Loans & Advances                       |                 | -                         | -                         | -                         | -                         | -                         |
|          | Interest Income   |                 | 5.08                      | 4.44                      | 6.64                      | 1.39                      | 1.10                      |
|          | Profit on sale of Asset   |                 | -                         | -                         | -                         | 0.66                      | -                         |
|          | <b>Net Cash from/ (used in) Investing Activities</b>                      | <b>( B )</b>    | <b>55.62</b>              | <b>(94.79)</b>            | <b>(262.15)</b>           | <b>(246.87)</b>           | <b>(451.32)</b>           |
| <b>C</b> | <b><u>Cash Flow from Financing Activities :</u></b>                       |                 |                           |                           |                           |                           |                           |
|          | Increase / (Decrease) in Long Term Borrowings                             |                 | (147.99)                  | (212.66)                  | 125.74                    | (9.99)                    | 360.88                    |
|          | Increase / (Decrease) in Short Term Borrowings                            |                 | (133.63)                  | (18.94)                   | (23.78)                   | 402.68                    | 492.82                    |
|          | Proceeds from Issue of shares   |                 | -                         | 349.80                    | -                         | -                         | 63.50                     |
|          | Adjustment of ROC Fees for increasing Authorised Capital                  |                 | -                         | -                         | -                         | -                         | -                         |
|          | Finance Cost paid   |                 | (134.15)                  | (170.75)                  | (158.79)                  | (159.67)                  | (56.25)                   |
|          | <b>Net Cash from/ (used in) Financing Activities</b>                      | <b>( C )</b>    | <b>(415.77)</b>           | <b>(52.55)</b>            | <b>(56.83)</b>            | <b>233.02</b>             | <b>860.95</b>             |
|          | <b>Net Increase/ (Decrease) in Cash &amp; Cash Equivalents</b>            | <b>(A+B +C)</b> | <b>(40.58)</b>            | <b>(30.65)</b>            | <b>(16.52)</b>            | <b>79.88</b>              | <b>48.20</b>              |
|          | <b>Cash &amp; Cash Equivalents as at the beginning of the year</b>        |                 | <b>121.67</b>             | <b>152.33</b>             | <b>168.84</b>             | <b>88.97</b>              | <b>40.77</b>              |
|          | <b>Cash &amp; Cash Equivalents as at the end of the year</b>              |                 | <b>81.10</b>              | <b>121.67</b>             | <b>152.33</b>             | <b>168.84</b>             | <b>88.97</b>              |

### THE ISSUE

The following is the summary of the Issue.

|  |  |
|--|--|
| <b>Issue of Equity Shares</b>  | Upto 28,00,000 Equity Shares of `10 each fully paid-up of our Company for cash at a price of ` 11.00 each Equity Share aggregating to `308.00 Lakh.  |
| <b>Out of which:</b>   |  |
| <b>Market Maker Reservation Portion</b>                              | Upto 1,40,000 Equity Shares of `10 each fully paid-up of our Company for cash at a price of ` 11.00 each Equity Share aggregating to ` 15.40 Lakh.   |
| <b>Net Issue to the Public</b>                                       | Upto 26,60,000 Equity Shares of `10 each fully paid-up of our Company for cash at a price of ` 11.00 each Equity Share aggregating to ` 292.60 Lakh. |
| <b>Out of which:</b>   |  |
| <b>Allocation to Retail Individual Investors for upto `2.00 lakh</b> | 13,30,000 Equity Shares of `10 each fully paid-up of our Company for cash at a price of ` 11.00 each Equity Share aggregating to ` 146.30 Lakh.      |
| <b>Allocation to other investors for above `2.00 lakh</b>            | 13,30,000 Equity Shares of `10 each fully paid-up of our Company for cash at a price of ` 11.00 each Equity Share aggregating to ` 146.30 Lakh.      |
| <b>Pre and Post-Issue Equity Shares</b>                              |  |
| <b>Equity Shares outstanding prior to the Issue</b>                  | 74,97,000 Equity Shares of `10 each  |
| <b>Equity Shares outstanding after the Issue*</b>                    | 1,02,97,200 Equity Shares of `10 each  |
| <b>Objects of the Issue</b>  | Please refer to the section titled “ <i>Objects of the Issue</i> ” beginning on page 68 of this Prospectus.  |

\*Assuming Full Allotment

*This Issue is being made in terms of Chapter XB of the SEBI (ICDR) Regulations, as amended from time to time. The Issue is being made through the Fixed Price method and hence, as per regulation 43, sub regulation (4) of SEBI (ICDR) Regulations, the allocation in the net issue to public category shall be made as follow:*

- (a) *Minimum 50% to the 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 is either of the categories specified in clauses (a) and (b) may be allocated to applicants in the other category.*

*For further details, please refer to section titled “Issue Information” beginning on page 181 of this Prospectus.*

*The present Issue of 28,00,000 Equity Shares in terms of Prospectus has been authorized pursuant to a resolution of our Board of Directors dated December 09, 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.*

*Allocation to all categories shall be made on a proportionate basis subject to valid Applications received at or above the Issue Price. Under subscription, if any, in any of the categories, would be allowed to be met with spill-over from any of the other categories or a combination of categories at the discretion of our Company in consultation with the Lead Manager and BSE. Such inter-se spill over, if any, would be affected in accordance with applicable laws, rules, regulations and guidelines.*



### GENERAL INFORMATION

Our Company was originally incorporated as AKI Leather Industries Private Limited on May 16, 1994 as a private limited company under the Companies Act, 1956 with the Registrar of Companies, Kanpur, Uttar Pradesh. Pursuant to a special resolution passed by the shareholders of the Company at the Extra Ordinary General Meeting held on March 18, 2006, our Company's name was changed to AKI India Private Limited vide fresh certificate of incorporation consequent on change of name dated April 03, 2006 issued by RoC, Uttar Pradesh & Uttaranchal, Kanpur. Thereafter, our Company was converted from Private Limited to Public Company and a fresh certificate of incorporation consequent upon Conversion from Private Company to Public Company was issued on May 29, 2017 by the Registrar of Companies, Kanpur. The Corporate Identification Number of our Company is U19201UP1994PLC016467.

For further details, please refer "*Our History and Certain Corporate Matters*" and "*Our Business*" on page no. 119 and 91 of this Prospectus.

| <b>Brief Company and Issue Information</b>      |   |
|---|---|
| <b>Registered Office</b>                        | AKI India Limited<br>9/6(11), Asharfabad Jajmau,<br>Kanpur - 208010, Uttar Pradesh, India.<br>Tel. No: +91 512 2463130<br>Website: www.groupaki.com<br>Email: info@groupaki.com   |
| <b>Factory Office</b>                           | 9/6(11), Asharfabad Jajmau, Kanpur - 208010, Uttar Pradesh, India.  |
| <b>Tannery</b>                                  | 415/4, Kundan Road, Akrapur, Unnao - 209862, Uttar Pradesh, India   |
| <b>Date of Incorporation</b>                    | May 16, 1994  |
| <b>Company Registration Number</b>              | 20-16467  |
| <b>Corporate Identification Number</b>          | U19201UP1994PLC016467   |
| <b>Company Category</b>                         | Company Limited by Shares   |
| <b>Company Sub Category</b>                     | Indian Non-Government Company   |
| <b>Address of Registrar of Companies</b>        | Registrar of Companies, Kanpur<br>10/499-B, Allenganj, Khalasi Line,<br>Kanpur - 208002, Uttar Pradesh, India   |
| <b>Designated Stock Exchange</b>                | BSE Limited (SME Platform of BSE)<br>P.J. Towers, Dalal Street,<br>Mumbai – 400 001   |
| <b>Company Secretary and Compliance Officer</b> | Divya Gupta<br>AKI India Limited<br>9/6(11), Asharfabad Jajmau,<br>Kanpur - 208010, Uttar Pradesh, India<br>Tel. No: +91 512 2463130<br>Email: info@groupaki.com  |
| <b>Chief Financial Officer</b>                  | Prabodh Sharma<br>AKI India Limited<br>9/6(11), Asharfabad Jajmau,<br>Kanpur - 208010, Uttar Pradesh, India<br>Tel. No: +91 512 2463130<br>Email: <a href="mailto:cfo@groupaki.com">cfo@groupaki.com</a> / <a href="mailto:ceo@groupaki.com">ceo@groupaki.com</a> |

## BOARD OF DIRECTORS OF OUR COMPANY

Our Company's Board comprises of the following Directors:

| Name               | Designation                            | Address  | DIN      |
|--------------------|--|--|----------|
| Samina Asad Iraqi  | Whole Time Director                    | 9/6, Asharfabad, Jajmau, Kanpur - 208010, Uttar Pradesh, India.    | 01668732 |
| Osama Anwar        | Whole Time Director                    | 9/6, Asharfabad, Jajmau, Kanpur - 208010, Uttar Pradesh, India.    | 03142832 |
| Aslam Saeed        | Non-Executive and Independent Director | 88/380, Chaman Ganj, Kanpur-208001, Uttar Pradesh, India           | 0996483  |
| Javed Iqbal        | Non-Executive and Independent Director | 14 A, 150 FT Road, Jajmau, Kanpur-208010, Uttar Pradesh, India     | 1335862  |
| Rajkrishna Agarwal | Non-Executive and Independent Director | 64 K, Payria Tola, Mahuarua, Mirzapur-231001, Uttar Pradesh, India | 08018396 |

For further details of the Board of Directors, please refer to the section titled "*Our Management*" beginning on page 123 of this Prospectus.

*Note: Investors may contact our Company Secretary and Compliance Officer and / or the Registrar to the Issue and / or the Lead Manager, in case of any pre-issue or post-issue related problems, such as non-receipt of letters of allotment, credit of allotted Equity Shares in the respective beneficiary account or refund orders, etc.*

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

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

### Details of Key Intermediaries pertaining to this Issue and our Company:

| LEAD MANAGER   | LEGAL COUNSEL TO THE ISSUE   |
|--|--|
| <b>Finshore Management Services Limited</b><br>2 <sup>nd</sup> Floor, Block – A, Room No. 207, 227, A.J.C. Bose Road, Kolkata – 700 020, West Bengal, India<br>Tel: +91-33- 2289- 5101<br>Facsimile:+91-33-2289-5101<br>Website: <a href="http://www.finshoregroup.com">www.finshoregroup.com</a><br>Email:ramakrishna@finshoregroup.com<br>Investor Grievance Email: <a href="mailto:info@finshoregroup.com">info@finshoregroup.com</a><br>Contact Person: Mr. S. Ramakrishna Iyengar<br>SEBI Registration No: INM000012185 | <b>Advocate Aditya N. Sashittal</b><br>F/4 Saraswat Colony, Laxmi Road Santacruz West, Mumbai- 400 054<br><br>Mob.:- 9820145079<br>Email:- asashi.adv@gmail.com  |
| BANKER TO THE COMPANY  | REGISTRAR TO THE ISSUE   |
| <b>The Jammu &amp; Kashmir Bank Ltd.</b><br>Hospital Road, Parade, Kanpur-208001, India<br>Tel: 0512-2352392, 2319043;<br>Email: kanpur@jkbmail.com<br>Website: <a href="http://www.jkbank.net">www.jkbank.net</a> ;<br>Contact Person: Mr. Asif Rasool Kenu   | <b>Link Intime India Private Limited</b><br>C-101, 1 <sup>st</sup> Floor, 247 Park, Lal Bhadur Shastri Marg, Vikhroli (West), Mumbai-400 083, Maharashtra, India<br>Tel: +91 22 4918 6200<br>Facsimile :+91 22 4918 6195<br>Website: <a href="http://www.linkintime.co.in">www.linkintime.co.in</a><br>Email: <a href="mailto:aki.ipo@linkintime.co.in">aki.ipo@linkintime.co.in</a><br>Investor Grievance Email: <a href="mailto:aki.ipo@linkintime.co.in">aki.ipo@linkintime.co.in</a><br>Contact Person: Ms. Shanti Gopalkrishnan<br>SEBI Registration No: INR000004058 |

| PEER REVIEW AUDITORS*  | STATUTORY AUDITORS   |
|--|--|
| <b>Gupta Agarwal &amp; Associates,<br/>Chartered Accountants</b><br>23 gangadhar babu lane, Imax Lohia,<br>Square, 3 <sup>rd</sup> Floor, Room no. 3a, Kolkata-700012, West<br>Bengal, India<br><b>Tel.:</b> 033 2269-6087, 2218-2739/ 98310 12639/<br>98364 32639<br><b>Email:</b> guptaagarwal.associate@gmail.com/<br>jayshankergupta@gmail.com, guptajs@rediffmail.com   | <b>Jaiswal Misra &amp; Company<br/>Chartered Accountants</b><br>15/271-C, Civil Lines<br>Kanpur - 208 001<br><b>Tel. No.:</b> 0512-2333722<br><b>Email:</b> jmc_ca_knp@yahoo.com |
| <b>BANKER TO THE ISSUE</b><br><b>Kotak Mahindra Bank Limited</b><br>Kotak Infinity, 6 <sup>th</sup> Floor, Building No. 21, Infinity<br>Park, Off Western Express Highway,<br>General AK Vaidya Marg, Malad (E), Mumbai-<br>400097, Maharashtra, India.<br><b>Tel:</b> +91 22 66056588<br><b>Facsimile :</b> +91 22 67132416<br><b>Website:</b> www.kotak.com<br><b>Email:</b> cmsipo@kotak.com<br><b>Investor Grievance Email:</b> aki.ipo@sharexindia.com<br><b>Contact Person:</b> Mr. Prashant Sawant<br><b>SEBI Registration No:</b> INBI00000927 | <b>ADVISOR TO THE COMPANY</b><br><b>Mr. Ankit Sinha</b><br>A-701, Tulsi Residency<br>Kharghar, Navi Mumbai<br><b>Tel. No.:</b> 8355827476  |

*\*Gupta Agarwal & Associates, Chartered Accountants, are appointed as peer review auditors of our Company in compliance with section IX of part A of Schedule VIII of SEBI (ICDR) and hold a valid peer review certificate No. 329001E dated April 21, 2017 issued by the "Peer Review Board" of the ICAI.*

#### STATEMENT OF INTER SE ALLOCATION OF RESPONSIBILITIES

Finshore Management Services Limited is the sole Lead Manager to this Issue and all the responsibilities relating to co-ordination and other activities in relation to the Issue shall be performed by them and hence a statement of inter-se allocation of responsibilities is not required.

#### SELF CERTIFIED SYNDICATE BANKS ("SCSBs")

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

#### BROKERS TO THIS ISSUE

The list of the Registered Brokers, including details such as postal address, telephone number and e-mail address, is provided on the website of the Stock Exchange, at BSE Limited at [http://www.bseindia.com/Markets/PublicIssues/brokercentres\\_new.aspx?expandable=3](http://www.bseindia.com/Markets/PublicIssues/brokercentres_new.aspx?expandable=3) as updated from time to time.

#### REGISTRAR TO ISSUE AND SHARE TRANSFER AGENTS

The list of the RTAs eligible to accept Applications forms at the Designated RTA Locations, including details such as address, telephone number and e-mail address, are provided on the website of Stock Exchange at BSE Limited, as updated from time to time.

#### COLLECTING DEPOSITORY PARTICIPANTS

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



## **AKI India Limited**

### **CREDIT RATING**

This being an Issue of Equity Shares, credit rating is not required.

### **TRUSTEES**

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

### **DEBENTURE TRUSTEES**

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

### **IPO GRADING**

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

### **MONITORING AGENCY**

As per regulation 16(1) of the SEBI ICDR Regulations, the requirement of Monitoring Agency is not mandatory if the Issue size is below `10,000 Lakh. Since the Issue size is only of ` 308.00 Lakh, our Company has not appointed any monitoring agency for this Issue. However, as per Section 177 of the Companies Act, 2013, the Audit Committee of our Company, would be monitoring the utilization of the proceeds of the Issue.

Pursuant to Regulation 32(3) of the SEBI (LODR) Regulations, 2015, our Company shall on a half yearly basis disclose to the Audit Committee the uses and application of the Net Proceeds. Until such time as any part of the Net Proceeds remains unutilized, our Company will disclose the utilization of the Net Proceeds under separate heads in our Company's balance sheet(s) clearly specifying the amount of and purpose for which Net Proceeds have been utilized so far and details of amounts out of the Net Proceeds that have not been utilized so far, also indicating interim investments, if any, of such unutilized Net Proceeds. In the event that our Company is unable to utilize the entire amount that we have currently estimated for use out of the Net Proceeds in a fiscal, we will utilize such unutilized amount in the next fiscal.

Further, in accordance with Regulation 32(1)(a) of the SEBI (LODR) Regulations, 2015, our Company shall furnish to the Stock Exchanges on a half yearly basis, a statement indicating material deviations, if any, in the utilization of the Net Proceeds for the objects stated in this Prospectus.

### **APPRAISING ENTITY**

No appraising entity has been appointed in respect of any objects of this Issue.

### **EXPERT OPINION**

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

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.

### **UNDERWRITER**

Our Company and Lead Manager to the Issue hereby confirm that the Issue is 100% Underwritten. The underwriting agreement is dated September 08, 2018 and pursuant to the terms of the underwriting agreement, obligations of the underwriter are subject to certain conditions specified therein. The underwriter has indicated their intention to underwrite following number of specified securities being offered through this Issue

| Name, Address, Telephone, Facsimile, and Email of the Underwriters  | Indicated number of Equity Shares to be Underwritten | Amount Underwritten (in Lakh) | % of the total Issue size Underwritten |
|---|--|-------------------------------|--|
| <b>Finshore Management Services Limited</b><br>Anandlok, Block-A, 2 <sup>nd</sup> Floor, Room No. 207, 227<br>A.J.C. Bose Road, Kolkata-700020, India<br><b>Tel.:</b> +91-33-22895101<br><b>Facsimile:</b> +91-33-22895101<br><b>Website:</b> info@finshoregroup.com<br><b>Email:</b> ramakrishna@finshoregroup.com<br><b>Investor Grievance Email:</b><br>info@finshoregroup.com<br><b>Contact Person:</b> Mr. S. Ramakrishna Iyengar<br><b>SEBI Registration No:</b> INM000012185 |  | 28,00,000#                    |  |
| <b>TOTAL</b>  |  | 100%                          |  |

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

*#140,000 Equity Shares of the Market Maker Reservation Portion which are to be subscribed by the Market Maker in order to claim compliance with the requirements of Regulation 106 V(4) of the SEBI (ICDR) Regulations, 2009, as amended.*

#### DETAILS OF MARKET MAKING ARRANGEMENT FOR THIS ISSUE

Our Company and the Lead Manager has entered into Market Making Agreement dated September 08, 2018 with the following Market Maker to fulfil the obligations of Market Making for this Issue:

|   |   |
|---|---|
| <b>Name</b>   | Sparkle Securities Solutions (P) Limited  |
| <b>Address</b>  | E-501, Remi Bizz Court, Veera Desai Road, Andheri (West), Mumbai-400053, Maharashtra, India |
| <b>Telephone</b>  | 022 67592000  |
| <b>E-mail</b>   | vikesh.poddar@sparklesecurities.com   |
| <b>Contact Person</b>                                     | Mr. Vikesh Poddar   |
| <b>Market Maker Registration No. (SME Segment of BSE)</b> | SMEMM0617827012014  |

Sparkle Securities Solutions (P) Limited, registered with SME segment of BSE will act as the market maker and has agreed to receive or deliver the specified securities in the market making process for a period of three years from the date of listing of our Equity Shares or for a period as may be notified by amendment to SEBI (ICDR) Regulations.

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

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

1. The Market Maker(s) (individually or jointly) shall be required to provide a 2-way quote for 75% of the time in a day. The same shall be monitored by the stock exchange. Further, the Market Maker(s) shall inform the exchange in advance for each and every black out period when the quotes are not being offered by the Market Maker(s).
2. The minimum depth of the quote shall be ` 1.00 Lakh. However, the investors with holdings of value less than `1 Lakh 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. Based on the IPO price of ` 11.00 per share the minimum lot size is 10,000 Equity Shares thus minimum depth of the quote shall be ` 1.00 Lakh until the same, would be revised by BSE.

3. After a period of three (3) months from the market making period, the Market Maker would be exempted to provide quote if the Shares of Market Maker in our Company reaches to 25% of Issue Size (including the 5 % of the Equity Shares Equity Shares out to be allotted under this Issue). Any Equity Shares allotted to Market Maker under this Issue over and above 5 % Equity Shares would not be taken in to consideration of computing the threshold of 25% of Issue Size. As soon as the Shares of Market Maker in our Company reduce to 24% of Issue Size, the Market Maker will resume providing 2-way quotes.
4. There shall be no exemption / threshold on downside. However, in the event the Market Maker exhausts his inventory through market making process, BSE may intimate the same to SEBI after due verification.
5. Execution of the order at the quoted price and quantity must be guaranteed by the Market Maker(s), for the quotes given by him.
6. There would not be more than five Market Makers for the Company's Equity Shares at any point of time and the Market Makers may compete with other Market Makers for better quotes to the investors. At this stage, Sparkle Securities Solutions (P) Limited is acting as the sole Market Maker.

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.

7. The Market Maker may also be present in the opening call auction, but there is no obligation on him to do so.
8. Our Company will be placed in SPOS and would remain in Trade for Trade settlement for 10 days.
9. There will be special circumstances under which the Market Maker may be allowed to withdraw temporarily / fully from the market – for instance due to system problems, any other problems. All controllable reasons require prior approval from the Exchange, while force-majeure will be applicable for non-controllable reasons. The decision of the Exchange for deciding controllable and non-controllable reasons would be final.
10. The Market Maker(s) shall have the right to terminate said arrangement by giving one-month notice or on mutually acceptable terms to the Lead Manager, who shall then be responsible to appoint a replacement Market Maker(s).
11. 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(s) in replacement during the term of the notice period being served by the Market Maker but prior to the date of releasing the existing Market Maker from its duties in order to ensure compliance with the requirements of regulation 106V of the SEBI (ICDR) Regulations. Further the Company and the Lead Manager reserve the right to appoint other Market Maker(s) either as a replacement of the current Market Maker or as an additional Market Maker subject to the total number of Designated Market Makers does not exceed 5 (five) or as specified by the relevant laws and regulations applicable at that particulars point of time. The Market Making Agreement is available for inspection at our Corporate Office from 11.00 a.m. to 5.00 p.m. on working days.
12. 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. 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(s) in case he is not present in the market (offering two way quotes) for at least 75% of the time. The nature of the penalty will be monetary as well as suspension in market making activities / trading membership.

14. 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.

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

| <b>Issue Size</b>    | <b>Buy quote exemption threshold<br/>(including mandatory initial<br/>inventory of 5% of the issue size)</b> | <b>Re-entry threshold for buy quote<br/>(including mandatory initial inventory<br/>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%   |

16. Price Band and Spreads: SEBI Circular bearing reference no: CIR/MRD/DP/ 02/2012 dated January 20, 2012, has laid down that for issue size up to 250 crores, the applicable price bands for the first day shall be:

- i. In case equilibrium price is discovered in the Call Auction, the price band in the normal trading session shall be 5% of the equilibrium price.
- ii. In case equilibrium price is not discovered in the Call Auction, the price band in the normal trading session shall be 5% of the issue price. Additionally, the trading shall take place in TFT segment for first 10 days from commencement of trading. The following spread will be applicable on the BSE SME Exchange.

### CAPITAL STRUCTURE

Our Share capital structure before the Issue and after giving effect to the Issue, as at the date of this Prospectus, is set forth below:

*Amount (₹ in Lakh, except share data)*

| Sl. No. | Particulars  | Aggregate Nominal Value (₹) | Aggregate Value at Issue Price (₹) |
|---------|--|-----------------------------|------------------------------------|
| A.      | Authorized Share Capital   |                             |                                    |
|         | 1,10,00,000 Equity Shares of ₹10 each  | 1,100.00                    | --                                 |
| B.      | Issued, Subscribed & Paid-up Share Capital prior to the Issue  |                             |                                    |
|         | 74,97,000 Equity Shares of ₹10 each  | 749.70                      | --                                 |
| C.      | Present Issue in terms of the Prospectus   |                             |                                    |
|         | Fresh Issue of 28,00,000 Equity Shares of ₹10 each for cash at a price of ₹11.00 per share   | 280.00                      | 308.00                             |
|         | Which Comprises  |                             |                                    |
| D.      | Reservation for Market Maker portion   |                             |                                    |
|         | 1,40,000 Equity Shares of ₹10 each at a premium of Re 1.00 per Equity Share  | 14.00                       | 15.40                              |
| E.      | Net Issue to the Public  |                             |                                    |
|         | 26,60,000 Equity Shares of ₹10 each at a premium of Re 1.00 per Equity Share   | 266.00                      | 292.60                             |
|         | of which   |                             |                                    |
|         | 13,30,000 Equity Shares of ₹10 each at a premium of Re 1.00 per Equity Share will be available for allocation for allotment to Retail Individual Investors of up to ₹2.00 lakh | 133.00                      | 146.30                             |
|         | 13,30,000 Equity Shares of ₹10 each at a premium of Re 1.00 per Equity Share will be available for allocation for allotment to Other Investors of above ₹2.00 lakh             | 133.00                      | 146.30                             |
| F.      | Paid up Equity capital after the Issue   |                             |                                    |
|         | 1,02,97,000 Equity Shares of ₹10 each  | 1,029.70                    |                                    |
| G.      | Securities Premium Account   |                             |                                    |
|         | Before the Issue   |                             | NIL                                |
|         | After the Issue  |                             | 28.00                              |

\* The present Issue of 28,00,000 Equity Shares in terms of Prospectus has been authorized pursuant to a resolution of our Board of Directors dated December 09, 2017 and by special resolution passed under Section 62(1)(c) of the Companies Act, 2013 at the Extra-ordinary General Meeting (EGM) of the members held on December 15, 2017.

#### Details of changes in Authorized Share Capital of our Company since incorporation

| Date of Shareholders approval | EGM/AGM / Postal Ballot | Authorised Share Capital (₹) | Details of change  |
|-------------------------------|-------------------------|------------------------------|--|
| On Incorporation              | --                      | 3000                         | -  |
| May 06, 2004                  | EGM                     | 50,00,000                    | Pursuant to the Ordinary resolution passed by our Shareholders on May 06, 2004, the Authorised Share Capital was increased from ₹15,00,000 comprising of 1,50,000 Equity Shares of ₹10 each to ₹50,00,000 comprising of 5,00,000 Equity Shares of ₹10 each         |
| November 22, 2005             | EGM                     | 1,50,00,000                  | Pursuant to the Ordinary resolution passed by our Shareholders on November 22, 2005, the Authorised Share Capital was increased from ₹50,00,000 comprising of 5,00,000 Equity Shares of ₹10 each to ₹1,50,00,000 comprising of 15,00,000 Equity Shares of ₹10 each |
| July 19, 2014                 | EGM                     | 5,00,00,000                  | Pursuant to the Ordinary resolution passed by our  |



| Date of Shareholders approval | EGM/AGM / Postal Ballot | Authorised Share Capital (₹) | Details of change  |
|-------------------------------|-------------------------|------------------------------|--|
|                               |                         |                              | Shareholders on July 19, 2014, the Authorised Share Capital was increased from ₹1,50,00,000 comprising of 15,00,000 Equity Shares of ₹10 each to ₹5,00,00,000 comprising of 50,00,000 Equity Shares of ₹10 each  |
| December 15, 2017             | EGM                     | 11,00,00,000                 | Pursuant to the Ordinary resolution passed by our Shareholders on December 15, 2017, the Authorised Share Capital was increased from ₹5,00,00,000 comprising of 50,00,000 Equity Shares of ₹10 each to ₹11,00,00,000 comprising of 1,10,00,000 Equity Shares of ₹10 each |

### Notes to Capital Structure

#### 1. Share capital history of our Company

##### a. Equity share capital history of our Company

The following is the history of the equity share capital of our Company:

| Date of Allotment  | Number of Equity Shares | Face Value per Equity Share (₹) | Issue Price per Equity Share (₹) | Nature of Consideration (Cash/ Other than Cash) | Nature of allotment                    | Cumulative Number of Equity Shares | Cumulative Share Capital (₹) | Cumulative Share Premium (₹) |
|--------------------|-------------------------|---------------------------------|----------------------------------|---|--|------------------------------------|------------------------------|------------------------------|
| Upon Incorporation | 300                     | 10.00                           | 10.00                            | Cash  | Subscription to the MoA <sup>(1)</sup> | 300                                | 3,000                        | --                           |
| December 21, 1999  | 1,00,000                | 10.00                           | 10.00                            | Cash  | Preferential Issue <sup>(2)</sup>      | 1,00,300                           | 10,03,000                    | --                           |
| March 31, 2006     | 7,64,700                | 10.00                           | 10.00                            | Cash  | Preferential Issue <sup>(3)</sup>      | 8,65,000                           | 86,50,000                    | --                           |
| March 28, 2014     | 6,35,000                | 10.00                           | 10.00                            | Cash  | Preferential Issue <sup>(4)</sup>      | 15,00,000                          | 1,50,00,000                  | --                           |
| January 10, 2017   | 20,00,000               | 10.00                           | 10.00                            | Cash  | Rights Issue <sup>(5)</sup>            | 35,00,000                          | 3,50,00,000                  | --                           |
| March 23, 2017     | 14,98,000               | 10.00                           | 10.00                            | Cash  | Rights Issue <sup>(6)</sup>            | 49,98,000                          | 4,99,80,000                  | --                           |
| December 31, 2017  | 24,99,000               | 10.00                           | NA                               | Other than cash                                 | Bonus Issue <sup>(7)</sup>             | 74,97,000                          | 7,49,70,000                  | --                           |

#### (1) Allotment on subscription to the Memorandum of Association

| Sl. No.      | Name of the allottee | Number of Equity Shares allotted |
|--------------|----------------------|----------------------------------|
| I.           | Ashraf Kamal Iraqi   | 100                              |
| II.          | Asad Kamal Iraqi     | 100                              |
| III.         | Anwar Kamal Iraqi    | 100                              |
| <b>Total</b> |                      | <b>300</b>                       |

#### (2) Preferential Allotment dated December 21, 1999

| Sl. No.      | Name of the allottee | Number of Equity Shares allotted |
|--------------|----------------------|----------------------------------|
| I.           | Asad Kamal Iraqi     | 1,00,000                         |
| <b>Total</b> |                      | <b>1,00,000</b>                  |

(3) *Preferential Allotment dated March 31, 2006*

| Sl. No.      | Name of the allottee | Number of Equity Shares allotted |
|--------------|----------------------|----------------------------------|
| I.           | Asad Kamal Iraqi     | 4,06,750                         |
| II.          | Ashraf Kamal Iraqi   | 51,500                           |
| III.         | Answar Kamal Iraqi   | 1,02,000                         |
| IV.          | Samina Asad Iraqi    | 1,17,000                         |
| V.           | Saleeha Khatoon      | 87,450                           |
| <b>Total</b> |                      | <b>7,64,700</b>                  |

(4) *Preferential Allotment dated March 28, 2014*

| Sl. No.      | Name of the allottee | Number of Equity Shares allotted |
|--------------|----------------------|----------------------------------|
| I.           | Samina Asad Iraqi    | 2,61,500                         |
| II.          | Saleha Khatoon       | 1,09,400                         |
| III.         | Answar Kamal Iraqi   | 49,930                           |
| IV.          | Osama Anwar          | 2,14,170                         |
| <b>Total</b> |                      | <b>6,35,000</b>                  |

(5) *Rights Issue of 20,00,000 Equity Shares at Issue Price of Rs. 10/- in ratio of 2 for every 1 Equity Shares held on Record Date i.e. January 07, 2017. The details of Equity Shares offered, received, renounced and subscribed by the existing shareholders is as under:*

| Sl. No.      | Name of the allottees | Number of Equity Shares allotted |
|--------------|-----------------------|----------------------------------|
| I.           | Asad Kamal Iraqi      | 15,00,000                        |
| II.          | Answar Kamal Iraqi    | 5,00,000                         |
| <b>Total</b> |                       | <b>20,00,000</b>                 |

(6) *Rights Issue of 14,98,000 Equity Shares at Issue Price of Rs. 10/- in ratio of 428 for every 1000 Equity Shares held on Record Date i.e. March 17, 2017. The details of Equity Shares offered, received, renounced and subscribed by the existing shareholders is as under:*

| Sl. No.      | Name of the allottee | Number of Equity Shares allotted |
|--------------|----------------------|----------------------------------|
| I.           | Asad Kamal Iraqi     | 8,58,931                         |
| II.          | Anwar Kamal Iraqi    | 2,79,069                         |
| III.         | Osama Anwar          | 1,13,750                         |
| IV.          | Samina Asad Iraqi    | 1,61,998                         |
| V.           | Saleha Khatoon       | 84,252                           |
| <b>Total</b> |                      | <b>14,98,000</b>                 |

(7) *Bonus Issue dated December 31, 2017, in the ratio of 1 (One) equity share for every 2 (two) equity shares as per the details given below:*

| Sl. No.      | Name of the allottee | Number of Equity Shares allotted |
|--------------|----------------------|----------------------------------|
| I.           | Asad Kamal Iraqi     | 14,32,840                        |
| II.          | Anwar Kamal Iraqi    | 4,65,550                         |
| III.         | Samina Asad Iraqi    | 2,70,249                         |
| IV.          | Saleha Khatoon       | 1,40,551                         |
| V.           | Osama Anwar          | 1,89,710                         |
| VI.          | Mohammad Ajwad       | 50                               |
| VII.         | Uzair Anwar          | 50                               |
| <b>Total</b> |                      | <b>24,99,000</b>                 |

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2. Our Company has not issued Equity Shares for consideration other than cash except bonus issues made on December 31, 2017 as on the date of this Prospectus.
3. We have not revalued our assets since inception and have not issued any Equity Shares (including bonus shares) by capitalizing any revaluation reserves.
4. Build-up of our Promoters Shareholding, Promoter's Contribution and Lock-in
  - a. Build-up of our Promoters shareholding in our Company

The current promoters of our Company are Mr. Asad Kamal Iraqi and Mr. Anwar Kamal Iraqi.

As on the date of this Prospectus, our Promoters collectively hold 56,95,170 Equity Shares, which constitutes 75.97% of the issued, subscribed and paid-up Equity Share capital of our Company.

None of the Equity Shares held by our Promoters is subject to any pledge.

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

**(1) Asad Kamal Iraqi**

| Date of Allotment  | Number of Equity Shares | Cumulative No. of Equity Share | Face Value (₹) | Issue per Equity Share (₹) | Nature of Consideration | Nature of transaction                  | Sources of funds | % of pre issue equity share capital | % of post issue equity share capital |
|--------------------|-------------------------|--------------------------------|----------------|----------------------------|-------------------------|--|------------------|-------------------------------------|--------------------------------------|
| Upon Incorporation | 100                     | 100                            | 10             | 10                         | Cash                    | Allotment at the time of incorporation | Owned            | 0.001                               | -                                    |
| December 21, 1999  | 1,00,000                | 1,00,100                       | 10             | 10                         | Cash                    | Preferential Issue                     | Owned            | 1.33                                | 0.97                                 |
| March 31, 2006     | 4,06,750                | 5,06,850                       | 10             | 10                         | Cash                    | Preferential Issue                     | Owned            | 5.43                                | 3.95                                 |
| January 10, 2017   | 15,00,000               | 20,06,850                      | 10             | 10                         | Cash                    | Rights Issue                           | Owned            | 20.01                               | 14.56                                |
| March 23, 2017     | 8,58,931                | 28,65,781                      | 10             | 10                         | Cash                    | Rights Issue                           | Owned            | 11.46                               | 8.35                                 |
| May 29, 2017       | -100                    | 28,65,681                      | 10             | 10                         | Cash                    | Transferred                            | Owned            | -0.001                              | -                                    |
| May 29, 2017       | -1                      | 28,65,680                      | 10             | 10                         | Cash                    | Transferred                            | Owned            | -0.00001                            | -                                    |
| December 15, 2017  | 14,32,840               | 42,98,520                      | 10             | NA                         | Other than Cash         | Bonus Issue                            | NA               | 19.11                               | 13.92                                |
| <b>Total</b>       | <b>42,98,520</b>        |                                |                |                            |                         |  |                  | <b>57.337</b>                       | <b>41.75</b>                         |

**(2) Anwar Iraqi**

| Date of Allotment  | Number of Equity Shares | Cumulative No. of Equity Share | Face Value (₹) | Issue per Equity Share (₹) | Nature of Consideration | Nature of transaction    | Sources of funds | % of pre issue equity share capital | % of post issue equity share capital |
|--------------------|-------------------------|--------------------------------|----------------|----------------------------|-------------------------|--------------------------|------------------|-------------------------------------|--------------------------------------|
| Upon Incorporation | 100                     | 100                            | 10             | 10                         | Cash                    | Allotment at the time of | Owned            | 0.001                               | -                                    |

| Date of Allotment | Number of Equity Shares | Cumulative No. of Equity Share | Face Value (₹) | Issue per Equity Share (₹) | Nature of Consideration | Nature of transaction | Sources of funds | % of pre issue equity share capital | % of post issue equity share capital |
|-------------------|-------------------------|--------------------------------|----------------|----------------------------|-------------------------|-----------------------|------------------|-------------------------------------|--------------------------------------|
|                   |                         |                                |                |                            |                         | incorporation         |                  |                                     |                                      |
| March 31, 2006    | 1,02,000                | 1,02,100                       | 10             | 10                         | Cash                    | Preferential Issue    | Owned            | 1.361                               | 0.99                                 |
| March 28, 2014    | 49,930                  | 1,52,030                       | 10             | 10                         | Cash                    | Preferential Issue    | Owned            | 0.666                               | 0.48                                 |
| January 10, 2017  | 5,00,000                | 6,52,030                       | 10             | 10                         | Cash                    | Rights Issue          | Owned            | 6.669                               | 4.86                                 |
| March 23, 2017    | 2,79,069                | 9,31,099                       | 10             | 10                         | Cash                    | Rights Issue          | Owned            | 3.722                               | 2.71                                 |
| May 29, 2017      | 1                       | 9,31,100                       | 10             | 10                         | Cash                    | Transferred           | Owned            | 0.000                               | -                                    |
| December 15, 2017 | 4,65,550                | 13,96,650                      | 10             | NA                         | Other than Cash         | Bonus Issue           | NA               | 6.210                               | 4.52                                 |
| <b>Total</b>      | <b>13,96,650</b>        |                                |                |                            |                         |                       |                  | <b>18.629</b>                       | <b>13.56</b>                         |

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

As on the date of this Prospectus, our Promoter does not hold any preference shares in our Company.

b. Details of Promoters' Contribution Locked-in for Three (3) Years

Pursuant to Regulation 32 of the SEBI (ICDR) Regulations, an aggregate of at least 20% of the post-Issue Equity Share capital of our Company held by our Promoters shall be locked for a period of three (3) years from the date of Allotment.

All Equity Shares held by our Promoters are eligible for Promoters' contribution, pursuant to Regulation 33 of the SEBI (ICDR) Regulations.

All the Equity Shares of our Company held by our Promoters and the Promoter Group shall be held in dematerialized form prior to filing of the Prospectus with the RoC.

Our Promoters have consented to the inclusion of such number of the Equity Shares held by them, in aggregate, as may constitute 20% of the post-Issue capital of our Company as Promoters' contribution and the Equity Shares proposed to form part of Promoters' contribution subject to lock-in shall not be disposed of/ sold/ transferred by our Promoters during the period starting from the date of filing this Prospectus with the Stock Exchange until the date of commencement of the lock-in period.

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

| Details of Promoter's Contribution            |                       |  |                                  |                |                  |                               |                   |
|---|-----------------------|--|----------------------------------|----------------|------------------|-------------------------------|-------------------|
| Date on which the Equity Shares were Allotted | Nature of Acquisition | Nature of Consideration (Cash/Other than Cash) | Number of Equity Shares Allotted | Face Value (₹) | Issued Price (₹) | % of post-Issue share capital | Period of Lock-in |
| <b>Mr. Asad Kamal Iraqi</b>                   |                       |  |                                  |                |                  |                               |                   |
| March 31, 2006                                | Preferential Issue    | Cash   | 5,06,750                         | 10             | 10               | 4.92                          | 3 Years           |
| January 10, 2017                              | Rights Issue          | Cash   | 15,00,000                        | 10             | 12               | 14.57                         |                   |
| December 31, 2017                             | Bonus Issue           | Other than Cash                                | 60,000                           | 10             | 10               | 0.58                          |                   |
| <b>Grand Total</b>                            |                       |  | <b>20,66,750</b>                 |                |                  | <b>20.0</b>                   |                   |

The Promoters' contribution has been brought in to the extent of not less than the specified minimum lot and from the persons defined as 'promoters' under the SEBI (ICDR) Regulations.

The Equity Shares that are being locked-in are not ineligible for computation of Promoters' contribution under Regulation 33 of the SEBI (ICDR) Regulations. In this respect, we confirm the following:

- II. The Equity Shares issued for minimum Promoters' contribution have not been acquired in the three (3) years immediately preceding the date of this Prospectus for consideration other than cash and revaluation of assets or capitalization of intangible assets, nor have resulted from a bonus issue out of revaluation reserves or unrealized profits of our Company or against Equity Shares which are otherwise ineligible for computation of Promoters' contribution; the minimum Promoters' contribution does not include any Equity Shares acquired during the one (1) year immediately preceding the date of this Prospectus at a price lower than the price at which the Equity Shares are being Issued to the public in the Issue;
- III. No Equity Shares have been issued to our Promoters in the last one (1) year preceding the date of this Prospectus no Equity Shares have been issued to our Promoters in the last one (1) year preceding the date of this Prospectus at a price less than the issue price, against funds brought in by them during that period, in case of an issuer formed by conversion of one or more partnership firms, where the partners of the erstwhile partnership firms are the promoters of the issuer and there is no change in the management.

Provided that specified securities, allotted to promoters against capital existing in such firms for a period of more than one year on a continuous basis, shall be eligible.

- IV. The Equity Shares held by our Promoters which are issued for minimum Promoters' contribution are not subject to any pledge or any other form of encumbrance whatsoever; and all the Equity Shares of our Company held by the Promoters and the Promoter Group shall be held in dematerialized form prior to the filing of the Prospectus.

c. Details of Equity Shares Locked-in for one (1) year

In terms of Regulation 36 and 37 of the SEBI (ICDR) Regulations, other than the Equity Shares Issued by the Promoters for the Minimum Promoter's Contribution, which will be locked-in as minimum Promoters' contribution for three (3) years, all the pre-Issue Equity Shares shall be subject to lock-in for a period of one (1) year from the date of Allotment.

The Equity Shares which are subject to lock-in shall carry inscription 'non-transferable' along with the duration of specified non-transferrable period mentioned in the face of the security certificate. The shares which are in dematerialized form, if any, shall be locked-in by the respective depositories. The

details of lock-in of the Equity Shares shall also be provided to the Designated Stock Exchange before the listing of the Equity Shares.

d. Other requirements in respect of lock-in

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

In terms of Regulation 40 of the SEBI (ICDR) Regulations, the Equity Shares held by persons other than our Promoters prior to the Issue may be transferred to any other person holding Equity Shares which are locked-in, subject to the continuation of the lock-in in the hands of transferees for the remaining period and compliance with the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended ("Takeover Regulations") and such transferee shall not be eligible to transfer them until the lock-in period stipulated in the SEBI (ICDR) Regulations has elapsed.

Further, in terms of Regulation 40 of SEBI (ICDR) Regulations, the Equity Shares held by our Promoters may be transferred to and among the Promoters Group or to new promoters or persons in control of our Company, subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with the Takeover Regulations and such transferee shall not be eligible to transfer them until the lock-in period stipulated in the SEBI (ICDR) Regulations has elapsed.

e. We further confirm that our Promoters Contribution of 20.00 % of the post-Issue Equity Share capital does not include any contribution from Alternative Investment Fund.

f. Shareholding of our Promoters & Promoter Group

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

| Particulars               | Pre-Issue        |                        | Post-Issue       |                        |
|---------------------------|------------------|------------------------|------------------|------------------------|
|                           | Number of Shares | Percentage (%) holding | Number of Shares | Percentage (%) holding |
| <b>Promoters (A)</b>      |                  |                        |                  |                        |
| Asad Kamal Iraqi          | 42,98,520        | 57.34                  | 42,98,520        | 41.75                  |
| Anwar Kamal Iraqi         | 13,96,650        | 18.63                  | 13,96,650        | 13.56                  |
| <b>Total (A)</b>          | <b>56,95,170</b> | <b>75.97</b>           | <b>56,95,170</b> | <b>55.31</b>           |
| <b>Promoter Group (B)</b> |                  |                        |                  |                        |
| Samina Asad Iraqi         | 8,10,747         | 10.81                  | 8,10,747         | 7.87                   |
| Saleha Khatoun            | 4,21,653         | 5.62                   | 4,21,653         | 4.09                   |
| Osama Anwar Iraqi         | 5,69,130         | 7.59                   | 5,69,130         | 5.53                   |
| Mohammad Ajwad            | 150              | 0.002                  | 150              | 0.001                  |
| Uzair Anwar               | 150              | 0.002                  | 150              | 0.001                  |
| <b>Total (B)</b>          | <b>18,01,830</b> | <b>24.03</b>           | <b>18,01,830</b> | <b>17.50</b>           |
| <b>Total (A+B)</b>        | <b>74,97,000</b> | <b>100.00</b>          | <b>74,97,000</b> | <b>72.81</b>           |

As on the date of filing of this Prospectus, our Promoters and members of the Promoters Group do not hold any preference shares in our Company.

5. Acquisition and sale/transfer of Equity Shares by our Promoters in last one (1) year

There has been no acquisition, sale or transfer of Equity Shares by our Promoters in the last one (1) year preceding the date of filing of this Prospectus other than as stated in Point no. 4 above.

**6. Shareholding Pattern of our Company:**



**AKI India Limited**

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



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**Our Shareholding Pattern:-**

| Category | Category of shareholder   | Nos. of shareholders | No. of fully paid up equity shares held | No. of Partly paid-up equity shares held | No. of shares underlying Depository Receipts | Total nos. shares held | Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B+C2) | Number of Voting Rights held in each class of securities* |          |                  |                         | No. of Shares Underlying Outstanding convertible securities (including Warrants) | Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) As a % of (A+B+C2) | Number of Locked in shares |                                 | Number of Shares pledged or otherwise encumbered |                                 | Number of equity shares held in dematerialized form |
|----------|---------------------------|----------------------|---|--|--|------------------------|--|---|----------|------------------|-------------------------|--|---|----------------------------|---------------------------------|--|---------------------------------|---|
|          |                           |                      |   |  |  |                        |  | No of Voting Rights                                       |          |                  | Total as a % of (A+B+C) |  |   | No. (a)                    | As a % of total Shares held (b) | No. (a)  | As a % of total Shares held (b) |   |
|          |                           |                      |   |  |  |                        |  | Class Equity Shares of Rs.10/- each^                      | Class    | Total            |                         |  |   |                            |                                 |  |                                 |   |
| I        | II                        | III                  | IV                                      | V  | VI   | VII = IV+V+VI          | VIII   | IX  |          |                  |                         | X  | XI=VIII+IX  | XII                        | XIII                            | XIV  |                                 |   |
| (A)      | Promoters & Promoter      | 7                    | 74,97,000                               | -  | -  | 74,97,000              | 100.00   | 74,97,000   | -        | 74,97,000        | 100.00                  | -  | 100.00  | -                          | -                               | -  | 74,97,000                       |   |
| (B)      | Public                    | -                    | -                                       | -  | -  | -                      | -  | -   | -        | -                | -                       | -  | -   | -                          | -                               | -  | -                               |   |
| (C)      | Non Promoter-Non Public   | -                    | -                                       | -  | -  | -                      | -  | -   | -        | -                | -                       | -  | -   | -                          | -                               | -  | -                               |   |
| (C1)     | Shares underlying         | -                    | -                                       | -  | -  | -                      | -  | -   | -        | -                | -                       | -  | -   | -                          | -                               | -  | -                               |   |
| (C2)     | Shares held by Emn_Trusts | -                    | -                                       | -  | -  | -                      | -  | -   | -        | -                | -                       | -  | -   | -                          | -                               | -  | -                               |   |
|          | <b>Total</b>              | <b>7</b>             | <b>74,97,000</b>                        | <b>-</b>                                 | <b>-</b>                                     | <b>74,97,000</b>       | <b>100.00</b>  | <b>74,97,000</b>  | <b>-</b> | <b>74,97,000</b> | <b>100.00</b>           | <b>-</b>   | <b>100.00</b>   | <b>-</b>                   | <b>-</b>                        | <b>-</b>   | <b>74,97,000</b>                |   |

\*As on date of this Prospectus 1 Equity share holds 1 vote.

^ We have only one class of Equity Shares of face value of Rs. 10/- each.

In terms of SEBI circular bearing no. Cir/ISD/3/2011 dated June 17, 2011 and SEBI circular bearings no. SEBI/Cir/ISD/05/2011 dated September 30, 2011, the Equity Shares held by the Promoters and Promoter Group is in dematerialised form.

Our Company will file the shareholding pattern of our Company, in the form prescribed under Regulation 31 of the Listing Regulation, one day prior to the listing of the Equity shares.

The Shareholding pattern will be uploaded on the website of BSE Limited before commencement of trading of such Equity Share.



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7. Except as set out below, none of the directors of our Company are holding any Equity Shares in our Company.

| Particulars       | Number of Shares | Pre-Issue Percentage holding (%) | Post-Issue Percentage holding (%) |
|-------------------|------------------|----------------------------------|-----------------------------------|
| Osama Anwar       | 5,69,130         | 7.59                             | 5.53                              |
| Samina Asad Iraqi | 8,10,747         | 10.81                            | 7.87                              |
| <b>Total</b>      | <b>13,79,877</b> | <b>18.41</b>                     | <b>13.40</b>                      |

8. None of the Equity Shares of our Company are subject to any pledge as on the date of this Prospectus.
9. None of the shareholding of the Promoters & Promoter Group is subject to lock-in as on date of this Prospectus.
10. None of the persons belonging to the category Public are holding more than 1% of the total number of shares as on the date of this Prospectus.
11. None of the Key Managerial Personnel holds Equity Shares in our Company as on the date of this Prospectus except as disclosed below:

| Particulars       | Number of Shares | Pre-Issue Percentage holding (%) | Post-Issue Percentage holding (%) |
|-------------------|------------------|----------------------------------|-----------------------------------|
| Osama Anwar       | 5,69,130         | 7.59                             | 5.53                              |
| Samina Asad Iraqi | 8,10,747         | 10.81                            | 7.87                              |
| <b>Total</b>      | <b>13,79,877</b> | <b>18.41</b>                     | <b>13.40</b>                      |

12. Top Ten Shareholders of our Company.

The top ten (10) shareholders of our Company as of the date of the filing of the Prospectus with the Stock Exchange are as follows:

| Sl. No. | Name of the Shareholder | Number of Equity Shares | % of Shareholding |
|---------|-------------------------|-------------------------|-------------------|
| 1.      | Asad Kamal Iraqi        | 42,98,520               | 57.34             |
| 2.      | Anwar Kamal Iraqi       | 13,96,650               | 18.63             |
| 3.      | Samina Asad Iraqi       | 8,10,747                | 10.81             |
| 4.      | Osama Anwar Iraqi       | 5,69,130                | 7.59              |
| 5.      | Saleha Khatoun          | 4,21,653                | 5.62              |
| 6.      | Mohammad Ajwad          | 150                     | 0.002             |
| 7.      | Uzair Anwar             | 150                     | 0.002             |
|         | <b>Total</b>            | <b>74,97,000</b>        | <b>100.00</b>     |

13. The top ten (10) shareholders of our Company as of ten (10) days prior to the filing of the Prospectus with the Stock Exchange are as follows:

| Sl. No. | Name of the Shareholder | Number of Equity Shares | % of Shareholding |
|---------|-------------------------|-------------------------|-------------------|
| 1.      | Asad Kamal Iraqi        | 42,98,520               | 57.34             |
| 2.      | Anwar Kamal Iraqi       | 13,96,650               | 18.63             |
| 3.      | Samina Asad Iraqi       | 8,10,747                | 10.81             |
| 4.      | Osama Anwar Iraqi       | 5,69,130                | 7.59              |
| 5.      | Saleha Khatoun          | 4,21,653                | 5.62              |
| 6.      | Mohammad Ajwad          | 150                     | 0.002             |
| 7.      | Uzair Anwar             | 150                     | 0.002             |
|         | <b>Total</b>            | <b>74,97,000</b>        | <b>100.00</b>     |

14. The top ten (10) shareholders of our Company as of two (2) years prior to the filing of the Prospectus with the Stock Exchange are as follows:

| Sl. No. | Name of the allottee | Number of Equity | % of Shareholding |
|---------|----------------------|------------------|-------------------|
|---------|----------------------|------------------|-------------------|

|              |                   | Shares allotted  |               |
|--------------|-------------------|------------------|---------------|
| 1.           | Asad Kamal Iraqi  | 20,06,850        | 57.34         |
| 2.           | Samina Asad Iraqi | 6,52,030         | 18.63         |
| 3.           | Anwar Kamal Iraqi | 3,78,500         | 10.81         |
| 4.           | Saleha Khatoon    | 1,96,850         | 5.62          |
| 5.           | Osama Anwar Iraqi | 2,65,770         | 7.59          |
| <b>Total</b> |                   | <b>35,00,000</b> | <b>100.00</b> |

15. None of our public shareholders are holding more than 1% of the pre-Issue share capital of our Company:

There has been no subscription to or sale or purchase of our Equity Shares, within the three (3) years immediately preceding the date of this Prospectus, by our Promoters, Directors or Promoter Group which in aggregate equals or exceeds 1% of the pre-Issue Equity Share capital of our Company except as stated below.

| Sl. No. | Name of Shareholder | Promoter/ Director/ Promoter Group | Date of Subscription/ purchase/ Sale | No. of Shares Subscription / purchase/ Sale | Face Value | Percentage of Share Capital (Pre-issue) | Percentage of Share Capital (Post-issue) |
|---------|---------------------|------------------------------------|--------------------------------------|---|------------|---|--|
| 1       | Asad Kamal Iraqi    | Promoter                           | January 10, 2017                     | 15,00,000                                   | 10         | 20.00                                   | 21.89                                    |
|         |                     |                                    | March 23, 2017                       | 8,58,931                                    | 10         | 11.46                                   | 8.34                                     |
|         |                     |                                    | December 09, 2017                    | 14,32,840                                   | 10         | 19.11                                   | 13.92                                    |
| 2       | Answar Kamal Iraqi  | Promoter                           | January 10, 2017                     | 5,00,000                                    | 10         | 6.67                                    | 4.86                                     |
|         |                     |                                    | December 09, 2017                    | 4,65,550                                    | 10         | 6.21                                    | 4.52                                     |

16. Our Company has not granted any options or allotted any Equity Shares under the ESOP Scheme as on the date of this Prospectus.
17. Our Company has not issued and allotted Equity Shares in terms of scheme(s) approved under Section 391-394 of the Companies Act, 1956 or section 230-232 of Companies Act 2013.
18. None of our Promoters, Promoter Group, our Directors and their relatives has entered into any financing arrangements or financed the purchase of the Equity shares of our Company by any other person during the period of six (6) months immediately preceding the date of filing of the Prospectus.
19. We hereby confirm that there will be no further issue of capital whether by the way of issue of bonus shares, preferential allotment, right issue or in any other manner during the period commencing from the date of the Prospectus until the Equity shares offered have been listed or application money unblocked on account of failure of issue.
20. Our Company, its Directors, Promoters or the Lead Manager have not entered into any buy-back or standby arrangements for the purchase of the Equity Shares of our Company.
21. None of the Promoter Group, Directors of the Promoter (s), the Directors and their relatives have purchased or sold any Equity Shares during the period of six (6) months immediately preceding the date of filing of this Prospectus with the Stock Exchange.
22. Our Company undertakes that there shall be only one (1) denomination for the Equity Shares of our Company, unless otherwise permitted by law. Our Company shall comply with such disclosure and accounting norms as specified by SEBI from time to time.

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23. There are no outstanding warrants, options or rights to convert debentures, loans or other instruments into Equity Shares as on the date of this Prospectus.
24. The Equity Shares are fully paid up and there are no partly paid-up Equity Shares as on the date of filing of this Prospectus.
25. Our Company has not issued Equity Shares out of Revaluation Reserves.
26. Our Company shall comply with such disclosures and accounting norms as may be specified by BSE, SEBI and other regulatory authorities from time to time.
27. The Equity Shares issued pursuant to this Issue shall be fully paid-up.
28. Our Company has not made any public issue of any kind or class of securities of our Company within the immediately preceding two (2) years prior to filing this Prospectus.
29. As on date of this Prospectus, our Company has 7 shareholders.
30. Our Company has not raised any bridge loans from any bank or financial institution as on the date of this Prospectus, which are proposed to be repaid from the Net Proceeds. However, depending on its business requirements, our Company may consider raising bridge financing facilities, pending receipt of the Net Proceeds of the Issue.
31. Our Company, Directors, Promoters or members of our Promoter Group shall not make any payments, direct or indirect, discounts, commissions, allowances or otherwise under this Issue except as disclosed in this Prospectus.
32. Our Company presently does not have any proposal or intention, negotiation and consideration to alter the equity capital structure by way of split/ consolidation of the denomination of the Equity Shares, or the issue of securities on a preferential basis or issue of bonus or rights or further public issue of securities or qualified institutions placement within a period of six (6) months from the date of opening of the Issue. However, if our Company enters into acquisitions, joint ventures or other arrangements, our Company may, subject to necessary approvals, consider raising additional capital to fund such activity or use Equity Shares as currency for acquisitions or participation in such joint ventures.
33. Our Company has not revalued its assets during the last five (5) financial years.
34. An over-subscription to the extent of 10% of the Issue can be retained for the purpose of rounding off to the nearest integer during finalizing the allotment, subject to minimum allotment, which is the minimum application size in this Issue. Consequently, the actual allotment may go up by a maximum of 10% of the Issue, as a result of which, the post-issue paid up capital after the Issue would also increase by the excess amount of allotment so made. In such an event, the Equity Shares held by the Promoter and subject to three (3) years lock- in shall be suitably increased; so as to ensure that 20% of the post Issue paid-up capital is locked in.
35. Under subscription, if any, in any of the categories, would be allowed to be met with spill-over from any of the other categories or a combination of categories at the discretion of our Company in consultation with the Lead Manager and Designated Stock Exchange i.e. BSE Limited (SME Platform). Such inter-se spill over, if any, would be affected in accordance with applicable laws, rules, regulations and guidelines.
36. In case of over-subscription in all categories the allocation in the issue shall be as per the requirements of Regulation 43(4) of SEBI (ICDR) Regulations.
37. There are no Equity Shares against which depository receipts have been issued.
38. Other than the Equity Shares, there is no other class of securities issued by our Company.
39. This issue is being made through the Fixed Price method.



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40. In terms of Rule 19(2)(b)(i) of the Securities Contracts (Regulation) Rules, 1957, as amended, (the SCRR) the Issue is being made for at least 25% of the post-Issue paid-up Equity Share capital of our Company. Further, this Issue is being made in terms of Chapter XB of the SEBI (ICDR) Regulations. As per Regulation 43(4) of the SEBI (ICDR) Regulations, 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 (50%) to retail individual investors; and
- b. Remaining to other than retail individual investors.

41. 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 (50%) on proportionate basis, accordingly the retail individual investors shall be allocated that higher percentage.

Our Promoters and members of our Promoter Group will not participate in the Issue.

The Lead Manager and its associates do not hold any Equity Shares in our Company as on the date of filing this Prospectus.

## SECTION IV: PARTICULARS OF THE ISSUE

### OBJECTS OF THE ISSUE

The Issue includes a fresh Issue of 28,00,000 Equity Shares of our Company at an Issue Price of ` 11.00 per Equity Share.

Our Company proposes to utilize the funds which are being raised through this Issue towards the below mentioned objects and gain benefits of listing on SME Platform of BSE:

**The Objects of the Issue are:**

- A. To Meet working capital requirement;
- B. To meet the Issue Expenses; and
- C. To meet General corporate purpose

*(Collectively referred as the “Objects”)*

We believe that listing will enhance our corporate image and brand name and create a public market for Equity Share of our Company in India and will further enable us to avail future growth opportunities. Our Company is primarily engaged in selling, purchasing, manufacturing, refining, export, Import, or otherwise deal as agent in all classes of leather hides skin or their substitutes, natural and synthetic. The main object clause and the ancillary object clause of the Memorandum of Association of our Company enable us to undertake our existing activities and the activities for which we are raising funds through the Issue. The existing activities of our Company are within the object clause of our Memorandum. The Fund requirement and deployment is based on internal management estimates and has not been appraised by any bank and financial institution.

**Requirement of Funds**

Our funding requirement is depend on a number of factors which may not be in the control of our management, changes in our financial condition and current commercial condition. 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.

The following table summarizes the requirement of funds:

| Sl. No. | Particulars                         | Amount<br>(in ` Lakh) |
|---------|-------------------------------------|-----------------------|
| 1       | To Meet working capital requirement | 250.00                |
| 2       | Public issue expenses               | 30.00                 |
| 3       | General corporate purpose           | 28.00                 |
|         | <b>Total: Gross Issue Proceeds</b>  | <b>308.00</b>         |
|         | Less: Public Issue Expenses         | 30.00                 |
|         | <b>Total: Net Issue Proceeds</b>    | <b>278.00</b>         |

**Utilisation of Net Issue Proceeds:** The Net Issue proceeds will be utilised to finance Working Capital Requirement and General corporate purpose in tune of ` 250.00 Lakh and ` 28.00 Lakh respectively.

**Means of Finance:** The above-mentioned fund requirement will be met from the proceeds of the Issue. We intend to fund the shortfall, if any, from internal accruals and/ or debt. Set forth below are the means of finance for the above-mentioned fund requirement:

| Sl. No. | Particulars        | Amount<br>(in ` Lakh) |
|---------|--------------------|-----------------------|
| 1       | Net Issue Proceeds | 278.00                |
|         | <b>Total</b>       | <b>278.00</b>         |

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

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

In case of any increase in the actual utilization of funds earmarked for the Objects, such additional funds for a particular activity will be met by way of means available to our Company, including from internal accruals. If the actual utilization towards any of the Objects is lower than the proposed deployment such balance will be used for future growth opportunities including funding existing objects, if required. In case of delays in raising funds from the Issue, our company may deploy certain amounts towards any of the above mentioned Objects through a combination of Internal Accruals or Unsecured Loans.

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

For further details on the risks involved in our business plans and executing our business strategies, please see the section titled "**Risk Factors**" beginning on page 15 of this Prospectus.

### Details of the use of the proceeds

#### 1. To Meet Working Capital Requirement

Our business is working capital intensive. We finance our working capital requirement from our internal accruals. 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 ` 555.55 Lakh for FY 2018- 2019. We intend to meet our working capital requirements to the extent of ` 250.00 Lakh from the Net Proceeds of this Issue and the balance will be met from internal accruals and borrowings at an appropriate time as per the requirement.

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

The details of our Company's composition of working capital as at March 31, 2018 and March 31, 2019 based on the Restated Summary Statements. Further the source of funding of the same are as set out in the table below:

(` in lakh)

### **DETAILS OF UTILIZATION OF ISSUE PROCEEDS**

#### Working Capital Requirements

|                             | <b>31.03.2018</b> | <b>31.03.2019</b>   |
|-----------------------------|-------------------|---------------------|
|                             |                   | <i>Rs. In Lakhs</i> |
| <b>Particulars</b>          |                   |                     |
| Cash & Bank Balance         | 45.54             | 48.32               |
| Sundry Debtors              |                   |                     |
| - Domestic                  | 602.68            | 400.00              |
| - Exports                   | 399.44            | 1,000.00            |
| Inventories                 |                   |                     |
| - Raw Material              | 391.68            | 600.00              |
| - Work in Progress          | 380.31            | 525.00              |
| - Finished Goods            | 327.79            | 375.00              |
| Other Current Assets        | 317.36            | 234.96              |
| <b>Total Current Assets</b> | <b>2,464.80</b>   | <b>3,183.28</b>     |
| Sundry Creditors            | 888.19            | 1,150.00            |
| Other Current Liabilities   | 249.99            | 175.73              |

|                                  |                   |                   |
|----------------------------------|-------------------|-------------------|
| <b>Total Current Liabilities</b> | <b>1,138.18</b>   | <b>1,325.73</b>   |
| <b>Working Capital Gap</b>       | <b>1,326.62</b>   | <b>1,857.55</b>   |
| <b>Source of Working Capital</b> | <b>31.03.2018</b> | <b>31.03.2019</b> |
| Bank Loan                        | 1,098.00          | 1,210.00          |
| Proceeds from IPO                | -                 | 250.00            |
| Internal Accrual                 | 228.62            | 397.55            |
| <b>Total</b>                     | <b>1,326.62</b>   | <b>1,857.55</b>   |

We have estimated future working capital requirements based on the following:

(No. of Months)

| Particulars | Basis            | 2017-18 | 2018-19 |
|-------------|------------------|---------|---------|
| Receivables | Domestic Debtors | 4.68    | 4.80    |
|             | Export Debtors   | 1.80    | 2.18    |
| Inventory   | Raw Material     | 1.28    | 1.35    |
|             | Work in Progress | 1.18    | 1.10    |
|             | Finished Goods   | 1.04    | 0.79    |
| Payables    | Credit Period    | 2.91    | 2.59    |

The details of our Company's expected working capital requirements for the Financial Years 2019 and funding of the same have not been audited or reviewed by the Statutory Auditor. Our Statutory Auditor have by a certificate dated September 07, 2018, certified the working capital requirements of our Company.

On the basis of existing working capital requirement of our Company and the estimated incremental working capital requirement, our Board pursuant to their resolution dated September 07, 2018 has approved the business plan for the period ended March 31, 2019 and the projected working capital requirement for Fiscals 2019 on standalone basis.

## 2. 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 ` 30.00 Lakh which is 9.74 % 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:

(` In Lakh)

| Activity  | Expenses     |
|---|--------------|
| Fees payable to Merchant Banker , Registrar Fees, Legal Fees & Misc. Expenditure Brokerage & Selling Commission | 25.50        |
| Printing and Stationery Expenses, Advertising and Marketing Expenses Statutory Expenses etc.                    | 4.50         |
| <b>Total Estimated Issue Expenses</b>   | <b>30.00</b> |

## 3. General Corporate Purpose:

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 ` 250.00 Lakh 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 Prospectus, shall not exceed 25% of the amount raised by our Company through this Issue.

#### 4. 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:

(*^ In Lakh*)

| Sl. No. | Particulars                 | Amount already Incurred | Amount to be deployed in F.Y. 2018-19 |
|---------|-----------------------------|-------------------------|---------------------------------------|
| 1.      | Working Capital Requirement | 0.00                    | 250.00                                |
| 2.      | Public Issue Expenses       | 4.60                    | 25.40                                 |
| 3.      | General Corporate Purpose   | 0.00                    | 28.00                                 |
|         | <b>Total</b>                | <b>4.60</b>             | <b>303.40</b>                         |

*The above expense includes GST.*

#### 5. Funds Deployed and Sources of Funds Deployed:

Our Peer Auditors, Gupta Agarwal & Associates, Chartered Accountants, vide their certificate dated September 02, 2018 have confirmed that the following funds have been deployed for the proposed object of the Issue:

(*Rs. In Lakh*)

| Sl. No. | Particulars                 | Amount deployed |
|---------|-----------------------------|-----------------|
| 1.      | Issue Expenses <sup>^</sup> | 15.58           |
|         | <b>Total</b>                | <b>15.58</b>    |

<sup>^</sup> Excluding applicable tax

#### 6. Sources of Financing for the Funds Deployed

Peer Auditors, Gupta Agarwal & Associates, Chartered Accountants, vide their certificate dated September 02, 2018 have also confirmed the amount deployed so far towards part of the Issue expenses has been financed through internal sources.

(*Rs. In Lakh*)

| Sl. No. | Particulars       | Amount deployed |
|---------|-------------------|-----------------|
| 1       | Internal Accruals | 4.60            |
|         | <b>Total</b>      | <b>4.60</b>     |

#### Appraisal

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

#### Shortfall of Funds

Any shortfall in meeting the fund requirements will be met by way of internal accruals and or unsecured Loans.

#### Bridge Financing Facilities

As on the date of this Prospectus, we have not raised any bridge loans which are proposed to be repaid from the Net Proceeds. However, we may draw down such amounts, as may be required, from an overdraft arrangement / cash credit facility with our lenders, to finance additional working capital needs until the completion of the Issue.





### **Monitoring Utilization of Funds**

As the Issue size is less than `10,000 Lakh, under the SEBI (ICDR) Regulations it is not mandatory for us to appoint a monitoring agency.

The Audit committee and the Board of Directors of our Company will monitor the utilization of funds raised through this public issue. Pursuant to Regulation 32 of SEBI Listing Regulations, 2015, 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 of funds utilized will be certified by the Statutory Auditors of our Company.

Further, in accordance with SEBI Listing Regulations, 2015, our Company shall furnish to the Stock Exchanges on a half yearly basis, a statement indicating material deviations, if any, in the utilization of the Net Proceeds for the objects stated in this Prospectus.

### **Interim Use of Proceeds**

Pending utilization of the Issue proceeds of the Issue for the purposes described above, our Company will deposit the Net Proceeds with scheduled commercial banks included in schedule II of the RBI Act.

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 or investing in any real estate product or real estate linked products.

### **Variation in Objects**

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

### **Other Confirmations**

There is no material existing or anticipated transactions with our Promoters, our Directors, our Company's Key Managerial Personnel, director of promoters in relation to the utilisation of the Net Proceeds. No part of the Net Proceeds will be paid by us as consideration to our Promoters, our Directors or Key Managerial Personnel, director of promoters except in the normal course of business and in compliance with the applicable laws.

## BASIC TERMS OF THE ISSUE

### Authority for the Issue

The present Issue of 28,00,000 Equity Shares in terms of Prospectus has been authorized pursuant to a resolution of our Board of Directors dated December 09, 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.

### Ranking of Equity Shares

The Equity Shares being issued under the Issue shall be subject to the provisions of our Memorandum and Articles and shall rank pari-passu with the existing Equity Shares of our Company including rights in respect of dividends. The Allottees in receipt of Allotment of Equity Shares under this Issue will be entitled to dividends or any other corporate benefits, if any, declared by the Company after the date of Allotment. For further details, please refer to the chapter “*Main Provisions of the Articles of Association*” beginning on page 209 of this Prospectus.

### Terms of the Issue

The Equity Shares, now being Issued, are subject to the terms and conditions of this Prospectus, Prospectus, Application form, Confirmation of Allocation Note (“CAN”), the Memorandum and Articles of Association of our Company, the guidelines for listing of securities issued by the Government of India and SEBI (ICDR) Regulations, 2009, the Depositories Act, Stock Exchange, RBI, RoC and/or other authorities as in force on the date of the Issue and to the extent applicable.

In addition, the Equity Shares shall also be subject to such other conditions as may be incorporated in the Share Certificates, as per the SEBI (ICDR) Regulations, 2009, notifications and other regulations for the issue of capital and listing of securities laid down from time to time by the Government of India and/or other authorities and other documents that may be executed in respect of the Equity Shares.

|                                     |  |
|-------------------------------------|--|
| <b>Face Value</b>                   | Each Equity Share shall have the face value of `10.00 each.  |
| <b>Issue Price</b>                  | Each Equity Share is being issued at a price of ` 11.00 each and is 1.1 time of Face Value.  |
| <b>Market Lot and Trading Lot</b>   | The Market lot and Trading lot for the Equity Share is 10,000 and the multiple of 10,000; subject to a minimum allotment of 10,000 Equity Shares to the successful applicants.   |
| <b>Terms of Payment</b>             | 100% of the Issue price of ` 11.00 each shall be payable on Application. For more details please refer “ <i>Issue Procedure</i> ” on page 190 of this Prospectus.  |
| <b>Ranking of the Equity Shares</b> | The Equity Shares shall be subject to the Memorandum and Articles of Association of the Company and shall rank pari-passu in all respects including dividends with the existing Equity Shares of the Company. The Allottees in receipt of Allotment of Equity Shares under this Issue will be entitled to dividends and other corporate benefits, if any, declared by the Company after the date of Allotment. For further details, please see “ <i>Main Provisions of Articles of Association</i> ” on page 209 of this Prospectus. |

### Minimum Subscription

In accordance with Regulation 106P (1) of SEBI ICDR Regulations, this Issue is 100% underwritten. Also, in accordance with explanation to Regulation 106P (1) of SEBI ICDR Regulations the underwriting shall not be restricted up to the minimum subscription level.

If our Company does not receive the subscription of 100% of the Issue including devolvement on Underwriters within 60 (Sixty) days from the date of closure of the issue, our Company shall forthwith unblock the entire subscription amount received. If there is a delay beyond 8 (eight) days after our Company becomes liable to pay the amount, our Company shall pay interest prescribed in the Companies Act.



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Further, in accordance with Regulation 106R of SEBI ICDR Regulations, no allotment shall be made pursuant to the Issue, if the number of prospective allottees is less than 50 (fifty). For further details, please refer to section titled “*Terms of the Issue*” beginning on page 181 of this Prospectus.

### BASIS FOR ISSUE PRICE

Investors should read the following summary with the section titled “**Risk Factors**”, the details about our Company under the section titled “**Our Business**” and its financial statements under the section titled “**Financial Information**” beginning on page 15, 91 and page 145 respectively of the Prospectus. The trading price of the Equity Shares of our Company could decline due to these risks and the investor may lose all or part of his investment.

The Issue Price has been determined by the Company in consultation with the Lead Manager on the basis of the key business strengths of our Company. The face value of the Equity Shares is ` 10.00 each and the Issue Price is ` 11.00 each, which is 1.1 times of the face value.

### QUALITATIVE FACTORS

For a detailed discussion on the qualitative factors which form the basis for computing the price, please refer to section titled “**Our Business**” beginning on page 91 of this Prospectus.

### QUANTITATIVE FACTORS

Information presented in this section is derived from our Company’s restated financial statements prepared in accordance with Indian GAAP. Some of the quantitative factors, which form the basis for computing the price, are as follows:

#### Basic & Diluted Earnings per share (EPS):

| Sl. No. | Period                  | Standalone          |             | Consolidated        |             |
|---------|-------------------------|---------------------|-------------|---------------------|-------------|
|         |                         | Basic & Diluted (₹) | Weights     | Basic & Diluted (₹) | Weights     |
| 1.      | FY 2015-16              | 0.95                | 1           | 1.11                | 1           |
| 2.      | FY 2016-17              | 0.76                | 2           | 0.53                | 2           |
| 3.      | FY 2017-18              | 1.36                | 3           | 1.48                | 3           |
|         | <b>Weighted Average</b> |                     | <b>1.09</b> |                     | <b>1.10</b> |

Basic & Diluted Earnings per share (EPS), as adjusted:

| Sl. No. | Period                  | Standalone          |             | Consolidated        |             |
|---------|-------------------------|---------------------|-------------|---------------------|-------------|
|         |                         | Basic & Diluted (₹) | Weights     | Basic & Diluted (₹) | Weights     |
| 1.      | FY 2015-16              | 0.36                | 1           | 0.42                | 1           |
| 2.      | FY 2016-17              | 0.34                | 2           | 0.24                | 2           |
| 3.      | FY 2017-18              | 1.02                | 3           | 1.11                | 3           |
|         | <b>Weighted Average</b> |                     | <b>0.68</b> |                     | <b>0.71</b> |

#### Notes:

*The figures disclosed above are based on the restated financial statements of the Company.*

*Earnings per Share has been calculated in accordance with Accounting Standard 20 – “Earnings per Share” issued by the Institute of Chartered Accountants of India.*

*The above statement should be read with Significant Accounting Policies and the Notes to the Restated Financial Statements as appearing in Annexure IV.*

Price Earning (P/E) Ratio in relation to the Issue Price of ` 11.00:

| Sl. No. | Particulars   | Standalone P/E | Consolidated P/E |
|---------|---|----------------|------------------|
| 1.      | P/E ratio based on the Basic & Diluted EPS, as adjusted for FY 2017-18  | 10.78          | 9.91             |
| 2.      | P/E ratio based on the Weighted Average EPS, as adjusted for FY 2017-18 | 16.17          | 15.49            |

**AKI India Limited**
**Peer Group P/ E:**

We believe that none of the listed companies in India offer products or services across the various business segments in which we operate. There are, however, listed companies in India in the Leather Business with one or more business segments common to ours and these are as given below:

| Sl. No | Name of Company                | Face Value (Rs.) | Basic EPS (Rs.)# | P/E  | RoNW (%) | BV per share (₹) |
|--------|--------------------------------|------------------|------------------|------|----------|------------------|
| 1.     | Mirza International Limited    | 2                | 6.5              | 15.6 | 14.1     | 47.5             |
| 2.     | Bhartiya International Limited | 10               | 10.8             | 35.8 | 7.80     | 208.7            |
| 3.     | Super Tannery Limited          | 1                | 0.4              | -    | 4.50     | 7.0              |
| 4.     | AKI India Limited**            | 10.00            | 1.36             | 7.35 | 13.37    | 15.30            |
| 5.     | AKI India Limited **           | 10.00            | 1.02#            | 9.80 |          |                  |
| 6.     | AKI India Limited ^            | 10.00            | 1.48             | 6.76 | 15.28    | 14.50            |
| 7.     | AKI India Limited ^            | 10.00            | 1.11#            | 9.01 |          |                  |

Source: Capital Market; Vol. XXXIII/14, Aug 27-Sep 09, 2018

\*Based on March 31, 2018 restated financial statements.

\*\*Standalone

^ Consolidated

# adjusted EPS

**Return on Net worth (RoNW)\***

| Sl. No. | Period                  | Standalone |              | Consolidated |              |
|---------|-------------------------|------------|--------------|--------------|--------------|
|         |                         | RONW       | Weights      | RONW         | Weights      |
| 1.      | FY 2015-16              | 4.79%      | 1            | 6.69%        | 1            |
| 2.      | FY 2016-17              | 2.28%      | 2            | 1.73%        | 2            |
| 3.      | FY 2017-18              | 13.37%     | 3            | 15.28%       | 3            |
|         | <b>Weighted Average</b> |            | <b>8.24%</b> |              | <b>9.33%</b> |

\*Restated Profit after tax/Net Worth

**Minimum Return on Net Worth after Issue to maintain Pre-Issue EPS for the financial year 2016-17:**

| Sl. No | Particulars        | (%) on Standalone | (%) on Consolidated |
|--------|--------------------|-------------------|---------------------|
| 1      | At the Issue Price | 9.79%             | 11.07%              |

**Net Asset Value (NAV) per Equity Share (Adjusted) :**

| Sl. No. | As at           | Standalone        |                    | Consolidated      |                    |
|---------|-----------------|-------------------|--------------------|-------------------|--------------------|
|         |                 | NAV (₹) Pre Bonus | NAV (₹) Post Bonus | NAV (₹) Pre Bonus | NAV (₹) Post Bonus |
| 1.      | March 31, 2016  | 19.84             | 7.44               | 16.59             | 6.22               |
| 2.      | March 31, 2017  | 44.16             | 16.56              | 40.64             | 15.24              |
| 3.      | March 31, 2018  | 15.30             | 10.20              | 14.50             | 9.66               |
| 4.      | NAV after Issue |                   | 10.42              |                   | 10.03              |
| 5.      | Issue Price     |                   | 11.00              |                   | 11.00              |

The face value of our shares is ₹ 10.00 per share and the Issue Price is of ₹ 11.00 per share is 1.1 times of the face value.

Our Company in consultation with the Lead Manager believes that the Issue Price of ₹ 11.00 per share for the Public Issue is justified in view of the above parameters. The investors may also want to peruse the risk factors



## **AKI India Limited**

and financials of the Company including important profitability and return ratios, as set out in the Auditors' Report in the Issue Document to have more informed view about the investment.

Investors should read the above mentioned information along with sections titled "***Our Business***", "***Risk Factors***" and "***Financial Information***" beginning on pages 91, 15 and 145 respectively including important profitability and return ratios, as set out in "Annexure 30 and AA" to the standalone and consolidated Financial Information of our Company beginning on page F-29 and F-55 of this Prospectus to have a more informed view.



AKI India Limited

## STATEMENT OF POSSIBLE TAX BENEFITS

**The Board of Directors  
AKI INDIA LIMITED  
9/6 (11), Asharfabad Jajmau  
Kanpur-208010, Uttar Pradesh**

Dear Sirs,

**Sub: Statement of possible Special tax benefit ('the Statement') available to AKI India Limited and its shareholders prepared in accordance with the requirements under Schedule VIII Part A Clause (VII) (L) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended (the 'Regulations')**

We hereby confirm that the enclosed annexure, prepared by AKI India Limited ('the Company') states the possible special tax benefits available to the Company and the shareholders of the Company under the Income – tax Act, 1961 ('Act'), the Gift Tax Act, 1958, 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 Act. 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 may or may not choose to fulfill. The amendments in Finance Act 2017 and Finance Bill 2018 have been incorporated to the extent relevant in the enclosed annexure.

The benefits discussed in the enclosed Annexure cover only special tax benefits available to the Company and do not cover any general tax benefits available to the Company. Further, these benefits are not exhaustive and the preparation of the contents stated is the responsibility of the Company's management. We are informed that this statement is only intended to provide general information to the investors and hence 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.

Our views are based on the existing provisions of the Act and its interpretations, which are subject to change or modification by subsequent legislative, regulatory, administrative or judicial decisions. Any such change, which could also be retroactive, could have an effect on the validity of our views stated herein. We assume no obligation to update this statement on any events subsequent to its issue, which may have a material effect on the discussions herein.

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, where applicable have been/would be met.

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

**Signed in terms of our separate report of even date.**

**For Gupta Agarwal & Associates**

Chartered Accountants

FRN: 329001E

(J.S.Gupta)

Partner

Membership No.059535

Date: September 02, 2018

Encl: Annexure

**Annexure to the statement of possible Tax Benefits**

Outlined below are the possible special tax benefits available to the Company and its shareholders under the Income Tax Act, 1961 ('the Act')

- Special Tax Benefits available to the Company & its Subsidiaries under the Act:

There are no special Tax benefits available to the Company & its subsidiaries under the Act.

- Special Tax Benefits available to the shareholders of the Company under the Act:

There are no special Tax Benefits available to the shareholders of the Company.

**Notes:**

The above Statement of Possible Special 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. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant tax laws.



## SECTION V: ABOUT THE COMPANY AND THE INDUSTRY

### INDUSTRY OVERVIEW

*Unless specified otherwise, the information in this section has been obtained or derived from the Report of Working Group on Leather & Leather Products Twelfth Five Year Plan Period (2012-17) (By Department of Industrial Policy & Promotion) and other Sources of which Link are mentioned (As available on Public domain). So, all the Information Shared is believed to be accurate and reliable. None of the Company, the LM or any other person connected with the Issue has independently verified this information. Industry sources and publications generally state that the information contained therein has been obtained from sources believed to be reliable, but their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured. Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base their information on estimates, projections, forecasts and assumptions that may prove to be incorrect. Accordingly, investors should not place undue reliance on or base their investment decision on this information.*

#### Overview of Global Economy

Global growth is expected to tick up to 3.9 percent this year and next, supported by strong momentum, favorable market sentiment, accommodative financial conditions, and the domestic and international repercussions of expansionary fiscal policy in the United States.

At 3.8 percent, global growth in 2017 was the fastest since 2011. With financial conditions still supportive, global growth is expected to tick up to a 3.9 percent rate in both 2018 and 2019. Advanced economies will grow faster than potential in 2018 and the next year; euro area economies are set to narrow excess capacity with support from accommodative monetary policy, and expansionary fiscal policy will drive the US economy above full employment. Aggregate growth in emerging market and developing economies is projected to firm further, with continued strong growth in emerging Asia and Europe and a modest upswing in commodity exporters after three years of weak performance. Global growth is projected to soften beyond the next couple of years. Once their output gaps close, most advanced economies are poised to return to potential growth rates well below pre-crisis averages, held back by aging populations and lackluster productivity. US growth will slow below potential as the expansionary impact of recent fiscal policy changes goes into reverse. Growth is projected to remain subpar in several emerging market and developing economies, including in some commodity exporters that continue to face substantial fiscal consolidation needs. Economic activity in 2017 ended on a high note growth in the second half of the year was above 4 percent, the strongest since the second half of 2010, supported by a recovery in investment. Outcomes exceeded the October 2017 World Economic Outlook forecasts in the euro area, Japan, the United States, and China, and continued to improve gradually in commodity exporters. Financial conditions remain supportive, despite the recent volatility in equity markets and increases in bond yields following signs of firming inflation in advanced economies. With broad-based momentum and expectations of a sizable fiscal expansion in the United States over this year and the next, global growth is now projected at 3.9 percent for 2018–19, a 0.2 percentage point upgrade for both years relative to the October 2017 forecast.

This positive momentum will eventually slow, however, leaving many countries with a challenging medium-term outlook. Some cyclical forces will wane: financial conditions are expected to tighten naturally with the closing of output gaps and monetary policy normalization; US tax reform will subtract momentum starting in 2020, and then more strongly as full investment expensing is phased out starting in 2023; and China's transition to lower growth is expected to resume as credit growth and fiscal stimulus diminish. At the same time, while the expected recovery in investment will help raise potential output, weak productivity trends and reduced labor force growth due to population aging constrain medium-term prospects in advanced economies. The outlook is mixed across emerging market and developing economies. Prospects remain favorable in emerging Asia and Europe, but are challenging in Latin America, the Middle East and sub-Saharan Africa, where despite some recovery the medium term outlook for commodity exporters remains generally subdued, with a need for further economic diversification and adjustment to lower commodity prices. More than one-quarter of emerging market and developing economies are projected to grow by less than advanced economies in per capita terms over the next five years, and hence fall further behind in terms of living standards. Risks around the short-term outlook are broadly balanced, but risks beyond the next several quarters are clearly to the downside. On the upside, the growth spurt in advanced economies may turn out to be stronger and more durable than in the baseline, as slack in labor markets can be larger than currently assessed. Furthermore, the ongoing recovery in investment could

foster a rebound in productivity, implying higher potential growth going forward. In the United States, financial conditions could tighten faster than expected, triggered, for example, by an adjustment in market pricing of the future path of monetary policy, higher realized or expected wage and price inflation, and/or a sudden decompression of term premiums. Tighter financial conditions in the United States would have spillovers to other economies, including through a reduction in capital flows to emerging markets. Very expansionary fiscal policy in the United States, at a time when the current account deficit is already larger than justified by fundamentals, combined with persistent excess current account surpluses in other countries, is projected to widen global imbalances. Anxiety about technological change and globalization is on the rise and, when combined with wider trade imbalances, could foster a shift toward inward-looking policies, disrupting trade and investment. Recent import restrictions announced by the United States, announced retaliatory actions by China and potential retaliation by other countries raise concerns in this regard and threaten to damage global and domestic activity and sentiment. Similarly, changes in US tax policies are expected to exacerbate income polarization, which could affect the political climate for policy choices in the future. Climate change, geopolitical tensions, and cyber security breaches pose additional threats to the subdued medium-term global outlook. (Source: <https://www.imf.org/en/Publications/WEO/Issues/2018/03/20/world-economic-outlook-april-2018>)

### **Overview of Indian economy**

The year 2017-18 was marked with strong macro-economic fundamentals. However, the growth of gross domestic product (GDP) moderated in 2017- 18 vis-à-vis 2016-17. There was an improvement in export growth, fiscal trends remained attuned to the consolidation plans and inflation remained within the limits. The year also witnessed an increase in global confidence in Indian economy as well as improvement in ease of doing business ranking. Various economic reforms were undertaken in the year which includes: implementation of the Goods and Service Tax, announcement of bank recapitalization, push to infrastructure development by giving infrastructure status to affordable housing, higher allocation of funds for highway construction and greater focus on coastal connectivity. Further initiatives include: lower income tax for companies with annual turnover up to 50 crore; allowing carry-forward of MAT credit up to a period of 15 years instead of 10 years at present; further measures to improve the ease of doing business; and, major push to digital economy. Other sectoral initiatives undertaken include: measures to revive the construction sector and promotion of exports in textile and apparel industry. Apart from these, the measures that were taken by the Government in the previous years to boost manufacturing, employment generation, improving ease of doing business and transparency via schemes such as Make-in-India, Skill India, direct benefit transfer and measures for financial inclusion were also taken forward in 2017-18. An important macro-economic challenge faced by the Indian economy relates to the declining trend in the investment and saving rates, as seen from the latest available data. Nonetheless, medium-term macro outlook remains bright against the background of implementation of GST, green shoots in the global economy, relatively stable prices and improvement in indicators of external sector.

### **Introduction**

India has emerged as the fastest growing major economy in the world as per the Central Statistics Organization (CSO) and International Monetary Fund (IMF) and it is expected to be one of the top three economic powers of the world over the next 10-15 years, backed by its strong democracy and partnerships. India's GDP is estimated to have increased 6.6 per cent in 2017-18 and is expected to grow 7.3 per cent in 2018-19.

### **Market size**

India's gross domestic product (GDP) at constant prices grew by 7.2 per cent in September-December 2017 quarter as per the Central Statistics Organization (CSO). Corporate earnings in India are expected to grow by 15-20 per cent in FY 2018-19 supported by recovery in capital expenditure, according to JM Financial. The tax collection figures between April 2017 - February 2018 show an increase in net direct taxes by 19.5 per cent year on year and an increase in net direct taxes by 22.2 per cent year-on-year. India has retained its position as the third largest startup base in the world with over 4,750 technology startups, with about 1,400 new start-ups being founded in 2016, according to a report by NASSCOM. India's labour force is expected to touch 160-170 million by 2020, based on rate of population growth, increased labour force participation, and higher education enrolment, among other factors, according to a study by ASSOCHAM and Thought Arbitrage Research Institute. India's foreign exchange reserves were US\$ 422.53 billion in the week up to March 23, 2018, according to data from the RBI. (Source: <https://www.ibef.org/economy/indian-economy-overview>)

## AKI India Limited

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

India's foreign exchange reserves were US\$ 404.92 billion in the week up to December 22, 2017, according to data from the RBI.

### Recent Developments

With the improvement in the economic scenario, there have been various investments in various sectors of the economy. The M&A activity in India increased 53.3 per cent to US\$ 77.6 billion in 2017 while private equity (PE) deals reached US\$ 24.4 billion. Some of the important recent developments in Indian economy are as follows:

- Indian companies raised Rs 1.6 trillion (US\$ 24.96 billion) through primary market in 2017.
- Moody's upgraded India's sovereign rating after 14 years to Baa2 with a stable economic outlook.
- India received net investments of US\$ 17.412 million from FIIs between April-October 2017.
- The top 100 companies in India are leading in the world in terms of disclosing their spending on corporate social responsibility (CSR), according to a 49-country study by global consultancy giant, KPMG.
- The bank recapitalisation plan by Government of India is expected to push credit growth in the country to 15 per cent, according to a report by Ambit Capital.
- India has improved its ranking in the World Bank's Doing Business Report by 30 spots over its 2017 ranking and is ranked 100 among 190 countries in 2018 edition of the report.
- India's ranking in the world has improved to 126 in terms of its per capita GDP, based on purchasing power parity (PPP) as it increased to US\$ 7,170 in 2017, as per data from the International Monetary Fund (IMF).
- The Government of India has saved US\$ 10 billion in subsidies through direct benefit transfers with the use of technology, Aadhaar and bank accounts, as per a statement by Mr Narendra Modi, Prime Minister of India.
- India is expected to have 100,000 startups by 2025, which will create employment for 3.25 million people and US\$ 500 billion in value, as per Mr T V Mohan Das Pai, Chairman, Manipal Global Education.
- The total projected expenditure of Union Budget 2018-19 is Rs 23.4 lakh crore (US\$ 371.81 billion), 9 per cent higher than previous year's budget, as laid out in the Medium Term Expenditure Framework (MTEF).
- India received the highest ever inflow of equity in the form of foreign direct investments (FDI) worth US\$ 43.4 billion in 2016-17 and has become one of the most open global economies by ushering in liberalisation measures, as per the mid-year economic survey of India.
- The World Bank has stated that private investments in India is expected to grow by 8.8 per cent in FY 2018-19 to overtake private consumption growth of 7.4 per cent, and thereby drive the growth in India's gross domestic product (GDP) in FY 2018-19.
- The Niti Aayog has predicted that rapid adoption of green mobility solutions like public transport, electric vehicles and car-pooling could likely help India save around Rs 3.9 trillion (US\$ 60 billion) in 2030.
- Indian impact investments may grow 25 per cent annually to US\$ 40 billion from US\$ 4 billion by 2025, as per Mr Anil Sinha, Global Impact Investing Network's (GIIN's) advisor for South Asia.
- The Union Cabinet, Government of India, has approved the Central Goods and Services Tax (CGST), Integrated GST (IGST), Union Territory GST (UTGST), and Compensation Bill.
- Indian merchandise exports in dollar terms registered a growth of 30.55 per cent year-on-year in November 2017 at US\$ 26.19 billion, according to the data from Ministry of Commerce & Industry
- The Nikkei India manufacturing Purchasing Managers' Index increased at the fastest pace in December 2017 to reach 54.7, signaling a recovery in the economy.

### Government Initiatives

In the Union Budget 2017-18, the Finance Minister, Mr Arun Jaitley, verified that the major push of the budget proposals is on growth stimulation, providing relief to the middle class, providing affordable housing, curbing

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black money, digitalisation of the economy, enhancing transparency in political funding and simplifying the tax administration in the country.

India's unemployment rate has declined to 4.8 per cent in February 2017 compared to 9.5 per cent in August 2016, as a result of the Government's increased focus towards rural jobs and the Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) scheme.

The Government of Maharashtra has set a target to double farm income by 2022 through measures like large scale micro irrigation, water conservation, expansion of formal cash credit coverage, crop insurance and agriculture diversification, as per Mr. Vidyasagar Rao, Governor of Maharashtra.

Numerous foreign companies are setting up their facilities in India on account of various government initiatives like Make in India and Digital India. Mr. Narendra Modi, Prime Minister of India, has launched the Make in India initiative with an aim to boost the manufacturing sector of Indian economy, to increase the purchasing power of an average Indian consumer, which would further boost demand, and hence spur development, in addition to benefiting investors. The Government of India, under the Make in India initiative, is trying to give boost to the contribution made by the manufacturing sector and aims to take it up to 25 per cent of the GDP from the current 17 per cent. Besides, the Government has also come up with Digital India initiative, which focuses on three core components: creation of digital infrastructure, delivering services digitally and to increase the digital literacy.

Some of the recent initiatives and developments undertaken by the government are listed below:

- The Government of India has succeeded in providing road connectivity to 85 per cent of the 178,184 eligible rural habitations in the country under its Pradhan Mantri Gram Sadak Yojana (PMGSY) since its launch in 2014.
- A total of 15,183 villages have been electrified in India between April 2015-November 2017 and complete electrification of all villages is expected by May 2018, according to Mr Raj Kumar Singh, Minister of State (IC) for Power and New & Renewable Energy, Government of India.
- The Government of India has decided to invest Rs 2.11 trillion (US\$ 32.9 billion) to recapitalise public sector banks over the next two years and Rs 7 trillion (US\$ 109.31 billion) for construction of new roads and highways over the next five years.
- The mid-term review of India's Foreign Trade Policy (FTP) 2015-20 has been released by Ministry of Commerce & Industry, Government of India, under which annual incentives for labour intensive MSME sectors have been increased by 2 per cent.
- The India-Japan Act East Forum, under which India and Japan will work on development projects in the North-East Region of India will be a milestone for bilateral relations between the two countries, according to Mr Kenji Hiramatsu, Ambassador of Japan to India.
- The Government of India will spend around Rs 1 lakh crore (US\$ 15.62 billion) during FY 18-20 to build roads in the country under Pradhan Mantri Gram Sadak Yojana (PMGSY).
- The Government of India plans to facilitate partnerships between gram panchayats, private companies and other social organisations, to push for rural development under its 'Mission Antyodaya' and has already selected 50,000 panchayats across the country for the same.
- The fiscal deficit of the Government of India, which was 4.5 per cent of the gross domestic product (GDP) in 2013-14, has steadily reduced to 3.5 per cent in 2016-17 and is expected to further decrease to 3.2 per cent of the GDP in 2017-18, according to the Reserve Bank of India (RBI).
- The Government of India plans to implement a new scheme, named 'Sasti Bijli Har Ghar Yojana' with an outlay of Rs 17,000 crore (US\$ 2.64 billion), to provide electricity to around 40 million un-electrified households in the country.
- The Government of India and the Government of Portugal have signed 11 bilateral agreements in areas of outer space, double taxation, and nano technology, among others, which will help in strengthening the economic ties between the two countries.
- India's revenue receipts are estimated to touch Rs 28-30 trillion (US\$ 436- 467 billion) by 2019, owing to Government of India's measures to strengthen infrastructure and reforms like demonetisation and Goods and Services Tax (GST).

## **AKI India Limited**

### **Road Ahead**

India's gross domestic product (GDP) is expected to reach US\$ 6 trillion by FY27 and achieve upper-middle income status on the back of digitisation, globalisation, favourable demographics, and reforms.

India is also focusing on renewable sources to generate energy. It is planning to achieve 40 per cent of its energy from non-fossil sources by 2030 which is currently 30 per cent and also have plans to increase its renewable energy capacity from 57 GW to 175 GW by 2022.

India is expected to be the third largest consumer economy as its consumption may triple to US\$ 4 trillion by 2025, owing to shift in consumer behaviour and expenditure pattern, according to a Boston Consulting Group (BCG) report; and is estimated to surpass USA to become the second largest economy in terms of purchasing power parity (PPP) by the year 2040, according to a report by PricewaterhouseCoopers.

Exchange Rate Used: INR 1 = US\$ 0.0156 as on December 29, 2017

### **About FDI in India**

#### **Introduction**

Apart from being a critical driver of economic growth, foreign direct investment (FDI) is a major source of non-debt financial resource for the economic development of India. Foreign companies invest in India to take advantage of relatively lower wages, special investment privileges such as tax exemptions, etc. For a country where foreign investments are being made, it also means achieving technical know-how and generating employment.

The Indian government's favourable policy regime and robust business environment have ensured that foreign capital keeps flowing into the country. The government has taken many initiatives in recent years such as relaxing FDI norms across sectors such as defence, PSU oil refineries, telecom, power exchanges, and stock exchanges, among others.

#### **Market size**

According to Department of Industrial Policy and Promotion (DIPP), the total FDI investments in India during April-September 2017 stood at US\$ 33.75 billion, indicating that government's effort to improve ease of doing business and relaxation in FDI norms is yielding results.

Data for April-September 2017 indicates that the telecommunications sector attracted the highest FDI equity inflow of US\$ 6.08 billion, followed by computer software and hardware – US\$ 3.05 billion and services – US\$ 2.92 billion. Most recently, the total FDI equity inflows for the month of September 2017 touched US\$ 2.12 billion.

During April-September 2017, India received the maximum FDI equity inflows from Mauritius (US\$ 11.47 billion), followed by Singapore (US\$ 5.29 billion), Netherlands (US\$ 1.95 billion), USA (US\$ 1.33 billion), and Germany (US\$ 934 million).

Indian impact investments may grow 25 per cent annually to US\$ 40 billion from US\$ 4 billion by 2025, as per Mr Anil Sinha, Global Impact Investing Network's (GIIN's) advisor for South Asia.

#### **Investments/ developments**

India has become the fastest growing investment region for foreign investors in 2016, led by an increase in investments in real estate and infrastructure sectors from Canada, according to a report by KPMG.

Some of the recent significant FDI announcements are as follows:

- In September 2017, 15 Japanese companies including Moresco, Toyoda Gosei, Topre and Murakami, signed memorandums of understanding (MoUs) with an intention to invest in the state of Gujarat.
- Singapore's Temasek will acquire a 16 per cent stake worth Rs 1,000 crore (US\$ 156.16 million) in Bengaluru based private healthcare network Manipal Hospitals which runs a hospital chain of around 5,000 beds.

## AKI India Limited

- France-based energy firm, Engie SA and Dubai-based private equity (PE) firm Abraaj Group have entered into a partnership for setting up a wind power platform in India.
- US-based footwear company, Skechers, is planning to add 400-500 more exclusive outlets in India over the next five years and also to launch its apparel and accessories collection in India.
- The government has approved five Foreign Direct Investment (FDI) proposals from Oppo Mobiles India, Louis Vuitton Malletier, Chumbak Design, Daniel Wellington AB and Actosherba Active Wholesale Pvt Ltd, according to Department of Industrial Policy and Promotion (DIPP).
- Cumulative equity foreign direct investment (FDI) inflows in India increased 40 per cent to reach US\$ 114.4 billion between FY 2015-16 and FY 2016-17, as against US\$ 81.8 billion between FY 2011-12 and FY 2013-14.
- Walmart India Pvt Ltd, the Indian arm of the largest global retailer, is planning to set up 30 new stores in India over the coming three years.
- US-based ecommerce giant, Amazon, has invested about US\$ 1 billion in its Indian arm so far in 2017, taking its total investment in its business in India to US\$ 2.7 billion.
- Kathmandu based conglomerate, CG Group is looking to invest Rs 1,000 crore (US\$ 155.97 million) in India by 2020 in its food and beverage business, stated Mr Varun Choudhary, Executive Director, CG Corp Global.
- International Finance Corporation (IFC), the investment arm of the World Bank Group, is planning to invest about US\$ 6 billion through 2022 in several sustainable and renewable energy programmes in India.
- Warburg Pincus, a Private Equity firm based in New York, has invested US\$ 100 million in CleanMax Solar, a rooftop solar development firm, which will be utilised to fund growth opportunities outside India and to improve product offerings.
- Morganfield Group, a Malaysian restaurant and bar chain, is planning to enter India by launching three of its brands, Morganfield's, Mocktail Bar and Snackz It, by the end of 2017. The company expects to open 250 outlets in India over the next five years.
- SAIC Motor Corporation is planning to enter India's automobile market and begin operations in 2019 by setting up a fully-owned car manufacturing facility in India.
- Toronto-based Canada Pension Plan Investment Board (CPPIB) made investments worth Rs 9,120 crore (US\$ 1.41 billion) in India during FY 2016-17, taking their total investment in India to Rs 22,560 crore (US\$ 3.50 billion).
- SoftBank is planning to invest its new US\$ 100 billion technology fund in market leaders in each market segment in India as it seeks to begin its third round of investments.
- The Government's Make in India campaign has attracted investment across sectors from various Chinese companies, as is evident from cumulative Foreign Direct Investment (FDI) inflows of Rs 9,933.87 crore (US\$ 1.54 billion) between 2014 and December 2016.

### Government Initiatives

The Department of Industrial Policy and Promotion (DIPP) approved nine Foreign Direct Investments (FDIs) worth Rs 5,000 crore (US\$ 780.43 million), including Amazon India's Rs 3,500 crore (US\$ 546.3 million) proposed investment.

In September 2017, the Government of India asked the states to focus on strengthening single window clearance system for fast-tracking approval processes, in order to increase Japanese investments in India.

The Ministry of Commerce and Industry, Government of India has eased the approval mechanism for foreign direct investment (FDI) proposals by doing away with the approval of Department of Revenue and mandating clearance of all proposals requiring approval within 10 weeks after the receipt of application.

The Department of Economic Affairs, Government of India, closed three foreign direct investment (FDI) proposals leading to a total foreign investment worth Rs 24.56 crore (US\$ 3.80 million) in October 2017.

India and Japan have joined hands for infrastructure development in India's north-eastern states and are also setting up an India-Japan Coordination Forum for Development of North East to undertake strategic infrastructure projects in the northeast.

## **AKI India Limited**

The Government of India is in talks with stakeholders to further ease foreign direct investment (FDI) in defence under the automatic route to 51 per cent from the current 49 per cent, in order to give a boost to the Make in India initiative and to generate employment.

The Central Board of Direct Taxes (CBDT) has exempted employee stock options (ESOPs), foreign direct investment (FDI) and court-approved transactions from the long term capital gains (LTCG) tax, under the Finance Act 2017.

The Union Cabinet has approved raising of bonds worth Rs 2,360 crore (US\$ 365.63 million) by the Indian Renewable Energy Development Agency (IREDA), which will be used in various renewable energy projects in FY 2017-18.

The Government of India is likely to allow 100 per cent foreign direct investment (FDI) in cash and ATM management companies, since they are not required to comply with the Private Securities Agencies Regulations Act (PSARA).

The Government of India plans to scrap the Foreign Investment Promotion Board (FIPB), which would enable the foreign investment proposals requiring government approval to be cleared by the ministries concerned, and thereby improve the ease of doing business in the country.

### **Road ahead**

India has become the most attractive emerging market for global partners (GP) investment for the coming 12 months, as per a recent market attractiveness survey conducted by Emerging Market Private Equity Association (EMPEA).

The World Bank has stated that private investments in India is expected to grow by 8.8 per cent in FY 2018-19 to overtake private consumption growth of 7.4 per cent, and thereby drive the growth in India's gross domestic product (GDP) in FY 2018-19.

Exchange Rate Used: INR 1 = US\$ 0.01552 as on November 30, 2017.

**References:** *Media Reports, Press Releases, Press Information Bureau, Press Trust of India*  
<https://www.ibef.org>

### **Leather Industry – Overview**

- The Leather Industry holds a prominent place in the Indian economy. This sector is known for its consistency in high export earnings and it is among the top ten foreign exchange earners for the country.

### **Strengths of Indian Leather Sector**

- Own raw material source – About 3 billion sq ft of leather produced annually
- Some varieties of goat / calf / sheep skins command premium position
- Some varieties of goat / calf / sheep skins command premium position
- Some varieties of goat / calf / sheep skins command premium position
- Some varieties of goat / calf / sheep skins command premium position

<http://leatherindia.org>

### **Market size**

India's gross domestic product (GDP) grew by 6.3 per cent in July-September 2017 quarter as per the Central Statistics Organisation (CSO). Corporate earnings in India are expected to grow by over 20 per cent in FY 2017-18 supported by normalisation of profits, especially in sectors like automobiles and banks, according to Bloomberg consensus.

The tax collection figures between April-June 2017 Quarter show an increase in Net Indirect taxes by 30.8 per cent and an increase in Net Direct Taxes by 24.79 per cent year-on-year, indicating a steady trend of healthy

## AKI India Limited

growth. The total number of e-filed Income Tax Returns rose 21 per cent year-on-year to 42.1 million in 2016-17 (till 28.02.17), whereas the number of e-returns processed during the same period stood at 43 million.

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

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

India's foreign exchange reserves were US\$ 404.92 billion in the week up to December 22, 2017, according to data from the RBI.

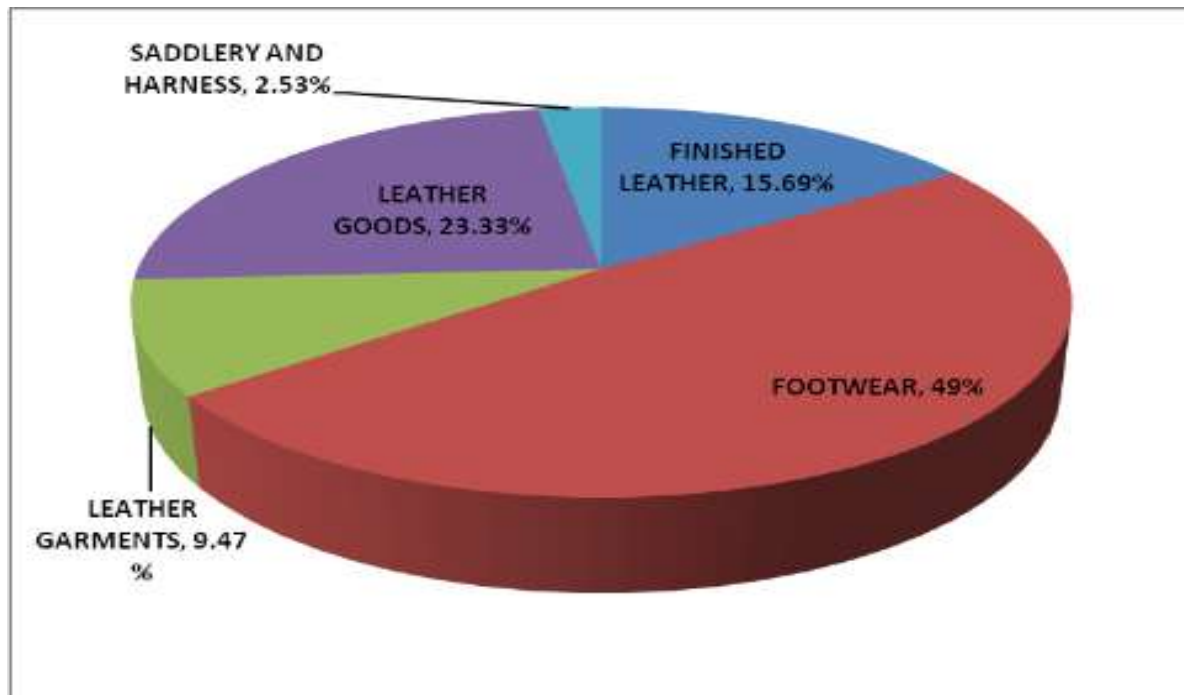
### India's Export of Leather and Leather Products for Five Years

| (Value in Million \$)     |         |         |         |         |         |
|---------------------------|---------|---------|---------|---------|---------|
|                           | 2012-13 | 2013-14 | 2014-15 | 2015-16 | 2016-17 |
| Finished Leather          | 1093.73 | 1284.57 | 1329.05 | 1046.45 | 888.89  |
| Footwear                  | 2066.91 | 2557.66 | 2945.58 | 2739.06 | 2775.77 |
| Leather Garments          | 563.54  | 596.15  | 604.25  | 553.11  | 536.57  |
| Leather Goods             | 1180.82 | 1353.91 | 1453.26 | 1370.04 | 1321.61 |
| Saddlery & Harness        | 110.41  | 145.54  | 162.70  | 146.38  | 143.08  |
| Total                     | 5015.41 | 5937.97 | 6494.84 | 5855.06 | 5665.91 |
| % Growth                  | 2.91%   | 18.39%  | 9.37%   | -9.84%  | -3.23%  |
| <i>Source: DGCI&amp;S</i> |         |         |         |         |         |

*Source: Council for Leather: Exports<http://leatherindia.org/>*

### % Share of Leather & Leather Products (2016-17)





Source: Council for Leather: Exports <http://leatherindia.org/>

### Recent Developments

With the improvement in the economic scenario, there have been various investments in various sectors of the economy. The M&A activity in India increased 53.3 per cent to US\$ 77.6 billion in 2017 while private equity (PE) deals reached US\$ 24.4 billion. Some of the important recent developments in Indian economy are as follows:

- Indian companies raised Rs 1.6 trillion (US\$ 24.96 billion) through primary market in 2017.
- Moody's upgraded India's sovereign rating after 14 years to Baa2 with a stable economic outlook.
- India received net investments of US\$ 17.412 billion from FIIs between April-October 2017.
- The top 100 companies in India are leading in the world in terms of disclosing their spending on corporate social responsibility (CSR), according to a 49-country study by global consultancy giant, KPMG.
- The bank recapitalisation plan by Government of India is expected to push credit growth in the country to 15 per cent, according to a report by Ambit Capital.
- India has improved its ranking in the World Bank's Doing Business Report by 30 spots over its 2017 ranking and is ranked 100 among 190 countries in 2018 edition of the report.
- India's ranking in the world has improved to 126 in terms of its per capita GDP, based on purchasing power parity (PPP) as it increased to US\$ 7,170 in 2017, as per data from the International Monetary Fund (IMF).
- The Government of India has saved US\$ 10 billion in subsidies through direct benefit transfers with the use of technology, Aadhaar and bank accounts, as per a statement by Mr Narendra Modi, Prime Minister of India.
- India is expected to have 100,000 startups by 2025, which will create employment for 3.25 million people and US\$ 500 billion in value, as per Mr T V Mohan Das Pai, Chairman, Manipal Global Education.
- The total projected expenditure of Union Budget 2018-19 is Rs 23.4 lakh crore (US\$ 371.81 billion), 9 per cent higher than previous year's budget, as laid out in the Medium Term Expenditure Framework (MTEF).
- India received the highest ever inflow of equity in the form of foreign direct investments (FDI) worth US\$ 43.4 billion in 2016-17 and has become one of the most open global economies by ushering in liberalisation measures, as per the mid-year economic survey of India.

## AKI India Limited

- The World Bank has stated that private investments in India is expected to grow by 8.8 per cent in FY 2018-19 to overtake private consumption growth of 7.4 per cent, and thereby drive the growth in India's gross domestic product (GDP) in FY 2018-19.
- The Niti Aayog has predicted that rapid adoption of green mobility solutions like public transport, electric vehicles and car-pooling could likely help India save around Rs 3.9 trillion (US\$ 60 billion) in 2030.
- Indian impact investments may grow 25 per cent annually to US\$ 40 billion from US\$ 4 billion by 2025, as per Mr Anil Sinha, Global Impact Investing Network's (GIIN's) advisor for South Asia.
- The Union Cabinet, Government of India, has approved the Central Goods and Services Tax (CGST), Integrated GST (IGST), Union Territory GST (UTGST), and Compensation Bill.
- Indian merchandise exports in dollar terms registered a growth of 30.55 per cent year-on-year in November 2017 at US\$ 26.19 billion, according to the data from Ministry of Commerce & Industry
- The Nikkei India manufacturing Purchasing Managers' Index increased at the fastest pace in December 2017 to reach 54.7, signaling a recovery in the economy.

### Export highlights

Leather is one of the most widely traded commodities globally. The growth in demand for leather is driven by the fashion industry, especially footwear. Apart from this, furniture and interior design industries, as well as the automotive industry also demand leather. The leather industry has a place of prominence in the Indian economy due to substantial export earnings and growth.

The Indian leather industry accounts for around 12.93 per cent of the world's leather production of hides/skins. The country ranks second in terms of footwear and leather garments production in the world and accounts for 9.57 per cent of the world's footwear production.

India's leather industry has grown drastically, transforming from a mere raw material supplier to a value-added product exporter.

- Total leather and leather good exports from India stood at US\$ 1.42 billion during April-June 2017 as against \$1.43 billion in the corresponding quarter of last year.
- During Apr-Jun 2017, the major markets for Indian leather products were US (14.66 per cent), Germany (11.22 per cent), UK (10.05 per cent), Italy (7.03 per cent), Spain (4.63 per cent), France (5.15 per cent), Hong Kong (4.52 per cent), UAE (5.04 per cent), China (3.09 per cent), Netherlands (3.05 per cent), Poland (2.23 per cent) and Vietnam 1.88 (per cent).
- At 47.54 per cent, footwear (leather and non-leather) and footwear components accounted for the lion's share of leather exports in April-June 2017, followed by leather goods and accessories with 23.34 per cent share, finished leather with 16.77 per cent share, leather garments with 9.79 per cent share and saddlery & harness with 2.56 per cent share.
- Per capita footwear consumption in India is expected to increase up to four pairs, while domestic footwear consumption is expected to reach up to five billion pairs by 2020.

<https://www.ibef.org>

### Indian Footwear Leather and Accessories Development Programme

- Notification Indian Footwear Leather and Accessories Development Programme (IFLADP)
- Brief Indian Footwear Leather and Accessories Development Programme (IFLADP)
- Guidelines Human Resource Development Sub Scheme
- Guidelines Integrated Development of Leather Sector Sub Scheme
- Guidelines Mega Leather Footwear and Accessories Cluster Sub Scheme
- Guidelines Leather Technology Innovation and Environmental Issues Sub Scheme
- Guidelines Establishment of Institutional Facilities Sub Scheme
- Guidelines Promotion of Indian Brand in Leather Footwear and Accessories Sector Sub Scheme
- Guidelines Additional Employment Incentive for Leather Footwear and Accessories Sector Sub Scheme

<http://www.dipp.nic.in/>

**Future Outlook:**

The Government of India had identified the Leather Sector as a Focus Sector in the Indian Foreign Trade Policy in view of its immense potential for export growth prospects and employment generation. Accordingly, the Government is also implementing various Special Focus Initiatives under the Foreign Trade Policy for the growth of leather sector. With the implementation of various industrial developmental programmes as well as export promotional activities; and keeping in view the past performance, and industry's inherent strengths of skilled manpower, innovative technology, increasing industry compliance to international environmental standards, and dedicated support of the allied industries, the Indian leather industry aims to augment the production, thereby enhance export, and resultantly create additional employment opportunities.

## OUR BUSINESS

We were established in year 1994 with the object of manufacturing and export of leather and leather goods with the technical assistance of Horse riding group from Germany for the making of Leather Saddlery & Harness Goods and after successful running of saddlery business for 13 years, the company set up its own leather footwear unit in the year 2007-08 and started manufacturing and export of leather shoes through the next several years, our Company was involved in wholesaling and distribution of branded basic footwear and had forayed into the retail business in year 2013.

Further in the year 2010, our Company decided to go in for the backward integration and planned to set up its own tannery to produce finished leather also. In this connection, we first purchased a running tannery in Unnao in its name and then renovated and expanded the tannery into a big and highly advanced tannery.

Our Company is engaged in the activities of producing and export of saddlery goods, services of the leather shoes and trading of leather chemicals at domestic level. Changing economic scenario and business conditions, evolving consumer preferences, rapid technological innovations and adoption and globalization are driving us to transform the manner in which they operate. Our core competencies are our in-house technical knowledge, skilled workforce, diversified product portfolio which enable us to meet varied client requirements. Our Company deals in all kinds of footwear's leather accessories.

Our Company operates through two distinct business verticals, retail and distribution, each with its predominantly own customer base, sale channels and product range. Our retail business operates through exclusive retail stores run by our Promoters through the proprietorship concern catering to middle and upper middle income consumers, who primarily shop in high street stores and malls, for fashionable products. Our distribution business operates through a wide network of distributors catering to lower and middle income consumers, who primarily shop in multi-brand-outlets ("MBO") for functional products.

We have been found to conform to the Quality Management System standard, ISO 9001:2008 certified for manufacturer and exporter of leather harness and saddler goods, leather goods, leather footwear, horse rug, riding apparels, leather pet products, dog covers, and export of finished leather for footwear and upholstery and is primarily responsible for the design and manufacture of leather products for equestrian sports, Horse covers, Leather footwear and finished Leather. We believe that our company follows all applicable standards and we commit to quality improvements. We believe that our brands are well accepted.

We are committed to satisfying our customers' need for quality products by product innovations, using the quality materials available and manufacturing the highest quality products and continually searching for better materials and improved methods of production. Our on-going success is dependent on our loyal customer base and continued addition of new and satisfied customers.

Our total revenue increased from ` 1821.75 Lakhs in Fiscal 2014 to ` 4912.56 Lakh in Fiscal 2018, representing a CAGR of 21.94 % on consolidated financial. Our EBIDTA increased from `306.19 Lakh in Fiscal 2016 to ` 400.02 Lakh in Fiscal 2018, representing growth of 15.32%.

| <b>Turnover as Domestic sale and Export sale (In Rs.)</b> |                       |                       |
|---|-----------------------|-----------------------|
|   | <b>March 31, 2017</b> | <b>March 31, 2018</b> |
| <b>Export/Manufacturing</b>                               | 34,73,26,748          | 37,16,86,647          |
| <b>Domestic/Trading</b>                                   | 5,06,84,402           | 4,98,84,682           |
| <b>Total Sales</b>  | 39,80,11,150          | 42,15,71,329          |

**Top 10 Customers and their Revenue**

| Sr. no. | Name of the Customer (s)      | Amount (In Rs.) |
|---------|-------------------------------|-----------------|
|         |                               | March 31, 2018  |
| 1.      | News Srl                      | 1,66,22,369     |
| 2.      | Gruppo Mastrotto S.P.A.       | 2,11,89,758     |
| 3.      | Goodwill Tanner               | 85,27,897       |
| 4.      | Conceria Volpiana Spa         | 1,38,11,228     |
| 5.      | Saba Export.                  | 65,51,388       |
| 6.      | Naaz Leather Finisher         | 41,45,121       |
| 7.      | Super Tannery Ltd.(Unit No.3) | 42,95,364       |
| 8.      | Rizzi Pellami Spa.            | 1,31,82,083     |
| 9.      | Bharat Tanning Industries     | 1,02,82,835     |
| 10.     | Shalimar Leather Industries.  | 40,03,028       |

**Top 10 Suppliers and their Revenue**

| Sr. no. | Name of the Customer (s)                   | Amount (In Rs.) |
|---------|--|-----------------|
|         |  | March 31, 2018  |
| 1.      | Allanasons Pvt Ltd (Unnao)                 | 6,02,05,600     |
| 2.      | Hide Care Enterprises                      | 67,27,553       |
| 3.      | Allanasons Pvt Ltd ( Ghazipur)             | 2,25,17,500     |
| 4.      | Regal Impex                                | 3,26,67,835     |
| 5.      | Labbaik Overseas Pvt ltd                   | 1,17,78,900     |
| 6.      | UNICHEM INDIA                              | 68,54,845       |
| 7.      | Indagro Foods Private Limited              | 3,00,19,900     |
| 8.      | Pajusco Technologie Spa                    | 78,75,000       |
| 9.      | Allanasons Pvt Ltd (Aligarh)               | 2,94,63,500     |
| 10.     | Frigerio Conserva Allana Pvt. Ltd (Mumbai) | 2,31,18,088     |

**Location:**

|   |  |
|---|--|
| <b>Registered office of the Company</b> | 9/6 (11), Asharfabad Jajmau Kanpur-208010, Uttar Pradesh, India          |
| <b>Factory</b>                          | 9/6 (11), Asharfabad Jajmau Kanpur-208010, Uttar Pradesh, India          |
| <b>Tannery Location</b>                 | 415/4, Kundan Road, Akrapur, Unnao, Kanpur- 209862, Uttar Pradesh, India |

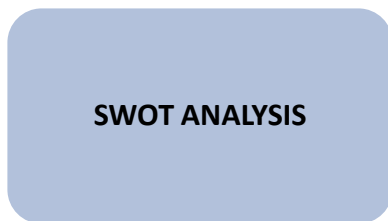
**SWOT Analysis**

**Strength**

1. Existence of productive capacity in tanning.
2. Easy availability of low cost of labour
3. Managements with business background
4. Comfortable availability of raw materials and other inputs
5. Cordial relations with customers

**Weakness**

1. Low level of labor productivity due to inadequate formal training / unskilled labor
2. Highly unhygienic environment
3. Environmental problems



**Threat**

**Opportunity**

1. Changing preferences and trend of people towards leather products.
2. Abundant scope to supply finished leather to multinationals setting up shop in India.
3. Product diversification
4. Rising disposable income of middle class families.

1. Entry of multinationals in domestic market
2. Stiff competition from other countries
3. Improving quality to adapt the stricter international standards.
4. Fast changing fashion trends are difficult to adapt for the Indian leather industries.

**Our Competitive Strengths**

The following are the key strengths which our Company believes enable it to be competitive in its business:

**1. Experienced Promoters supported by our professional and experienced management**

We believe that we benefit from the vision, strategic guidance, experience, skills and relationships of Promoters and CFO, who have vast experience in this industry. Our Company is managed by a team of experienced personnel. We believe that our management experience and their understanding of our industry will enable us to continue to take advantage of both current and future market opportunities. Our Management’s experience and knowledge enables us in addressing and mitigating various risks inherent in our business, including competition, the global economic crisis related effects and fluctuations in the prices.

**2. Brand Presence**

We are engaged in providing services to our clients and over the years we believe that we have established ourselves as a reliable brand in the state of Uttar Pradesh wherein our clients trust us for our quality, consistency and continuous performance.

**3. Domain expertise and technical excellence:**

We have a dedicated workforce, who is the strength and power of our organization. Our workforce is doing their individual bit in achieving our cumulative goals successfully.

**4. Cordial relationship with Customers**

We have strong and established relationships with our customers. Majority of our top 10 customers have been associated with us for more than 5 years and these long term relationships have enabled us to understand and cater to diverse requirements of such customers and to develop new products with and for these customers.

**5. *Comfortable availability of raw materials and other inputs.***

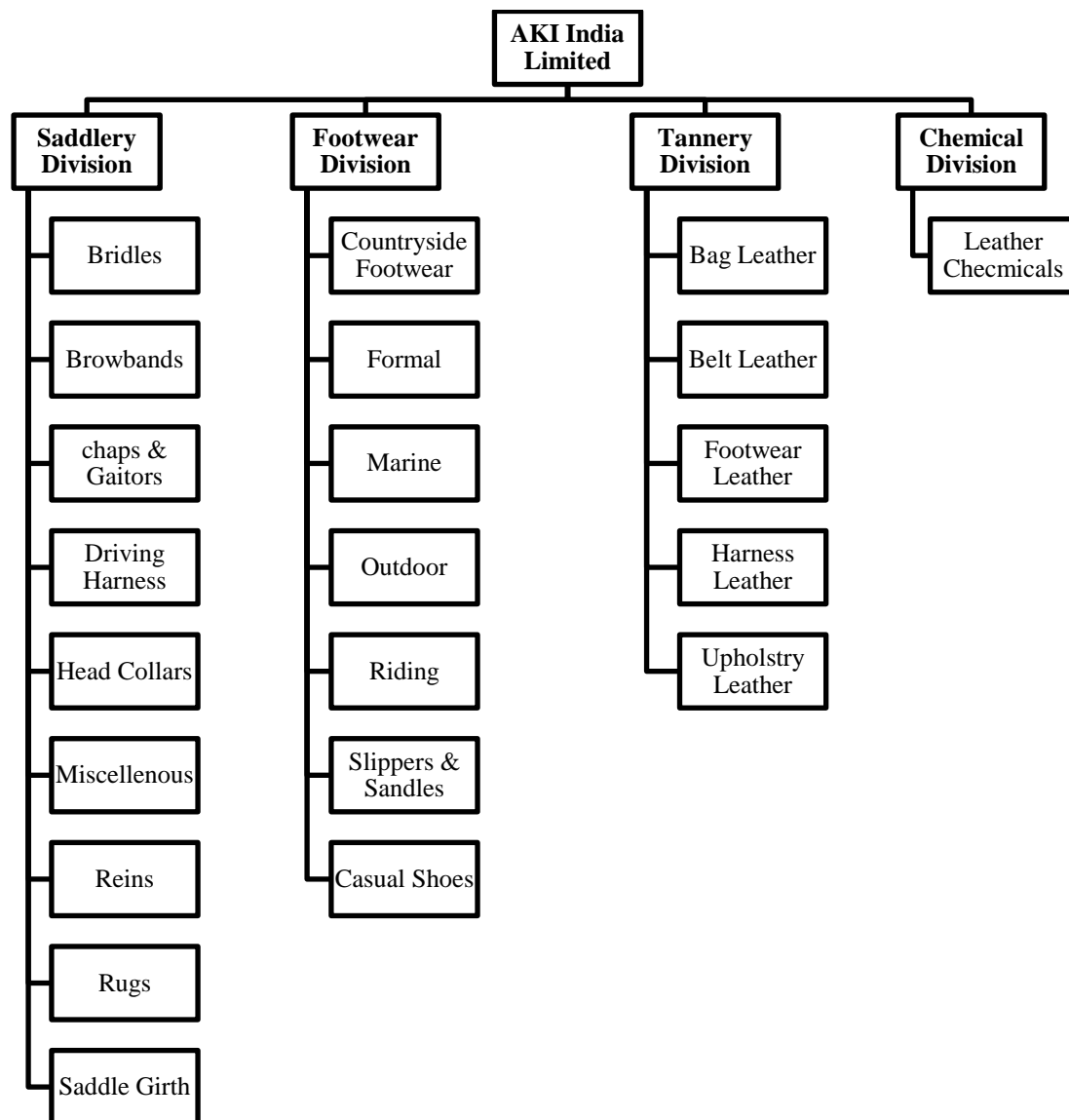
The basic raw material is the raw hide is never been a problem for us as the animals are abundantly available across the country and specially in Kanpur and Unnao and we do have very modern slaughter houses in the country.

***Our Strategies***

Our business strategy is to grow our business by increasing the scale and reliability of our business, and building trust with our clients. The following are the key strategies of our Company for its business:

- 1. *Enhancement of Brand Recognition:*** We are in such a business where we are facing competition. Our Company is not a well-established brand amongst large leather Companies. We will be making the necessary arrangements for our brand reorganization.
- 2. *Expanding Our Clientele Network by Geographic expansion:*** We believe that our growth in other states in the country can fetch us new business expansion and opportunities. Presently, our presence is in the state of Uttar Pradesh. Going forward we intend to establish our presence in few locations in the country. Our emphasis is on scaling up of our operations in other markets which will provide us with attractive opportunities to grow our client base and revenues.
- 3. *Continue to enter and expand our retail business in domestic and international market:*** We believe there are significant opportunities for additional growth within our existing client base and to enter into the retail business. Further given the fashion oriented nature of our products which are sold through our Promoter Group entity who are able to deliver small quantities without compromising on the quality of products or incurring significant capital expenditure. We intend to leverage our domain expertise, understanding of our target industry and close relationship with our clients to expand the scope of current services as well as provide services in new areas and businesses and penetrating existing market and further augment our presence in such markets once our brand is reasonably established in such markets.

**PRODUCTS OF AKI INDIA LIMITED**














**SADDLERY DIVISION**





Our company is specializing in manufacturing and exporting saddlery products, such as Bridles, Halters, Chaps, Boots Horse Rugs, Harness sets etc. covering the full range of popular styles. We offer range of our products matches with each customer’s requirement. Our products are available with better quality material and highly advanced craft work. Moreover latest plant and machineries are adding important role in the quality. We are also having our own tannery for producing the basic raw material “LEATHER”. This eases us to ensure the quality of the leather.

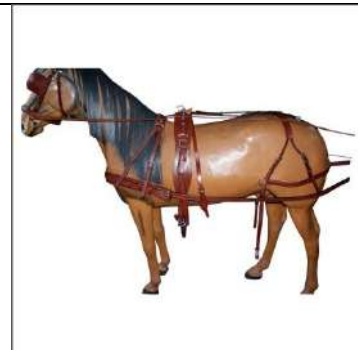
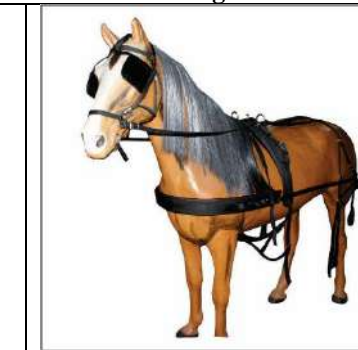
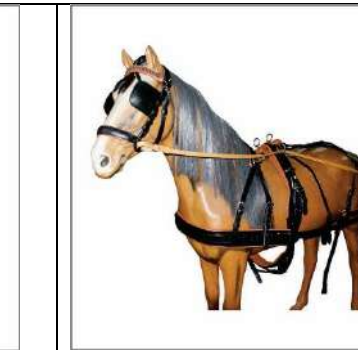
With over years' of development, our saddlery products have been sold to the USA, England, Germany, France, the Netherlands, Sweden, Australia and many other countries and regions, enjoying a very good reputation among our customers abroad.


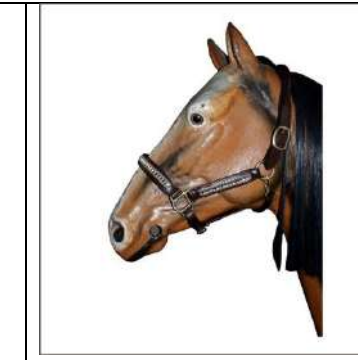






| <b>Bridles</b>   |   |
|--|---|
|   | BD-06- Hand Made Bridle with Brass Buckle, Raised Noseband and Crystal Browband with matching padding. Curved Crown with Web Reins.                               |
|   | BD-11- hand Made Brilde with Jumping Nosebnad with Stainless Steel Fittings, Curved Headpiece. Browband & Noseband raised with patent leather and fancy stitched. |
|   | BD-15- Hand made raised bridle with Jumping Noseband. Quality leather with Brass fittings. Noseband with matching soft leather padding. Browband with crystal.    |
|   | BD-18- Hand made bridle with Jumping Noseband with Stainless Steel buckle. Raised Noseband with black soft padding.   |
|   | BD-24- Handmade Jumping Bridle with Dressage Noseband. Stainless Steel Fittings.  |
|  | BD-32- Handmade Jumping Bridle with Dressage Noseband. Stainless Steel Fittings.  |

| <b>Browbands</b>  |   |   |
|---|---|---|
|  |  |  |
| BB-05 - Browband with crystals  | BB-09 - Browband with Round Crystals.   | BB-17 - Curved Browband with Crystals   |
|  |  |  |
| BB-08 - Browband Curved with Crystals Navy Blue Colour.                             | BB-16 - Browband with Milky White crystals.   | BB-20 - Browband with Rectangle crystals.   |








| Chaps & Gaitors  |   |  |  |
|--|---|--|--|
|                     |                            |    |   |
| HC-01 - Cow Swede Material, Snug fitting elasticated panel with YKK zip with end lock. 60% Flexible. | HC-02 - Chaps in soft smooth cow Swede material, Snug fitting elasticated panel with YKK zip with end lock. | GT-01 - Quality Leather Gaitors with leather lining, elasticated panel with YKK zip. | GT-02 - Quality Leather Gaitors with leather lining, elasticated panel with YKK zip. |


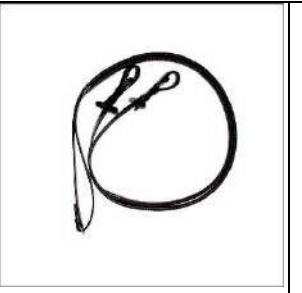
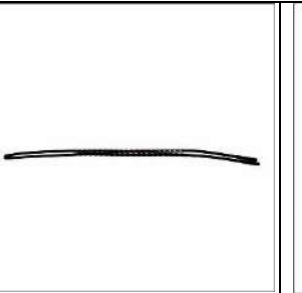

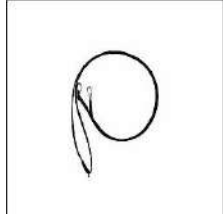
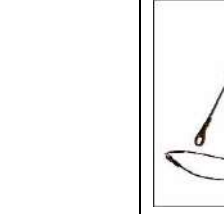
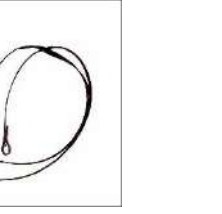
| Driving Harness  |  |  |
|--|--|--|
|    |  |   |
| HR-01 - One-horse carriage, luxury fitout suitable for competitions, extra strong rustproof fittings, complete set reinforced with nylon tape. | HR-03 - Made entirely of Nylon with high Quality Stainless Steel Hardware.         | HR-04 - One-horse carriage, luxury fitout suitable for competitions, extra strong rustproof fittings, complete set reinforced with nylon tape. |









| Head Collars   |   |   |
|--|---|---|
|   |    |                     |
| LH-01 - Headcollars on Quality Leather with Crystals. Head Piece padded with adjustable buckle. Throatlash with Snap hook. | LH-02 - Headcollar on Quality Leather with Brass Chromeplated Buckles and Crystals. Head Piece padded with adjustable buckle. Throatlash with Snap Hook, Noseband with soft leather padded. | NH-01 - Nylon Halter with chrome plated hardware. Adjustable Head Piece. Throatlash with Snap fittings. |





|   |  |   |
|---|--|---|
|  |   |  |
| <p>NH-02 - Nylon Headcollar with stong two layer, chrome plated hardware.</p>     | <p>NH-03 - Nylond Headcollar with Horseprint strong with two layer, Brass Plated hardware. Noseband and Headpiece with fur for the comfort of horse.</p> | <p>NH-04 -</p>  |




**Miscellaneous**

|   |   |  |  |
|---|---|--|--|
|    |                              |    |    |
| <p>Beastplate 1 - Beastplate made of high quality leather. with Stainless Steel buckles, elastic insert at the neck and detachable martingle forks.</p> | <p>Martingle 1 - Handy Martingle of the highest leather quality adn finish with Stainless steel fittings.</p> | <p>Stirrup Leather - Stirrup Leather in Quality Leather nylon inside in buckle part with SS buckle.</p>  | <p>Volting Girth 1 - Volting Girth on Quality leather with good shape leather pads for horse comfort. Leather covered Handles strongly fitted (Screwed &amp; Welded) both side strong leg loops. Three SS D-rings. All brass rivets.</p> |
|    |                            |   |  |
| <p>Beastplate 2 - Made of hard wearing leather. With elasticated insert at the neck part. Detachable martingle forks.</p>                               | <p>Martingle 2 - Plain Martingle on Quality Leather with SS Hardware.</p>                                     | <p>Volting Girth 2 - Volting Girth on Quality leather with good shape leather pads for horse comfort. Leather covered Handles strongly fitted (Screwed &amp; Welded) both side strong leg loops. Three SS D-rings. All brass rivets.</p> |  |

| Reins   |   |  |   |
|---|---|--|---|
|                                        |  |  |  |
| SR-01 - Ideal Side Reins for practice and competition alike. Best quality leather. Multi adjustable, with rubber rings. | SR-02 - Leather Rubber Reins covered with rubber with buckle.                     | SR-03 - Leather Reins Knotted with SS fittings.                                    | SR-04 - Leather Reins with keepers and SS Buckles and with Martingle Stopper.       |
|                                        |  |   |   |
| SR-05 - Web Reins with keepers and SS buckle and Snap hook.   | SR-06 - Leather Reins on quality leather with brass fittings.                     | SR-07 - Web Reins with keepers and Stainless Steel Buckles.                        |   |

| Rugs  |   |  |  |
|---|---|--|--|
|                            |    |                         |                    |
| RG-07-15 - Fly Sheet Deluxe with Front Buckle Open system. Tail Flap with straight surcingle.                 | RG-10-15 - Winter Rug 600 Denier, warm Tafeta lining 225gsm, 2 Leg Straps, Tail Flap, Front Quick Open Snap System Chest Strap with velcrow fastening for proper closing. Cross surcingle with window for proper fitting. | RG-11-15 - Canvas Ribstop Rug featuring 240oZ waterproof cotton with polyester ripstop canvas rug.         | RG-12-15 - Winter Rug 600 Denier, Warm Fleece Lining 225gsm, 2 Leg straps, Tail Flap, Cross Surcingle. |
|                            |    |                         |                    |
| RG-13-15 - Winter Combo Rug 1200 Denier, warm Tafeta lining 225gsm, 2 Leg Straps, Tail Flap, Front Quick Open | RG-14-15 - Antisweat Honeycomb Rug with fur protector in attractive designs. Strong Material, Cross Surcingle with Front  | RG-15-15 - Winter Rug 600 Denier, Warm Fleece lining, 225gsm polyfill quilt. 2 leg strap, tail flap, cross | RG-16-15 - Antisweat Honeycomb Rug with fur protector in attractive designs. Strong Material, Cross    |

|   |   |   |   |
|---|---|---|---|
| Snap System Chest Straps with velcro fastening for proper closing. Cross Surcingle. | Open Buckle.  | surcingle.  | Surcingle with Front Open Buckle.   |
|    |                |   |  |
| RG-17-15 - Antisweat Fleece RUG with Fur Protector. Quick Open Snap System.         | RG-18-15 - Antisweat Fleece Rug in Plain Color. Strong Material. Front Open with Buckle System. | RG-19-15 - Antisweat Fleece Rug with Fur Protector in attractive combination of fleece. Front Quick Open Buckle system chest strap. | RG-20-15 - Standard Fly Sheet in small mesh, with cross surcingle.                  |

| <b>Saddle Girth</b>   |   |   |   |
|---|---|---|---|
|  |  |   |  |
| GR-01 - Short Anatomic Girth, one side heavy elastic with SS Buckles.             | GR-02 - Short Anatomic Girth, One side heavy elastic with SS Buckles.             | GR-03 - Anatomical Girth on Quality soft leather. Dee ring and Two side elastic with strong Nylon inside the buckle part. | GR-04 - Anatomical Girth on Quality Soft Leather.                                   |

**FOOTWEAR**

Our Company has been producing quality footwear for men and women, with passion and fine craftsmanship. We have been perfecting the manufacture of exclusive quality shoes in terms of fit, design and workmanship.

We are specializing in exporting country Side Boots, Boat Shoes, Riding Shoes, Casual & Formal Shoes etc. covering the full range of popular styles. We offer range of our products matches with each and every customer's requirement.





We believe that our products are available with better quality material and better craft work. Moreover latest plant and machineries are adding important role in the quality.




Our own tannery for producing the basic raw material "LEATHER" that eases us to ensure the quality of the leather.

With over years' development, our footwear products have been sold to the England, Germany, France, the Netherlands, Sweden, Australia and many other countries and regions, enjoying a very good reputation among our customers abroad.









| <b>Countryside Footwear</b>  |  |   |  |
|--|--|---|--|
|   |   |   |   |
| Gatwick - These genuine DIN Leather Boot is ideal for outdoor activities. It has optimal combination of Waterproof leather and Membrane to insure breathability and waterproof protection. | Windermere - A very nice basic style for all season. TPR grip sole, Suede Leather with Waterproof lining, Elasticated gusset top.  | Marlow - An elegant genuine leather full length Waterproof & Breathable boot, It has Membrane lining for added advantage.   | Sudbury - An elegant full length boot very comfortable and stylish. It has full grip sole for maximum confidence on wet or slippery ground.                  |
|    |    |    |    |
| Wellington - These Boots are made of top quality of leather and components. This boot is waterproof and breathable through the use of high quality waterproof leather & Membrane lining.   | Sandrigham - A very elegant style for all season. Cow DIN Leather upper with Waterproof Membrane lining and elasticated gusset top makes the boot comfortable to wear at all times.  | Avon - An elegant full length boot made on using Cow DIN Leather and has Waterproof Membrane lining thus making the boot 100% Waterproof, the TPR sole makes the boot and anti slippery during wet condition. | Kingston - These are genuine Waterproof boot made on using suede & DIN Crazy Horse Leather supported by Membrane lining making the boot complete waterproof. |
|   |    |   |  |
| Beaumont - It is an elegant full length waterproof & Breathable leather boot, It has membrane lining for added advantage. It also has anti slippery TPR sole.                              | Ranger - It is an elegant full length leather boot & very comfortable. Constructed using Crazy Horse Leather and waxed suede upper with textile lining support makes the boot looks appealing. it also has a TPR sole for full grip. |   |  |

| <b>Formal Footwear</b>   |  |   |   |
|--|--|---|---|
|   |   |   |    |
| Rafter - Genuine Cow Leather Upper with Leather Lining & TPR sole gives the look of the shoe very classic and comfortable to wear.                     | Tyrone - Genuine Crocodile Print Patent leather with Leather Lining and Handmade Sole makes the shoe looks stylish       | Oxford - Genuine Cow Leather, Leather Lining, Extra comfortable socks & TPR outsole makes the shoe looks decent and comfortable while wear. | Norwich Made on genuine Cow Crust Leather, Leather Lining, PU Sole & Unique Italian Finish gives the shoe an attractive look. |
|   |   |   |    |
| Newport - genuine Cow Leather upper, Leather Lining, Comfortable out socks & PU Sole gives the shoe an elegant look and utmost comfortable while wear. | Kent - Genuine Cow Leather Upper, Leather Lining & PU Sole makes the shoe a unique Brogue.                               | Coventry - Made on genuine Cow leather upper, Coloured Lining & Handmade Sole simplifies a proper definition of Brogue Shoe.                | Codex - Genuine Leather upper, Leather Lining & Thermoplastic Rubber Outsole gives the shoe a unique appearance.              |
|   |                                      |   |   |
| Casper - Made on Genuine Lizard Print Leather Upper, Leather Lining & Handmade Outsole makes the shoe a complete party wear.                           | Wellington - Genuine Cow Leather Upper, Leather Lining & PU outsole makes the shoe elegant and comfortable while wearing |   |   |

| <b>Marine Footwear</b>  |   |  |   |
|---|---|--|---|
|  |  |  |  |
| Ex-Caliber - These Shoes are extremely comfortable and its non-slippery &           | Auckland - Made on Nubuck Leather, these genuine hand sewn                          | Exotica - These shoes are made of genuine leather upper, Textile                     | Dolphin - These hand sewn Mocassins are made of genuine                               |







|   |   |  |   |
|---|---|--|---|
| <p>non marking outsole featuring water channels for superior traction on wet and dry decks.</p>   | <p>Mocassins. The non-marking and Slip Resistant TPR outsole makes the shoe comfortable.</p>  | <p>lined &amp; TPR sole makes the shoe comfortable and elegant at all times.</p>   | <p>Washable nubuck leather and Non Marking, Slip Resistant outsole, these shoes are easily Machine washed and are very comfortable and elegant during wear.</p> |
|    |    |   |   |
| <p>Oceanic - These boots are an elegant full length Waterproof &amp; Breathable Boot, Waterproof Membrane Lined making the boot 100% Waterproof &amp; Breathable.</p> | <p>Oceanic (Navy/ Bison) - These boots are an elegant full length Waterproof &amp; Breathable Boot, Waterproof Membrane Lined making the boot 100% Waterproof &amp; Breathable.</p> | <p>Biscay - Made on genuine DIN Leather Upper, Waterproof Membrane Lining &amp; TPR sole makes the boot 100% Waterproof &amp; Breathable</p> |   |

**Outdoor Footwear**







|   |  |  |   |
|---|--|--|---|
|    |   |                       |    |
| <p>Barrhead - Made on genuine Tumbled Nubuck Leather, leather lining &amp; TPR sole makes the shoe strong durable to wear.</p>                | <p>Broxburn - Made on genuine Nubuck Leather Upper, Textile Lining &amp; Rubber Sole makes the shoe strong and durable.</p>                        | <p>Dave - An Elegant Ankle boot made on genuine Pullup Leather upper, Textile Lining &amp; TPR Sole.</p> | <p>Explorer - Made on genuine Nubuck Leather Upper, Leather Lining &amp; EVA Sole makes the shoe very light in weight and yet very strong and comfortable while wear.</p> |
|    |   |                      |    |
| <p>Hamilton - Made on genuine nubuck Leather Upper, Textile Lining &amp; Rubber sole makes the shoe very comfortable and looks appealing.</p> | <p>Hove - Genuine Pullup and Swede Leather upper, Textile Lining &amp; Rubber Soles gives the shoe an elegant look and comfort for the riders.</p> | <p>Hunter - An elegant boot for riders made on Cow Leather, Leather Lining &amp; TPR sole.</p>           | <p>Livingston - Made on genuine Nubuck Leather upper, Textile Lining &amp; Rubber Sole makes the boot strong and durable.</p>   |






| <b>Riding Footwear</b>   |  |   |  |
|--|--|---|--|
|   |   |   |   |
| RD-01 - An elegant boot made on genuine Cow Leather Upper, Leather Lining & Neolite Sole makes the shoe durable and comfortable while wear.  | RD-02 - Made on genuine leather upper, leather lined & Rubber sole makes the shoe an elegant for horse riding.   | RD-03 - A very elegant Front Zip boot made of using genuine leather upper, leather lining & rubber sole making the shoe utmost comfortable and strong while wear. | RD-04 - A very stylish and comfortable Front Zip Boot made using genuine leather, leather lining & Rubber sole making the shoe comfortable while wear.                                   |
|    |    |    |    |
| RD-05 - These jodhpur boots are very comfortable & durable during all time wear. Constructed using High quality Leather Upper, Leather Lining & Rubber sole gives proper grip to the shoe. | RD-06 - A very strong Steel Toe Boot made using Steel Toe as per reach norms of EN 12568/S imported from Italy & Crazy Horse leather upper & TPR sole makes the shoe strong. | RD-07 - A very comfortable and durable Front Zip Boot made using high quality of Waxy Pullup Leather, textile lining & TPR sole makes the shoe strong.            | RD-08 - A very appealing and Stylish Riding boot made using high quality of Crazy Horse Leather and TPR sole makes the shoe anti slippery, comfortable & strong while wear at all times. |
| <b>Slippers &amp; Sandals</b>  |  |   |  |
|   |   |   |   |
| Beaufort - Made of genuine Leather, Textile Lining & PU Sole gives the sandal an elegant appearance.   | Boston - An elegant sandal made on Cow leather, Leather Lining & PU Sole makes the sandal utmost comfortable and stylish.  | Cape - Made on Cow Leather, Textile Lining & PU Sole makes it utmost durable and stylish while wear.  | Carbon - Genuine Cow Leather, Neoprene Lined & PU Sole makes the Sandal the most comfortable in its segment  |

|  |   |  |  |
|--|---|--|--|
|                                       |    |                      |   |
| Cedar - Made on genuine Cow Leather, Neoprene Lined & PU Sole makes the slipper comfortable and stylish.               | Ely - An elegant and comfortable slipper to wear during all times. Made of genuine Full Grain Leather, Textile Lined & PU sole. | Fisher - Made of genuine Nubuck Leather, Textile Lining & PU sole makes the sandal looks very elegant. | Hybrid - Made on genuine Cow Leather, Leather Lining & TPR sole makes the slipper very comfortable and looks very elegant. |
|                                       |   |  |  |
| Ripon - A very comfortable an elegant looking slipper made of genuine Full Grain Leather, Synthetic Lined and PU Sole. | Saber - Made on genuine Pullup Leather, Leather Lined & PU sole makes the sandal utmost comfortable while wear.                 |  |  |

**Casual Shoes**






|   |   |  |
|---|---|--|
|    |                                  |   |
| Cardiff - An Elegant half cut shoe ideal for all time wear. Made on genuine Cow Leather upper, Leather Lining & Rubber sole makes a shoe comfortable. | Bronx - genuine Cow Leather and Swede upper, Textile Lining & TPR sole makes a shoe perfect for all time wear.      | Chester - A very Stylish shoe made on combination of Cow Patent and Cow Softy Leather Upper, Leather Lining & Rubber outsole makes it perfect for wear during leasure. |
|    |                                  |   |
| Duke - Made on genuine leather Cow leather & TPR sole makes the shoe very stylish and comfortable while wear.   | Glider - An elegant and comfortable shoe to wear at all times made from genuine Leather, Leather Lining & TPR Sole. | Leeds - Made on genuine Cow Nubuck Leather Upper, Textile Lining & TPR sole makes the shoe extremely comfort while wear.   |

|   |  |   |
|---|--|---|
|    |   |    |
| <p>Lincoln - An elegant and comfortable shoes for wear at all times made of genuine cow leather upper, leather lining &amp; Rubber Outsole.</p> | <p>Salford - Made on genuine Cow Nubuck Leather Upper, Textile Lining &amp; TPR sole makes a shoe comfortable while wear at all times.</p> | <p>York - Made on genuine Cow Swede Leather, Textile Lining &amp; TPR soles makes a shoe attractive and comfortable while wear all times.</p> |

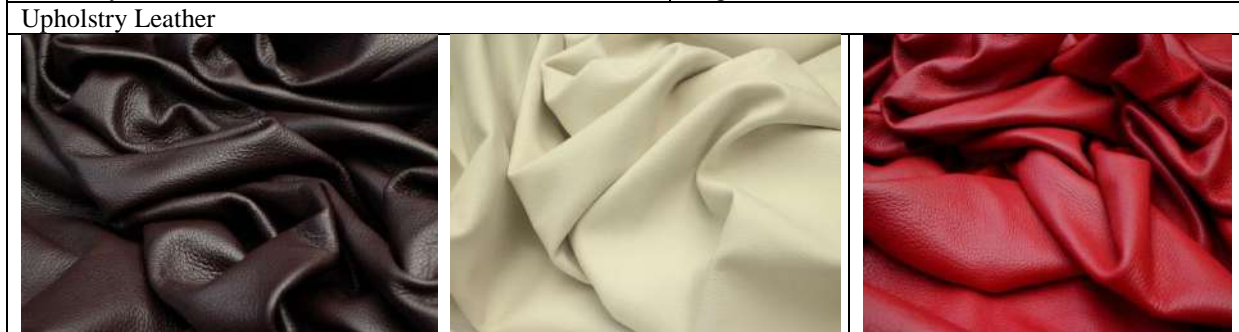
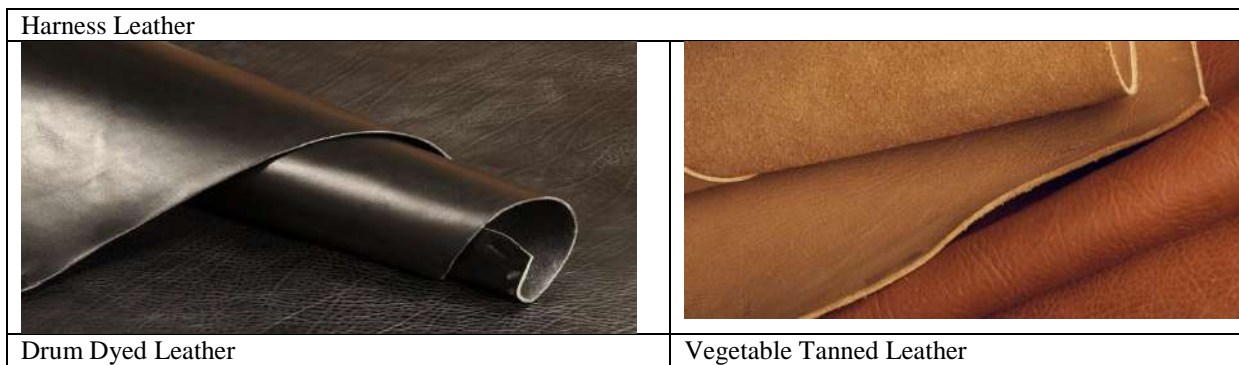
**TANNERY**

We believe that our Tannery exemplifies in technological and innovative in leather production. We are specialized in producing varieties in COW and BUFFALO. We believe that our Tannery is being run by qualified technicians with the latest and advanced technologies. Strict quality control is one of the company's most important principles. Being ISO 9001-2008 certification assures this quality control.

Through time, our business has gradually broadened all around the world. We believe that our Company places maximum emphasis on product quality, product innovation with the best processing facilities, and run SAP for inventory & management controls. We also have developed quality standardization and remarkable service level to ensure complete customer satisfaction.

|   |  |  |
|---|--|--|
| <p>Bag Leather</p>  |  |  |
|  |   |  |
| <p>Crunch Leather</p>   | <p>Full Grain Naapa</p>  | <p>Milled Leather</p>  |
|  |  |  |
| <p>Oil Skip Leather</p>   | <p>Waxy Leather</p>  |  |

|   |   |  |
|---|---|--|
| <p>Belt Leather</p>   |   |  |
|  |  |  |
| <p>Crunch Leather</p>   | <p>High Veg. Leather</p>  | <p>Milled Leather</p>  |

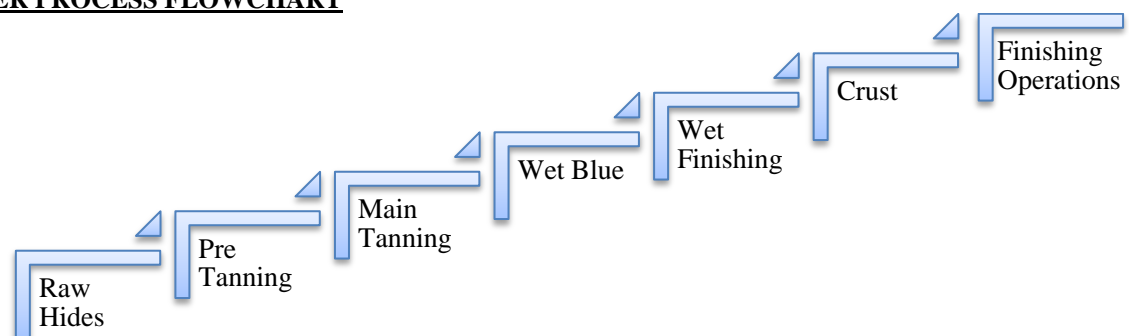




## CHEMICAL

We are engaged into distributorship of Leather Chemicals with well-known companies. We have entered into stockist agreement with Balmer Lawrie & Co. Ltd., a manufacturer and trader in various types of leather chemicals as stockist in the geographical region of Kanpur and Unnao.

## LEATHER PROCESS FLOWCHART



### Pre Tanning

- ❖ Soaking
- ❖ Fleshing
- ❖ Unhairing
- ❖ Liming
- ❖ Bating
- ❖ Pickling

### Main Tanning

- ❖ Chrome Tanning
- ❖ Sammying
- ❖ Barding
- ❖ Splitting
- ❖ Shaving

### Wet Finishing

- ❖ Neutralising
- ❖ Retanning
- ❖ Drum Dying
- ❖ Fatliquoring
- ❖ Sammying
- ❖ Setting
- ❖ Drying

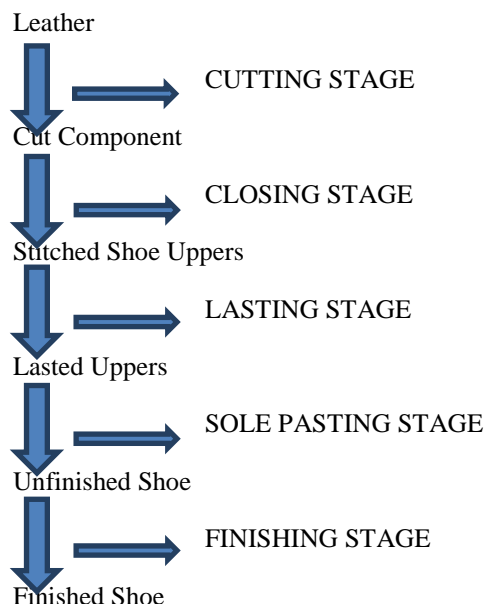
### Finishing Operations

- ❖ Conditioning
- ❖ Shaving


**AKI India Limited**

- ❖ Buffing
- ❖ Trimming
- ❖ Finishing

**FOOTEAR MANUFACTURING PROCESS FLOW**



**TRADEMARKS**

|   |  |
|---|--|
|  | <p>Maplewood had been enjoying the patronage of British and European markets. The brand has now stepped into the Indian market and is catering to the requirements of Indian customers, creating a niche image for its fashion shoes. It is acquiring the best of Indian patterns and is continuously innovating products with imagination and realism, leaving competition miles behind. Indian customers have taken very well to Maplewood products and the demand is growing daily among quality conscious customers demanding international class.</p> |
| <p><b>tresBon</b></p>   | <p>UK IP office</p>  |

**FAIR PARTICIPATION**

AKI Group which consists of AKI UK (our subsidiary) and AKI International (our Promoter Group) are exporters to many European countries including UK, France, Italy, Germany, Denmark, Austria and Spain. Apart from European countries, the company also exports to USA, China, Hong Kong, Australia and the Middle East nations. Our presence in the following fairs has been a regular feature to showcase our range of products.

- Lineapelle fair, Bologna, Italy
- APLF (Asia Pacific Leather Fair), HongKong
- A+A, Dusseldorf, Germany
- Spoga Horse, Germany
- Beta, UK
- Expo Riva Schuh, Garda, Italy
- Shanghai Fair, China



## AKI India Limited

### Collaborations/tie ups/ joint ventures

Our Company does not have Collaboration/Tie Ups/ Joint Ventures as on the date of this Prospectus.

### Business Continuity and Disaster Recovery

We maintain alternative resources to reduce the risk of failure of internet links or internal networks. We have systems enabling automatic switching to such alternate internet service providers and replacement warranties for our server.

### Marketing Plan

To accomplish our marketing objectives, we should develop benchmarks to measure progress. Regular reviews of these objectives will provide feedback and possible corrective actions on a timely basis. The major marketing objective is to gain a better understanding of the needs and satisfaction of current customers. Since we are benefiting from major reorder rate, it must be satisfying our current customers. To capitalize on its success with current clients, benchmarks should be established to learn how we can improve the products it now offers through knowledge of its clients' needs and specific opportunities for new product offerings. These benchmarks should be determined through marketing research and our marketing information system. We also should create new products that can utilize its current equipment, technology, and knowledge base. It should conduct simple research and analyses of similar products or product lines.

### Marketing and Distribution Strategy

- Large Wholesalers or stand-alone retail divisions of large companies with extensive broker, dealer, or retailer networks
- Small wholesalers, non-industrial segments of the business to business (B2B) market with extensive customer networks.
- The marketing plan clearly specifies and describes the target market(s) toward which the organization will aim its marketing efforts.
- Direct consumer markets for brands with successful licensing arrangements could provide additional markets for customized calendars.
- Industry associations that regularly hold or sponsor trade shows, meetings, conferences, or conventions.

### Marketing Mix

1. **Products.** AKI markets not only calendar products but also the post sales service to its clients. AKI's intangible attributes are its ability to meet or exceed customer expectations consistently, its speed in responding to customers' demands, and its anticipation of new customer needs. Intangible attributes are difficult for competitors to copy, thereby giving AKI a competitive advantage.
2. **Price.** We provide a high-quality specialty product customized to its clients' needs. The value of this product and service is reflected in its premium price. We should be sensitive to the price elasticity of its product and overall consumer demand.
3. **Distribution.** We use direct marketing.
4. **Promotion.** We believe that since 90 percent of our customers reorder each year, the bulk of promotional expenditures should focus on new product offerings through direct-mail advertising and trade journals or specialty publications. Participation in all important trade fairs is also a key for success.

### Marketing Implementation

**A. Marketing Organization** Our current and future products require extensive customization to match clients' needs, it is necessary to organize the marketing function by customer groups. This will allow us to focus its marketing efforts exclusively on the needs and specifications of each target customer segment/groups. Each group will be headed by a sales manager who will report to the marketing director. Each group is responsible for the marketing of our products within that customer segment. In addition, each group will have full decision-making authority. This represents a shift from the current highly centralized management hierarchy. Frontline salespeople will be empowered to make decisions that will better satisfy our clients. These changes in marketing organization will enable us to be more creative and flexible in meeting customers' needs. Likewise, these

## AKI India Limited

changes will overcome the current lack of diversification in our product lines and client base. Finally, this new marketing organization will give us a better opportunity to monitor the activities of competitors.

### Competition

We compete in different markets within the Leather and footwear industry on the basis of the quality of our products, customer service, product development activities, price, and distribution. All of our markets are highly competitive. Factors affecting our competitive success include, among other things, price, availability of products, brand recognition, customer service and reliability.

We have a comprehensive business model we do compete with various other brands present in this industry.

### **Human Resource**

As of August 31, 2018, we employed 16 full time employees and 27 contracted labour person. The following table provides information about our full time employees:

| Sl. No. | Particulars         | No. of Employees |
|---------|---------------------|------------------|
| 1.      | Skilled Employees   | 12               |
| 2.      | Unskilled Employees | 4                |
|         | <b>Total</b>        | <b>16</b>        |

### **Insurance:**

| Sl. No. | Name of the insured          | Type of policy                          | Policy No.               | Description of Cover under the Policy     | Address of the Properties where the insured assets are situated   | Sum Insured  | Date of Expiry  | Premium p.a. |
|---------|------------------------------|---|--------------------------|---|---|--|-----------------|--------------|
| 1.      | The Jammu & Kashmir Bank Ltd | Change in Risk/Cover                    | 223103/11/2010/154       | Fire basic and Earthquake                 | A/C Mr. Anwar Kamal Iraqi, 9/6 (II) 3 <sup>rd</sup> and 4 <sup>th</sup> floor, Asharfabad Jajmau, Kanpur 208007 | Fire Basic Cover Rs. 28,00,000<br>Earthquake Cover Rs. 28,00,000 (Revised Sum) | August 17, 2019 | Rs. 1,309/-  |
| 2.      | The Jammu & Kashmir Bank Ltd | Change in Risk/Cover                    | 223103/11/2010/155-002   | Fire basic and Earthquake                 | A/C Mr. Asad Kamal Iraqi, 9/6 (II) 3 <sup>rd</sup> and 4 <sup>th</sup> floor, Asharfabad Jajmau, Kanpur 208007  | Fire Basic Cover Rs. 28,00,000<br>Earthquake Cover Rs. 28,00,000 (Revised Sum) | August 19, 2019 | Rs. 2,810/-  |
| 3.      | AKI India Limited            | Standard Fire and Special Perils Policy | OG-18-1302-4001-00001093 | Standard Fire & Special Perils and Addons | 9/6 (11), Asharfabad Jajmau, Kanpur Nagar 208023,   | Rs. 970,42,000   | August 30, 2018 | Rs. 73,000/- |



|    |  |   |                          |   |   |                 |                 |              |
|----|--|---|--------------------------|---|---|-----------------|-----------------|--------------|
|    |  |   |                          |   | Uttar Pradesh   |                 |                 |              |
| 4. | AKI India Limited                              | Standard Fire and Special Perils Policy | OG-18-1302-4001-00001094 | Standard Fire & Special Perils and Addons | 9/6 (11), Asharfabad Jajmau, Kanpur Nagar 208023, Uttar Pradesh | Rs. 1,26,50,000 | August 30, 2018 | Rs. 10,860/- |
| 5. | J&K Bank Ltd and M/s AKI India Private Limited | Standard Fire and Special Perils Policy | OG-18-1302-4001-00000506 | Standard Fire & Special Perils and Addons | 2A 1A 247, Jajmau, Kanpur Nagar 208023, Uttar Pradesh           | Rs. 50,00,000   | June 3, 2018    | Rs. 8,224/-  |

**Immovable Properties of our Company**

| Sl. No. | Details Property           | Licensor/Vendor | Owned/Co-Owned/Leased |
|---------|----------------------------|-----------------|-----------------------|
| 1.      | Tannery                    | NA              | Owned                 |
| 2.      | Registered Office/ Factory | NA              | Owned by promoter     |

**Plant, Machinery, Technology:**

| Name of the Machine   | Quantity | Name of supplier                |
|---|----------|---------------------------------|
| Pattern Scanning set for wet blue   | 1        | Ger Elettronica Srl/Italy       |
| 3500*3000 MM Normal wooden drum   | 1        | HAD Hksar Ltd./Hong Kong        |
| Splitting Machine   | 1        | Alpe Spark Srl/Italy            |
| Splitting Machine parts   | 1        | Alpe Spark Srl/Italy            |
| Vibration staking machine   | 1        | HAD Hksar Ltd./Hong Kong        |
| Liming Drum Dim 4000*4000 MM  | 1        | Pajusco Technology              |
| Drying Toggling machine   | 1        | P.H.K & Sons/Thailand           |
| Plate ironing & embossing machine model No. GIS D3-850 with accessories.  | 1        | HAD Hksar Ltd./Hong Kong        |
| Hydraulic Sammying machine. Version STEN PRESS BLUESTAR versus 3400 mm for stretching and sammying chromium tanned leathers.                                | 1        | Dauce Tri. MA, Srl/Italy        |
| Complete buffing line ALPE model SUPER BD 3200 w.w  | 1        | ALPE/Italy                      |
| Shaving machine ALPE model matrix of 3000 mm.   | 1        | ALPE/Italy                      |
| S.S sampling lab drum unimark   | 1        | ALPE/Italy                      |
| Micro filters for waste water treatment plant for leather industry with accessories model clean   | 1        | HAD Hksar Ltd./Hong Kong        |
| 4 head vibration staking machine, Model GLBZ with dust collector system and accessories.  | 1        | HAD Hksar Ltd./Hong Kong        |
| 9 ft heavy duty fleshing machine fitted with SS Trips, rubber roller with rubberizing, knife cylinder fitted with knives, counter drive coupled with 7.5 HP | 1        | Hazra Engineering Works/kolkata |

In case machines are yet to be delivered, the date of quotations relied upon for the cost estimates given shall also be mentioned.

The percentage and value terms of the plant and machinery for which orders are yet to be placed shall be stated.

The details of the second hand machinery bought or proposed to be bought, if any, including the age of the machines, balance estimated life, etc. shall also be given.

**Collaborations, any performance guarantee or assistance in marketing by the collaborators:**

The following information regarding persons or entities with whom technical and financial agreements have been entered into shall be given:

- (i) Place of registration and year of incorporation.
- (ii) Paid up share capital.
- (iii) Turnover of the last financial year of operation.
- (iv) General information regarding such persons relevant to the issuer.

**Infrastructure & Utilities**

The main utilities required in our activity are:

***Power***

The main utility required is Power. We have made necessary arrangements for regular uninterrupted power supply at our factory. We meet our power requirements from the connection taken from Power Development Department at Jammu at our factory premise having sanctioned electricity load of 48 HP for Kanpur and 250 KVA for Unnao to run our unit for manufacturing of leather footwear and horse riding goods.

***Fuel***

The requirement of fuel for operating the machinery/equipment is met by supplies from local market.

***Water***

Water required for the manufacturing and allied process is procured through the existing water supply network in the plant premises. The unit is not a highly water consuming type, the normal water requirements for cooling, small amount of steam generation and other consumptions will be met from the supplies in the Industrial area. However bore well is used to ensure continuous and uninterrupted water supply to the plant.

**Effluent Treatment**

Our Company has dedicated effluent treatment plant for our Tannery.

**Export Obligation**

Our Company has identified certain key export markets for its products. As on the date, we do not have any export obligation.

**Health safety and Environments**

Our activities are subject to wide range of government rules and regulations regarding health, safety and environment protection. We are committed to protecting the health and safety of employees and contractors working in our factories, people who come in contact with our operations and the health and sustainability of the environment in which we operate.

We believe that ensuring the health and safety of our employees is critical to the successful conduct of our business and operations. We are therefore committed to complying with applicable health, safety and environmental regulations and other requirements in our operation

## **KEY INDUSTRY REGULATIONS AND POLICIES**

The following description is a summary of certain sector specific laws and regulations as prescribed by the Government of India or State Governments which are applicable to our Company. The information detailed in this section has been obtained from publications available in the public domain. The regulations and descriptions thereof, as set out below, may not be exhaustive, and are only intended to provide general information to the buyers and is neither designed nor intended to be a substitute for professional legal advice. Further, interpretations of the regulations are subject to legislative, judicial and administrative decisions.

### **General Laws: -**

#### **The Indian Boilers Act, 1923**

The Indian Boilers Act, 1923 (the 'Boilers Act') states that the owner of any boiler (as defined therein), which is wholly or partly under pressure when is shut off, shall under the provisions of the Boilers Act, apply to the Inspector appointed thereunder to have the boiler registered which shall be accompanied by prescribed fee. The certificate for use of a registered boiler is issued pursuant to such application, for a period not exceeding twelve months, provided that a certificate in respect of an economiser or of an unfired boiler which forms an integral part of a processing plant in which steam is generated solely by the use of oil, asphalt or bitumen as a heating medium may be issued for a period not exceeding twenty-four months in accordance with the regulations made under Boilers Act. On the expiry of the term or due to any structural alteration, addition or renewal to the boiler, the owner of the boiler is required to renew the certificate by providing the Inspector all reasonable facilities for the examination and all such information as may reasonably be required of him to have the boiler properly prepared and ready for examination in the prescribed manner.

#### **Standards of Weights and Measures Act, 1976**

This Legislation and the rules made there under apply to any packaged commodity that is sold or distributed. It provides for standardization of packages in specified quantities or numbers, in which the manufacturer, packer or distributor shall sell, distribute or deliver some specified commodity to avoid undue proliferation of weights, measures or number in which such commodities may be packed. The Act regulates inter-state trade and commerce in weights and measures and commodities sold, distributed or supplied by weights or measures, pre-packed commodities sold or intended to be sold in the course of inter-state and commerce, inspection of weighing and measuring instruments during their use to prevent fraudulent practices.

It also empowers the inspectors appointed under the provision of this Act to search, seize and forfeit non-standard weight or measure and to file case in the court for prosecution. Any person intending to pre-pack or import any commodity for sale, distribution or delivery has to make an application to the Director of Legal Metrology for registration.

#### **Legal Metrology Act, 2009**

The Legal Metrology Act, 2009 (L.M. Act) governs the standards/units/denominations used for weights and measures as well as for goods which are sold or distributed by weight, measure or number. It also states that any transaction/contract relating to goods/class of goods shall be as per the weight/measurement/numbers prescribed by the L.M. Act. Moreover, the L.M. Act prohibits any person from quoting any price, issuing a price list, cash memo or other document, in relation to goods or things, otherwise than in accordance with the provisions of the L.M. Act. The specifications with respect to the exact denomination of the weight of goods to be considered in transactions are contained in the Rules made by each State. The Act also provides for Legal Metrology (General) Rules, 2011, which may be followed for due compliance, if the respective State does not provide for Rules in this regard.

#### **The Bureau of Indian Standards Act, 1986 ("BIS Act")**

The BIS Act provides for the establishment of bureau for the standardization, marking and quality certification of goods. Functions of the bureau include, inter-alia, (a) recognizing as an Indian standard, any standard established by any other institution in India or elsewhere, in relation by any other institution in India or elsewhere, in relation to any article or process; (b) specifying a standard mark to be called the Bureau of Indian Standards Certification Mark which shall be of such design and contain such particulars as may be prescribed to represent a particular Indian standard; and (c) make an inspection and take such samples of any material or substance as may be necessary to see whether any article or process in relation to which the standard mark has

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been used conforms to the Indian Standard or whether the standard mark has been improperly used in relation to any article or process with or without a license.

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

The Micro, Small and Medium Enterprises Development Act, 2006 as amended from time to time ('MSMED Act') seeks to facilitate the development of micro, small and medium enterprises.

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

### **Laws relating to employment**

We are subject to various labour laws for the safety, protection, condition of working, employment terms and welfare of labourers and/or employees of our Company.

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

This Act came into force on April 01, 1949 and extends to the whole of India, including Jammu and Kashmir. It has been enacted to regulate working conditions in factories and to ensure the provision of the basic minimum requirements for safety, health and welfare of the workers as well as to regulate the working hours, leave, holidays, employment of children, women, etc. It ensures annual leaves with wages, provides additional protection from hazardous processes, additional protection to women workers and prohibition of employment of children.

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

The Minimum Wages Act, 1948 came into force with an objective to provide for the fixation of a minimum wage payable by the employer to the employee. Every employer is mandated to pay the minimum wages to all employees engaged to do any work skilled, unskilled, and manual or clerical (including out-workers) in any employment listed in the schedule.

#### **The Industrial Disputes Act, 1947**

The Act as amended, provides for statutory mechanism of settlement of all industrial disputes, a term which primarily refers to a dispute or difference between employers and workmen concerning employment or the terms of employment or with the conditions of labour of any person.

#### **The Workmen's Compensation Act, 1923**

The Act aims at providing financial protection to workmen and their dependants in case of accidental injury by means of payment of compensation by the employers. The compensation is also payable for some occupational diseases contracted by workmen during the course of their employment. The Workmen's Compensation Act prescribes that if personal injury is caused to a workman by accident during employment, his employer would be liable to pay him compensation.

Our Company is subject to other laws concerning condition of working, benefit and welfare of our labourers and employees such as the Industrial Employment (Standing Orders) Act, 1946, the Public Liability Insurance Act, 1991, the Employees State Insurance Act 1948, the Employees (Provident Fund and Miscellaneous Provisions)

## **AKI India Limited**

Act, 1952, the Payment of Gratuity Act, 1972, the Payment of Bonus Act, 1965, the Minimum Wages Act, 1948, the Payment of Wages Act, 1936, the Equal Remuneration Act, 1976, the Child Labour (Protection Regulation) act, 1986, the Maternity Benefit Act, 1961, Apprentices Act, 1961 and the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

### **Environmental Laws**

#### **Environment Protection Act, 1986**

The Environmental Protection Act, 1986 is an "umbrella" legislation designed to provide a framework for co-ordination of the activities of various central and state authorities established under various laws. The potential scope of the Act is broad, with "environment" defined to include water, air and land and the interrelationships which exist among water, air and land, and human beings and other living creatures, plants, micro-organisms and property.

#### **The Water (Prevention and Control of Pollution) Act, 1974 ("Act")**

The Act provides for the prevention and control of water pollution and the maintaining or restoring of wholesomeness of water, for the establishment, with a view to carrying out the purposes aforesaid, of Boards for the prevention and control of water pollution, for conferring on and assigning to such Boards powers and functions relating thereto and for matters connected therewith. The Act defines pollution as such contamination of water or such alteration of the physical, chemical or biological properties of water or such discharge of any sewage or trade effluent or of any other liquid, gaseous or solid substance into water (whether directly or indirectly) as may, or likely to create a nuisance or render such water harmful or injurious to public health or safety, or to domestic, commercial, industrial, agricultural or other legitimate uses, or to the life and health of animals or plants or of aquatic organisms. The Act envisages establishing a Central Board as well as State Board for Prevention and Control of Water Pollution.

Accordingly, the previous consent of the Board constituted under the Act must be obtained, for establishing or taking steps to establish operation or process, or any treatment and disposal system or any extension or addition thereto, which is likely to discharge sewage or trade effluent into a stream or well or sewer or on land. Such previous consent is required for bringing into use any new or altered outlet for the discharge of sewage or for the new discharge of sewage. If at any place where any industry, operation or process, or any treatment and disposal system or any extension or addition thereto is being carried on, due to accident or other unforeseen act or event, any poisonous, noxious or pollution matter is being discharged, or is likely to be discharged into a stream or well or sewer or on land and, as a result of such discharge, the water in any stream or well is being polluted, or is likely to be polluted, then the person in charge of such place shall forthwith intimate the occurrence of such accident, act or event to the Board constituted under the Act and such other authorities or agencies as may be prescribed.

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

The Act provides for the prevention, control and abatement of air pollution, for the establishment, with a view to carrying out the aforesaid purposes of Boards for conferring on and assigning to such Boards powers and functions relating thereto and for matters connected therewith.

The Act envisages establishing a Central Board as well as State Pollution Control Boards in each State. The Central Board constituted under Water (Prevention and Control of Pollution) Act, 1974, shall, without prejudice to its powers and functions under this Act, shall also exercise the powers and perform the functions of the Central Board under the Prevention and Control of Air Pollution. Similarly, if in any State, the State Government has constituted for that State, a State Board for the Prevention and Control of Water Pollution, then such State Board shall be deemed to be the State Board for the Prevention and Control of Air Pollution and exercise the powers and perform the functions of the State Board for the Prevention and Control of Air Pollution also.

As per the Act, no person operating any industrial plant, in any air pollution control area (so declared under Section 19 of the Act) shall discharge or cause or permit to be discharged the emission of any air pollutant in excess of the standards laid down by the Board constituted under the Act. Further, no person shall, without the previous consent of the Board constituted under the Act, establish or operate any industrial plant in an air pollution control area.

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The Act further prescribes certain compliances with regard to the reporting and prevention of accidents. Thus, where in any area the emission of any air pollutant into the atmosphere in excess of the standards laid down by the Board constituted under the Act occurs or is apprehended to occur due to accident or other unforeseen act or event, the person in charge of the premises from where such emission occurs or is apprehended to occur shall forthwith intimate the fact of such occurrence or the apprehension of such occurrence to such Board and to such authorities or agencies as may be prescribed by the Act.

### **Noise Pollution (Regulation & Control) Rules 2000 (“Noise Regulation Rules”)**

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

### **Electricity Act, 2003**

The Electricity Act, 2003 has been recently introduced with a view to rationalize electricity tariff, and to bring about transparent policies in the sector. The Act provides for private sector participation in generation, transmission and distribution of electricity, and provides for the corporatization of the state electricity boards. The related Electricity Regulatory Commissions Act, 1998 has been enacted with a view to confer on these statutory Commissions the responsibility of regulating this sector.

### **Hazardous Wastes**

There are several legislations that directly or indirectly deal with hazardous wastes. The relevant legislations are:

- The Hazardous Wastes (Management, Handling and Transboundary Movement) Rules, 2008
- The Public Liability Insurance Act, 1991
- The Manufacture, Storage and Import of Hazardous Chemicals Rules, 1989.

### **Hazardous Wastes (Management, Handling and Transboundary Movement) Rules, 2008**

These rules require that the occupier and the operator of the facility, that treats hazardous wastes, must properly collect, treat, store or dispose the hazardous wastes without adverse effects on the environment.

### **Public Liability Insurance Act, 1991 (“Public Liability Act”)**

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

### **Laws relating to Intellectual Property**

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

Under the Trademarks Act, a trademark is a mark capable of being represented graphically and which is capable of distinguishing the goods or services of one person from those of others used in relation to goods and services to indicate a connection in the course of trade between the goods and some person having the right as proprietor to use the mark. A ‘mark’ may consist of a device, brand, heading, label, ticket, name signature, word, letter, numeral, shape of goods, packaging or combination of colours or any combination thereof. Section 18 of the Trademarks Act requires that any person claiming to be the proprietor of a trade mark used or proposed to be used by him, must apply for registration in writing to the registrar of trademarks. The trademark, once applied for and which is accepted by the Registrar of Trademarks (“the Registrar”), is to be advertised in the trademarks journal by the Registrar.

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Oppositions, if any, are invited and, after satisfactory adjudications of the same, a certificate of registration is issued by the Registrar. The right to use the mark can be exercised either by the registered proprietor or a registered user. The present term of registration of a trademark is 10 (ten) years, which may be renewed for similar periods on payment of a prescribed renewal fee.

While copyright registration is not a prerequisite for acquiring or enforcing a copyright, registration creates a presumption favouring ownership of the copyright by the registered owner. Copyright registration may expedite infringement proceedings and reduce delay caused due to evidentiary considerations. Once registered, the copyright protection of a work lasts for 60 years.

The remedies available in the event of infringement of a copyright under the Copyright Act include civil proceedings for damages, account of profits, injunction and the delivery of the infringing copies to the copyright owner.

### **Exchange Control Regulations**

#### **Regulation of Foreign Investment in India**

Foreign investment in India is primarily governed by the provisions of the Foreign Exchange Management Act, 1999 (—FEMA) and the rules and regulations promulgated there under. The RBI, in exercise of its powers under FEMA, has notified the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000 (—FEMA Regulations) which prohibit, restrict and regulate, transfer or issue of securities, to a person resident outside India. Pursuant to the FEMA Regulations, no prior consent or approval is required from the RBI for foreign direct investment under the —automatic route within the specified sectoral caps prescribed for various industrial sectors.

In respect of all industries not specified under the automatic route, and in respect of investments in excess of the specified sectoral limits under the automatic route, approval for such investment may be required from the FIPB and/or the RBI. Further, FIIs may purchase shares and convertible debentures of an Indian company under the portfolio investment scheme through registered brokers on recognized stock exchanges in India.

Regulation 1 (4) of Schedule II of the FEMA Regulations provides that the total holding by each FII or SEBI approved sub-account of an FII shall not exceed 10% of the total paid-up equity capital of an Indian company or 10% of the paid-up value of each series of convertible debentures issued by an Indian company and the total holdings of all FIIs and sub accounts of FIIs added together shall not exceed 24% of the paid-up equity capital or paid-up value of each series of convertible debentures. However, this limit of 24% may be increased up to the statutory ceiling as applicable, by the Indian company concerned passing a resolution by its board of directors followed by the passing of a special resolution to the same effect by its shareholders.

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

The Foreign Trade (Development and Regulation) Act, 1992 (—FTA) read along with relevant rules inter-alia provides for the development and regulation of foreign trade by facilitating imports into, and augmenting exports from, India and for matters connected therewith or incidental thereto. As per the provisions of the FTA, the Government:- (i) may make provisions for facilitating and controlling foreign trade; (ii) may prohibit, restrict and regulate exports and imports, in all or specified cases as well as subject them to exemptions; (iii) is authorised to formulate and announce an export and import policy and also amend the same from time to time, by notification in the Official Gazette; (iv) is also authorised to appoint a 'Director General of Foreign Trade' for the purpose of the Act, including formulation and implementation of the Export-Import (—EXIM) Policy. FTA read with the Indian Foreign Trade Policy inter-alia provides that no export or import can be made by a company without an Importer-Exporter Code number unless such company is specifically exempt. An application for an Importer-Exporter Code number has to be made to the office of the Joint Director General of Foreign Trade, Ministry of Commerce.

#### **Laws applicable for operations outside India**

Our Company operates in various jurisdictions outside India including UK, USA, England, Germany, France, the Netherlands, Sweden, Australia through our Subsidiaries and branch offices. The relevant laws in these jurisdictions are applicable to our Subsidiaries and branch offices, which relate to incorporation or registration as applicable, labour, immigration, intellectual property, data protection, taxation, and other business-related laws.

## OUR HISTORY AND CERTAIN CORPORATE MATTERS

### HISTORY AND BACKGROUND

Our Company was originally incorporated as AKI Leather Industries Private Limited on May 16, 1994 as a private limited company under the Companies Act, 1956 with the Registrar of Companies, Kanpur Uttar Pradesh. Pursuant to a special resolution passed by the shareholders of the Company at the Extra Ordinary General Meeting held on March 18, 2006, our Company's name was changed to AKI India Private Limited vide fresh certificate of incorporation consequent on change of name dated April 03, 2006 issued by RoC, Uttar Pradesh & Uttaranchal. Thereafter, our Company was converted from Private Limited to Public Company. A fresh certificate of incorporation consequent upon change of name was issued on May 29, 2017 by the Registrar of Companies, Kanpur. The Corporate Identification Number of our Company is U19201UP1994PLC016467. The Registered Office of the Company is situated at 9/6(11), Asharfabad Jajmau, Kanpur- 208010, Uttar Pradesh, India.

### CORPORATE PROFILE OF OUR COMPANY

For information on our Company's business profile, activities, services, managerial competence, and customers, see chapters titled "*Our Management*", "*Our Business*" and "*Industry Overview*" beginning on pages 123, 91 and 80, respectively.

### CHANGES IN REGISTERED OFFICE OF OUR COMPANY SINCE INCORPORATION

There have been following changes to our Registered Office since incorporation:

| Date           | From   | To   |
|----------------|--|--|
| Incorporation  | -  | 88/365 Humayun Bagh, Kanpur- 208001 Uttar Pradesh, India         |
| March 23, 2017 | 88/365 Humayun Bagh, Kanpur- 208001 Uttar Pradesh, India | 9/6 (11), Asharfabad Jajmau, Kanpur- 208010 Uttar Pradesh, India |

### KEY MILESTONES AND MAJOR EVENTS

The following table sets forth the key events and milestones in the history of our Company, since incorporation:

| Date         | Key Milestones  |
|--------------|---|
| May 16, 1994 | Incorporation of Company  |
| May 29, 2017 | Conversion of Private company into Public Limited Company                     |
|              | Expanded and improved the Company's original product                          |
|              | Introduced new product lines  |
|              | Expanded the Company's sales and distribution system internationally.         |
|              | Introduced new manufacturing technology and reorganized production.           |
|              | Received ISO 9001: 2008 certification   |
| 2007-08      | Setting up leather footwear unit  |
| 2009-2010    | Setting up of Tannery Division and started own production of finished leather |
|              | Launched Brand name "Maplewood".  |
|              | Production of shoes, jacket and saddler                                       |

### MAIN OBJECTS UNDER THE MEMORANDUM OF ASSOCIATION OF OUR COMPANY

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

To sell, purchase, manufacture, refine, export, Import, or otherwise deal as agent In all classes of leather hides skin or their substitutes, natural and synthetic and all goods, made there from and all chemicals other materials required for covering hides, skins or any substitutes into leather or other finished products and to carry on all or any of the business of tanners, Curriers of hides and skins.



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To carry on all or any of the business as manufacturer. Processor, finisher, purchaser, seller, trader, Importer, exporter, distributor, dealer and stockist in all kinds of footwear, shoes. Shoo uppers, boots, clogs, leggings, leather garments, handbags, purses, suitcases, belts. Household wearing, apparel dresses, goods, novelties, and all other articles, made wholly or partly of leather including leather board. Saddler, harness, saddlery goods, adhesives, Riding Apparel (both leather & fabric), leather gloves, boxes, all kinds of Industrial leather, water proof appliances, substances and things, travel goods, oil paints, chemicals and any preparation or solutions capable of being applied for water proofing or other similar purposes, natural rubber sheets, synthetic leather, rubber. Synthetic rubber, plastics and all other articles produced or used by tanners, curriers. Manufacturers, finishers and dealers in appliances for the above trades or any of them.

To buy, sell, barter, exchange, manipulate, treat, repair, package, deal, manufacture on small scale mainly for exports and imports leather made ups, chemicals used In leather products, natural/Synthetic leather, handicrafts, color products, dyes, drugs, engineering goods, electric goods, plastics, textiles and textile goods, gems, jewelleryes, precious and semi-precious stones, brassware, minerals, ferrous and non-ferrous metals and Its products, paper and paper products and other exportable goods and services.”

### AMENDMENTS TO THE MEMORANDUM OF ASSOCIATION OF OUR COMPANY

Since the incorporation of our Company, the following changes have been made to the Memorandum of Association:

| Sl. No. | Date of Amendment | Nature of Amendment   |
|---------|-------------------|---|
| 1.      | May 6, 2004       | Alteration of the Capital Clause:<br>Clause V of the MoA was amended to reflect the increase in authorized capital from Rs.15,00,000/- comprising of 1,50,000 Equity Shares of Rs.10/- each to Rs.50,00,000/- comprising of 5,00,000 Equity Shares of Rs.10/- each.       |
| 2.      | November 22, 2005 | Alteration of the Capital Clause:<br>Clause V of the MoA was amended to reflect the increase in authorized capital from Rs.50,00,000/- comprising of 5,00,000 Equity Shares of `10 each to `1,50,00,000/- comprising of 15,00,000 Equity Shares of Rs.10/- each.          |
| 3.      | April 03, 2006    | Alteration of the Name Clause:<br>The name of the Company was changed from “AKI Leather Industries Private Limited” to “AKI India Private Limited”.   |
| 4.      | July 19, 2014     | Alteration of the Capital Clause:<br>Clause V of the MoA was amended to reflect the increase in authorized capital from Rs.1,50,00,000/- comprising of 15,00,000 Equity Shares of Rs.10/- each to Rs.5,00,00,000/- comprising of 50,00,000 Equity Shares of Rs.10/- each. |
| 5.      | May 29, 2017      | Alteration of the Name Clause:<br>Conversion from Private Limited Company to Public Limited Company   |
| 6.      | December 15, 2017 | Pursuant to the Ordinary resolution passed by our Shareholders on December 15, 2017, the Authorised Share Capital was increased from `5,00,00,000 comprising of 50,00,000 Equity Shares of `10 each to `11,00,00,000 comprising of 1,10,00,000 Equity Shares of `10 each  |

### Amendments to the Articles of Association of our Company

| Sl. No. | Date of Amendment | Nature of Amendment   |
|---------|-------------------|---|
| 1.      | May 06, 2004      | Alteration of the Capital Clause:<br>The authorized share capital of the Company increased from Rs. 15,00,000/- divided into 1,50,000 equity shares of Rs. 10/- each to Rs. 50,00,000/- divided into 5,00,000 Equity Shares of Rs. 10/- each.   |
| 2.      | November 22, 2005 | Alteration of the Capital Clause:<br>The authorized share capital of the Company increased from Rs. 50,00,000/- divided into 5,00,000 Equity Shares of Rs. 10/- each to Rs. 1,50,00,000/- divided into 15,00,000 Equity Shares of Rs. 10/- each |
| 3.      | April 03, 2006    | Alteration of the Name Clause:<br>The name of the Company was changed from “AKI Leather Industries  |

|    |                   |  |
|----|-------------------|--|
|    |                   | Private Limited” to “AKI India Private Limited”  |
| 4. | May 08, 2017      | Adoption of new set of Articles of Association:<br>Adoption of new set of Articles of Association pursuant to conversion of our Company to a public limited company.   |
| 5. | May 29, 2017      | Alteration of the Name Clause:<br>Conversion from Private Limited Company to Public Limited Company  |
| 6  | December 15, 2017 | Pursuant to the Ordinary resolution passed by our Shareholders on December 15, 2017, the Authorised Share Capital was increased from `5,00,00,000 comprising of 50,00,000 Equity Shares of `10 each to `11,00,00,000 comprising of 1,10,00,000 Equity Shares of `10 each |

#### **OTHER DETAILS REGARDING OUR COMPANY**

For information on our activities, services, products, growth, technology, marketing strategy, our standing with reference to our prominent competitors and customers, please refer to sections titled “*Our Business*”, “*Industry Overview*” and “*Management’s Discussion and Analysis of Financial Conditions and Results of Operations*” beginning on pages 91, 80 and 146 respectively of this Prospectus. For details of our management and managerial competence and for details of shareholding of our Promoters, please refer to sections titled “*Our Management*” and “*Capital Structure*” beginning on pages 123 and 55 respectively of this Prospectus.

#### **TECHNOLOGY, MARKET COMPETENCE AND CAPACITY BUILD-UP**

For details on the technology, market competence and capacity build-up of our Company, please see the chapter titled “*Our Business*” beginning on page 91 of this Prospectus.

#### **RAISING OF CAPITAL IN FORM OF EQUITY OR DEBT**

For details regarding our capital raising activities through equity and debt, please see the section entitled “*Capital Structure*” on pages 55 respectively.

#### **TIME AND COST OVERRUN IN SETTING-UP OF PROJECTS INCLUDING THE PROPOSED PROJECT**

There have been no significant time and cost overruns in the development or construction of any of our projects or establishments.

#### **DEFAULTS OR RESCHEDULING OF BORROWINGS WITH FINANCIAL INSTITUTIONS/ BANKS AND CONVERSION OF LOANS INTO EQUITY**

There have been no defaults or rescheduling of borrowings with financial institutions/banks in respect of our current borrowings from lenders. None of our outstanding loans have been converted into equity shares.

#### **STRIKES AND LOCK-OUTS**

There have been no lock-outs or strikes at any time in our Company and our Company is not operating under any injunction or restraining order.

#### **CHANGES IN THE ACTIVITIES OF OUR COMPANY**

There have been no changes in the activities of our Company during the last five years preceding the date of this Prospectus which may have had a material effect on our profit or loss, including discontinuance of our lines of business, loss of agencies or markets and similar factors.

#### **INJUNCTION OR RESTRAINING ORDER**

Our Company is not operating under any injunction or restraining order



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## **SHAREHOLDERS OF OUR COMPANY**

As on the date of this Prospectus, our Company has 7 (Seven) shareholders. For further details in relation to the current shareholding pattern, please refer to section titled “*Capital Structure*” beginning on page 55 of this Prospectus.

## **HOLDING COMPANY**

Our Company does not have a holding company as on the date of this Prospectus.

## **OUR SUBSIDIARY(IES) OF OUR COMPANY**

As on the date of this Prospectus, our Company has only one wholly owned subsidiary, namely AKI UK Limited.

## **SHAREHOLDERS AGREEMENTS**

Our Company has not entered into any shareholders agreement as on the date of this Prospectus.

## **MATERIAL AGREEMENTS**

There are no material agreements or contracts, which have been entered into by our Company within a period of two years prior to the date of the Prospectus, which are not in the ordinary course of business.

## **STRATEGIC PARTNERS**

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

## **FINANCIAL PARTNERS**

Our Company does not have any financial partners.

### OUR MANAGEMENT

The Articles of Association require our Board to have at least 3 (three) Directors and not more than 15 (fifteen) Directors. As on the date of the Prospectus, our Board comprises of 5 (five) Directors including one woman director.

The following table sets forth details regarding the Board of Directors as on the date of this Prospectus:

#### BOARD OF DIRECTORS

Currently, our Company has 5 (five) Directors out of which 3 (Three) are Non-Executive- Independent Directors. The following table sets forth details regarding the Board of Directors as on the date of this Prospectus:

| Name, Father's Name, Nature of Directorship, Residential Address, Date of Appointment/ Re-appointment, Term, Period of Directorship, Occupation, and DIN  | Nationality | Age | Other Directorships as on the date of this Prospectus  |
|---|-------------|-----|--|
| Osama Anwar Iraqi<br><br>Father's Name: Anwar Kamal Iraqi<br><br>Nature of Directorship: Wholetime Director<br><br>Residential Address: 9/6, Asharfabad, Jajmau, Kanpur-208010, Uttar Pradesh, India<br><br>Date of Birth: June 27, 1992<br><br>Date of Appointment: July 1, 2010<br><br>Term: Five years with effect from December 09, 2017, Liable to Retire by Rotation<br><br>Occupation: Employment<br><br>DIN: 03142832 | Indian      | 26  | Public Limited Entities:<br><br>Nil<br><br>Private Limited Entities:<br><br>Nil<br><br>Foreign Entities:<br><br>Nil<br><br>Partnerships/Limited Liability Partnerships:<br><br>Nil<br><br>Hindu Undivided Families:<br><br>Nil<br><br>Trusteeships:<br><br>Nil |
| Samina Asad Iraqi<br><br>Husband's Name: Asad Kamal Iraqi<br><br>Nature of Directorship: Whole Time Director<br><br>Residential Address: 9/6, Asharfabad, Jajmau, Kanpur-208010, Uttar Pradesh, India<br><br>Date of Birth: May 11, 1978<br><br>Date of Appointment: October 1, 2002<br><br>Term: Five years with effect from December 09, 2017, Liable to Retire   | Indian      | 40  | Public Limited Entities:<br><br>Nil<br><br>Private Limited Entities:<br><br>Nil<br><br>Foreign Entities:<br><br>AKI UK LIMITED<br><br>Partnerships/Limited Liability Partnerships:<br><br>Nil<br><br>Hindu Undivided Families:<br><br>Nil                      |

|  |        |    |  |
|--|--------|----|--|
| by Rotation<br>Occupation: Business<br>DIN: 01668732   |        |    | Trusteeships:<br>Nil   |
| Aslam Saeed<br>Father's Name: Saeed Ahmed<br>Nature of Directorship: Non-Executive and Independent Director<br>Residential Address: 88/380, Chaman Ganj, Kanpur-208001, Uttar Pradesh, India<br>Date of Birth: May 05, 1955<br>Date of Appointment: December 09, 2017<br>Term: Five years with effect from December 09, 2017<br>Occupation: Business<br>DIN: 00996483          | Indian | 63 | Public Limited Entities:<br>Nil<br>Private Limited Entities:<br>1. Habib Tannery Private Limited<br>2. Sweet Home Dwellings Private Limited<br>Foreign Entities:<br>NIL<br>Partnerships/Limited Liability Partnerships:<br>Nil<br>Hindu Undivided Families:<br>Nil<br>Trusteeships:<br>Nil   |
| Javed Iqbal<br>Father's Name: Iqbal Hussain<br>Nature of Directorship: Non-Executive and Independent Director<br>Residential Address: 14 A, 150 FT Road, Jajmau, Kanpur-208010, Uttar Pradesh, India<br>Date of Birth: April 06, 1964<br>Date of Appointment: December 09, 2017<br>Term: Five years with effect from December 09, 2017<br>Occupation: Business<br>DIN: 1335862 | Indian | 54 | Public Limited Entities:<br>Nil<br>Private Limited Entities:<br>1. Naaz Exports Private Limited<br>2. Jajmau Tanneries Environmental Protection Association<br>3. Leather Cluster Development Limited<br>4. Council For Leather Exports<br>5. Jajmau Tannery Effluent Treatment Association<br>Foreign Entities:<br>NIL<br>Partnerships/Limited Liability Partnerships:<br>Nil<br>Hindu Undivided Families:<br>Nil<br>Trusteeships:<br>Nil |

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|  |        |    |  |
|--|--------|----|--|
| Rajkrishna Agrawal<br>Father's Name: Moti Lal Agarwal<br>Nature of Directorship: Non-Executive And Independent Director<br>Residential Address: 64 K, Payria Tola, Mahuarua, Mirzapur-231001, Uttar Pradesh, India<br>Date of Birth: June 02, 1972<br>Date of Appointment: December 09, 2017<br>Term: Five years with effect from December 09, 2017<br>Occupation: Business<br>DIN: 08018396 | Indian | 46 | Public Limited Entities:<br>Nil<br>Private Limited Entities:<br>Nil<br>Foreign Entities:<br>NIL<br>Partnerships/Limited Liability Partnerships:<br>Nil<br>Hindu Undivided Families:<br>Nil<br>Trusteeships:<br>Nil |
|--|--------|----|--|

**Family Relationships between the Directors**

Except following, none of the directors of our Company have family relationships:

| Sr. No. | Name              | Name        | Nature of Relationship |
|---------|-------------------|-------------|------------------------|
| 1       | Samina Asad Iraqi | Osama Anwar | Nephew                 |

Note:

As on the date of this Prospectus:

1. None of the above mentioned Directors are on the RBI List of willful defaulters as on date.
2. 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 this Prospectus or (b) delisted from the stock exchanges.

None of the Promoters, Persons forming part of our Promoter Group, Directors or persons in control of our Company, has been or is involved as a promoter, director or person in control of any other company, which is debarred from accessing the capital market under any order or directions made by SEBI or any other regulatory authority.

3. Further, neither our Company nor our Promoters, persons forming part of our Promoter Group, Directors or persons in control of our Company are debarred from accessing the capital markets by SEBI.
4. There is no arrangement or understanding with major shareholders, customers, suppliers or others, pursuant to which any of the above mentioned Directors was selected as director or member of senior management.

**Brief Biographies of the Directors**

1. Osama Anwar Iraqi aged 26 years, is one of the Director of the Company since August 1, 2010. He is the Whole Time Director of the Company. He obtained a degree of Bachelor of Commerce. He has an experience of 5 years in overseas marketing operations of the Company. He also supervises the production function and the day-to-day operations.

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2. Samina Asad Iraqi aged 40 years, is Director of the Company since 2002. Currently she is the Whole Time Director of the Company. She obtained a degree of Bachelor of Arts and is educationist. Mrs. Iraqi is associated with financial operations in the company, having a rich experience in this field. She is engaged in social cause and actively looking a junior high school for Muslim girls and actively involved working for Muslim community, inspiring them to provide education to girls. She has an experience of 5 years in administrative works. Currently she is involved in day to day administration of the company.
3. Aslam Saeed aged 63 years, is Independent Director of the Company since December 09, 2017. He is under matriculation degree. He has 36 years vast experience in leather industry & having expertise in making Harness Leather & Belt Leather.
4. Javed Iqbal aged 53 years, is Independent Director of the Company since December 09, 2017. He obtained a degree of Bachelor of Arts. Currently he is holding the post of Regional Chairman (Central Region) in Council for Leather Exports (Sponsored by Ministry of Commerce & Industry, Government of India).
5. Rajkrishna Agarwal aged 46 years, is Independent Director of the Company since December 09, 2017. He obtained a degree of Bachelor of commerce. He has 22 Years of experience in the field of Retails in FMCG & Electronic sector

### Arrangements with major Shareholders, Customers, Suppliers or Others

There are no arrangements or understanding between major shareholders, customers, suppliers or others pursuant to which any of the Directors were selected as a Director or member of a senior management as on the date of this Prospectus.

### Service Contracts

Our Company has not executed any service contracts with its directors providing for benefits upon termination of their employment.

### Common directorships of the Directors in companies whose shares are/were suspended from trading on the Stock Exchanges for a period beginning from five (5) years prior to the date of this Prospectus

None of the Directors are/ were directors of any company whose shares were suspended from trading by Stock Exchange(s) or under any order or directions issued by the stock exchange(s)/ SEBI/ other regulatory authority in the last five (5) years.

### Director's association with the Securities Market

None of the Directors of our Company are associated with securities market.

### Common directorships of the Directors in listed companies that have been/were delisted from stock exchanges in India

Except for the details mentioned under section titled "*Other Regulatory and Statutory Disclosures*" beginning on page 167 of this Prospectus, none of the Directors are/ were directors of any entity whose shares were delisted from any Stock Exchange(s).

Further, none of the directors are/ were directors of any entity which has been debarred from accessing the capital markets under any order or directions issued by the Stock Exchange(s), SEBI or any other Regulatory Authority.

### Borrowing Powers of the Board

The Articles, subject to the provisions of Section 180(1)(c) of the Companies Act, 2013 authorized the Board to raise, borrow or secure the payment of any sum or sums of money for the purposes of our Company. The shareholders have, pursuant to a special resolution passed at the Extra-ordinary General Meeting held on December 15, 2017, in accordance with Section 180(1)(c) of the Companies Act, 2013 authorized the Board to

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borrow monies from time to time, such sums of money even though the money so borrowed together with money already borrowed exceeds the aggregate of the paid-up capital and free reserves of the Company provided, however, that the total borrowing (apart from the temporary loans taken from the company's bankers) shall not exceed ` 100 Crore.

### Remuneration to Executive Directors

The compensation payable to our Executive Director will be governed as per the terms of their appointment and shall be subject to the provisions of Section 2 (54), 2(94), 188, 196, 197, 198 and 203 and any other applicable provisions of the Companies Act, 2013 read with Schedule V to the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof or any of the provisions of the Companies Act, 1956, for the time being in force)

| Particulars                          | Remuneration to Osama Anwar Iraqi   | Remuneration to Samina Asad Iraqi   |
|--------------------------------------|---|---|
| Basic Salary                         | Rs. 9 Lakh p.a. with annual or mid-term increments as approved by the Board/Committee of the Board within a limit of 20% over the remuneration of previous years. | Rs. 9 Lakh p.a. with annual or mid-term increments as approved by the Board/Committee of the Board within a limit of 20% over the remuneration of previous years. |
| Other Benefits                       | Annual performance incentive as may be decided by the Board/Committee of the Board, subject to a ceiling of 500% of salary.                                       | Annual performance incentive as may be decided by the Board/Committee of the Board, subject to a ceiling of 500% of salary.                                       |
| Designation                          | Whole Time Director   | Whole Time Director   |
| Appointment as a Director            | Five (5) years with effect from December 09, 2017.  | Five (5) years with effect from December 09, 2017.  |
| Remuneration paid for F.Y. 2016-2017 | Rs. 9 Lakh per annum  | Rs. 9 Lakh per annum  |

### Payment or benefit to Non-Executive Directors of our Company

Apart from the remuneration of our Executive Directors as provided under the heading "Compensation to Executive Directors" above, our Non-Executive Directors are entitled to be paid a sitting fee up to the limits prescribed by the Companies Act, 2013 and the Rules made there under and actual travel, boarding and lodging expenses for attending the Board or Committee meetings. They may also be paid commissions and any other amounts as may be decided by the Company in accordance with the provisions of the Articles, the Companies Act and any other applicable Indian laws and regulations.

### REMUNERATION PAID TO THE BOARD OF DIRECTORS DURING THE LAST FINANCIAL YEAR 2016-17.

| Name of Director  | Remuneration                | Sitting Fees | Total                       |
|-------------------|-----------------------------|--------------|-----------------------------|
| Samina Asad Iraqi | Rs. 9 lakh per annum        | NIL          | Rs. 9 lakh per annum        |
| Osama Anwar Iraqi | Rs. 9 lakh per annum        | NIL          | Rs. 9 lakh per annum        |
| <b>Total</b>      | <b>Rs.18 lakh per annum</b> | <b>NIL</b>   | <b>Rs.18 lakh per annum</b> |

### Shareholding of Directors in our Company

The details of the shareholding of our Directors as on the date of this Prospectus are as follows:

| Sl. No.      | Name of the Shareholder | No. of Equity Shares | Percentage of Pre-Issue Capital (%) | Percentage of Post-Issue Capital (%) |
|--------------|-------------------------|----------------------|-------------------------------------|--------------------------------------|
| 1.           | Samina Asad Iraqi       | 5,40,498             | 10.81                               | 5.25                                 |
| 2.           | Osama Anwar Iraqi       | 3,79,520             | 7.59                                | 3.69                                 |
| <b>Total</b> |                         | <b>9,20,018</b>      | <b>18.40</b>                        | <b>8.94</b>                          |



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### Interests of our Directors

#### *Interest of Directors in the promotion of our Company*

Except Osama Anwar Iraqi and Samina Asad Iraqi, who are in our Promoter group, none of our Directors are interested in the promotion of our Company other than in the ordinary course of our business.

#### *Interest as member of our Company*

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

#### *Interest as Creditor of our Company*

As on the date of this Prospectus, our Company has availed loans from the Directors of our Company. For further details, please refer to section titled "**Financial Statements**" beginning on page 145 of this Prospectus.

#### *Interest in the properties of our Company*

Except as stated under the paragraph titled 'Immovable Property' under the chapter titled "**Our Business**" and under the paragraph titled 'Interest of Promoters' under the chapter titled "**Our Promoters and Promoter Group**" beginning on pages 91 and 138 respectively of the Prospectus, our Directors do not have any interest in any property acquired by our Company in the preceding two years from the date of the Prospectus or in any property proposed to be acquired by our Company.

All of the Directors may be deemed to be interested in the contracts, agreements/arrangements entered into or to be entered into by our Company with any company in which they hold directorships or any partnership firm in which they are partners as declared in their respective capacity.

Our Directors may be deemed to be interested to the extent of the remuneration paid to them or services rendered as a Director of our Company and reimbursement of expenses payable to them. For further details, please refer to sub-section "Remuneration to Executive & Non-Executive Directors" above.

Further, except as disclosed in "**Our History and Certain Corporate Matters**", none of our Directors have any interest in any property acquired by our Company within two (2) years of the date of this Prospectus or proposed to be acquired by it or in any transaction in acquisition of land or any construction of building. Further, except as disclosed under sub-section "Shareholding of Directors in our Company" above, none of our Directors hold any Equity Shares, Preference Shares or any other form of securities in our Company. Our Directors may also be interested to the extent of Equity Shares, if any, held by them or held by the entities in which they are associated as promoters, directors,

Except as stated below, none of our directors are associated with our subsidiary:

Other than as stated above and except as stated in the sections titled "**Financial Information**" and "**Our Promoters and Promoter Group**" beginning on pages 145 and 138 respectively of this Prospectus, our Directors do not have any other interest in the business of our Company.

Our Directors are not interested in the appointment of or acting as Underwriters, Registrar to the Issue or Bankers to the Issue or any such intermediaries registered with SEBI.

None of the relatives of our Directors have been appointed to a place or office of profit in our Company. For further details, please refer to section titled "**Our Management**" – Remuneration to Executive Directors beginning on page 123 of this Prospectus.

Our Directors may also be deemed to be interested to the extent of any dividend payable to them and other distributions in respect of the said Equity Shares. Except as stated in this section "**Our Management**" or the

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section titled “*Financial Information - Related Party Transactions*” standalone and consolidated basis beginning on pages 123, F-24 and F-52 respectively of this Prospectus, and except to the extent of shareholding in our Company, our Directors do not have any other interest in the business of our Company.

### Changes in our Company’s Board of Directors during the last three (3) years

The changes in the Board of Directors of our Company in the last three (3) years are as follows:

| Sl. No. | Name of the Director | Date of Appointment/ change/ cessation | Reason                              |
|---------|----------------------|--|-------------------------------------|
| 1       | Aslam Saeed          | December 09,2017                       | Appointment of Independent Director |
| 2       | Javed Iqbal          | December 09,2017                       | Appoint of Independent Director     |
| 3       | Raj Krishna Agrawal  | December 09,2017                       | Appoint of Independent Director     |
| 4       | Saleha Khatoon       | December 10,2017                       | Resignation of Whole time Director  |
| 5       | Anwar Kamal Iraqi    | December 10,2017                       | Resignation of Whole time Director  |
| 6       | Asad Kamal Iraqi     | December 10,2017                       | Resignation of Managing Director    |

### COMPLIANCE WITH CORPORATE GOVERNANCE

In addition to the applicable provisions of the Companies Act, 2013 read with the rules made there under, the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the SEBI (ICDR) Regulations, 2009 in respect of corporate governance will be applicable to our Company immediately upon the listing of our Company’s Equity Shares on the SME Platform of BSE Limited. The requirements pertaining to the Composition of the Board of Directors and the constitution of the Committees such as the Audit Committee, Stakeholder’s Relationship Committee and Nomination & Remuneration Committees have been complied with.

Our Board of Directors consists of 5 (five) Directors out of which 3 (Three) are Non-Executive- Independent Directors (as defined under Regulation 16(1)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015) including 1 (one) Woman Director, which is in compliance with the requirements of Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

#### Our Company has constituted the following committees:

##### Audit Committee

Our Company has formed the Audit Committee vide Resolution passed in the Meeting of Board of Directors dated December 31, 2017 as per the applicable provisions of the Section 177 of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014 (as amended) and also to comply with Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 applicable upon listing of Company’s equity shares on SME Platform of BSE Limited. The constituted Audit Committee comprises following members:

| Name of the Director    | Status in Committee | Nature of Directorship             |
|-------------------------|---------------------|------------------------------------|
| Mr. Javed Iqbal         | Chairman            | Non-Executive-Independent Director |
| Mr. Osama Anwar         | Member              | Whole Time Director                |
| Mr. Raj Krishna Agrawal | Member              | Non-Executive-Independent Director |

The Company Secretary of our Company shall act as a Secretary of the Audit Committee. The Chairman of the Audit Committee shall attend the Annual General Meeting of our Company to furnish clarifications to the shareholders in any matter relating to financial statements. The scope and function of the Audit Committee and its terms of reference shall include the following:

**A. Tenure:** The Audit Committee shall continue to be in function as a Committee of the Board until otherwise resolved by the Board, to carry out the functions of the Audit Committee as approved by the Board.

**B. Meetings of the Committee:** The Committee shall meet at least four (4) times in a year and not more than one hundred twenty (120) days shall elapse between any two meetings. The quorum for the meeting shall be

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either two members or one third of the members of the Committee, whichever is higher but there shall be presence of minimum two Independent Directors at each meeting.

**C. Role and Powers:** The Role of Audit Committee together with its powers as Part C of Schedule II of SEBI Listing Regulation, 2015 and Companies Act, 2013 shall be as under:

- i. Recommendation for appointment, remuneration and terms of appointment of Internal and Statutory Auditors' of the Company;
- ii. Review and monitoring of the Auditors' independence and performance, and effectiveness of the Audit process;
- iii. Review and examination of the, the quarterly, half yearly and yearly financial statements and report of the Auditors' thereon;
- iv. Overview of the Company's financial reporting process and the disclosure of its financial information to ensure that financial information are correct, sufficient and credible;
- v. Reviewing, with the management, financial statements before submission to the board for approval, with particular reference to:
  - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause 134 of the Companies Act, 2013;
  - b. Changes, if any, in accounting policies and practices and reasons for the same;
  - c. Major accounting entries involving estimates based on the exercise of judgment by management;
  - d. Significant adjustments made in the financial statements arising out of audit findings;
  - e. Compliance with listing and other legal requirements relating to financial statements;
  - f. Disclosure of any related party transactions;
  - g. Qualifications in the audit report;
- vi. Approval or any subsequent modification of transaction of the Company with the related parties;
- vii. Scrutiny of Inter corporate loans and investments;
- viii. Valuation of the undertakings or assets of the Company, wherever it is necessary;
- ix. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
- x. Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems;
- xi. 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;
- xii. 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.;
- xiii. To recommend and review the functioning of the vigil mechanism/ Whistle Blower mechanism;
- xiv. To recommend the 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;
- xv. To obtain outside legal or other professional advice wherever required;
- xvi. To attend to any other responsibility as may be entrusted by the Board within the terms of reference.

## Stakeholders Relationship Committee

Our Company has formed the Stakeholders Relationship Committee as per Section 178 and other applicable provisions of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014 (as amended) and also to comply with Regulation 20 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 applicable upon listing of Company's equity shares on SME Platform of BSE Limited vide Resolution dated December 31, 2017. The constituted Stakeholders Relationship Committee comprises the following:

| Name of the Director | Status in Committee | Nature of Directorship             |
|----------------------|---------------------|------------------------------------|
| Aslam Saed           | Chairman            | Non-Executive-Independent Director |

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|              |        |                     |
|--------------|--------|---------------------|
| Osama Anwar  | Member | Whole Time Director |
| Samina Iraqi | Member | Whole Time Director |

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

- A. **Tenure:** The Stakeholders Relationship Committee shall continue to be in function as a committee of the Board until otherwise resolved by the Board, to carry out the functions of the Stakeholders Relationship Committee as approved by the Board.
- B. **Meetings:** The Stakeholders Relationship Committee shall meet at least four times a year with maximum interval of four months between two meetings and shall report to the Board on a quarterly basis regarding the status of redressal of complaints received from the shareholders of the Company. The quorum shall be minimum two (2) members, out of which at least one (1) shall be an independent director.
- C. **Scope and Terms of Reference:** Redressal of shareholders' and investors' complaints, including and in respect of:
  - i. To ensure effective and efficient system for transfer, transmission, dematerialization, re-materialization, splitting and consolidation of shares and other securities;
  - ii. To ensure effective and efficient system for time attendance and resolution to the grievances of all securities holders of the Company and resolve all the grievances of securities holders of the Company;
  - iii. To monitoring the transfers, transmissions, dematerialization, re-materialization, splitting and consolidation of shares and other securities issued by the Company;
  - iv. To issue of duplicate / split / consolidated share and other securities certificates;
  - v. To do all such acts, things or deeds as may be necessary or incidental to the exercise of all the above powers;
  - vi. To attend to any other responsibility as may be entrusted by the Board within the terms of reference

### Nomination and Remuneration Committee

Our Company has formed the Nomination and Remuneration Committee as per Section 178 and other applicable provisions of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014 (as amended) and also to comply with Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 applicable upon listing of Company's equity shares on SME Platform of BSE Limited vide Resolution dated December 31, 2017. The Nomination and Remuneration Committee comprises the following:

| Name of the Director | Status in Committee | Nature of Directorship             |
|----------------------|---------------------|------------------------------------|
| Aslam Saeed          | Chairman            | Non-Executive-Independent Director |
| Javed Iqbal          | Member              | Non-Executive-Independent Director |
| Raj Krishna Agrawal  | Member              | Non-Executive-Independent Director |

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

- A. **Tenure:** The Nomination and Remuneration Committee shall continue to be in function as a committee of the Board until otherwise resolved by the Board.
- B. **Meetings:** The committee shall meet as and when the need arises for review of Managerial Remuneration. The quorum for the meeting shall be one third of the total strength of the committee or two members, whichever is higher. The Chairperson of the nomination and remuneration committee may be present at the annual general meeting, to answer the shareholders' queries; however, it shall be up to the chairperson to decide who shall answer the queries.
- C. **Scope and Terms of Reference:**

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- i. To ensure formal and transparent procedures for the selection and appointment of new directors and succession plans;
- ii. To identified and lay down the criteria and procedures for appointment of senior management and in accordance with the criteria laid down, recommend to the Board their appointment and removal;
- iii. To formulate the criteria and policies for determining the qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to the remuneration for directors, KMPs and other employees;
- iv. To recommend to the Board, the appointment and remuneration for Managing / Joint Managing / Deputy Managing / Whole time / Executive Directors and other KMP from time to time;
- v. To implement, supervise and administer any share or stock option scheme of the Company;
- vi. To formulate and implement the policies for evaluation of the performance of the Members of the Board and other KMP;
- vii. To attend to any other responsibility as may be entrusted by the Board within the terms of reference.

### Corporate Social Responsibility Committee

The Corporate Social Responsibility Committee is not applicable to our company since the profit of the company in the last financial year is less than 5 Cr.

### **POLICY ON DISCLOSURES AND INTERNAL PROCEDURE FOR PREVENTION OF INSIDER TRADING:**

The provisions of the Regulation 9(1) of SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended, will be applicable to our Company immediately upon the listing of Equity Shares on the SME Platform of BSE Limited. We shall comply with the requirements of the SEBI (Prohibition of Insider Trading) Regulations, 2015 as amended on listing of Equity Shares on the SME Platform of BSE Limited. Further, Board of Directors at their meeting held on December 31, 2017, have approved and adopted the policy on insider trading in view of the proposed public issue.

Divya Gupta, Company Secretary and Compliance Officer of our Company will be responsible for setting forth policies, procedures, monitoring and adherence to the rules for the preservation of price sensitive information and the implementation of the Code of Conduct under the overall supervision of the Board.

### **POLICY FOR DETERMINATION OF MATERIALITY & MATERIALITY OF RELATED PARTY TRANSACTIONS AND ON DEALING WITH RELATED PARTY TRANSACTIONS:**

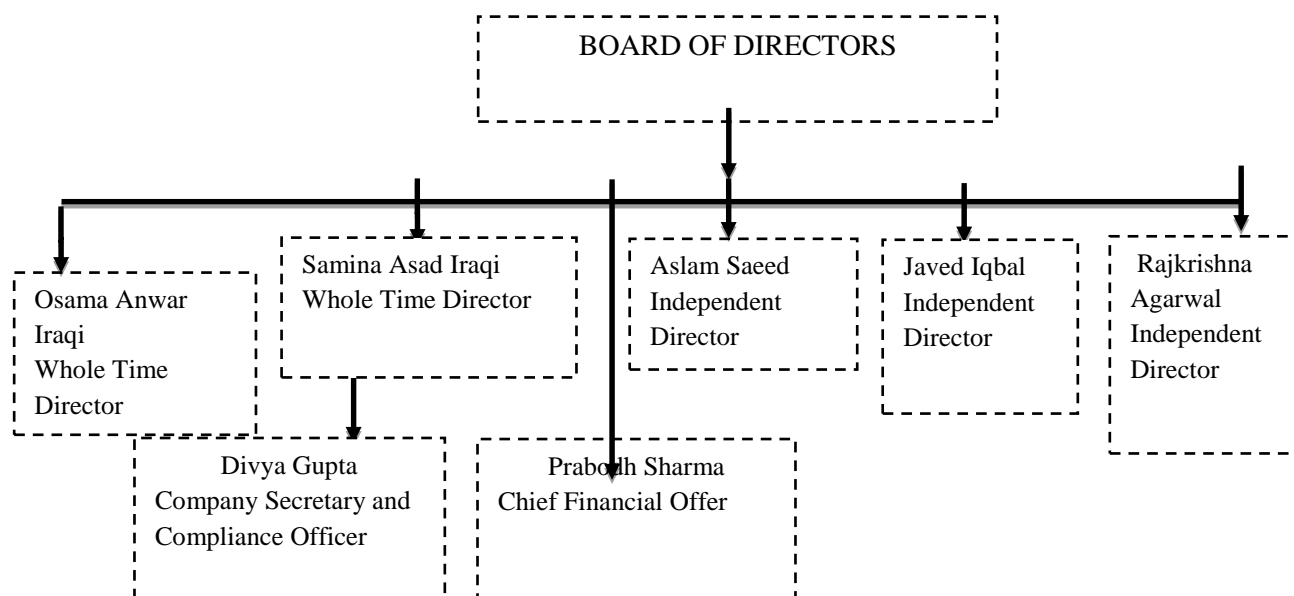
The provisions of the SEBI (Listing Obligation and Disclosures) Regulations, 2015 will be applicable to our Company immediately upon the listing of Equity Shares of our Company on SME Platform of BSE Limited. We shall comply with the requirements of the SEBI (Prohibition of Insider Trading) Regulations, 2015 as amended on listing of Equity Shares on the SME Platform of BSE Limited. The Board of Directors at their meeting held on December 09, 2017 have approved and adopted the policy for determination of materiality and determination of materiality of related party transactions and on dealing with related party transactions. Also, adopted policies by our Company are as stated below:

#### **Policies:**

- i. Archival Policy
- ii. Code of Conduct under SEBI (Prohibition of Insider Trading) Regulations, 2015
- iii. Familiarization Programme for Independent Directors
- iv. Policy for identification of material litigation, group companies and material dues to creditors
- v. policy for determination of materiality of events and information and there disclosures
- vi. Policy for preservation of records and documents
- vii. Policy on succession plan for the Board and Senior Management
- viii. Policy for evaluation of performance of Board
- ix. Code of Practices & Procedures for Fair Disclosure of Unpublished Price Sensitive Information
- x. Code for Independent Directors
- xi. Policy on related party and transaction with related parties
- xii. Policy on Prevention of Sexual Harassment at Workplace;
- xiii. Vigil Mechanism/Whistle Blower Policy

- xiv. Nomination and Remuneration policy
- xv. Policy on appointment and remuneration of Directors, Senior Management and KMPs;

**Management Organizational Structure**



**Profiles of our Key Managerial Personnel**

The details of the Key Managerial Personnel as on the date of this Prospectus are set out below. All the Key Managerial Personnel are permanent employees of our Company. Except for certain statutory benefits, there are no other benefits accruing to the Key Managerial Personnel of our company.

**Osama Anwar Iraqi**, aged 26 years, is one of the Directors of the Company since August 1, 2010. He is the Whole Time Director of the Company. He obtained a degree of Bachelor of Commerce. He has an experience of 5 years in overseas marketing operations of the Company. He also supervises the production function and the day-to-day operations.

**Samina Asad Iraqi**, aged 40 years, is Director of the Company since 2002. Currently she is the Whole Time Director of the Company. She obtained a degree of Bachelor of Arts and is educationist. Mrs. Iraqi is associated with financial operations in the company, having a rich experience in this field. She is engaged in social cause and actively looking a junior high school for Muslim girls and actively involved working for Muslim community, inspiring them to provide education to girls. She has an experience of 5 years in administrative works. Currently she is involved in day to day administration of the company.

**Divya Gupta**, aged 26 years, is the Company Secretary and Compliance Officer of our Company. She is the associate member of the Institute of Company Secretaries of India. She has been associated with our Company since December 09, 2017. She is responsible for assuring compliance with the provisions of Companies act 2013, SEBI act 1992, along with other statutory act, rules and regulations formed thereunder.

**Prabodh Sharma**, aged 53 years, is Chief Financial Officer (CFO) of our Company. He has been associated with our Company since inception. He holds a degree of M.Sc from Kanpur University. He is looking after all the accounts and finance in our Company. He was appointed as Chief Financial Officer on December 09, 2017 and has therefore, not received any compensation for the financial year ended 2017. He has 27 years’ experience in Banking, Finance, Foreign Exchange Management and International Business.

**Status of Key Management Personnel in our Company**

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All our key managerial personnel are permanent employees of our Company. The term of office of our key managerial personnel is until the attainment of 60 years of age.

### Shareholding of Key Management Personnel in our Company

| Sl. No.      | Name of the Shareholder | No. of Equity Shares | Percentage of Pre-Issue Capital (%) |
|--------------|-------------------------|----------------------|-------------------------------------|
| 1.           | Osama Anwar Iraqi       | 3,79,520             | 7.59                                |
| 2.           | Samina Asad Iraqi       | 8,10,747             | 10.83                               |
| <b>Total</b> |                         | <b>11,90,267</b>     | <b>18.42</b>                        |

### Bonus or profit sharing plan of the Key Managerial Personnel

Our Company does not have a performance linked bonus or a profit sharing plans for the Key Management Personnel. However, our Company pays incentive to all its employees based on their performance including the Key Managerial Personnel's of our Company.

### Interests of Key Management Personnel

Other than as disclosed in "*Our Management*" - Interest of Directors on page 123, the key managerial personnel of our Company do not have any interest in our Company other than to the extent of the remuneration or benefits to which they are entitled to as per their terms of appointment and reimbursement of expenses incurred by them during the ordinary course of business.

### Payment of Benefits to Officers of our Company (non-salary related)

Except as disclosed in this Prospectus and any statutory payments made by our Company to its officers, our Company has not paid any sum, any non-salary related amount or benefit to any of its officers or to its employees including amounts towards super-annuation, ex-gratia/rewards.

Except statutory benefits upon termination of employment in our Company or superannuation, no officer of our Company is entitled to any benefit upon termination of such officer's employment in our Company or superannuation. Contributions are made by our Company towards provident fund, gratuity fund and employee state insurance.

Except as stated under section titled "*Financial Information*" beginning on page 145 of this Prospectus, none of the beneficiaries of loans and advances or sundry debtors are related to our Company, our Directors or our Promoters.

### Relationship amongst the Key Managerial Personnel of our Company

There is no family relationship amongst the Key Managerial Personnel of our Company.

### Relationship between the Directors and Key Managerial Personnel

There are no family relationships between the Directors and Key Managerial Personnel of our Company except following:

| Sr. No. | Name of Director  | Name of KMP       | Relationship   |
|---------|-------------------|-------------------|----------------|
| 1       | Samina Asad Iraqi | Asad Kamal Iraqi  | Husband        |
| 2.      | Osama Anwar Iraqi | Asad Kamal Iraqi  | Nephew         |
| 3.      | Samina Asad Iraqi | Anwar Kamal Iraqi | Brother in Law |
| 4.      | Osama Anwar Iraqi | Anwar Kamal Iraqi | Father         |

### Arrangement and Understanding with Major Shareholders/Customers/ Suppliers

None of the above Key Managerial Personnel have been selected pursuant to any arrangement/understanding with major shareholders/customers/suppliers.

### Details of Service Contracts of the Key Managerial Personnel

Except for the terms set forth in the appointment letters, the Key Managerial Personnel have not entered into any other contractual arrangements with our Company for provision of benefits or payments of any amount upon termination of employment.

**Employee Stock Option or Employee Stock Purchase**

Our Company has not granted any options or allotted any Equity Shares under the ESOP Scheme as on the date of this Prospectus.

**Loans availed by Directors / Key Managerial Personnel of our Company**

None of the Directors or Key Managerial Personnels have availed loan from our Company which is outstanding as on the date of this Prospectus.

**Changes in our Company’s Key Managerial Personnel during the last three (3) years**

The changes in the Key Managerial Personnel of our Company in the last three (3) years are as follows:

| <b>Sr. No.</b> | <b>Name of the Key Managerial Personnel</b> | <b>Designation</b>                       | <b>Date of Appointment/ Resignation</b> | <b>Nature</b> |
|----------------|---|--|---|---------------|
| 1              | Asad Kamal Iraqi                            | Managing Director                        | December 09, 2017                       | Resignation   |
| 2              | Osama Anwar Iraqi                           | Managing Director                        | December 09, 2017                       | Appointment   |
| 3              | Divya Gupta                                 | Company Secretary and Compliance Officer | December 09, 2017                       | Appointment   |
| 4              | Prabodh Sharma                              | Chief Financial Officer                  | December 09, 2017                       | Appointment   |

For details about our employees appear please refer Chapter Titled “*Our Business*” beginning on page 91 of this Prospectus.





## OUR SUBSIDIARY

As on the date of this Prospectus, our Company has one wholly owned subsidiary which is **AKI UK Ltd.** (the “Subsidiary”).

### Details of our Subsidiary

#### AKI UK Ltd

#### Corporate Information

AKI UK Ltd was incorporated on September 08, 2005 under the Companies Act, 1985 at Middlesex and has its registered office at 17, Westport Court, Norwood Garden, Hayes, Middlesex UB 4 9LX.

AKI UK is involved in the business of manufacturing various kinds of fractional horse power motors for WACs, ODUs of SACs and commercial air conditioners.

#### Capital Structure

| Particulars  | No. of equity shares of £ 1 each |
|--|----------------------------------|
| Alloted, called up and fully paid: ordinary Shares | 1,25,000                         |

#### Shareholding Pattern

The shareholding pattern of AKI UK Ltd is as follows:

| Sl. No | Name of the shareholder | No. of equity shares of £ 1 each | Percentage of shareholding (%) |
|--------|-------------------------|----------------------------------|--------------------------------|
| 1      | AKI India Limited       | 1,25,000                         | 100.00                         |

#### Other Confirmations

1. Our Subsidiary has not made any public or rights issue in the last three years except to us i.e. 10,000 shares for £ 1 each in the current financial year.
2. Our Subsidiary is not listed on any stock exchange in India or abroad.

#### Interest of our Subsidiary in our Company

- Our Subsidiary does not hold any Equity Shares in the Company.
- Our Subsidiary does not have any business interest in the Company or have any transactions with the Company except as stated in “*Our Business*” and “*Related Party Transactions*” standalone and consolidated basis on pages 91, F-23 and F-55, respectively.
- None of the Directors, their relatives, and the members of the Promoter Group have sold or purchased securities of our Subsidiary during the six months preceding the date of the Prospectus.

#### Financial Performance

Brief financial details of AKI (UK) Ltd, extracted from its audited accounts for the past three financial years are as follows:

| Particular  | (Amount in GBP) |             |             |
|---|-----------------|-------------|-------------|
|   | Fiscal 2018     | Fiscal 2017 | Fiscal 2016 |
| Equity Capital                                    | 125000          | 125000      | 125000      |
| Reserve & Surplus (excluding revaluation reserve) | (65012)         | (77512)     | (80112)     |
| Sales / Turnover                                  | 412370          | 79608       | 160848      |
| Profit(Loss) after tax                            | 7524            | 2600        | 320         |
| Net Assets Value Per Share                        | 0.48            | 0.38        | 0.36        |
| EPS   | 0.06            | 0.02        | 0.003       |



## **AKI India Limited**

There exist no significant observations of the auditors in relation to the aforementioned financial statements.

### **Material Transactions**

There are no sales or purchase between our Company and our Subsidiary where such sales or purchases exceed in value in the aggregate 10% of the total sales or purchases of our Company.

### **Common Pursuits**


Our Subsidiary is engaged in activities similar to that of our Company and our Company ensures necessary procedure and practices as permitted by laws and regulatory guidelines to address any conflict situations as and when they arise.

## OUR PROMOTERS AND PROMOTER GROUP


### Our Promoters

Our Promoters are (i) Asad Kamal Iraqi and (ii) Anwar Kamal Iraqi. As on the date of this Prospectus, our Promoters hold 56,95,170 Equity Shares which in aggregate, constitutes 75.97% of the issued and paid-up Equity Share capital of our Company.

### Details of Individual Promoter of our Company

|   |   |
|---|---|
|  | <p><b>Mr. Asad Kamal Iraqi</b>, aged 52 years, is the Promoter of the Company. He obtained a degree of Bachelor of Commerce from Kanpur University. He currently heads the marketing &amp; financial aspects of the Company. He has a rich experience in the field of financial and international marketing of leather and leather goods. He is also holding the post of COA in Council for Leather Exports since last 8 years. Besides taking care of day to day operations of our company, he controls the planning, finance and implementation functions of our company.</p> <p><b>Address:</b> 9/6(11), Asharfabad Jajmau, Kanpur - 208010, Uttar Pradesh, India.</p> <p><b>Permanent Account Number:</b> AAAP19913Q</p> <p><b>Passport No.:</b> Z3260364</p> <p><b>Aadhar No.:</b> 832261310479</p> <p><b>Driving license No.:</b> UP78 19870004637</p> <p><b>Voter's identification card No.:</b> N.A</p> <p>For further details in relation to other ventures of Asad Kamal Iraqi, please refer to section titled "<b>Group Entities of our Company</b>" beginning on page 142 of this Prospectus.</p> |
|---|---|

We confirm that the PAN, Bank account Number and Passport number of the Promoter have been submitted to the Stock Exchanges at the time of filing of this Prospectus.

|   |  |
|---|--|
|  | <p><b>Mr. Anwar Kamal Iraqi</b>, aged 52 years, is Production Head of the Company. He had passed Class VIII. He has an experience of around 35 years in the Leather industry and apart from taking care of production aspects of family business, having keen interest in working with poor people. He is looking after all manufacturing operations of our Company. His responsibilities include the management of design and development function and support to the all manufacturing function at different units of the Company. Further, he is actively involved in setting up of ultra-modern Tannery unit at Unnao.</p> <p><b>Address:</b> 9/16(11), Asharfabad Jajmau, Kanpur, Uttar Pradesh, India- 208010.</p> <p><b>Permanent Account Number:</b> AAHPI486N</p> <p><b>Passport No.:</b> AAHPI4861N</p> <p><b>Aadhar No.:</b> 2946 6339 0159</p> <p><b>Driving license No.:</b> UP 7819900026463</p> <p><b>Voter's identification card No.:</b> TLO3234101</p> <p>For further details in relation to other ventures of <b>Mr. Anwar Kamal Iraqi</b>, please refer to section titled "<b>Group Entities of our Company</b>" beginning on page 142 of this Prospectus.</p> |
|---|--|

We confirm that the PAN, Bank account Number and Passport number of the Promoter have been submitted to the Stock Exchanges at the time of filing of this Prospectus.

**Interests of our Promoters**

Our Promoters are interested in our Company to the extent (i) that they have promoted our Company; (ii) of their shareholding and the shareholding of their relatives in our Company and the dividend payable, if any and other distributions in respect of the Equity Shares held by them or their relatives; (iii) of being Executive Directors and Key Management Personnel of our Company and the remuneration payable by our Company to them; (iv) that they have provided personal guarantees for the loans availed by our Company; (v) of being subscribers to the Memorandum of Association; (vi) of their relatives having been appointed to places of profit in our Company; and (vii) that our Company has undertaken transactions with them, or their relatives or entities in which our Promoters hold shares. For details regarding the shareholding of our Promoters in our Company, see “*Capital Structure*”, “*Our Management*” and “*Related Party Transactions*” on pages 55, 123 and 143, respectively.

**Interest of Promoters in the Promotion of our Company**

Our Promoters are interested in our Company as mentioned above in this chapter, under the heading “Common Pursuits of our Promoter” and to the extent of their shareholding in our Company and the dividend declared, if any, by our Company.

**Interest of Promoters in the Property of our Company**

Except as mentioned hereunder, our Promoters do not have any other interest in any property acquired by our Company in a period of two years before filing of this Prospectus or proposed to be acquired by us as on date of filing the Prospectus. Further, we confirm that our Promoters do not have any interest in any transactions in the acquisition of land, construction of any building or supply of any machinery.

| Sl. No. | Name of Promoter | Address of Property   | Interest and nature of interest   |
|---------|------------------|---|---|
| 1       | Asad Kamal Iraqi | 9/6 (11), Asharfabad Jajmau Kanpur-208010, Uttar Pradesh, India | The registered office has been owned by Asad Kamal Iraqi and he has given consent and no objection certificate to use the premises. |

**Interest of Promoters in our Company other than as Promoters**

Other than as a promoter, our Promoter is interested in our Company to the extent of the dividend declared, if any, by our Company. Our Promoter may also be interested to the extent of Equity Shares held by them.

Our Promoters Asad Kamal Iraqi and Samina Asad Iraqi along with their promoter group Anwar Kamal Iraqi and Saleha Khatoon has guaranteed working capital facilities (cash credit and bank guarantee) availed by our Company availed from J&K Bank. The registered office of our company and factory is in the name of our promoter and our promoter has given NOC for the same.

**Common Pursuits**

Our Company is engaged in the manufacturing, import, export of Leather made ups. The company is based in Kanpur. Our Company has not adopted any measures for mitigating such conflict situations. However, our Company believes that all such transactions have been conducted on the arms-length basis. For further details on the related party transactions, to the extent of which our Company is involved, please see the “*Annexure 28 and AA - Related Party Transactions*” of standalone and consolidated basis beginning on page F-23 and F-55 respectively of this Prospectus.

**Payment of Amounts or Benefits to our Promoters or Promoter Group during the last two years**

Except as stated in “*Financial Statements as Restated*” on page 145 of this Prospectus, no amount or benefit has been paid by our Company to our Promoters or the members of our Promoter Group in the last two years preceding the date of this Prospectus.



## **AKI India Limited**

### **Other Confirmations**

Our Company hereby confirms that:

- None of our Promoters have been declared as a willful defaulter by the RBI or any other governmental authority and there are no violations of securities laws committed by the Promoters in the past or are pending against them.
- None of our Promoters, Promoter Group or Directors or persons in control of our Company or bodies corporate forming part of our Promoter Group have been (i) prohibited from accessing the capital markets 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.

### **Payment or benefits to the Promoters in the last two (2) years**

No payment or benefit has been made to the Promoters except remuneration and as disclosed in the related party transaction. For further details, please refer to section Financial Statements of this Prospectus.

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

For details on litigations and disputes pending against the Promoters and defaults made by our Promoters please refer to section titled “*Outstanding Litigations and Material Developments*” beginning on page 157 of this Prospectus.

### **Declarations**

No winding up proceedings have been initiated against any of our Promoters.

Neither our Promoters nor any of our Promoter Group companies have become defunct in the five years preceding the date of this Prospectus.

Our Corporate Promoter, the members of our Promoter Group and relatives of our Promoters (as per the Companies Act) have confirmed that they have not been identified as wilful defaulters by the RBI or any other governmental authority.

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

None of our Promoters have disassociated themselves from any of the companies, firms or entities during the last three years preceding the date of this Prospectus except as follows:

#### **Asad kamal Iraqi:**

1. Subhlabh Sales Private Limited
2. Model Leather Industries Private Limited

#### **Anwar Kamal Iraqi**

1. Subhlabh Sales Private Limited
2. Model Leather Industries Private Limited

### **Individual Promoter Group of our Promoters**

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

| Name of our Individual Promoter | Name of the Relatives                      | Relationship with the Relative |
|---------------------------------|--|--------------------------------|
| Asad Kamal Iraqi                | Late Abdul Hannan                          | Father                         |
|                                 | Late Badrunnisa                            | Mother                         |
|                                 | Anwar Kamal Iraqi, Late Ashraf Kamal Iraqi | Brother                        |
|                                 | Kaniz Fatima, Nikhar Anwar                 | Sister                         |
|                                 | Tuba Fatima, Naba Fatima                   | Daughter                       |
|                                 | Mohd. Ajwad, Mohd. Asjad                   | Son                            |
|                                 | Samina Asad Iraqi                          | Spouse                         |
|                                 | Najib Ahmad                                | Spouse's Father                |
|                                 | Rabia Najib Ahmad                          | Spouse's Mother                |
|                                 | Amir Najib Ahmad, Atif Najib               | Spouse's Brother               |
|                                 | Sabiha Haq                                 | Spouse's Sister                |

| Name of our Individual Promoter | Name of the Relatives                      | Relationship with the Relative |
|---------------------------------|--|--------------------------------|
| Anwar Iraqi                     | Late Abdul Hannan                          | Father                         |
|                                 | Late Badrunnisa                            | Mother                         |
|                                 | Anwar Kamal Iraqi, Late Ashraf Kamal Iraqi | Brother                        |
|                                 | Kaniz Fatima, Nikhar Anwar                 | Sister                         |
|                                 | Ujaifa Fatima, Jikra Fatima                | Daughter                       |
|                                 | Osama Anwar, Uzair anwar and Zohair Anwar  | Son                            |
|                                 | Saleha Khatoon                             | Spouse                         |
|                                 | Mohd. Rafi                                 | Spouse's Father                |
|                                 | Nazma Khatoon                              | Spouse's Mother                |
|                                 | Naushad Alam                               | Spouse's Brother               |
|                                 | Afreen Fatima                              | Spouse's Sister                |

#### Promoter Group Entities of our Promoters

The following entities form a part of our Promoter Group entities in terms of Regulation 2(1) (zb) of SEBI (ICDR) Regulations:

1. AKI International (Proprietary firm of Asad Kumar Iraqi)

### **GROUP ENTITIES OF OUR COMPANY**

As per the requirements of SEBI (ICDR) Regulations, for the purpose of identification of 'group companies/entities', our Company has considered those companies as Group Companies, which are included in the list of related parties of the Company, under the Accounting Standard 18 or other Companies as considered material by our Board. Pursuant to a resolution of our Board dated December 31, 2017, for the purpose of disclosure in Issue documents for the Issue, a company shall be considered material and disclosed as a 'Group Company' if (i) companies in which the investment in the form of equity or loan by our Company exceeds 10% of the consolidated net worth of our Company for the last audited financial year; (ii) where the Company has entered into one or more transactions with such company in the last audited financial year, cumulatively exceeding 10% of the total consolidated revenue of our Company for the last audited financial year; and (iii) any other company which the Board may decide.

## RELATED PARTY TRANSACTIONS

For details on related party transactions of our Company, please refer to section titled “*Financial Information - Annexure 28 and AA - Related Party Transactions*” of Standalone and consolidated basis beginning on page F-23 and F-55 of this Prospectus.



### DIVIDEND POLICY

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

Our Company has not declared any dividend on the Equity Shares in each of the Financial Years ended on March 31, 2013; 2014; 2015; 2016 & 2017 and for the period ended September 30, 2017 as per our Restated Financial Statements, the details of which are as given below:

| Particulars                  | Financial Years   |                   |                   |                   |                   |
|------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
|                              | March 31,<br>2014 | March 31,<br>2015 | March 31,<br>2016 | March 31,<br>2017 | March 31,<br>2018 |
| Face value per share (in Rs) | 10/-              | 10/-              | 10/-              | 10/-              | 10/-              |
| Dividend (in Rs.)            | NIL               | NIL               | NIL               | NIL               | NIL               |
| Dividend per share (in Rs.)  | NIL               | NIL               | NIL               | NIL               | NIL               |
| Rate of dividend (%)         | NIL               | NIL               | NIL               | NIL               | NIL               |
| Dividend Tax (Rs.)           | NIL               | NIL               | NIL               | NIL               | NIL               |

**SECTION VI : FINANCIAL INFORMATION**

**FINANCIAL STATEMENTS AS RESTATED**

| <b>Sl. No.</b> | <b>Particulars</b>                | <b>Page no.</b> |
|----------------|-----------------------------------|-----------------|
| 1              | Standalone Financial Statement    | F-1 to F-32     |
| 2              | Consolidated Financial Statements | F-33 to F-58    |

## MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITIONS AND RESULTS OF OPERATIONS

You should read the following discussion of our financial condition and results of operations together with our restated financial statements for the F.Y. ended March 31, 2018, 2017, 2016, 2015 and 2014 including the notes and significant accounting policies thereto and the reports thereon, which appear elsewhere in this Prospectus. You should also see the section titled "Risk Factors" beginning on page 15 of this Prospectus, which discusses a number of factors and contingencies that could impact our financial condition and results of operations. The following discussion relates to our Company, unless otherwise stated, is based on restated audited financial statements.

These financial statements have been prepared in accordance with Indian GAAP, the Companies Act and the SEBI (ICDR) Regulations and restated as described in the report of our peer review auditors dated September 02, 2018 which is included in this Prospectus under the section titled "*Financial Information*" beginning on page 145 of this Prospectus. The restated financial statements have been prepared on a basis that differs in certain material respects from generally accepted accounting principles in other jurisdictions, including US GAAP and IFRS. We do not provide a reconciliation of our restated financial statements to US GAAP or IFRS and we have not otherwise quantified or identified the impact of the differences between Indian GAAP and U.S. GAAP or IFRS as applied to our restated financial statements.

### BUSINESS OVERVIEW

AKI India Pvt Ltd. was established in 1994 with the technical assistance of Horse Riding Group from Germany for the making of Leather Saddlery & Harness Goods. Subsequently the company is converted into Public Limited company on 29<sup>th</sup> May, 2017.

Our Company is engaged in the activities of producing and export of saddlery goods, services of the leather shoes and trading of leather chemicals at domestic level. Changing economic scenario and business conditions, evolving consumer preferences, rapid technological innovations and adoption and globalization are driving us to transform the manner in which they operate.

Major challenge is high inflation rate in India and shortage of Leather and dedicated skilled manpower. This is posing a big problem as the acceptability selling price does not increase in the same ratio as compared to increase in cost of raw material and labour costs and specially leather which has been increasing 25% - 25% per annum along with shortage of availability. This is a huge challenge. Exports are down by about 17 – 18% due to the world economic conditions and specially reduction in cost of crude oil. To offset the same we are rigorously exploring local markets, especially tendering work for the government. However it is highly competitive. In order to improve the bottom line, although Europe is still under recession and the middle east is badly hit due to crude Oil prices, we are trying to improve our customer base to improve the export performances.

### Macroeconomic Factors

- Political Factors
- Product portfolio
- Competition from product launches
- Talent acquisition & retention
- High dependence on suppliers
- Geographic concentration
- Changes in government policy and legislation
- Chinese Competition
- Raw Material Price Increase
- Foreign Exchange Fluctuation

We are an ISO 9001:2008 certified and is primarily responsible for the design and manufacture of leather products for equestrian sports, Horse Covers, Leather Footwear and Finished Leather. Our company follows all applicable standards and CE requirements and we commit to quality improvements and we believe that we are one of the major integrated players in the leather footwear market, which ensures control over quality right from the raw material sourcing stage. We believe that we have some of the most advanced and automated manufacturing units and the industry's leading effluent treatment facilities to ensure environment-friendly processing of leather. Our design strengths make us unique as one of the only footwear majors to have in-house

## AKI India Limited

design studios in India. We believe that our brands are well accepted and have top of the mind recall. Our build quality is universally recognized and our lead time from design to manufacturing and delivery is one of the shortest in the industry and each of these factors works to our advantage, as we are able to leverage our competencies to capture markets.

### Quality Products and Customer Service:

We are committed to satisfying our customers' need for quality products by:

- ✓ Leading our industry in product innovations,
- ✓ Providing the fastest delivery.
- ✓ Offering the capability to modify products to meet customers' requests,
- ✓ Using only the best materials available & manufacturing the highest quality products.
- ✓ Continually searching for better materials and improved methods of production.

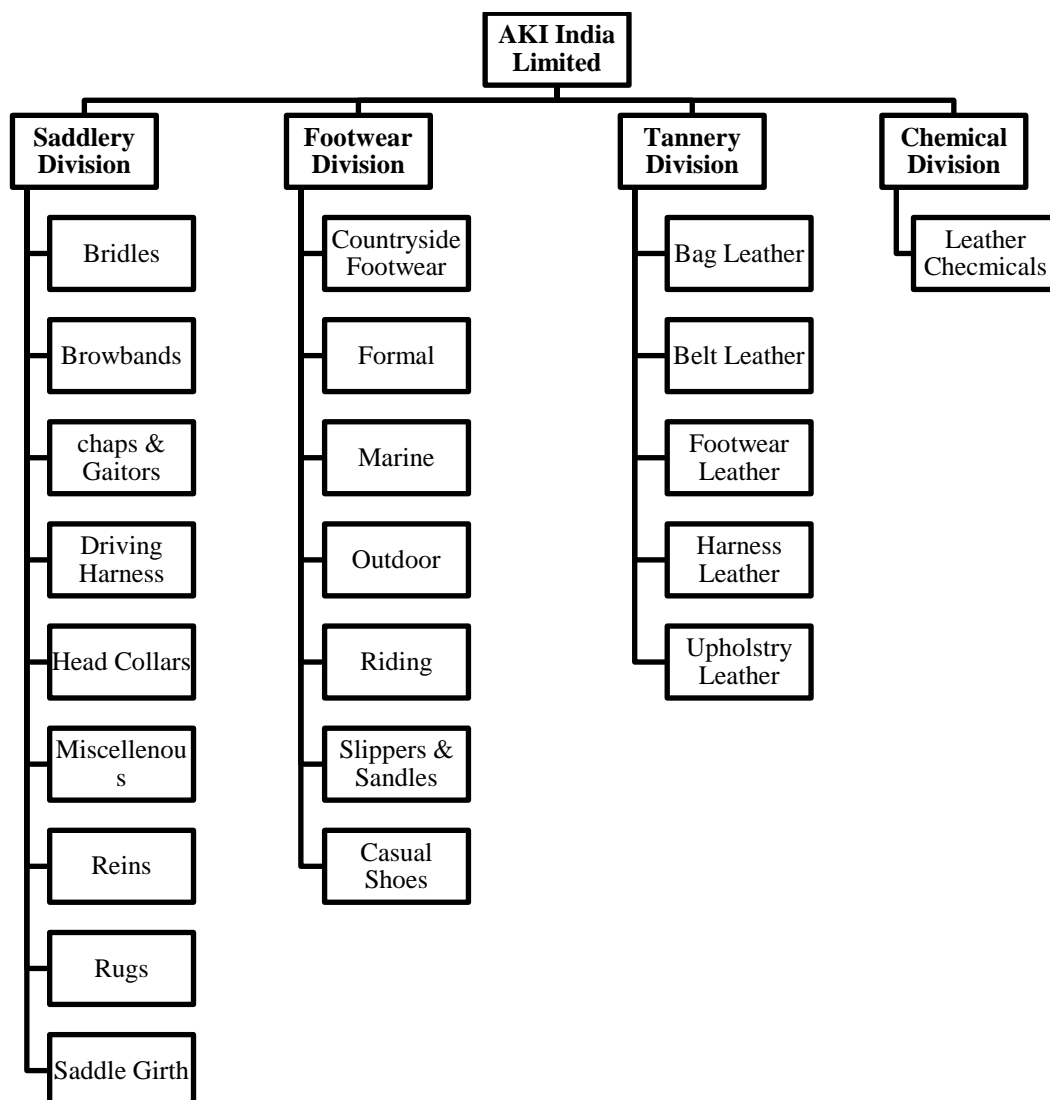
Our on-going success is dependent on our loyal customer base and continued addition of new and satisfied customers. Outstanding customer service is the backbone of a successful company and our customers appreciate the knowledge, experience and flexibility of our staff.

On a standalone basis our total revenue increased from ` 4067.47 Lakh Fiscal 2016 to ` 4536.26 Lakh in Fiscal 2018, representing growth of 11.53 %. Our EBIDTA increased from ` 306.19 Lakh in Fiscal 2016 to ` 400.02 Lakh in Fiscal 2018, representing growth of 30.64%.

### Location:

|   |   |
|---|---|
| <b>Registered office of the Company</b> | 9/6 (11), Asharfabad Jajmau Kanpur-208010 Kanpur<br>Kanpur UP 208010 IN |
| <b>Factory</b>                          | 9/6 (11), Asharfabad Jajmau Kanpur-208010 Kanpur<br>Kanpur UP 208010 IN |
| <b>Tannery Location</b>                 | 415/4, Kundan Road, Akrapur, Unnao, Kanpur,<br>209862                   |

## ORDER BOOK



For further information please refer “*Our Business*” starting on page no. 91.

#### **SIGNIFICANT FACTORS AFFECTING OUR RESULTS OF OPERATIONS AND FINANCIAL CONDITION:**

1. the company has started using the machinery which has procured on April 04, 2017 which has increased the depreciation
2. The Tannery will remain close as per the notification from the government in respect of river basin which will effect our production capacity.
3. The government is uncertain to continue this industry in Uttar Pradesh
4. The company has wholly owned subsidiary in UK.

#### **SIGNIFICANT ACCOUNTING POLICIES**

For the details of “*Annexure 4 & 31 Significant Accounting policies*” on standalone and consolidated basis, please refer page no. F-19 and F-50 of the Prospectus.

## OUR RESULTS OF OPERATIONS

The following table sets forth select financial data from our restated consolidated statements of profit and loss for the financial years 2016, 2017 and 2018, the components of which are also expressed as a percentage of total revenue for such periods:

| Particulars   | For the Financial Year |                    |                 |                    |                |                    |
|---|------------------------|--------------------|-----------------|--------------------|----------------|--------------------|
|   | 2016                   |                    | 2017            |                    | 2018           |                    |
|   | Amount                 | % of total Revenue | Amount          | % of total Revenue | Amount         | % of total Revenue |
| <b>Revenue:</b>   |                        |                    |                 |                    |                |                    |
| Revenue From Sale of Services & Goods                                       | 4,024.97               | 95.00              | 4,104.07        | 94.45              | 4604.56        | 93.73              |
| Other income  | 211.88                 | 5.00               | 241.16          | 5.55               | 308.00         | 6.27               |
| <b>Total Revenue (A)</b>  | <b>4,236.85</b>        | <b>100.00</b>      | <b>4,345.24</b> | <b>100.00</b>      | <b>4912.56</b> | <b>100.00</b>      |
| <b>Expenses:</b>  |                        |                    |                 |                    |                |                    |
| Cost Of Materials Consumed  | 2,706.52               | 63.88              | 2,718.33        | 62.56              | 3066.00        | 62.41              |
| Purchase of Stock-in-trade  | 666.89                 | 15.74              | 754.99          | 17.38              | 908.68         | 18.50              |
| Changes in inventories of Stock-in-Trade                                    | -10.75                 | -0.25              | -116.39         | -2.68              | -267.13        | -5.44              |
| Employee benefits expense   | 148.50                 | 3.50               | 159.84          | 3.68               | 177.82         | 3.62               |
| Other expenses  | 416.54                 | 9.83               | 498.14          | 11.46              | 617.64         | 12.57              |
| <b>Total Expenses (B)</b>   | <b>3,927.70</b>        | <b>92.70</b>       | <b>4,014.91</b> | <b>92.40</b>       | <b>4503.02</b> | <b>91.66</b>       |
| <b>Earnings Before Interest, Taxes, Depreciation &amp; Amortization</b>     | <b>309.15</b>          | <b>7.30</b>        | <b>330.33</b>   | <b>7.60</b>        | <b>409.54</b>  | <b>8.34</b>        |
| Finance costs   | 158.79                 | 3.75               | 170.75          | 3.93               | 134.15         | 2.73               |
| Depreciation and amortization expenses                                      | 139.43                 | 3.29               | 139.85          | 3.21               | 115.96         | 2.36               |
| <b>Profit before exceptional items, extraordinary items and tax (C=A-B)</b> | <b>10.93</b>           | <b>0.26</b>        | <b>19.74</b>    | <b>0.45</b>        | <b>159.44</b>  | <b>3.25</b>        |
| Extraordinary Items   |                        |                    |                 |                    |                |                    |
| <b>Profit before tax</b>  | <b>10.93</b>           | <b>0.26</b>        | <b>19.74</b>    | <b>0.45</b>        | <b>159.44</b>  | <b>3.25</b>        |
| Tax Expenses  |                        |                    |                 |                    |                |                    |
| - Current Tax   | 1.63                   | 0.04               | 14.62           | 0.34               | 44.62          | 0.91               |
| - Deferred Tax  | -5.72                  | -0.14              | -7.08           | -0.16              | -5.18          | -0.11              |
| - MAT Credit Entitlement  | -1.63                  | -0.04              | 1.63            | 0.04               | 0.00           | 0.00               |
| - Earlier Years Tax   | 0.00                   | 0.00               | 0.00            | 0.00               | 9.29           | 0.19               |
| <b>Tax Expense For The Year (H)</b>   | <b>-5.72</b>           | <b>-0.14</b>       | <b>9.17</b>     | <b>0.21</b>        | <b>48.73</b>   | <b>0.99</b>        |
| <b>Profit After Tax</b>   | <b>16.65</b>           | <b>0.39</b>        | <b>10.56</b>    | <b>0.24</b>        | <b>110.71</b>  | <b>2.25</b>        |

## AKI India Limited

### *Financial Year 2018 as compare to Financial Year 2017*

**Total Revenue:** The gross turnover of the Company for the year ending March 31, 2018 was Rs. 4912.56 Lakhs as compared to Rs. 4345.24 Lakhs for the year ending March 31, 2017, showing an increase of 13.06% and such increase was mainly due to rise in volume of our operations.

**Revenue from Operations:** Our revenue from operations for the year ended March 31, 2018 was Rs. 4604.56 Lakh as compare to Rs. 4104.57 Lakhs for the year ending March 31, 2017, showing an increase of 12.19% and such increase was mainly due to rise in volume of our operations

**Other Income:** Other income of our company was Rs. 308.00 Lakh for the year ending March 31, 2018 viz.6.27% of Total Revenue. The same has been increased by 27.72% as the other income for the year ending March 31, 2017 was Rs. 241.16 Lakhs only.

### **Expenses**

**Purchase of Stock in Trade:** Our purchase of stock in trade has been increased by 20.36% during FY 2017-18 with compare to FY 2016-17 i.e. from Rs. 754.99 Lakhs in FY 2016-17 to Rs. 908.68 Lakhs the year 2017-18. The increase was mainly due to rise in volume of our operations.

**Employee Benefit Expenses:** There is around 11.25% increase in employee costs from Rs. 159.84 Lakhs in financial year 2016-17 to Rs. 177.82 Lakhs in financial year 2017-18 mainly due to increase in volume of our operation.

**Finance Cost:** The finance cost of our company includes Interest on working capital loan, Term Loan and other Finance Charges etc. The finance cost has been decreased by 21.43% from Rs. 170.75 Lakhs in FY 2016-17 to Rs. 134.15 Lakhs in FY 2017-18.

**Depreciation:** The depreciation cost has been decreased by 17.08% from Rs. 139.85 Lakhs in FY 2016-17 to Rs. 115.96 Lakhs in FY 2017-18.

**Other Expenses:** The other expenses include office, administrative, marketing & distribution cost etc. has been increased by 23.99% from Rs. 498.14 Lakhs in FY 2016-17 to Rs. 617.64 Lakhs in FY 2017-18. The increase was mainly due to rise in volume of our operations.

### *Financial Year 2017 as compare to Financial Year 2016*

**Total Revenue:** The gross turnover of the Company for the year ending March 31, 2017 was Rs. 4345.24 Lakhs as compared to Rs. 4236.85 Lakhs for the year ending March 31, 2016, showing an increase of 2.56% and such increase was mainly due to rise in volume of our operations.

**Revenue from Operations:** Our revenue from operations for the year ended March 31, 2017 was Rs. 4104.57 Lakh as compare to Rs. 4024.97 Lakhs for the year ending March 31, 2016, showing an increase of 1.97% and such increase was mainly due to rise in volume of our operations

**Other Income:** Other income of our company was Rs.241.16 Lakh for the year ending March 31, 2017. The same has been increased by 13.82% as the other income for the year ending March 31, 2016 was Rs. 211.88 Lakhs only.

### **Expenses**

**Purchase of Stock in Trade:** Our purchase of stock in trade has been increased by 13.21% during FY 2016-17 with compare to FY 2015-16 i.e. from Rs. 666.89 Lakhs in FY 2015-16 to Rs. 754.99 Lakhs in the year 2016-17. The increase was mainly due to rise in volume of our operations.

**Employee Benefit Expenses:** There is around 7.64% increase in employee costs from Rs. 148.50 Lakhs in financial year 2015-16 to Rs. 159.84 Lakhs in financial year 2016-17 mainly due to increase in volume of our operation.

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**Finance Cost:** The finance cost of our company includes Interest on working capital loan, Term Loan and other Finance Charges etc. The finance cost has been increased by 7.53% from Rs. 158.79 Lakhs in FY 2015-16 to Rs. 170.75 Lakhs in FY 2016-17.

**Depreciation:** The depreciation cost was Rs. 139.85 Lakhs in FY 2016-17 with compare to Rs. 139.43 Lakhs in FY 2015-16.

**Other Expenses:** The other expenses include office, administrative, marketing & distribution cost etc. has been increased by 19.59% from Rs. 416.54 Lakhs in FY 2015-16 to Rs. 498.14 Lakhs in FY 2016-17. The increase was mainly due to rise in volume of our operations.

### *Financial Year 2016 as compare to Financial Year 2015*

**Total Revenue:** The gross turnover of the Company for the year ending March 31, 2016 was Rs. 4236.85 Lakhs as compared to Rs.3501.34 Lakhs for the year ending March 31, 2015, showing an increase of 21.01% and such increase was mainly due to rise in volume of our operations.

**Revenue from Operations:** Our revenue from operations for the year ended March 31, 2016 was Rs. 4024.97 Lakh as compare to Rs. 3301.99 Lakhs for the year ending March 31, 2015, showing an increase of 21.90% and such increase was mainly due to rise in volume of our operations

**Other Income:** Other income of our company was Rs.211.88 Lakh for the year ending March 31, 2016. The same has been increased by 6.29% as the other income for the year ending March 31, 2015 was Rs. 199.35 Lakhs only.

### **Expenses**

**Purchase of Stock in Trade:** Our purchase of stock in trade has been decreased by 7.58% during FY 2015-16 with compare to FY 2014-15 i.e. from Rs. 721.60 Lakhs in FY 2014-15 to Rs. 666.89 Lakhs in the year 2015-16.

**Employee Benefit Expenses:** There is around 4.22% increase in employee costs from Rs. 142.49 Lakhs in financial year 2014-15 to Rs. 148.50 Lakhs in financial year 2015-16 mainly due to increase in volume of our operation.

**Finance Cost:** The finance cost of our company includes Interest on working capital loan, Term Loan and other Finance Charges etc. The finance cost has been marginally decreased from Rs. 159.67 Lakhs in FY 2014-15 to Rs. 158.79 Lakhs in FY 2015-16.

**Depreciation:** The depreciation cost was Rs. 139.43 Lakhs in FY 2015-16 with compare to Rs. 137.67 Lakhs in FY 2014-15.

**Other Expenses:** The other expenses include office, administrative, marketing & distribution cost etc. has been increased by 24.46% from Rs. 334.68 Lakhs in FY 2014-15 to Rs. 416.54 Lakhs in FY 2015-16. The increase was mainly due to rise in volume of our operations.

### **Financial Condition, Liquidity and Capital Resources**

We define liquidity as our ability to generate sufficient funds from internal and external sources to meet our obligations and commitments. In addition, liquidity includes the ability to obtain appropriate equity and debt financing and to convert into cash those assets that are no longer required to meet existing strategic and financial objectives. Liquidity cannot be considered separately from capital resources that consist of current or potentially available funds for use in achieving long-range business objectives and meeting debt service and other commitments.

We have historically financed our capital requirements primarily through cash generated from the issuance of equity shares, cash generated from operating activities and financing from banks and other financial institutions in the form of term loans,. We are required to undertake capital investment on a regular basis to purchase and upgrade our infrastructure, among other things. Our financing requirements are primarily for such capital



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expenditures, developing and implementing new infrastructure and working capital. We believe that we will have sufficient capital resources from our operations, Net Proceeds of the Issue and other financing from banks, financial institutions and other lenders to meet our capital requirements for at least the next 12 months.

### CASH FLOWS

The table below is the summary of Cash flows for the Financial Year ended 2018, 2017, 2016:

| Particulars                                  | For the year ended |            |            |
|--|--------------------|------------|------------|
|  | 31.03.2018         | 31.03.2017 | 31.03.2016 |
| Net Cash Generated from Operating Activities | 313.91             | 118.37     | 279.15     |
| Net Cash from Investing Activities           | 48.10              | (93.87)    | (261.64)   |
| Net Cash from Financing Activities           | (415.12)           | (52.26)    | (56.53)    |

### CREDIT RATING

No credit rating availed by our Company.

**CAPITAL AND OTHER COMMITMENTS:** N.A

**CAPITAL EXPENDITURE:** N.A

### RELATED PARTY TRANSACTION

Please refer “**Related Party Transaction**” on page no. 143 of this Prospectus.

### OFF BALANCE SHEET COMMITMENTS AND ARRANGEMENTS

We do not have any off-balance sheet arrangements, derivative instruments, swap transactions or relationships with affiliates or other unconsolidated entities or financial partnerships that would have been established for the purpose of facilitating off-balance sheet arrangements

### QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

#### EXCHANGE RATE RISK

Our company has the following Exposure of Foreign Exchange as on August 31, 2018:

#### Debtors

| Sl. No. | Name                            | March 31, 2018             |               | August 31, 2018            |               |
|---------|---------------------------------|----------------------------|---------------|----------------------------|---------------|
|         |                                 | Amount in Foreign Currency | Exchange Rate | Amount in Foreign Currency | Exchange Rate |
| 1       | HOLMESTEAD SADDLERY LTD         | GBP 51673.75               | @ 91.43       | GBP 9400                   | @91.57        |
| 2       | NPS SHOES LTD                   | GBP 56456.90               | @ 91.43       | GBP 28715                  | @91.57        |
| 3       | GALLOP EQUESTRIAN WHOLESALER    | GBP 36108.00               | @ 91.43       | GBP 6840.00                | @91.57        |
| 4       | CONCERIA VOLPIANA               | USD 109145.16              | @ 64.50       | Nil                        | Nil           |
| 5       | REITSPORT WALDHAUSEN GMBH & CO. | EURO 8276.75               | @ 79.99       | EURO 14973.25              | @82.12        |
| 6       | EQUIPRIDE LTD                   | GBP 16333.50               | @ 91.43       | GBP 15524.50               | @91.57        |
| 7       | FRIEDRICH WELHELM GMBH & Co.    | EURO 14785.50              | @ 79.99       | Nil                        | Nil           |
| 8       | AKI UK LTD                      | GBP 81619.00               | @91.43        | GBP 94400.98               | @91.57        |

|    |                                 |               |        |                  |         |
|----|---------------------------------|---------------|--------|------------------|---------|
| 9  | NEWS SRL                        | USD 172755.61 | @64.50 | USD<br>90619.01  | @70.50  |
| 10 | Patrick Shoes Ltd               | Nil           | Nil    | GBP<br>24202.65  | @ 91.57 |
| 11 | National Equestrian Wholesalers | Nil           | Nil    | AUD<br>22832.75  | @ 50.70 |
| 12 | Jackson Distribution Ltd        | Nil           | Nil    | GBP<br>33326.25  | @ 91.57 |
| 13 | Chatham Marine Ltd              | Nil           | Nil    | GBP<br>18303.75  | @ 91.57 |
| 14 | Sterling & Hunt                 | Nil           | Nil    | GBP 3210.00      | @ 91.57 |
| 15 | Gruppo Mastrotto Spa            | Nil           | Nil    | USD<br>281714.18 | @ 70.50 |
| 16 | Karl Amesbichler Gmbh           | Nil           | Nil    | EURO<br>3740.00  | @ 82.12 |
| 17 | Daor Co Ltd                     | Nil           | Nil    | USD<br>93785.29  | @ 70.50 |
| 18 | Rudypell Srl                    | Nil           | Nil    | USD<br>94097.72  | @ 70.50 |
| 19 | Weatherbeeta Australia          | Nil           | Nil    | AUD<br>23856.00  | @ 50.70 |

**Creditors**

| Sr. No. | Name                         | March 31, 2018             |               | August 31, 2018            |               |
|---------|------------------------------|----------------------------|---------------|----------------------------|---------------|
|         |                              | Amount in Foreign Currency | Exchange Rate | Amount in Foreign Currency | Exchange Rate |
| 1       | OFFICINE MECCANICHE ALPE SRL | EURO 435                   | @79.99        | EURO 435                   | @82.12        |
| 2       | PAJUSCO TECHNOLOGIE          | EURO 75000                 | @79.99        | EURO 75000                 | @82.12        |

The above foreign exchange risk disclosed is on standalone basis.

**UNUSUAL OR INFREQUENT EVENTS OR TRANSACTIONS**

To our knowledge, there have been no transactions or events which, in our judgment, would be considered unusual or infrequent.

**SIGNIFICANT DEVELOPMENTS OCCURRING POST March 31, 2018**

There is no such development in the Company.



**STATEMENT OF FINANCIAL INDEBTEDNESS**

Brief details on the financial indebtedness of the “AKI India Limited” (“the company”) as on 31<sup>st</sup> March, 2018 are as under:

**Secured Borrowings**
**Working Capital Facilities from Banks**

(Amount in Rs. Lakhs)

| Name of Lender | Purpose       | Sanction Amount | Rate of interest | Securities offered   | Re-payment | Moratorium | Outstanding amount |
|----------------|---------------|-----------------|------------------|--|------------|------------|--------------------|
| J &K Bank      | OCC           | 10.00           | 12.40%           | <u>Primary</u>   | On Demand  | Nil        | 6.11               |
|                | Export Credit | 1200.00         | 6.30%            | Hypothecation of Entire Current Assets other than Book Debts | On Demand  | Nil        | 1097.99            |

**Note** Third Party Personal Guarantee of Mr. Asad K Iraqi, Mr. Anwar K. Iraqi, Mr. Osama Anwar, Mrs. Samina Asad & Mrs. Saleha Khatoon

**Other Loans**

(Amount in Rs. Lakhs)

| Name of Lender                      | Purpose       | Sanction Amount | Rate of interest | Securities offered                | Re-payment  | Moratorium | Outstanding amount |
|-------------------------------------|---------------|-----------------|------------------|-----------------------------------|---|------------|--------------------|
| Tata Capital Financial Service Ltd. | Business Loan | 35.00           | 17.60            | Unsecured Loan                    | Repayable in 36 monthly installment starting from May 03,2016 | Nil        | 14.86              |
| HDFC Bank Ltd                       | Business Loan | 40.00           | 15.75            | Unsecured Loan                    | Repayable in 24 monthly installment starting from Dec 04,2016 | Nil        | 14.74              |
| Kotak Mahindra Prime Ltd.           | Vehicle Loan  | 36.00           | 8.87             | Hypothecation of Vehicle Financed | Repayable in 48 monthly installment starting from Nov 05,2016 | Nil        | 24.65              |

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| <b>Name of Lender</b> | <b>Purpose</b>    | <b>Sanction Amount</b> | <b>Rate of interest</b> | <b>Securities offered</b> | <b>Re-payment</b> | <b>Moratorium</b> | <b>Outstanding amount</b> |
|-----------------------|-------------------|------------------------|-------------------------|---------------------------|-------------------|-------------------|---------------------------|
| J&K Bank              | Term Loan for P&M | 274.00                 | 12.50%                  | Hypothecation of P&M      |                   | Nil               | 1.65                      |

**Common Negative Covenants pertaining to all facilities**

1. The firm to obtain prior permission before extending any Corporate Guarantee
2. Firm to undertake not to make investment in JV / Associates concern without Bank's prior written permission.
3. The firm as well as the guarantors to undertake stating that no consideration whether by way of commission/brokerage/fees in any form will be paid by the former or received by the later directly or indirectly.

## SECTION VII : LEGAL AND OTHER INFORMATION

### OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

Except as stated in this section, there are no:

A. (i) criminal proceedings; (ii) actions by statutory or regulatory authorities; (iii) claims relating to direct and indirect taxes; or (iv) Material Litigation (as defined below); involving our Company, Directors or Promoters. Our Board, in its meeting held on December 09, 2017, determined that outstanding legal proceedings involving the Company, Directors and Promoters: (a) the aggregate amount involved in such individual litigation exceeds 1% of consolidated profit after tax of the Company, as per the last audited financial statements; or (b) where the decision in one litigation is likely to affect the decision in similar litigations, even though the amount involved in such single litigation individually may not exceed 1% of profit after tax – of the Company as per the last consolidated audited financial statements, if similar litigations put together collectively exceed 1% of the consolidated profit after tax of the Company, or (c) any such litigation wherein the monetary liability is not quantifiable which is or is expected to be material from the perspective of the Company's business, operations, prospects or reputation ("**Material Litigation**").

B. (i) litigation or legal actions, pending or taken, by any Ministry or department of the Government or a statutory authority against our Promoters during the last five years; (ii) pending proceedings initiated against our Company for economic offences; (iv) default and non-payment of statutory dues by our Company; (v) inquiries, inspections or investigations initiated or conducted under the Companies Act, 2013 or any previous companies law in the last five years against our Company; or (vi) material frauds committed against our Company in the last five years.

C. (i) outstanding Material Dues (as defined below) to creditors; or (ii) outstanding dues to small scale undertakings and other creditors.

Our Board, in its meeting held on December 09, 2017, determined that outstanding dues to creditors in excess of 5% of our Company's consolidated trade payables as per last audited financial statements shall be considered as material dues ("**Material Dues**"). Details of outstanding dues to creditors (including micro and small enterprises as defined under the Micro, Small and Medium Enterprises Development Act, 2006) as required under the SEBI ICDR Regulations have been disclosed on our website at [www.groupaki.com](http://www.groupaki.com)

Our Company, Directors and Promoters are not Wilful Defaulters and there have been no violations of securities laws in the past or pending against them.

#### A. LITIGATION INVOLVING OUR COMPANY

##### 1. Litigation by our Company

1.1. Civil  
NIL

1.2. Criminal  
NIL

1.3. Taxation

1.1.1. Direct Tax Proceedings  
NIL

1.1.2. Indirect Tax Proceedings  
NIL

##### 2. Litigation against our Company

2.1. Civil

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2.1.1. A summary suit (No. 4857 of 2011) has been filed before Bombay City Civil Court at Bombay against our Company under Order 37 of Civil Procedure Code, 1908 by one Mr. Sudhir Kumar Maheshwari for recovery of an amount of Rs.1,91,376/- for alleged non-payment by the Company as not made payments on its bills towards services provided for getting the Company's goods cleared from customs authority and paying freight charges to the shippers. By an order dated 01.10.2015, the Ld. Judge, City Civil Court, Gr. Mumbai has observed that our Company has taken up the defence of repayment and has *inter alia* granted our Company unconditional leave to defend and liberty to file written statement within four weeks therefrom. The matter is listed for recording evidence and the next date of hearing is on 04.10.2018.

2.2. Criminal  
NIL

2.3. Taxation

2.1.1. Direct Tax Proceedings

| Sl. No | Particulars  | Assessment Year   |
|--------|--|---|
| 1.     | Demand of Rs. 4,013/- being made against the Company by the Assessing Officer u/s. 115 WE of the IT Act.       | 2009-10   |
| 2.     | Demand of Rs. 7,50,850/- being made against the Company by the Assessing Officer u/s. 143(1)(a) of the IT Act. | 2009-10   |
| 3.     | The Company has TDS Defaults amounting to Rs.70,846.50/-   | 2017-16, 2016-15 and 2014-15 and prior assessment years |

2.1.2. Indirect Tax Proceedings  
NIL

## B. LITIGATION INVOLVING THE DIRECTORS

### 1. Litigation by our Directors

1.1. Civil  
NIL

1.2. Criminal

1.2.1. A Summons Trial Case (No.4806077 of 2012) has been filed on November 02, 2010 by Naaz Leather Finishers (Javed Iqbal) against one Mohd Rizwan before the Hon'ble Chief Metropolitan Magistrate Court, Kanpur. The matter is presently at hearing stage and the next hearing date is listed for November 8, 2018.

1.2.2. A Summons Trial Case (No. 480156 of 2011) has been filed by Naaz Leather Finishers (Javed Iqbal) against one M/s. Adigear International (P. N. Khanna) before the Hon'ble Chief Metropolitan Magistrate Court, Kanpur. The matter is currently pending in the said court.

1.2.3. A Summons Trial Case (No.4800155 of 2013) has been filed on May 25, 2013 by Naaz Leather Finishers (Javed Iqbal) against one M/s Adigear International (P.N. Khanna) Chief Metropolitan Magistrate Court, Kanpur. The matter is presently at hearing stage and the next hearing date is listed for October 12, 2018.

1.3. Taxation

1.3.1. Direct Tax Proceedings  
NIL

1.3.2. Indirect Tax Proceedings  
NIL

### 2. Litigation against our Directors

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2.1. Civil

2.1.1. A Warrant Case (No.4701865 of 2012) has been filed on October 12, 1999 by the State of Uttar Pradesh against our Director, Javed Iqbal before the Hon'ble Chief Metropolitan Magistrate Court, Kanpur. The matter is currently pending and the next hearing date is listed for October 9, 2018.

2.1.2. A Criminal Case (No. 4103504 of 2015) has been filed by the State of Uttar Pradesh against our Director, Javed Iqbal before the Hon'ble Chief Metropolitan Magistrate Court, Kanpur. The matter is currently pending and the next hearing date is listed for September 14, 2018.

2.2. Criminal  
NIL

2.3. Taxation

2.3.1 Direct Tax Proceedings  
NIL

2.3.2 Indirect Tax Proceedings  
NIL

**C. LITIGATION INVOLVING OUR PROMOTERS**

**1. Litigation by Promoters**

1.1. Civil

NIL

1.2. Criminal  
NIL

1.3. Taxation

1.3.1. Direct Tax Proceedings

| Sl. No | Particulars   | Name of Promoters     | Assessment Year |
|--------|---|-----------------------|-----------------|
| 1.     | Demand of `18,990/- being made against the individual by the Assessing Officer u/s. 143(1)(a) of the IT Act.  | Mr. Asad Kamal Iraqi  | 2010-11         |
| 2.     | Demand of ` 210/- being made against the individual by the Assessing Officer u/s. 154 of the IT Act.          | Mr. Asad Kamal Iraqi  | 2012-13         |
| 3.     | Demand of ` 3,320/- being made against the individual by the Assessing Officer u/s. 143(1)(a) of the IT Act.  | Mr. Anwar Kamal Iraqi | 2012-13         |
| 4.     | Demand of ` 17,940/- being made against the individual by the Assessing Officer u/s. 143(1)(a) of the IT Act. | Mr. Asad Kamal Iraqi  | 2013-14         |

1.3.2. Indirect Tax Proceedings  
NIL

**2. Litigation against Promoters**

2.1. Civil  
NIL

2.2. Criminal  
NIL

2.3. Taxation



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2.3.1. Direct Tax Proceedings  
NIL

2.3.2. Indirect Tax Proceedings  
NIL

### **D. LITIGATION INVOLVING OUR SUBSIDIARY**

#### **1. Litigation by Subsidiary**

1.1. Civil  
NIL

1.2. Criminal  
NIL

1.3. Taxation

1.3.1. Direct Tax Proceedings  
NIL

1.3.2. Indirect Tax Proceedings  
NIL

#### **2. Litigation against Subsidiary**

2.1. Civil  
NIL

2.2. Criminal  
NIL

2.3. Taxation

2.3.1. Direct Tax Proceedings  
NIL

2.3.2. Indirect Tax Proceedings  
NIL

### **MATERIAL FRAUDS AGAINST OUR COMPANY**

There have been no material frauds committed against our Company in the five years preceding the year of this Prospectus.

### **PROCEEDINGS INITIATED AGAINST OUR COMPANY FOR ECONOMIC OFFENCES**

There are no proceedings initiated against our Company for any economic offences.

### **NON PAYMENT OF STATUTORY DUES**

Other than cases disclosed above, our Company has no outstanding defaults in relation to statutory dues consisting of service tax, value added tax, professional tax, employee state insurance, provident fund and tax deducted, dues payable to holders of any debentures (including interest) or dues in respect of deposits (including interest) or any defaults in repayment of loans from any bank or financial institution (including interest).

### **PAST CASES WHERE PENALTIES WERE IMPOSED**

There are no past cases where penalties were imposed on our Company by concerned authorities/courts.

## POTENTIAL LITIGATION INVOLVING OUR COMPANY

As on the date of this Prospectus, there is no potential litigation proceeding against our Company.

## OUTSTANDING LITIGATION AGAINST OTHER PERSONS AND COMPANIES WHOSE OUTCOME COULD HAVE AN ADVERSE EFFECT ON OUR COMPANY

As on the date of this Prospectus, there is no outstanding litigation against other persons and companies whose outcome could have a material adverse effect on our Company.

## PAST INQUIRIES, INSPECTIONS OR INVESTIGATIONS

There have been no inquiries, inspections or investigations initiated or conducted under the Companies Act 2013 or any previous company law in the last five years immediately preceding the year of this Prospectus in the case of Company, Promoters, Directors. Other than as described above, there have been no prosecutions filed (whether pending or not) fines imposed, compounding of offences in the last five years immediately preceding the year of this Prospectus.

Further, there is no legal action pending or taken by any Ministry or Department of the Government or a statutory authority against the Promoters during the last five years immediately preceding the year of the issue of the Prospectus and any direction issued by such Ministry or Department or statutory authority upon conclusion of such litigation or legal action.

## OUTSTANDING DUES TO SMALL SCALE UNDERTAKINGS OR ANY OTHER CREDITORS

As on March 31, 2018 our Company had a total amount of ` 904.81 Lakhs was outstanding. As per the requirements of SEBI Regulations, our Company, pursuant to a resolution of our Board dated December 09, 2017, considered creditors to whom the amount due exceeds 5% of the total outstanding trade payables Company's restated financials for the purpose of identification of material creditors.

Based on the above, the following are the material creditors of our Company:

| Sr. no. | Name of the Customer (s)       | Amount (In Rs.) |
|---------|--------------------------------|-----------------|
|         |                                | March 31, 2018  |
| 1.      | Allanasons Pvt Ltd (Unnao)     | 74,34,000       |
| 2.      | Hide Care Enterprises          | 29,56,277       |
| 3.      | Allanasons Pvt Ltd ( Ghazipur) | 10,29,000       |
| 4.      | Regal Impex                    | 55,56,600       |
| 5.      | Pajusco Technologie Spa        | 56,25,000       |
| 6.      | Allanasons Pvt Ltd (Aligarh)   | 64,99,500       |

Further, none of our creditors have been identified as micro enterprises and small scale undertakings by our Company based on available information. For complete details about outstanding dues to creditors of our Company, please see website of our Company [www.groupaki.com](http://www.groupaki.com).

Information provided on the website of our Company is not a part of this Prospectus and should not be deemed to be incorporated by reference. Anyone placing reliance on any other source of information, including our Company's website [www.groupaki.com](http://www.groupaki.com), would be doing so at their own risk. The Company is in process of identifying its MSME creditors for which the Company has sent the letter to its creditors. As on date of filing of this Prospectus, no creditor has responded to the same.

## MATERIAL DEVELOPMENTS

Except as disclosed in the chapter titled "Management's Discussion and Analysis of Financial Condition and Results of Operations" beginning on page 146 of this Prospectus, in the opinion of our Board, there have not arisen, since March 31, 2018, any circumstances that materially or adversely affect or are likely to affect our



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profitability or the value of our consolidated assets or our ability to pay material liabilities within the next 12 months.

## GOVERNMENT AND OTHER APPROVALS

*Our Company has received the necessary licenses, permissions and approvals from the Central and State Governments and other government agencies/regulatory authorities/certification bodies required to undertake the Issue or continue our business activities. In view of the approvals listed below, we can undertake the Issue and our current business activities and no further major approvals from any governmental/regulatory authority or any other entity are required to be undertaken, in respect of the Issue or to continue our business activities. It must, however, be distinctly understood that in granting the above approvals, the Government of India and other authorities do not take any responsibility for the financial soundness of our Company or for the correctness of any of the statements or any commitments made or opinions expressed in this behalf.*

*The main objects clause of the Memorandum of Association of our Company and the objects incidental, enable our Company to carry out its activities.*

### I. COMPANY RELATED APPROVALS

| Sl. No. | Authorization Granted  | Issuing Authority              | Registration No:/ Reference No:/ License No: | Date of Issue/ Date of Renewal | Valid up to           |
|---------|--|--------------------------------|--|--------------------------------|-----------------------|
| 1.      | Certificate of Incorporation in the name of "AKI Leather Industries Private Limited".  | Registrar of Companies, Kanpur | 20-16467 of 1994                             | May 16, 1994                   | Valid until cancelled |
| 2.      | Fresh Certificate of Incorporation consequent upon change of name to "AKI India Private Limited"                                 | Registrar of Companies, Kanpur | 20-16467                                     | April 3, 2006                  | Valid until cancelled |
| 3.      | Fresh Certificate of Incorporation consequent upon change of name to "AKI India Limited" on conversion to public limited company | Registrar of Companies, Kanpur | U19201UP1994PLC016467                        | May 29, 2017                   | Valid until cancelled |

### II. APPROVALS FOR THE ISSUE

1. The Board of Directors have, pursuant to Section 62(1)(c) of the Companies Act, 2013, by a resolution passed at its meeting held on December 09, 2017 authorized the Issue, subject to the approval of the shareholders and such other authorities as may be necessary.
2. The shareholders of our Company have, pursuant Section 62(1)(c) of the Companies Act, 2013, by a special resolution passed in the extra ordinary general meeting held on December 15, 2017 authorized the Issue.
3. In-principle approval dated September 24, 2018 from the BSE SME for listing of the Equity Shares issued by our Company pursuant to the Issue.
4. Our Company's International Securities Identification Number ("ISIN") is INE642Z01018.

**III. BUSINESS RELATED APPROVALS**
**General approvals**

| Sl. No. | Authorization Granted   | Issuing Authority  | Registration No:/ Reference No:/ License No: | Date of Issue/ Date of Renewal | Valid up to           |
|---------|---|--|--|--------------------------------|-----------------------|
| 1.      | Permanent Account Number (PAN)*   | Income Tax Department, GoI   | AACCA7282K                                   | May 16, 1994                   | Valid until cancelled |
| 2.      | Tax Deduction Account Number (TAN)*                                     | Income Tax Department, GoI   | KNPA01513B                                   | November 08, 2008              | Valid until cancelled |
| 3.      | Certificate of Registration for Goods and Service Tax*                  | Government of India  | 09AACCA7282K1ZB                              | September 25, 2017             | Valid until cancelled |
| 4.      | Importer-Exporter Code (IEC)*   | Foreign Trade Development Officer, Ministry of Commerce and Industry | 0699000769                                   | May 20, 1999                   | Valid until cancelled |
| 5.      | Employees' State Insurance Corporation*                                 | Employees' State Insurance Corporation                               | 21000537260000203                            | [•]                            | Valid until cancelled |
| 6.      | ISO Certificate for Quality Management System Standard (ISO 9001:2008)* | DNV GL – Business Assurance  | 128798-2013-AQ-IND-RvA                       | January 19, 2016               | September 15, 2018    |
| 7.      | Certificate of Recognition One Star Export House*                       | Directorate General of Foreign Trade                                 | 2523   | July 28, 2015                  | July 27, 2020         |
| 8.      | Export Promotion Bureau Registration Certificate*                       | Export Promotion Bureau, Uttar Pradesh                               | KNN/MFG-000193                               | September 23, 2014             | March 31, 2017        |

\* Our Company is yet to make applications to respective authorities for updating each of the aforesaid certificates to reflect its current name.

**Factory related approvals**

| Sl. No. | Authorization Granted                                      | Issuing Authority  | Registration No:/ Reference No:/ License No: | Date of Issue/ Date of Renewal | Valid up to           |
|---------|--|--|--|--------------------------------|-----------------------|
| 1.      | Entrepreneurs' Memorandum Acknowledgment*                  | Distt. Industries Centre, Kanpur Nagar, Government of UP | 090341100932                                 | January 10, 2008               | Valid until cancelled |
| 2.      | Factory License*   | Labour Department  | UPFA35002257                                 | December 22, 2017              | December 31, 2018     |
| 3.      | Certificate of Registration for Employee's Provident Fund* | Employee's Provident Fund Organsition                    | UPKNP1369930000                              | June 1, 2015                   | Valid until cancelled |

| Sl. No. | Authorization Granted                 | Issuing Authority                                       | Registration No:/ Reference No:/ License No: | Date of Issue/ Date of Renewal | Valid up to           |
|---------|---------------------------------------|---|--|--------------------------------|-----------------------|
| 4.      | Letter for fire mock drill and safety | Uttar Pradesh Fire Service, Government of Uttar Pradesh | FSO/NIRIO/17                                 | September 2, 2017              | Valid until cancelled |

\* Our Company is yet to make applications to respective authorities for updating each of the aforesaid certificates to reflect its current name.


#### Tannery related approvals

| Sl. No. | Authorization Granted  | Issuing Authority                                 | Registration No:/ Reference No:/ License No: | Date of Issue/ Date of Renewal | Valid up to           |
|---------|--|---|--|--------------------------------|-----------------------|
| 1.      | Entrepreneurs' Memorandum Acknowledgment*                              | Distt. Industries Centre, Unnao, Government of UP | 090261203463                                 | February 9, 2014               | Valid until cancelled |
| 2.      | Certificate of Registration for Employee's Provident Fund*             | Employee's Provident Fund Organsition             | UPKNP1384789000                              | June 1, 2015                   | Valid until cancelled |
| 3.      | Permission to use Boiler (Registry No. 7346)                           | Director of Boilers, UP                           | -  | May 30, 2017                   | May 16, 2018          |
| 4.      | Air Pollution Consent letter*  | UP Pollution Control Board                        | 349/C-5/Consent Air-101/2018                 | January 5, 2018                | December 31, 2019     |
| 5.      | Water Pollution Consent letter*  | UP Pollution Control Board                        | 350/C-5/Consent Water-101/2018               | January 5, 2018                | December 31, 2019     |
| 6.      | Authorization for generation, storage and disposal of Hazardous Waste* | UP Pollution Control Board                        | 329/C-5/HAZ-223/17                           | April 20, 2017                 | April 19, 2019        |
| 7.      | Hazardous Waste Disposal*  | UP Waste Management Project                       | UPWMP-KNP-HzW-CHW-TSDF-830                   | [●]                            | [●]                   |
| 8.      | Environmental Clearance/NOC*   | UP Pollution Control Board                        | F33008/C-5/NOC-666/2013                      | November 11, 2013              | Valid until cancelled |

\* Our Company is yet to make applications to respective authorities for updating each of the aforesaid certificates to reflect its current name.

#### IV. Approvals obtained in relation to Intellectual property rights

##### Trademark

| Sl. No. | Trademark   | Nature of License / Approval                            | Issuing Authority                              | Class of Trademark | Registration/ License No. | Date of granting License/ Approval | Valid up to       |
|---------|---|---|--|--------------------|---------------------------|------------------------------------|-------------------|
| 1.      |  | Certificate of Registration of Trade Mark under section | Registrar of Trade Marks, Trade Marks Registry | 25                 | 3703187                   | June 16, 2018                      | December 15, 2027 |
| 35      |   |   |  | 3703188            | June 19, 2018             | December 15, 2027                  |                   |

| Sl. No. | Trademark | Nature of License / Approval                | Issuing Authority | Class of Trademark | Registration/ License No. | Date of granting License/ Approval | Valid up to |
|---------|-----------|---|-------------------|--------------------|---------------------------|------------------------------------|-------------|
|         |           | 23(2), Rule 62 (1) of Trade Marks Act, 1999 |                   |                    |                           |                                    |             |


**Copyright**  
NIL

**V. Approvals applied for but not yet received / Renewals made in the usual course of business:**

**Tannery related approvals**

| Sl. No. | Authorization Granted | Issuing Authority     | Date of Application |
|---------|-----------------------|-----------------------|---------------------|
| 1.      | Fire License          | Fire Fighting Officer | [●]                 |

**Trademark**

| Sl. No. | Trademark   | Nature of License / Approval  | Issuing Authority                              | Class of Trademark | Application / License No. | Date of Application |
|---------|---|---|--|--------------------|---------------------------|---------------------|
|         |  | Certificate of Registration of Trade Mark under section 23(2), Rule 62 (1) of Trade Marks Act, 1999 | Registrar of Trade Marks, Trade Marks Registry | 35                 | 2680615                   | February 17, 2014   |

**VI. Material licenses / approvals for which our Company is yet to apply for / Statutory Approvals / Licenses required:**

1. Environmental Clearance for Raw skins and hides from Central Government for Tannery.
2. Factory License in relation to Tannery.
3. Export Promotion Bureau Registration Certificate from Export Promotion Bureau, Uttar Pradesh.
4. Application for registration as a small industry under MSME Act in relation to factory premises.
5. License for Weighing Balance from Legal Metrology Department.
6. Boiler Certificate from Director, Industrial Safety and Health Competent Authority.
7. Registration under Contract Labour (Regulation & Abolition) Act, 1970.



## **OTHER REGULATORY AND STATUTORY DISCLOSURES**

### **Authority for the Issue**

The Issue in terms of this Prospectus has been authorized pursuant to the resolution passed by the Board of Directors dated December 09, 2017 and by the shareholders pursuant to the special resolution passed in Extra-ordinary General Meeting dated December 15, 2017 under Section 62(1)(c) of the Companies Act, 2013.

Our Company has obtained in-principle approval from the BSE SME Ltd for using its name in the Prospectus/ Prospectus pursuant to an approval letter dated September 24, 2018, BSE Ltd which is the Designated Stock Exchange.

### **Prohibition by SEBI or other governmental authorities**

We confirm that our Company, our Promoters, natural person in control of Promoter, Promoter Group, our Directors or the person(s) in control of our Company have not been prohibited from accessing the capital market for any reason or restrained from buying, selling or dealing in securities, under any order or directions by the SEBI or any other regulatory or government authorities.

There are no violations of securities laws committed by any of them in the past or pending against them, nor have any companies with which any of our Company, our Promoter, Directors, persons in control of our Company or any natural person behind the Promoter are or were associated as a promoter, director or person in control, been debarred or prohibited from accessing the capital markets under any order or direction passed by the SEBI or any other authority.

None of our Directors are associated with the securities market and there has been no action taken by the SEBI against the Directors or any other entity with which our Directors are associated as promoters or directors.

### **Prohibition by RBI**

Neither our Company, nor our Promoters, our Directors, relatives (as per Companies Act, 2013) of Promoter or the person(s) in control of our Company have been identified as a will full defaulter by the RBI or other governmental authority and there has been no violation of any securities law committed by any of them in the past and no such proceedings are pending against any of them except as details provided under section titled “*Outstanding Litigations and Material Developments*” beginning on page 157 of this Prospectus.

### **Eligibility for the Issue**

- Our Company is not ineligible in terms of Regulations 4(2) of SEBI ICDR Regulations for this Issue.
- Our Company is an “Unlisted Issuer” in terms of the SEBI (ICDR) Regulations; and this Issue is an “Initial Public Issue” in terms of the SEBI (ICDR) Regulations.
- Our Company is eligible for the Issue in accordance with Regulation 106(M) (1) and other provisions of Chapter XB of the SEBI (ICDR) Regulations, as we are an Issuer whose post issue paid up capital will be less than Rs. 10 crore, and we may hence, issue Equity Shares to the public and propose to list the same on the Small and Medium Enterprise Exchange (in this case being the “SME Platform of BSE Ltd”)

### **We confirm that:**

- In accordance with Regulation 106(P) of the SEBI (ICDR) Regulations, this issue is 100% underwritten and that the Lead Manager to the Issue shall underwrite minimum 15% of the Total Issue Size.
- In accordance with Regulation 106(R) of the SEBI (ICDR) Regulations, we shall ensure that the total number of proposed allottees in the Issue shall be greater than or equal to fifty (50), otherwise, the entire application money will be unblocked forthwith. If such money is not repaid within eight (8) Working Days from the date our Company becomes liable to repay it, then our Company and every



officer in default shall, on and from expiry of eight (8) Working Days, be liable to repay such application money, with an interest at the rate as prescribed under the Companies Act, 2013.

- In accordance with Regulation 106(O) the SEBI (ICDR) Regulations, we have not filed this Issue document with SEBI nor has SEBI issued any observations on our Prospectus. Also, we shall ensure that our Lead Manager submits a copy of the Prospectus along with a Due Diligence Certificate including additional confirmations as required to SEBI at the time of filing the Prospectus with Stock Exchange and the Registrar of Companies.
- In accordance with Regulation 106(V) of the SEBI (ICDR) Regulations, we hereby confirm that we have entered into an agreement with the Lead Manager and a Market Maker to ensure compulsory Market Making for a minimum period of three (3) years from the date of listing of Equity Shares on the SME Platform of BSE Ltd.
- We further confirm that we shall be complying with all the other requirements as laid down for such an issue under Chapter XB of SEBI (ICDR) Regulations, as amended from time to time and subsequent circulars and guidelines issued by SEBI and the Stock Exchange.
- As per Regulation 106(M)(3) of SEBI (ICDR) Regulations, the provisions of Regulations 6(1), 6(2), 6(3), Regulation 8, Regulation 9, Regulation 10, Regulation 25, Regulation 26, Regulation 27 and sub-regulation (1) of Regulation 49 of SEBI (ICDR) Regulations, 2009 shall not apply to us in this Issue.
  1. The post issue paid up capital of the company (face value) shall not be more than Rs.25 crore.
  2. As per BSE Notice no: 20180711-23 dated 11<sup>th</sup> July, 2018 the Company should have positive Net worth as per the latest audited financial results.

(Rs. In Lakh)

| Particulars | For FY 2017-18 | For FY 2016-17 | For FY 2015-16 |
|-------------|----------------|----------------|----------------|
| Net worth   | 764.46         | 662.40         | 297.60         |

3. As per BSE Notice no: 20180711-23 dated 11<sup>th</sup> July, 2018 the Company should have a track record of at least 3 years and Positive Cash Accruals (Earnings Before Depreciation and Tax) from operations for at least 2 financial years preceding the Application.

(Amt. in Lakhs.)

| Particulars  | For F.Y. 2017-18 | For F.Y. 2016-17 | For F.Y. 2015-16 |
|--|------------------|------------------|------------------|
| Earnings Before Depreciation and Tax (as restated) | 266.53           | 163.65           | 147.70           |

4. 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 March 08, 2018 and National Securities Depository Limited dated March 09, 2018 and for establishing connectivity.
5. Our Company has a website i.e. [www.groupaki.com](http://www.groupaki.com)
6. Our Company has not been referred to the Board for Industrial and Financial Reconstruction (BIFR).
7. There is no winding up petition against our Company that has been admitted by the Court or a liquidator has not been appointed of competent Jurisdiction against the Company.
8. No material regulatory or disciplinary action by a stock exchange or regulatory authority in the past three years against the applicant company.



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9. 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.
10. 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 Ltd

#### **Compliance with Part A of Schedule VIII of the SEBI (ICDR) Regulations**

Our Company is in compliance with the provisions specified in Part A of the SEBI (ICDR) Regulations. No exemption from eligibility norms has been sought under Regulation 109 of the SEBI (ICDR) Regulations, with respect to the Issue. Further, our Company has not been formed by the conversion of a partnership firm into a company.

#### **DISCLAIMER CLAUSE OF SEBI**

**IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF ISSUE 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 ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE ISSUE DOCUMENT. THE LEAD MANAGER, FINSHORE MANAGEMENT SERVICES LIMITED HAS CERTIFIED THAT THE DISCLOSURES MADE IN THE ISSUE 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 INVESTMENT IN THE PROPOSED ISSUE.**

**IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE ISSUER IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE ISSUE DOCUMENT, THE LEAD MANAGER, FINSHORE MANAGEMENT SERVICES LIMITED IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE ISSUER DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE LEAD MERCHANT BANKER HAS FURNISHED.**

**TO STOCK EXCHANGE/SEBI A DUE DILIGENCE CERTIFICATE DATED SEPTEMBER 24, 2018 WHICH SHALL ALSO BE SUBMITTED TO SEBI AFTER REGISTERING THE PROSPECTUS WITH ROC AND BEFORE OPENING OF THE ISSUE IN ACCORDANCE WITH THE SEBI (MERCHANT BANKERS) REGULATIONS, 1992 AFTER FILING OF PROSPECTUS WITH ROC AND BEFORE OPENING OF ISSUE.**

**WE, THE UNDER NOTED LEAD MANAGER TO THE ABOVE MENTIONED FORTHCOMING ISSUE STATE AND CONFIRM AS FOLLOWS:**

**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**

**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:**

**THE PROSPECTUS FILED WITH THE BOARD IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPERS RELEVANT TO THE ISSUE;**

**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**

**THE DISCLOSURES MADE IN THE PROSPECTUS ARE TRUE, FAIR AND ADEQUATE TO ENABLE THE INVESTORS TO MAKE A WELL INFORMED DECISION AS TO THE INVESTMENT IN THE PROPOSED ISSUE AND SUCH DISCLOSURES ARE IN ACCORDANCE WITH THE REQUIREMENTS OF THE COMPANIES ACT, 2013, APPLICABLE PROVISIONS OF THE COMPANIES ACT, 1956, THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 AND OTHER APPLICABLE LEGAL REQUIREMENTS.**

**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.**

**WE HAVE SATISFIED OURSELVES ABOUT THE CAPABILITY OF THE UNDERWRITERS TO FULFILL THEIR UNDERWRITING COMMITMENTS-NOTED FOR COMPLIANCE**

**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.**

**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: COMPLIED WITH**

**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**

**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.**

**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 EXCHANGE MENTIONED IN THE PROSPECTUS. WE FURTHER CONFIRM THAT THE AGREEMENT ENTERED INTO**



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**BETWEEN THE BANKERS TO THE ISSUE AND THE ISSUER SPECIFICALLY CONTAINS THIS CONDITION – NOTED FOR COMPLIANCE**

**WE CERTIFY ALL THE SHARES SHALL BE ISSUED IN DEMATERIALIZED FORM IN COMPLIANCE WITH THE PROVISIONS OF SECTION 29 OF THE COMPANIES ACT, 2013 AND THE DEPOSITORIES ACT, 1996 AND THE REGULATIONS MADE THEREUNDER.**

**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.**

**WE CERTIFY THAT THE FOLLOWING DISCLOSURES HAVE BEEN MADE IN THE PROSPECTUS:**

**AN UNDERTAKING FROM THE ISSUER THAT AT ANY GIVEN TIME, THERE SHALL BE ONLY ONE DENOMINATION FOR THE EQUITY SHARES OF THE ISSUER AND**

**AN UNDERTAKING FROM THE ISSUER THAT IT SHALL COMPLY WITH SUCH DISCLOSURE AND ACCOUNTING NORMS SPECIFIED BY THE BOARD FROM TIME TO TIME.**

**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.**

**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.**

**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.**

**WE ENCLOSE STATEMENT ON ‘PRICE INFORMATION OF PAST ISSUES HANDLED BY MERCHANT BANKER BELOW (WHO ARE RESPONSIBLE FOR PRICING THIS ISSUE)’, AS PER FORMAT SPECIFIED BY SEBI THROUGH CIRCULAR NO. CIR/CFD/DIL/7/2015 DATED OCTOBER 30, 2015.**

**WE CERTIFY THAT PROFITS FROM RELATED PARTY TRANSACTIONS HAVE ARISEN FROM LEGITIMATE BUSINESS TRANSACTIONS-TO THE EXTENT OF THE RELATED PARTY TRANSACTIONS REPORTED IN ACCORDANCE WITH ACCOUNTING STANDARD-18 IN THE FINANCIAL INFORMATION OF THE COMPANY INCLUDED IN THE PROSPECTUS.**

**ADDITIONAL CONFIRMATIONS/ CERTIFICATION TO BE GIVEN BY MERCHANT BANKER IN DUE DILIGENCE CERTIFICATE TO BE GIVEN ALONG WITH ISSUE DOCUMENT REGARDING SME EXCHANGE**

**WE CONFIRM THAT NONE OF THE INTERMEDIARIES NAMED IN THE PROSPECTUS HAVE BEEN DEBARRED FROM FUNCTIONING BY ANY REGULATORY AUTHORITY.**

**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 ISSUED THROUGH THIS ISSUE SHALL BE**



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**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.**

**WE CONFIRM THAT THE ABRIDGED PROSPECTUS CONTAINS ALL THE DISCLOSURES AS SPECIFIED IN THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 - NOTED FOR COMPLIANCE.**

**WE CONFIRM THAT AGREEMENTS HAVE BEEN ENTERED INTO WITH THE DEPOSITORIES FOR DEMATERIALIZATION OF THE SPECIFIED SECURITIES OF THE ISSUER – NOTED FOR COMPLIANCE.**

**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**

**WE CERTIFY THAT REGULATION 33 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, WHICH RELATES TO EQUITY SHARES 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.**

**WE CONFIRM THAT UNDERWRITING AND MARKET MAKING ARRANGEMENTS AS PER REQUIREMENTS OF REGULATION 106P AND 106V OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 HAVE BEEN MADE.**

*Note:*

*The filing of this Prospectus does not, however, absolve our company from any liabilities under section 34, section 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, Kanpur, Uttar Pradesh in terms of sections 26, 32 and 33 of the Companies Act, 2013.*

**Statement on Price Information of Past Issues handled by Finshore Management Services Limited:**

| Sl. No. | Issuer Name                             | Issue Size (Cr) | Issue Price (in rs.) | Listing Date | Opening Price on Listing Date | +/- % change in closing price, [+/- % change in Closing benchmark] 30th calendar days from listing | +/- % change in closing price, [+/- % change in closing benchmark] 90th calendar days from listing | +/- % change in closing price, [+/- % change in closing benchmark]- 180th calendar days from listing |
|---------|---|-----------------|----------------------|--------------|-------------------------------|--|--|--|
| 1       | East India Securities Ltd               | 92.74           | 920                  | 13/03/2018   | 921.9                         | 102[0.72]  | 0.86[+5.42]  | NA   |
| 2       | Sungold Media And Entertainment Limited | 1.35            | 10                   | 27/08/2018   | 9.75                          | NA   | NA   | NA   |
| 3       | Powerful Technologies Limited           | 13.54           | 51                   | 28/08/2018   | 48.00                         | NA   | NA   | NA   |

1. the benchmark index is sensx where the securities has been listed in BSE SME.

**Summary statement of Disclosure:**

| Financial Year | Total no. of IPOs | Total Funds Raised (in Cr.) | Nos. of IPOs trading at discount - 30th calendar day from listing day |                 |                | Nos. of IPOs trading at premium - 30th calendar day from listing day |                 |                | Nos. of IPOs trading at discount - 180th calendar day from listing day |                 |                | Nos. of IPOs trading at premium - 180th calendar day from listing day |                 |                |
|----------------|-------------------|-----------------------------|---|-----------------|----------------|--|-----------------|----------------|--|-----------------|----------------|---|-----------------|----------------|
|                |                   |                             | 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 % |
| 2016-17        | 0                 | NA                          | N.A   | N.A             | N.A            | N.A  | N.A             | N.A            | N.A  | N.A             | N.A            | N.A   | N.A             | N.A            |
| 2017-18        | 1                 | 92.74                       | N.A   | N.A             | N.A            | N.A  | N.A             | 1              | N.A  | N.A             | N.A            | N.A   | N.A             | N.A            |
| 2018-19\$      | 2                 | 14.89                       | N.A   | 1               | 1              | N.A  | N.A             | N.A            | N.A  | N.A             | N.A            | N.A   | N.A             | N.A            |

\$ Upto September 05, 2018

**Track Record of past issues handled by Finshore Management Services Limited**

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.finshoregroup.com](http://www.finshoregroup.com)

## **AKI India Limited**

### **Disclaimer from our Company and the Lead Manager**

Our Company and the LM accept no responsibility for statements made otherwise than those contained in this Prospectus or, in case of the Company, in any advertisements or any other material issued by or at our Company's instance and anyone placing reliance on any other source of information would be doing so at his or her own risk.

The LM accepts no responsibility, save to the limited extent as provided in the Issue Agreement entered between the LM (Finshore Management Services Limited) and our Company on August 31, 2018 and the Underwriting Agreement dated September 08, 2018 entered into between the Underwriters and our Company and the Market Making Agreement dated September 08, 2018 entered into among the Market Maker and our Company.

All information shall be made available by our Company and the LM to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever including at road show presentations, in research or sales reports, at collection centres or elsewhere.

The LM and their respective associates and affiliates may engage in transactions with, and perform services for, our Company, our Promoter Group, 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.

### **Caution**

Investors who apply in the Issue will be required to confirm and will be deemed to have represented to our Company and the Underwriters and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of our Company and will not Issue, sell, pledge or transfer the Equity Shares of our Company to any person who is not eligible under applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of our Company. Our Company, the Underwriters and their respective directors, officers, agents, affiliates and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire the Equity Shares in the Issue.

### **Disclaimer in Respect of Jurisdiction**

This Issue is being made in India to persons resident in India (including Indian nationals resident in India who are majors, HUFs, companies, corporate bodies and societies registered under applicable laws in India and authorized to invest in shares, Indian mutual funds registered with SEBI, Indian financial institutions, commercial banks, regional rural banks, cooperative banks (subject to RBI permission), or trusts under applicable trust law and who are authorized under their constitution to hold and invest in shares, public financial institutions as specified in Section 2(72) of the Companies Act, 2013, VCFs, state industrial development corporations, insurance companies registered with the Insurance Regulatory and Development Authority, provident funds (subject to applicable law) with a minimum corpus of ₹ 2,500.00 Lakh and pension funds with a minimum corpus of ₹ 2,500.00 Lakh, and permitted non-residents including FIIs, Eligible NRIs, multilateral and bilateral development financial institutions, FVCIs and eligible foreign investors, insurance funds set up and managed by army, navy or air force of the Union of India and insurance funds set up and managed by the Department of Posts, India provided that they are eligible under all applicable laws and regulations to hold Equity Shares of our Company. This Prospectus does not, however, constitute an Issue to sell or an invitation to subscribe for Equity Shares Issued hereby in any jurisdiction other than India to any person to whom it is unlawful to make an Issue or invitation in such jurisdiction. Any person into whose possession this Prospectus comes is required to inform himself or herself about, and to observe, any such restrictions.

Any dispute arising out of this Issue will be subject to jurisdiction of the competent court(s) in Kanpur, Uttar Pradesh, India only.

No action has been, or will be, taken to permit a public Issuing in any jurisdiction where action would be required for that purpose. Accordingly, the Equity Shares represented hereby may not be Issued or sold, directly or indirectly, and this Prospectus may not be distributed in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of this Prospectus nor any sale hereunder

## **AKI India Limited**

shall, under any circumstances, create any implication that there has been no change in the affairs of our Company from the date hereof or that the information contained herein is correct as of any time subsequent to this date.

### **Disclaimer Clause of the SME Platform of BSE**

As required, a copy of this Issue Document has been submitted to BSE Limited (hereinafter referred to as BSE). BSE has given vide its letter Ref.: September 24, 2018 dated at permission to the Issuer to use the Exchange's name in this Issue Document on which this Issuer's securities are proposed to be listed. The Exchange has scrutinized Issue document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Issuer. It is to be distinctly understood that the aforesaid permission given by BSE should not in any way be deemed or construed that the Issue 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 Issue document; nor does it warrant that this Issuer's securities will be listed or will continue to be listed on the Exchange; nor does it take any responsibility for the financial or other soundness of this Issuer, its Promoter, its management or any scheme or project of this Issuer.

Every person who desires to apply for or otherwise acquire any securities of this Issuer may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription /acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever.

### **Disclaimer Clause under Rule 144A of the U.S. Securities Act**

The Equity Shares have not been, and will not be, registered under the U.S. Securities Act 1933, as amended (the "Securities Act") or any state securities laws in the United States and may not be Issued or sold within the United States or to, or for the account or benefit of, "U.S. persons" (as defined in Regulation S 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 will be Issued and sold outside the United States in compliance with Regulation S of the Securities Act and the applicable laws of the jurisdiction where those Issues and sales occur. The Equity Shares have not been, and will not be, registered, listed or otherwise qualified in any other jurisdiction outside India and may not be Issued or sold, and Applicants may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Further, each Applicant where required agrees that such Applicant will not sell or transfer any Equity Shares or create any economic interest therein, including any off-shore derivative instruments, such as participatory notes, issued against the Equity Shares or any similar security, other than pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with applicable laws and legislations in each jurisdiction, including India.

### **Filing**

The Prospectus is being filed with BSE Limited.

A copy of this Prospectus shall not be filed with the SEBI, nor will SEBI issue any observation on the Prospectus in term of Regulation 106(M) (3) of the SEBI (ICDR) Regulations. However, a copy of the Prospectus shall be filed with SEBI at the Securities and Exchange Board of India, 5th Floor, Bank of Baroda Building, 16, Sansad Marg, New Delhi - 110001, Delhi, India for their record purpose only.

A copy of the Prospectus, along with the documents required to be filed under Section 32 of the Companies Act, 2013 would be delivered for registration to the Registrar of Companies, Kanpur, 10/499-B, Allenganj, Khalasi Line, Kanpur- 208002, Uttar Pradesh, India.

### **Listing**

The Equity Shares of our Company are proposed to be listed on BSE SME. Our Company has obtained in-principle approval from BSE by way of its letter dated September 24, 2018 for listing of equity shares on BSE SME.



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BSE will be the Designated Stock Exchange, with which the Basis of Allotment will be finalized for the Issue. If the permission to deal in and for an official quotation of the Equity Shares on the SME Platform is not granted by BSE, our Company shall forthwith repay, without interest, all moneys received from the applicants in pursuance of this Prospectus. If such money is not repaid within eight (8) days from the date our Company becomes liable to repay it, then our Company and every officer in default shall, on and from expiry of eight (8) days, be liable to repay such application money, with interest at the rate as prescribed under 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 SME Platform of BSE mentioned above are taken within Six (6) Working Days of the Issue Closing Date.

### Impersonation

Attention of the Applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:

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 to action under section 447 of the Companies, Act 2013

### Consents

Consents in writing of (a) Our Directors, Our Promoters, Our Company Secretary & Compliance Officer, Chief Financial Officer, Syndicate Members, Our Statutory Auditor, Key Managerial Personnel, Our Peer Review Auditor, Our Banker(s) to the Company; (b) Lead Manager, Registrar to the Issue, Banker (s) to the Issue, Legal Advisor to the Issue, Underwriter(s) to the Issue and Market Maker to the Issue to act in their respective capacities shall be obtained as required as required under section 26 of the Companies Act, 2013 and shall be filed along with a copy of the Prospectus with the RoC, as required under Sections 32 of the Companies Act, 2013 and such consents will not be withdrawn up to the time of delivery of the Prospectus for registration with the RoC.

In accordance with the Companies Act and the SEBI (ICDR) Regulations, Jaiswal Misra & Company & co., Statutory Auditors of the Company has agreed to provide their written consent to the inclusion of their respective reports on “Statement of Tax Benefits” relating to the possible tax benefits and restated financial statements as included in this Prospectus in the form and context in which they appear therein and such consent and reports will not be withdrawn up to the time of delivery of this Prospectus.

### Experts Opinion

Except for the reports in the section “*Financial Statement as Restated*” and “*Statement of Possible Tax Benefits*” on page 145 and page 78 of this Prospectus from the Peer Review Auditors and Statutory Auditor respectively, our Company has not obtained any expert opinions. However, the term “expert” shall not be construed to mean an “expert” as defined under the U.S. Securities Act 1933.

### Expenses of the Issue

The Estimated Issue expenses are as under:

| Activity   | Expenses<br>(Rs in Lakh) | % of Total<br>Estimated Issue<br>Expenditure | % of<br>Issue<br>Size |
|--|--------------------------|--|-----------------------|
| Payment to LM including, Underwriting and Selling commissions, Brokerages, payment to other intermediaries | 26.50                    | 88.33  | 8.60                  |

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|  |              |               |             |
|--|--------------|---------------|-------------|
| such as Legal Advisors, Registrars, Bankers etc. and other Out of Pocket Expenses                              |              |               |             |
| Printing and Stationery and Postage Expenses<br>Advertising and Marketing Expenses Regulatory Fee and Expenses | 3.50         | 11.67         | 1.14        |
| <b>Total</b>   | <b>30.00</b> | <b>100.00</b> | <b>9.74</b> |

**Fees, Brokerage and Selling Commission payable to the LM**

The total fees payable to the LM will be as per the (i) Issue Agreement dated, August 31, 2018 with the LM, Finshore Management Services Limited, (ii) the Underwriting Agreement dated September 08, 2018 with Underwriter and (iii) the Market Making Agreement dated September 08, 2018 with Market Maker, a copy of which is available for inspection at our Registered Office from 10.00 am to 5.00 pm on all Working Days from the date of the Prospectus until the Issue Closing Date.

**Fees Payable to the Registrar to the Issue**

The fees payable to the Registrar to the Issue for processing of applications, data entry, printing of refund orders, preparation of refund data on magnetic tape and printing of bulk mailing register will be as per the agreement between our Company and the Registrar to the Issue dated January 30, 2018 a copy of which is available for inspection at our Company’s 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 to the Registrar to the Issue to enable it to make refunds in any of the modes described in this Prospectus or send allotment advice by registered post/speed post.

**Particulars regarding Public or Rights Issues during the last five (5) years**

Our Company has not made any previous public or rights issue in India or Abroad the five (5) years preceding the date of this Prospectus.

**Previous issues of Equity Shares otherwise than for cash**

For detailed description please refer to section titled “*Capital Structure*” beginning on page 55 of this Prospectus.

**Underwriting Commission, brokerage and selling commission on Previous Issues**

Since this is the initial public Issuing of our Company’s Equity Shares, no sum has been paid or has been payable as commission or brokerage for subscribing for or procuring or agreeing to procure subscription for any of the Equity Shares since our incorporation.

Particulars in regard to our Company and other listed group-companies / subsidiaries/ associates under the same management within the meaning of Section 186 of the Companies Act, 2013 which made any capital issue during the last three years:

Neither our Company nor any other companies under the same management within the meaning of Section Section 186 of the Companies Act, 2013, had made any public issue or rights issue during the last three years.

**Performance vis-a-vis objects – Public/right issue of our Company and /or listed Group Companies/ subsidiaries and associates of our Company**

Except as stated under section titled “*Capital Structure*” beginning on page 55 of this Prospectus our Company has not undertaken any previous public or rights issue. None of the Group Companies/ Entities or associates of our Company are listed on any stock exchange.

**Performance vis-a-vis objects - Last Issue of Group/Associate Companies**

## **AKI India Limited**

All of our Group/ Associate are unlisted and have not made a public issue of shares in the last ten (10) years preceding the date of this Prospectus.

### **Outstanding Debentures or Bond Issues or Redeemable Preference Shares**

Our Company does not have any outstanding debentures or bonds or Preference Redeemable Shares as on the date of filing this Prospectus.

### **Outstanding Convertible Instruments**

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

### **Option to Subscribe**

Equity Shares being issued through the Prospectus can be applied for in dematerialized form only.

### **Stock Market Data of the Equity Shares**

This being a public Issue of the Equity Shares of our Company, the Equity Shares are not listed on any Stock Exchanges.

### **Mechanism for Redressal of Investor Grievances**

The Agreement amongst the Registrar to the Issue, our Company provides for retention of records with the Registrar to the Issue for a period of at least three (3) year from the last date of dispatch of the letters of allotment, or demat credit or where refunds are being made electronically, giving of unblocking instructions to the clearing system, to enable the investors to approach the Registrar to the Issue for redressal of their grievances.

All grievances relating to the Issue may be addressed to the Registrar to the Issue, giving full details such as name, address of the applicant, application number, number of Equity Shares applied for, amount paid on application, Depository Participant, and the bank branch or collection centre where the application was submitted.

All grievances relating to the ASBA process may be addressed to the SCSBs, giving full details such as name, address of the applicant, number of Equity Shares applied for, amount paid on application and the relevant Designated Branch or the collection centre of the SCSBs where the Application Form was submitted by the ASBA Applicants.

The Applicant should give full details such as name of the sole/ 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.

### **Disposal of Investor Grievances by our Company**

Our Company estimates that the average time required by our Company or the Registrar to the Issue for the redressal of routine investor grievances shall be fifteen (15) Working Days from the date of receipt of the complaint. In case of complaints that are not routine or where external agencies are involved, our Company will seek to redress these complaints as expeditiously as possible.

Our Company has appointed Ms. Divya Gupta, Company Secretary, as the Compliance Officer to redress complaints, if any, of the investors participating in the Issue. Contact details for our Company Secretary and Compliance Officer are as follows:



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Ms. Divya Gupta  
**AKI India Limited**  
9/6(11), Asharfabad Jajmau,  
Kanpur - 208010, Uttar Pradesh, India.  
**Tel. No:** +91 512 2463130  
**E-mail:** info@groupaki.com  
**Website:** www.groupaki.com

Investors can contact the Compliance Officer or the Registrar in case of any pre-Issue or post-Issue related problems such as non-receipt of letters of allocation, credit of allotted Equity Shares in the respective beneficiary account etc.

Pursuant to the press release no. PR. No. 85/2011 dated June 8, 2011, SEBI has launched a centralized web based complaints redress system "SCORES". This would enable investors to lodge and follow up their complaints and track the status of redressal of such complaints from anywhere. For more details, investors are requested to visit the website [www.scores.gov.in](http://www.scores.gov.in)

### **Status of Investor Complaints**

We confirm that we have not received any investor complaint during the three years preceding the date of this Prospectus and hence there are no pending investor complaints as on the date of this Prospectus.

Disposal of investor grievances by listed companies under the same management as our Company

We do not have any listed company under the same management.

### **Change in Auditors during the last three (3) years**

There is no change in the auditor since last 3 years.

### **Capitalization of Reserves or Profits**

Except as disclosed under section titled "Capital Structure" beginning on page 55 of this Prospectus, our Company has not capitalized its reserves or profits at any time during the last five (5) years.

### **Revaluation of Assets**

Our Company has not revalued its assets in five (5) years preceding the date of this Prospectus.

### **Tax Implications**

Investors who are allotted Equity Shares in the Issue will be subject to capital gains tax on any resale of the Equity Shares at applicable rates, depending on the duration for which the investors have held the Equity Shares prior to such resale and whether the Equity Shares are sold on the Stock Exchanges. For details, please refer the section titled "*Statement of Possible Tax Benefits*" beginning on page 78 of this Prospectus.

### **Purchase of Property**

Other than as disclosed under section titled "*Our Business*" beginning on page 91 of this Prospectus, there is no property which has been purchased or acquired or is proposed to be purchased or acquired which is to be paid for wholly or partly from the proceeds of the present Issue or the purchase or acquisition of which has not been completed on the date of the Prospectus, other than property, in respect of which:-

The contract for the purchase or acquisition was entered into in the ordinary course of business, or the contract was entered into in contemplation of the Issue, or that the Issue was contemplated in consequence of the contract; or the amount of the purchase money is not material.

Except as stated elsewhere in the Prospectus, our Company has not purchased any property in which the Promoter and/or Directors have any direct or indirect interest in any payment made there under.



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**Servicing Behaviour**

Except as stated in this Prospectus, there has been no default in payment of statutory dues or of interest or principal in respect of our borrowings or deposits.

**Payment or benefit to officers of Our Company**

Except statutory benefits upon termination of their employment in our Company or superannuation, no officer of our Company is entitled to any benefit upon termination of his employment in our Company or superannuation.

Except as disclosed under sections titled “*Our Management*” and “*Related Party Transactions*” beginning on pages 123 and 143 respectively of this Prospectus none of the beneficiaries of loans and advances and sundry debtors are related to the Directors of our Company.

## SECTION VIII: ISSUE INFORMATION

### TERMS OF THE ISSUE

*The Equity Shares being Issued are subject to the provisions of the Companies Act, SCRA, SCRR, SEBI (ICDR) Regulations, the SEBI Listing Regulations, our Memorandum and Articles of Association, the terms of this Prospectus, the Prospectus, the abridged prospectus, Application Form, CAN, the Revision Form, Allotment advices, and other terms and conditions as may be incorporated in the documents/certificates that may be executed in respect of the Issue. The Equity Shares shall also be subject to all applicable laws, guidelines, rules, notifications and regulations relating to the issue of capital and listing and trading of securities issued from time to time by SEBI, the GoI, the Stock Exchanges, the RoC, the RBI 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 CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015, all the investors applying in this issue shall use only Application Supported by Blocked Amount (ASBA) facility for making payment i.e. just writing their bank account numbers and authorising the banks to make payment in case of allotment by signing the application forms,*

### AUTHORITY FOR THE PRESENT ISSUE

This Issue has been authorized by a resolution of the Board passed at their meeting held on December 09, 2017 subject to the approval of shareholders through a special resolution to be passed pursuant to section 62 (1) (c) of the Companies Act, 2013. The shareholders have authorized the Issue by a special resolution in accordance with Section 62 (1) (c) of the Companies Act, 2013 passed at the EGM of the Company held on December 15, 2017.

### RANKING OF EQUITY SHARES

The Equity Shares being Issue 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 rights in respect of dividend. The allottees, upon Allotment of Equity Shares under this Issue, will be entitled to receive dividends and other corporate benefits, if any, declared by our Company after the date of Allotment. For further details, please refer to section titled “*Main Provisions of Articles of Association*” beginning on page 209 of this Prospectus.

### MODE OF PAYMENT OF DIVIDEND

Our Company shall pay dividend to the shareholders of our Company in accordance with the provisions of the Companies Act, 2013, as may be applicable, the Articles of Association of our Company, the provisions of the SEBI Listing Regulations and any other rules, regulations or guidelines as may be issued by the Government of India in connection thereto and as per the recommendation by our Board of Directors and approved by our 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 in relation to dividends, please refer to sections titled “*Dividend Policy*” and “*Main Provisions of the Articles of Association*” beginning on 144 and 209 respectively of this Prospectus.

### FACE VALUE AND ISSUE PRICE

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*” beginning on page 75 of this Prospectus. At any given point of time there shall be only one denomination of the Equity Shares of our Company, subject to applicable laws.

### COMPLIANCE WITH SEBI (ICDR) REGULATIONS

Our Company shall comply with all requirements of the SEBI (ICDR) Regulations as amended time to time. 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 of our Company, the equity shareholders shall have the following rights:

- Right to receive dividend, if declared;
- Right to receive Annual Reports & notices to members;
- Right to attend general meetings and exercise voting rights, unless prohibited by law;
- Right to vote on a poll either in person or by proxy;
- Right to receive Issue for rights shares and be allotted bonus shares, if announced;
- Right to receive surplus on liquidation; subject to any statutory and other preferential claims being satisfied;
- Right of free transferability of the Equity Shares, subject to applicable law, including any RBI Rules and Regulations; and
- Such other rights, as may be available to a shareholder of a listed public company under the previous Companies Act, 1956 and Companies Act, 2013, as may be applicable, terms of the SEBI Listing Regulations and the Memorandum and Articles of Association of our Company.

For further details on the main provision of our Company's Articles of Association dealing with voting rights, dividend, forfeiture and lien, transfer and transmission and/ or consolidation / splitting, etc., please refer to section titled "*Main Provisions of Articles of Association*" beginning on page 209 of this Prospectus.

## MINIMUM APPLICATION VALUE, MARKET LOT AND TRADING LOT

In terms of section 29 of the Companies Act, 2013, the Equity Shares shall be allotted only in dematerialised form. As per the existing SEBI (ICDR) Regulations, the trading of the Equity Shares shall only be in dematerialised form for all investors. In this context, two agreements have been signed among our Company, the respective Depositories and the Registrar to the Issuer:

1. Tripartite agreement dated March 09, 2018 between our Company, NSDL and the Registrar to the Issue.
2. Tripartite agreement dated March 08, 2018 between our Company, CDSL and the Registrar to the Issue

The trading of the Equity Shares will happen in the minimum contract size of 10,000 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 Prospectus will be done in multiples of 10,000 Equity Shares subject to a minimum allotment of 10,000 Equity Shares to the successful Applicants in terms of the SEBI Circular No. CIR/MRD/DSA/06/2012 dated February 21, 2012.

## JOINT HOLDERS

Where two (2) 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.



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In accordance with Section 72 of the Companies Act, 2013 any Person who becomes a nominee by virtue of this section shall upon the production of such evidence as may be required by the Board, elect either:

To register himself or herself as the holder of the Equity Shares; or  
To make such transfer of the Equity Shares, as the deceased holder could have made.

Further, the Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of ninety (90) days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the allotment of Equity Shares in the Issue will be made only in dematerialized form, there is no need to make a separate nomination with our Company. 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

### ISSUE PROGRAMME

|                         |                    |
|-------------------------|--------------------|
| <b>ISSUE OPENS ON:</b>  | September 28, 2018 |
| <b>ISSUE CLOSES ON:</b> | October 03, 2018   |

### MINIMUM SUBSCRIPTION

In accordance with Regulation [106P] (1) of SEBI (ICDR) Regulations, this Issue is 100% underwritten. Also, in accordance with explanation to Regulation [106P](1) of SEBI (ICDR) Regulations, the underwriting shall not be restricted to any minimum subscription level. This Issue is 100% underwritten and the details of the same have been disclosed under section titled “**General Information**” beginning on page 48 of this Prospectus.

As per section 39 of the new Companies Act, if the “stated minimum amount” has not been subscribed and the sum payable on application is not received within a period of thirty (30) days from the date of issue of Prospectus, the application money has to be returned within such period as may be prescribed.

If our Company does not receive the subscription of 100% of the Issue through this Issue Document including devolvement of Underwriters within sixty (60) days from the date of closure of the issue, our Company shall forthwith unblocked the entire subscription amount received. If there is a delay beyond eight (8) days after our Company becomes liable to pay the amount, our Company shall pay interest prescribed under section 73 of the Companies Act, 2013 and applicable law.

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

Further, in accordance with Regulation [106Q] 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.

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

### ARRANGEMENTS FOR DISPOSAL OF ODD LOTS

The trading of the Equity Shares will happen in the minimum contract size of 10,000 equity shares in terms of the SEBI Circular No. CIR/MRD/DSA/06/2012 dated February 21, 2012. However, the Market Maker shall buy the entire shareholding of a shareholder in one lot, where value of such shareholding is less than the minimum contract size allowed for trading on the SME platform of BSE.



### **APPLICATION BY ELIGIBLE NRIS, FPIS/FIIS REGISTERED WITH SEBI, VCFS REGISTERED WITH SEBI**

It is to be understood that there is no reservation for Eligible NRIs or FPIS/FIIs registered with SEBI or VCFS. Such Eligible NRIs, FPIS/FIIs registered with SEBI will be treated on the same basis with other categories for the purpose of Allocation.

### **AS PER THE EXTANT POLICY OF THE GOVERNMENT OF INDIA, OCBS CANNOT PARTICIPATE IN THIS ISSUE.**

NRIs, FPIS/FIIs and foreign venture capital investors registered with SEBI are permitted to purchase shares of an Indian company in a public Issue without the prior approval of the RBI, so long as the price of the equity shares to be issued is not less than the price at which the equity shares are issued to residents. The transfer of shares between an Indian resident and a non-resident does not require the prior approval of the FIPB or the RBI, provided that (i) the activities of the investee company are under the automatic route under the foreign direct investment ("**FDI**") Policy and the non-resident shareholding is within the sectoral limits under the FDI policy; and (ii) the pricing is in accordance with the guidelines prescribed by the SEBI/RBI.

The current provisions of the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000, provides a general permission for the NRIs, FPIS and foreign venture capital investors registered with SEBI to invest in shares of Indian companies by way of subscription in an IPO. However, such investments would be subject to other investment restrictions under the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000, RBI and/or SEBI regulations as may be applicable to such investors.

The Allotment of the Equity Shares to Non-Residents shall be subject to the conditions, if any, as may be prescribed by the Government of India/RBI while granting such approvals.

### **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 55 of this Prospectus, and except as provided in the Articles of Association of our Company, there are no restrictions on transfer and transmission and on their consolidation / splitting of Equity Shares. For further details, please refer to the section titled "**Main Provisions of Articles of Association**" beginning on page 209 of this 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 LM do not accept any responsibility for the completeness and accuracy of the information stated hereinabove. Our Company and the LM 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 of the Companies Act, 2013 and in accordance with SEBI (ICDR) Regulations, every company making public Issue shall issue securities only in dematerialized form only. Hence, the Equity Shares being Issued can be applied for in the 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 Issue shall be in dematerialized form only. The Equity Shares on Allotment will be traded only on the dematerialized segment of the SME Exchange. Applicants will not have an option of Allotment of the Equity Shares in physical form. Allottees shall have the option to re-materialise the Equity Shares, if they so desire, as per the provisions of the Companies Act, 2013 and the Depositories Act.

**MIGRATION TO MAIN BOARD**

In accordance with the BSE Circular dated November 26, 2012, our Company will have to be mandatorily listed and traded on the SME Platform of the BSE for a minimum period of two years from the date of listing and only after that it can migrate to the Main Board of the BSE as per the guidelines specified by SEBI and as per the procedures laid down under Chapter XB of the SEBI (ICDR) Regulations. 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 our Company is likely to increase above ` 25 Crores by virtue of any further issue of capital by way of rights, preferential issue, bonus issue etc. (which has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the promoters in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal and for which our Company has obtained in-principal approval from the main board), we shall have to apply to 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 the company is more than ` 10 crore but below ` 25 crore, we may still apply for migration to the main board if the same has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the promoters in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal.

**MARKET MAKING**

The Equity Shares offered through this Issue are proposed to be listed on the SME Platform of BSE (SME Exchange), wherein Sparkle Securities Solutions (P) Limited is the Market Maker to this Issue shall ensure compulsory Market Making through the registered Market Makers of the SME Exchange for a minimum period of three (3) years from the date of listing on the SME Platform of BSE. For further details of the agreement entered into between our Company, the Lead Manager and the Market Maker please refer to section titled “*General Information*” - *Details of the Market Making Arrangements for this Issue* beginning on page 48 of this Prospectus.

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

| Issue size                                    | Buy quote exemption threshold<br>(including mandatory initial<br>inventory of 5% of issue size) | Re-entry threshold for buy quotes<br>(including mandatory initial<br>inventory of 5% of issue size) |
|---|---|---|
| Upto ` 20 Crore, as<br>applicable in our case | 25%   | 24%   |

Further, the Market Maker shall give two (2) 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 through this issue.

**JURISDICTION**

Exclusive jurisdiction for the purpose of this Issue is with the competent courts / authorities in Kolkata, 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 Issued or sold within the United States to, or for the account or benefit



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of “U.S. persons” (as defined in Regulation S), except pursuant to an exemption from or in a transaction not subject to, registration requirements of the U.S. Securities Act and applicable U.S. state Securities laws. Accordingly, the Equity Shares are only being Issued or sold outside the United States in compliance with Regulation S under the Securities Act and the applicable laws of the jurisdictions where those Issues and sales occur.

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

### ISSUE STRUCTURE

This Issue is being made in terms of Regulation 106M (2) of Chapter XB of the SEBI (ICDR) Regulations, whereby, an issuer whose post issue face value capital does not exceed ten crores, 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 this Issue, please refer to sections titled “*Terms of the Issue*” and “*Issue Procedure*” beginning on pages 181 and 190 respectively of this Prospectus.

The present Issue of 28,00,000 Equity Shares at a price of Rs 11.00 each aggregating to 308.00 Lakh by our Company. The Issue and the Net Issue will constitute 27.19% and 25.83%, respectively of the post issue paid up equity share capital of the Issuer Company.

| Particulars of the Issue   | Net Issue to Public*  | Market Maker Reservation Portion                               |
|--|---|--|
| <b>Number of Equity Shares</b>   | 26,60,000 Equity Shares   | 1,40,000 Equity Shares   |
| <b>Percentage of Issue Size available for allocation</b>                       | 95.00 % of the Issue Size   | 5.00 % of the Issue Size                                       |
| <b>Basis of Allotment/ Allocation if respective category is oversubscribed</b> | Proportionate subject to minimum allotment of Equity Shares and further allotment in multiples of 10,000 Equity Shares each.<br>For further details please refer to “Basis of Allotment” under section titled “ <i>Issue Procedure</i> ” beginning on page 190 of this Prospectus.  | Firm Allotment   |
| <b>Mode of Application</b>   | Through ASBA Process Only   | Through ASBA Process Only                                      |
| <b>Mode of Allotment</b>   | Compulsorily in dematerialised form.  | Compulsorily in dematerialised form.                           |
| <b>Minimum Application Size</b>  | <p><b>For Other than Retail Individual Investors:</b></p> <p>Such number of Equity Shares in multiples of 10,000 Equity Shares such that the Application Value exceeds `2,00,000.</p> <p><b>For Retail Individuals:</b></p> <p>13,30,000 Equity Shares at Issue price of Rs 11.00 each.</p>   | 140,000 Equity Shares of Face Value `10.00                     |
| <b>Maximum Application Size</b>  | <p><b>For Other than Retail Individual Investors:</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> <p><b>For Retail Individuals Investors:</b></p> <p>Such number of Equity Shares in multiples of 10,000 Equity Shares such that the application value does not exceed ` 2, 00,000.</p> | 1,40,000 Equity Shares of Face Value `10.00                    |
| <b>Trading Lot</b>   | 10,000 Equity Shares  | 10,000 Equity Shares. However the Market Makers may accept odd |

| Particulars of the Issue | Net Issue to Public* | Market Maker Reservation Portion   |
|--------------------------|----------------------|--|
|                          |                      | lots if any in the market as required under the SEBI (ICDR) Regulations, 2009. |
| <b>Terms of Payment</b>  | 100%                 | 100%   |

This Issue is being made in terms of Chapter XB of the SEBI (ICDR) Regulations. For further details please refer to section titled “*Issue Structure*” beginning on page 187 of this Prospectus.

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

- Minimum fifty percent to Retail Individual Investors; and
- Remaining to Investors Other than Retail Individual Investors

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

“If the retail individual investor category is entitled to more than fifty per cent (50%) on proportionate basis, the retail individual investors shall be allocated that higher percentage”

#### **WITHDRAWAL OF THE ISSUE**

Our Company, in consultation with the Lead Manager, reserves the right not to proceed with the Issue at any time before the Issue Opening Date, without assigning any reason thereof. Notwithstanding the foregoing, the Issue is also subject to obtaining the following:

- The final listing and trading approvals of BSE for listing of Equity Shares Issued through this Issue on its SME Platform, which the Company shall apply for after Allotment; and
- The final RoC approval of this Prospectus after it is filed with the RoC.
- In case, our Company wishes to withdraw the Issue after Issue Opening but before allotment, our Company will give public notice giving reasons for withdrawal of Issue. The public notice will appear in two (2) widely circulated national newspapers (one each in English and Hindi) and one (2) in regional newspaper.

The Lead Manager, through the Registrar to the Issue, will instruct the SCSBs to unblock the ASBA Accounts within one (1) Working Day from the day of receipt of such instruction. The notice of withdrawal will be issued in the same newspapers where the pre-Issue advertisements have appeared and the Stock Exchange will also be informed promptly. If our Company withdraws the Issue after the Issue Closing Date and subsequently decides to undertake a public Issuing of Equity Shares, our Company will file a fresh Issue document with the stock exchange where the Equity Shares may be proposed to be listed.

Notwithstanding the foregoing, the Issue is subject to obtaining (i) the final listing and trading approvals of the Stock Exchange with respect to the Equity Shares Issued through this Prospectus, which our Company will apply for only after Allotment; and (ii) the final RoC approval of the Prospectus.

#### **ISSUE PROGRAMME**

|                           |                    |
|---------------------------|--------------------|
| <b>ISSUE OPENING DATE</b> | September 28, 2018 |
| <b>ISSUE CLOSING DATE</b> | October 03, 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 Centres mentioned in the Application Form. On the Issue Closing Date when applications will be accepted only between 10:00 a.m. to 4:00 p.m. (Indian Standard Time).

Due to limitation of time available for uploading the application on the Issue Closing Date, Applicants are advised to submit their applications one day prior to the Issue Closing Date and, in any case, not later than 1:00 p.m. IST on the Issue Closing Date. Any time mentioned in this Prospectus is IST. Applicants are cautioned



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that, in the event a large number of applications are received on the Issue Closing Date, as is typically experienced in public Issuing, some applications may not get uploaded due to lack of sufficient time. Such applications that cannot be uploaded will not be considered for allocation under this Issue.

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 Company. 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 to six working days after the closure of the issue.

**Please note that the information stated/ covered in this section may not be complete and/or accurate and as such would be subject to modification/change.** Our Company and the Lead Manager do not accept any responsibility for the completeness and accuracy of the information stated in this section and the General Information Document. Applicants are advised to make their independent investigations and ensure that their Applications do not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or as specified in this Prospectus.

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) (2) of Chapter XB of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 via Fixed Price Process.

Applicants are required to submit their Applications to the 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. The Equity Shares on allotment shall be traded only in the dematerialized segment of the Stock Exchanges, as mandated by SEBI.

### APPLICATION FORM

Pursuant to SEBI Circular dated November 10, 2015 and bearing Reference No. CIR/CFD/POLICYCELL/11/2015 which shall be applicable for all public issues opening on or after January 01, 2016, all the investors can apply through ASBA Mode. The prescribed colour of the Application Form for various categories applying in this Issue is as follows:

| Category   | Colour |
|--|--------|
| Indian Public / eligible NRI's applying on a non-repatriation basis (ASBA)                             | White  |
| Non-Residents including eligible NRIs, FPIs, 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. An Investor, intending to subscribe to this Issue, shall submit a completed application form to any of the following Intermediaries (Collectively called "**Designated Intermediaries**")

| Sl. No. | Designated Intermediaries  |
|---------|--|
| 1.      | An SCSB, with whom the bank account to be blocked, is maintained   |
| 2.      | A syndicate member (or sub-syndicate member)   |
| 3.      | A stock broker registered with a recognized stock exchange (and whose name is mentioned on the website of the stock exchange as eligible for this activity) ('broker') |
| 4.      | A depository participant ('DP') (whose name is mentioned on the website of the stock exchange as eligible for this activity)   |
| 5.      | A registrar to an issue and share transfer agent ('RTA') (whose name is mentioned on the website of the stock exchange as eligible for this activity)                  |

*The aforesaid intermediary shall, at the time of receipt of application, give an acknowledgement to investor, by giving the counter foil or specifying the application number to the investor, as proof of having accepted the application form, in physical or electronic mode, respectively.*

The upload of the details in the electronic application 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 application system as specified by the stock exchange and may begin blocking funds available in the bank account specified in the form, to the extent of the application money specified.   |
| <b>For applications submitted by investors to Designated Intermediaries (other than SCSBs):</b> | After accepting the application form, respective Designated Intermediary (other than SCSBs) shall capture and upload the relevant details in the electronic application 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. |



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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. Stock Exchange(s) shall validate the electronic details with depository's records for DP ID, Client ID and PAN, by the end of each day and bring the inconsistencies to the notice of intermediaries concerned, for rectification and re-submission within the time specified by the stock exchange.

Stock exchange(s) shall allow modification of selected fields in the details already uploaded on a daily basis.

### **Availability of Prospectus and Application Forms**

The Application Forms and copies of the Prospectus may be obtained from the Registered Office of our Company, Lead Manager to the Issue and Registrar to the Issue, as mentioned in the Application Form. The application forms may also be downloaded from the website of BSE Limited i.e. [www.bseindia.com](http://www.bseindia.com)

### **Who can Apply?**

Each Applicant should check whether it is eligible to apply under applicable law.

In addition to the category of Applicants as set forth under —Part B - 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:

- Category III foreign portfolio investors, which are foreign corporate or foreign individuals only under the Non-Institutional Investors category;
- FPIs and sub-accounts registered with SEBI other than Category III foreign portfolio investor;
- 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

The information below is given for the benefit of the applicants. Our Company and the Lead Manager do not accept responsibility for the completeness and accuracy of the information stated. Our Company and the Lead Manager is 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 does not exceed the limits prescribed under laws or regulations.

### **GROUND FOR TECHNICAL REJECTION**

Application Form can be rejected on the below mentioned technical grounds either at the time of their submission to any of the Designated Intermediaries, or at the time of finalisation of the Basis of Allotment. Applicants are advised to note that the Applications are liable to be rejected, inter-alia, on the following grounds, which have been detailed at various places in this Prospectus: -

- a) Application by persons not competent to contract under the Indian Contract Act, 1872, as amended, (other than minors having valid Depository Account as per Demographic Details provided by Depositories);
- b) Applications by OCBs; and

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- c) In case of partnership firms, Application for Equity Shares made in the name of the firm. However, a limited liability partnership can apply in its own name;
- d) In case of Applications under power of attorney or by limited companies, corporate, trust etc., relevant documents not being submitted along with the Application Form;
- e) Applications by persons prohibited from buying, selling or dealing in the shares directly or indirectly by SEBI or any other regulatory authority;
- f) Applications by any person outside India if not in compliance with applicable foreign and Indian laws;
- g) DP ID and Client ID not mentioned in the Application Form;
- h) PAN not mentioned in the Application Form, except for Applications by or on behalf of the Central or State Government and officials appointed by the court and by the investors residing in the State of Sikkim, provided such claims have been verified by the Depository Participant;
- i) In case no corresponding record is available with the Depositories that matches the DP ID, the Client ID and the PAN;
- j) Applications for lower number of Equity Shares than the minimum specified for that category of investors;
- k) Applications at a price less than the price fixed for IPO;
- l) Applications at Cut-off Price by NIIs and QIBs;
- m) The amounts mentioned in the Application Form does not tally with the amount payable for the value of the Equity Shares Applied for; with respect to Applications by ASBA Applicants, the amounts mentioned in the Application Form does not tally with the amount payable for the value of the Equity Shares Applied for;
- n) Applications for amounts greater than the maximum permissible amounts prescribed by the regulations;
- o) In relation to ASBA Applications, submission of more than five Application Form as per ASBA Account;
- p) Applications for an Application Amount of more than Rs. 200,000 by RIIs by applying through non-ASBA process;
- q) Applications for number of Equity Shares which are not in multiples Equity Shares which are not in multiples as specified in the prospectus;
- r) Applications as defined in this GID and the Prospectus;
- s) Application Forms are not delivered by the Applicants within the time prescribed as per the Application Form, Issue Opening Date advertisement and as per the instructions in the Prospectus and the Application Forms;
- t) Inadequate funds in the bank account to block the Application Amount specified in the Application Form at the time of blocking such Application Amount in the bank account;
- u) Applications where sufficient funds are not available in Escrow Accounts as per final certificate from the Escrow Collection Banks; with respect to ASBA Applications, where no confirmation is received from SCSB for blocking of funds;
- v) Applications by QIBs (other than Anchor Investors) and Non Institutional Applicants not submitted through ASBA process or Applications by QIBs (other than Anchor Investors) and Non Institutional;
- w) Applicants accompanied with cheque(s) or demand draft(s);

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- x) Applications submitted to a LM at locations other than the Specified Cities and Application Forms, under the ASBA process, submitted to the Escrow Collecting Banks (assuming that such bank is not a SCSB where the ASBA Account is maintained), to the issuer or the Registrar to the Issue;
- y) Applications not uploaded on the terminals of the Stock Exchanges; and
- z) 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.

## MAXIMUM AND MINIMUM APPLICATION SIZE

### 1. For Retail Individual Applicants

The Application must be for a minimum of 10,000 Equity Shares and in multiples of 10,000 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 10,000 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 form submitted by 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.**

## PARTICIPATION BY ASSOCIATES /AFFILIATES OF LEAD MANAGER AND THE SYNDICATE MEMBERS

The Lead Manager and Syndicate Members, 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 the Issue

- a) As per Section 29(1) of the Companies Act 2013, allotment of Equity Shares shall be dematerialized form only. Investors will not have the option of getting allotment of specified securities in physical form. Furnishing the information in respect of depositories account is mandatory and applications without depositories account shall be treated as incomplete and rejected. Investors will not have the option of getting the allotment of shares in physical form as mentioned above. However, they may get the shares re-materialized subsequent to allotment.
- b) The Equity Shares, on allotment, shall be traded on the Stock Exchange in demat segment only.
- c) A single application from any investor shall not exceed the investment limit/minimum number of Equity Shares that can be held by him/her/it under the relevant regulations/statutory guidelines and applicable law.

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### Information for the Applicants

1. Our Company and the Lead Manager shall declare the Issue Opening Date and Issue Closing Date in the Prospectus to be registered with the RoC and also publish the same in two national newspapers (one each in English and Hindi) and in a regional newspaper with wide circulation. This advertisement 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 Manager, 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 / Corporate Office.
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 SCSBs 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 such number of

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Equity Shares that exceed 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/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 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; (l) Rupee denominated bonds or units issued by infrastructure debt funds; (m) Indian depository receipts; and (n) Such other instruments specified by SEBI 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:
    - i. Any transactions in derivatives on a recognized stock exchange;
    - ii. Short selling transactions in accordance with the framework specified by the Board;
    - iii. Any transaction in securities pursuant to an agreement entered into with the merchant banker in the process of market making or subscribing to unsubscribed portion of the Issue in accordance with Chapter XB of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
    - iv. Any other transaction specified by the Board.

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- 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 application for, or acquisition of, securities in response to an offer for divestment 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 SEBI.
- 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.

Unless otherwise approved by SEBI, securities shall be registered in the name of the foreign portfolio investor as a beneficial owner for the purposes of the Depositories Act, 1996.

- 4. The purchase of Equity Shares of each company by a single foreign portfolio investor or an investor group shall be below ten percent of the total issued capital of the company.
- 5. The investment by the foreign portfolio investor shall also be subject to such other conditions and restrictions as may be specified by the Government of India from time to time.
- 6. In cases where the Government of India enters into agreements or treaties with other sovereign Governments and where such agreements or treaties specifically recognize certain entities to be distinct and separate, the Board may, during the validity of such agreements or treaties, recognize them as such, subject to conditions as may be specified by it.
- 7. A foreign portfolio investor may lend or borrow securities in accordance with the framework specified by the Board in this regard.

No foreign portfolio investor may issue, subscribe to or otherwise deal in offshore derivative instruments, directly or indirectly, unless the following conditions are satisfied:

- a) Such offshore derivative instruments are issued only to persons who are regulated by an appropriate foreign regulatory authority;
- b) Such offshore 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.

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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 subaccount, 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 application 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.

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### **Applications by Hindu Undivided Families (HUFs)**

In case of HUFs, application can be made by the karta of HUF and applications by Hindu Undivided Families would be treated on par with applications by individuals.

### **Applications by Insurance Companies**

In case of application made by insurance companies registered with IRDA, 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, reserves the right to reject any application, without assigning any reason thereof.

The exposure norms for insurers, prescribed under the Insurance Regulatory and Development Authority (Investment Scheme) (5th Amendment) Regulations, 2010, as amended (the “IRDA Investment Regulations”), are broadly set forth below:

- (a) Equity shares of a company: The lesser of 10% of the investee company’s subscribed capital (face value) or 10% of the respective fund in case of life insurer or 10% of investment assets in case of general insurer or reinsurer;
- (b) The entire group of the investee company: at least 10% of the respective fund in case of a life insurer or 10% of investment assets in case of general insurer or reinsurer (25% in case of Unit Linked Insurance Plans); and
- (c) The industry sector in which the investee company operates: 10% of the insurer’s total investment exposure to the industry sector (25% in case of Unit Linked Insurance Plans).

### **Applications under Power of Attorney**

In case of applications made pursuant to a power of attorney by limited companies, corporate bodies, registered societies, FIIs, FPI’s, Mutual Funds, insurance companies and provident funds with minimum corpus of Rs. 2,500 Lakh (subject to applicable law) and pension funds with a minimum corpus of Rs. 2,500 Lakh, 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 Lakh and pension funds with minimum corpus of Rs. 2500 Lakh, 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



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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 lakh (subject to applicable law) and pension funds with minimum corpus of Rs. 2,500 lakh, 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.

### **Applications by banking companies**

In case of Application made by banking companies registered with RBI, certified copies of: (i) the certificate of registration issued by RBI, and (ii) the approval of such banking company's investment committee are required to be attached to the Application Form, failing which our Company reserves the right to reject any application without assigning any reason therefore.

The investment limit for banking companies in non-financial services companies as per the Banking Regulation Act, 1949 (the "**Banking Regulation Act**"), and Master Circular – Para-banking Activities dated July 1, 2015 is 10% of the paid-up share capital of the investee company or 10% of the banks' own paid-up share capital and reserves, whichever is less. Further, the investment in a non-financial services company by a banking company together with its subsidiaries, associates, joint ventures, entities directly or indirectly controlled by the bank and mutual funds managed by asset management companies controlled by the banking company cannot exceed 20% of the investee company's paid-up share capital. A banking company may hold up to 30% of the paid-up share capital of the investee company with the prior approval of the RBI provided that the investee company is engaged in non-financial activities in which banking companies are permitted to engage under the Banking Regulation Act.

### **Method and Process of Application**

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 application 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.

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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 withdrawal/ failure of the Issue or until withdrawal/ rejection of the Application Form, as the case may be. Once the Basis of Allotment is finalized, the Registrar to the Issue shall send an appropriate request to the Controlling Branch of the SCSB for unblocking the relevant ASBA Accounts and for transferring the amount allocable to the successful Applicants to the Public Issue Account. In case of withdrawal/ failure of the Issue, the blocked amount shall be unblocked on receipt of such information from the Registrar to the Issue.

### Issuance of a Confirmation of Allocation Note (“CAN”) and Allotment in the Issue

1. Upon approval of the basis of allotment by the Designated Stock Exchange, the LM or Registrar to the Issue shall send to the SCSBs a list of their Applicants who have been allocated Equity Shares in the Issue.
2. The Registrar will then dispatch a CAN to their Applicants who have been allocated Equity Shares in the Issue. The dispatch of a CAN shall be deemed a valid, binding and irrevocable contract for the Applicant.

### Terms of payment

The entire Issue price of ₹11.00 per share is payable on application. In case of allotment of lesser number of Equity Shares than the number applied, the Registrar shall instruct the SCSBs to unblock the excess amount paid on Application to the applicants.

SCSBs will transfer the amount as per the instruction of the Registrar to the Public Issue Account, the balance amount after transfer will be unblocked by the SCSBs.

The applicant 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.

### Payment mechanism

The applicants shall specify the bank account number in their Application Form and the SCSBs shall block an amount equivalent to the Application Amount in the bank account specified in the Application Form. The SCSB shall keep the Application Amount in the relevant bank account blocked until withdrawal/ rejection of the Application or receipt of instructions from the Registrar to unblock the Application Amount. However Non-Retail Applicants shall neither withdraw nor lower the size of their applications at any stage. In the event of withdrawal or rejection of the Application Form or for unsuccessful Application Forms, the Registrar to the Issue shall give instructions to the SCSBs to unblock the application money in the relevant bank account within one day of receipt of such instruction. The Application Amount shall remain blocked in the ASBA Account until finalization of the Basis of Allotment in the Issue and consequent transfer of the Application Amount to the Public Issue Account, or until withdrawal/ failure of the Issue or until rejection of the Application by the ASBA Applicant, as the case may be.

*Please note that pursuant to SEBI circular CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 investors in the public Issue can only invest through ASBA Mode.*

### 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 Manager 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; or
  - (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 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 Bakers, 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:

| Sl. 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;

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- 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.
  14. 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.
  15. 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.
  16. The details uploaded in the online IPO system shall be considered as final and Allotment will be based on such details for applications.

### Allocation of Equity shares

- 1) The Issue is being made through the Fixed Price Process wherein 1,40,000 Equity Shares shall be reserved for Market Maker. 13,30,000 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.

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- 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 Manager 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.

### **Signing of Underwriting Agreement and Filing of Prospectus with ROC**

- a) Our company and Lead Manager have entered into an Underwriting Agreement dated September 08, 2018 with underwriter.
- b) A copy of Prospectus will be filed with the RoC in terms of Section 26 of 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. In the pre- issue advertisement, we will state the Issue Opening Date and the Issue Closing Date. This advertisement, subject to the provisions of Section 30 of the Companies Act, 2013, will be in the format prescribed in Part A of Schedule XIII of the SEBI Regulations.

### **Issuance of Allotment Advice**

- 1) Upon approval of the Basis of Allotment by the Designated Stock Exchange.
- 2) The Lead Manager or the Registrar to the Issue will dispatch an Allotment Advice to their applicants who have been allocated Equity Shares in the Issue.

The dispatch of Allotment Advice shall be deemed a valid, binding and irrevocable contract for the Allotment to such Applicants.

### **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 Centres), the RTA (at the Designated RTA Locations) or CDP (at the Designated CDP Locations); Instruct your respective Banks to 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;

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- 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 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 with 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 colour 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). 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 centres for collecting the application shall be disclosed is available on the websites of BSE i.e. [www.bseindia.com](http://www.bseindia.com)

### Applicant's Depository Account and Bank Details

Please note that, providing bank account details, PAN No's, Client ID and DP ID in the space provided in the application form is mandatory and applications that do not contain such details are liable to be rejected.

## **AKI India Limited**

Applicants should note that on the basis of name of the Applicants, Depository Participant's name, Depository Participant Identification number and Beneficiary Account Number provided by them in the Application Form as entered into the Stock Exchange online system, the Registrar to the Issue will obtain from the Depository the demographic details including address, Applicants bank account details, MICR code and occupation (hereinafter referred to as 'Demographic Details'). These Demographic Details would be used for all correspondence with the Applicants including mailing of the Allotment Advice. The Demographic Details given by Applicants in the Application Form would not be used for any other purpose by the Registrar to the Issue.

By signing the Application Form, the Applicant would be deemed to have authorized the depositories to provide, upon request, to the Registrar to the Issue, the required Demographic Details as available on its records.

### **Submission of Application Form**

All Application Forms duly completed shall be submitted to the 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.

### **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) days of the Issue Closing Date;
2. The Company will provide adequate funds required for dispatch of Allotment Advice to the Registrar to the Issue.

### **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 investors 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-

## **AKI India Limited**

- 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

## **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 our Promoters undertake to comply with the provisions in respect of minimum promoters' contribution as required under regulation 32 of SEBI ICDR Regulations;
- 5) That no further issue of Equity Shares shall be made till the Equity Shares issued through the Prospectus are listed or until the Application monies are 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 Company;

## **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 had signed the following tripartite agreements with the Depositories and the Registrar and Share Transfer Agent:

- a) Agreement dated March 09, 2018 between NSDL, the Company and the Registrar to the Issue;
- b) Agreement dated March 08, 2018 between CDSL, the Company and the Registrar to the Issue;

The Company's equity shares bear an ISIN as INE642Z01018.



## RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of the Government of India and FEMA. While the Industrial Policy, 1991 prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. Under the Industrial Policy, unless specifically restricted, foreign investment is freely permitted in all sectors of Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. The government bodies responsible for granting foreign investment approvals are FIPB and the RBI.

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 the Consolidated FDI Policy, which with effect from May 12, 2015, 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 May 12, 2015. The Government proposes to update the consolidated circular on FDI Policy once every year and therefore, the Consolidated FDI Policy will be valid until the DIPP issues an updated circular.

The transfer of shares between an Indian resident and a non-resident does not require the prior approval of the RBI, provided that (i) the activities of the investee company are under the automatic route under the Consolidated FDI Policy and transfer does not attract the provisions of the SEBI Takeover Regulations; (ii) the non-resident shareholding is within the sectoral limits under the Consolidated FDI Policy; and (iii) the pricing is in accordance with the guidelines prescribed by the SEBI/ RBI.

As per the existing policy of the GoI, OCBs cannot participate in the Issue.

**The Equity Shares have not been and will not be registered under the Securities Act or any state securities laws in the United States, and, unless so registered, may not be Issued or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws.**

Accordingly, the Equity Shares are being Issued and sold (a) in the United States only to persons reasonably believed to be "qualified institutional buyers" (as defined in Rule 144A under the Securities Act and referred to in this Prospectus as "U.S. QIBs" pursuant to the private placement exemption set out in Section 4(a)(2) of the Securities Act; for the avoidance of doubt, the term U.S. QIBs does not refer to a category of institutional investor defined under applicable Indian regulations and referred to in this Prospectus as "QIBs"), in transactions exempt from the registration requirements of the Securities Act and (b) outside the United States in offshore transactions in reliance on Regulation S under the Securities Act and the applicable laws of the jurisdiction where those Issues and sales occur.

The above information is given for the benefit of the Applicants. Our Company and the Lead Manager are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Prospectus. Applicants are advised to make their independent investigations and ensure that the number of Equity Shares Applied for do not exceed the applicable limits under laws or regulations.

## SECTION IX : MAIN PROVISIONS OF ARTICLES OF ASSOCIATION

## MAIN PROVISIONS OF ARTICLES OF ASSOCIATION

*[The following regulations comprised in these Articles of Association were adopted pursuant to members' resolution passed at the Extra- Ordinary General Meeting held on December 15, 2017 in substitution for and to the entire exclusion of, the regulations contained in the existing Articles of Association of the Company.]*

| ARTICLE | INTERPRETATION  | HEADING                      |
|---------|---|------------------------------|
| 1.      | In these Articles unless there be something in the subject matter or context inconsistent therewith:  |                              |
|         | i. <b>The Act</b> means the Companies Act, 2013 and the applicable provisions of the Companies Act, 1956 and includes any statutory modification or re-enactment thereof for the time being in force.   | <b>The Act</b>               |
|         | ii. <b>Articles</b> means Articles of Association of the Company as originally framed or altered from time to time  | <b>Articles</b>              |
|         | iii. <b>“Beneficial Owner”</b> shall have the meaning assigned thereto by Section 2(1) (a) of the Depositories Act, 1996.   | <b>Beneficial Owner</b>      |
|         | iv. <b>Board or Board of Director</b> means the Collective body of the Board of Directors of the Company.   | <b>Board or Board of</b>     |
|         | v. <b>Chairman</b> means the Chairman of the Board of the Directors of the Company.   | <b>Chairman</b>              |
|         | vi. <b>“The Company</b> means <b>AKI India Limited</b>  | <b>The Company</b>           |
|         | vii. <b>Depositories Act, 1996</b> shall mean Depositories Act, 1996 and include any Statutory modification or re-enactment thereof for the time being in force.  | <b>Depositories Act,199</b>  |
|         | viii. <b>Depository</b> shall have the meaning assigned thereto by Section 2 (1) (e) of the Depositories Act, 1996.   | <b>Depository</b>            |
|         | ix. <b>Directors</b> means the Directors appointed to the board for the time being of the Company.  | <b>Directors</b>             |
|         | x. <b>Dividend</b> includes any interim dividend  | <b>Dividend</b>              |
|         | xi. <b>Document</b> means a document as defined in Section 2 (36) of the Companies Act, 2013.   | <b>Document</b>              |
|         | xii. <b>Equity Share Capital</b> “, with reference to any Company limited by shares, means all share capital which is not preference share  | <b>Equity Share</b>          |
|         | xiii. <b>KMP</b> means Key Managerial Personnel of the Company provided as per the relevant sections of the Act.  | <b>KMP</b>                   |
|         | xiv. — <b>Managing Director</b> means a Director who by virtue or an agreement with the Company or of a resolution passed by the Company in general meeting or by its Board of Directors or by virtue of its Memorandum or Articles of Association is entrusted with substantial powers of management and includes a director occupying the position of managing director, by whatever name   | <b>Managing Director</b>     |
|         | xv. <b>Month</b> means Calendar month   | <b>Month</b>                 |
|         | xvi. <b>Office</b> means the registered office for the time being of the Company.   | <b>Office</b>                |
|         | xvii. <b>Paid-up share capital</b> or —share capital paid-up  means such aggregate amount of money credited as paid-up as is equivalent to the amount received as paid up in respect of shares issued and also includes any amount credited as paid-up in respect of shares of the company, but does not include any other amount received in respect of such shares, by whatever name called | <b>Paid-up share Capital</b> |
|         | xviii. <b>Postal Ballot</b> means voting by post or through any electronic mode   | <b>Postal Ballot</b>         |
|         | xix. <b>Proxy</b> includes attorney duly constituted under the power of attorney to vote for a member at a General Meeting of the Company on poll.  | <b>Proxy</b>                 |

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|    | xx. <b>Public Holiday</b> means a Public Holiday within the meaning of the Negotiable Instruments Act, 1881 (XXVI of 1881); provided that no day declared by the Central Government to be such a holiday shall be deemed to be such a holiday in relation to any meeting unless the declaration was notified before the issue of the notice convening such meeting.   | <b>Public Holiday</b>           |
|    | xxi. <b>Registrar</b> means the Registrar of Companies of the state in which the Registered Office of the Company is for the time being situated and includes an Additional Registrar a Joint Registrar, a Deputy Registrar or an Assistant Registrar having the duty of registering companies and discharging various functions under this   | <b>Registrar</b>                |
|    | xxii. <b>Rules</b> means the applicable rules as prescribed under the relevant sections of the Act for time being in force  | <b>Rules</b>                    |
|    | xxiii. <b>SEBI</b> means Securities & Exchange Board of India established under Section 3 of the Securities & Exchange Board of India Act, 1992.  | <b>SEBI</b>                     |
|    | xxiv. <b>Securities</b> means the securities as defined in clause (h) of Section 2 of the Securities Contracts (Regulation) Act, 1956 (42 of 1956)  | <b>Securities</b>               |
|    | xxv. <b>"Share"</b> means share in the Share Capital of the Company and includes stock except where a distinction between stock and share is expressed or implied.  | <b>Share</b>                    |
|    | xxvi. <b>Seal</b> means the common seal of the Company.   | <b>Seal</b>                     |
|    | xxvii. <b>Preference Share Capital</b> “, with reference to any Company limited by shares, means that part of the issued share capital of the Company which carries or would carry a preferential right with respect to—<br>(a) payment of dividend, either as a fixed amount or an amount calculated at a fixed rate, which may either be free of or subject to income-tax; and<br>(b) repayment, in the case of a winding up or repayment of capital, of the amount of the share capital paid-up or deemed to have been paid-up, whether or not, there is a preferential right to the payment of any fixed premium or premium on any fixed scale, specified in the memorandum or articles of the Company; | <b>Preference Share Capital</b> |
|    | Words imparting the plural number also include, where the context requires or admits, the singular number, and vice versa.<br>Unless the context otherwise requires, words or expressions contained in these regulations shall bear the same meaning as in the Act or any statutory modification thereof in force at the date at which these regulations become binding on the Company.<br>In writing‘ andwritten‘ includes printing, lithography and other modes of representing or reproducing words in a visible form.   |                                 |
| 2. | The Authorized Share Capital of the Company shall be such amount and be divided into such shares as may from time to time be provided in Clause V of the Memorandum of Association with power to increase or reduce the capital and divide the shares in the capital of the Company (including Preferential Share Capital, if any)and to attach thereto respectively any preferential, qualified or special rights, privileges or conditions as may be determined in accordance with these presents and to modify or abrogate any such rights, privileges or conditions in such manner as may for the time being be permitted by the said Act   |                                 |
| 3. | 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. Further provided that the option or right to call of shares shall not be given to any person except with the sanction of the Company in general meeting.  |                                 |

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| 4. | Subject to provisions of Section 54 of the Act read with Companies (Share Capital and Debentures) Rules, 2014, and any other applicable provisions of the Act or any law for the time being in force, the Company may issue Sweat Equity Shares on such terms and in such manner as the Board may determine.   | <b>Issue of Sweat Equity Shares</b> |
| 5. | The Company shall have powers to issue any debentures, debenture-stock or other securities at Par, discount, premium or otherwise and may be issued on condition that they shall be convertible into shares of any denomination and with any privileges and conditions as to redemption, surrender, drawing, allotment of shares, attending the General Meetings (but not voting on any business to be conducted), appointment of Directors on Board and otherwise Debentures with the right to conversion into or allotment of shares shall be issued only with the consent of the company in the General Meeting by a Special Resolution.  | <b>Issue of Debentures</b>          |
| 6. | <p>i. Every person whose name is entered as a member in the register of members shall entitled to receive within two months after incorporation, in case of subscribers to the memorandum or after allotment or within one month after the application for registration of transfer of transmission or within such other period as the conditions of issue shall be provided,—</p> <p>a. one certificate for all his shares without payment of any charges; or</p> <p>b. several certificates, each for one or more of his shares, upon payment of Rupees twenty for each certificate after the first</p> <p>ii. The Company agrees to issue certificate within fifteen days of the date of lodgement of transfer, sub-division, consolidation, renewal, exchange or endorsement of calls/allotment monies or to issue within fifteen days of such lodgement for transfer, Pucca Transfer Receipts in denominations corresponding to the market units of trading autographically signed by a responsible official of the Company and bearing an endorsement that the transfer has been duly approved by the Directors or that no such approval is necessary;</p> <p>iii. Every certificate shall be under the seal and shall specify the shares to which it relates and the amount paid-up thereon.</p> <p>iv. 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.</p> | <b>Issue of Share Certificates</b>  |
| 7. | If any share certificate be worn out, defaced, mutilated or torn or if there be no further space on the back for endorsement of transfer, then upon production and surrender thereof to the Company, a new certificate may be issued in lieu thereof, and if any certificate is lost or destroyed then upon proof thereof to the satisfaction of the Company and on execution of such indemnity as the Company deem adequate, a new certificate in lieu thereof shall be given. Every certificate under this Article shall be issued on payment of twenty Rupees for each certificate.   |                                     |

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| 8.  | Except as required by law, no person shall be recognised by the Company as holding any share upon any trust, and the Company shall not be bound by, or be compelled in any way to recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any share, or any interest in any fractional part of a share, or (except only as by these regulations or by law otherwise provided) any other rights in respect of any share except an absolute right to the entirety thereof in the registered holder.   | <b>Issue of Share Certificates</b>                                      |
| 9.  | The provisions of these Articles relating to issue of Certificates shall mutatis mutandis apply to any other securities including Debentures (except where the Act otherwise requires) of the Company.   |   |
| 10. | <ul style="list-style-type: none"> <li>i. The Company may exercise the powers of paying commissions conferred by sub-section (6) of section 40, provided that the rate per cent or the amount of the commission paid or agreed to be paid shall be disclosed in the manner required by that section and rules made thereunder.</li> <li>ii. The rate or amount of the commission shall not exceed the rate or amount prescribed in rules made under sub-section (6) of section 40.</li> <li>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</li> </ul>  | <b>Power to pay Commission in connection with the Securities issued</b> |
| 11. | <ul style="list-style-type: none"> <li>i. If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, subject to the provisions of section 48, and whether or not the Company is being wound up, be varied with the consent in writing of the holders of three-fourths of the issued shares of that class, or with the sanction of a special resolution passed at a separate meeting of the holders of the shares of that class.</li> <li>ii. to every such separate meeting, the provisions of these regulations relating to general meetings shall mutatis mutandis apply, but so that the necessary quorum shall be at least two persons holding at least one-third of the issued shares of the class in question.</li> </ul> | <b>Variations of Shareholder's rights</b>                               |
| 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 pari passu therewith.   |   |
| 13. | Subject to the provisions of section 55 and 62, any preference shares may with the sanction of ordinary resolution, be issued on the terms that they are to be redeemed on such terms and in such manner as the Company before the issue of the shares may, by special resolution, determine   | <b>Issue of Preference Shares</b>                                       |

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| 14. | <p>(1) Where at any time Company having Share Capital proposes to increase its subscribed capital by the issue of further Shares, such shares shall be offered:</p> <p>(a) to persons who, at the date of the offer, are holders of equity shares of the company in proportion, as nearly as circumstances admit, to the paid-up share capital on those shares by sending a letter of offer subject to the conditions specified in the relevant provisions of Section 62 of the Act.</p> <p>(b) to employees under a scheme of employees' stock option, subject to special resolution passed by company and subject to such other conditions as may be prescribed under the relevant rules of Section 62.</p> <p>(c) to any persons, if it is authorized by a special resolution, whether or not those persons include the persons referred to in clause (a) or clause (b), either for cash or for a consideration other than cash, if the price of such shares is determined by the valuation report of a registered valuer subject to such conditions as may be prescribed under the relevant rules of Section 62.</p> <p>(2) The notice shall be dispatched through registered post or speed post or through electronic mode to all the existing shareholders at least three days before the opening of the issue.</p> <p>(3) Nothing in this Article shall apply to the increase of the subscribed capital of company caused by the exercise of an option as a term attached to the debentures issued or loan raised by the company to convert such debentures or loans into shares in the company:</p> <p>Provided that the terms of issue of such debentures or loan containing such an option have been approved, before the issue of such debentures or the raising of loan, by a special resolution passed by the company in <u>general meeting</u>.</p> | Further Issue of shares |
| 15. | <p>i. The Company shall have a first and paramount lien—</p> <p>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 or</p> <p>Every fully paid shares shall be free from all lien and that in the case of partly paid shares the Issuer's lien shall be restricted to moneys called or payable at fixed time in respect of such shares; and</p> <p>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> <p>Provided that the Board of directors may at any time declare</p>   | Lien                    |
| 16. | <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>a. unless a sum in respect of which the lien exists is presently payable; or</p> <p>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.</p>  |                         |

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| 17. | <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>The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.</p>   |                       |
| 18. | <p>i. The proceeds of the sale shall be received by the Company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable.</p> <p>The residue, if any, shall, subject to a like lien for sums not presently payable as existed upon the shares before the sale, be paid to the person entitled to the shares at the date of the sale.</p>   |                       |
| 19. | <p>Where two or more persons are registered as the holders of any share they shall be deemed to hold the same as joint-tenants with benefits of survivorship subject to the following and other provisions contained in these Articles:-</p> <p>a) The Company shall at its discretion, be entitled to decline to register more than three persons as the joint-holders of any share.</p> <p>b) The joint-holders of any shares shall be liable severally as well as jointly for and in respect of all calls and other payments which ought to be made in respect of such share.</p> <p>c) On the death of any 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.</p> <p>d) Any one of such joint-holders may give effectual receipts of any dividends or other moneys payable in respect of such share.</p> <p>e) Only the person whose name stands first in the Register of Members as one of the joint-holders of any share shall be entitled to delivery of the certificate, if any, relating to such share or to receive documents from the Company and any documents served on or sent to such person shall be deemed served on all the joint-holders.</p> <p>f)</p> <p>(i) Any one of the two or more joint-holders may vote at General Meeting either personally or by attorney or by proxy in respect of such shares as if they were solely entitled hereto and if more than one such joint-holders be present at any meeting personally or by proxy or by attorney then one of such joint holders so present whose name stand first in 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 by attorney or by proxy although the name of such joint-holder present by attorney or by proxy stands first in Register in respect of such shares.</p> <p>(ii) 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 as Joint-Holders.</p> <p>g) The provisions of these Articles relating to joint-holding of shares shall mutatis mutandis apply to any other securities including Debentures of the company registered in Joint-names.</p> | <b>Joint Holdings</b> |

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| 20. | <p>i. The Board may, from time to time, make calls upon the members in respect of any monies unpaid on their shares (whether on account of the nominal value of the shares or by way of premium) and not by the conditions of allotment thereof made payable at fixed times:</p> <p>Provided that no call shall exceed one fourth of the nominal value of the shares or be payable at less than one month from the date fixed for the payment of the last preceding call.</p> <p>ii. Each member shall, subject to receiving at least fourteen days' notice specifying the time or times and place of payment, pay to the Company, at the time or times and place so specified, the amount called on his shares.</p> <p>iii. A call may be revoked or postponed at the discretion of the Board.</p> | <b>Calls on shares</b> |
| 21. | 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 instalments.  |                        |
| 22. | The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.   |                        |
| 23. | <p>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.</p> <p>ii. The Board shall be at liberty to waive payment of any such interest wholly or in part.</p>   |                        |
| 24. | <p>i. Any sum which by the terms of issue of a share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the share or by way of premium, shall, for the purposes of these regulations, be deemed to be a call duly made and payable on the date on which by the terms of issue such sum becomes payable.</p> <p>ii. In case of non-payment of such sum, all the relevant provisions of these regulations as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.</p>  |                        |
| 25. | <p>The Board—</p> <p>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</p> <p>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.</p>   |                        |
| 26. | <p>Any uncalled amount paid in advance shall not in any manner entitle the member so advancing the amount, to any dividend or participation in profit or voting right on such amount remaining to be called, until such amount has been duly called-up.</p> <p>Provided however that any amount paid to the extent called – up, shall be entitled to proportionate dividend and voting right.</p>   |                        |



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| 27. | The Board may at its discretion, extend the time fixed for the payment of any call in respect of any one or more members as the Board may deem appropriate in any circumstances.  |                           |
| 28. | The provisions of these Articles relating to call on shares shall mutatis mutandis apply to any other securities including debentures of the company.   |                           |
| 29. | <ul style="list-style-type: none"> <li>i. The shares or other interest of any member in the Company shall be a movable property, transferable in the manner provided by the Articles.</li> <li>ii. Each share in the Company shall be distinguished by its appropriate number.</li> <li>iii. A Certificate under the Common Seal of the Company, specifying any shares held by any member shall be prima facie evidence of the title of the member of such shares.</li> </ul>   |                           |
| 30. | <ul style="list-style-type: none"> <li>i. The instrument of transfer of any share in the Company shall be executed by or on behalf of both the transferor and transferee.</li> <li>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.</li> </ul>   |                           |
| 31. | <p>The Board may, subject to the right of appeal conferred by section 58 of Companies Act, 2013 and Section 22A of the Securities Contracts (Regulation) Act, 1956, decline to register, by giving notice of intimation of such refusal to the transferor and transferee within timelines as specified under the Act-</p> <ul style="list-style-type: none"> <li>i. the transfer of a share, not being a fully paid share, to a person of whom they do not approve; or</li> <li>ii. any transfer of shares on which the Company has a lien.</li> <li>iii. Provided however that the Company will not decline to register or acknowledge any transfer of shares on the ground of the transferor being either alone or jointly with any other person or persons</li> </ul>  | <b>Transfer of shares</b> |
| 32. | <p>The Board shall 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 rules made under sub-section (1) of section 56; 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 the instrument of transfer is in respect of only one class of shares.</li> </ul> <p>Provided that, transfer of shares in whatever lot shall not be refused.</p> <ul style="list-style-type: none"> <li>ii. The Company agrees that when proper documents are lodged for transfer and there are no material defects in the documents except minor difference in signature of the transferor(s),</li> <li>iii. Then the Company will promptly send to the first transferor an intimation of the aforesaid defect in the documents, and inform the transferor that objection, if any, of the transferor supported by valid proof, is not lodged with the Company within fifteen days of receipt of the Company's letter, then the securities will be transferred;</li> <li>iv. If the objection from the transferor with supporting documents is not received within the stipulated period, the Company shall transfer the securities provided the Company does not suspect fraud or forgery in the matter.</li> </ul> |                           |

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| 33. | The Company agrees that in respect of transfer of shares where the Company has not effected transfer of shares within 1 month or where the Company has failed to communicate to the transferee any valid objection to the transfer within the stipulated time period of 1 month, the Company shall compensate the aggrieved party for the opportunity losses caused during the period of the delay.  |   |
| 34. | On giving not less than seven days' previous notice in accordance with section 91 and rules made thereunder, the registration of transfers may be suspended at such times and for such periods as the Board may from time to time determine.<br>Provided that such registration shall not be suspended for more than thirty days at any one time or for more than forty-five days in the aggregate in any year.  |   |
| 35. | The provisions of these Articles relating to transfer of Shares shall mutatis mutandis apply to any other securities including debentures of the company.  |   |
| 36. | The Company shall keep a book to be called the "Register of Transfers" and therein shall be fairly and distinctly entered the particulars of every transfer or transmission of any shares.   | <b>Register of Transfe</b>                  |
| 37. | <p>i. The provisions of this Article shall apply notwithstanding anything to the contrary contained in any other Article of these Articles.</p> <p>a. The Company shall be entitled to dematerialise its securities and to offer securities in a dematerialised form pursuant to the Depository Act, 1996.</p> <p>b. Option for Investors:</p> <p>Every holder of or subscriber to securities of the Company shall have the option to receive security certificates or to hold the securities with a Depository. Such a person who is the beneficial owner of the Securities can at any time opt out of a Depository, if permitted, by the law, in respect of any security in the manner provided by the Depositories Act, 1996 and the Company shall, in the manner and within the time prescribed, issue to the beneficial owner the required Certificates for the Securities.</p> <p>If a person opts to hold its Security with a Depository, the Company shall intimate such depository the details of allotment of the Security</p> <p>c. Securities in Depository to be in fungible form:-</p> <ul style="list-style-type: none"> <li>• All Securities of the Company held by the Depository shall be dematerialised and be in fungible form. Nothing contained in Sections 88, 89, 112 &amp; 186 of the Companies Act, 2013 shall apply to a Depository in respect of the Securities of the Company held by it on behalf of the beneficial owners.</li> </ul> <p>d. Rights of Depositories &amp; Beneficial Owners:-<br/>Notwithstanding anything to the contrary contained in the Act a Depository shall be deemed to be the registered owner for the purpose of effecting transfer of ownership of Security of the Company on behalf of the beneficial owner.</p> <p>e. Save as otherwise provided in (d) above, the depository as the registered owner of the Securities shall not have any voting rights or any other rights in respect of the Securities held by it.</p> | <b>Dematerialisati<br/>on of Securities</b> |

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|     | <p>ii. Notwithstanding anything contained in the Act to the contrary, where Securities of the Company are held in a depository, the records of the beneficial ownership may be served by such depository to the Company by means of electronic mode or by delivery of floppies or discs.</p> <p>iii. Nothing contained in Section 56 of the Companies Act, 2013 shall apply to a transfer of Securities effected by a transferor and transferee both of whom are entered as beneficial owners in the records of a depository.</p> <p>iv. Notwithstanding anything contained in the Act, where Securities are dealt with by a depository, the Company shall intimate the details thereof to the depository immediately on allotment of such securities.</p> <p>v. Nothing contained in the Act or these Articles regarding the necessity of having distinctive numbers for Securities issued by the Company shall apply to Securities held with a Depository.</p> <p>vi. The Company shall cause to be kept at its Registered Office or at such other place as may be decided, Register and Index of Members in accordance with Section 88 and other applicable provisions of the Companies Act 2013 and the Depositories Act, 1996 with the details of Shares held in physical and dematerialised forms in any media as may be permitted by law including in any form of electronic media.</p> <p>vii. The Register and Index of beneficial owners maintained by a depository under Section 11 of the Depositories Act, 1996, shall be deemed to be the Register and Index of Members for the purpose of this Act. <del>The Company shall have the power to keep in any state or</del></p> |                               |
| 38. | <p>i. On the death of a member, the survivor or survivors where the member was a joint holder, and his nominee or nominees or legal representatives where he was a sole holder, shall be the only persons recognised by the Company as having any title to his interest in the shares.</p> <p>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.</p>  | <b>Transmission of shares</b> |
| 39. | <p>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—</p> <p>a. to be registered himself as holder of the share; or</p> <p>b. to make such transfer of the share as the deceased or insolvent member could have made.</p> <p>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.</p>  |                               |

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| 40. | <p>i. If the person so becoming entitled shall elect to be registered as holder of the share himself, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects.</p> <p>ii. If the person aforesaid shall elect to transfer the share, he shall testify his election by executing a transfer of the share.</p> <p>iii. All the limitations, restrictions and provisions of these regulations relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or insolvency of the member had not occurred and the notice or transfer were a transfer signed by that member.</p>   |                                     |
| 41. | <p>A person becoming entitled to a share by reason of the death or insolvency of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the 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:</p> <p>Provided that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the share, and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the share, until the requirements of the notice have been complied with.</p> |                                     |
| 42. | <p>The provisions of these Articles relating to transmission of shares shall mutatis mutandis apply to any other securities including debentures of the Company.</p> <p>No fee shall be charged for requisition of transfer, transmission, probate, succession certificate and letter of admiration, Certificate of Death or marriage, power of attorney or similar other documents.</p>  |                                     |
| 43. | <p>If a member fails to pay any call, or instalment of a call, on the day appointed for payment thereof, the Board may, at any time thereafter during such time as any part of the call or instalment remains unpaid, serve a notice on him requiring payment of so much of the call or instalment as is unpaid, together with any interest which may have accrued.</p>   |                                     |
| 44. | <p>The notice aforesaid shall—</p> <p>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</p> <p>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.</p>  |                                     |
| 45. | <p>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.</p>   | <b>Forfeiture<br/>of<br/>shares</b> |
| 46. | <p>i. A forfeited share may be sold or otherwise disposed of on such terms and in such manner as the Board thinks fit.</p> <p>ii. At any time before a sale or disposal as aforesaid, the Board may cancel the forfeiture on such terms as it thinks fit.</p>   |                                     |

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| 47. | <p>i. A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares, but shall, notwithstanding the forfeiture, remain liable to pay to the Company all monies which, at the date of forfeiture, were presently payable by him to the Company in respect of the shares.</p> <p>ii. The liability of such person shall cease if and when the Company shall have received payment in full of all such monies in respect of the shares.</p>  |
| 48. | <p>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;</p> <p>ii. The Company may receive the consideration, if any, given for the share on any sale or disposal thereof and may execute transfer of the shares in favour of the person to whom the share is sold or disposed off;</p> <p>iii. The transferee shall thereupon be registered as the holder of the share; and</p> <p>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.</p> |
| 49. | 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 share and all other rights incidental to the share   |
| 50. | 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.   |
| 51. | 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 become null and void and be of no effect, and the Board shall be entitled to issue a duplicate certificate(s) in respect of the said shares to the person(s) entitled thereto.  |
| 52. | The Board may, subject to the provision of the Act, accept a surrender of any share from or by any member desirous of surrendering them on such terms as they think fit.  |
| 53. | The Provisions of these regulations as to forfeiture shall apply in the case of non- payment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the nominal value of the share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.  |
| 54. | The provisions of these articles relating to forfeiture of shares shall mutatis mutandis apply to any other securities including debentures of the Company.   |

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| 55. | Neither a judgment in favour of the Company for calls or other moneys due in respect of any shares nor any part payment or satisfaction there under nor the receipt by the Company of a portion of any money which shall from time to time be due from any Member to the Company in respect of his shares, either by way of principal or interest, nor any indulgence granted by the Company in respect of the payment of any such money, shall preclude the Company from proceeding to enforce forfeiture of such shares as hereinafter provided.  | <b>Initial payment not to preclude forfeiture</b> |
| 56. | The Company may, from time to time, by ordinary resolution increase the share capital by such sum, to be divided into shares of such amount, as may be specified in the resolution.   | <b>Alteration of capital</b>                      |
| 57. | Subject to the provisions of section 61, the Company may, by ordinary resolution,— <ol style="list-style-type: none"> <li>i. consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;</li> <li>ii. convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of any denomination;</li> <li>iii. sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the memorandum;</li> <li>iv. Cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person.</li> </ol>   |   |
| 58. | Where shares are converted into stock,— <ol style="list-style-type: none"> <li>i. the holders of stock may transfer the same or any part thereof in the same manner as, and subject to the same regulations under which, the shares from which the stock arose might before the conversion have been transferred, or as near thereto as circumstances admit:             <p>Provided that the Board may, from time to time, fix the minimum amount of stock transferable, so, however, that such minimum shall not exceed the nominal amount of the shares from which the stock arose.</p> </li> <li>ii. the holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, voting at meetings of the Company, and other matters, as if they held the shares from which the stock arose; but no such privilege or advantage (except participation in the dividends and profits of the Company and in the assets on winding up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage.</li> <li>iii. Such of the articles 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</li> </ol> | <b>Conversion of Shares into Stock</b>            |
| 59. | The Company may, by special resolution, reduce in any manner and with, and subject to, any incident authorised and consent required by law,— <ol 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> </ol>   | <b>Reduction of Capital</b>                       |

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| 60. | Except in so far as otherwise provided by the conditions of issue or by these Articles any capital raised by creation of new shares, shall be considered as part of the existing capital and shall be subject to the provisions herein contained with reference to the payment of calls and installments, forfeiture, lien, surrender, transfer and transmission, voting and otherwise.  | <b>New Capital<br/>same as<br/>Existing capital</b> |
| 61. | <p>The Company may issue share warrants subject to, and in accordance with, the provisions of the Act, and accordingly the Board may in its discretion, with respect to any share which is fully paid-up, on application in writing signed by the person registered as holder of the share, and authenticated by such evidence (if any) of the share and the amount of the stamp duty on the warrant and such fee as the Board may from time to time require, issue of a share warrant.</p> <p>The bearer of a share warrant may at any time, deposit the warrant in the office of the Company and so long as the warrant remains so deposited, the depositor shall have the same right of signing a requisition for calling a meeting of the Company, and of attending and voting and exercising the other privileges of a member at any meeting held after the expiry of two days from the time of deposit, as if his name were inserted in the register of members as the holder of the shares including in the deposited warrants.</p> <p>Not more than one person shall be recognized as depositor of the share warrant.</p> <p>The Company shall, on two days written notice, return the deposited share warrants to the depositor.</p> <p>Subject herein otherwise expressly provided, no person shall, as bearer of a share warrant, sign a requisition for calling a member of the Company or</p> | <b>Share Warrants</b>                               |
|     | <p>The bearer of share warrant shall be entitled in all other respects to the same privileges and advantages as if he were named in the register of members as the holders of shares included in the warrant, and he shall be a member of the Company.</p> <p>The Board may from time to time, make rules as to the terms on which (if it shall think fit) a new share warrant of coupon may be issued by way of renewal in case of defacement, loss or destruction</p>  |   |

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| 62. | <p>i. The Company in general meeting may, upon the recommendation of the Board, resolve—</p> <ol 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> </ol> <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> <ol 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 bonus shares, 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</li> </ol> |  |
| 63. | <p>i. Whenever such a resolution as aforesaid shall have been passed, the Board shall—</p> <ol style="list-style-type: none"> <li>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</li> <li>b. generally to do all acts and things required to give effect thereto.</li> </ol> <p>ii. The Board shall have power—</p> <ol style="list-style-type: none"> <li>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 infractions; and</li> <li>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;</li> </ol>   |  |



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|     | iii. Capital paid-up in advance of calls shall not confer a right to dividend or to participate in profits.   |                           |
| 64. | Notwithstanding anything contained in these articles but subject to the provisions of sections 68 to 70 and any other applicable provision of the Act or any other law for the time being in force, the Company may purchase its own shares or other specified securities.  | <b>Buy-back of shares</b> |
| 65. | All General Meetings other than annual general meeting shall be called extraordinary general meetings.  |                           |
| 66. | <ul style="list-style-type: none"> <li>i. The Board may, whenever it thinks fit, call an extraordinary general meeting.</li> <li>ii. The General meeting including Annual general meeting shall be convened by giving notice of clear 21 days in advance as per section 101 of Companies Act 2013. The directors if they think fit may convene a General Meeting including Annual General Meeting of the company by giving a notice thereof being not less than three days if consent is given in writing or by electronic mode by not less than ninety-five percent of the members entitled to vote at such meeting.</li> <li>iii. 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.</li> </ul> | <b>General Meeting</b>    |
| 67. | <ul style="list-style-type: none"> <li>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.</li> <li>ii. <ul style="list-style-type: none"> <li>i. Unless the number of members as on date of meeting are not more than one thousand, five members personally present shall be the quorum for a general meeting of the Company.</li> <li>ii. In any other case, the quorum shall be decided as under: <ul style="list-style-type: none"> <li>a) fifteen members personally present if the number of members as on the date of meeting is more than one thousand but up to five thousand;</li> <li>b) thirty members personally present if the number of members as on the date of the meeting exceeds five thousand;</li> </ul> </li> </ul> </li> </ul>   |                           |
| 68. | The chairperson, if any, of the Board shall preside as Chairperson at every general meeting of the Company.   |                           |
| 69. | If there is no such Chairperson, or if he is not present within fifteen minutes after the time appointed for holding the meeting, or is unwilling to act as chairperson of the meeting, the directors present shall elect one of their members to be Chairperson of the meeting.  | <b>Proceedings</b>        |
| 70. | If at any meeting no director is willing to act as Chairperson or if no director is present within fifteen minutes after the time appointed for holding the meeting, the members present shall choose one of their members to be Chairperson of the meeting.  |                           |

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| 71. | The Chairman of any meeting shall be the sole judge of the validity of every vote tendered at such meeting. The Chairman present at the taking of a poll shall be the sole judge of the validity of every vote tendered at such poll.   |  |
| 72. | A declaration by the Chairman in pursuance of Section 107 of the Companies Act, 2013 that on a show of hands, a resolution has or has not been carried, either unanimously or by a particular majority, and an entry to that effect in the books containing the minutes of the proceedings of the Company, shall be conclusive evidence of the fact, without proof of the number or proportion of the votes cast in favour of or against such resolution.   |  |
| 73. | <p>i. Before or on the declaration of the result of the voting on any resolution of a show of hands, a poll may be ordered to be taken by the Chairman of the meeting of his own motion and shall be ordered to be taken by him on a demand made in that behalf by any member or members present in person or by proxy and holding shares in the Company which confer a power to vote on the resolution not being less than one-tenth of the total voting power in respect of the resolution or on which an aggregate sum of not less than five Lac rupees has been paid up.</p> <p>ii. The demand for a poll may be withdrawn at any time by the person or persons who made the demand.</p>  | <p style="text-align: center;"><b>1</b></p> <p><b>Demand for poll</b></p>      |
| 74. | <p>i. A poll demanded on a question of adjournment shall be taken forthwith.</p> <p>ii. A poll demanded on any other question (not being a question relating to the election of a Chairman which is provided for in Section 104 of the Act) shall be taken at such time not being later than 48 (forty eight) hours from the time when the demand was made, as the Chairman may direct.</p>   | <p><b>Time of taking poll</b></p>  |
| 75. | <p>i. The Chairperson may, with the consent of any meeting at which a quorum is present, and shall, if so directed by the meeting, adjourn the meeting from time to time and from place to place.</p> <p>ii. No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.</p> <p>iii. When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting.</p> <p>iv. Save as aforesaid, and as provided in section 103 of the Act, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.</p> | <p style="text-align: center;"><b>of</b></p> <p><b>Adjournment meeting</b></p> |
| 76. | <p>Subject to any rights or restrictions for the time being attached to any class or classes of shares,—</p> <p>i. on a show of hands, every member present in person shall have one vote; and</p> <p>ii. on a poll, the voting rights of members shall be in proportion to his share in the paid-up equity share capital of the Company.</p>   |  |
| 77. | A member may exercise his vote at a meeting by electronic means in accordance with section 108 and shall vote only once.  |  |
| 78. | <p>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.</p> <p>ii. For this purpose, seniority shall be determined by the order in which the names stand in the register of members.</p>  | <p><b>Voting rights</b></p>  |

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| 79. | 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.  |  |
| 80. | Subject to the provisions of the Act and other provisions of these Articles, any person entitled under the transmission clause to any shares 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 satisfy the Directors of his right to such shares unless the Directors shall have previously admitted his right to vote at such meeting in respect thereof. |  |
| 81. | Any business other than that upon which a poll has been demanded may be preceded with, pending the taking of the poll.   |  |
| 82. | 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.   |  |
| 83. | <p>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.</p> <p>ii. Any such objection made in due time shall be referred to the Chairperson of the meeting, whose decision shall be final and conclusive</p>  |  |
| 84. | No member shall exercise any voting right in respect of any shares registered in his name on which any calls or other sums presently payable by him have not been paid, or in regard to which the Company has exercised any right of lien.   |  |
| 85. | In the case of an equality of votes, whether on a show of hands or on a poll, the Chairman of the meeting at which the show of hands takes place or at which the polls is demanded shall be entitled to a casting vote in addition to his own vote or votes to which he may be entitled as a member.   | <b>Casting Vote</b>                            |
| 86. | A body corporate (whether a Company within the meaning of the Act or not) if it is a member or creditor (including a holder of debentures) of the Company may in accordance with the provisions of Section 113 of the Companies Act, 2013 authorise such person by a resolution of its Board of Directors as it thinks fit, to act as its representative at any meeting of the Company or of any class of members of the Company or at any meeting of creditors of the Company.  | <b>Representation of Body Corporate</b>        |
| 87. | The Company shall comply with provisions of Section 111 of the Companies Act, 2013, relating to circulation of member's resolution.  | <b>Circulation of member's</b>                 |
| 88. | The Company shall comply with provisions of Section 115 of the Act relating to resolution requiring special notice.  | <b>Resolution requiring</b>                    |
| 89. | The provisions of Section 116 of Companies Act, 2013 shall apply to resolutions passed at an adjourned meeting of the Company, or of the holders of any class of shares in the Company and of the Board of Directors of the Company and the resolutions shall be deemed for all purposes as having been passed on the date on which in fact they were passed and shall not be deemed to have been passed on any earlier date.  | <b>Resolutions passed at adjourned meeting</b> |

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| 90. | The Company shall comply with the provisions of Section 117 and 179 of the Companies Act, 2013 relating to registration of certain resolutions and agreements.   | <b>Registration of resolutions</b>   |
| 91. | <p>i. The Company shall cause minutes of all proceedings of general meetings, and of all proceedings of every meeting of its Board of Directors or of every Committee of the Board to be kept by making within thirty days of the conclusion of every such meeting concerned, entries thereof in books kept for the purpose with their pages consecutively numbered.</p> <p>ii. Each page of every such book shall be initialled or signed and the last page of the record of proceedings of each meeting in such books shall be dated and signed :</p> <p>A. In the case of minutes of proceedings of the Board or of a Committee thereof by the Chairman of the said meeting or the Chairman of the next succeeding meeting. In the case of minutes of proceedings of the general meeting by Chairman of the said meeting within the aforesaid period, of thirty days or in the event of the death or inability of that Chairman within that period, by a Director duly authorised by the Board for the purpose.</p> <p>B. In no case the minutes of proceedings of a meeting shall be attached to any such book as aforesaid by pasting or otherwise.</p> <p>C. The minutes of each meeting shall contain a fair and correct summary of the proceedings thereat.</p> <p>D. All appointments of officers made at any of the meetings aforesaid shall be included in the minutes of the meeting.</p> <p>E. In the case of a meeting of the Board of Directors or of a Committee of the Board, the minutes shall also contain:</p> <p>a. the names of the Directors present at the meetings, and</p> <p>b. in the case of each resolution passed at the meeting, the names of the Directors, if any dissenting from or not concurring in the resolution.</p> <p>iii. Nothing contained in Clauses (a) to (d) hereof shall be deemed to require the inclusion in any such minutes of any matter which in the opinion of the Chairman of the meeting:</p> <p>a. is or could reasonably be regarded, as defamatory of any person</p> <p>b. is irrelevant or immaterial to the proceedings; or</p> <p>c. in detrimental to the interests of the Company.</p> <p>iv. The Chairman shall exercise an absolute discretion in regard to the inclusion or non-inclusion of any matter in the minutes on the</p> | <b>Minutes of proceedings of general meeting and of Board and other meetings</b> |
| 92. | The minutes of meetings kept in accordance with the provisions of Section 118 of the Companies Act, 2013 shall be evidence of the proceedings recorded therein.  | <b>Minutes to be considered to be evidence</b>                                   |
| 93. | No document purporting to be a report of the proceedings of any general meeting of the Company shall be circulated or advertised at the expenses of the Company unless it includes the matters required by Section 118 of the Act to be contained in the Minutes of the proceedings of such meeting.   | <b>Publication of reports of proceeding of general meetings</b>                  |

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| 94. | 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.  | <b>Proxy</b>              |
| 95. | An instrument appointing a proxy shall be in the form as prescribed in the rules made under section 105.   |                           |
| 96. | <p>A vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the previous death or insanity of the principal or the revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the shares in respect of which the proxy is given:</p> <p>Provided that no intimation in writing of such death, insanity, revocation or transfer shall have been received by the Company at its office before the commencement of the meeting or adjourned meeting at which the proxy is</p>  |                           |
| 97. | <p>The first directors of the Company shall be:</p> <ol style="list-style-type: none"> <li>1. Mr. Asad Kamal Iraqi</li> <li>2. Mr. Ashraf Kamal Iraqi</li> <li>3. Mr. Anwar Kamal Iraqi</li> </ol>   | <b>Board of Directors</b> |
| 98. | The Directors need not hold any —Qualification Share(s).   |                           |
| 99. | <p>Appointment of Senior Executive as a Whole Time Director Subject to the provisions of the Act and within the overall limit prescribed under these Articles for the number of Directors on the Board, the Board may appoint any persons as a Whole Time Director of the Company for such a period and upon such terms and conditions as the Board may decide. The Senior Executive so appointed shall be governed by the following provisions:</p> <p>He shall be liable to retire by rotation as provided in the Act but shall be eligible for re-appointment. His re-appointment as a Director shall not constitute a break in his appointment as Whole Time Director. He shall be reckoned as Director for the purpose of determining and fixing the number of Directors to retire by rotation. He shall cease to be a Director of the Company on the happening of any event specified in Section 164 of the Act. Subject to what is stated herein above, he shall carry out and perform all such duties and responsibilities as may, from time to time, be conferred upon or entrusted to him by Managing Director(s) and / or the Board, shall exercise such powers and authorities subject to such restrictions and conditions and / or stipulations as the Managing Director(s) and /or the Board may, from time to time determine.</p> |                           |

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|      | <p>Nothing contained in this Article shall be deemed to restrict or prevent the right of the Board to revoke, withdraw, alter, vary or modify all or any such powers, authorities, duties and responsibilities conferred upon or vested in or entrusted to such whole time directors.</p> <p>i. The remuneration of the directors shall, in so far as it consists of a monthly payment, be deemed to accrue from day-to-day.</p> <p>ii. In addition to the remuneration payable to them in pursuance of the Act, the directors -may be paid all travelling, hotel and other expenses properly incurred by them—</p> <p>a. in attending and returning from meetings of the Board of Directors or any committee thereof or general meetings of the company; or</p> <p>b. in connection with the business of the company</p> |   |
| 100. | The Board may pay all expenses incurred in getting up and registering the company.  |   |
| 101. | The company may exercise the powers conferred on it by section 88 with regard to the keeping of a foreign register; and the Board may (subject to the provisions of that section) make and vary such regulations as it may think fit respecting the keeping of any such register.   |   |
| 102. | All cheques, promissory notes, drafts, hundis, bills of exchange and other negotiable instruments, and all receipts for monies paid to the company, shall be signed, drawn, accepted, endorsed, or otherwise executed, as the case may be, by such person and in such manner as the Board shall from time to time by resolution determine.  |   |
| 103. | Every director present at any meeting of the Board or of a committee thereof shall sign his name in a book to be kept for that purpose.   |   |
| 104. | <p>i. Subject to the provisions of section 149, the Board shall have power at any time, and from time to time, to appoint a person as an additional director, provided the number of the directors and additional directors together shall not at any time exceed the maximum strength fixed for the Board by the Articles.</p> <p>ii. Such person shall hold office only up to the date of the next annual general meeting of the Company but shall be eligible for appointment by the Company as a director at that meeting subject to the provisions of the Act.</p>   |   |
| 105. | Not less than two-thirds of the total number of Directors of the Company, excluding the Independent directors if any appointed by the Board, shall be persons whose period of office is liable to determination by retirement of Directors by rotation and save as otherwise expressly provided in the Act and these Articles be appointed by the Company in General Meeting.   | <b>Retirement and Rotation of Directors</b> |
| 106. | The remaining Directors shall be appointed in accordance with the provisions of the Act.  |   |
| 107. | At the Annual General Meeting in each year one-third of the Directors for the time being as are liable to retire by rotation or, if their number is not three or a multiple of three, the number nearest to one-third shall retire from office.   |   |

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| 108. | Subject to the provisions of the Act and these Articles the Directors to retire by rotation under the foregoing Article at every Annual General Meeting shall be those who have been longest in the office since their last appointment, but as between persons who became Directors on the same day, those who are to retire shall, in default of and subject to any agreement among themselves, be determined by lot. Subject to the provision of the Act, a retiring Director shall retain office until the dissolution of the meeting at which his reappointment is decided or successor is appointed.   |  |
| 109. | Subject to the provisions of the Act and these Articles, the retiring Director shall be eligible for reappointment.  |  |
| 110. | Subject to the provision of the Act and these Articles, the Company, at the Annual General Meeting at which a Director retires in the manner aforesaid may fill up the vacated office by electing the retiring Director or some other person thereto.  |  |
| 111. | Notwithstanding anything to the contrary contained in these Articles, so long as any moneys remain owing by the Company to any of the Finance Corporation or Credit Corporation or to any other Finance Company or Body out of any loans granted by them to the Company or Body (hereinafter in this Article referred to as —the Corporation) continue to hold debentures or shares in the Company as a result of underwriting or by direct subscription or private placement, or so long as any liability of the Company arising out of any guarantee furnished by the Corporation on behalf of the Company remains outstanding, the Corporation shall have a right to appoint from time to time, any person or persons as a Director or Directors wholetime or non- wholetime (which Director or Directors is/are hereinafter referred to as —Nominee Director/s) on the Board of the Company and to remove from such office any person or persons so appointed and to appoint any person or persons in his or their places. |  |
| 112. | The terms and conditions of appointment of a Nominee Director/s shall be governed by the agreement that may be entered into or agreed with mutual consent with such Corporation. At the option of the Corporation such Nominee Director/s shall not be required to hold any share qualification in the Company. Also at the option of the Corporation such Nominee Director/s shall not be liable to retirement by rotation of Directors.  |  |
| 113. | The Nominee Directors so appointed shall hold the said office only so long as any money only so long as any moneys remain owing by the Company to the Corporation or so long as the Corporation holds Shares or Debentures in the Company as a result of direct subscription or private placement or the liability of the Company arising out of any Guarantee is outstanding and the Nominee Director/s so appointed in exercise of the said power shall ipso facto vacate such office immediately, if the moneys owing by the Company to the Corporation is paid off or on the Corporation ceasing to hold debentures/shares in the Company or on the satisfaction of the liability of the Company arising out of any Guarantee furnished by the Corporation.  |  |

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| 114. | The Nominee Directors appointed under this Article shall be entitled to receive all notices of and attend all General Meetings, Board Meetings and/or the Meetings of the Committee of which the Nominee Director/s is/are members as also the minutes of such meetings. The Corporation shall also be entitled to receive all such notices and minutes. The Company shall pay to the Nominee Director/s sitting fees and expenses to which the other Directors of the Company are entitled, but if any other fees, commission monies or remuneration in any form is payable to the Directors of the Company, the fees, commission, monies and remuneration in relation to such Nominee Directors shall accrue to the Corporation and same shall accordingly be paid by the Company directly to the Corporation. Any expenses that may be incurred by the Corporation or by such Nominee Directors in connection with their appointment or Directorship shall also be paid or reimbursed by the Company to the Corporation or as the case may be to such Nominee Directors.   | Nominee Director |
| 115. | Provided also that in the event of the Nominee Directors being appointed as Wholetime Directors such Nominee Directors shall exercise such powers and duties as may be approved by the Lenders. Such Nominee Director/s shall be entitled to receive such remuneration, fees, commission and moneys as may be approved by the Lenders.  |                  |
| 116. | The Company may (subject to the provisions of Act and other applicable provisions and these Articles) remove any Director before the expiry of his period of office after giving him a reasonable opportunity of being heard.   |                  |
| 117. | Special notice as provided in the Act shall be given of any resolution to remove a Director under this Article or to appoint some other person in place of a Director so removed at the meeting at which he is removed.   |                  |
| 118. | On receipt of the notice of a resolution to remove a Director under this Article, the Company shall forthwith send a copy thereof to the Director concerned and the Director (whether or not he is a member of the Company) shall be entitled to be heard on the resolution at the meeting.   |                  |
| 119. | <p>Where notice is given of a resolution to remove a Director under this Article and the Director concerned makes with respect thereto representations in writing to the Company and requests its notification to members of the Company, the Company shall, if the time permits it to do so-</p> <p>(a) in any notice of the resolution given to members of the Company state the fact of the representations having been made, and send a copy of the representations to every member of the Company to whom the notice of the meeting is sent ( whether before or after the receipt of representation by the Company) and if a copy of the representation is not sent as aforesaid due to insufficient time or for the company's default, the director may without prejudice to his right to be heard orally require that the representation shall be read out at the meeting:</p> <p>Provided that copy of the representation need not be sent out and the representation need not be read out at the meeting if, on the application either of the company or of any other person who claims to be aggrieved, the Tribunal is satisfied that the rights conferred by this sub-section are being abused to secure needless publicity for defamatory matter; and the Tribunal may order the company's costs on the application to be paid in whole or in part by the director notwithstanding that he is not a party to it.</p> |                  |



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| 120. | A vacancy created by the removal of a director under this article, if he had been appointed by the company in general meeting or by the Board, be filled by the appointment of another director in his place at the meeting at which he is removed, provided special notice of the intended appointment has been given as prescribed in the Act.  | <b>Removal of Directors</b>   |
| 121. | A director so appointed shall hold office till the date up to which his predecessor would have held office if he had not been removed.  |   |
| 122. | If the vacancy is not filled under clause (5) above, it may be filled as a casual vacancy in accordance with the provisions of this Act:<br><br>Provided that the director who was removed from office shall not be reappointed as a director by the Board of Directors.  |   |
| 123. | Nothing in this section shall be taken-<br>a) as depriving a person removed under this section of any compensation or damages payable to him in respect of the termination of his appointment as director as per the terms of contract or terms of his appointment as director, or of any other appointment terminating with that as director; or<br>b) as derogating from any power to remove a director under other provisions of this Act.   |   |
| 124. | Subject to provisions of the Act, the Directors including Managing or whole time Directors shall be entitled to and shall be paid such remuneration as may be fixed by the Board of Directors from time to time in recognition of the services rendered by them for the company.<br><br>In addition to the remuneration payable to the Directors as above, they may be paid all travelling, hotel and other expenses incurred by them.<br>a. In attending and returning from meetings of the Board of Directors and committee thereof, all General Meetings of the company and any of their adjourned sittings, or<br>b. In connection with the business of the Company.  | <b>Remuneration and sitting fees to Directors including Managing and whole time Directors</b> |
| 125. | Each Director shall be entitled to be paid out of the funds of the Company by way of sitting fees for his services not exceeding the sum of Rs. 1,00,000/- (Rupees One Lac) as may be fixed by Directors from time to time for every meeting of the Board of Directors and/ or committee thereof attended by him in addition to any remuneration paid to them. If any Director being willing is appointed to an executive office either whole time or part time or be called upon to perform extra services or to make any special exertions for the purpose of the Company then subject to Section 196, 197 & 198, read with Schedule V of the Act, the Board may remunerate such Directors either by a fixed sum or by a percentage of profit or otherwise and such remuneration may be either in addition to or in substitution for any other remuneration to which he may be entitled to. |   |

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| 126. | <p>i. Without derogating from the powers vested in the Board of Directors under these Articles, the Board shall exercise the following powers on behalf of the Company and they shall do so only by means of resolutions passed at meetings of the Board.</p> <ul style="list-style-type: none"> <li>a. The power to make calls on shareholders in respect of money unpaid on their shares;</li> <li>b. The Power to authorize buy-back of securities under Section 68 of the Act.</li> <li>c. Power to issue securities, including debenture, whether in or outside India</li> <li>d. The power to borrow moneys</li> <li>e. The power to invest the funds of the Company,</li> <li>f. Power to Grant loans or give guarantee or provide security in respect of loans</li> <li>g. Power to approve financial statements and the Board's Report</li> <li>h. Power to diversify the business of the Company</li> <li>i. Power to approve amalgamation, merger or reconstruction</li> <li>j. Power to take over a Company or acquire a controlling or substantial stake in another Company</li> <li>k. Powers to make political contributions;</li> <li>l. Powers to appoint or remove key managerial personnel (KMP);</li> <li>m. Powers to take note of appointment(s) or removal(s) of one level below the Key Management Personnel;</li> <li>n. Powers to appoint internal auditors and secretarial auditor;</li> <li>o. Powers to take note of the disclosure of director's interest and shareholding;<br/>Powers to buy, sell investments held by the Company (other than trade investments), constituting five percent or more of the paid up share capital and free reserves of the investee Company;</li> <li>q. Powers to invite or accept or renew public deposits and related matters;</li> <li>r. Powers to review or change the terms and conditions of public deposit;</li> <li>s. Powers to approve quarterly, half yearly and annual financial statements or financial results as the case may be.</li> </ul> <p>Provided that the Board may by resolution passed at the meeting, delegate to any Committee of Directors, the Managing Director, the Manager or any other principal officer of the Company or in the case of a branch office of the Company, a principal officer of the branch office, the powers specified in sub-clauses (d), (e) and (f) to the extent specified in clauses (ii), (iii) and (iv) respectively on such condition as the Board may prescribe.</p> <ul style="list-style-type: none"> <li>ii. Every resolution delegating the power referred to in sub-clause (d) of clause (i) shall specify the total amount outstanding at any one time up to which moneys may be borrowed by the delegate.</li> <li>iii. Every resolution delegating the power referred to in sub-clause (e) of clause (i) shall specify the total amount up to which the funds of the Company may be invested and the nature of the investments which may be made by the delegate.</li> </ul> | <p><b>Powers and duties of Directors:</b></p> <p><b>Certain powers to be exercised by the Board only at meeting.</b></p> |
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|      | <p>iv. Every resolution delegating the power referred to in sub-clause (f) of clause (i) shall specify the total amount up to which loans may be made by the delegates, the purposes for which the loans may be made and the maximum amount up to which loans may be made for each such purpose in individual cases.</p> <p>v. Nothing in this Article shall be deemed to affect the right of the Company in general meeting to impose restrictions and conditions on the exercise by the Board of any of the powers referred to in this Article.</p>  |  |
| 127. | <p>i. The Board of Directors of the Company shall not except with the consent of the Company in general meeting :</p> <p>a) sell, lease or otherwise dispose of the whole, or substantially the whole, of the undertaking of the Company, or where the Company owns more than one undertaking of the whole or substantially the whole of any such undertaking;</p> <p>b) remit, or give time for the repayment of any debt, due by a Director;</p> <p>c) invest, otherwise than in trust securities, the amount of compensation received by it as a result of any merger or amalgamation;</p> <p>d) borrow moneys, where the money to be borrowed, together with the moneys already borrowed by the Company (apart from the temporary loans obtained from the Company's bankers in the ordinary course of business) will 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; or</p> <p>e) contribute to <i>bona fide</i> charitable and other funds, aggregate of which ill in any financial year, exceed five percent of its average net profits during the three financial years, immediately proceedings.</p> <p>ii. Nothing contained in sub-clause (a) above shall affect:</p> <p>a) the title of a buyer or other person who buys or takes a lease of any such undertaking as is referred to in that sub-clause in good faith and after exercising due care and caution, or</p> <p>b) the selling or leasing of any property of the Company where the ordinary business of the Company consists of, or comprises such selling or leasing.</p> <p>iii. Any resolution passed by the Company permitting any transaction such as is referred to in sub-clause (i) (a) above, may attach such conditions to the permission as may be specified in the resolution, including conditions regarding the use, disposal or investment of the sale proceeds which may result from the transaction. Provided that this clause shall not be deemed to authorise the Company to effect any reduction in its capital except in accordance with the provisions contained in that behalf in the Act.</p> <p>iv. No debt incurred by the Company in excess of the limit imposed by sub-clause (d) of clause (i) above, shall be valid or effectual, unless the lender proves that he advanced the loan in good faith and without knowledge that the limit imposed by that clause had been exceeded.</p> | <p><b>Restriction on powers of Board</b></p> |

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| 128. | Due regard and compliance shall be observed in regard to matters dealt with by or in the Explanation contained in Section 180 of the Companies Act, 2013 and in regard to the limitations on the power of the Company contained in Section 182 of the Companies Act, 2013.  |   |
| 129. | Subject to the provisions of the Act, the management of the business of the Company shall be vested in the Directors and the Directors may exercise all such powers and do all such acts and things as the Company is by the Memorandum of Association or otherwise authorised 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 Act 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 Directors which would have been valid if such regulation had not been made.  | <b>General powers<br/>of<br/>the<br/>Compa<br/>ny vested in<br/>Directors</b> |
| 130. | <p>Without prejudice to the general powers conferred by Article above and the other powers conferred by these presents and so as not in any way to limit any or all of those powers and subject to the provisions of the Act and these Articles, it is hereby expressly declared that the Directors shall have the following powers:</p> <ul style="list-style-type: none"> <li>i. to pay and charge to the capital account of the Company and interest lawfully payable thereon under the provisions of Sections 76 corresponding to Section 40 of the Companies Act, 2013;</li> <li>ii. to purchase or otherwise acquire any lands, buildings, machinery, premises, hereditaments, property effects, assets, rights, credits, royalties, bounties and goodwill of any person, firm or Company carrying on the business which this Company is authorised to carry on, at or for such price or consideration and generally on such terms and conditions as they may think fit; and in any such purchase or acquisition to accept such title as the Board may believe or may be advised to be reasonable satisfactory;</li> <li>iii. to purchase, or take on lease for any term or terms of years, or otherwise acquire any mills or factories or any land or lands, with or without buildings and outhouses thereon, situate in any part of India, at such price or rent and under and subject to such terms and conditions as the Directors may think fit; and in any such purchase, lease or other acquisition to accept such title as the Directors may believe or may be advised to be reasonably satisfactory;</li> <li>iv. to pay for any property, rights or privileges acquired by or services rendered to the Company, either wholly or partially, in cash or in shares, bonds, debentures, debenture stock or other securities of the Company, and any such shares may be issued either as fully paid up or with such amount credited as paid up thereon as may be agreed upon; and any such bonds, debentures, debenture stock or other securities may be either specifically charged upon all or any part of the property of the Company and its uncalled capital or not</li> </ul> |   |

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|  | <p>v. To erect, construct, enlarge, improve, alter, maintain, pull down rebuilt or reconstruct any buildings, factories, offices, workshops or other structures, necessary or convenient for the purposes of the Company and to acquire lands for the purposes of the Company;</p> <p>vi. To let, mortgage, charge, sell or otherwise dispose of subject to the provisions of Section 180 of the Companies Act, 2013 any property of the Company either absolutely or conditionally and in such manner and upon such terms and conditions in all respects as they think fit and to accept payment or satisfaction for the same in cash or otherwise, as they may think fit;</p> <p>vii. To insure and keep insured against loss or damage by fire or otherwise, for such period and to such extent as they may think proper, all or any part of the building, machinery, goods, stores, produce and other moveable property of the Company either separately or co-jointly; also to insure all or any portion of the goods, produce, machinery and other articles imported or exported by the Company and to sell, assign, surrender or discontinue any policies of assurance effected in pursuance of this power;</p> <p>viii. Subject to Section 179 of the Companies Act, 2013 to open accounts with any bank or bankers or with any Company, firm, or individual and to pay money into and draw money from any account from time to time as the Directors may think fit;</p> <p>ix. To secure the fulfilment of any contracts or engagements entered into by the Company by mortgage or charge of all or any of the properties of the Company and its unpaid capital for the time being or in such other manner as they may think fit;</p> <p>x. To attach to any shares to be issued as the consideration for any contract with or property acquired by the Company, or in payment for services rendered to the Company, such conditions, subject to the provisions of the Act, as to the transfer thereof as they may think fit;</p> <p>xi. To accept from any member on such terms and conditions as shall be agreed, a surrender of his shares or stock or any part thereof subject to the provisions of the Act;</p> <p>xii. To appoint any person or persons (whether incorporated or not) to accept and hold in trust for the Company any property belonging to the Company or in which it is interested or for other purposes and to execute and do all such deeds and things as may be requisite in relation to any such trusts and to provide for the remuneration of such trustee or trustees;</p> <p>xiii. To institute, conduct, defend, compound or abandon any legal</p> | <p><b>Specific powers given to Directors</b></p> |
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|  | <p>xiv. Subject to the provisions of Sections 180 of the Companies Act, 2013 to invest and deal with any of the moneys of the Company, not immediately required for the purpose thereof, upon such Shares, securities or investments (not being Shares in this Company) and in such manner as they may think fit, and from time to time to vary or realize such investments.</p> <p>xv. Subject to such sanction as may be necessary under the Act or these Articles, to give any Director, Officer, or other person employed by the Company, an interest in any particular business or transaction either by way of commission on the gross expenditure thereon or otherwise or a share in the general profits of the Company, and such interest, commission or share of profits shall be treated as part of the working expenses of the Company.</p> <p>xvi. To provide for the welfare of employees or ex-employees of the Company and their wives, widows, families, dependants or connections of such persons by building or contributing to the building of houses, dwelling, or chawls or by grants of money, pensions, allowances, gratuities, bonus or payments by creating and from time to time subscribing or contributing to provident and other funds, institutions, or trusts and by providing or subscribing or contributing towards places of instruction and recreation, hospitals and dispensaries, medical and other attendances and other assistance as the Directors shall think fit;</p> <p>xvii. To establish and maintain or procure the establishment and maintenance of any contributory or non contributory pension or superannuation funds for the benefit of, and give or procure the giving of donations, gratuities, pensions, allowances or emoluments, to any persons who are or were at any time in the employment or services of the Company, or of any Company which is a subsidiary of the Company or is allied to or associated with the Company or with any such subsidiary Company, or who are or were at anytime Directors or officers of the Company or of any such other Company as aforesaid, and the wives, widows, families and dependants of any such persons and, also to establish and subsidize and subscribe to any institution, association, clubs or funds collected to be for the benefit of or to advance the interests and well being of the Company or of any such other Company as aforesaid, and make payments to or towards the insurance of any such person as aforesaid and do any of the matters aforesaid, either alone or in conjunction with any such other Company as aforesaid;</p> |  |
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|  | <p>xiv. To appoint and at their discretion to remove or suspend such Managers, Secretaries, Officers, Clerks, Agents and servants for permanent, temporary or special service as they may from time to time think fit, and to determine their powers and duties, and fix their salaries or emoluments and require security in such instances and to such amounts as they may think fit, and from time to time to provide for the management and transactions of the affairs of the Company in any special locality in India in such manner as they may think fit. The provisions contained in the clause following shall be without prejudice to the general powers conferred by this clause.</p> <p>At any time and from time to time by power of attorney to appoint any person or persons to be the Attorney or Attorneys of the Company for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Directors under these presents) and for such period and subject to such conditions as the Directors may from time to time think fit and any such appointment (if the Directors may think fit) be made in favour of any Company or the members, directors, nominees or managers of any Company or firm or otherwise in favour of any fluctuating body or person whether nominated, directly or indirectly by the Directors and such power of attorney may contain any such powers for the protection or convenience of persons dealing with such Attorneys as the Directors may think fit; and may contain powers enabling any such delegates or Attorneys as aforesaid to sub-delegate all or any of the powers, authorities, and discretion for the time being vested in them.</p> <p>xv. To enter into all such negotiations, contracts and rescind and/or vary all such contracts and to execute and do all such acts, deeds, and things in the name of on behalf of the Company as they may consider expedient for or in relation to any of the matters aforesaid or otherwise for the purposes of the Company;</p> |  |
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| 131. | <p>a) Subject to the provisions of the Act and of these Articles the Board shall have power to appoint from time to time one or more Directors as Managing Director or Managing Directors and/or Whole-time Directors of the Company for a fixed term not exceeding five years at a time and upon such terms and conditions as the Board thinks fit, and the Board may by resolution vest in such Managing Director(s)/Whole-time Director(s), such of the power hereby vested in the Board generally as it thinks fit, and such powers may be made exercisable for such period or periods, and upon such condition and subject to such restriction as it may determine, the remuneration of such Directors may be by way of monthly remuneration and/or fee for each meeting and/or participation in profits, or by any or all of those modes, or of any other mode not expressly prohibited by the Act.</p> <p>b) Subject to the approval of shareholders in their meeting, the managing director of the Company may be appointed and continue to hold the office of the chairman and managing director or Chief Executive officer of the Company at the same time.</p> <p>c) Subject to the provisions of Sections 197 &amp; 198 of the Act, the appointment and payment of remuneration to the above Director shall be subject to approval of the members in general meeting and</p> | <p style="text-align: center;"><b>MANAGING DIRECTORS</b></p> <p style="text-align: center;"><b>Power to appoint Managing or Whole-time Directors</b></p> |
| 132. | <p>a) The Board of Directors may meet for the conduct of business, adjourn and otherwise regulate its meetings, as it thinks fit.</p> <p>b) A director may, and the manager or secretary on the requisition of a director shall, at any time, summon a meeting of the Board.</p>   |  |
| 133. | The quorum for meetings of Board/Committees shall be as provided in the Act  |  |
| 134. | <p>a) Save as otherwise expressly provided in the Act, questions arising at any meeting of the Board shall be decided by a majority of votes.</p> <p>b) In case of an equality of votes, the Chairperson of the Board, if any, shall have a second or casting vote.</p>  | <b>Proceedings of the Board</b>  |
| 135. | 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.   |  |
| 136. | The participation of directors in a meeting of the Board/ Committees 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.  |  |
| 137. | <p>a) The Board may elect a Chairperson of its meetings and determine the period for which he is to hold office.</p> <p>b) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the directors present may choose one of their number to be Chairperson of the meeting.</p>   |  |



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| 138. | <p>a) 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.</p> <p>b) 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.</p>   | <b>Delegation of Powers of Board to Committee</b> |
| 139. | <p>a) A committee may elect a Chairperson of its meetings.</p> <p>b) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the members present may choose one of their members to be Chairperson of the meeting.</p>  |   |
| 140. | <p>a) A committee may meet and adjourn as it thinks fit.</p> <p>b) Questions arising at any meeting of a committee shall be determined by a majority of votes of the members present, and in case of an equality of votes, the Chairperson shall have a second or casting vote.</p>  |   |
| 141. | 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.  |   |
| 142. | 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   |   |
| 143. | <p>Subject to the provisions of the Act,—</p> <p>a) 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;</p> <p>b) A director may be appointed as chief executive officer, manager, Company secretary or chief financial officer.</p>                                  |   |
| 144. | A provision of the Act or these regulations requiring or authorising a thing to be done by or to a director and chief executive officers, 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.  |   |
| 145. | <p>a) The Board shall provide for the safe custody of the seal.</p> <p>b) The seal of the Company shall not be affixed to any instrument except by the authority of a resolution of the Board or of a committee of the Board authorised by it in that behalf, and except in the presence of at least two directors and of the secretary or such other person as the Board may appoint for the purpose; and those two directors and the secretary or other person aforesaid shall sign every instrument to which the seal of the Company is so affixed in their presence.</p> | <b>The Seal</b>                                   |

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| 146. | The Company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board.   | <b>Dividends<br/>and<br/>Reserve</b> |
| 147. | Subject to the provisions of section 123, the Board may from time to time pay to the members such interim dividends as appear to it to be justified by the profits of the Company.  |                                      |
| 148. | <p>a) The Board may, before recommending any dividend, set aside out of the profits of the Company such sums as it thinks fit as a reserve or reserves which shall, at the discretion of the Board, be applicable for any purpose to which the profits of the Company may be properly applied, including provision for meeting contingencies or for equalising dividends; and pending such application, may, at the like discretion, either be employed in the business of the Company or be invested in such investments (other than shares of the Company) as the Board may, from time to time, think fit.</p> <p>b) The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.</p>   |                                      |
| 149. | <p>a) Subject to the rights of persons, if any, entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid, but if and so long as nothing is paid upon any of the shares in the Company, dividends may be declared and paid according to the amounts of the shares.</p> <p>b) No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this regulation as paid on the share.</p> <p>c) All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid; but if any share is issued on terms providing that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly.</p> |                                      |
| 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.  |                                      |
| 151. | <p>a) Any dividend, interest or other monies payable in cash in respect of shares may be paid by cheque or warrant sent through the post directed to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint holders who is first named on the register of members, or to such person and to such address as the holder or joint holders may in writing direct.</p> <p>b) Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.</p>   |                                      |
| 152. | 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.  |                                      |
| 153. | 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.  |                                      |
| 154. | No dividend shall bear interest against the Company.  |                                      |
|      | Provided however that no amount outstanding as unclaimed dividends shall be forfeited unless the claim becomes barred by law and that such  |                                      |

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| 155.  | <p>Where a dividend has been declared by a company but has not been paid or claimed within thirty days from the date of the declaration, the company shall, within seven days from the date of expiry of the thirty days, transfer the total amount of dividend which remains unpaid or unclaimed to a special account to be opened by the company in that behalf in any scheduled bank to be called the Unpaid Dividend Account as per provisions of section 124 and any other pertinent provisions in rules made thereof.</p> <p>The company shall transfer any money transferred to the unpaid dividend account of a company that remains unpaid or unclaimed for a period of seven years from the date of such transfer, to the Fund known as Investor Education and Protection Fund established under section 125 of the Act</p>  |   |
| 156.  | <p>The Board may retain dividends payable upon shares in respect of which any person is, under the Transmission Clause hereinbefore contained, entitled to become a member, until such person shall become a member in respect of such shares.</p>   |   |
| 157.  | <p>Payment in any way whatsoever shall be made at the risk of the person entitled to the money paid or to be paid. The Company will not be responsible for a payment which is lost or delayed. The Company will be deemed to having made a payment and received a good discharge for it if a payment using any of the foregoing permissible means is made.</p>   |   |
| 158.. | <p>a) The Board shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations, the accounts and books of the Company, or any of them, shall be open to the inspection of members not being directors.</p> <p>b) No member (not being a director) shall have any right of inspecting any account or book or document of the Company except as conferred by law or authorised by the Board or by the Company in general meeting.</p>  | <b>Accounts</b>   |
| 159.  | <p>Minutes Books of General Meetings</p> <p>a) The books containing the minutes of the proceedings of any general meeting of the Company shall;</p> <p style="margin-left: 40px;">i. be kept at the registered office of the Company, and</p> <p style="margin-left: 40px;">ii. be open, during the business hours to the inspection of any member without charge subject such reasonable restrictions as the Company may, in general meeting impose so however that not less than two hours in each day are allowed for inspection.</p> <p>Provided however that any person willing to inspect the minutes books of General Meetings shall intimate to the Company his willingness atleast 15 days in advance.</p> <p>b) Any member shall be entitled to be furnished, within seven days after he has made a request in that behalf of the Company, with a copy of any minutes referred to in Clause (a) above, on payment of Rs. 10/- (Ten Rupees only) for each page or part thereof.</p> | <b>Inspection of<br/>Statutory<br/>Documents of<br/>the Company</b> |

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| 160. | <p>a) The Company shall keep at its registered office a Register of charges and enter therein all charges and floating charges specifically affecting any property or assets of the Company or any of its undertakings giving in each case the details as prescribed under the provisions of the Act.</p> <p>b) The register of charges and instrument of charges, as per clause (i) above, shall be open for inspection during business hours—<br/>         -by any member or creditor without any payment of fees; or<br/>         -by any other person on payment of such fees as may be prescribed,</p> <p>Provided however, that any person willing to inspect the register of charges shall intimate to the Company at least 15 days in advance, expressing his willingness to inspect the register of charges, on the desired date.</p>  | <b>Register of charges</b> |
| 161. | <p>a) The first Auditor of the Company shall be appointed by the Board of Directors within 30 days from the date of registration of the Company and the Auditors so appointed shall hold office until the conclusion of the first Annual General Meeting.<br/>         Appointment of Auditors shall be governed by provisions of Companies Act 2013 and rules made there under.</p> <p>c) The remuneration of the Auditor shall be fixed by the Company in the Annual General Meeting or in such manner as the Company in the Annual General Meeting may determine. In case of an Auditor appointed by the Board his remuneration shall be fixed by the Board.</p> <p>b) The Board of Director may fill any casual vacancy in the office of the auditor and where any such vacancy continues, the remaining auditor, if any may act, but where such vacancy is caused by the resignation of the auditors and vacancy shall be filled up by the Company in General Meeting.</p>                         | <b>Audit</b>               |
| 162. | <p>Subject to the provisions of Chapter XX of the Act and rules made there under—</p> <p>i. If the company shall be wound up, the liquidator may, with the sanction of a special resolution of the company and any other sanction required by the Act, divide amongst the members, in specie or kind, the whole or any part of the assets of the company, whether they shall consist of property of the same kind or not.</p> <p>ii. For the purpose aforesaid, the liquidator may set 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.</p> <p>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 others securities whereon there is any liability.</p> | <b>Winding up</b>          |
| 163. | <p>Every officer of the company shall be indemnified out of the assets of the company against any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or in which relief is granted to him by the court or the Tribunal Subject to the provisions of Chapter XX of the Act and rules made there under—</p>  | <b>Indemnity</b>           |

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| <p>164.</p> | <p>a) Every Director, Manager, Secretary, Trustee, Member or Debenture holder, Member of a Committee, Officer, Servant, Agent, Accountant or other person employed in or about the business of the company shall, if so required by the Board before entering upon their duties sign a declaration pledging themselves to observe a strict secrecy respecting all transactions of the Company with its customers and the state of accounts with individuals and in matters which may come to their knowledge in the discharge of their duties except when required to do so by the Board or by any meeting or by a Court of Law and except so far as may be necessary in order to comply with any of the provisions in these presents.</p> <p>b) No member shall be entitled to visit or inspect any works of the Company, without the permission of the Directors or to require discovery of or any information respecting any details of the Company's trading or business or any matter which is or may be in the nature of a trade secret, mystery of trade, secret or patented process or any other matter, which may relate to the conduct of the business of the Company and which in the opinion of the directors, it would be inexpedient in the interests of the Company to disclose.</p> | <p><b>Secrecy</b></p> |
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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 the 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 have been attached to the copy of the Prospectus delivered to the RoC for registration, and also the documents for inspection referred to hereunder, may be inspected at our Registered Office at 9/16(11), Asharfabad Jajmau, Kanpur- 208010, Uttar Pradesh, India, from 10.00 am to 5.00 pm on all Working Days from the date of Prospectus until the Issue Closing Date.

#### **A. Material Contracts to the Issue**

1. Issue Agreement dated August 31, 2018 entered into among our Company and the Lead Manager.
2. Agreement dated January 30, 2018 entered into among our Company and the Registrar to the Issue.
3. Tripartite Agreement dated March 09, 2018 entered into among our Company, NSDL and the Registrar to the Issue.
4. Tripartite Agreement dated March 08, 2018 entered into among our Company, CDSL and the Registrar to the Issue.
5. Banker to the Issue Agreement dated September 08, 2018 among our Company, the Lead Manager, Banker to the Issue and the Registrar to the Issue.
6. Market Making Agreement dated September 08, 2018 between our Company, the Lead Manager and the Market Maker.
7. Underwriting Agreement dated September 08, 2018 between our Company, the Lead Manager and the Underwriter.

#### **B. Material Documents**

1. Certified copies of the Memorandum of Association and Articles of Association of our Company.
2. Certificate of Incorporation of our Company dated May 16, 1994 issued by Registrar of Companies, Kanpur.
3. Fresh Certificate of Incorporation dated May 29, 2017 issued by Registrar of Companies, Kanpur Uttar Pradesh pursuant to conversion into public limited Company.
4. Resolution of the Board of Directors of our Company and Equity Shareholders of our Company dated December 09, 2017 and December 15, 2017, respectively, authorizing the Issue and other related matters.
5. Copies of Audited Financial Statements of our Company for the financial years ended March 31, 2018, 2017, 2016, 2015 and 2014.
6. Auditor's report for Restated Financials dated September 02, 2018 included in this Prospectus.
7. Copy of Statement of tax benefits dated September 02, 2018.
8. Consents of Promoters and Directors, Company Secretary & Compliance Officer, Chief Financial Officer, Statutory Auditors, Banker to the Issue, Peer Review Auditor, Legal Advisor to the Issue,

Advisor to the Company; Bankers to our Company, Lead Manager, Registrar to the Issue, Underwriter and Market Maker to include their names in the Prospectus to act in their respective capacities.

9. In-principle listing approval dated September 24, 2018 from the BSE Limited for listing the Equity Shares on the SME Platform of BSE.
10. Due Diligence Certificate dated September 10, 2018 from the Lead Manager to BSE Limited.
11. Due Diligence Certificate dated September 24, 2018 from the Lead Manager to SEBI.

Any of the contracts or documents mentioned in this Prospectus may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, without reference to the Shareholders subject to compliance with the provisions contained in the Companies Act and other relevant statutes.

### DECLARATION

We certify and declare that all relevant provisions of the Companies Act and the rules, regulations and guidelines issued by the Government of India, or the regulations or guidelines issued by SEBI, as the case may be, have been complied with and no statement made in this Prospectus is contrary to the provisions of the Companies Act, the Securities Contracts (Regulation) Act, 1956, as amended, the Securities and Exchange Board of India Act, 1992, as amended or the rules, regulations or guidelines issued thereunder, as the case may be. We further certify that all the statements in this Prospectus are true and correct.

#### SIGNED BY THE BOARD OF DIRECTORS OF OUR COMPANY:

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| Ms. Samina Asad Iraqi<br>Whole Time Director<br>DIN: 01668732                     | Sd/- |
| Mr. Osama Anwar<br>Whole Time Director<br>DIN: 03142832                           | Sd/- |
| Mr. Javed Iqbal<br>Non-Executive and Independent Director<br>DIN: 01335862        | Sd/- |
| Mr. Aslam Saeed<br>Non-Executive and Independent Director<br>DIN: 00996483        | Sd/- |
| Mr. Rajkrishna Agarwal<br>Non-Executive and Independent Director<br>DIN: 08018396 | Sd/- |

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| Mr. Prabodh Sharma<br>Signed By Chief Financial Officer (CFO)<br>PAN: ANSPS8312E                                    | Sd/- |
| Mr. Divya Gupta<br>Signed By Company Secretary & Compliance Officer (CS)<br>Membership No.:38146<br>PAN: AZIPG2207N | Sd/- |

Date: September 24, 2018  
Place: Kanpur