



## GODHA CABCON AND INSULATION LIMITED

Our Company was incorporated as Godha Cabcon & Insulation Private Limited on October 04, 2016 under the provisions of the Companies Act, 2013 in the State of Madhya Pradesh. Subsequently, our Company was converted into a Public Limited Company and the name was changed to "Godha Cabcon & Insulation Limited" vide fresh Certificate of Incorporation dated July 28, 2017 issued by the Registrar of Companies, Madhya Pradesh. The Corporate Identification Number of Our Company is U31909MP2016PLC041592.

**Registered Office:** 36-D, Sector B, Sanwer Road, Industrial Area, Indore-452 006, Madhya Pradesh

**Tel. No.:** +91 731 4029 509; **E-Mail ID:** compliance.godhacabcon@gmail.com; **Website:** www.godhacabcon.com

**Contact Person:** Ms. Surbhi Jain, Company Secretary and Compliance Officer

**PROMOTERS OF OUR COMPANY: MRS. MADHU GODHA, MRS. RUPALI GODHA AND MR. DIPESH GODHA**

THE ISSUE	
PUBLIC ISSUE OF 30,00,000 EQUITY SHARES OF FACE VALUE OF ₹10 EACH FULLY PAID UP OF GODHA CABCON & INSULATION LIMITED ("GODHA" OR "GCIL" OR THE "COMPANY" OR THE "ISSUER") FOR CASH AT A PRICE OF ₹[.] PER EQUITY SHARE (THE "ISSUE PRICE") (INCLUDING SHARE PREMIUM OF ₹[.] PER EQUITY SHARE) AGGREGATING TO ₹[.] (THE "ISSUE"). THE ISSUE COMPRISES OF 1,60,000 EQUITY SHARES OF FACE VALUE OF ₹10 EACH FOR CASH AT A PRICE OF ₹[.] PER EQUITY SHARE, AGGREGATING TO ₹[.] LACS WILL BE RESERVED FOR SUBSCRIPTION BY MARKET MAKER TO THE ISSUE ("MARKET MAKER RESERVATION PORTION"). THE ISSUE LESS THE MARKET MAKER RESERVATION PORTION I.E. ISSUE OF 28,40,000 EQUITY SHARES OF FACE VALUE OF ₹10 EACH FOR CASH AT A PRICE OF ₹[.] PER EQUITY SHARE, AGGREGATING UP TO ₹[.] IS HEREINAFTER REFERRED TO AS THE "NET ISSUE". THE ISSUE AND THE NET ISSUE WILL CONSTITUTE 27.03% AND 25.59% RESPECTIVELY OF THE POST ISSUE PAID UP EQUITY SHARE CAPITAL OF THE COMPANY.	
THE FACE VALUE OF THE EQUITY SHARES IS ₹10 EACH. THE ISSUE PRICE IS ₹[.]. THE ISSUE PRICE IS [.] TIMES THE FACE VALUE.	
THE FACE VALUE OF THE EQUITY SHARES IS ₹10 EACH. THE PRICE BAND AND THE MINIMUM BID LOT WILL BE DECIDED BY OUR COMPANY IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGER ("BRLM") AND WILL BE ADVERTISED IN ALL EDITIONS OF THE ENGLISH NATIONAL NEWSPAPER [•], ALL EDITIONS OF THE HINDI NATIONAL NEWSPAPER [•] AND IN THE REGIONAL NEWSPAPER [•], EACH WITH WIDE CIRCULATION, AT LEAST FIVE (5) WORKING DAYS PRIOR TO THE BID/ OFFER OPENING DATE WITH THE RELEVANT FINANCIAL RATIOS CALCULATED AT THE FLOOR PRICE AND THE CAP PRICE AND SHALL BE MADE AVAILABLE TO THE SME PLATFORM OF NATIONAL STOCK EXCHANGE OF INDIA LIMITED ("NSE EMERGE", REFERRED TO AS THE "STOCK EXCHANGE") FOR THE PURPOSE OF UPLOADING ON THEIR WEBSITE.  In case of any revisions in the Price Band, the Bid/Offer Period will be extended by at least three additional Working Days after such revision of the Price Band, subject to the Bid/Offer Period not exceeding ten (10) Working Days. Any revision in the Price Band and the revised Bid/Offer Period, if applicable, will be widely disseminated by notification to the Stock Exchange, by issuing a press release, and also by indicating the change on the website of the BRLM.	
<b>THIS ISSUE IS BEING IN TERMS OF CHAPTER XB OF THE SEBI (ICDR) REGULATIONS, 2009 (AS AMENDED FROM TIME TO TIME)</b> <i>For further details please refer to "Section VII-Issue Information" beginning on Page 164 of this Draft Red Herring Prospectus</i>	
In terms of SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015, all potential investors shall participate in the Issue only through an Application Supported by Blocked Amount ("ASBA") process providing details about the bank account which will be blocked by the Self Certified Syndicate Banks ("SCSBs") for the same. For details in this regard, specific attention is invited to section titled "Issue Procedure" beginning on page 171 of this Draft Red Herring Prospectus. A copy of Red Herring Prospectus and Prospectus will be delivered for registration to the Registrar of Companies as required under Section 32 of the Companies Act, 2013.	
<b>RISK IN RELATION TO THE FIRST ISSUE</b>	
This being the first issue of Equity Shares of our Company, there has been no formal market for the Equity Shares of our Company. The face value of the Equity Shares is ₹10 and the Issue Price is [.] times of the face value. The Issue Price (as determined and justified by the Company and the Book Running Lead Manager as stated under chapter titled "Basis for Issue Price" beginning on page 61 of this Draft Red Herring Draft Red Herring Prospectus) should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active and/or sustained trading in the Equity Shares of our Company or regarding the price at which the Equity Shares will be traded after listing.	
<b>GENERAL RISKS</b>	
Investment in equity and equity related securities involve a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the Risk Factors carefully before taking an investment decision in this Issue. For taking an investment decision, investors must rely on their own examination of our Company and the Issue including the risks involved. The Equity Shares offered in the Issue have not been recommended or approved by the Securities and Exchange Board of India ("SEBI") nor does SEBI guarantee the accuracy or adequacy of this Draft Red Herring Draft Red Herring Prospectus. Specific attention of the investors is invited to the section titled "Risk Factors" on page 11 of this Draft Red Herring Draft Red Herring Prospectus.	
<b>COMPANY'S ABSOLUTE RESPONSIBILITY</b>	
Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Red Herring Prospectus contains all information with regard to our Company and the Issue, which is material in the context of this Issue; that the information contained in this Draft Red Herring Prospectus is true and correct in all material aspects and is not misleading in any material respect; that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Draft Red Herring Prospectus as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.	
<b>LISTING</b>	
The Equity Shares offered through this Draft Red Herring Prospectus are proposed to be listed on the NSE EMERGE Platform. Our Company has received an in-principle approval letter dated [•] from NSE for using its name in this offer document for listing of our Equity Shares on the NSE Emerge Platform. For the purpose of this Issue, the Designated Stock Exchange will be the National Stock Exchange of India Ltd. ("NSE").	
BOOK RUNNING LEAD MANAGER TO THE ISSUE	REGISTRAR TO THE ISSUE
 <p><b>MARK CORPORATE ADVISORS PRIVATE LIMITED</b> CIN: U67190MH2008PTC181996 404/1, The Summit Business Bay, Sant Janabai Road (Service Lane), Off W. E Highway, Vile Parle (East), Mumbai-400 057. <b>Contact Person:</b> Mr. Manish Gaur <b>Tel. No.:</b> +91 22 2612 3207/08 <b>E-Mail ID:</b> smeipo@markcorporateadvisors.com <b>Investor Grievance E-Mail ID:</b> investorgrievance@markcorporateadvisors.com <b>SEBI Regn No.:</b> INM000012128</p>	 <p><b>KARVY COMPUTERSHARE PRIVATE LIMITED</b> CIN: U72400TG2003PTC041636 Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad-500 032. <b>Tel No.:</b> +91 40 6716 2222 <b>Fax No.:</b> +91 40 2343 1551 <b>Contact Person:</b> Mr. M Murli Krishna <b>E-Mail ID:</b> einward.ris@karvy.com <b>Investor Grievance E-Mail ID:</b> godhacabcon.ipo@karvy.com <b>SEBI Regn No.:</b> INR000000221</p>
ISSUE PROGRAMME	
ISSUE OPENS ON: [•]	ISSUE CLOSES ON: [•]

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## SECTION – I GENERAL INFORMATION

### DEFINITIONS AND ABBREVIATIONS

In this Draft Red Herring Prospectus, unless the context otherwise requires, the terms and abbreviations stated hereunder shall have the meanings as assigned therewith.

#### Company Related Terms:

Term	Description
Articles or Articles of Association or AOA	The articles of association of our Company, as amended from time to time
Auditor or Statutory Auditor	The Auditor of the Company being M/s. S. K. Khandelwal & Associates, Chartered Accountants, having their office at 211, Royal Ratan, 7 M. G. Road, Indore-452 001
Bankers to our Company	Union Bank of India
“Board” or “Board of Directors” or “our Board”	The Board of Directors of our Company, as duly constituted from time to time, or committee(s) thereof.
Company Secretary and Compliance Officer	Ms. Surbhi Jain
Director(s)	The Director(s) of our Company, unless otherwise specified
Equity Shares	Equity Shares of our Company of face value of ₹10 each
Equity Shareholders	Persons holding equity shares of our Company
Group Companies	Madhu Cable and Conductor Private Limited
Memorandum of Association or Memorandum or MOA	The Memorandum of Association of our Company, as amended from time to time
“Promoters” or “our Promoters”	Promoters of our company being Mrs. Madhu Godha, Mrs. Rupali Godha and Mr. Dipesh Godha
Promoter Group	Includes such persons and entities constituting our promoter group in terms of Regulation 2(zb) of the SEBI (ICDR) Regulations and a list of which is provided in the chapter titled “ <i>Our Promoter and Promoter Group</i> ” beginning on page 103 of this Draft Red Herring Prospectus
Registered Office	36-D, Sector B, Sanwer Road, Industrial Area, Indore-452 006, Madhya Pradesh
RoC	Registrar of Companies, State of Madhya Pradesh, Gwalior
“Godha Cabcon & Insulation Limited”, or “GODHA”, or “the Company”, or “our Company” or “we”, “us”, or “our” and the “Issuer Company”.	Godha Cabcon & Insulation Limited, a public limited company incorporated under the provisions of the Companies Act, 2013

#### Issue related Terms:

Term	Description
Acknowledgement Slip	The slip or document issued by the Designated Intermediary to a Bidder as proof of registration of the Bid.
Allocation / Allocation of Equity Shares	The Allocation of Equity Shares of our Company pursuant to Fresh Issue of Equity Shares to the successful Bidders
Allotment/ Allot/ Allotted	An allotment of Equity Shares of our Company pursuant to Fresh Issue of the Equity Shares to the successful Bidders
Allottee(s)	Successful Bidders to whom Equity Shares of our Company shall have been allotted
ASBA/ Application Supported by Blocked Amount	Applications Supported by Blocked Amount (ASBA) means an application for Subscribing to the Issue containing an authorization to block the application money in a bank account maintained with SCSB
ASBA Account	Account maintained with SCSBs which will be blocked by such SCSBs to the extent of the Application Amount
ASBA Application	Locations at which ASBA Applications can be uploaded by the SCSBs viz, Mumbai,

<b>Term</b>	<b>Description</b>
Location(s)/ Specified Cities	New Delhi, Chennai, Kolkata, Ahmedabad, Rajkot, Bangalore, Hyderabad, Pune, Baroda and Surat
ASBA Investor/ASBA Bidders	Any prospective investor(s)/bidder(s) in this Issue who apply (ies) through the ASBA process
Banker(s) to the Issue/ Public Issue Bank(s).	The banks which are clearing members and registered with SEBI as Banker to an Issue with whom the Public Issue Account will be opened and in this case being ICICI Bank Limited
Basis of Allotment	The basis on which Equity Shares will be Allotted to the successful s under the Issue and which is described under chapter titled “ <i>Issue Procedure</i> ” beginning on page 171 of this Draft Red Herring Prospectus
Bids	An indication to make an Issue during the Bid/Issue Period by a Bidder pursuant to submission of the Bid cum Application Form to subscribe for or purchase our Equity Shares of our Company at a price within the Price Band, including all revisions and modifications thereto, to the extent permissible under SEBI ICDR Regulations.
Bid Amount	The highest value of the optional Bids as indicated in the Bid-cum-Application Form and payable by the Bidder upon submission of the Bid in this Issue.
Bid Cum Application Form	The form in terms of which the Bidder shall make a Bid and which shall be considered as the application for the Allotment pursuant to the terms of the Red Herring Prospectus.
Bid Lot	4,000 Equity Shares
Bid/ Issue Opening Date	The date on which the Designated Intermediaries shall start accepting Bids for the Issue, which shall be notified by our Company in an English national daily newspaper [•]Hindi national daily newspaper [•] and Regional daily newspaper [•], Hindi also being the regional language in the place where our Registered Office is located
Bid/Issue Closing Date	The date on which the Designated Intermediaries shall not accept Bids for the Issue, which shall be notified by our Company in an English national daily newspaper [•], Hindi national daily newspaper [•] and Regional daily newspaper [•], Hindi also being the regional language in the place where our Registered Office is located
Bid/Issue Period	The period between the Bid/Issue Opening Date and the Bid/ Issue Closing Date, inclusive of both days, during which prospective Bidders can submit their Bids, including any revisions thereof.
Collecting Centers	Centers at which the Designated Intermediaries shall accept the Bid cum Application Forms, i.e., Designated SCSB Branch for SCSBs, Specified Locations for Syndicate, Broker Centres for Registered Brokers, Designated RTA Locations for RTAs and Designated CDP Locations for CDPs
Book Building Process/ Book Building Method	The book building route as provided under Schedule XI of the SEBI (ICDR) Regulations, 2009, in terms of which this Issue is being made.
Broker Centres	Broker centers notified by the Stock Exchanges where Bidders can submit the Bid cum Application Forms to a Registered Broker. The details of such Broker Centers, along with the names and contact details of the Registered Brokers are available on the websites of the Stock Exchange on the following link: <a href="http://www.nseindia.com/Markets/PublicIssues/brokercentres">http://www.nseindia.com/Markets/PublicIssues/brokercentres</a>
Book Running Lead Manager/BRLM	Book Running Lead Manager to the Issue, in this case being Mark Corporate Advisors Private Limited, SEBI Registered Merchant Banker
Cap Price	The higher end of the Price Band, in this case being [•] per Equity Share above which the Issue Price will not be finalized and above which no Bids will be accepted
CAN or Confirmation of Allocation Note	The note or advice or intimation sent to each successful bidders 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
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	Such branches of the SCSBs which co-ordinate Applications under this Issue made

Term	Description
Branches of SCSBs	by the Bidders with the Book Running 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 Bidders such as their address, PAN, occupation and bank account details
Designated Intermediaries/Collecting Agent	Syndicate Members, Sub-Syndicate/Agents, SCSBs, Registered Brokers, Brokers, the CDPs and RTAs, who are authorized to collect Bid cum Application forms from the Bidders, in relation to the Issue
Depository Participant	A Depository Participant as defined under the Depositories Act, 1996
Designated SCSB Branches	Such branches of the SCSBs which shall collect the ASBA Forms from the ASBA Bidders and a list of which is available at <a href="http://www.sebi.gov.in">www.sebi.gov.in</a> , or at such other website as may be prescribed by SEBI from time to time
Designated CDP Locations	Such locations of the CDPs where Bidders can submit the Bid cum Application forms to Collecting Depository Participants. The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept Bid cum Application forms are available on the websites of the Stock Exchange i.e. <a href="http://www.nseindia.com">www.nseindia.com</a>
Designated RTA Locations	Such locations of the RTAs where Bidders can submit the Bid cum Application forms to RTAs. The details of such Designated RTA Locations, along with names and contact details of the RTAs eligible to accept Bid cum Application forms are available on the websites of the Stock Exchange i.e. <a href="http://www.nseindia.com">www.nseindia.com</a>
Designated Date	The date on which the amount blocked by the SCSBs is transferred from the ASBA Account to the Public Issue Account, as appropriate, after the Issue is closed, following which the Equity Shares shall be allotted/transfer to the successful Bidders
Designated Stock Exchange/NSE	National Stock Exchange of India Limited
DP	Depository Participant
DP ID	Depository Participant's Identity number
Draft Red Herring Prospectus	The Draft Red Herring Prospectus issued in accordance with Section 32 of the Companies Act, 2013 and filed with the NSE under SEBI (ICDR) Regulations.
Eligible NRIs	NRIs from jurisdictions outside India where it is not unlawful to make an issue or invitation under the Issue and in relation to whom this Draft Red Herring Prospectus constitutes an invitation to subscribe to the Equity Shares offered herein
Emerge Platform of NSE	The Emerge Platform of NSE for listing of Equity Shares offered under Chapter XB of the SEBI (ICDR) Regulations which was approved by SEBI as an NSE Emerge on October 14, 2011
Escrow Agreement	Agreement entered into amongst the Company, Book Running Lead Manager, the Registrar and the Banker to the Issue to receive monies from the Bidders through the SCSBs Bank Account on the Designated Date in the Public Issue Account
FII/Foreign Institutional Investors	Foreign Institutional Investor (as defined under SEBI (Foreign Institutional Investors) Regulations, 1995, as amended) registered with SEBI under applicable laws in India.
First/Sole Bidder	The Bidder whose name appears first in the Bid cum Application Form or Revision Form.
Floor Price	The lower end of the Price Band, at or above which the Issue Price will be finalized and below which no Bids will be accepted.
General Information Document	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/ Issue Size/ Initial Public Offer/ Initial Public Offering/ IPO	Public Issue of 30,00,000 Equity Shares of face value of ₹10 each fully paid of Godha Cabcon & Insulation Limited for cash at a price of ₹[•] per Equity Share (including a premium of ₹[•] per Equity Share) aggregating ₹[•] Lacs.

Term	Description
Issue Opening Date	The date on which Issue opens for subscription
Issue Closing Date	The date on which Issue closes for subscription
Issue Price	The price at which the Equity Shares are being issued by our Company under this Draft Red Herring Prospectus being ₹[•] per Equity Share of face value of ₹10 each fully paid
Issue Proceeds	Proceeds from the fresh Issue that will be available to our Company, being ₹[•] Lacs
Listing Agreement	The Equity Listing Agreement to be signed between our Company and the NSE
Market Making Agreement	Market Making Agreement dated [•] between our Company, BRLM and Market Maker
Market Maker	Market Maker appointed by our Company from time to time, in this case being [•], who has agreed to receive or deliver the specified securities in the market making process for a period of three years from the date of listing of our Equity Shares or for any other period as may be notified by SEBI from time to time
Market Maker Reservation Portion	The Reserved Portion of 1,60,000 Equity Shares of face value of ₹10 each fully paid for cash at an issue price of ₹[•] per Equity Share aggregating ₹[•] Lacs to be subscribed by the Market Maker
MoU/Issue Agreement	The Memorandum of Understanding dated November 10, 2017 between our Company and Book Running Lead Manager.
Mutual Fund(s)	A mutual fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996, as amended from time to time
Net Issue	The Issue excluding the Market Maker Reservation Portion of 28,40,000 Equity Shares of face value of ₹10 each fully paid for cash at a price of ₹[•] Equity Share aggregating ₹[•] Lacs by our Company
Net Proceeds	The Issue Proceeds, less the Issue related expenses, received by the Company. For further information about use of the Issue Proceeds and the Issue expenses, please refer to the chapter titled “ <i>Objects of the Issue</i> ” beginning on page 57 of this Draft Red Herring Prospectus
Non-Institutional Investors	All Bidders that are not Qualified Institutional Buyers or Retail Individual Investors and who have Applied for Equity Shares for an amount more than ₹2,00,000
OCB/Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs, including overseas trusts in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly as defined under the Foreign Exchange Management (Deposit) Regulations, 2000, as amended from time to time. OCBs are not allowed to invest in this Issue
Payment through electronic transfer of funds	Payment through NECS, NEFT or Direct Credit, as applicable
Person/Persons	Any individual, sole proprietorship, unincorporated association, unincorporated organization, body corporate, corporation, company, partnership, limited liability company, joint venture, or trust or any other entity or organization validly constituted and/or incorporated in the jurisdiction in which it exists and operates, as the context requires
Price Band	Price band of a minimum price (Floor Price) of ₹[•] and the maximum price (Cap Price) of ₹[•] and includes revisions thereof. The Price Band for the Issue will be decided by our Company in consultation with the BRLM and the Minimum Bid Lot will be decided by our Company in consultation with the BRLM and will be advertised in [•] edition of [•] (a widely circulated English national newspaper) and [•] editions of [•] (a widely circulated Hindi national newspaper, Hindi also being the regional language in the place where our Registered and Corporate Office is located), at least five Working Days prior to the Bid/Issue Opening Date, with the relevant financial ratios calculated at the Floor Price and at the Cap Price and shall be made available to the Stock Exchanges for the purpose of uploading on their website.
Pricing Date	The date on which our Company in consultation with the BRLM, finalizes the Issue Price.
Public Issue Account Agreement	Agreement entered into by our Company, the Registrar to the Issue, the Book Running Lead Manager, and the Public Issue Bank/Banker to the Issue for collection of the Application Amounts
Public Issue	Account opened with the Banker to the Issue/Public Issue Bank i.e. ICICI Bank Ltd.

<b>Term</b>	<b>Description</b>
Account	by our Company to receive monies from SCSBs from the bank accounts of the ASBA Bidders on the Designated Date
Qualified Institutional Buyers or QIBs	QIBs, as defined under the SEBI ICDR Regulations, including public financial institutions as specified in Section 2(72) of the Companies Act, 2013 scheduled commercial banks, mutual fund registered with SEBI, FII and sub-account (other than a sub-account which is a foreign corporate or foreign individual) registered with SEBI, multilateral and bilateral development financial institution, venture capital fund registered with SEBI, foreign venture capital investor registered with SEBI, state industrial development corporation, insurance company registered with Insurance Regulatory and Development Authority, provident fund with minimum corpus of ₹2,500 Lacs, pension fund with minimum corpus of ₹2,500 Lacs, NIF, 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
Registrar and Share Transfer Agents /Registrar to the Issue	Registrar to the Issue, in this case being Karvy Computershare Private Limited having office at Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad-500 032
Retail Individual Investor	Individual Bidders, or minors applying through their natural guardians, including HUFs (applying through their Karta) and ASBA Bidders, who apply for an amount less than or equal to ₹2,00,000.
Revision Form	The form used by the Bidders to modify the quantity of Equity Shares in any of their Bid cum Application forms or any previous Revision Form(s).
Registered Brokers	Stock brokers registered with the stock exchanges having nationwide terminals, other than the Members of the Syndicate.
SCSB/ Self Certified Syndicate Banker.	Shall mean a Banker to an Issue registered under SEBI (Bankers to an Issue) Regulations, 1994, as amended from time to time, and which offer the service of making Application/s Supported by Blocked Amount including blocking of bank account and a list of which is available on www.sebi.gov.in or at such other website as may be prescribed by SEBI from time to time
Specified Locations	Bidding Centres where the Syndicate shall accept Bid cum Application Forms, a list of which is included in the Bid cum Application Form.
Sub-Syndicate Members	A SEBI registered member of NSE appointed by the BRLM, and/ or the Syndicate Member to act as a Sub-Syndicate Member in the Issue.
Syndicate Agreement	The agreement dated [•] entered into among the BRLM, the Syndicate Members, Registrar of the Issue and our Company in relation to the collection of Bids in this Issue
Syndicate Members	Intermediaries registered with the SEBI and permitted to carry out activities as a Syndicate Member
Syndicate or Members of the Syndicate	Collectively, the BRLM and the Syndicate Members
Transaction Registration Slip/ TRS	The slip or document issued by a member of the Syndicate or an SCSB (only on demand), as the case may be, to the Bidder, as proof of registration of the Application
Underwriters	Mark Corporate Advisors Private Limited and [.]
Underwriting Agreement	The agreement dated [•] entered into between the Underwriter and our Company
Working Day	Unless the context otherwise requires: Working Days shall be all trading days of stock exchange excluding Sundays and bank holidays in accordance with the SEBI circular no. SEBI/HO/CFD/DIL/CIR/P/2016/26 dated January 21, 2016

#### Technical and Industry Terms:

<b>Term</b>	<b>Description</b>
ACSR	Aluminium Conductor Steel Reinforced
AAAC	All Aluminium Alloy Conductor
AAC	All Aluminium Conductor

AB CABLE	Armored And Unarmored Cable
BIS	Bureau Of Indian Standards
DIC	Directorate Of Industries
KVA	Kilo Volt Ampere
MTPA	Million Tons Per Annum
XLPE	Cross Link Polyethylene
PVC	Pure Poly(Vinyl Chloride)
HT	High Tension
HCPTC	High Capacity Power Transmission Corridors
LT	Low Tension

**Conventional and General Terms/Abbreviations:**

Term	Description
A/C	Account
Act/ Companies Act	The Companies Act, 2013
AGM	Annual General Meeting
Articles	Articles of Association of the Company framed in pursuance of this Act
AS	Accounting Standards as issued by the Institute of Chartered Accountants of India
A.Y.	Assessment Year
ASBA	Applications Supported by Blocked Amount
B.Com	Bachelor's Degree in Commerce
CAGR	Compounded Annual Growth Rate
CDSL	Central Depository Services (India) Limited
CEO	Chief Executive Officer
CIN	Corporate Identification Number
CSO	Central Statistical Organization
Depositories	NSDL and CDSL; Depositories registered with the SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996, as amended from time to time.
Depositories Act	The Depositories Act, 1996, as amended from time to time.
DIN	Director Identification Number
DB	Designated Branch
EBIDTA	Earnings before Interest, Depreciation, Tax, Amortization and extraordinary items
ECS	Electronic Clearing Services
ED	Executive Director
EGM	Extraordinary General Meeting
ESIC	Employee State Insurance Corporation
ESOP	Employee Stock Option Plan
EPS	Earnings Per Share
FDI	Foreign Direct Investment
FCNR Account	Foreign Currency Non-Resident Account
FEMA	Foreign Exchange Management Act, 1999 as amended from time to time and the regulations framed there under
FEMA Regulations	FEMA (Transfer or Issue of Security by Person Resident Outside India) Regulations, 2000 and amendments thereto.
FII(s)	Foreign Institutional Investors
FIs	Financial Institutions
FV	Face Value
FVCI	Foreign Venture Capital Investor registered under the Securities and Exchange Board of India (Foreign Venture Capital Investor) Regulations, 2000
F.Y	Financial Year
GAAP	Generally Accepted Accounting Principles
GDP	Gross Domestic Product
GOI	Government of India.
HNI	High Net worth Individual
GST	Goods & Service Tax
HUF	Hindu Undivided Family



Term	Description
IBC	Insolvency Bankruptcy Code, 2016
ICDR Regulations/SEBI Regulations/SEBI (ICDR) Regulations	SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended from time to time
Indian GAAP	Generally accepted accounting principles in India
ICAI	Institute of Chartered Accountants of India
ICSI	Institute Of Company Secretaries Of India
IFRS	International Financial Reporting Standards
Ind AS	Indian Accounting Standards
IPC	Indian Penal Code
IPO	Initial Public Offering
IPR	Intellectual Property Right
IT	Information Technology
IT Act	The Income-tax Act, 1961 as amended from time to time except as stated otherwise
IT Rules	The Income-tax Rules, 1962, as amended from time to time
INR	Indian National Rupee
JV	Joint venture
KMP	The officers declared as a Key Managerial/Management Personnel and as mentioned in the chapter titled “ <i>Our Management</i> ” beginning on page 93 of this Draft Red Herring Prospectus
Ltd.	Limited
MBA	Master in Business Administration
M.Com	Master Degree in Commerce
M.P.	Madhya Pradesh
MoU	Memorandum of Understanding
MNC	Multinational Corporation
N/A or NA	Not Applicable
NAV	Net Asset Value
NCLT	National Company Law Tribunal
NCLAT	National Company Law Appellate Tribunal
NECS	National Electronic Clearing Services
NEFT	National Electronic Fund Transfer
Net Worth	The aggregate of the paid-up share capital, share premium account, and reserves and surplus (excluding revaluation reserve) as reduced by the aggregate of miscellaneous expenditure (to the extent not adjusted or written off) and the debit balance of the profit and loss account
NOC	No Objection Certificate
NPV	Net Present Value
NR	Non-Resident
NRE Account	Non-Resident External Account
NRI	Non-Resident Indian, is a person resident outside India, who is a citizen of India or a person of Indian origin and shall have the same meaning as prescribed to such term in the Foreign Exchange Management (Deposit) Regulations, 2000, as amended from time to time
NRO Account	Non-Resident Ordinary Account
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
p.a.	per annum
PAN	Permanent Account Number
PAT	Profit After Tax
Pvt.	Private
PBT	Profit Before Tax
P/E Ratio	Price Earnings Ratio
POA	Power of Attorney
PIO	Persons of Indian Origin

Term	Description
QIB	Qualified Institutional Buyer
RBI	Reserve Bank of India
RBI Act	The Reserve Bank of India Act, 1934, as amended from time to time
RoNW	Return on Net Worth
₹/ INR	Indian Rupees
RTGS	Real Time Gross Settlement
SCRA	Securities Contracts (Regulation) Act, 1956
SCRR	Securities Contracts (Regulation) Rules, 1957
SCSB	Self-Certified Syndicate Bank
SEBI	Securities and Exchange Board of India
SEBI Act	Securities and Exchange Board of India Act, 1992, as amended from time to time
SEBI Depository Regulations	Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996
SEBI Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009
SEBI Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
SEBI Insider Trading Regulations	The SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time, including instructions and clarifications issued by SEBI from time to time
SEBI Takeover Regulations /Takeover Regulations / Takeover Code	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended from time to time, including instructions and clarifications issued by SEBI from time to time
Sec.	Section
SSI Undertaking	Small Scale Industrial Undertaking
Sq.	Square
Sq. Mtr.	Square Meter
TAN	Tax Deduction Account Number
TRS	Transaction Registration Slip
TIN	Taxpayers Identification Number
TNW	Total Net Worth
u/s	Under Section
UIN	Unique Identification Number
US/ U.S. / USA	United States of America
USD or US\$	United States Dollar
U.S. GAAP	Generally accepted accounting principles in the United States of America
UOI	Union of India
Venture Capital Fund(s)/ VCF(s)	Venture capital funds as defined and registered with SEBI under the Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996, as amended from time to time
WDV	Written Down Value
w.e.f.	With effect from
YoY	Year over Year

Notwithstanding the following:

- (i) In this section titled “*Main Provisions of the Articles of Association*” beginning on page 216 of this Draft Red Herring Prospectus, defined terms shall have the meaning given to such terms in that section;
- (ii) In the section titled ‘*Financial Statements*’ beginning on page 112 of this Draft Red Herring Prospectus, defined terms shall have the meaning given to such terms in that section;
- (iii) In the chapter titled “*Statement of Possible Tax Benefits*” beginning on page 64 of this Draft Red Herring Prospectus, defined terms shall have the meaning given to such terms in that chapter.

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

### **Certain Conventions**

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

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

### **Financial Data**

Unless stated otherwise, the financial data included in this Draft Red Herring Prospectus are extracted from the restated financial statements of our Company, prepared in accordance with the applicable provisions of the Companies Act and Indian GAAP and restated in accordance with SEBI (ICDR) Regulations, as stated in the report of our Peer Reviewed Auditors, set out in the section titled 'Financial Statements' beginning on page 112 of this Draft Red Herring Prospectus. Our restated financial statements are derived from our audited financial statements prepared in accordance with Indian GAAP and the Companies Act, and have been restated in accordance with the SEBI (ICDR) Regulations.

Our Financial year commences on 1st April of each year and ends on 31st March of the next year. All references to a particular financial year are to the 12 months period ended 31st March of that year. In this Draft Red Herring Prospectus, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding-off. All decimals have been rounded off to two decimal points.

There are significant differences between Indian GAAP, IFRS and US GAAP. The Company has not attempted to quantify their impact on the financial data included herein and urges you to consult your own advisors regarding such differences and their impact on the Company's financial data. Accordingly, to what extent, the financial statements included in this Draft Red Herring Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting practices / Indian GAAP. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Draft Red Herring Prospectus should accordingly be limited.

Any percentage amounts, as set forth in "Risk Factors", "Our Business", "Management's Discussion and Analysis of Financial Condition and Results of Operations" and elsewhere in this Draft Red Herring Prospectus unless otherwise indicated, have been calculated on the basis of the Company's restated financial statements prepared in accordance with the applicable provisions of the Companies Act and Indian GAAP and restated in accordance with SEBI (ICDR) Regulations, as stated in the report of our Peer Reviewed Auditors, set out in the section titled 'Financial Statements' beginning on page 112 of this Draft Red Herring Prospectus.

### **Currency of Presentation**

In this Draft Red Herring Prospectus, references to "Rupees" or "INR" or "₹" are to Indian Rupees, the official currency of the Republic of India. All references to "\$", "US\$", "USD", "U.S. \$" or "U.S. Dollars" are to United States Dollars, the official currency of the United States of America.

All references to 'million' / 'Million' / 'Mn' refer to one million, which is equivalent to 'ten lacs' or 'ten Lacs', the word 'Lacs / Lacs / Lac' means 'one hundred thousand' and 'Crore' means 'ten million' and 'billion / bn./ Billions' means 'one hundred Crores'.

### **Industry & Market Data**

Unless stated otherwise, industry and market data used throughout this Draft Red Herring Prospectus has been derived from 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 Draft Red Herring Prospectus is reliable, neither we nor the Book Running Lead Manager nor any of their respective affiliates or advisors have prepared or verified it independently. The extent to which the

industry and market data used in this Draft Red Herring 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 page 12 of this Draft Red Herring 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 61 of this Draft Red Herring Prospectus, information pertaining to peer group entities in our company. Such information has been derived from publicly available data of the peer companies.

## FORWARD-LOOKING STATEMENTS

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

Important factors that could cause actual results to differ materially from our expectations include, among others:

- Higher interest outgo on our loans.
- Fluctuations in operating costs;
- Changes in laws and regulations relating to the sectors/areas in which we operate;
- Increased competition in Power Transmission / Distribution;
- Factors affecting Power Transmission / Distribution;
- Our ability to successfully implement our growth strategy and expansion plans;
- Any adverse outcome in the legal proceedings in which we are involved;
- Our failure to keep pace with rapid changes in technology;
- Our ability to meet our capital expenditure & working capital expenditure requirements;
- Our ability to attract and retain qualified personnel;
- Conflict of Interest with affiliated companies, the promoter group and other related parties; and
- General economic and business conditions in the markets in which we operate and in the local, regional, national and international economies;
- Changes in political and social conditions in India, the monetary and interest rate policies of India and other countries;
- Changes in government policies and regulatory actions that apply to or affect our business;
- Inflation, deflation, unanticipated turbulence in interest rates, equity prices or other rates or prices;
- The performance of the financial markets in India and globally;
- The occurrence of natural disasters or calamities;
- Other factors beyond our control;
- Our ability to manage risks that arise from these factors.

For a further discussion of factors that could cause our actual results to differ, refer to section titled “Risk Factors” and chapter titled “Management’s Discussion and Analysis of Financial Condition and Results of Operations” beginning on pages 12 and 129 respectively of this Draft Red Herring Prospectus. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated.

Future looking statements speak only as of the date of this Draft Red Herring Prospectus. Neither we, our Directors, Underwriter, Merchant Banker nor any of their respective affiliates have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with SEBI requirements, the BRLM and our Company will ensure that investors in India are informed of material developments until the grant of listing and trading permission by the Stock Exchange.

## SECTION II-RISK FACTORS

*An investment in our Equity Shares involves a high degree of financial risk and you should carefully consider all information disclosed in this Draft Red Herring Prospectus, including the risks and uncertainties described below, before making an investment in our Equity Shares. The risk factors set forth below are not exhaustive and do not purport to be complete or comprehensive in terms of all the risk factors that may arise in connection with our business or any decision to purchase, own or dispose of the Equity Shares. This section addresses general risks associated with the industry in which we operate and specific risks associated with our Company. If any, or some combination, of the following risks actually occurs, our business, prospects, results of operations and financial condition could suffer, the trading price of our Equity Shares could decline and you may lose all or part of your investment. In making an investment decision, prospective investors must rely on their own examination of our Company and the Issue, including the merits and risks involved. Additional risks and uncertainties, whether known or unknown, may in the future have material adverse effect on our business, financial condition and results of operations, or which we currently deem immaterial, may arise or become material in the future. Unless specified or quantified in the relevant risk factors set forth below, we are not in a position to specify or quantify the financial or other risks mentioned herein. Investors are advised to read the risk factors carefully before taking an investment decision in this Issue. Investors should not invest in this Issue unless they are prepared to accept the risk of losing all or part of their investment, and they should consult their tax, financial and legal advisors about the particular consequences to you of an investment in the Equity Shares.*

*This Draft Red Herring Prospectus also contains forward-looking statements that involve risks and uncertainties. We have described the risks and uncertainties that our management believes are material, but these risks and uncertainties may not be the only ones we face. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including events described below and elsewhere in this Draft Red Herring Prospectus. Unless otherwise stated, the financial information used in this section is derived from and should be read in conjunction with Restated Standalone Financial Statements of our Company for the 2016-17 and October 31, 2017 in each case prepared in accordance with Indian GAAP, including the schedules, annexure and notes thereto.*

*To obtain a better understanding of our business, you should read this section in conjunction with other chapters of the Draft Red Herring Prospectus, including the chapters titled "Our Business" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" and section titled "Financial Information of the Company" beginning on pages 74,129 and 112 respectively of this Draft Red Herring Prospectus, together with all other financial information contained in the Draft Red Herring Prospectus.*

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

- 1) Some risks may not be material individually but may be material when considered collectively.*
- 2) Some risks may have material impact qualitatively instead of quantitatively.*
- 3) Some risks may not be material at present but may have a material impact in the future.*

### **INTERNAL RISK FACTORS**

- 1) 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 licenses 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 approvals, licenses, registrations and permits to operate our business, some of which our Company has either received or is likely to receive in due course. Many of these approvals, licenses, registrations and permits 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. 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. Further, some of these approvals, licenses, registration and permits 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 approvals, licenses, registrations and permits. Any failure to apply for and obtain the required approvals, licenses, registrations or permits in a timely manner, or any suspension or

revocation of any of the approvals, licenses, registrations and permits would result in a delay in the our business operations which could otherwise adversely affect our financial condition, results of operations and prospects of the Company. We cannot assure you that the approvals, licenses, registrations and permits issued to us would not be suspended or revoked in the event of non-compliance or alleged non-compliance with any terms or conditions thereof, or pursuant to any regulatory action. In addition to same, our failure to comply with existing or increased regulations, or the introduction of changes to existing regulations, could adversely affect our business and results of operations. For further details, please refer the chapter titled "*Government and Other Statutory Approvals*" beginning on page 147 of this Draft Red Herring Prospectus.

**2) *We have a very limited operating history of our manufacturing operations, which may make it difficult for investors to evaluate our historical performance or future prospects.***

Our Company was incorporated as Godha Cabcon p& Insulation Private Limited on October 4, 2016 under the provisions of Companies Act, 2013. Subsequently, our Company was converted into a public limited Company vide Certificate of Incorporation dated July 28, 2017. Prior to being incorporated as a company, the Promoters of our Company were carrying out the operations as a sole proprietorship in the name and style of Godha Cabcon & Insulation. Godha Cabcon & Insulation was taken over by our Company with effect from July 16, 2017 for a total consideration of Rs. 587.11 Lakhs. Thus we have very limited operating history from which one can evaluate our business, future prospects and viability. For further details relating to the history of our Company, please refer to the chapters titled "*Our History and Certain Corporate Matters*", "*Our Business*" and "*Financial Information of the Company*" beginning on pages 90, 74 and 112 respectively of this Draft Red Herring Prospectus.

Further, prior to incorporation, the provisions of the Companies Act were not applicable to us. However, upon acquisition, our Company will have to comply with the provisions of the Companies Act such as appointment of Key Management Personal, Independent Directors, constitution of various management committees, preparation of financial statements as per the Schedule III, prior approval for entering into related party transactions, taking unsecured loan and giving unsecured loan etc. Though our Company is taking all the possible endeavor to comply with the provisions of the Companies Act but in case of our inability to do so or any delay, we may be subject to penal action from the related authorities which may have an adverse effect on our financial position and reputation.

**3) *Our Company was subjected to certain search and seizure against which the Principal Commissioner of Central Excise (Principal Commissioner) had passed an order imposing penalties on Godha Cabcon& Insulation.***

A search was conducted at the premises of Godha Cabcon& Insulation on January 28, 2013 and the residential premises of one of our Promoter, Mrs. Madhu Godha. During the aforesaid search, of the officers seized certain incriminating documents and certain goods. Pursuant to the aforesaid search and seizure, the Principal Commissioner had passed an order imposing penalties on Godha Cabcon& Insulation. Our Company has filed an appeal against the order of the Principal Commissioner. For details, please refer to the chapter titled "*Outstanding Litigation and Material Developments*" beginning on page 142 of this Draft Red Herring Prospectus.

**4) *Our Company and our Promoters are involved in certain legal proceedings. Any adverse decision in such proceedings may render us/them liable to liabilities/penalties and may adversely affect our business and results of operations.***

Our Company and our Promoters are currently involved in certain legal proceedings. These legal proceedings are pending at different levels of adjudication before various courts, tribunals, arbitration panels and facilitation councils. The summary of outstanding litigation in relation to direct tax matters, indirect tax matters and actions by regulatory/ statutory authorities against our Company and Promoters have been set out below:

*Matters involving our Company:*

Nature of Litigation Number	Number of Cases Outstanding	Amount Involved (in Lacs)
Taxation Liabilities (Indirect Tax-Excise Cases)	1	157.18

For further details, please refer to the chapter titled "*Outstanding Litigation and Material Developments*" beginning on page 142 of this Draft Red Herring Prospectus. Decisions in any of the aforesaid proceedings adverse to our interests may have a material effect on our business, future financial performance and results of

operations. If the courts or tribunals rule against our Company, our Promoters and Group Company, we may face monetary and/or reputational losses and may have to make provisions in our financial statements, which could increase our expenses and our liabilities.

**5) *Increase in the cost of, or a shortfall in the availability of our raw materials could have an adverse effect on our business, results of operations and financial condition.***

Aluminum or Alloy Rods are the main raw material used to produce conductors. The price and availability of these raw materials depend on several factors beyond our control, including overall economic conditions, production levels, market demand and competition for such materials, production and transportation cost, duties and taxes and trade restrictions. We usually do not enter into long term supply contracts with our raw material suppliers and typically place orders with them after firm-orders are received by us. The absence of long term contracts at fixed prices exposes us to volatility in the prices of raw materials that we require. If we are unable to compensate for or pass on our increased costs to end-customer, such price increases could have an adverse impact on our result of operations, financial condition and cash flows. Further, our suppliers may be unable to provide us with a sufficient quantity of our raw material at a suitable price for us to meet the demand for our products. Additionally, there is a risk that our existing suppliers could discontinue its operations, which could adversely impact our ability to source raw materials at a suitable price and meet our order requirements. Identifying a suitable supplier or any delay, interruption or increased cost in the supply of raw materials pertaining to our products arising from a lack of long-term contracts could have an adverse effect on our ability to meet customer demand for our products and result in lower revenue from operations both in the short and long term.

**6) *Our revenues are significantly dependent upon sales of our main products that are AAAC Conductor and ACSR Conductor.***

Our core business is the manufacture of AAAC Conductor and ACSR Conductor. Consequently, our income is significantly dependent on sales of the AAAC Conductor over the years, such sales have emerged as the major contributor to our revenue and business. Our continued reliance on sales of our products for a significant portion of our revenue exposes us to risks, including the potential reduction in the demand for such products in the future; increased competition from domestic and regional manufacturers; cost-effective technology; and fluctuations in the price and availability of the raw materials. One or more such reasons may affect our revenues and income from sales of our products and thereby adversely affect our business, profitability, cash flows and results of operations.

**7) *We are dependent on a few suppliers for our entire requirement of raw materials.***

The major raw materials required to carry the manufacturing activities are Aluminium/ Alloy Rods. Our Company procures the same entirely from a few suppliers with whom we have not long term contracts. Any disruption of our arrangement with these few suppliers could adversely affect our business and operations.

**8) *We operate in the power transmission industry which is a highly technical and regulated sector and if we fail to comply with the regulations prescribed or standards set by our customers, our business, results of operations, cash flows and financial condition could be adversely affected.***

Our operations of manufacturing conductors, forming part of the power transmission industry, are operated in a highly technical and regulated sector and is subject to stringent quality standards. The products manufactured by us need to comply with certain standards as prescribed by the Bureau of Indian Standards (BIS). The registration requires our Company to comply with the specific provisions of various acts enforceable by the BIS for power transmission, most of which are stringent and they may continue to be stricter in the future. The penalties for non-compliance with these regulations can vary from revocation or suspension of the registration to imposition of fines or confiscation of the products manufactured, stored or sold. These regulations are not only required to be adhered to as part of our regulatory mandate but also technical specifications and pre-qualifications of our products is a substantial issue for our customers. Our customers, who are into the power transmission, real estate and other industrial sector, prefer products that adhere to strict standards and regulations and hence variations in product quality could result in loss of a substantial customer. We hold license from the Bureau of Indian Standards confirming that all our products meet the specified requirements. However, we cannot guarantee that these licenses will be available to us in future or they will be renewed in proper time. Consequently, there is an increased risk that we may inadvertently fail to comply with such regulations or procedures, which could lead to a variety of sanctions being imposed by the relevant authorities, as well as withholding or delay in further



production process. Further, any adverse change in the regulatory environment or client procedures in the future may subject us to increased obligations and may adversely affect our business, cash flows and results of operations.

**9) *Our business is dependent on our continuing relationships with our customers, with whom we have not entered into any long term agreements. Further, we have been procuring business from Government entities, which are undertaken through bidding process and failure to procure such tenders on a continuous basis could adversely impact our revenues and profitability.***

We generate sales by subscribing to and fulfilling tenders invited by State run electricity companies and by selling to certain private institutions. In case of sales to Government Companies, our company bids in the prospective tenders where bidders are scrutinized for technical and financial qualifications. Quality and reliability of the products, competitive bids at which the tenders are subscribed, ability to perform the tenders within time, etc. are some of the major criteria upon which the government companies awards the tender. Our Company has had long standing business relationships with certain customers and has been supplying our products to such customers, for several years. We have developed a long standing relationship with our clients. However, we have not entered into any contracts with any of our customers and we cater to them on an order-by-order basis. As a result, our customers can terminate their relationships with us without any notice, which could materially and adversely impact our business. There is no assurance that we will be able to obtain continuous business, get awarded with tenders every time or at all. The loss of interruption of work, by a significant customer or a number of significant customers or the inability to procure tender contracts on a regular basis or at all may have an adverse effect on our revenues, cash flows and operations.

**10) *The loss, shutdown or slowdown of operations at any of our facilities or the under-utilization of any such facilities may have a material effect on our results of operations and financial condition.***

Our business and results of operations are dependent on our ability to effectively plan our manufacturing processes and on our ability to optimally utilize our manufacturing capacities for the various industrial components we manufacture. Any disruption to our manufacturing process or the operation of our production facilities may result from various factors beyond our control, including, among others, the following:

- Utility supply disturbances, particularly power supply;
- Forced close down or suspension of our manufacturing facilities due to factors such as breakdown or failure of equipment, performance below expected levels of output or efficiency, facility obsolescence or disrepair, natural disasters and industrial accidents;
- Other production or distribution problems, including limitations to production capacity due to regulatory requirements, changes in the types of components produced or physical limitations that could impact continuous supply.

If we fail to take adequate steps to mitigate the potential impact of these events, or to effectively respond to these events if they occur, our business, results of operations and financial condition could be materially affected. Further, we depend upon our suppliers and vendors to provide the necessary equipment and machinery that we need for our continuing operations and maintenance of our facilities, plant and machinery. We cannot assure you that we will be able to continue to obtain equipment on commercially acceptable terms, or at all, or that our vendors will continue to enter into or honor the contracts for their services. Our inability to continue to obtain equipment and enter into contracts with our vendors in a timely manner, or at all, could affect our business and results of operations.

**11) *Our Registered Office is not owned by us. The same is occupied by us on lease basis. Disruption of our rights as licensee/ lessee or termination of the agreements with our licensors/ lessors would adversely impact our operations and, consequently, our business.***

Our Registered Office from where we operate is not owned by our Company. Our Company has been occupying the Registered Office on leasehold basis through a deed of lease entered into by our Company with the Governor of Madhya Pradesh acting through the General Manager District Industries Centre for a period of 30 years ending on May 2035. Further, the lease is subject to certain terms and conditions and any non-compliance of the same may lead to the termination of the lease which may have a material adverse effect on our operations and there can be no assurance that the renewal of the lease will be entered into. In the event the lease is not renewed, we may be required to shift our Registered Office to a new location and there can be no assurance that

the arrangement our Company will enter into in respect of the new premises would be on such terms and conditions as the present one.

**12) *Our business is substantially dependent on our key customers from whom we derive a significant portion of our revenues. The loss of any significant clients may have a material and adverse effect on our business and results of operations.***

We derive a significant portion of our revenues from a limited number of customers. For the period ended October 31, 2017 our top 5 Customer's cumulatively accounted for approximately 71.00% of our total revenue from operations as per restated financial statements. In the event any one or more customers cease to continue doing business with us, our business may be adversely affected. The loss of such customers may be caused mainly because of competition. There may be factors other than the quality of our products, which may not be predictable, which could cause loss of customers. Further, any significant reduction in demand for our products from our key customers, any requirement to lower the price offered by these customers, or any loss or financial difficulties caused to these customers, change in relationship with the customers could have a material adverse effect on our business, result of operations, financial condition and cash flow. While we are constantly striving to increase our customer base and reduce dependence on any particular customer, there is no assurance that we will be able to broaden our customer base in any future periods, or that our business or results of operations will not be adversely affected by a reduction in demand or cessation of our relationship with any of our major customers..

**13) *We are involved in high volume-low margin business. Any disruption in our turnover or failure to regularly grow the same may have a material adverse effect on our business, results of operations and financial condition.***

Our inability to regularly grow our turnover and effectively execute our key business processes could lead to lower profitability and hence adversely affect our operating results, debt service capabilities and financial conditions. Due to the nature of the products we sell, we may not be able to charge higher margins on our products. Hence, our business model is heavily reliant on our ability to effectively grow our turnover and manage our key processes including but not limited to raw material procurement, timely sales / order execution and continuous cost control of non-core activities. The table below gives details of our operating margins and net profit margin based on restated financials.

(₹ in Lacs)	
Particulars	For the period ended October 31, 2017
Total Income	2,123.40
PBT as a % of Total Income	6.56%
PAT as a % of Total Income	4.40%

Our growth strategy is subject to and involves risks and difficulties, many of which are beyond our control and, accordingly, there can be no assurance that we will be able to implement our strategy or growth plans, or complete them within the timelines. Further, we operate in a dynamic industry, and on account of changes in market conditions, industry dynamics, technological improvements or changes and any other relevant factors, our growth strategy and plans may undergo changes or modifications, and such changes or modifications may be substantial, and may even include limiting or foregoing growth opportunities if the situation so demands. For further details regarding the discussions and explanations for our past results, please refer to the chapter titled "Management's Discussions and Analysis of Financial Condition and Results of Operations" beginning on page 129 of this Draft Red Herring Prospectus.

**14) *Any delay or default in payment from our customers could result in the reduction of our profits and affect our cash flows.***

Our operations involve extending credit, around 60 days, to our customers in respect of our products. Consequently, we face the risk of the uncertainty regarding the receipt of these outstanding amounts. Accordingly, we had and may continue to have high levels of outstanding receivables. For the period ended October 31, 2017, our trade receivables were ₹1795.57 Lacs, which constituted 84.56% of our gross revenues from operations for the same periods as per restated financial statements.

**15) *Orders placed by customers may be delayed, modified, cancelled or not fully paid by our customers, which may have an adverse effect on our business, financial condition and results of operations.***

We may encounter problems in executing the orders in relation to our products, or executing it on a timely basis. Moreover, factors beyond our control or the control of our customers may result in the postponement of the delivery of products or cause its cancellation. Accordingly, it is difficult to predict with certainty that, when, and to what extent we may be able to deliver the orders placed. Further, we may be bound to certain terms in the contracts entered with the customers any non-adherence to the same may lead to breach of the contract, which may subject us to penalties and liquidated damages. Any failure to adhere to the conditions which may be beyond our control may subject us to liquidated damages which could have an effect on the result of operation and cash flow. However, we have always followed policy of timely delivery of goods, execution of orders and ensuring customer satisfaction.

**16) *All our manufacturing facilities are located at Indore, Madhya Pradesh or within its immediate vicinity.***

We manufacture our products from our manufacturing facilities which are located at Indore, Madhya Pradesh or within its immediate vicinity. Therefore any localized social unrest, natural disaster or breakdown of services or any other natural disaster could have material adverse effect on our business and financial condition. Any disruption in the operations due to supply of power, fire outages or industrial accidents at the units could hamper or delay our ability to continue production and servicing. Further, our manufacturing facility is also subject to operating risk arising from compliance with the directives of relevant government authorities. Any disruption or suspension in the production process in this facility can significantly impact our ability to service customer needs and relation with our customers and have a material adverse effect on our business, revenues, reputation, results of operation and financial condition.

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

Our success is substantially dependent on the expertise and services of our Directors, Promoters and our Key Managerial Personnel. They provide expertise which enables us to make well informed decisions in relation to our business and our future prospects. Our future performance will depend upon the continued services of these persons. Demand for Key Managerial Personnel in the industry is intense. We cannot assure you that we will be able to retain any or all, or that our succession planning will help to replace, the key members of our management. The loss of the services of such key members of our management team and the failure of any succession plans to replace such key members could have an adverse effect on our business and the results of our operations. For further details of our Directors and key managerial personnel, please refer to the chapter titled "Our Management" beginning on page 93 of this Draft Red Herring Prospectus.

**18) *Excessive dependence on the Union Bank of India in respect of obtaining financial facilities.***

Our major fund based and non-fund based financial assistance has been sanctioned by the bank, i.e. Union Bank of India on the security of assets. Our Company is dependent on Union Bank of India for its working capital requirement and any default under such arrangement with such lender may create problem for operation of our Company, which may affect the financial stability of our Company. At the same time this may result into difficulty in arranging for funds for re-payment and may also adversely affect the financial position of our Company.

**19) *If we are unable to raise additional capital, our business prospects could be adversely affected.***

We intend to fund our growth plans through our internal accruals, borrowings and capital. We will continue to incur significant expenditure in maintaining and growing our existing manufacturing infrastructure. We cannot assure you that we will have sufficient capital resources for our current operations or any future expansion plans that we may have. While we expect our internal accruals and cash flow from operations to be adequate to fund our existing commitments, our ability to incur any future borrowings is dependent upon the success of our operations. Additionally, the inability to obtain sufficient financing could adversely affect our ability to complete expansion plans. Our ability to arrange financing and the costs of capital of such financing are dependent on numerous factors, including general economic and capital market conditions, credit availability from banks, investor confidence, the continued success of our operations and other laws that are conducive to

our raising capital in this manner. If we decide to meet our capital requirements through debt financing, we may be subject to certain restrictive covenants. If we are unable to raise adequate capital in a timely manner and on favourable terms, or at all, our business, results of operations, cash flows and financial condition could be adversely affected.

**20) *Our Company is dependent on third party transportation providers for the delivery of raw materials/ finished products and any disruption in their operations or a decrease in the quality of their services could affect our Company's reputation and results of operations.***

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

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

**21) *We are subjected to penalties and liquidated damages in case of contracts entered into with Government entities in case of default. Further, we may be liable to terminate such contracts in case of breach of certain terms and conditions.***

We are subjected to penalties or liquidated damages in case of contracts entered into with the Government entities. Any failures to adhere to a contractually agreed schedule for reasons other than the agreed *force majeure* events could result in us being required to pay liquidated damages. Further, we are bound by certain contractual liabilities for not adhering to conditions mentioned in the contract. Any delay in adhering to a specified delivery schedule or breaching other terms of contract may adversely profitability, working capital requirements, and cash flows and may also lead to termination of contracts in some instances. Further, such instances may also affect our ability and chances to be awarded with such tenders in future.

**22) *Negative publicity with respect to our products or the industry in which we operate could adversely affect our business, financial condition and results of operations.***

Our business is dependent on the trust our customers have in the quality of our products. Any negative publicity regarding us, our products i.e., conductors and industry generally could adversely affect our reputation and our results of operations. Challenges to the conflict-free status of conductors used in our industry and sold by us may result in a negative change in consumer attitudes to conductors and could result in negative publicity, having a material adverse effect on our business, financial condition and results of operations.

**23) *Inventories and trade receivables form a major part of our current assets and net worth. Failure to manage our inventory and trade receivables could have an adverse effect on our net sales, profitability, cash flow and liquidity.***

We are in the business of manufacturing of conductors. Our Company's business is working capital intensive and hence, inventories and trade receivables form a major part of our current assets and net worth. The results of operations of our business are dependent on our ability to effectively manage our inventory (traded goods, raw materials and finished goods) and trade receivables.

To effectively manage our inventory, we must be able to accurately estimate customer demand / potential orders and supply requirements and purchase new inventory accordingly. However, if our management misjudges expected customer demand / potential orders, it could cause either a shortage of products or an accumulation of excess inventory. Further, if we fail to convert the inventory we purchase by manufacturing our products, we may be required to write-down our inventory or pay our suppliers without new purchases, or create additional vendor financing, all of which could have an adverse impact on our income and cash flows. To effectively manage our trade receivables, we must be able to accurately evaluate the credit worthiness of our customers and dealers and ensure that suitable terms and conditions are given to them in order to ensure our continued

relationship with them. However, if our management fails to accurately evaluate the credit worthiness of our customers, it may lead to bad debts, delays in recoveries and / or write-offs which could lead to a liquidity crunch, thereby adversely affecting our business and results of operations. A liquidity crunch may also result in case of increased working capital borrowings and, consequently, higher finance cost which will adversely impact our profitability.

***24) Information relating to our production capacities and the historical capacity utilization of our production facilities included in this Draft Red Herring Prospectus is based on certain assumptions and has been subjected to rounding off, and future production and capacity utilization may vary.***

Information relating to our production capacities and the historical capacity utilization of our production facilities included in this Draft Red Herring Prospectus is based on various assumptions and estimates of our management, including proposed operations, assumptions relating to availability and quality of raw materials, assumptions relating to operational efficiencies, as well as assumptions in relation to the average density of products manufactured by us. Actual production levels and utilization rates may differ significantly from the estimated production capacities or historical estimated capacity utilization information of our facilities. Undue reliance should therefore not be placed on our production capacity or historical estimated capacity utilization information for our existing facilities included in this Draft Red Herring Prospectus. For further information, please refer to the chapter titled "Our Business" beginning on page 74 of this Draft Red Herring Prospectus.

***25) We sell our products in highly competitive markets and our inability to compete effectively may lead to lower market share or reduced operating margins, and adversely affect our results of operations.***

India is our primary market and we face competition in our business from local as well as nationwide manufacturers of conductors. The products that we sell are of an industrial nature, i.e. there are a large number of players manufacturing same or similar products. Thus, competition in these markets is based primarily on demand and price. As a result, to remain competitive in our market, we must continuously strive to reduce our procurement, transportation and distribution costs, improve our operating efficiencies and secure our materials requirements. If we fail to do so, other manufacturers and suppliers of similar products may be able to sell their products at prices lower than our prices, which would have an adverse effect on our market share and results of operations. Increased consolidation in the power transmission industry means that many of our competitors may benefit from greater economies of scale, including the ability to negotiate preferential prices for products or receive discounted prices for bulk purchases of goods that may not be available to us.

***26) Our operations may be adversely affected in case of industrial accidents at our production facility.***

Usage of heavy machinery, handling of materials by labour during production process or otherwise, lifting of materials by humans, cranes, heating processes of the furnace etc. may result in accidents, which could cause injury to our labour, employees, other persons on the site and could also damage our properties thereby affecting our operations. Therefore, although we take steps to ensure safety, accidents, including human fatalities, may occur and there can be no assurance that our safety measures and the precautions undertaken will be completely effective or sufficient.

Further, if we fail to maintain adequate insurance cover in relation to the foregoing, a claim filed by us with our insurer is rejected, a loss occurs, which does not fall under the insurance cover maintained by us, or our claim is subject to any deductible or delay in settlement, amongst other things, our exposure will increase. Any accident at our area of operations could also harm our reputation. Such accidents may have an impact on our business.

***27) Changes in technology may render our current technologies obsolete or require us to make substantial capital investments.***

Modernization and technology upgradation is essential to provide better products. Although we strive to keep our technology in line with the latest standards, we may be required to implement new technology or upgrade the existing technology employed by us. Further, the costs in upgrading our technology could be significant which could substantially affect our finances and operations.

***28) We have significant power requirements for continuous running of our factories. Any disruption to our operations on account of interruption in power supply or any irregular or significant hike in power tariffs may have an effect on our business, results of operations and financial condition.***

Our factories and registered office have significant electricity requirements and any interruption in power supply to our factories and offices may disrupt our operations. Our business and financial results may be affected by

any disruption of operations. We depend on third parties for all of our power requirements. Further, we have limited options in relation to maintenance of power back-ups such as diesel generator sets and any increase in diesel prices will increase our operating expenses which may impact our business margins.

Since we have significant power consumption, any unexpected or significant increase in its tariff can increase the operating cost of factories and offices. There are limited number of electricity providers in area from where we operate due to which in case of a price hike we may not be able to find a cost-effective substitute, which may negatively affect our business, financial condition and results of operations.

**29) *Any Penalty or demand raise by statutory authorities in future will affect the financial position of our Company.***

Our Company is mainly engaged in business of manufacturing of conductors which attracts tax liability such as excise duty, sales tax, service tax, income tax and other applicable provision of the acts. However, our Company has been depositing the return under above applicable acts but any demand or penalty raise by concerned authority in future for any previous year and current year will affect the financial position of our Company. It has contingent liability of ₹157.17 Lacs for excise duty. For details, please refer to the chapter titled "*Outstanding Litigation and Material Developments*" beginning on page 142 of Draft Red Herring Prospectus. Any such penalty and prosecution arising in future may lead to financial loss to our Company.

**30) *Our operations are subject to high working capital requirements. Our inability to maintain an optimal level of working capital required for our business may impact our operations adversely.***

Our business requires significant amount of working capital and major portion of our working capital is utilized towards debtors, inventories and cash and cash equivalents. We have been sanctioned working capital limit of Rs. 1800 Lacs from Union Bank of India consisting of Rs. 800 lacs of Cash Credit and Rs. 1000 Lacs of Bank Guarantee. Our growing scale and expansion, if any, may result in increase in the quantum of current assets. 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. Further, we have high outstanding amount due from our debtors which may result in a high risk in case of on-payment by these debtors. In case of any such defaults from our debtors, may affect our business operations and financials.

**31) *We have incurred substantial indebtedness which exposes us to various risks which may have an adverse effect on our business and results of operations.***

Our ability to borrow and the terms of our borrowings will depend on our financial condition, the stability of our cash flows, general market conditions, economic and political conditions in the markets where we operate and our capacity to service debt. As on October 31, 2017 our total outstanding indebtedness was ₹1596.24.

Our significant indebtedness results in substantial amount of debt service obligations which could lead to:

- increasing our vulnerability to general adverse economic, industry and competitive conditions;
- limiting our flexibility in planning for, or reacting to, changes in our business and the industry;
- affecting our credit rating;
- limiting our ability to borrow more money both now and in the future; and
- Increasing our interest expenditure and adversely affecting our profitability.

If the loans are recalled on a short notice, we may be required to arrange for funds to fulfill the necessary requirements. The occurrence of these events may have an adverse effect on our cash flow and financial conditions of our Company. For further details regarding our indebtedness, please refer to the chapter titled "*Statement of Financial Indebtedness*" beginning on page 133 of this Draft Red Herring Prospectus.

**32) *Loans availed by our Company have been secured on personal guarantees of our Promoter and Promoter Group member. Our business, financial condition, results of operations, cash flows and prospects may be adversely affected in case of invocation of any personal guarantees or securities of the collateral provided by our Promoter and Promoter Group members.***

Our Promoter, Mr. Dipesh Godha has provided personal guarantee to secure a significant portion of our existing borrowings taken from Union Bank of India, and may continue to provide such guarantee and other security post listing. In case of a default under our loan agreements, the personal guarantee provided by Mr. Dipesh

Godha may be invoked which could negatively impact his reputation and net worth. Also, we may face certain impediments in taking decisions in relation to our Company, which in turn would result in a material adverse effect on our financial condition, business, results of operations and prospects and would negatively impact our reputation. In addition, Mr. Dipesh Godha may be required to liquidate his shareholding in our Company to settle the claims of the lenders, hereby diluting his shareholding in our Company. We may also not be successful in procuring alternate guarantees/ alternate security satisfactory to the lenders, as a result may need to repay outstanding amounts under such facilities or seek additional sources of capital, which could affect our financial condition and cash flows. For further details regarding loans availed by our Company, please refer to the chapter titled "*Statement of Financial Indebtedness*" beginning on page 133 of this Draft Red Herring Prospectus.

**33) *We are subject to the restrictive covenants of banks in respect of the Loans/ Credit Limits and other banking facilities availed from them.***

Our financing arrangements contain restrictive covenants whereby we are required to obtain approval from our lender, regarding, among other things such as, all future borrowings, undertake any guarantee obligation etc. There can be no assurance that such consents will be granted or that we will be able to comply with the financial covenants under our financing arrangements. In the event we breach any financial or other covenants contained in any of our financing arrangements, we may be required under the terms of such financing arrangements to immediately repay our borrowings either in whole or in part, together with any related costs. This may adversely impact our results of operations and cash flows. For further details on our banking facilities, please refer to the chapter titled "*Statement of Financial Indebtedness*" beginning on page 133 of the Draft Red Herring Prospectus.

**34) *Obsolescence, destruction, theft, breakdowns of our major plants or machineries or failures to repair or maintain the same may affect our business, cash flows, financial condition and results of operations.***

Obsolescence, destruction, theft or breakdowns of our major plants or machineries may significantly increase our machineries purchase cost and the depreciation of our plants and machineries, as well as change the way our management estimates the useful life of our plants and machineries. In such cases, we may not be able to acquire new plants or machineries or repair the damaged plants or machineries in time or at all, particularly where our plants or machineries are not readily available from the market or require services from original machinery manufacturers.

Some of our major machineries or parts may be costly to replace or repair. We may experience significant price increases due to supply shortages, inflation, transportation difficulties or unavailability. Such obsolescence, destruction, theft, breakdowns, repair or maintenance failures or price increases may not be adequately covered by the insurance policies availed by our Company and may have an effect on our business, cash flows, financial condition and results of operations. For further details of our plant and machineries, please refer to chapter titled "*Our Business*" beginning on page 74 of the Draft Red Herring Prospectus.

**35) *Within the parameters as mentioned in the chapter titled "Objects of this Issue" beginning on page 57 of this Draft Red Herring Prospectus, our Company's management will have flexibility in applying the proceeds of this Issue. The fund requirement and deployment mentioned in the Objects of this Issue have not been appraised by any bank or financial institution.***

The fund requirement and deployment, as mentioned in the chapter titled "*Objects of the Issue*" beginning on page 57 of the Draft Red Herring Prospectus is based on the estimates of our management and has not been appraised by any bank or financial institution or any other independent agency. These fund requirements are based on our current business plan and order position. We cannot assure that the current business plan will be implemented or order shall be executed in its entirety or at all. In view of the highly competitive and dynamic nature of our business, we may have to revise our business plan from time to time and consequently these fund requirements. The deployment of the funds as stated under chapter titled "*Objects of the Issue*" is at the discretion of our Board of Directors and is not subject to monitoring by any external independent agency. However, in accordance with Section 27 of the Companies Act, 2013, we cannot undertake any variation in the utilisation of the Issue Proceeds as disclosed in this Draft Red Herring Prospectus without obtaining the Shareholders' approval through a special resolution. In the event of any such circumstance, where Board of Directors of our Company decides to do any variation in the utilisation of the Net Proceeds, we will follow the provisions of Companies Act, 2013.

**36) *We have not identified any alternate source of funding and hence any failure or delay on our part to mobilize the required resources or any shortfall in the Issue proceeds may delay the implementation schedule.***

The proposed fund requirement for our working capital requirements, as detailed in the chapter titled "*Objects of the Issue*" is to be funded from the proceeds of this Issue. We have not identified any alternate source of funding and hence any failure or delay on our part to mobilize the required resources or any shortfall in the Issue proceeds may delay the implementation schedule. We therefore, cannot assure that we would be able to execute our future plans/strategy within the given timeframe. For details, please refer to the chapter titled "*Objects of the Issue*" beginning on page 57 of this Draft Red Herring Prospectus.

**37) *Our inability to effectively manage our growth or to successfully implement our business plan and growth strategy could have an effect on our business, results of operations and financial condition.***

The success of our business will depend greatly on our ability to effectively implement our business and growth strategy. Our growth strategy involves focusing on optimal utilization of resources and to develop relationships with customer and suppliers. For further details, please refer to the chapter titled "*Our Business*" beginning on page 74 of this Draft Red Herring Prospectus. Our success in implementing our growth strategies may be affected by:

- Our ability to identify new markets to expand;
- Our ability to maintain the quality of our products; and
- Changes in the Indian regulatory environment in field of conductors.

There can be no assurance that we will be able to execute our strategy on time and within our estimated budget, or that our expansion and development plans will increase our profitability. Any of these factors could impact our results of operations. We cannot assure you that we will not face any time or cost overruns in respect of implementation of our strategies in the future. Further, we expect our growth strategy to place significant demands on our management, financial and other resources and require us to continue developing and improving our operational, financial and other internal controls. Our inability to manage our business and implement our growth strategy could have an effect on our business, financial condition and profitability.

**38) *Non-Institutional Investors are not permitted to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Amount) at any stage after submitting an Application.***

Pursuant to the SEBI ICDR Regulations, Non-Institutional Investors are not permitted to withdraw or lower their Application (in terms of quantity of Equity Shares or the Amount) at any stage after submitting an Application. While our Company is required to complete Allotment pursuant to the issue within six Working Days from the issue Closing Date, events affecting the Applicants decision to invest in the Equity Shares, including material adverse changes in international or national monetary policy, financial, political or economic conditions, our business, results of operation or financial condition, may arise between the date of submission of the Application and Allotment. Our Company may complete the Allotment of the Equity Shares even if such events occur, and such events limit the applicant's ability to sell the Equity Shares Allotted pursuant to the issue or cause the trading price of the Equity Shares to decline on listing.

**39) *In addition to normal remuneration, other benefits and reimbursement of expenses some of our Directors (including our Promoters) are interested in our Company to the extent of their shareholding and dividend entitlement in our Company.***

Some of our Directors (including our Promoters) are interested in our Company to the extent of their shareholding and dividend entitlement in our Company, in addition to normal remuneration or benefits and reimbursement of expenses. We cannot assure you that our Directors would always exercise their rights as shareholders to the benefit and best interest of our Company. As a result, our Directors will continue to exercise significant control over our Company, including being able to control the composition of our Board of Directors and determine decisions requiring simple or special majority voting, and our other shareholders may be unable to affect the outcome of such voting. Our Directors may take or block actions with respect to our business, which may conflict with our best interests or the interests of other minority shareholders, such as actions with respect to future capital raising or acquisitions. We cannot assure you that our Directors will always act to



resolve any conflicts of interest in our favour, thereby adversely affecting our business and results of operations and prospects.

**40) *Our operations are subject to environmental, health and safety laws and regulations.***

Our operations are subject to various Central and State environmental laws and regulations relating to the control of pollution in the area where we operate. In particular, the discharge or emission of chemicals, dust or other pollutants into the air, soil or water that exceed permitted levels and cause damage to others may give rise to liability to the Government and third parties, and may result in our incurring costs to remedy such discharge or emissions. There can be no assurance that compliance with such environmental laws and regulations will not result in a curtailment of operations, or a material increase in the costs of operations, or otherwise have a material adverse effect on the financial condition and results of our operations. Environmental laws and regulations in India have been increasing in stringency and it is possible that they will become significantly more stringent in the future. Stricter laws and regulations, or stricter interpretation of the existing laws and regulations, may impose new liabilities on us or result in the need for additional investment in pollution control equipment, either of which could adversely affect our business, financial condition or prospects. While as of the date of this Draft Red Herring Prospectus, we are not subject to any environmental legal proceedings, we may be impleaded in such legal proceedings in the course of our business. Such legal proceedings could divert management time and attention, and consume financial resources in defense or prosecution of such legal proceedings or cause delays in the production, development or commencement of operations of our projects. No assurance can be given that we will be successful in all, or any, of such proceedings.

**41) *We do not own the land on which our manufacturing facility and registered office are located.***

We do not own the lands on which our manufacturing facility and registered office are located. We have taken the said lands on long term lease from Government of Madhya Pradesh having lease period of 30 years ending in 2035 which can be renewed thereafter. If we do not comply with certain conditions of the lease agreements, Government of Madhya Pradesh may terminate the lease, which could have an adverse effect on our operations. For further details regarding our manufacturing facilities of our Company, please refer to the chapter titled "*Our Business*" beginning on page 74 of this Draft Red Herring Prospectus.

**42) *Our insurance coverage may not be sufficient or may not adequately protect us against all material hazards, which may adversely affect our business, results of operations and financial condition.***

We have taken insurance which may not be adequate enough for covering the entire future unforeseen liabilities that might occur in the normal course of business. While we maintain insurance coverage, in amounts which we believe are commercially appropriate, including (i) Standard fire and special perils insurance policies, (ii) Burglary Standard Insurance Policy, (iii) Plate Glass Policy (iv) Marine Open Policy and (v) Workmen Compensation there can be no assurance that any claim under the insurance policies maintained by us will be honored fully, in part or on time by the insurers. In addition, our insurance coverage expires from time to time. We apply for the renewal of our insurance coverage in the normal course of our business, but we cannot assure you that such renewals will be granted in a timely manner, at acceptable cost or at all. To the extent that we suffer loss or damage for which we did not obtain or maintain insurance, and which is not covered by insurance, exceeds our insurance coverage or where our insurance claims are rejected, the loss would have to be borne by us and our results of operations, cash flows and financial performance could be adversely affected. For further details on insurance arrangements, see the section titled "*Our Business*" on page 74 of this Draft Red Herring Prospectus.

**43) *There is no monitoring agency appointed by our Company to monitor the utilization of the Issue proceeds.***

As per SEBI (ICDR) Regulations, 2009, as amended, appointment of monitoring agency is required only for Issue size above 10,000.00 Lakhs. Hence, we have not appointed any monitoring agency to monitor the utilization of Issue proceeds. However, the audit committee of our Board will monitor the utilization of Issue proceeds in terms of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Further, our Company shall inform about material deviations in the utilization of Issue proceeds to the stock exchange and shall also simultaneously make the material deviations / adverse comments of the audit committee public.

**44) 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 Information contained in this Draft Red Herring Prospectus with related parties that include our Promoters, Directors, Promoter Group Members and Group Company. For further details in relation to our related party transactions, see chapter titled “*Related Party Transactions*” beginning on page 125 of this Draft Red Herring Prospectus. 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 had such transactions not been entered into with related parties. Furthermore, it is likely that we may enter into related party transactions in the future. The Companies Act, 2013 has brought into effect significant changes to the Indian company law framework, including specific compliance requirements such as obtaining prior approval from audit committee, the Board of Directors and shareholders for certain related party transactions. There can be no assurance that such transactions, individually or in the aggregate, will not have a material effect on our financial condition and results of operations.

**45) Our Promoters and the members of our Promoters Group will continue to retain significant control in our Company after the Issue, which will enable them to influence the outcome of matters submitted to shareholders for approval. Our Promoters and the members of our Promoter Group may have interests that are adverse to the interests of our other shareholders and may take positions with which our other shareholders do not agree.**

As of October 31, 2017, our Promoters and the members of our Promoter Group hold 100% equity share capital of our Company. After completion of the Issue, our Promoters and the members of our Promoter Group will hold 72.97% of the equity shares capital of our Company and continue to retain a significant control of our Company. As a result, our Promoters and our Promoter Group will have the ability to control our business, including matters relating to any sale of all or substantially all of our assets, the timing and distribution of dividends and the election or termination of appointment of our officers and directors. This control could delay, defer or prevent a change in control of our Company, impede a merger, consolidation, takeover or other business combination involving our Company, or discourage a potential acquirer from making a tender offer or otherwise attempting to obtain control of our Company even if it is in our Company’s best interest. In addition, for so long as our Promoters and the members of our Promoter Group continue to exercise significant control over our Company, they may influence the material policies of our Company in a manner that could conflict with the interests of our other shareholders. Our Promoters and the members of our Promoter Group may have interests that are adverse to the interests of our other shareholders and may take positions with which our other shareholders do not agree.

**46) Our Company has certain contingent liabilities, which have not been provided for. Crystallization of any of these contingent liabilities may adversely affect our financial condition.**

The contingent liabilities of our Company not provided for, as certified by our statutory auditors are asunder:

Particulars	For the period ended October 31, 2017
Bank Guarantee	955.45 Lacs
Disputed Excise Duty	157.18 Lacs
<b>Total</b>	<b>1,112.62 Lacs</b>

In the event the above contingent liability gets crystallized, our financial condition may be adversely affected. For further information, please refer to the “*Annexure XXVI-Contingent Liability*” beginning on page 127 under the chapter titled “*Financial Statements*” beginning on page 112 of the Draft Red Herring Prospectus.

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

Our Company had reported certain negative cash flows from our operating activities and investing activities in the previous years as per the restated financial statements and the same are summarized as under:

Particulars	For the period ended October 31, 2017
Cash flow from Operating Activities	(587.90)
Cash flow from Investing Activities	(189..30)

Cash flow of a company is a key indicator to show the extent of cash generated from operations to meet capital expenditure, pay dividends, repay loans and make new investments without raising finance from external resources. If our Company is not able to generate sufficient cash flows, it may affect our business and financial operations. For further details, please refer to the chapter titled *"Financial Information of the Company"* beginning on page 112 of this Draft Red Herring Prospectus.

**48) *Our Group Company has incurred losses in past and any operating losses in the future could affect the results of operations and financial conditions of our Group Company.***

The details of profit and loss of our Group Company in past years are as follows:

Name of the Group Company	Profit/ (Loss) for the year ended (Amount in Rs.)		
	March 31, 2015	March 31, 2016	March 31, 2017
Madhu Cable & Conductors Private Limited	(1,33,935)	(1,21,966)	(2,60,677)

Any operating losses could affect the overall operations and financial conditions of the Group. For more information, regarding our Company, please refer to the chapter titled *"Our Group Company"* beginning on page 110 of this Draft Red Herring Prospectus.

**49) *There may be potential conflict of interests between our Company and other entities or enterprises promoted by our Promoters or directors.***

Our Company is mainly engaged in the business of manufacturing of AAAC Conductor and ACSR Conductor. Our Group Company is engaged in the similar business of manufacturing of AAAC and ACSR Conductor apart from power cables. Further, we have not executed any non-compete agreement with our Group Company undertaking not to engage in businesses similar to that of our Company. Any failure to adhere to this may have an adverse effect on our business operations and financial conditions.

**50) *Our Company has allotted Equity Shares during the preceding one year from the date of the Draft Red Herring Prospectus which may be lower than the Issue Price.***

Our Company has made certain allotment of fresh Equity Shares to the members of our Company during past 12 months prior to the date of filing of Draft Red Herring Prospectus which may be lower than the Issue Price.

The Equity Shares allotted to the investors pursuant to this issue may be priced significantly higher due to various including better performance by our Company, better economic conditions and passage of time.

For details, please refer to section titled *"Capital Structure"* beginning on page 48 of this Draft Red Herring Prospectus. The Issue Price is not indicative of the price that will prevail in the open market following listing of the Equity Shares.

**51) *The average cost of acquisition of Equity Shares by our Promoters could be lower than the Issue Price.***

Our Promoters average cost of acquisition of Equity Shares in our Company may be lower than the Issue Price as maybe decided by our Company, in consultation with the Book Running Lead Manager. For further details regarding average cost of acquisition of Equity Shares by our Promoters in our Company and build-up of Equity Shares by our Promoters in our Company, please refer to the chapters *"Risk Factors - Prominent Notes"* and *"Capital Structure"* beginning on pages 27 and 48 respectively of this Draft Red Herring Prospectus.

**52) *We could be harmed by employee misconduct or errors that are difficult to detect and any such incidences could adversely affect our financial condition, results of operations and reputation.***

Employee misconduct or errors could expose us to business risks or losses, including regulatory sanctions and serious harm to our reputation. There can be no assurance that we will be able to detect or deter such misconduct. Moreover, the precautions we take to prevent and detect such activity may not be effective in all cases. Our employees and agents may also commit errors that could subject us to claims and proceedings for alleged negligence, as well as regulatory actions on account of which our business, financial condition, results of operations and goodwill could be adversely affected.

**53) *We have not applied for registration of our logo and do not own the trademark legally as on date. We may be unable to adequately protect our intellectual property. Furthermore, we may be subject to claims alleging breach of third party intellectual property rights.***

We have not applied for registration of our logo under the provisions of the Trademarks Act, 1999 and do not own the trademark as on date. As such, we do not enjoy the statutory protections accorded to a registered trademark as on date. There can be no assurance that we will be able to register the trade mark and the logo in future or that, third parties will not infringe our intellectual property, causing damage to our business prospects, reputation and goodwill. Further, we cannot assure you that any application for registration of our trademark in future by our Company will be granted by the relevant authorities in a timely manner or at all. Our efforts to protect our intellectual property may not be adequate and may lead to erosion of our business value and our operations could be adversely affected. We may need to litigate in order to determine the validity of such claims and the scope of the proprietary rights of others. Any such litigation could be time consuming and costly and the outcome cannot be guaranteed. We may not be able to detect any unauthorized use or take appropriate and timely steps to enforce or protect our intellectual property.

**EXTERNAL RISK FACTORS**

***Risk related to Equity Shares***

**54) *We may not declare dividends in the foreseeable future.***

We may retain all future earnings, if any, for use in the operations and expansion of the business. As a result, we may not declare dividends in the foreseeable future. Any future determination as to the declaration and payment of dividends will be at the discretion of our Board of Directors and will depend on factors that our Board of Directors deems relevant, including among others, our results of operations, financial condition, cash requirements, business prospects and any other financing arrangements. Accordingly, realization of a gain on shareholders' investments will depend on the appreciation of the price of the Equity Shares. There is no guarantee that our Equity Shares will appreciate in value.

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

Under the Income-tax Act, 1961, capital gains arising from the sale of equity shares in an Indian company are generally taxable in India except any gain realised on the sale of shares on a stock exchange held for more than 12 months will not be subject to capital gains tax in India if the STT has been paid on the transaction. The STT will be levied on and collected by an Indian stock exchange on which equity shares are sold. Any gain realised on the sale of shares held for more than 12 months to an Indian resident, which are sold other than on a recognised stock exchange and as a result of which no STT has been paid, will be subject to long term capital gains tax in India. Further, any gain realised on the sale of shares on a stock exchange held for a period of 12 months or less will be subject to short term capital gains tax. Further, any gain realised on the sale of listed equity shares held for a period of 12 months or less which are sold other than on a recognised stock exchange and on which no STT has been paid, will be subject to short term capital gains tax at a relatively higher rate as compared to the transaction where STT has been paid in India. By way of the Finance Bill, 2017, the Government of India has proposed to introduce certain anti-abuse measures, pursuant to which, the aforesaid exemption from payment of capital gains tax for income arising on transfer of equity shares shall only be available if STT was paid at the time of acquisition of the equity shares. While the said provision has not been notified as on date, it is expected to take effect from April 1, 2018 and will, accordingly, apply in relation to the assessment year 2018-19 and subsequent assessment years. Capital gains arising from the sale of shares will be exempt from taxation in India in cases where an exemption is provided under a tax treaty between India and the country of which the seller is a resident. Generally, Indian tax treaties do not limit India's ability to impose tax on capital gains. As a result, residents of other countries may be liable for tax in India as well as in their own jurisdictions on gains arising from a sale of the shares subject to relief available under the applicable tax treaty or under the laws of their own jurisdiction.

**56) *We may require further equity issuance, which will lead to dilution of equity and may affect the market price of our Equity Shares or additional funds through incurring debt to satisfy our capital needs, which we may not be able to procure and any future equity offerings by us.***

Our growth is dependent on having a strong balance sheet to support our activities. In addition to the Issue proceeds and our internally generated cash flow, we may need other sources of financing to meet our capital

needs which may include entering into new debt facilities with lending institutions or raising additional equity in the capital markets. We may need to raise additional capital from time to time, dependent on business conditions. The factors that would require us to raise additional capital could be business growth beyond what the current balance sheet can sustain; additional capital requirements imposed due to changes in regulatory regime or significant depletion in our existing capital base due to unusual operating losses. Any fresh issue of shares or convertible securities would dilute existing holders, and such issuance may not be done at terms and conditions, which are favourable to the then existing shareholders of our Company. If our Company decides to raise additional funds through the incurrence of debt, our interest obligations will increase, and we may be subject to additional covenants, which could further limit our ability to access cash flows from our operations. Such financings could cause our debt to equity ratio to increase or require us to create charges or liens on our assets in favour of lenders. We cannot assure you that we will be able to secure adequate financing in the future on acceptable terms, in time, or at all. Our failure to obtain sufficient financing could result in the delay or abandonment of our expansion plans. Our business and future results of operations may be adversely affected if we are unable to implement our expansion strategy.

Any future issuance of Equity Shares by our Company may dilute shareholding of investors in our Company; and hence adversely affect the trading price of our Company's Equity Shares and its ability to raise capital through an issue of its securities. In addition, any perception by investors that such issuances or sales might occur could also affect the trading price of our Company's Equity Shares. Additionally, the disposal, pledge or encumbrance of Equity Shares by any of our Company's major shareholders, or the perception that such transactions may occur may affect the trading price of the Equity Shares. No assurance may be given that our Company will not issue Equity Shares or that such shareholders will not dispose of, pledge or encumber their Equity Shares in the future.

***57) A third party could be prevented from acquiring control of our Company because of anti-takeover provisions under Indian law.***

There are provisions in Indian law that may delay, deter or prevent a future takeover or change in control of our Company, even if a change in control would result in the purchase of your Equity Shares at a premium to the market price or would otherwise be beneficial to you. Such provisions may discourage or prevent certain types of transactions involving actual or threatened change in control of us. Under the takeover regulations in India, an acquirer has been defined as any person who, directly or indirectly, acquires or agrees to acquire shares or voting rights or control over a company, whether individually or acting in concert with others. Although, these provisions have been formulated to ensure that interests of investors/shareholders are protected, these provisions may also discourage a third party from attempting to take control of our Company. Consequently, even if a potential takeover of our Company would result in the purchase of the Equity Shares at a premium to their market price or would otherwise be beneficial to its stakeholders, it is possible that such a takeover would not be attempted or consummated because of the Indian takeover regulations.

***58) Fluctuations in currency exchange rates may have an adverse impact on the investment in our Equity Shares.***

The exchange rate between the Indian Rupee and the U.S. Dollar has changed substantially in recent years and may fluctuate substantially in the future. Fluctuations in the exchange rate between the U.S. Dollar and the Indian Rupee may affect the value of the investment in our Equity Shares of a person resident outside India. Specifically for persons resident outside India, if there is a change in relative value of the Indian Rupee to the U.S. Dollar, each of the following values will also be affected: the U.S. Dollar equivalent of the Indian Rupee trading price of our Equity Shares in India; the U.S. Dollar equivalent of the proceeds that you would receive upon the sale in India of any of our Equity Shares; and the U.S. Dollar equivalent of cash dividends, if any, on our Equity Shares, which will be paid only in Indian Rupee. You may be unable to convert Indian Rupee proceeds into U.S. Dollars or any other currency or the rate at which any such conversion could occur could fluctuate.

***59) The price of the Equity Shares may be highly volatile after the Issue.***

The price of the Equity Shares on the Indian stock exchanges may fluctuate after this Issue as a result of several factors, including: volatility in the Indian and global securities market; our operations and performance; performance of our competitors and the perception in the market about investments in the industry in which we operate; adverse media reports on us or the industry in which we operate; changes in the estimates of our performance or recommendations by financial analysts; significant developments in India's economic

liberalization and deregulation policies; and significant developments in India's fiscal and environmental regulations. There can be no assurance that the prices at which the Equity Shares are initially traded will correspond to the prices at which the Equity Shares will trade in the market subsequently.

**60) *You will not be able to immediately sell any of our Equity Shares purchased through this Issue.***

The Equity Shares will be listed on NSE EMERGE. Pursuant to Indian regulations, certain actions must be completed before the Equity Shares can be listed and trading may commence. Investors' book entry, or demat accounts with depository participants in India are expected to be credited within two working days of the date on which the Basis of Allotment is approved by the Designated Stock Exchange. Thereafter, upon receipt of final listing and trading approval from the Stock Exchanges, trading in the Equity Shares is expected to commence within approximately 6 Working Days of the Bid Closing Date. There could be a failure or delay in listing the Equity Shares on the Stock Exchanges. Any failure or delay in obtaining the approval would restrict investors' ability to dispose off their Equity Shares. We cannot assure you that the Equity Shares will be credited to investors' demat accounts, or that trading in the Equity Shares will commence, within the time periods specified above. In addition, we would be liable to pay interest at the applicable rates if allotment is not made, funds from the relevant ASBA accounts are not unblocked or demat credits are not made to investors within the prescribed time periods.

***Risk related to India***

**61) *A slowdown in economic growth in India may adversely impact our business.***

The performance and growth of our business are necessarily dependent on economic conditions prevalent in India, which may be materially and adversely affected by center or state political instability or regional conflicts, a general rise in interest rates, inflation, and economic slowdown elsewhere in the world or otherwise. There have been periods of slowdown in the economic growth of India. India's economic growth is affected by various factors including domestic consumption and savings, balance of trade movements, namely export demand and movements in key imports (oil and oil products), global economic uncertainty and liquidity crisis, volatility in exchange currency rates and annual rainfall which affects agricultural production. Any continued or future slowdown in the Indian economy or a further increase in inflation could have a material adverse effect on the price of our raw materials and demand for our products and, as a result, on our business and financial results.

**62) *Political instability or changes in the Government may delay the liberalization of the Indian economy and adversely affect economic conditions in India generally, which may impact our future prospects.***

Since 1991, successive Indian governments have pursued policies of economic liberalization, including significantly relaxing restrictions on the private sector. Nevertheless, the role of the Indian Central and State Governments in the Indian economy as producers, consumers and regulators has remained significant. The current Central Government, which came to power in 2014 is headed by the Bhartiya Janta Party ("BJP"). Elections will be held in 2019 and there will be no assurance that the current government will continue or that the succeeding government will continue the policies or initiatives announced by the current government. Although the current government has announced policies and taken initiatives that support the economic liberalization policies, the rate of economic liberalization may change and specific laws and policies affecting banking and finance companies, foreign investment and other matters affecting investment in our securities may change as well. Any major change in government policies might affect the growth of Indian economy and thereby our growth prospects. Additionally, as economic liberalization policies have been a major force in encouraging private funding power sector development, any change in these policies may have a significant impact on power sector development and business and economic conditions in India generally, which may adversely affect our business, our future financial performance and the price of our Equity shares.

**63) *Regional hostilities, terrorist attacks, communal disturbances, civil unrest and other acts of violence or war involving India and other countries may result in a loss of investor confidence and adversely affect the financial markets and our business.***

Terrorist attacks, civil unrest and other acts of violence or war may negatively affect the Indian markets on which our Equity Shares will trade and also adversely affect the worldwide financial markets. In addition, the Asian region has from time to time experienced instances of civil unrest and hostilities among neighboring countries. Hostilities and tensions may occur in the future and on a wider scale. Military activity or terrorist attacks in India may result in investor concern about stability in the region, which may adversely affect the price

of our Equity Shares. Events of this nature in the future, as well as social and civil unrest within other countries in the world, could influence the Indian economy and could have an adverse effect on the market for securities of Indian companies, including our Equity Shares.

***64) Instability in financial markets could materially and adversely affect our results of operations and financial condition.***

The Indian economy and financial markets are significantly influenced by worldwide economic, financial and market conditions. Any financial turmoil, especially in the United States of America or Europe, may have a negative impact on the Indian economy. Although economic conditions differ in each country, investors' reactions to any significant developments in one country can have adverse effects on the financial and market conditions in other countries. A loss in investor confidence in the financial systems, particularly in other emerging markets, may cause increased volatility in Indian financial markets. The global financial turmoil, an outcome of the sub-prime mortgage crisis which originated in the United States of America, led to a loss of investor confidence in worldwide financial markets. Indian financial markets have also experienced the contagion effect of the global financial turmoil, evident from the sharp decline in SENSEX, BSE's benchmark index. Any prolonged financial crisis may have an adverse impact on the Indian economy and us there by resulting in a material and adverse effect on our business, operations, financial condition, profitability and price of our Equity Shares.

***65) Natural calamities may have a negative impact on the Indian economy and cause our business to suffer.***

India has experienced natural calamities such as earthquakes, tsunami, 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.

***66) Any downgrading of India's debt rating by an international rating agency may have a negative impact on our business.***

An 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 may 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.

***67) Significant differences exist between Indian GAAP and other accounting principles, such as U.S. GAAP and IFRS, which may be material to the financial statements prepared and presented in accordance with SEBI ICDR Regulations contained in this Draft Red Herring Prospectus.***

As stated in the reports of the Auditor included in this Draft Red Herring Prospectus under chapter "Auditor's Report on Financial Statements" beginning on page 112, the financial statements included in this Draft Red Herring Prospectus are based on financial information that is based on the audited financial statements that are prepared and presented in conformity with Indian GAAP and restated in accordance with the SEBI ICDR Regulations, and no attempt has been made to reconcile any of the information given in this Draft Red Herring Prospectus to any other principles or to base it on any other standards. Indian GAAP differs from accounting principles and auditing standards with which prospective investors may be familiar in other countries, such as U.S. GAAP and IFRS. Significant differences exist between Indian GAAP and U.S. GAAP and IFRS, which may be material to the financial information prepared and presented in accordance with Indian GAAP contained in this Draft Red Herring Prospectus. Accordingly, the degree to which the financial information included in this Draft Red Herring Prospectus will provide meaningful information is dependent on familiarity with Indian GAAP, the Companies Act and the SEBI ICDR Regulations. Any reliance by persons not familiar with Indian GAAP on the financial disclosures presented in this Draft Red Herring Prospectus should accordingly be limited.

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

Our business and financial performance could be adversely affected by any change in laws or interpretations of existing laws, or the promulgation of new laws, rules and regulations applicable to us and our business including those relating to the industry in which we operate. There can be no assurance that the Government of India or state governments will not introduce new laws, regulations and policies which will require us to obtain additional approvals and licenses or impose onerous requirements on our business. For example, the new Companies Act, 2013 contains significant changes to Indian company law, including in relation to the issue of capital by companies, disclosures in offer documents, related party transactions, corporate governance, audit matters, internal controls, shareholder class actions, restrictions on the number of layers of subsidiaries, prohibitions on loans to directors, insider trading and restrictions on directors and key management personnel from engaging in forward dealing. Moreover, effective April 1, 2014, companies exceeding certain net worth, revenue or profit thresholds are required to spend at least 2% of average net profits from the immediately preceding three financial years on corporate social responsibility projects, failing which an explanation is required to be provided in such companies' annual reports.

The Government of India has recently approved the adoption of a comprehensive national goods and services tax ("GST") regime that will combine taxes and levies by the Central and State Governments into a unified rate structure, with effect from July 1, 2017. Given the limited availability of information in the public domain concerning the GST, we cannot provide any assurance as to this or any other aspect of the tax regime following implementation of the GST. The implementation of this rationalized tax structure may be affected by any disagreement between certain state governments, which may create uncertainty. Any future increases or amendments may affect the overall tax efficiency of companies operating in India and may result in significant additional taxes becoming payable. If, as a result of a particular tax risk materializing, the tax costs associated with certain transactions are greater than anticipated, it could affect the profitability of such transactions.

We have not determined the effect of such legislations on our business. In addition, unfavourable changes in or interpretations of existing, or the promulgation of new, laws, rules and regulations including foreign investment laws governing our business, operations and group structure could result in us being deemed to be in contravention of such laws or may require us to apply for additional approvals. We may incur increased costs and other burdens relating to compliance with such new requirements, which may also require significant management time and other resources, and any failure to comply may adversely affect our business, results of operations and prospects. Uncertainty in the applicability, interpretation or implementation of any amendment to, or change in, governing law, regulation or policy, including by reason of an absence, or a limited body, of administrative or judicial precedent may be time consuming as well as costly for us to resolve and may affect the viability of our current business or restrict our ability to grow our business in the future.

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

While facts and other statistics in the Draft Red Herring Prospectus relating to India, the Indian economy and the cable industry has been based on various government publications and reports from government agencies that we believe are reliable, we cannot guarantee the quality or reliability of such materials. While we have taken reasonable care in the reproduction of such information, industry facts and other statistics have not been prepared or independently verified by us or any of our respective affiliates or advisors and, therefore we make no representation as to their accuracy or completeness. These facts and other statistics include the facts and statistics included in the chapter titled "*Our Industry*" beginning on page 66 of this Draft Red Herring 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) 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.

**71) 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.

**Prominent Notes:**

- 1) Public Issue of 30,00,000 Equity Shares of face value Rs. 10 each of Godha Cabcon & Insulation Limited for cash at a price of ₹[•] per Equity Share (including a Share Premium of ₹[•] per Equity Share ("Issue Price") aggregating to ₹[•], of which 1,60,000 Equity Shares of Face Value of ₹10 each, at a price of ₹[•] aggregating to ₹[•] will be reserved for subscription by Market Maker to the Issue (Market Maker Reservation Portion). The Issue less Market Maker Reservation Portion i.e. Net Issue of 28,40,000 Equity Shares of face value of ₹10 each is hereinafter referred to as the "Net Issue". The Issue and Net Issue will constitute 27.03% and 25.59 % respectively of the post issue paid up equity share capital of our company.
- 2) Investors are free to contact the Book Running Lead Manager i.e. Mark Corporate Advisors Private Limited and our Company Secretary & Compliance Officer for any clarification, complaint or information pertaining to the Issue. The Book Running Lead Manager and our Company shall make all information available to the public and investors at large and no selective or additional information would be made available for a section of the investors in any manner whatsoever. For contact details of the Book Running Lead Manager and the Company Secretary & Compliance Officer, please refer to the chapter titled "General Information" beginning on page 42.
- 3) The Net Worth of our Company as on March 31, 2017 and October 31, 2017 was ₹1.20 Lacs and ₹681.71 Lacs respectively based on Restated Financial Statements. For more information, please refer to the section titled "Financial Information of the Company" beginning on page 112 of this DRHP.
- 4) The NAV / Book Value per Equity Share, based on Restated Financials of our Company as on March 31, 2017, and October 31, 2017 was ₹7.98 and ₹11.58 per equity share respectively. For more information, please refer to the section titled "Financial Information of the Company" beginning on page 112 of this DRHP.
- 5) The average cost of acquisition per Equity Share of our Promoters is set out below:

Sr. No.	Name of the Promoter	No. of Equity Shares	Average price per Equity Share (₹)
1)	Mr. Dipesh Godha	2,36,500	29.58
2)	Mrs. Rupali Godha	5,000	10.00
3)	Mrs. Madhu Godha	78,58,460	15.05

For further details, please refer to the chapter titled "Capital Structure" beginning on page no. 48 of this DRHP.

- 6) The details of transactions of our Company with related parties, nature of transactions and the cumulative value of transactions, please refer to the section titled "*Financial Information-Annexure XXVII, Statement of Related Parties Transactions, and Related Party Transactions*" beginning on page 125 of this DRHP.
- 7) Investors may note that in case of over-subscription in the Issue, allotment to retail applicants and other applicants shall be on a proportionate basis. For further details, please refer to the chapter titled "*Issue Structure*" beginning on page 169 of this DRHP.
- 8) Except as disclosed in chapters titled "*Capital Structure*", "*Our Management*", "*Our Promoter and Promoter Group*" and "*Related Party Transactions*" beginning on pages 48, 103, and 125 respectively, of this Draft Red Herring Prospectus, none of our Directors, Promoters, Key Managerial Personnel have any interest in our Company.
- 9) Our Company, Promoters, Directors, Promoter Group have not been prohibited from accessing the Capital Market under any order or direction passed by SEBI nor they have been declared as willful defaulters by RBI/Government authorities. Further, no violations of securities laws have been committed by them in the past or pending against them.
- 10) The Lead Manager and our Company shall update this Prospectus and keep the investors/public informed of any material changes till listing of the Equity Shares of the Equity Shares Offered in terms of this Prospectus and commencement of trading.
- 11) In the event of over-subscription, allotment shall be made as set out in paragraph titled "*Issue Procedure-Basis of Allotment*" beginning on page 171 of this DRHP and shall be made in consultation with the Designated Stock Exchange i.e. NSE. The Registrar to the Issue shall be responsible to ensure that the basis of allotment is finalized in a fair and proper manner as set out therein.
- 12) The Directors/Promoters of our Company have no interest in our Company except to the extent of remuneration and reimbursement of expenses (if applicable) and to the extent of any Equity Shares of our Company held by them or their relatives and associates or held by the companies, firms and trusts in which they are interested as director, member, partner, and / or trustee and to the extent of the benefits arising out of such shareholding. For further details please see the chapter titled "*Our Management*", "*Our Promoters and Promoter Group*", "*Financial Information of the Company*" beginning at page 93, 103 and 112 respectively of this Prospectus.
- 13) No loans and advances have been made to any Person(s)/Companies in which Directors are interested except as stated in the Auditors Report. For, details, please see "*Financial Information of the Company*" beginning on page 112 of this DRHP.
- 14) For information on the changes of the objects clause of the Memorandum of Association of our Company, please refer to the chapter titled "*History and Certain Corporate Matters*" beginning on page 90 of this DHRP.
- 15) Trading in the Equity Shares for all investors shall be in dematerialised form only.
- 16) Investors are advised to see the chapter titled "*Basis for Issue Price*" beginning on page 61 of this DRHP.
- 17) There has been no financing arrangement whereby our Promoter Group, 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 filing of this Draft Red Herring Prospectus.
- 18) Our Company was incorporated as Godha Cabcon & Insulation Private Limited under the provisions of Companies Act, 2013 *vide* Certificate of Incorporation dated October 4, 2016 at Indore. Subsequently, our Company was converted into a public limited company and a fresh certificate of incorporation consequent upon conversion was issued to our Company stating the new name Godha Cabcon & Insulation Limited dated July 28, 2017. The corporate identity number of our Company is U31909MP2016PLC041592. For details of Incorporation, change in the name and Registered Office of our Company, please refer to the chapters titled "*General Information*" and "*Our History and Certain Other Corporate Matters*" beginning on pages 42 and 90 of this DRHP.

## SECTION III- INTRODUCTION

### SUMMARY OF OUR INDUSTRY

*The information in this section includes extracts from publicly available information, data and statistics and has been derived from various government publications and industry sources. Neither we nor any other person connected with the Issue have verified this information. The data may have been re-classified by us for the purposes of presentation. Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but that their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured and, accordingly, investment decisions should not be based on such information. You should read the entire Draft Red Herring Prospectus, including the information contained in the sections titled “Risk Factors” and “Financial Statements” and related notes beginning on page 12 and 112 Draft Red Herring Prospectus.*

**(Source: <http://powermin.nic.in/en/content/overview-0>)**

Electricity sector in India is growing at rapid pace. During the current year 2017-18 (Up to 30.09.2017), the Peak Demand is about 164.1 GW and the Installed Capacity is 329.3 GW with generation mix of Thermal (66.6%), Hydro (13.6%), Renewable (17.7%) and Nuclear (2.1%).

The natural resources for electricity generation in India are unevenly dispersed and concentrated in a few pockets. Hydro resources are located in the Himalayan foothills, North Eastern Region (NER). Coal reserves are concentrated in Jharkhand, Odisha, West Bengal, Chhattisgarh, parts of Madhya Pradesh, whereas lignite is located in Tamil Nadu and Gujarat. Also lot of power station, generating from Gas and renewable energy sources like Solar, Wind etc. have been installed in various parts of country.

Power grid Corporation of India Limited (POWER GRID), a Central Transmission Utilities (CTU), is responsible for planning inter-state transmission system (ISTS). Similarly there are State Transmission Utilities (STU) (namely State Transco/ SEBs) responsible for the development of Intra State Transmission System.

An extensive network of Transmission lines has been developed over the years for evacuating power produced by different electricity generating stations and distributing the same to the consumers. Depending upon the quantum of power and the distance involved, lines of appropriate voltages are laid. The nominal Extra High Voltage lines in vogue are  $\pm 800$  kV HVDC & 765kV, 400 kV, 230/220 kV, 110 kV and 66kV AC lines. These have been installed by all the SEBs, and by Generation, Transmission & Distribution utilities including those in Central Sector.

12,551 Circuit Kilometers (CKM) of transmission lines have been commissioned during 2017-18 (April-September 2017). This is 54.4% of the annual target of 23,086 ckm fixed for 2017-18. Similarly, 42,065 MVA of transformation capacity of substations has been added during 2017-18 (April- September 2017) which constitutes 77.9% of the annual target of 53,978 MVA fixed for 2017-18.

The capacity of transmission system of 220 kV and above voltage levels, in the country as on 30th September 2017 was 3,80,402 ckm of transmission lines and 7,82,830 MVA of transformation capacity of Substations.

As on 30th September 2017, the total transmission capacity of the inter-regional links is 78,050 MW.

The transmission lines are operated in accordance with Regulations/standards of Central Electricity Authority (CEA) / Central Electricity Regulatory Commission (CERC) / State Electricity Regulatory Commissions (SERC). However, in certain cases, the loading on transmission lines may have to be restricted keeping in view the voltage stability, angular stability, loop flows, load flow pattern and grid security. Power surplus States have been inter-alia, able to supply their surplus power to power deficit State Utilities across the country except for some congestion in supply of power to Southern Region.

Power System Operation Corporation Limited (POSOCO), is managing the National and Regional grid from National Load Despatch Centre (NLDC) and its five Regional Load Despatch Centers (RLDC) through state-of-the-art unified load dispatch & communication facilities.

## **Challenges**

Besides insufficient capacity, the lack of sophistication in India's T&D network contributed to grid failures in the past. These are:

- The absence of an efficient grid storage system and the growing use of intermittent sources (renewables) for electricity generation meant that supply within India was not flexible enough to meet the increase in electricity demand.
- The lack of a smart grid system to monitor the entire network (inter- and intra- state) allowed state utilities to exceed their power quotas (known as “overdrawing”) from the national grid with minimal repercussions.

## **Delay in Project Execution**

The time taken from conceptualizing to commissioning, which is currently five to six years, is much longer than global standards. Lack of incentives for early commissioning discourages rapid project execution. Currently, even if a developer is able to commission lines before the contractual commercial operation date (COD), revenues are realized from the contractual COD only.

## **Regulatory Hurdles and Right Of Way**

Inordinate amount of time taken in seeking clearances and ROW has been another challenge faced by developers in this sector. On an average 36 months are required for execution of a transmission project, of which 24 months are consumed in receiving clearances from concerned authorities.

As many as 120 transmission projects have faced delays because of the developer's inability to acquire land and get timely clearances from all stakeholders. There have also been instances of transmission lines being forced to take a different route altogether causing the entire project plan to go astray. Eight major transmission lines awarded to private players have been delayed due to regulatory hurdles. Furthermore, as of January 2015, transmission projects worth INR 70 billion reported delays due to issues with wild life clearances.

## **High T&D Losses**

T&D losses in India are among the highest in the world and much higher than the world average of 9.8 . These can be attributed mostly to operational inefficiencies. Improvements can be achieved through reliability based on-line condition monitoring, repair and maintenance in advance — thereby, reducing the number of forced outages.

## **Need For a Resilient Grid**

Failure of the transmission grid, which took place in 2012, implies the need to strengthen the transmission infrastructure. Rural electrification also requires expansion of transmission facilities. Transmission towers of 765kV and 400 KV collapsed due to pre-monsoon winds during the first quarter of FY 15 thereby, representing the delicacy of the transmission infrastructure in India. Therefore, a thorough investigation and immediate remedial measures should be undertaken to address grid or tower failures because the operation of the industry is hindered, since considerable time is required (days or months depending upon breakdown) to repair such failures.

## **Opportunities**

Growth prospects for the transmission segment are driven by increased emphasis on grid reliability, decentralization of generation due to growing share of renewable energy, and spread of new urban and rural load centers arising from urbanization and rural electrification.

Despite a decoupling of global electricity demand with the GDP growth (due to energy efficiency), India will continue to see a significant rise in generation capacity, thus driving transmission investments.

- Capital expenditure of INR 2.6 trillion (INR 1.0 trillion in substation and INR 1.6 trillion in transmission lines) is envisaged in transmission and distribution sector during the Thirteenth FYP. In terms of volume,

62,800 ckm of transmission lines and 128,000 MVA of transformation capacity will be needed as part of Thirteenth FYP.

- The estimated private sector investments in T&D will reach INR 3 trillion by 2019 including government support of INR 1 trillion through Deen Dayal Upadhyay Gram Jyoti Yojana and the Integrated Power Development Scheme.

Opportunities will continue to grow for private players in the Indian transmission industry, since there are growing incidences of electricity shortage due to inability to evacuate excess power from resource-rich regions.

- For instance, in Chhattisgarh (generation capacity is more than 30,000 MW and peak demand is 3,300 MW while just 7,000 MW transmission capacity for power evacuation).
- The transmission sector in many states is likely to undergo significant technological enhancements. These advancements will primarily be noted in smart grid, drone infrastructure, GNA, and high capacity transmission corridors driven by aging infrastructure, capacity addition, potential M&A and growing focus on renewable (government support on green corridor) and private sector participation.

There is likely to be a growing focus on Indian transmission assets by global investors, since GoI is planning to offer equity to international pension funds aiming at INR 100 billion to INR 120 billion investments thereby, monetizing transmission assets.

- In tandem with this, PGCIL is developing a business model to offload certain transmission lines to these foreign investors.
- The organization also plans to enter and achieve intra- region projects worth INR 150 billion to INR 200 billion through joint ventures or consultation services or complete ownership in the next two to three years.

## SUMMARY OF OUR BUSINESS

Our Company is one of the leading manufacturer of ACSR/AAAC/AAC Conductors .We are one of the leading company in the State of Madhya Pradesh and have latest machines having best technology. Our manufacturing unit is located at 36-D, Sector B, Industrial Area, Sanwer Road, Indore - 452 006, Madhya Pradesh. We are committed to satisfy customer's needs by supplying products on time and continuously improving our products, systems, and services.

The company is all set to continue its growth momentum with higher installed capacity and good order book position. The prospects are even brighter in view of future procurement plan of state electricity companies. We are also targeting Power Grid Corporation of India Limited to bring its products at national level.

Late Shri Dilip Godha had set up an ACSR Conductor manufacturing unit at Dewas in the year 1987 in the name of "Dewas Conductor" and ran the same unit until year 2002. However, on account of ill health, he was not in a position to control and supervise the same and his son Mr. Dipesh Godha being a minor at that point of time, the production of the unit was discontinued. Thereafter, the unit was re set-up at Indore in the year 2006 under a partnership firm "M/s Godha Cabcon & Insulation" with a installed capacity of 5800 MTPA to cater the needs of the private sector. The partners at that point of time were Mr. Dilip Godha, Mrs. Madhu Godha w/o Late Dilip Godha and Mr. Dipesh Godha s/o Late Dilip Godha. The unit started its production w.e.f. April 11, 2007. All activities were looked after by Mr. Dipesh Godha under the guidance of his father, Late Dilip Godha who was not able to look after day to day activity due to ill health. The firm was dissolved on account of death of Mr. Dilip Godha on December 04, 2008 and the business was carried on in the name of Proprietorship Concern "Godha Cabcon & Insulation" and Mrs. Madhu Godha was the Sole Proprietor.

After securing ISI accreditation in the year 2011, the firm started taking participation in Government Tenders floated by the State Electricity Boards which has given tremendous growth performance. In view of significant increase in demand for the products and the capacity constraint, it expanded its capacity by installing Wire Drawing Machine based on latest technology which can draw Two Wires at a time. This is first of its kind installation in the State of Madhya Pradesh. With this, the capacity of the Concern had increased to 15000 MTPA.

The Godha Cabcon & Insulation was taken over by our company w.e.f. July 16, 2017 on a total consideration of ₹587.11 Lacs and our company had issued its Equity Shares at Par against the said consideration to Mrs. Madhu Godha Sole Proprietor of Godha Cabcon & Insulation and one of the Promoters of our company. The valuation of the concern was equivalent to the capital of the proprietor as on July 15, 2017.

We offer a product range which includes-

- **AAAC Conductor (All Aluminium Alloy Conductor)**  
Designed to meet any international standards, these bare overhead conductors are used in primary and secondary distribution. All Aluminium Alloy Conductors (AAAC): These are made out of high strength Aluminium-Magnesium-Silicon alloy. As compared to conventional ACSR, AAAC are of lighter weight, comparable strength & current carrying capacity, lower electrical losses and superior corrosion resistance, This has given AAAC a wide acceptance in the distribution and transmission lines. This conductor has a minimum conductivity of 52.5% IACS.
- **ACSR Conductor (Aluminium Conductor, Steel Reinforced)**  
Designed to offer unique optimal strength for line design, these overhead transmission cables meet international standards including ASTM, BS, DIN, IEC, NFC etc. These are concentrically stranded conductor with one or more layers of hard drawn Aluminium wire on galvanized steel wire core which are coated with zinc with Class A Coating. The core can be single wire or stranded depending on the size of the conductors.
- **AAC Conductor (All Aluminium Conductor)**  
Used primarily for overhead transmission, primary and secondary distribution, where capacity must be maintained and a lighter conductor is desired. All Aluminium Conductor (AAC): is made up of one or more strands of hard drawn Aluminium Wires. The EC grade Alloy Conductor has a minimum conductivity of 61.2% IACS.

**Some of Our Past Projects and Projects under Implementation are as under:**

Our sales/supply activities are tender/order based. We were successful in getting various tenders and orders from State Electricity Board on timely manner. Few of our heavy tenders were from:

- 1) Madhya Pradesh Madhya Kshetra Vidyut Vitaran Co. Ltd. (Bhopal) for ₹21 Crore in the year 2015 for AAAC Conductor. Earlier we received order for ₹25 Crores and in 2016 we further received order for ₹12.5 Crores (extension) due to before time delivery and better quality of products.
- 2) Madhya Pradesh Poorva Kshetra Vidyut Vitaran Co. Ltd. for ₹12.5 Crore in the year 2017 for AAAC Rabbit Conductor.
- 3) Madhya Pradesh Paschim Kshetra Vidyut Vitaran Co. Ltd (Indore) for ₹35 Crore in the year 2015 for AAAC Rabbit conductor.

## SUMMARY OF FINANCIAL STATEMENTS

The following summary of financial statements have been prepared in accordance with Indian GAAP, the companies Act and the SEBI (ICDR) Regulations 2009 and restated as described in the Peer Review Auditor's Report in the chapter titled 'Financial Statements' beginning on page no 112 of this Prospectus. The summary financial information presented below should be read in conjunction with our restated financial statements for the seven month ended October 31 , 2017 and financial year ended March 31, 2017 including the notes thereto and the chapter titled 'Management's Discussion and Analysis of Financial Condition and Results of Operations' on page no 129 of this Prospectus.

### *Statement of Assets and Liabilities, as Restated*

( ₹ in lacs)		
Particulars	October 31, 2017	March 31, 2017
<b>I. EQUITY &amp; LIABILITIES</b>		
<b>(1) Shareholders funds</b>		
(a) Share capital	588.61	1.50
(b) Reserves & Surplus	93.10	(0.30)
<b>Sub-Total (1)</b>	<b>681.71</b>	<b>1.20</b>
<b>(2) Non - Current Liabilities</b>		
(a) Long Term borrowings	482.38	0.00
(b) Deferred Tax Liabilities	4.50	0.00
<b>Sub-Total (2)</b>	<b>486.89</b>	<b>0.00</b>
<b>(3) Current Liabilities</b>		
(a) Short Term Borrowings	1113.86	0.00
(b) Trade Payables	20.93	0.09
(c) Other Current Liabilities	289.13	0.00
(d) Short - Term provisions	68.15	0.00
<b>Sub-Total (3)</b>	<b>1492.06</b>	<b>0.09</b>
<b>TOTAL (1+2+3)</b>	<b>2660.66</b>	<b>1.28</b>
<b>II. ASSETS</b>		
<b>(1) Non-Current Assets</b>		
(a) Fixed assets		
(1) Tangible assets	180.77	0.00
<b>Sub-Total (1)</b>	<b>180.77</b>	<b>0.00</b>
<b>(2) Current Assets</b>		
(a) Inventories	295.55	0.00
(b) Trade receivables	1795.57	0.00
(c) Cash & cash equivalents	293.58	1.28
(d) Short term loans and advances	95.19	0.00
<b>Sub-Total (2)</b>	<b>2479.89</b>	<b>1.28</b>
<b>Total (1+2)</b>	<b>2660.66</b>	<b>1.28</b>



**Statement of Profit & Loss, as Restated**

(₹ in lacs)

Particulars	October 31, 2017	March 31, 2017
<b>REVENUE</b>		
Revenue from operations	2116.32	0.00
Other income	7.08	0.00
<b>Total Revenue</b>	<b>2123.40</b>	<b>0.00</b>
<b>EXPENSES</b>		
(i) Cost of Material Consumed	1589.96	0.00
(ii) Goods and Service Tax	305.91	0.00
(iii) Employee benefits expense	7.97	0.00
(iv) Finance costs	45.18	0.00
(v) Depreciation & amortization expense	8.53	0.00
(vi) Other expenses	26.37	0.30
Total expenses	1983.93	0.30
<b>Profit before tax</b>	<b>139.48</b>	<b>(0.30)</b>
Tax expense:		
(i) Current tax	41.57	0.00
(ii) Deferred tax	4.50	0.00
<b>Profit for the year (V-VI)</b>	<b>93.40</b>	<b>(0.30)</b>
Earnings per equity share:		
(1) Basic	3.17	(2.02)
(2) Diluted	3.17	(2.02)

*Statement of Cash Flow.as Restated*

(₹ in lacs)

Particulars	October 31, 2017	March 31, 2017
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit Before Tax as per Profit and Loss Statement	139.48	(0.30)
<b>Adjusted For:</b>		
Add: Depreciation	8.53	0.00
<b>Operating Profit Before Working Capital Changes</b>	148.01	(0.30)
<b>Adjusted For:</b>		
<b>Increase/Decrease In Current Asset</b>		
Receivables	(1795.57)	0.00
Inventories	(295.55)	0.00
Short term loans and advances	(95.19)	0.00
<b>Increase/Decrease in Current Liabilities</b>		
Trade Payables	20.84	0.09
Short term Provisions	68.15	0.00
Other current Liabilities	289.13	0.00
Short Term Borrowing	1113.86	0.00
<b>Cash Generated From Operations</b>	(546.33)	(0.22)
Taxes Paid	41.57	0.00
<b>Net Cash from Operating Activities</b>	<b>(587.90)</b>	<b>(0.22)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Sale of Long Term Asset	0.00	0.00
<b>Less: Purchase of long term asset</b>	(189.30)	0.00
Investment in Fixed Deposits	0.00	0.00
<b>Net Cash Flow From Investing Activities</b>	<b>(189.30)</b>	<b>0.00</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds From Issue of shares including share premium	587.11	1.50
Net Proceeds From Long term Borrowings	482.38	0.00
<b>Net Cash Flow From Financing Activities</b>	<b>1069.49</b>	<b>1.50</b>
Net Increase / Decrease in Cash and Cash Equivalents	292.30	1.28
Opening Balance of Cash and Cash Equivalents	1.28	0.00
Closing Balance of Cash and Cash Equivalents	<b>293.58</b>	<b>1.28</b>

## THE ISSUE

Particulars	Number of Equity Shares
Equity Shares Offered	30,00,000 Equity Shares of face value of ₹10 each fully paid of the Company for cash at price of ₹[•] per Equity Share aggregating ₹[•] Lacs.
<i>Fresh Issue Consisting of:</i>	
Issue Reserved for Market Maker	1,60,000 Equity Shares of face value of ₹10 each fully paid of the Company for cash at price of ₹[•] per Equity Share aggregating ₹[•] Lacs.
Net Issue to the Public	28,40,000 Equity Shares of face value of ₹10 each fully paid of the Company for cash at price of ₹[•] per Equity Share aggregating ₹[•] Lacs.
	<i>of which:</i>
	14,20,000 Equity Shares of face value of ₹10 each fully paid of the Company for cash at price of ₹[•] per Equity Share will be available for allocation to investors up to ₹[•] Lacs.
	14,20,000 Equity Shares of face value of ₹10 each fully paid of the Company for cash at price of ₹[•] per Equity Share will be available for allocation to investors up to ₹[•] Lacs.
Equity Shares outstanding prior to the Issue	81,00,000 Equity Shares
Equity Shares outstanding after the Issue	1,11,00,000 Equity Shares
Objects of the Issue	See the chapter titled “ <i>Objects of the Issue</i> ” on page 57 of this Draft Red Herring Prospectus.

This Issue is being made in terms of Chapter XB of the SEBI (ICDR) Regulations. The Issue is being made through the Book Building Process 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 follows:

- a) Minimum fifty percent to retail individual investors; and
- b) remaining to:
  - (i) individual Bidders other than retail individual investors; and
  - (ii) other investors including corporate bodies or institutions, irrespective of the number of specified securities applied for;
- c) the unsubscribed portion in either of the categories specified in clauses (a) or (b) may be allocated to Bidders in the other category

For the purpose of Regulation 43(4), if the retail individual investor category is entitled to more than fifty percent, on proportionate basis, the retail individual investors shall be allocated that higher percentage.

For further details please refer to chapter titled “Issue Structure” beginning on page 169 of this Draft Red Herring Prospectus.

## GENERAL INFORMATION

Our Company was incorporated in the State of Madhya Pradesh as Godha Cabcon & Insulation Private Limited on 4<sup>th</sup> October, 2016. Subsequently, the company was converted into Public Limited Company as Godha Cabcon & Insulation Limited on July 28, 2017. The Corporate Identification Number of Our Company is U31909MP2016PLC041592.

For further details, please refer to chapter titled 'Our History and Certain Other Corporate Matters' beginning on page 90 of this Draft Red Herring Prospectus.

### REGISTERED OFFICE OF OUR COMPANY

**GODHA CABCON & INSULATION LTD.**

36-D, Sector B, Sanwer Road, Industrial Area,  
Indore-452006

**Tel:** 0731-4029509, +91-9425066533

**E-mail:** compliance.godhacabcon@gmail.com

**Website:** www.godhacabcon.com

**Registration Number:** 041592

**Corporate Identification Number:** U31909MP2016PLC041592

### REGISTRAR OF COMPANIES

**Registrar of Companies, Gwalior**

3<sup>rd</sup> Floor, 'A' Block, Sanjay Complex,  
Jayendra Ganj, Gwalior-474 009  
Madhya Pradesh

**Tel. No.:** +91 751 2321 907

**Fax No.:** +91 751 2331 853

**E-Mail ID:** roc.gwalior@mca.gov.in

**Website:** www.mca.gov.in

### DESIGNATED STOCK EXCHANGE

**National Stock Exchange of India Ltd**

Exchange Plaza, Plot no. C/1, G Block,  
Bandra-Kurla Complex, Bandra (E),  
Mumbai-400 051

### BOARD OF DIRECTORS OF OUR COMPANY

Sr. No.	Name	Age	DIN	Address	Designation
1)	Mr. Dipesh Godha	34	07529876	36, Gumasta Nagar, Indore-452 009	Executive Director & CEO
2)	Mrs. Rupali Godha	34	07530189	36, Gumasta Nagar, Indore-452 009	Executive Director
3)	Mrs. Madhu Godha	61	07607783	36, Gumasta Nagar, Indore-452 009	Executive Director
4)	Mr. Ankit Vijayvargiya	34	07950205	Bihari ji Marg, Biaora, Rajgarh, Biaora-465 674	Independent Director
5)	Mr. Kamaljeet Singh Ajimal	60	07889436	43, Pratap Nagar, Manik Bagh, Indore-452 001	Independent Director

## **COMPANY SECRETARY AND COMPLIANCE OFFICER**

### **Ms. Surbhi Jain**

36-D, Sector-B, Industrial Area, Sanwer Road, Indore-452 006

**Tel No.:** +91 731 4029 509

**E-mail ID:** compliance.godhacabcon@gmail.com

Investors may contact the Compliance Officer and / or the Registrar to the Issue and / or the BRLM to the Issue in case of any Pre-Issue or Post- Issue related matter such as non-receipt of letters of Allotment, credit of allotted Equity Shares in the respective beneficiary account, unblocking of amount in ASBA etc.

All grievances relating to the ASBA process may be addressed to the Registrar to the Issue, with a copy to the concerned SCSB, giving full details such as name, address of the Bidders, number of Equity Shares applied for, amount blocked, ASBA Account number and the Designated Branch of the SCSB where the ASBA Bid cum Application form was submitted by the ASBA Bidders.

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

## **CHIEF FINANCIAL OFFICER**

### **Mr. Kapil Verma**

36-D, Sector –B, Industrial Area, Sanwer Road, Indore-452 006

**Tel:** 0731-4029509

**E-mail:** kapil\_0011@rediffmail.com

## **STATUTORY AUDITORS & PEER REVIEW AUDITORS**

### **M/s. S. K. Khandelwal & Associates**

#### **Chartered Accountants**

211, Royal Ratan, 7 M. G. Road, Indore-452001

**Tel:** 0731-2523373/4044666

**Firm Registration No.:** 002305C

**Peer Review Certificate No.:** 008679

**Contact Person:** Suresh Kumar Khandelwal

**Membership No.:** 071189

**E-mail:** skk.indore@gmail.com

## **BOOK RUNNING LEAD MANAGER TO THE ISSUE**

### **Mark Corporate Advisors Private Limited**

**CIN:** U67190MH2008PTC181996

404/1, The Summit Business Bay,

Sant Janabai Road (Service Lane),

Off W. E. Highway, Vile Parle (East),

Mumbai-400 057.

**Contact Person:** Mr. Manish Gaur

**Tel. No.:** +91 22 2612 3207/08;

**Email:** smeipo@markcorporateadvisors.com

**SEBI Regn No.:** INM000012128

## **REGISTRAR TO THE ISSUE**

### **Karvy Computershare Private Limited**

Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District,

Nanakramguda, Hyderabad-500 032

**Tel. No.:** +91 40 6716 2222

**Fax No.:** +91 40 2343 1551

**Contact Person:** Mr. M Murli Krishna

**E-Mail ID:** einward.ris@karvy.com  
**Investor Grievance E-Mail ID:** godhacabcon.ipo@karvy.com  
**SEBI Regn No.:** INR000000221

#### LEGAL ADVISOR TO THE ISSUE

**M/s. Rajani Associates, Advocates & Solicitors**  
Krishna Chambers,  
59 New Marine Lines  
Churchgate, Mumbai – 400020  
**Tel. No.:** - +91 22 4096 1000  
**Contact Person:** Ms. Sangeeta Lakhi  
**E-Mail ID:** info@rajaniassociates.net  
**Website:** www.rajaniassociates.net

#### SYNDICATE MEMBER

**Mark Corporate Advisors Private Limited**  
404/1, The Summit Business Bay,  
Sant Janabai Road (Service Lane),  
Off W. E. Highway,  
Vile Parle (East),  
Mumbai-400 057  
**Tel. No.:** +91 22 2612 3207/08  
**Website:** www.markcorporateadvisors.com  
**E-Mail ID:** smeipo@markcorporateadvisors.com  
**Contact Person:** Mr. Manish Gaur  
**SEBI Registration No:** INM000012128

#### BANKERS TO THE COMPANY

**UNION BANK OF INDIA (Mid Corporate Branch)**  
Satguru Parinay, PU-3,  
Plot No. 5, Opp. C 21- Mall  
A. B. Road, Indore-452010  
**Tel. No.:** +91 731 2578801  
**E-mail:** cbsmidcorpindore@unionbankofindia.com

#### BANKER TO THE ISSUE /PUBLIC ISSUE BANK

**ICICI Bank**  
Capital Market Division,  
1<sup>st</sup> Floor, Mistry Bhavan, Dinshaw Vachha Road  
122, Backbay Reclamation,  
Churchgate, Mumbai-400 020  
**Tel:** +91 22 2285 9924/923/932  
**E-mail:** shradha.salaria@icicibank.com  
**SEBI Regn No.:** INBI000000004

#### SELF CERTIFIED SYNDICATE BANKS

The lists of banks that have been notified by SEBI to act as SCSB for the Applications Supported by Blocked Amount (ASBA) Process are provided on <http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34>. For details on Designated Branches of SCSBs collecting the ASBA Bid cum Application form, please refer to the abovementioned SEBI link.

#### CREDIT RATING

This being an issue of Equity shares, credit rating 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.

## APPRAISAL AND 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 ₹50,000 Lacs. Since the Issue size is only of ₹[•] Lacs, our Company has not appointed any monitoring agency for this Issue. However, the Audit Committee of our Company, would be monitoring the utilization of the proceeds of the Issue.

## INTER-SE ALLOCATION OF RESPONSIBILITIES

Since Mark Corporate Advisors Pvt. Ltd. is the sole Book Running Lead Manager to this Issue, a statement of inter se allocation of responsibilities among Book Running Lead Managers is not applicable.

## EXPERT OPINION

Except the report of the Statutory Auditor on statement of tax benefits included in this Draft Red Herring Prospectus, our Company has not obtained any other expert opinion.

## DEBENTURE TRUSTEE

Since this is not a debenture issue, appointment of debenture trustee is not required.

## UNDERWRITER

Our Company and BRLM to the issue hereby confirm that the Issue is 100% Underwritten. The Underwriting Agreement is dated [•] pursuant to the terms of the underwriting agreement; the obligations of the underwriter are subject to certain conditions specified therein. The underwriter has indicated its intention to underwrite the following number of specified securities being offered through this Issue.

Name and Address of the Underwriter	Indicative Number of Equity shares to be Underwritten	Amount Underwritten (₹ in Lacs)	% of the Total Issue Size Underwritten
<b>Mark Corporate Advisors Pvt. Ltd.</b> 404/1, The Summit Business Bay, Sant Janabai Road (Service Lane), Off W. E. Highway, Vile Parle (East), Mumbai-400 057 <b>Tel:</b> +91 22 2612 3207/08 <b>E-mail:</b> smeipo@markcorporateadvisors.com <b>Contact Person:</b> Mr. Manish Gaur <b>SEBI Regn No.:</b> INM000012128	[•]	[•]	[•]
[•]	[•]	[•]	[•]
<b>TOTAL</b>	[•]	[•]	[•]

In the opinion of the Board of Directors of the Company, the resources of the above-mentioned underwriter are sufficient to enable them to discharge their respective underwriting obligations in full. Further, the underwriter shall be paid a commission at the rate of [•]% of the net offer to the public.

## Details of Market Making Arrangement

Our Company and the Book Running Lead Manager have entered into a tripartite agreement dated [•] with the following Market Maker, duly registered with National Stock Exchange of India Limited to fulfill the obligations of Market Making:

[•], registered with SME segment (NSE-EMERGE) of NSE 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 NSE 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 ₹1,00,000/-. However, the investors with holdings of value less than ₹1,00,000/- shall be allowed to offer their holding to the Market Maker(s) (individually or jointly) in that scrip provided that he sells his entire holding in that scrip in one lot along with a declaration to the effect to the selling broker.
- 3) After a period of three years 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 1,60,000 Equity Shares to be allotted under this Issue.) Any Equity Shares allotted to Market Maker under this Issue over and above 1,60,000 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, the concerned stock exchange may intimate the same to SEBI after due verification.
- 5) Execution of the order at the quoted price and quantity must be guaranteed by the Market Maker(s), for the quotes given by him.
- 6) There would not be more than five Market Makers for a script at any point of time and the Market Makers may compete with other Market Makers for better quotes to the investors. At this stage [.] is acting as the sole Market Maker.
- 7) On the first day of the listing, there will be pre-opening session (call auction) and there after the trading will happen as per the equity market hours. The circuits will apply from the first day of the listing on the discovered price during the pre-open call auction.
- 8) The Market Maker may also be present in the opening call auction, but there is no obligation on him to do so.
- 9) There will be special circumstances under which the Market Maker may be allowed to withdraw temporarily/fully from the market – for instance due to system problems, any other problems. All controllable reasons require prior approval from the Exchange, while force-majeure will be applicable for non-controllable reasons. The decision of the Exchange for deciding controllable and non-controllable reasons would be final.
- 10) The Market Maker(s) shall have the right to terminate said arrangement by giving one month notice or on mutually acceptable terms to the Merchant Banker, 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 Book Running 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, 2009.



Further the Company and the Book Running 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 particular point of time. The Market Making Agreement is available for inspection at our Registered Office from 11.00 a.m. to 5.00 p.m. on working days.

- 12) NSE Emerge will have all margins which are applicable on the NSE Main Board viz., Mark-to-Market, Value-At-Risk (VAR) Margin, Extreme Loss Margin, Special Margins and Base Minimum Capital etc. NSE can impose any other margins as deemed necessary from time-to-time.
- 13) NSE Emerge 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) The price band shall be 20% and the market maker spread (difference between the sell and the buy quote) shall be within 10% or as intimated by Exchange from time to time.

## CAPITAL STRUCTURE

The share capital of our Company as of the date of this Draft Red Herring Prospectus before and after the issue is set forth below:

(₹ in Lacs)

Sr. No.	Particulars	Aggregate Value	
		Face Value	Issue Price
<b>A.</b>	<b>AUTHORISED SHARE CAPITAL</b>		
	1,25,00,000 Equity Shares of face value of ₹10 each	1250.00	-
<b>B.</b>	<b>ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL</b>		
	81,00,000 fully paid up Equity Shares of face value of ₹10 each	810.00	-
<b>C.</b>	<b>PRESENT ISSUE IN TERMS OF DRAFT RED HERRING PROSPECTUS*</b>		
	30,00,000 Equity Shares of face value of ₹10 each at a premium of ₹[•] per Equity Share	300.00	[•]
	<i>Which comprises of:</i>		
	1,60,000 Equity Shares of face value of ₹10 each at a Price of ₹[•] per Equity Share reserved as Market Maker portion	16.00	[•]
	Net Issue to Public of 28,40,000 Equity Shares of face value of ₹10 each at a premium of ₹[•] per Equity Share	284.00	[•]
	<i>of which:</i>		
	<b>Retail Portion:</b> 14,20,000 Equity Shares of face value of ₹10 each at a premium of ₹[•] per Equity Share will be available for allocation to Investors up to ₹2.00 Lacs	142.00	[•]
	<b>Non-Retail Portion:</b> 14,20,000 Equity Shares of face value of ₹10 each at a premium of ₹[•] per Equity Share will be available for allocation to Investors above ₹2.00 Lacs	142.00	[•]
<b>D.</b>	<b>ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL AFTER THE ISSUE</b>		
	1,11,00,000 Equity Shares of face value of ₹10 each	1110.00	[•]
<b>E.</b>	<b>SECURITIES PREMIUM ACCOUNT</b>		
	Before the Issue		442.78
	After the Issue		[•]

\*The Issue has been authorized pursuant to a resolution of our Board dated July 20, 2017 and by Special Resolution passed under Section 23 and Section 62(1)(c) of the Companies Act, 2013 at an Extra Ordinary General Meeting of our shareholders held on August 14, 2017.

The Company has only one class of share capital i.e. Equity Shares of face value of ₹10/- each only. All Equity Shares issued are fully paid-up.

Our Company has no outstanding convertible instruments as on the date of this Draft Red Herring Prospectus.

### NOTES TO THE CAPITAL STRUCTURE

History of change in authorized Equity Share capital of Our Company

- 1) The Authorized Share Capital of ₹10,00,000 (Rupees Ten Lacs only) consisting of 1,00,000 Equity shares of face value of ₹10 each was increased to ₹6,00,00,000 (Rupees Six Crores only) consisting of 60,00,000 Equity Shares of face value of ₹10 each pursuant to a resolution of the shareholders dated July 14, 2017.
- 2) The Authorized Share Capital of ₹6,00,00,000 (Rupees Six Crores only) consisting of 60,00,000 Equity Shares of face value of ₹10 each was increased to ₹12,50,00,000 (Rupees Twelve Crores Fifty Lacs only) consisting of 1,25,00,000 Equity Shares of face value of ₹10 each pursuant to a resolution of the shareholders dated October 26, 2017.

## 1) Equity Share Capital History:

Date of Allotment of the Equity Shares	No. of Equity Shares Allotted	Face Value	Issue Price	Nature of Allotment	Nature of Consideration	Cumulative No. of Shares	Cumulative Paid up Capital (₹)
On Incorporation (04.10.2016)	15,000 <sup>(1)</sup>	10	10	Subscribers to Memorandum	Cash	15,000	1,50,000
July 16, 2017	58,71,100 <sup>(2)</sup>	10	10	Consideration for Business Acquisition	Other than Cash	58,86,100	5,88,61,000
November 30, 2017	17,63,300 <sup>(3)</sup>	10	30	Conversion of unsecured loans	Cash	76,49,400	76,49,4000
December 30, 2017	3,22,500 <sup>(4)</sup>	10	30	Conversion of unsecured loans	Cash	79,71,900	7,97,19,000
January 15, 2018	1,28,100 <sup>(5)</sup>	10	30	Conversion of unsecured loans	Cash	81,00,000	8,10,00,000

<sup>(1)</sup> Initial Subscribers to Memorandum of Association hold 15,000 Equity Shares each of face value of ₹10/- fully paid up as per the details given below:

Sr. No.	Name of Person	No. of Shares Allotted
1)	Mr. Dipesh Godha	5,000
2)	Mrs. Rupali Godha	5,000
3)	Mrs. Madhu Godha	5,000
	<b>Total</b>	<b>15,000</b>

<sup>(2)</sup> The Company allotted 58,71,100 Equity Shares of face value of ₹10 each at par to Mrs. Madhu Godha against the consideration of Business Takeover whose details under the chapter titled “*Our Business*” on page 74 of this DRHP.

<sup>(3)</sup> The Company converted unsecured loans of ₹528.99 lacs into 17,63,300 Equity Shares of face value of ₹10/- each at a price of ₹30 (including premium of ₹20) pursuant to the special resolution passed by the Shareholders on August 14, 2017 and the agreement of unsecured loan entered by our company with the lenders(promoters) on August 14, 2017 and the details of the allotment are given below:

Sr. No.	Name of Person	No. of Shares Allotted
1)	Mrs. Madhu Godha	15,31,800
2)	Mr. Dipesh Godha	2,31,500
	<b>Total</b>	<b>17,63,300</b>

<sup>(4)</sup> The Company converted unsecured loans of ₹96.75 lacs lent by Mrs. Madhu Godha into 3,22,500 Equity Shares of face value of ₹10/- each at a price of ₹30 (including premium of ₹20) pursuant to the special resolution passed by the Shareholders on August 14, 2017 and the agreement of unsecured loan entered by our company with the lenders(promoters) on August 14, 2017.

<sup>(5)</sup> The Company converted unsecured loans of ₹38.43 lacs lent by Mrs. Madhu Godha into 1,28,100 Equity Shares of face value of ₹10/- each at a price of ₹30 (including premium of ₹20) pursuant to the special resolution passed by the Shareholders on August 14, 2017 and the agreement of unsecured loan entered by our company with the lenders(promoters) on August 14, 2017.

2) Except allotment of 58,71,100 Equity Shares allotted to Mrs. Madhu Godha, we have not issued any Equity Shares for consideration other than cash.

3) We have not issued any Equity Shares out of revaluation reserves or in terms of any scheme approved under Sections 230-234 of the Companies Act, 2013.

- 4) We have not issued any equity shares in last one year at price below the Issue Price immediately from the date of filing of this Draft Red Herring Prospectus except allotment of 58,71,100 Equity Shares to Mrs. Madhu Godha. If the price of the equity shares allotted on November 30, 2017 and January 11, 2018 happens to be lower than the IPO price, the allottees for the said shares will bring the differential amount and the revised PAS-3 will be filed with RoC. Further, the said differential amount will be utilized towards the General Corporate Purposes of the Company.

**5) Capital built-up of our Promoters:**

**a) Mrs. Madhu Godha**

Date of Allotment	Consideration	Nature of the Issue	No. of Equity Shares	Face Value	Issue/ Acquisition/ Sale Price	% of Pre-Issue Paid-up Equity Capital	% of Post-Issue Paid-up Equity Capital
October 04, 2016	Cash	Subscriber to Memorandum	5,000	10	10	0.06	0.04
July 16, 2017	Cash	Transfer of 10 shares each to Mr. Amit Jain, Mrs. Arti Jain, Mr. Jitendra Ajmera and Mrs. Puja Ajmera	(40)	10	10	Negligible	Negligible
July 16, 2017	Other than Cash	Consideration for Business Acquisition	58,71,100	10	10	72.48	52.89
November 30, 2017	Cash	Conversion of unsecured loans	15,31,800	10	30	18.91	13.80
December 30, 2017	Cash	Conversion of unsecured loans	3,22,500	10	30	3.98	2.91
January 15, 2018	Cash	Conversion of unsecured loans	1,28,100	10	30	1.58	1.15
		<b>Total</b>	<b>78,58,460</b>			<b>97.02</b>	<b>70.79</b>

**b) Mrs. Rupali Godha**

Date of Allotment	Consideration	Nature of the Issue	No. of Equity Shares	Face Value	Issue/ Acquisition/ Sale Price	% of Pre-Issue Paid-up Equity Capital	% of Post-Issue Paid-up Equity Capital
October 04, 2016	Cash	Subscriber to Memorandum	5,000	10	10	0.06	0.04
		<b>Total</b>	<b>5,000</b>			<b>0.06</b>	<b>0.04</b>

**c) Mr. Dipesh Godha**

Date of Allotment	Consideration	Nature of the Issue	No. of Equity Shares	Face Value	Issue/ Acquisition/ Sale Price	% of Pre-Issue Paid-up Equity Capital	% of Post-Issue Paid-up Equity Capital
October 04, 2016	Cash	Subscriber to Memorandum	5,000	10	10	0.06	0.04
November 30, 2017	Cash	Conversion of unsecured loans	2,31,500	10	30	2.86	2.09
		<b>Total</b>	<b>2,36,500</b>			<b>2.92</b>	<b>2.13</b>

- 6) Our Promoter Group, Directors and their immediate relatives have not purchased/sold Equity Shares of the Company during last 6 months except as mentioned below:

Sr. No.	Name of Transferor	Name of Transferee	Date of Transfer	No. of Shares	Transfer Price (₹)
1)	Mrs. Madhu Godha	Mr. Amit Jain	July 16, 2017	10	10
2)		Mrs. Arti Jain		10	10
3)		Mrs. Puja Ajmera		10	10
4)		Mr. Jitendra Ajmera		10	10

- 7) Our Promoters have confirmed to the Company and the Book Running Lead Manager that the Equity Shares held by our Promoters have been financed from their personal funds/borrowed funds, as the case may be, and no loans or financial assistance from any bank or financial institution has been availed by them for this purpose.
- 8) There are no financing arrangements whereby the Promoter Group, the Directors of our Company and their relatives have financed the purchase by any other person of securities of the issuer other than in the normal course of the business of the financing entity during the period of six months immediately preceding the date of filing offer document with the Stock Exchange.

**9) Details of Promoter's Contribution locked in for three years:**

Pursuant to Regulation 32 and 36 of SEBI (ICDR) Regulations an aggregate of 20% of the post-issue capital, held by our Promoters shall be considered as Promoter's Contribution ("Promoter's Contribution") and locked-in for a period of three years from the date of allotment. The lock-in of the Promoter's Contribution would be created as per applicable law and procedure and details of the same shall also be provided to the Stock Exchange before listing of the Equity Shares.

Our Promoters Mrs. Madhu Godha, and Mr. Dipesh Godha have granted their consent to include such number of Equity Shares held by them as may constitute 20.03% of the post issue Equity Share Capital of our Company as Promoter's Contribution and have agreed not to sell or transfer or pledge or otherwise dispose of in any manner, the Promoter's Contribution from the date of filing of this Draft Red Herring Prospectus until the completion of the lock-in period specified above.

Date of Allotment	No. of Shares Allotted	Face Value	Issue Price	Nature of Allotment	% of Pre Issue Capital	% of Post Issue Capital
<b>A. Mrs. Madhu Godha</b>						
October 04, 2016	4,960	10	10	Subscribers to Memorandum	0.06%	0.04%
November 30, 2017	15,31,800	10	30	Conversion of Unsecured Loan	18.91%	13.80%
December 30, 2017	3,22,500	10	30	Conversion of Unsecured Loan	3.98%	2.91%
January 15, 2018	1,28,100	10	30	Conversion of Unsecured Loan	1.58%	1.15%
<b>Sub-Total (A)</b>	<b>19,87,360</b>				<b>24.53%</b>	<b>17.90%</b>
<b>B. Mr. Dipesh Godha</b>						
October 04, 2016	5,000	10	10	Subscribers to Memorandum	0.06%	0.04%
November 30, 2017	2,31,500	10	30	Conversion of Unsecured Loan	2.86%	2.09%
<b>Sub-Total (B)</b>	<b>2,36,500</b>				<b>2.92%</b>	<b>2.13%</b>
<b>GRAND TOTAL</b>	<b>22,23,860</b>				<b>27.45%</b>	<b>20.03%</b>

We further confirm that the aforesaid minimum Promoter's Contribution of 20.03% which is subject to lock-in for three years does not consist of:

- Equity Shares acquired during the preceding three years for consideration other than cash and out of revaluation of assets or capitalization of intangible assets or bonus shares out of revaluation reserves or reserves without accrual of cash resources.
- Equity Shares acquired by the Promoters during the preceding one year, at a price lower than the price at which Equity Shares are being offered to public in the Initial Public Offer. However, our company has allotted 17,63,300 and 4,50,600 Equity Shares to the promoters of the company on 30.11.2017 and 11.01.2018 respectively at a price of ₹30 (including premium of ₹20) and if the price of such equity shares happens to be lower than the IPO price, the allottees for the said shares will bring the differential amount and the revised PAS 3 will be filed with RoC.
- The Equity Shares held by the Promoters and offered for minimum Promoter's Contribution are not subject to any pledge.
- Equity Shares for which specific written consent has not been obtained from the shareholders for inclusion of their subscription in the minimum Promoter's Contribution subject to lock-in.
- Equity shares issued to our Promoters on conversion of partnership firm into Private limited company during the preceding one year, at a price lower than the price at which Equity Shares are being offered to public in the Initial Public Offer.

The Promoter's Contribution can be pledged only with a scheduled commercial bank or public financial institution as collateral security for loans granted by such banks or financial institutions, in the event the pledge of the Equity Shares is one of the terms of the sanction of the loan. The Promoter's Contribution may be pledged only if in addition to the above stated, the loan has been granted by such banks or financial Institutions for the purpose of financing one or more of the objects of this Issue.

The Equity Shares held by our Promoters may be transferred to and among the Promoter Group or to new Promoter 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 SEBI Takeover Regulations, as applicable.

#### **10) Details of share capital locked in for one year:**

In addition to minimum 20.03% of the Post-Issue shareholding of our Company held by the Promoter (locked in for three years as specified above), in accordance with regulation 36 of SEBI (ICDR) Regulations, the entire pre-issue share capital of our Company shall be locked in for a period of one year from the date of Allotment in this Issue.

The Equity Shares held by persons other than our Promoters and locked-in for a period of one year from the date of Allotment, in accordance with regulation 37 of SEBI (ICDR) Regulations, in 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 Takeover Regulations.

**The table below represents the current shareholding pattern of our Company as per Regulation 31 of the SEBI (LODR) Regulations, 2015:**

### 10) Shareholding Pattern of Our Company:

Cate gory Code	Category of sharehol der	No. of Shar ehol ders	No. of fully paid up equity shares held	No. of Partly Paid up equity Share s held	No. of shares underly ing Deposit ory Receipt s	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 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)	
								Equity	Pre fer enc e	Total								
I	II	III	IV	V	VI	VII= IV+V+VI	VIII	IX				X	XI=VII+X	XII		XIII		XIV
(A)	Promoters and Promoter Group	7	81,00,000	0	0	81,00,000	100.00	81,00,000	-	81,00,000	100.00	-	-	100	-	-	-	
(B)	Public	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
(C)	Non Promoter- Non Public	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
(D)	Shares underlyin g DRs	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
(E)	Shares held By Employee Trusts	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	Total	7	81,00,000	-	-	81,00,000	100.00	81,00,000				-	-	100.00	-		-	

\*As on the date of this Draft Red Herring Prospectus 1 Equity Shares holds 1 vote.

\*\*Shall be locked-in on or before the date of allotment in this Issue

# 11) Shareholding of our Promoters and Promoter Group

Sr. No.	Name of the Shareholder	Pre-Issue		Post-Issue	
		No. of Equity Shares	As a % of Issued Share Capital	No. of Equity Shares	As a % of Issued Share Capital
(I)	(II)	(III)	(IV)	(V)	(VI)
<b>A</b>	<b>Promoters</b>				
1	Mrs. Madhu Godha	78,58,460	97.018	78,58,460	70.797
2	Mrs. Rupali Godha	5,000	0.062	5,000	0.045
3	Mr. Dipesh Godha	2,36,500	2.919	2,36,500	2.131
	<b>TOTAL(A)</b>	<b>80,99,960</b>	<b>99.999</b>	<b>80,99,960</b>	<b>72.973</b>
<b>B</b>	<b>Promoter Group</b>				
1	Mr. Amit Jain	10	.00013	10	Negligible
2	Ms. Arti Jain	10	.00013	10	Negligible
3	Ms. Puja Ajmera	10	.00013	10	Negligible
4	Mr. Jitendra Kumar Jain	10	.00013	10	Negligible
	<b>TOTAL(B)</b>	<b>40</b>	<b>0.001</b>	<b>40</b>	<b>Negligible</b>
	<b>TOTAL (A+B)</b>	<b>81,00,000</b>	<b>100</b>	<b>81,00,000</b>	<b>72.973</b>

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

Name of the Promoter	No. of Equity Shares held	Average cost of Acquisition (in ₹)
Mr. Dipesh Godha	2,36,500	29.58
Ms. Rupali Godha	5,000	10.00
Ms. Madhu Godha	78,58,460	15.05

# 13) Equity Shares held by top ten shareholders

- a) Our Company has seven shareholders and the number of Equity Shares held by them as on date of this Draft Red Herring Prospectus are as under:

Sr. No.	Name of shareholder	No. of shares	Percentage Holding
1	Mr. Dipesh Godha	2,36,500	2.92
2	Ms. Rupali Godha	5,000	0.06
3	Ms. Madhu Godha	78,58,460	97.02
4	Mr. Amit Jain	10	Negligible
5	Ms. Arti Jain	10	Negligible
6	Ms. Puja Ajmera	10	Negligible
7	Mr. Jitendra Kumar Jain	10	Negligible
	<b>Total</b>	<b>81,00,000</b>	<b>100.00%</b>

- b) Our Company has seven shareholders and the number of Equity Shares held by them ten days prior to the date of this Draft Red Herring Prospectus are as under:

Sr. No.	Name of shareholder	No. of shares	Percentage Holding
1	Mr. Dipesh Godha	2,36,500	2.97
2	Ms. Rupali Godha	5,000	0.06
3	Ms. Madhu Godha	77,27,860	96.97
4	Mr. Amit Jain	10	Negligible
5	Ms. Arti Jain	10	Negligible
6	Ms. Puja Ajmera	10	Negligible
7	Mr. Jitendra Kumar Jain	10	Negligible
	<b>Total</b>	<b>79,69,400</b>	<b>100.00%</b>



- c) Our Company has three shareholders and the number of Equity Shares held by them as on incorporation date are as under:

Sr. No.	Name of shareholder	No. of Equity Shares	Percentage Holding
1	Mr. Dipesh Godha	5,000	33.33%
2	Ms. Rupali Godha	5,000	33.33%
3	Ms. Madhu Godha	5,000	33.33%
<b>Total</b>		<b>15,000</b>	<b>100.00%</b>

- 14) There is no "Buyback", "Standby", or similar arrangement for the purchase of Equity Shares by our Company/Promoters/Directors/Book Running Lead Manager for purchase of Equity Shares offered through this Draft Red Herring Prospectus.
- 15) The Equity Shares, which are subject to lock-in, shall carry the inscription "non-transferable" and the non-transferability details shall be informed to the depository. The details of lock-in shall also be provided to the Stock Exchange before the listing of the Equity Shares.
- 16) As on the date of this Draft Red Herring Prospectus, none of the shares held by our Promoters/ Promoter Group are pledged with any financial institutions or banks or any third party as security for repayment of loans.
- 17) Except, as otherwise disclosed in the chapter titled "Objects of the Issue" beginning on page 57 of this Draft Red Herring Prospectus, we have not raised any bridge loans against the proceeds of the Issue.
- 18) Investors may note that in case of over-subscription, allotment will be on proportionate basis as detailed in heading on "Basis of Allotment" beginning on page 171 of this Draft Red Herring Prospectus.
- 19) The Equity Shares Issued pursuant to this Issue shall be fully paid-up at the time of Allotment, failing which no allotment shall be made.
- 20) Our Company has not issued any Equity Shares at a price less than the Issue Price in the last one year preceding the date of filing of this Draft Red Herring Prospectus except as mentioned above in this chapter.
- 21) 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, as amended from time to time.
- 22) Under subscription, if any, in any category, shall be met with spill-over from any other category or combination of categories at the discretion of our Company, in consultation with the Book Running Lead Manager and NSE.
- 23) An over-subscription to the extent of 1% of the Issue can be retained for the purpose of rounding off while finalizing the basis of allotment to the nearest integer during finalizing the allotment, subject to minimum allotment lot. Consequently, the actual allotment may go up by a maximum of 1% of the Issue, as a result of which, the post issue paid up capital after the Issue would also increase by the excess amount of allotment so made. In such an event, the Equity Shares held by the Promoters and subject to lock-in shall be suitably increased to ensure that 20% of the post issue paid-up capital is locked-in.
- 24) The Issue is being made through Book Building Method.
- 25) As on date of filing of this Draft Red Herring Prospectus with Stock Exchange, the entire issued share capital of our Company is fully paid-up. The Equity Shares offered through this Public Issue will be fully paid up.
- 26) On the date of filing of this Draft Red Herring Prospectus with Stock Exchange, there are no outstanding financial instruments or any other rights that would entitle the existing Promoters or shareholders or any other person any option to receive Equity Shares after the Issue.

- 27) Our Company has not issued any Equity Shares out of revaluation reserves and not issued any bonus shares till date.
- 28) Book Running Lead Manager to the Issue viz. Mark Corporate Advisors Private Limited and its associates do not hold any Equity Shares of our Company.
- 29) Our Company has not revalued its assets since incorporation.
- 30) Our Company has not made any Public Issue of any kind or class of securities since its incorporation.
- 31) There will be only one denomination of the Equity Shares of our Company unless otherwise permitted by law.
- 32) Our Company shall comply with such disclosure, and accounting norms as may be specified by SEBI from time to time.
- 33) There will be no further issue of capital whether by way of issue of bonus shares, preferential allotment, and rights issue or in any other manner during the period commencing from submission of this Draft Red Herring Prospectus with Stock Exchange until the Equity Shares to be issued pursuant to the Issue have been listed.
- 34) Except as disclosed in this Draft Red Herring Prospectus, our Company presently does not have any intention or proposal to alter its capital structure for a period of six (6) months from the date of opening of the Issue, by way of split/consolidation of the denomination of Equity Shares or further issue of Equity Shares (including issue of securities convertible into Equity Shares) whether preferential or otherwise. However, during such period or later date, it may issue Equity Shares or securities linked to Equity Shares to finance an acquisition, merger or joint venture or for regulatory compliance or such other scheme of arrangement if an opportunity of such nature is determined by its Board of Directors to be in the interest of our Company.
- 35) Our Company does not have any ESOS/ESPS scheme for our employees and we do not intend to allot any shares to our employees under ESOS/ESPS scheme from the proposed Issue. As and when, options are granted to our employees under the ESOP scheme, our Company shall comply with the SEBI (Employee Stock Option Scheme and Employees Stock Purchase Plan) Guidelines 1999.
- 36) An investor cannot make an application for more than the number of Equity Shares offered in this Issue, subject to the maximum limit of investment prescribed under relevant laws applicable to each category of investor.
- 37) No payment, direct, indirect in the nature of discount, commission, and allowance, or otherwise shall be made either by us or by our Promoters to the persons who receive allotments, if any, in this Issue.
- 38) Our Company has 7 (SEVEN) shareholders as on the date of filing of this Draft Red Herring Prospectus.
- 39) There are no Equity Shares against which depository receipts have been issued.

## OBJECTS OF THE ISSUE

Our Company proposes to utilize the funds which are being raised towards funding the certain Objects and achieve the benefits of listing on the NSE Emerge Platform.

The Objects of the issue are primarily to raise the capital for the following business and operational requirements of the Company:

1. To meet the Working Capital Requirements
2. To meet General Corporate Expenses

Our Company believes that listing will enhance our Company's corporate image, brand name and create a public market for its Equity Shares in India. The main Objects Clause of our Memorandum enables our Company to undertake the activities for which funds are being raised in the Issue. The existing activities of our Company are within the Objects Clause of our Memorandum. The fund requirement and deployment is based on internal management estimates and has not been appraised by any bank or financial institution.

## FUND REQUIREMENTS

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

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

Particulars	Amount (₹ in Lacs)
To meet the Working Capital Requirements	765.00
To meet General Corporate Expenses	[•]
<b>Total</b>	<b>[•]</b>

*Means of Finance:*

*The above mentioned fund requirement are to be financed as shown below:*

Sr. No.	Particulars	Amount
01)	<i>Gross Proceeds from the Issue</i>	[.]
	<i>Less: Issue Expenses</i>	102.00
	<b><i>Net proceeds of the Issue</i></b>	[.]
02)	<i>Internal Accruals</i>	
	<b><i>Total Funds available</i></b>	[.]

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

The fund requirement and deployment are based on internal management estimates and have not been appraised by any bank or financial institution. These are based on current conditions and are subject to change in light of changes in external circumstances or costs, other financial conditions, business or strategy, as discussed further below.

In case of variations in the actual utilization of funds allocated for the purposes set forth above, increased fund requirements for a particular purpose may be financed by surplus funds, if any, available in respect of the other purposes for which funds are being raised in this Issue. If surplus funds are unavailable, the required financing will be through our internal accruals and/or debt.

We may have to revise our fund requirements and deployment as a result of changes in commercial and other external factors, which may not be within the control of our management. This may entail rescheduling, revising or cancelling the fund requirements and increasing or decreasing the fund requirements for a particular purpose from its fund requirements mentioned below, at the discretion of our management. In case

of any shortfall or cost overruns, we intend to meet our estimated expenditure from internal accruals and/or debt. In case of any such re-scheduling, it shall be made by compliance of the relevant provisions of the Companies Act, 2013.

#### DETAILS OF UTILIZATION OF ISSUE PROCEEDS

##### Working Capital Requirements:

The calculation of incremental working capital is given here under:

(₹ in lacs)

Particulars	Actual/ Adhoc	Holding period in days	31.10.2017 Audited	31.03.2018 Estimated
Current Assets				
Inventories		21	295.55	723.47
Trade receivables		60	1795.56	2100.00
Short term Loans and advances	Adhoc		95.18	19.74
Cash and cash equivalent	Adhoc		293.58	327.50
Total Current Assets (A)			2479.87	3170.71
Current Liabilities				
Short Term Borrowings	Adhoc		1113.86	448.75
Trade Payables	Adhoc		20.92	48.58
Other Current Liabilities	Adhoc		289.13	129.95
Short Term Provisions	Adhoc		68.14	22.55
Total Current Liabilities (B)			1492.05	649.83
Net Working Capital Gap (A-B)			987.82	2520.88
Incremental Working Capital Gap				1533.06
Sources of working capital				
Fresh Funds Infused by the promoters and				
Shares were allotted towards such funds				664.17
Internal Accruals				103.89
<b>Out of Net Proceeds of the Issue</b>				<b>765.00</b>
<b>TOTAL</b>				<b>1533.06</b>

The Company's business is working capital intensive and they avail their working capital in the ordinary course of business from **Union Bank of India**.

#### Basis Of Estimation

The incremental working capital requirements are based on historical Company data and estimation of the future requirements in FY 2017-18 considering the growth in activities of our Company and in line with norms generally accepted by banker(s).

##### General Corporate Expenses

We intend to use approximately ₹[●]Lacs from the Proceeds of the Issue towards general corporate expenses as decided by our Board from time to time, including but not restricted to acquire business premises, investment in business venture, strategic alignment, strategic initiatives, expansion into new geographies, brand building exercises, and other project related investments and commitments and execution capabilities in order to strengthen our operations. Further, we confirm that the amount for general corporate purposes, as mentioned in this Draft Red Herring Prospectus, will not exceed 25% of the amount raised by our Company through this Issue.

## Issue Related Expenses

The total estimated issue expenses are ₹102.00 Lacs which is [•]% of issue size. The details of issue expenses are tabulated below:

Sr. No.	Particulars	₹ in Lacs	% of Total Expenses	Total	% of Total Issue Size
1.	Issue management fees including fees selling commissions, brokerages, and payment to other intermediaries such as Legal Advisors, Registrars, Syndicate Members and other out of pocket expenses.	[.]	[.]	[.]	[.]
2.	Printing & Stationery, Distribution, Postage, etc	[.]	[.]	[.]	[.]
3.	Advertisement & Marketing Expenses	[.]	[.]	[.]	[.]
4.	Regulatory & other expenses	[.]	[.]	[.]	[.]
<b>Total</b>		<b>102.00</b>		<b>[.]</b>	<b>[.]</b>

## DEPLOYMENT OF FUNDS

The funds deployed upto January 11, 2018 and proposed to be deployed in FY 2017-18 and FY 2018-19, as certified by the auditor of the company M/s S. K. Khandelwal and Associates, Chartered Accountants, Indore(M.P.) vide certificate dated January 11, 2018 is as under:

Particulars	Already Incurred	FY 2017 – 18	FY 2018-19	Total
To meet the working capital requirement of the Company	-	765.00	0.00	765.00
General Corporate Expenses	-	[.]	[.]	[.]
Issue Expenses	16.00*	86.00	-	102.00
<b>Total</b>	<b>16.00</b>	<b>[•]</b>	<b>[•]</b>	<b>[•]</b>

\* The said expenses have been funded by the company through Internal Accruals and the same will be adjusted against the issue proceeds.

## APPRAISAL BY APPRAISING AGENCY

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 quotations received by us and 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.

## BRIDGE FINANCING FACILITIES

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

## SHORTFALL OF FUNDS

Any shortfall in meeting the Objects of the issue will be met by way of internal accruals.

## INTERIM USE OF FUNDS

Our Company, in accordance with the policies established by the Board from time to time, will have flexibility to deploy the issue proceeds. The issue proceeds of the issue pending utilization for the purposes stated in this section, shall be deposited only in scheduled commercial banks included in the Second Schedule of Reserve Bank of India Act, 1934. In accordance with Section 26 of the Companies Act, 2013, our Company confirms that it shall not use the issue proceeds of the issue for any investment in the equity markets.

## **MONITORING OF UTILIZATION OF FUNDS**

There is no requirement for a monitoring agency as the Issue size is less than ₹10,000 Lacs. Pursuant to Regulation 32(3) of the SEBI Listing Regulations, our Company shall on a half yearly basis disclose to the Audit Committee the uses and application of the issue proceeds. Until such time as any part of the issue proceeds remains unutilized, our Company will disclose the utilization of the issue proceeds under separate heads in our Company's balance sheet(s) clearly specifying the amount of and purpose for which issue proceeds have been utilized so far, and details of amounts out of the issue proceeds that have not been utilized so far, also indicating interim investments, if any, of such unutilized issue proceeds. In the event that our Company is unable to utilize the entire amount that we have currently estimated for use out of the issue proceeds in a fiscal year, we will utilize such unutilized amount in the next fiscal year.

Further, in accordance with Regulation 32(1)(a) of the SEBI Listing Regulations, our Company shall furnish to the Stock Exchange on a half yearly basis, a statement indicating material deviations, if any, in the utilization of the issue proceeds for the objects stated in this Draft Red Herring Prospectus.

## **VARIATION IN OBJECTS**

In accordance with Section 27 of the Companies Act 2013, our Company shall not vary object of the Issue without our Company being authorized to do so by our 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 Promoter, our Directors, our Company's key Managerial personnel and Group Entities, in relation to the utilisation of the proceeds of the Issue. No part of the proceeds of the Issue will be paid by us as consideration to our Promoter, our Directors or key managerial personnel or our Group Entities, except in the normal course of business and in compliance with the applicable laws.

## BASIS FOR ISSUE PRICE

*Investors should read the following basis with the “Risk Factors” beginning on page 12 and the details about the “Our Business” and its “Financial Information” included in this Draft Red Herring Prospectus on page 74 and 112 respectively to get a more informed view before making any investment decisions.*

### QUALITATIVE FACTORS

Some of the qualitative factors which may form the basis for computing the Issue Price include the following:

1. Experienced Management Team
2. Quality assurance and standards
3. Leveraging on Marketing skills
4. Established relationship with customers and employees

For further details, please refer chapter titled “Our Business” and “Risk Factors” on pages 74 and 12 of this Draft Red Herring Prospectus, respectively.

### 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 set forth below:

Some of the qualitative factors which may form the basis for computing the Issue Price include the following:

1. Experienced Management Team
2. Quality assurance and standards
3. Leveraging on Marketing skills
4. Established relationship with customers and employees

For further details, please refer chapter titled “Our Business” and “Risk Factors” on pages 74 and 12 of this Draft Red Herring Prospectus, respectively.

### 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 set forth below:

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

Period	Basic and Diluted EPS (in ₹)	Weight
October 31, 2017	3.17	2
March 31, 2017	(2.02)	1
<b>Weighted Average</b>	<b>1.44</b>	<b>3</b>

#### Notes:

- The Figures disclosed above are based on the restated financial statements of the Company.*
- The earnings per share has been calculated by dividing the net profit as restated, attributable to equity shareholders by restated weighted average number of Equity Shares outstanding during the year. Restated weighted average number of equity shares has been computed as per AS 20. The face value of each Equity Share is ₹10/-*
- The above ratios should be read with Significant Accounting Policies and the Notes to the Restated Financial Statements.*

### 1. Price / Earnings Ratio (P/E) in relation to the Issue Price of ₹[•]

Particulars	PE Ratio
P/E ratio based on the Basic & Diluted EPS, as restated for period ended 31.10.2017	[•]
P/E ratio based on the Weighted Average EPS, as restated	[•]

### Industry PE:

Industry P/E –	PE Ratio
Highest	77.90
Lowest	16.4
<b>Industry Composite Highest and Lowest</b>	<b>56.90</b>

\*Source: Capital Market, Issue: Jan 01-14, 2018, Volume: XXXII/23; Segment Electric Equipment

### 1. Return on Net Worth

Period	RONW (%)	Weight
October 31, 2017	8.15%	2
March 31, 2017	(25.29)%	1
<b>Weighted Average</b>		

Note: The RONW has been computed by dividing net profit after tax (as restated), by Net worth (as restated)

### 2. Minimum return on post Issue Net Worth to maintain the Pre-issue EPS for the period ended October 31, 2017:

At Floor Price	[•]
At Cap Price	[•]

### 3. Net Asset Value (NAV) per Equity Share:

S. No.	Particulars	(₹)
a)	As on October 31, 2017	15.42
c)	After Issue	[.]
d)	Issue Price	[.]

Note: NAV has been calculated as restated net worth divided by number of Equity Shares at the end of the year

### 4. Peer Group Comparison of Accounting Ratios

Companies	Face Value	Sales (₹in Cr.)	PAT (₹in Cr.)	EPS (In₹)	P/E Ratio	Price as on 11/01/2018 (In ₹)
Apar Industries Limited	10	5232.42	182.32	47.64	17.17	847.55

\*Source for Peer Group information: www.nseindia.com

- The figures of Our Company are based on the restated results for the period ended October 31, 2017
- The figures for the Peer group are based on Standalone audited results for the Financial Year ended March 31, 2017

The Company in consultation with the Book Running Lead Manager believes that the Issue Price of ₹ [•] per share for the Public Issue is justified in view of the above parameters. The investors may also want to peruse the "Risk Factors" on page 12, and "Financial Information" on page 112 including important profitability and return ratios, as set out in the Auditors' Report in this Draft Red Herring Prospectus to have more informed view about the investment proposition.

Investors should read the above mentioned information along with sections titled "Our Business", "Risk Factors" and "Financial Information" beginning on pages 74, 12 and 112 respectively including important



profitability and return ratios, as set out in the Financial Information of our Company beginning on page 112 of this Draft Red Herring Prospectus to have a more informed view.

## STATEMENT OF POSSIBLE TAX BENEFITS

To,  
The Board of Directors,  
Godha Cabcon & Insulation Limited  
36-D, Sector B, Sanwer Road,  
Industrial Area, Indore, Madhya Pradesh-452 006

Dear Sir

Sub: Statement of Possible Special Tax Benefits Available to the Company and its shareholders prepared in accordance with the requirements under Schedule VIII-Clause (VII) (L) of the SEBI (ICDR) Regulations, 2009, as amended (the "Regulations").

We hereby report that the enclosed annexure prepared by Godha Cabcon & Insulation Limited, states the possible special tax benefits available to Godha Cabcon & Insulation Limited ("the Company") and the shareholders of the Company under the Income Tax Act, 1961 ("Act"), presently in force in India. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the Act. Hence, the ability of the Company or its shareholders to derive the special tax benefits is dependent upon fulfilling such conditions, which based on the business imperatives, the Company may or may not choose to fulfil. The benefits discussed in the enclosed Annexure cover only special tax benefits available to the Company and shareholders do not cover any general tax benefits available to the Company. Further, the preparation of enclosed statement and the contents stated therein 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 is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the proposed initial public offering of equity shares ("the Offer") by the Company.

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

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

The contents of the enclosed statement are based on information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company. Our views are based on facts and assumptions indicated to us and the existing provisions of tax law and its interpretations, which are subject to change or modification from time to time by subsequent legislative, regulatory, administrative, or judicial decisions. Any such changes, which could also be retrospective, 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. This report including enclosed annexure are intended solely for your information and for the inclusion in the Draft Red Herring Prospectus/ Red Herring Prospectus or any other offer related material in connection with the proposed initial public offer of the Company and is not to be used, referred to or distributed for any other purpose without our prior written consent.

**For, M/s. S. K. Khandelwal & Associates**  
**Chartered Accountants**  
**Sd/-**

**Suresh Kumar Khandelwal**  
**Partner**  
**Membership No. 071189**  
**Firm Reg. No. 002305C**  
**Place: Indore**  
**Date: 12.01.2018**

## **ANNEXURE TO THE STATEMENT OF TAX BENEFITS:**

The information provided below sets out the possible special tax benefits available to the Company and the Equity Shareholders under the Income Tax Act 1961 presently in force in India. It is not exhaustive or comprehensive and is not intended to be a substitute for professional advice. Investors are advised to consult their own tax consultant with respect to the tax implications of an investment in the Equity Shares particularly in view of the fact that certain recently enacted legislation may not have a direct legal precedent or may have a different interpretation on the benefits, which an investor can avail.

**YOU SHOULD CONSULT YOUR TAX ADVISORS CONCERNING THE INDIAN TAX IMPLICATIONS AND CONSEQUENCES OF PURCHASING, OWNING AND DISPOSING OF EQUITY SHARES IN YOUR PARTICULAR SITUATION.**

### **A. SPECIAL TAX BENEFITS TO THE COMPANY**

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

### **B. SPECIAL TAX BENEFITS TO THE SHAREHOLDER**

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

#### ***Note:***

- All the above benefits are as per the current tax laws and will be available only to the sole / first name holder where the shares are held by joint holders.
- The above statement covers only certain relevant direct tax law benefits and does not cover any indirect tax law benefits or benefit under any other law

No assurance is given that the revenue authorities/courts will concur with the views expressed herein.

Our views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such changes. We shall not be liable to any claims, liabilities or expenses relating to this assignment except to the extent of fees relating to this assignment, as finally judicially determined to have resulted primarily from bad faith or intentional misconduct. We will not be liable to any other person in respect of this statement.

## SECTION IV - ABOUT OUR COMPANY

### OUR INDUSTRY

*The information in this section is derived from various publicly available sources, government publications and other industry sources. Neither we nor 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 generally believed to be reliable, but that their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured. Industry publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Accordingly, investment decisions should not be based on such information.*

#### OVERVIEW OF POWER TRANSMISSION IN INDIA

(Source: <http://powermin.nic.in/en/content/overview-0>)

Electricity sector in India is growing at rapid pace. During the current year 2017-18 (Up to 30.09.2017), the Peak Demand is about 164.1 GW and the Installed Capacity is 329.3 GW with generation mix of Thermal (66.6%), Hydro (13.6%), Renewable (17.7%) and Nuclear (2.1%).

The natural resources for electricity generation in India are unevenly dispersed and concentrated in a few pockets. Hydro resources are located in the Himalayan foothills, North Eastern Region (NER). Coal reserves are concentrated in Jharkhand, Odisha, West Bengal, Chhattisgarh, parts of Madhya Pradesh, whereas lignite is located in Tamil Nadu and Gujarat. Also lot of power station, generating from Gas and renewable energy sources like Solar, Wind etc. have been installed in various parts of country.

Power Grid Corporation of India Limited (POWER GRID), a Central Transmission Utilities (CTU), is responsible for planning inter-state transmission system (ISTS). Similarly there are State Transmission Utilities (STU) (namely State Transco/ SEBs) responsible for the development of Intra State Transmission System.

An extensive network of Transmission lines has been developed over the years for evacuating power produced by different electricity generating stations and distributing the same to the consumers. Depending upon the quantum of power and the distance involved, lines of appropriate voltages are laid. The nominal Extra High Voltage lines in vogue are  $\pm 800$  kV HVDC & 765kV, 400 kV, 230/220 kV, 110 kV and 66kV AC lines. These have been installed by all the SEBs, and by Generation, Transmission & Distribution utilities including those in Central Sector.

12,551 Circuit Kilometres (CKM) of transmission lines have been commissioned during 2017-18 (April-September 2017). This is 54.4% of the annual target of 23,086 ckm fixed for 2017-18. Similarly, 42,065 MVA of transformation capacity of substations has been added during 2017-18 (April- September 2017) which constitutes 77.9% of the annual target of 53,978 MVA fixed for 2017-18.

The capacity of transmission system of 220 kV and above voltage levels, in the country as on 30th September 2017 was 3,80,402 ckm of transmission lines and 7,82,830 MVA of transformation capacity of Substations.

As on 30th September 2017, the total transmission capacity of the inter-regional links is 78,050 MW.

The transmission lines are operated in accordance with Regulations/standards of Central Electricity Authority (CEA) / Central Electricity Regulatory Commission (CERC) / State Electricity Regulatory Commissions (SERC). However, in certain cases, the loading on transmission lines may have to be restricted keeping in view the voltage stability, angular stability, loop flows, load flow pattern and grid security. Power surplus States have been inter-alia, able to supply their surplus power to power deficit State Utilities across the country except for some congestion in supply of power to Southern Region.

Power System Operation Corporation Limited (POSOCO), is managing the National and Regional grid from National Load Despatch Centre (NLDC) and its five Regional Load Despatch Centers (RLDC) through state-of-the-art unified load dispatch & communication facilities.

## POWER TRANSMISSION INDUSTRY

(Source: <https://www.slideshare.net/ConfederationOfIndianIndustry/cii-report-on-india-power-transmission-industry>)

India's power transmission network has expanded rapidly in the last five-year plans with 32.7% growth in transmission lines, and 61.1% in AC transformation capacity from FY 12 to FY 16. Total transmission lines in India stood at 350,792 ckm and 6,190 ckm of transmissions lines were commissioned between April 2016 and July 2016 representing 26.5% of FY 16–17 annual targets (23,384 ckm). In addition, total transformation capacity stands at 686,384 MVA at the end of August 2016 and 22,675 MVA of transformation capacity was added during April–July 2016 thus achieving 50.2% of the FY 16–17 annual targets (45,188 MVA).

Significant expansion of inter-state transmission system is under way to cater to the transmission requirement of new generation projects. India has an inter-regional power transfer capacity of 61,050 MW as of August 2016 as compared to a targeted capacity of 68,050 MW by FY 16–17.

The transmission sector has taken up several initiatives in order to expand the grid resource efficiently. For instance, to reduce Right Of Way (ROW) requirements for transmission lines, 765 kV transmission voltage is increasingly being adopted. This is due to the fact that a single-circuit 765 kV line can carry as much power as three single-circuit 500 kV lines, three double-circuit 345 kV lines, or six single-circuit 345 kV lines, reducing the overall number of lines and rights of way required to deliver equivalent capacity. Moreover, gas-insulated substations (GIS) are preferred, since the total space required for a GIS is 10% of that needed for a conventional substation. This will help combat the problem of land requirement.

### Competitive Landscape/Industry Structure

Power Grid Corporation of India Ltd. (PGCIL), owns 80% of interstate transmission networks while accounting for 95% of state transformation capacity. It is accountable for wheeling power that is generated by central generating utilities (CGU) and inter-state mega independent power producers.

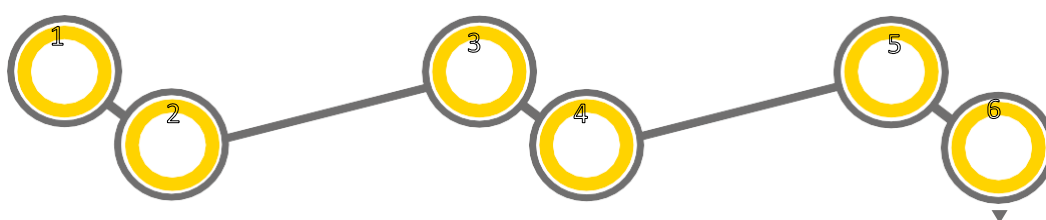
Although state-owned PGCIL dominates the power transmission segment, efforts are under way to attract increased private sector participation. Ministry of Power (MoP) announced mandatory procurement of transmission services through competitive bidding thereby, encouraging private sector investments in the industry. The private players can enter the power transmission industry via two routes — joint ventures and independent power transmission projects.

Some of the key players investing in the transmission industry are Kalpataru Power, Adani Power, Essel Infra projects, Tata Projects and Sterlite Grid. The Government planned to attract an investment of INR 1 trillion by offering projects under tariff-based competitive bidding (TBCB) to private companies in 2015, of which only INR 183.0 billion was tendered out. Three projects each were won by Sterlite Grid, Essel Infra, Adani Power and PGCIL, while one was won by Kalpataru Power. These projects were shortlisted by the Central Electricity Authority and Power Finance Corporation and Rural Electrification Corporation conducted the auctions.

The companies are now focusing on setting-up a separate transmission business, since a significant investment is yet to be tendered by the Government. The scope of participation is further supported by presence of 18,452 un-electrified villages across India.

## Major milestones in Indian transmission sector

<b>1991</b> <i>Electricity Laws Amendment Act</i> <ul style="list-style-type: none"> <li>➤ Private Participation allowed in generation</li> <li>➤ Up to 100% foreign ownership allowed</li> <li>➤ Operators and SEBs entered power purchase agreements</li> <li>➤ SEBs to be responsible for transmission and distribution of power</li> </ul>	<b>2003</b> <i>The Electricity Act</i> <ul style="list-style-type: none"> <li>➤ Replaced earlier laws, aiming to enable reforms and restructure power sector</li> <li>➤ Released National Electricity Policy, mandatory creation of SERCs, emphasis on rural electrification, open access in transmission and distribution</li> <li>➤ Introduced non-discriminatory open access in the transmission</li> </ul>	<b>2011</b> <i>National Tariff Policy (Amendment)</i> <ul style="list-style-type: none"> <li>➤ Exemption to intra state transmission sector from mandatory competitive bidding up to 5 January 2013</li> <li>➤ Exemption of select experimental works/urgent/compressed time schedule work from tariff-based competitive bidding</li> </ul>
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<b>1998</b> <i>Electricity Laws (Amendment) Act</i> <ul style="list-style-type: none"> <li>➤ Private participation enabled in transmission</li> <li>➤ CTU and STUs set up Electricity Regulatory Commissions Act</li> <li>➤ CERC and SERCs formed</li> <li>➤ Regulator to protect and promote consumer interest, fair competition, transparency</li> <li>➤ Provide a level-playing-field for all players</li> </ul>	<b>2006</b> <i>National Tariff Policy</i> <ul style="list-style-type: none"> <li>➤ Mandatory competitive bidding of all transmission projects after January 2011</li> <li>➤ Framework to determine tariffs and rate of return for projects under generation, transmission as well as distribution</li> </ul>	<b>2016</b> <i>National Tariff Policy (Amendment)</i> <ul style="list-style-type: none"> <li>➤ Developing transmission projects through competitive bidding process to ensure faster competition at lower cost.</li> <li>➤ Inter-State transmission charges and losses for renewable power (solar/wind) have been exempted.</li> </ul>
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Some of the major initiatives taken by the GoI to improve the power sector and increase generation capacity/transmission capacity include:

- The 10-year tax holiday has been extended until 31 March 2017 for utilities that commence generation, transmission or distribution of power within the period.
- In January 2016, the Union Government made amendments to the National Tariff Policy for electricity. The amendments include the following:
- All transmission projects will be awarded through tariff- based competitive bidding and all the intra-state projects, which are above a stipulated cost will also follow a bid regime thus allowing increased flow of private capital in the power sector.

- For renewable power (solar and wind), no inter-state transmission charges and losses will be levied leading to better capital utilization.
- Regulators need to mandate compulsory purchase of power from micro grid situated in remote locations.
- In FY16–17, the Government allocated INR122 billion toward schemes in the power sector with primary focus on strengthening electrical distribution, smart metering and city-level GIS.
- In the FY16–17 budget, an additional depreciation of 2016 , in the year of acquisition or commission, is granted to power transmission assets.
- In FY16–17, budgetary allocation to centrally funded power distribution schemes (Deendayal Upadhyaya Gram Jyoti Yojana and Integrated Power Development Scheme) has increased to INR 85 billion compared to last year.
- In FY16–17, a total of INR 32.1 billion has been allocated for the development of 100 smart cities.
- In August 2016, the Government launched Transmission App for Real Time Monitoring & Growth (TARANG) Mobile App & Web Portal, “e-Trans” web platform, and Discovery of Efficient Electricity Price (DEEP) e-Bidding portal for increasing transparency in the transmission sector
  - TARANG: Monitors upcoming projects and progress of inter-region and intra-region transmission system developed through the TBCB route.
  - e-Trans: A platform for e-bidding and e-reverse auction for TBCB transmission projects to facilitate better price discovery.
  - DEEP e-Bidding: A portal for medium term (one to five years) purchase of power providing e-bidding and e-reverse auction facility.

### **Power Transmission Sector Sees Growing Interest From Investors**

Riding on reforms, and significant investments planned by the Government, private players are increasingly eyeing the transmission segment as a potential steady income generating business. There is a strong sentiment among the investor community that India’s transmission sector has key fundamentals such as strong regulatory push, expanded market base with push for renewable sector, and attractive risk return profiles. Furthermore in the last two years, the Government has taken several measures to resolve current bottlenecks and enable players to make investments in creating new T&D platforms resulting in viable opportunities for capital deployment.

In April 2016, a transmission plan was established to connect 33 solar power parks (199 GW) across 21 states and these are likely to be awarded through tariff-based competitive bidding. Out of 33 solar parks, PGCIL will build transmission for only 6 parks and rest will be tendered. The cost of connecting 27 solar parks is roughly INR550 billion. In addition, in FY16, eight lines worth INR200 billion were awarded to private companies through tariff-based competitive bidding (TBCB) route.

A detailed list of major projects undertaken by the private sector companies in the transmission sector during FY16 is discussed in the table below.

### **Growth Of Smart Grids And Smart Cities**

The power transmission sector is gradually moving toward smart technology. Smart technologies have the potential to create increased efficiency within the grid and help in grid balancing by providing data about usage patterns. The Government plans to establish 100 smart cities and 500 smart towns in the next 5 to 10 years with total investments rising to INR500 billion in 4 to 5 years. National smart grid mission (NSGM) has an outlay of INR9.8 billion for Twelfth FYP along with budgetary support of INR3.4 billion.

10 smart grid pilot projects are currently being implemented by state-owned distribution utilities. These projects will primarily focus on reduction of AT&C losses, peak load management, and integration of

renewable. The Indian smart grid market including Advanced Metering Infrastructure (AMI), Distribution Automation (DA) and Wide-area Monitoring (WAM) is anticipated to increase from US\$1.2 billion in 2015 to US\$22.8 billion by 2025 growing at a CAGR of 33%.

### Introduction Of High Capacity Transmission Corridors

India is expected to witness significant power transportation over long distances in approximately next three years due to setting-up of large trunk transmission lines. Hence, there are plans to manufacture eight new large power transmission lines to transport 34,000 MW over long distances (primarily to northern and southern regions).

- The power transmission from eastern and western grids to southern grid is expected to grow from 5,900 MW to 17,000 MW by 2019–20. The 188.1% increase is attributable to forthcoming five new transmission lines worth INR4,295 billion.
- Similarly, the power transmission from the western region to the northern region is expected to increase by 111.1% by 2019–20 to 17,000 MW from the current value of 8,050 MW driven by addition of three new transmission lines.

States in India are now looking to replace costly power with cheap power available from other region, since they are able to save INR1 to INR2 per unit of power generation by just paying additional INR0.25 to INR0.30 in transmission.

- 11 high capacity power transmission corridors (HCPTC) have been planned at an estimated cost of INR750 billion, of which PGCIL is mandated to implement the work costing INR660 billion.
- These projects will target bulk power evacuation requirement of Independent Power Producers (IPP) and implementation of projects will be in a phased manner, in tandem with power generation projects.

### State-wise HCPTC presence

Corridor	State
HCPTC – 1	Orissa
HCPTC – 2	Jharkhand, West Bengal
HCPTC – 3	Sikkim
HCPTC – 4	Chhattisgarh, Madhya Pradesh
HCPTC – 5	Chhattisgarh
HCPTC – 6	Krishnapatnam, Andhra Pradesh
HCPTC – 7	Tuticorin, Tamil Nadu
HCPTC – 8	Srikakulam, Andhra Pradesh
HCPTC – 9	Common Corridor for transfer of power SR IPPs to WR/NR
HCPTC – 10	Vemagiri, Andhra Pradesh
HCPTC – 11	Nagapattinam, Tamil Nadu

### Growing Interest For Institutional And Private Investors Leading To M&A

Although the industry is primarily dominated by PGCIL, the penetration of private players is observed due to government initiatives, and several companies are concentrating on establishing their foothold in the Indian transmission sector through M&A. Buyers are showing interest in power transmission companies with assets that are up and running, since they expect gains from the Government's attempts to plug power leakage and attract investments.



- Maru Transmission Service Co. Ltd. Sold its 74 stake and Aravali Transmission Service Co. Ltd. Sold its 49 stake to a private transmission company in July 2016. Both the companies are subsidiaries of GMR infrastructure.
- In September 2016, Tata Power and ICICI venture announced a joint investment platform with Canadian pension fund along with sovereign wealth funds State General Reserve Fund of Oman (SGRF) as well as Kuwait Investment Authority to invest in power assets in the country.
- The platform targets acquisition of controlling stakes in power generating companies, both conventional thermal, hydroelectric and transmission assets in India.

Several other private players will be looking at acquiring these assets. Operating assets are more lucrative because the construction risks are removed. Long-term investors such as pension funds prefer these kinds of annuity assets. We expect more such deals as companies seek to utilize the growth potential in the power transmission industry.

### **Technological Advancements To Shape The Evolution Of Transmission Infrastructure**

The Indian power transmission industry has consistent focus on technological advancements such as High Voltage Direct Current (HVDC), better load forecast and General Network Access (GNA). Such technologies help in addressing congestion issues in the power transmission sector, since they can evacuate electricity and supply to power deficient regions.

There is also a growing focus on new ways of enterprise asset management. Condition-based asset monitoring is one area of particular focus today that can be worth millions of dollars in annual savings. IT solutions that harness consumer and grid data can help utilities reduce non-technical losses, avoid truck rolls, and make their staff more efficient — all of which translate into bottom-line gains. Some of the leading private players are looking at strategic alliances to improve efficiencies.

- The US-based Sharper Shape and Sterlite Power announced a strategic partnership in August 2016 to offer drone-based inspection services in the country to support effective asset management (increasing the uptime of the grid, avoiding blackouts, and reducing transmission tariffs).

High capacity transmission corridors comprising 765 kV AC and  $\pm 800$  kV 6000 MW HVDC system along with 400 kV AC and  $\pm 500$  kV/600 kV 2500 MW/6000 MW have been planned to facilitate transfer of power from remotely located generation complexes to bulk load centers thereby, strengthening the national grid. During the Twelfth FYP period, it is estimated that a total of around 13,000 MW of HVDC systems will be required for grid expansion and this is projected to reach 15,000 MW during the Thirteenth FYP.

GNA is a common mesh of transmission network, which can supply power from a given point of connection to any inter- state transmission system (ISTS). CTU will access this power through systematic system studies. GNA implementation will help in driving investments. The Government is supporting GNA through the following initiatives:

- Planning of new transmission corridor based on GNA requirement
- Power generators not liable to pay notional point of drawl charges
- Power generators not to have to declare target beneficiaries
- Drawing utilities to have access to ISTS to the extent of their GNA; get the system created for power transfer over ISTS from anywhere in the grid

### **CHALLENGES**

Besides insufficient capacity, the lack of sophistication in India's T&D network contributed to grid failures in the past. These are:

- The absence of an efficient grid storage system and the growing use of intermittent sources (renewables) for electricity generation meant that supply within India was not flexible enough to meet the increase in electricity demand.

- The lack of a smart grid system to monitor the entire network (inter- and intra- state) allowed state utilities to exceed their power quotas (known as “overdrawing”) from the national grid with minimal repercussions.

### **Delay in Project Execution**

The time taken from conceptualizing to commissioning, which is currently five to six years, is much longer than global standards. Lack of incentives for early commissioning discourages rapid project execution. Currently, even if a developer is able to commission lines before the contractual commercial operation date (COD), revenues are realized from the contractual COD only.

### **Regulatory Hurdles And Right Of Way**

Inordinate amount of time taken in seeking clearances and ROW has been another challenge faced by developers in this sector. On an average 36 months are required for executive of a transmission project, of which 24 months are consumed in receiving clearances from concerned authorities.

As many as 120 transmission projects have faced delays because of the developer’s inability to acquire land and get timely clearances from all stakeholders. There have also been instances of transmission lines being forced to take a different route altogether causing the entire project plan to go astray. Eight major transmission lines awarded to private players have been delayed due to regulatory hurdles.<sup>22</sup> Furthermore, as of January 2015, transmission projects worth INR70 billion reported delays due issues with wild life clearances.

### **High T&D Losses**

T&D losses in India at 22 are among the highest in the world and much higher than the world average of 9.8. These can be attributed mostly to operational inefficiencies. Improvements can be achieved through reliability based on-line condition monitoring, repair and maintenance in advance — thereby, reducing the number of forced outages.

### **Need For A Resilient Grid**

Failure of the transmission grid, which took place in 2012, implies the need to strengthen the transmission infrastructure. Rural electrification also requires expansion of transmission facilities. Transmission towers of 765kV and 400kV collapsed due to pre-monsoon winds during the first quarter of FY15 thereby, representing the delicacy of the transmission infrastructure in India.<sup>23</sup> Therefore, a thorough investigation and immediate remedial measures should be undertaken to address grid or tower failures because the operation of the industry is hindered, since considerable time is required (days or months depending upon breakdown) to repair such failures.

## **OPPORTUNITIES**

**Growth prospects for the transmission segment are driven by increased emphasis on grid reliability, decentralization of generation due to growing share of renewable energy, and spread of new urban and rural load centers arising from urbanization and rural electrification.**

Despite a decoupling of global electricity demand with the GDP growth (due to energy efficiency), India will continue to see a significant rise in generation capacity, thus driving transmission investments.

- Capital expenditure of INR2.6 trillion (INR1.0 trillion in substation and INR1.6 trillion in transmission lines) is envisaged in transmission and distribution sector during the Thirteenth FYP. In terms of volume, 62,800 ckm of transmission lines and 128,000 MVA of transformation capacity will be needed as part of Thirteenth FYP.
- The estimated private sector investments in T&D will reach INR3 trillion by 2019 including government support of INR1 trillion through Deen Dayal Upadhyay Gram Jyoti Yojana and the Integrated Power Development Scheme.

Opportunities will continue to grow for private players in the Indian transmission industry, since there are growing incidences of electricity shortage due to inability to evacuate excess power from resource-rich regions.

- For instance, in Chhattisgarh (generation capacity is more than 30,000 MW and peak demand is 3,300 MW while just 7,000 MW transmission capacity for power evacuation).
- The transmission sector in many states is likely to undergo significant technological enhancements. These advancements will primarily be noted in smart grid, drone infrastructure, GNA, and high capacity transmission corridors driven by aging infrastructure, capacity addition, potential M&A and growing focus on renewable (government support on green corridor) and private sector participation.

There is likely to be a growing focus on Indian transmission assets by global investors, since GoI is planning to offer equity to international pension funds aiming at INR100 billion to INR120 billion investments thereby, monetizing transmission assets.

- In tandem with this, PGCIL is developing a business model to offload certain transmission lines to these foreign investors.
- The organization also plans to enter and achieve intra- region projects worth INR150 billion to INR200 billion through joint ventures or consultation services or complete ownership in the next two to three years.

## OUR BUSINESS

In this section “our Company” refers to the Company, while “we”, “us” and “our” refers to Godha Cabcon & Insulation Limited. Unless otherwise stated or the context otherwise requires, the financial information used in this section is derived from our restated financial information. This section should be read together with "Risk Factors" on page 12 and "Industry Overview" on page 66 of this Draft Red Herring Prospectus.

### OVERVIEW

Our Company was incorporated as Godha Cabcon & Insulation Private Limited on October 04, 2016 under the provisions of Companies Act, 2013 in the State of Madhya Pradesh. Subsequently, our Company was converted into a Public Limited Company and the name was changed to “Godha Cabcon & Insulation Limited” vide fresh Certificate of Incorporation dated July 28, 2017 issued by the Registrar of Companies, Madhya Pradesh. The Corporate Identification Number of Our Company is U31909MP2016PLC041592.

Our Company is one of the leading manufacturer of ACSR/AAAC/AAC Conductors. We are one of the leading company in the State of Madhya Pradesh and have latest machines having best technology. Our manufacturing unit is located at 36-D, Sector B, Industrial Area, Sanwer Road, Indore(M.P.). We are committed to satisfy customer’s needs by supplying products on time and continuously improving our products, systems, and services.

The company is all set to continue its growth momentum with higher installed capacity and good order book position. The prospects are even brighter in view of future procurement plan of state electricity companies. We are also targeting Power Grid Corporation of India Limited to bring its products at national level.

### HISTORY

Late Shri Dilip Godha had set up an ACSR Conductor manufacturing unit at Dewas in the year 1987 in the name of “Dewas Conductor” and ran the same unit until year 2002. However, on account of ill health, he was not in a position to control and supervise the same and his son Mr. Dipesh Godha being a minor at that point of time, the production of the unit was discontinued. Thereafter, the unit was re set-up at Indore in the year 2006 under a partnership firm “M/s Godha Cabcon & Insulation” with a installed capacity of 5800 MTPA to cater the needs of the private sector. The partners at that point of time were Mr. Dilip Godha, Mrs. Madhu Godha w/o Late Dilip Godha and Mr. Dipesh Godha s/o Late Dilip Godha. The unit started its production w.e.f. April 11, 2007. All activities were looked after by Mr. Dipesh Godha under the guidance of his father, Late Dilip Godha who was not able to look after day to day activity due to ill health. The firm was dissolved on account of death of Mr. Dilip Godha on December 04, 2008 and the business was carried on in the name of Proprietorship Concern “Godha Cabcon & Insulation” and Mrs. Madhu Godha was the Sole Proprietor.

After securing ISI accreditation in the year 2011, the firm started taking participation in Government Tenders floated by the State Electricity Boards which has given tremendous growth performance. In view of significant increase in demand for the products and the capacity constraint, it expanded its capacity by installing Wire Drawing Machine based on latest technology which can draw Two Wires at a time. This is first of its kind installation in the State of Madhya Pradesh. With this, the capacity of the Concern had increased to 15000 MTPA.

The Godha Cabcon & Insulation was taken over by our company w.e.f. July 16, 2017 on a total consideration of ₹587.11 Lacs and our company had issued its Equity Shares at Par against the said consideration to Mrs. Madhu Godha Sole Proprietor of Godha Cabcon & Insulation and one of the Promoters of our company. The valuation of the concern was equivalent to the capital of the proprietor as on July 15, 2017. The brief financials for the last 3 years of the proprietorship concern is given hereunder:

### Profit & Loss Statement

Particulars	01.04.2017-15.07.2017	2016-17	2015-16	2014-15
<b>Income</b>				
Net Sales	2141.64	7419.07	4394.43	1680.93
Other Income	19.98	17.74	16.53	0.00
<b>Total Income</b>	<b>2161.62</b>	<b>7436.82</b>	<b>4410.96</b>	<b>1680.93</b>
<b>Expenditure</b>				
Raw Material Consumed	1808.07	6477.45	3748.83	1510.33
Power Expenses	12.64	32.13	21.36	10.55
Packing Material	82.18	263.17	141.52	26.67
Wages and Salary	14.67	40.03	106.79	25.16
Interest to Bank and others	90.46	186.93	90.26	22.62
Liasioning charges	17.60	53.09	12.31	0.00
Depreciation	8.30	51.97	42.81	38.78
Other Expenses	24.45	122.37	152.03	77.52
<b>Total Expenses</b>	<b>112.94</b>	<b>7227.16</b>	<b>4315.93</b>	<b>1661.32</b>
<b>Net Profit</b>	<b>103.23</b>	<b>209.66</b>	<b>95.02</b>	<b>19.61</b>

### Balance Sheet

Particulars	01.04.2017-15.07.2017	2016-17	2015-16	2014-15
<b>Sources Of Funds</b>				
Proprietor's Capital	587.11	508.51	248.16	144.87
Unsecured Loan	1321.81	988.40	849.31	1.41
Secured Loan	266.84	900.17	326.72	314.21
Current Liabilities & Provisions	169.98	170.74	38.23	278.91
<b>TOTAL</b>	<b>2345.74</b>	<b>2567.82</b>	<b>1462.41</b>	<b>739.40</b>
<b>Application Of Funds</b>				
<b>Net Fixed Assets</b>	186.54	194.70	151.73	202.03
Investments	0.00	50.00	0.00	0.00
<b>Current Assets And Loans And Advances</b>				
<b>A. Current Assets</b>				
Inventory	539.35	240.96	239.09	152.29
Sundry Debtors	1289.57	1704.80	70.15	322.68
Cash & Bank Balance	199.69	158.51	168.79	2.08
<b>B. Loans And Advances</b>				
Short term loans and advances (secured)	115.27	203.54	140.36	60.31
Deposits	15.31	15.31	60.88	0.00
<b>TOTAL</b>	<b>2345.74</b>	<b>2567.82</b>	<b>1462.41</b>	<b>739.40</b>

### ACHIEVEMENTS

We have been honored for being the most promising MSME in MP at the MSME Leadership Series, presented by Union Bank of India.

### Our Location:

**Registered Office of our Company:** 36-D, Sector B, Sanwer Road, Industrial Area, Indore, Madhya Pradesh-452 006

**DETAILS OF MANUFACTURING FACILITIES:**

Our Company has following Manufacturing facilities:

Particulars	Description				
Land Area	12,000 SQFT (Owned)				
Location	Plot No. 36-D, Sector – B, Industrial Area, Sanwer Road, Indore				
Construction Area	Factory Shed of 17000 SQFT including Processing Shed, Storage & small administrative block				
Plant and Machinery	<ul style="list-style-type: none"> <li>Wire Drawing Machines- 2 Nos.: one Single Wire -13 Dia and another Double Wire - 13 Dia.</li> <li>6+1 Bow Skip Stranding Machine – 3 Nos.</li> <li>5 Ton Overhead Cranes – 2 Nos.</li> <li>2 Ton Cranes – 5 Nos.</li> </ul>				
Manufacturing Facilities	<table border="0"> <tr> <td><b>Particulars</b></td><td><b>Capacity</b></td></tr> <tr> <td>Manufacturing &amp; sale of Aluminum Conductors being used in electrification &amp; lying of Electrical Lines.</td><td>Three Shift Annual capacity of 15000 MTPA</td></tr> </table>	<b>Particulars</b>	<b>Capacity</b>	Manufacturing & sale of Aluminum Conductors being used in electrification & lying of Electrical Lines.	Three Shift Annual capacity of 15000 MTPA
<b>Particulars</b>	<b>Capacity</b>				
Manufacturing & sale of Aluminum Conductors being used in electrification & lying of Electrical Lines.	Three Shift Annual capacity of 15000 MTPA				
Top Customers	<ul style="list-style-type: none"> <li>Madhya Pradesh Paschimkshetra Vidhyut Vitran Co. Ltd.</li> <li>Madhya Pradesh Madhyakshetra Vidhyut Vitran Co. Ltd.</li> <li>Madhya Pradesh Purvakshetra Vidhyut Vitran Co. Ltd.</li> </ul>				
Top Suppliers	Hindalco Industries Limited				

**OUR OBJECTIVES:**

- To establish the organization leadership in the area of electrical engineering both in the field of manufacturing and marketing;
- To develop high level of satisfied customer profile with dedicated service and high grade of products and quality;
- To maintain the growth patterns consistently both in terms of sales volume and return from sales.

**DETAILS OF INSTALLED & UTILISED CAPACITY**

Our Company operates from manufacturing unit primarily at 36-D, Sector B, Sanwer Road, Industrial Area, Indore, Madhya Pradesh-452 006 and the details of Installed and Utilised capacity are as under

Sr. No.	Name of Products	Installed Annual Capacity	Utilised Capacity (in tonnes)			
			16/07/2017 to 31/10/2017	01/04/2017 to 15/07/2017*	2016-17*	2015-16*
1	ACSR CONDUCTOR	Refer to below note	-	-	-	-
2	AAAC CONDUCTOR	Refer to below note	989	1244	4759	3091

\* Refers to Godha Cabcon & Insulation, proprietorship concern.

Note: Our machineries has the installed capacity for manufacturing of either AAAC Conductor equivalent to 12000 Tonnes or ACSR Conductor equivalent to 15000 Tonnes or combination thereof.

**Revenue Breakup**

Following is the revenue breakup of different varieties of Wires manufactured by us:

Sr. No.	Particulars	16.07.2017 to 31.10.2017	01.04.2017-15.07.2017*	2016-17*	2015-16*
1	AAAC Conductor Wire	2087.36	2161.62	7419.07	4394.43

<b>TOTAL</b>	<b>2087.36</b>	<b>2161.62</b>	<b>7419.07</b>	<b>4394.43</b>
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\* Refers to Godha Cabcon & Insulation, proprietorship concern.

## OUR SPECTRUM OF PRODUCTS

We offer a product range which includes-

- **AAAC Conductor (All Aluminium Alloy Conductor)**



Designed to meet any international standards, these bare overhead conductors are used in primary and secondary distribution. All Aluminium Alloy Conductors (AAAC): These are made out of high strength Aluminium-Magnesium-Silicon alloy. As compared to conventional ACSR, AAAC are of lighter weight, comparable strength & current carrying capacity, lower electrical losses and superior corrosion resistance, This has given AAAC a wide acceptance in the distribution and transmission lines.. This conductor has a minimum conductivity of 52.5% IACS.

### FEATURES:

- High strength to weight ratio
  - Better sag characteristics
  - Improved electrical properties
  - Excellent resistance to corrosion
- **ACSR Conductor (Aluminium Conductor, Steel Reinforced)**



Designed to offer unique optimal strength for line design, these overhead transmission cables meet international standards including ASTM, BS, DIN, IEC, NFC etc. These are concentrically stranded conductor with one or more layers of hard drawn Aluminium wire on galvanized steel wire core which are coated with zinc with Class A Coating. The core can be single wire or stranded depending on the size of the conductors.

### FEATURES:

- High Tensile strength
- Better sag properties
- Economic design
- Suitable for remote applications involving long spans.

- **AAC Conductor (All Aluminium Conductor)**



Used primarily for overhead transmission, primary and secondary distribution, where capacity must be maintained and a lighter conductor is desired. All Aluminium Conductor (AAC): is made up of one or more strands of hard drawn Aluminium Wires. The EC grade Alloy Conductor has a minimum conductivity of 61.2% IACS.

#### **FEATURES:**

- High current carrying capacity.
- Suitable for low and medium voltage lines in urban area Excellent resistance to corrosion
- Ideal for use in coastal area.

#### **COLLABORATIONS/TIE UPS/ JOINT VENTURES**

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

#### **INSURANCE POLICIES**

Coverage	Standard Fire and Special Perils Policy
Policy No.	OG-17-2302-4001-00001434
Agency	Bajaj Allianz
Location Covered	36-D,Sec-B, Sanwer Road Indore, Po Area - Indore, Madhya Pradesh -452 001
Sum insured	10,85,00,000.00
Total premium (₹)	59,947.00
From	30-MAR-17
Valid up to	29-MAR-18
Coverage	Burglary Insurance
Policy No.	OG-17-2302-4010-00000599
Agency	Bajaj Allianz
Location Covered	36-D,Sec-B, Sanwer Road Indore, Po Area - Indore, Madhya Pradesh -452 001
Sum insured	7,00,00,000.00
Total premium ₹	15,000.00
From	30-MAR-17
Valid up to	29-MAR-18
Coverage	Plate Glass
Policy No.	OG-17-2302-4012-00000012
Agency	Bajaj Allianz
Location Covered	36-D,Sec-B, Sanwer Road Indore, Po Area - Indore, Madhya Pradesh -452 001
Sum insured	5,00,000
Total premium (₹)	4,026.00
From	30-MAR-17
Valid up to	29-MAR-18
Coverage	Marine Open Policy (Inland Transit)
Policy No.	OG-17-2302-1005-00000086
Agency	Bajaj Allianz
Location Covered	36-D,Sec-B, Sanwer Road Indore, Po Area - Indore, Madhya Pradesh -452 001



Sum insured	1,00,00,00,000.00
Total premium (₹)	2,70,251.00
From	20-FEB-17
Valid up to	19-FEB-18
Coverage	Workmen Compensation
Policy No.	OG-16-2302-2801-00000187
Agency	Bajaj Allianz
Location Covered	36-D, Sec-B, Sanwer Road Indore, Po Area - Indore, Madhya Pradesh -452 001
Sum insured	17,88,000.00
Total premium (₹)	27,100.00
From	30-MAR-17
Valid up to	29-MAR-18

#### **UTILITIES AND INFRASTRUCTURE FACILITIES:**

Our registered office is located at Indore, MP. Our offices are equipped with computer systems and other communication equipment, efficient power supply, internet connectivity, security and other facilities, which are required for our business operations to function smoothly.

#### **Power**

The total power requirement for our manufacturing facility is 175 KVA which is met by Madhya Pradesh State Electricity Board.

#### **Water**

We have local water source at factory to meet our water requirements.

#### **Raw Material**

The major raw materials required to carry the manufacturing activities are Aluminium/Alloy Rods. These are procured directly from Hindalco Industries Ltd and H. D. Wires Pvt. Ltd.

#### **Manpower**

At our manufacturing facility, we have 16 permanent employees as on December 30, 2017 who takes care of the administration, manufacturing, marketing, supervising work, etc.

#### **Certificates**

- BIS Certification
- ISO 9000 Certification

#### **SWOT Analysis:**

#### **Strength**

Our promoters have ample experience and knowledge in this sector. Our company has successfully secured tenders from various Government and Semi-Government power companies over the year. Our company has developed a reputed and reliable clientele. Our Company executes turn key projects which provided one stop solution to the customers. We have remained focused on our core strengths of low cost production, operational efficiency and successfully developing high value accretive projects. Apart from this, following factors contribute towards strength of the company:

- Technical Competence
- Long Operational Track Record
- Well established Manufacturing facility

#### **Weakness**

It's a working capital intensive business hence huge requirement of working capital is there, also there is variance in the raw material cost.

Other Factors like-

- Low bargaining power with customers
- Dependence for availability of good quality raw material
- Bunching of orders by utilities, because of factors beyond their control such as government approvals, release of funds, etc. resulting in sub-optimal utilization of available domestic manufacturing facility

## **Opportunity**

India's power sector is expected to receive investments of about \$250 billion over the next 5 years to catch up and keep pace with electricity demand, which is increasing at 5% per annum. The market for Electrical Conductors is expected to grow at 13.5% till 2018. During FY17, 7,500 MW of inter-regional transmission capacity, along with about 19,436 circuit km (ckm) of transmission lines and 3,934 MW HVDC terminal capacities are expected to be added, so as to reach the targets specified in the 12th Plan. It is estimated that during the 13th Plan period, about 62,800 circuit kilometres (ckm) of transmission lines of 400 kV and above voltage level transmission systems would be required. This all will lead to the creation of opportunities for this Industry.

Domestic Demand-To sustain the envisaged annual GDP growth rate of around 8-9% over the next years, it has been estimated that India will require to increase its electricity generation capacity by around five times by 2032.

- Power generation and distribution gap in the Industry.
- Huge scope and investment potential in power sector
- Govt. initiatives towards power transformation industry

## **Threats**

- Growing competition in the industry
- Change in the Government policies (Industry is prone to Government policy)

## **OUR STRATEGIES**

Our vision is that we believe "Customer is the core of all the endeavors". Thus the primary objective of the company is up-holding the value of the "customer". Our Company strives to provide "solutions" rather than "selling of products."

## **OUR BUSINESS STRATEGY**

### **Further widening of our customer base**

With the growing opportunities available in the market, we will endeavour to continue to grow our business by adding new customers in existing and new geographies and also new market segments & products. We are also making efforts and diagnosing the domestic markets for our own brand product.

### **Reduction of operational costs and achieving efficiency**

Apart from expanding business and revenues we have to look for areas to reduce costs and achieve efficiencies in order to remain a cost competitive company. We focus on power reduction by use of latest technology and modification in production process. Wages control is another tool where we are using latest technology in machineries and automated the production process, thus resulting in reduced man power requirement.

### **To build-up a professional organization**

We believe in transparency, commitment and coordination in our work, with our suppliers, customers, government authorities, banks etc. We have a blend of the experience and the sufficient staff for taking care of our day to day operations. We also consult with external agencies on a case to case basis on technical and financial aspects of our business.

### **Focus on cordial relationship with our Suppliers, Customer and employees**

We believe that developing and maintaining long term sustainable relationships with our suppliers, customers and employees will help us in achieving the organizational goals, increasing sales and entering into new markets.

### **Optimal Utilization of Resources**

Our Company constantly endeavors to improve our production process, skill up-gradation of workers, modernization of machineries to optimize the utilization of resources. We analyze our existing material procurement policy and engineering processes to identify the areas of bottlenecks and take corrective measure wherever possible. This helps us in improving efficiency and putting resources to optimal use.

### **LIST OF MAJOR CUSTOMERS**

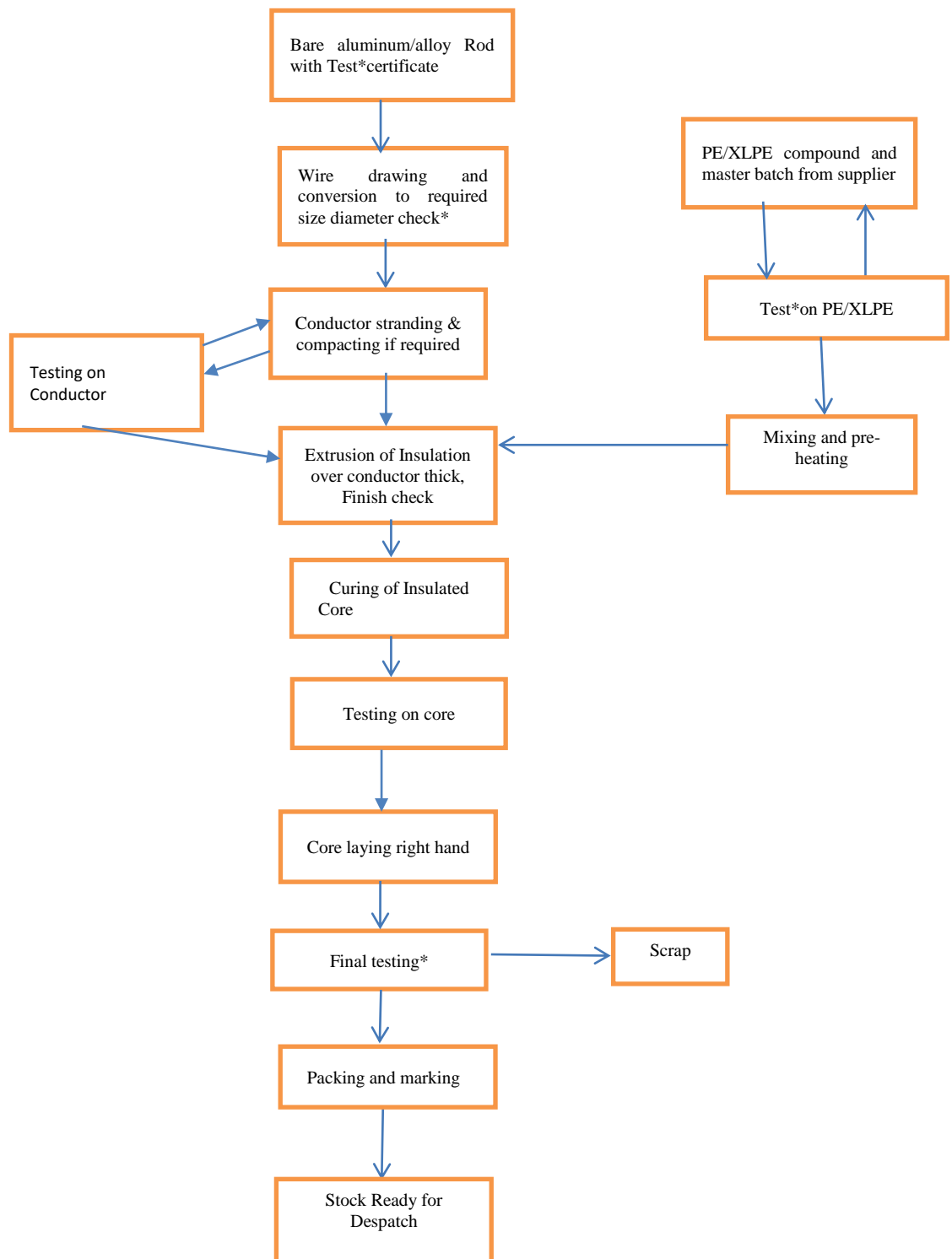
1. Madhya Pradesh Madhya Kshetra Vidhyut Vitran Co. Ltd. (MPMKVVCL), Bhopal
2. Madhya Pradesh Paschim Kshetra Vidhyut Vitran Co. Ltd. (MPPKVVCL), Indore
3. Madhya Pradesh Poorva Kshetra Vidhyut Vitran Co. Ltd
4. Star Rising Energy Pvt Ltd
5. Harpal Singh Bhatia (HUF)
6. Ubitech Pvt. Ltd.
7. Pravin Electricals Pvt. Ltd.
8. Process Construction & Technical Services Pvt. Ltd.
9. Offshore Infra Ltd.

### **Some of Our Past Projects and Projects under Implementation are as under:**

Our sales/supply activities are tender/order based. We were successful in getting various tenders and orders from State Electricity Board on timely manner. Few of our heavy tenders were from:

1. Madhya Pradesh Madhya Kshetra Vidyut Vitaran Co. Ltd.(Bhopal) for ₹21 Crore in the year 2015 for AAAC Conductor. Earlier we received order for ₹25 crore and in 2016 we further received order for ₹12.5 crore (extension) due to before time delivery and better quality of products.
2. Madhya Pradesh Poorva Kshetra Vidyut Vitaran Co. Ltd.- for ₹12.5 Crore in the year 2017 for AAAC Rabbit Conductor.
3. Madhya Pradesh Paschim Kshetra Vidyut Vitaran Co.Ltd- (Indore) for ₹35 Crore in the year 2015 for AAAC Rabbit conductor.

## PROCESS FLOW CHART



## Human Resource

Currently there are 16 employees employed in the Company and details of the same are given hereunder:

Sr. No.	Department	No. of Employees
1.	Operations and Production	13
2.	Administration	1
3.	Finance & Accounts	1
4.	Secretarial & Legal	1
	<b>Total</b>	<b>16</b>

## COMPETITION

We operate in an increasingly high competitive market, with participants in the organized and the unorganized sector. We face competition from other manufacturers, traders and suppliers of Wires in relation to our offerings. Suppliers are based on key attributes including technical competence, product quality, strength of sales and distribution network, pricing and timely delivery. While our competitors in the organized sector focus more on technology and quality of their products, their unorganized counterparts supply their products at extremely competitive prices, which we may be unable to effectively compete with.

## EXPORT POSSIBILITY AND OBLIGATION

We do not have any export possibility and obligation.

## APPROACH TO MARKETING AND MARKETING SET-UP

We provide a full range of services to help find, qualify, close and retain lucrative customer relationships. Most of our business and orders are awarded after tendering process. Our marketing and business development team endeavor to make our bids competitive in order to maintain old clients as well as searching for new customer base and clientele. To retain our clients we regularly interact with them to gain insight into customized product requirements and bring innovation into our product offerings.

Backing by our strong commitment towards Quality Products and timely Delivery Schedules we are able to secure repeated orders from our customers. Other than Govt. companies, we have been doing most of our Sales through Letter of Credit or Advance payments. Major part of our sales is to the Power Sector directly or indirectly. We always try to assess properly our customers' needs and keep on innovating up gradation for better performance of our products.

## OUR PROPERTIES

Land and Properties taken on Lease/Rent by the Company:

Sr. No.	Location of the Property	Licensor/Lessor	Lease/Rent Amount	Use
01.	36-D, Sector B, Sanwer Road, Indore (M.P.)	Govt. Of Madhya Pradesh (District Trade And Industries Centre), Indore	₹31343 Per Annum	Factory & Registered office

## INTELLECTUAL PROPERTY

We have no Intellectual Property in our name .

## KEY INDUSTRY REGULATIONS AND POLICIES

*The following is an overview of the relevant regulations and policies as prescribed by the Government of India or other regulatory bodies which are applicable to our business and operations in India. The information detailed below has been obtained from publications available in the public domain. The regulations set out below are not exhaustive and are only intended to provide general information to the investors and are neither designed nor intended to substitute for professional legal advice. The statements below are based on the current provisions of Indian law, which are subject to change or modification by subsequent legislative, regulatory, administrative or judicial decisions.*

### I. Industry Related Laws

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

The Micro, Small and Medium Enterprise Act, (***“MSMED Act”***) seeks to provide for the promotion and development along with facilitating and enhancing competition among micro, small and medium enterprises. The MSMED Act inter-alia empowers the Central Government to classify by notification, any class of enterprises including a company, a partnership, firm or any other undertaking engaged in the manufacture or production as specified in the first schedule to the Industries (Development and Regulation) Act, 1951, as follows:

- (i) A micro enterprise, where the investment in plant and machinery does not exceed Rs. 25,00,000/- (Rupees Twenty Five Lakhs Only);
- (ii) A small enterprise, where the investment in plant and machinery is more than Rs. 25,00,000/- (Rupees Twenty Five Lakh Only) but does not exceed Rs. 5,00,00,000/- (Rupees Five Crores Only); or
- (iii) A medium enterprise, where the investment in plant and machinery is more than Rs. 5,00,00,000/- (Rupees Five Crores Only) but does not exceed Rs. 10,00,00,000/- (Rupees Ten Crores Only).

The MSMED Act also stipulates that any person who intends to establish, a micro or small enterprise or a medium enterprise engaged in rendering of services, may at his discretion and a medium enterprise engaged in the manufacture or production of goods as specified hereinabove, file a memorandum of micro, small or medium enterprise, as the case may be, with the prescribed authority.

#### ***The Bureau of Indian Standards Act, 1986***

The Bureau of Indian Standards Act (***“BIS Act”***) provides for the establishment of Bureau for the harmonious development of the activities of standardization, marking and quality certification of goods and for matters connected therewith or incidental thereto. The Bureau of Indian Standards (***“BIS”***) is the National Standards Body of India. The BIS product certification scheme is essentially voluntary in nature, and is largely based on ISO/IEC Guide 28 which provides general rules for third party certification system of determining conformity with product standards through initial testing and assessment of a factory quality management system and its acceptance followed by surveillance that takes into account the factory quality management system and the testing of samples from the factory and the open market. All BIS certifications are carried out in accordance with Indian Standards, which are amenable to certification. A large number of operational elements of the BIS product certification scheme correspond with the requirements of ISO/IEC 17065.

#### ***Central Electricity Authority (Measures relating to Safety and Electric Supply) Regulations, 2010 (“Safety and Electric Supply Regulations”)***

The Safety and Electric Supply Regulations lay down general safety requirements with respect to electric supply lines and apparatus, including meters, switchgears, switches and cables. It requires all electric supply lines and apparatus to have adequate rating for power, insulation and estimated fault current and be of adequate mechanical strength for the duty cycle such apparatus may be required to perform and are required to be constructed, installed, protected, worked and maintained in a manner that will ensure safety of human beings, animals and property. It further requires all electric material and apparatus to conform to the relevant specifications prescribed by the BIS or the International Electro-Technical Commission, as applicable. Further, the Safety and Electric Supply Regulations mandates the installation of suitable switchgear in each conductor of every service line within a consumer’s premises, excluding earthed, earthed neutral or earthed external conductor and also requires that such switchgear be encased in a fireproof receptacle.

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

The Legal Metrology Act, 2009 ( "***Metrology Act***" ) (i) establishes and enforces standards of weights and measures; (ii) regulates trade and commerce in weights; (iii) and measures other goods which are sold or distributed by weight, measure or number and for matters connected therewith. The Metrology Act states that any transaction/contract relating to goods/class of goods shall be as per the weight/measurement/numbers prescribed by the Metrology Act. Moreover, the Metrology 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 Metrology Act.

## **II. Labour Laws**

### ***Industrial (Development and Regulation) Act, 1951***

The Industrial (Development and Regulation) Act, 1951 has been liberalized under the New Industrial Policy dated July 24, 1991, and all industrial undertakings have been made exempt from licensing except for certain industries such as distillation and brewing of alcoholic drinks, cigars and cigarettes of tobacco and manufactured tobacco substitutes, all types of electronic aerospace and defense equipment, industrial explosives including detonating fuses, safety fuses, gun powder, nitrocellulose and matches and hazardous chemicals and those reserved for the small scale sector. An industrial undertaking, which is exempt from licensing, is required to file an Industrial Entrepreneurs Memorandum with the Secretariat for Industrial Assistance, Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India, and no further approvals are required.

### ***The Industrial Disputes Act, 1947 and Industrial Dispute (Central) Rules, 1957***

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

### ***The Employees' Compensation Act, 1923***

The Employees' Compensation Act, 1923 ("***EC Act***") has been enacted with the objective to provide for the payment of compensation to workmen by employers for injuries caused by accident(s) arising out of and in the course of employment, and for occupational diseases resulting in death or disablement. The EC Act makes every employer liable to pay compensation in accordance with the EC Act if a personal injury/disablement/ loss of life is caused to a workman by accident arising out of and in the course of his employment. In case the employer fails to pay compensation due under the EC Act within 1 (one) month from the date it falls due, the commissioner appointed under the EC Act may direct the employer to pay the compensation amount along with interest and may also impose a penalty.

### ***Equal Remuneration Act, 1976***

Equal Remuneration Act, 1976 provides for payment of equal remuneration to men and women workers and for prevention discrimination, on the ground of sex, against female employees in the matters of employment and for matters connected therewith.

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

The purpose of Maternity Benefit Act, 1961 is to regulate the employment of pregnant women and to ensure that they get paid leave for a specified period before and after child birth. It provides, *inter-alia*, for payment of maternity benefits, medical bonus and enacts prohibitions on dismissal, reduction of wages paid to pregnant women, etc.

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

The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (“**SHWW Act**”) provides for the protection of women at work place and prevention of sexual harassment at work place. The SHWW Act also provides for a redressal mechanism to manage complaints in this regard. Sexual harassment includes one or more of the following acts or behavior namely, physical contact and advances or a demand or request for sexual favors or making sexually coloured remarks, showing pornography or any other unwelcome physical, verbal or non-verbal conduct of sexual nature. The SHWW Act makes it mandatory for every employer of a workplace to constitute an Internal Complaints Committee which shall always be presided upon by a woman. It also provides for the manner and time period within which a complaint shall be made to the Internal Complaints Committee i.e. a written complaint is to be made within a period of 3 (three) months from the date of the last incident. If the establishment has less than 10 (ten) employees, then the complaints from employees of such establishments as also complaints made against the employer himself shall be received by the Local Complaints Committee. The penalty for non-compliance with any provision of the SHWW Act shall be punishable with a fine extending to Rs. 50,000 (Fifty Thousand).

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

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

### ***The Payment of Gratuity Act, 1972***

The Payment of Gratuity Act, 1972 (“**PG Act**”) applies to every factory and shop or establishment in which 10 (ten) or more employees are employed. Gratuity is payable to an employee on the termination of his employment after he has rendered continuous service for not less than 5 (five) years:

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

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

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

## **III. Tax Laws**

### ***Income Tax Act, 1961***

The Income Tax Act, 1961 (“**IT Act**”) deals with the taxation of individuals, corporate, partnership firms and others. As per the provisions of the IT Act the rates at which they are required to pay tax is calculated on the income declared by them or assessed by the authorities, after availing the deductions and concessions accorded under the IT Act. The maintenance of books of Accounts and relevant supporting documents and registers are mandatory under the IT Act. Filing of returns of Income is compulsory for all assesses.

### ***The Goods and Services Tax Act, 2017 (the “GST Act”)***

The Government of India proposed a comprehensive national goods and services tax (“**GST**”) regime that would combine taxes and levies by the Central and State Governments into a unified rate structure. In this regard, the Constitution (101 Amendment) Act 2016, which received presidential assent on September 8, 2016, enabled the Government of India and State Government to introduce GST. Accordingly, GST was enacted to



make a provision for levy and collection of tax on supply of goods or services or both and was made effective from July 1, 2017.

GST is a destination based tax levied on supply of goods and services. GST is levied on all transactions such as sale, transfer, purchase, barter, lease, or import of goods and/or services. India adopted a dual GST model, meaning that taxation is administered by both the Union and State Governments. Transactions made within a single state are levied with Central GST (CGST) by the Central Government and State GST (SGST) by the Government of that State. For inter-State transactions and imported goods or services, an Integrated GST (IGST) is levied by the Central Government. GST will be levied on all stages of the supply chain till the final sale to consumers, providing ITC the supply chain. There will be four tax rates namely 5%, 12%, 18% and 28%. The rates of GST applied are subject to variations based on the goods or services.

#### **IV. Environment Laws**

The three major statutes in India which seek to regulate and protect the environment against pollution and related activities in India are the Water (Prevention and Control of Pollution) Act 1974, the Air (Prevention and Control of Pollution) Act, 1981 and the Environment (Protection) Act, 1986. The basic purpose of these statutes is to control, abate and prevent pollution. In order to achieve these objectives, Pollution Control Boards (“**PCB**”) which are vested with diverse powers to deal with water and air pollution, have been set up in each state. The PCBs are responsible for setting the standards for maintenance of clean air and water, directing the installation of pollution control devices in industries and undertaking investigations to ensure that industries are functioning in compliance with the standards prescribed.

##### ***The Environment (Protection) Act, 1986***

The Environment Protection Act (“**EPA**”) has been enacted with the objective of protecting and improving the environment and for matters connected therewith. As per the EPA, the Central Government has been given the power to take all such measures for the purpose of protecting and improving the quality of the environment and to prevent environmental pollution. Further, the Central Government has been given the power to give directions in writing to any person or officer or any authority for any of the purposes of the EPA, including the power to direct the closure, prohibition or regulation of any industry, operation or process.

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

The Water (*Prevention and Control of Pollution*) Act (“**Water Act**”) prohibits the use of any stream or well for the disposal of polluting matter, in violation of the standards set out by the concerned PCB. The Water Act also provides that the consent of the concerned PCB must be obtained prior to opening of any new outlets or discharges, which are likely to discharge sewage or effluent. The Water (Prevention and Control of Pollution) Cess Act, 1977 (“**Water Cess Act**”) and Water (Prevention and Control of Pollution) Cess Rules, 1978 (“**Water Cess Rules**”).

The Water Cess Act has been enacted to provide for the levy and collection of a cess on water consumed by persons carrying on certain industries by local authorities constituted under the Water Act, with a view to augment the resources of the central and State PCBs for the prevention and control of water pollution. The Water Cess Rules have been notified under Section 17 of the Water Cess Act and provide, inter alia, for the standards of the meters and places where they are to be affixed and the furnishing of returns by consumers.

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

The Air (Prevention and Control of Pollution) Act (“**Air Act**”) requires that any industry or institution emitting smoke or gases must apply in a prescribed form and obtain consent from the state PCB prior to commencing any activity. The state PCB is required to grant, or refuse, consent within four months of receipt of the application. The consent may contain conditions relating to specifications of pollution control equipment to be installed.

##### ***Hazardous and Other Wastes (Management and Trans boundary Movement) Rules, 2016***

Under the Hazardous and Other Wastes (Management and Trans boundary Movement) Rules, 2016 (“**Rules**”) an “occupier” has been defined as any person who has control over the affairs of a factory or premises or any

person in possession of hazardous waste. In terms of the Rules, occupiers have been, inter alia, made responsible for safe and environmentally sound handling of hazardous and other wastes generated in their establishments and are required to obtain license/ authorisation from concerned PCBs, for handling, generating, collecting, processing, treating, packaging, storing, transporting, using, recycling, recovering, pre-processing, co- processing, offering for sale, or the like of the hazardous and other wastes.

## **V. Intellectual Property Laws**

### ***The Copyright Act, 1957***

The Copyright Act, 1957 (“**Copyright Act**”) governs copyright protection in India. Under the Copyright Act, a copyright may subsist in original literary, dramatic, musical or artistic works, cinematograph films, and sound recordings. While copyright registration is not a prerequisite for acquiring or enforcing a copyright in an otherwise copyrightable work, registration constitutes *prima facie* evidence of the particulars entered therein and may expedite infringement proceedings. Once registered, copyright protection of a work lasts for a period of sixty years from the demise of the author. Reproduction of a copyrighted work for sale or hire, issuing of copies to the public, performance or exhibition in public, making a translation of the work, making an adaptation of the work and making a cinematograph film of the work without consent of the owner of the copyright are all acts which amounts to an infringement of copyright.

### ***The Trade Marks Act, 1999***

Indian trademark law permits the registration of trademarks for goods and services. The Trade Marks Act, 1999 (“**Trademark Act**”) governs the statutory protection of trademarks and for the prevention of the use of fraudulent marks in India. An application for trademark registration may be made by individual or joint applicants and can be made on the basis of either use or intention to use a trademark in the future. Once granted, trademark registration is valid for ten years, unless cancelled. If not renewed after ten years, the mark lapses and the registration have to be restored. The Trademark (Amendment) Act, 2010 has been enacted by the government to amend the Trademark Act to enable Indian nationals as well as foreign nationals to secure simultaneous protection of trademark in other countries. It also seeks to simplify the law relating to transfer of ownership of trademarks by assignment or transmission and to align the law with international practice.

### ***The Patents Act, 1970***

The Patents Act, 1970 (“**Patents Act**”) governs the patent regime in India. Being a signatory to the Agreement on Trade Related Aspects of Intellectual Property Rights, India is required to recognise product patents as well as process patents. In addition to broad requirement that an invention satisfy the requirements of novelty, utility and non-obviousness in order for it to avail patent protection, the Patents Act further provides that patent protection may not be granted to certain specified types of inventions and materials even if they satisfy the above criteria.

## **VI. Other laws**

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

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

### ***The Specific Relief Act, 1963***

The Specific Relief Act, 1963 (“**SR Act**”) is complimentary to the provisions of the Contract Act and the Transfer of Property Act, as the Act applies both to movable property and immovable property. The SR Act applies in cases where the Court can order specific performance of a contract. Specific relief can be granted only for purpose of enforcing individual civil rights and not for the mere purpose of enforcing a civil law. ‘Specific performance’ means Court will order the party to perform his part of agreement, instead of imposing on him any monetary liability to pay damages to other party.

### ***The Companies Act, 2013***

The Companies Act, 2013 (“**CA 2013**”) has been introduced to replace the existing Companies Act, 1956 in a phased manner. The Act primarily regulates the formation, financing, functioning and winding up of companies. The CA 2013 prescribes regulatory mechanism regarding all relevant aspects, including organizational, financial and managerial aspects of the company. It plays a fundamental role in protecting the investors and the shareholders and balances it with different aspects of company autonomy. The Ministry of Corporate Affairs has also issued Rules complementary to the Act, establishing the procedure to be followed by the companies in order to comply with the substantive provisions of the CA 2013.

### ***Competition Act, 2002***

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

### ***The Consumer Protection Act, 1986***

The Consumer Protection Act (“**COPRA**”) aims at providing better protection to the interests of consumers and for that purpose makes provisions for the establishment of authorities for the settlement of consumer disputes. The COPRA provides a mechanism for the consumer to file a complaint against a trader or service provider in cases of unfair trade practices, restrictive trade practices, defects in goods, deficiency in services; price charged being unlawful and goods being hazardous to life and safety when used. The COPRA provided for a three tier consumer grievance redressal mechanism at the national, state and district levels.

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

The Transfer of Property Act, 1882 (“**TP Act**”) as amended, establishes the general principles relating to transfer of property in India. It forms a basis for identifying the categories of property that are capable of being transferred, the persons competent to transfer property, the validity of restrictions and conditions imposed on the transfer and the creation of contingencies and vested interest in the property. It also provides for the rights and liabilities of the vendor and purchaser in a transaction of sale of land.

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

The Registration Act, 1908, as amended, has been enacted with the objective of providing public notice of the execution of documents affecting, *inter alia*, the transfer of interest in immovable property. The purpose of the Registration Act is the conservation of evidence, assurances, title and publication of documents and prevention of fraud. It details the formalities for registering an instrument. Section 17 of the Registration Act identifies documents for which registration is compulsory to bring the transaction to effect and includes, among other things, any non-testamentary instrument which purports or operates to create, declare, assign, limit or extinguish, whether in present or in future, any right, title or interest, whether vested or contingent, in any immovable property of the value of one hundred rupees or more, and a lease of immovable property for any term exceeding one year or reserving a yearly rent.

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

Under the Indian Stamp Act, (“**Stamp Act**”)1899, as amended stamp duty is payable on instruments evidencing a transfer or creation or extinguishment of any right, title or interest in immovable property. Stamp duty must be paid on all instruments specified under the Stamp Act at the rates specified in the schedules to the Stamp Act. The applicable rates for stamp duty on instruments chargeable with duty vary from State to State.

## HISTORY AND CERTAIN OTHER CORPORATE MATTERS

Our Company was incorporated as Godha Cabcon& Insulation Private Limited on October 04,2016 under the provisions of the Companies Act, 2013 in the State of Madhya Pradesh. Subsequently, our Company was converted into a Public Limited Company and the name was changed to “Godha Cabcon& Insulation Limited” vide fresh Certificate of Incorporation dated July 28, 2017 issued by the Registrar of Companies, Madhya Pradesh . The Corporate Identification Number of Our Company is U31909MP2016PLC041592.

### MAIN OBJECTS OF THE COMPANY

To carry on in India or elsewhere the business to manufacture, produce, process, prepare, extrude, roll, reroll, blend, coat, insulate, pack repack, grade, import, export, buy, sale, resale, and to act as agent broker, contractor, job worker, supplier, franchiser, manager, arranger, provider, collaborator, consignor, consultant, stockists, distributor, trader, C & F agent, del credere agent, or otherwise, to deal in all characteristics, specifications, applications, descriptions, and capacities of wires, cables, and tubes such as (not limited to) PVC wires, electrical wires, telephone wires, antenna wires, insulated wires, jelly, filled cables, optical fiber cables, hi-tension wire and ropes, communication wires, Communication and Control Cable, Low Smoke Zero Halogen Communication and Control Cable, Tray Cable, Coaxial Cable, Cords and Cord sets, Data Cable, Bus Cable, Flat Cable, Flex Ethernet Cable, High/Low Temperature Cable, Plenum Cable, continuous Cable, Recyclable Cable, Performance Cable, PVC Control Cable, Hook-Up Wire, Photovoltaic Wire, Ribbon Cable, Bus Bar, tubes, all other electrical and electronic wiring, full line of heat-shrink tubing, wire management, and accessories, associated goods, articles and things, their raw materials, intermediaries, substances and consumables.

### CHANGES IN THE MEMORANDUM OF ASSOCIATION

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

Date	Particulars
July 14, 2017	The Authorized Share Capital of ₹10,00,000 (Rupees Ten Lacs only) consisting of 1,00,000 Equity shares of face value of ₹10/- each was increased to ₹6,00,00,000 (Rupees Six Crores only) consisting of 60,00,000 Equity Shares of face value of ₹10/- each.
July 19,2017	Change of name of the company from Godha Cabcon & Insulation Pvt Ltd to Godha Cabcon & Insulation Ltd.
October 26, 2017	The Authorized Share Capital of ₹6,00,00,000 (Rupees Six Crores only) consisting of 60,00,000 Equity shares of face value of ₹10/- each was increased to ₹12,50,00,000 (Rupees Twelve Crores and Fifty Lacs only) consisting of 1,25,00,000 Equity Shares of face value of ₹10/- each.

### MAJOR EVENTS AND MILESTONES

As the company was incorporated in October, 2016 only and it acquired business in July, 2017, there are no major events and milestones as on date of this DRHP.

### CORPORATE PROFILE OF OUR COMPANY

For details regarding the description of our activities, including details of our business, geographical presence, growth, competition, products, technology, and managerial competence, please see sections entitled “Our Business”, “Our Management” and “Industry Overview” beginning on pages 74, 93 and 66 respectively.

#### Revaluation of Assets

Our Company has not revalued its assets since its incorporation.

#### Holding Company of our Company

Our Company has no holding company as on the date of filing of this Draft Red Herring Prospectus.

### **Subsidiary of our Company**

There is no subsidiary of our Company as on the date of filing of this Draft Red Herring Prospectus.

### **Injunctions or Restraining Orders**

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

### **Details regarding Acquisition of Business/Undertakings, Mergers, Amalgamation etc.**

There are no mergers, amalgamation, etc. with respect to our Company but we have acquired a proprietorship firm from one of the promoters of the Company, the details of the same have been disclosed elsewhere in this DRHP.

### **Changes in the Activities of our Company during the Last Five Years**

There has been no change in the business activities of our Company since incorporation.

### **Capital raising activities through Equity or Debt**

For details of the equity capital raising of our Company, please refer to the chapter titled “*Capital Structure*” beginning on page 48 of this Draft Red Herring Prospectus. We have not done any debt issuances or raised any long term debt since incorporation till date.

### **Changes in the Management**

There is no change of management since incorporation.

### **Shareholders Agreements**

Our Company has not entered into any shareholders agreement as on date of filing of this Draft Red Herring Prospectus.

### **Strikes and Lock-Outs**

Our Company has, since incorporation, not been involved in any labour disputes or disturbances including strikes and lock-outs. As on the date of this Draft Red Herring Prospectus, our employees are not unionized.

### **Other Agreements**

Our Company has not entered into any specific or special agreements except that have been entered into in ordinary course of business as on the date of filing of this Draft Red Herring Prospectus.

### **Collaboration**

Our Company has not entered into any collaboration with any third party as per regulation (VIII) B (1) (c) of part A Schedule VIII of SEBI (ICDR) Regulations, 2009.

### **Strategic Partner**

Our Company does not have any strategic partner as on the date of filing of this Draft Red Herring Prospectus.

### **Financial Partner**

Our Company does not have any financial partner as on the date of filing of this Draft Red Herring Prospectus.

### **Defaults or Rescheduling of Borrowings with Financial Institutions or Banks**

There have been no defaults or rescheduling of borrowings with financial institutions or banks as on the date of this Draft Red Herring Prospectus.

**Number of Shareholders**

Our Company has Seven (7) shareholders on date of this Draft Red Herring Prospectus.

**Time and Cost overruns**

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

**Guarantees provided by our Promoters**

Our Promoters have given guarantees to bank against the borrowing of our company and group company, that are outstanding as on the date of filing of this Draft Red Herring Prospectus.

## OUR MANAGEMENT

### BOARD OF DIRECTORS

As per the Articles of Association, our Company is required to have not less than three (3) Directors and not more than Fifteen (15) Directors. Our Company currently has 5(Five) Directors on Board. The following table sets forth current details regarding our Board of Directors:

Name, Father's name, Address, Occupation, Nationality, Tenure & DIN	Date of Appointment	Other Directorships/ Designated Partners
<b>Name:</b> Mrs. Madhu Godha <b>W/o:</b> Late Mr. Dilip Godha <b>Age:</b> 61 <b>Designation:</b> Executive Director <b>Term:</b> Liable to retire by rotation <b>Address:</b> 36,Gumastanagar, Indore- 452009 <b>Occupation:</b> Business <b>PAN:</b> AHOPG 1768 Q <b>Nationality:</b> Indian <b>DIN:</b> 07607783	27/10/2016 (Confirmed in AGM held on 14/07/2017)	NIL
<b>Name:</b> Mrs.Rupali Godha <b>D/o :</b> Mr. Tej Kumar Badjatya <b>Age:</b> 34 <b>Designation:</b> Executive Director <b>Term:</b> Liable to retire by rotation <b>Address:</b> 36,Gumastanagar, Indore- 452009 <b>Occupation:</b> Business <b>PAN:</b> AXRPG 5600 Q <b>Nationality:</b> Indian <b>DIN:</b> 07530189	27/10/2016 (Confirmed in AGM held on 14/07/2017)	NIL
<b>Name:</b> Mr. Dipesh Godha <b>S/o:</b> Late Mr. Dilip Godha <b>Age:</b> 34 <b>Designation:</b> Executive Director & CEO  <b>Term:</b> Liable to retire by rotation <b>Address:</b> 36,Gumastanagar, Indore- 452009 <b>Occupation:</b> Business <b>PAN:</b> AHOPG 1769 R <b>Nationality:</b> Indian <b>DIN:</b> 07529876	27/10/2016 (Confirmed in AGM held on 14/07/2017 and Re-designated as CEO on 26/10/2017)	NIL
<b>Name:</b> Mr. Ankit Vijayvargiya <b>S/o:</b> Mr. Govind Vijayvargiya <b>Age:</b> 35 <b>Designation:</b> Non-Executive Independent Director <b>Term:</b> 2 Year <b>Address:</b> Bihari Ji Marg, Biaora, Ragarh, Biaora-465674 <b>Occupation:</b> Business <b>PAN:</b> ADZPV 5294 P <b>Nationality:</b> Indian <b>DIN:</b> 07950205	06/11/2017	NIL

<b>Name:</b> Mr. Kamaljeet Singh Ajimal <b>S/o:</b> Mr. Mahendra Singh Ajimal <b>Age:</b> 60 <b>Designation:</b> Non-Executive Independent Director <b>Term:</b> 2 Year <b>Address:</b> 43, Pratap Nagar, Manik Bagh, Indore-452 001 <b>Occupation:</b> Business <b>PAN:</b> AFDPA 7402 G <b>Nationality:</b> Indian <b>DIN:</b> 07889436	06/11/2017	NIL
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**Note:**

As on the date of this Draft Red Herring Prospectus:

1. None of the above mentioned Directors are on the RBI List of willful defaulters;
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 Draft Red Herring Prospectus or (b) delisted from the stock exchanges;
3. 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.

#### **Brief Biographies Of Our Directors**

**Mr. Dipesh Godha**

Mr. Dipesh Godha aged 34 years is young and dynamic person with business experience of more than 10 years is the Promoter, Executive Director & CEO of the company. He is a Commerce Graduate from DAVV University. He has modified machine design to achieve higher production at lower consumption of electricity and manpower mainly based on his experience. He looks after entire management including procurement, production, marketing etc. His good networking, business and social relations and reputation have helped our company to acquire the current position in the market. He is having good command in technical, financial and commercial fields.

**Mrs. Madhu Godha**

Mrs. Madhu Godha aged 61 years is the Promoter and Executive Director of the Company. She has done her Higher Secondary in 1972. She is having overall experience of 10 years in this sector. She has started this business initially under a partnership firm which was later on converted into a proprietorship concern and subsequently under this Company. With her efforts, the Company has become the leading supplier of AAAC Conductor in the State of Madhya Pradesh.

**Mrs. Rupali Godha**

Mrs. Rupali Godha aged 34 years is the Promoter and Executive Director of the Company. She is a Commerce Graduate from DAVV University, Indore. She has 5 years of experience in various fields. She has contributed for the growth and expansion of the Company.

**Mr. Ankit Vijayvargiya**

Mr. Ankit Vijayvargiya aged 35 years is the Independent Director of the Company. He has completed his M.B.A from DAVV university, Indore(M.P.). He is having over all experience of 8 years in the Cable and Conductor Industry.



**Mr. Kamaljeet Singh Ajimal**

Mr. Kamaljeet Singh Ajimal aged 60 years is the Independent Director of the Company. He has done B.Sc.(Bachelor of Science) and having more than 20 years of experience in the field of Cable and Conductor Industry.

**Borrowing Powers Of The Board**

The Articles, subject to the provisions of Section 180(1)(c) of the Companies Act, 2013 authorize the Board to raise, borrow or secure the payment of any sum or sums of money for the purposes of our Company. The shareholders have, pursuant to a resolution passed at the Extraordinary General Meeting held on July 19, 2017 in accordance with Section 180(1)(c) of the Companies Act, 2013 authorized the Board to 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.

**Confirmations**

There are no arrangements or understanding with major shareholders, customers, suppliers or any other entity, pursuant to which any of the Directors or Key Management Personnel were selected as a Director or member of the senior management.

The Directors of our Company have not entered into any service contracts with our Company which provides for benefits upon termination of employment.

None of the Directors is or was a director of any listed company during the last five years preceding the date of filing of this Draft Red Herring Prospectus, whose shares have been or were suspended from being traded on the BSE or the NSE, during the term of their directorship in any such Company.

None of the Directors is or was a director of any listed company which has been or was delisted from any recognized stock exchange in India during the term of their directorship in such Company.

**Nature Of Family Relationship Among Directors**

Mr. Dipesh Godha is son of Mrs. Madhu Godha and Mrs. Rupali Godha is wife of Mr. Dipesh Godha and daughter-in-law of Mrs. Madhu Godha.

**Remuneration To Our Directors**

Details of remuneration paid to our Directors during financial year 2017-2018 (upto 31.10.2017 ) are set forth in the table below:

Sr. No.	Name of Directors	Remuneration (₹in Lacs)
1.	Mrs. Madhu Godha	NIL
2.	Mrs. Rupali Godha	NIL
3.	Mr. Dipesh Godha	NIL

**TERMS OF APPOINTMENT OF OUR DIRECTORS****Executive Directors**

<b>Name</b>	:	Mrs. Madhu Godha
<b>Designation</b>	:	Executive Director & CEO
<b>Period</b>	:	Eligible to retire by rotation
<b>Remuneration</b>	:	₹100,000 per month (Including Perquisites) W.e.f 01/11/2017

<b>Name</b>	:	Mrs. Rupali Godha
<b>Designation</b>	:	Executive Director
<b>Period</b>	:	Eligible to retire by rotation
<b>Remuneration</b>	:	₹1,00,000 per month (Including Perquisites) W.e.f 01/11/2017

<b>Name</b>	:	Mr. Dipesh Godha
<b>Designation</b>	:	Executive Director & CEO
<b>Period</b>	:	Eligible to retire by rotation
<b>Remuneration</b>	:	₹200,000 per month (Including Perquisites) W.e.f 01/11/2017

There is no definitive and /or service agreement that has been entered into between our Company and the directors in relation to their appointment.

#### **Payment Or Benefit To Non-Executive Directors Of Our Company**

Only Non-executive and Independent Directors of our Company are entitled to sitting fees for each meeting of the Board and Committees attended. We also confirm that no remuneration being paid to Independent Directors and Non-executive Directors apart from sitting fees.

#### **Shareholding Of Directors In Our Company**

<b>Name of Director</b>	<b>Number of Equity Shares held</b>	<b>Percentage of pre-Issue capital</b>
Mrs. Madhu Godha	78,58,460	97.018%
Mrs. Rupali Godha	5,000	0.062%
Mr. Dipesh Godha	2,36,500	2.919%
<b>Total</b>	<b>80,99,960</b>	<b>99.999%</b>

Our Directors do not hold any outstanding vested options, pursuant to the employee stock option scheme implemented by our Company.

Our Articles of Association do not require our Directors to hold any qualification shares.

#### **Interest Of Directors**

Our Directors may be deemed to be interested to the extent of remuneration paid to them for services rendered as a Director of our Company and reimbursement of expenses, if any, payable to them. For details of remuneration paid to our Directors, please refer “*Remuneration to our Directors*” above.

Our Directors may also be regarded as interested to the extent of Equity Shares held by them in our Company, if any, details of which have been disclosed above under the heading “*Shareholding of Directors in our Company*”. All of our Directors may also be deemed to be interested to the extent of any dividend payable to them and other distributions in respect of the Equity Shares.

Our Directors 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 this Issue.

Except as stated in the chapter titled “*Related Party Transactions*” on page 125 of this Draft Red Herring Prospectus, our Directors do not have any other interest in the business of our Company.

#### **Bonus Or Profit Sharing Plan For Our Directors**

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

#### **Corporate Governance**

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

Our Board has been constituted in compliance with the Companies Act and SEBI (LODR) Regulations, to the extent applicable. Our Board functions either as a full board or through various committees constituted to oversee specific functions. In compliance with the requirements of the Companies Act and the SEBI (LODR) Regulations, to the extent applicable, our Board of Directors consists of five Directors (including two woman Director).

### **Committees Of Our Board**

Our Board has constituted following committees in accordance with the requirements of the Companies Act and SEBI Listing Regulations:

- a) Audit Committee;
- b) Nomination and Remuneration Committee;
- c) Stakeholders' Relationship Committee;

Details of each of these committees are as follows:

#### **a. Audit Committee:**

Our Audit Committee was constituted pursuant to resolution of our Board dated November 30, 2017. The Audit Committee comprises of the following:

<b>Sr. No.</b>	<b>Name of the Director</b>	<b>Designation</b>	<b>Nature of Directorship</b>
1.	Ankit Vijayvargiya	Chairman	Independent Director
2.	Dipesh Godha	Member	Executive Director
3.	Kamaljeet Singh Ajimal	Member	Independent Director

The Company Secretary Ms. Surbhi Jain shall act as the secretary of the Audit Committee.

The scope, functions and the terms of reference of the Audit Committee is in accordance with the Section 177 of the Companies Act, 2013 and Regulation 18 (3) of Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Schedule II Part C.

The role of the audit committee shall include the following:

- 1) Oversight of the listed entity's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- 2) recommendation for appointment, remuneration and terms of appointment of auditors of the listed entity;
- 3) approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- 4) reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
  - a) matters required to be included in the director's responsibility statement to be included in the board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
  - b) changes, if any, in accounting policies and practices and reasons for the same;
  - c) major accounting entries involving estimates based on the exercise of judgment by management;
  - d) significant adjustments made in the financial statements arising out of audit findings;
  - e) compliance with listing and other legal requirements relating to financial statements;
  - f) disclosure of any related party transactions;

- g) modified opinion(s) in the draft audit report;
- 5) reviewing, with the management, the quarterly financial statements before submission to the board for approval;
- 6) reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / Draft Red Herring 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;
- 7) reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
- 8) approval or any subsequent modification of transactions of the listed entity with related parties;
- 9) scrutiny of inter-corporate loans and investments;
- 10) valuation of undertakings or assets of the listed entity, wherever it is necessary;
- 11) evaluation of internal financial controls and risk management systems;
- 12) reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- 13) reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- 14) discussion with internal auditors of any significant findings and follow up there on;
- 15) reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
- 16) discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- 17) to look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- 18) to review the functioning of the whistle blower mechanism;
- 19) approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;
- 20) Carrying out any other function as is mentioned in the terms of reference of the audit committee.

The audit committee shall mandatorily review the following information:

- 1) management discussion and analysis of financial condition and results of operations;
- 2) statement of significant related party transactions (as defined by the audit committee), submitted by management;
- 3) management letters / letters of internal control weaknesses issued by the statutory auditors;
- 4) internal audit reports relating to internal control weaknesses; and
- 5) the appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee.

- 6) statement of deviations: (a) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1). (b) annual statement of funds utilized for purposes other than those stated in the offer document/Draft Red Herring Prospectus/notice in terms of Regulation 32(7)

#### **b. Nomination and Remuneration Committee:**

The Nomination and Remuneration Committee was constituted by a resolution of our Board dated November 30, 2017. The constitution of the Nomination and Remuneration committee is as follows:

<b>Sr. No.</b>	<b>Name of the Director</b>	<b>Designation</b>	<b>Nature of Directorship</b>
1.	Kamaljeet Singh Ajimal	Chairman	Independent Director
2.	Dipesh Godha	Member	Executive Director
3.	Ankit Vijayvargiya	Member	Independent Director

The Company Secretary Ms. Surbhi Jain shall act as the secretary of the Nomination and Remuneration Committee.

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

The terms of reference of Nomination and Remuneration Committee shall include the following:

- 1) Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;
- 2) Formulation of criteria for evaluation of performance of independent directors and the board of directors;
- 3) Devising a policy on diversity of board of directors;
- 4) Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal.
- 5) Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.

#### **c. Stakeholders' Relationship Committee**

The Stakeholders' Relationship Committee was constituted by a resolution of our Board dated November 30, 2017. The constitution of the Stakeholders' Relationship committee is as follows:

<b>Sr. No.</b>	<b>Name of the Director</b>	<b>Designation</b>	<b>Nature of Directorship</b>
1.	Kamaljeet Singh Ajimal	Chairman	Independent Director
2.	Dipesh Godha	Member	Executive Director
3.	Ankit Vijayvargiya	Member	Independent Director

The Company Secretary Ms. Surbhi Jain shall act as the secretary of the Stakeholders' Relationship Committee.

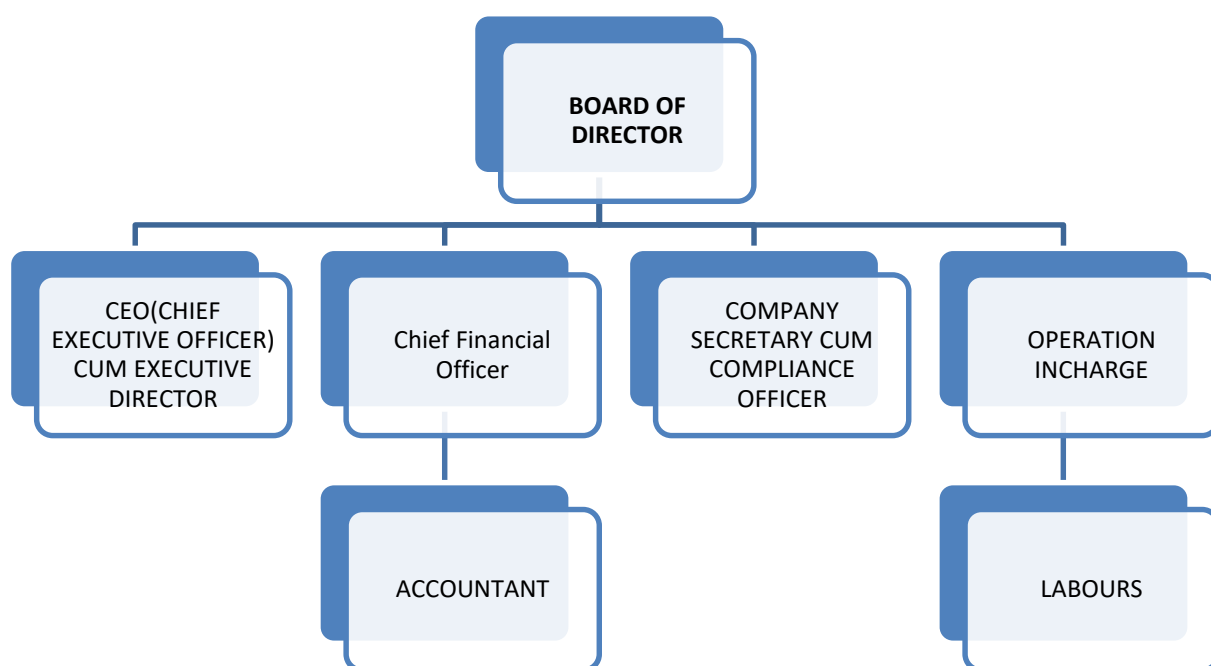
This Committee is responsible for the redressal of the grievances of the security holders including complaints relate to transfer of shares, non-receipt of annual report and non-receipt of dividend. The scope and function of the Stakeholders' Relationship Committee is in accordance with Section 178 of the Companies Act read with Regulation 20 of the Listing Regulations.

Our Company has adopted the following policies:

1. Code of Conduct
2. Whistle Blower Policy & Vigil Mechanism
3. Related Party Transactions (RTP) Policy
4. Policy for Prevention of Sexual Harassment
5. Policy for Prevention of Insider Trading

## ORGANIZATION STRUCTURE

The Management Organization Structure of the Company is depicted in the following chart:



**Reporting:** Chief Financial Officer, Company Secretary and Operation In-charge shall also report to CEO (Chief Executive Officer cum Executive Officer).

## OUR KEY MANAGEMENT PERSONNEL

Our Company is managed by its Board of Directors, assisted by qualified professionals, in the respective field of administration / finance / and corporate laws.

The following Key Personnel assist the management of our company:

### CHIEF EXECUTIVE OFFICER AND EXECUTIVE DIRECTOR

#### Mr. Dipesh Godha

Mr. Dipesh Godha aged 34 years is young and dynamic person with business experience of more than 10 years is the Promoter, Executive Director & CEO of the company. He is a Commerce Graduated from DAVV

University. He has modified machine design to achieve higher production at lower consumption of electricity and manpower mainly based on his experience. He looks after entire management including procurement, production, marketing etc. His good networking, business and social relations and reputation have helped our company to acquire the current position in the market. He is having good command in technical, financial and commercial fields.

#### **CFO**

##### **Mr. Kapil Verma**

Mr. Kapil Verma aged 35 years is CFO of the Company. He has completed his M.B.A from DAVV University, Indore(M.P.). He is having over all experience of 5 years in the field of Finance and Administration and also have exposure in Cable and Conductor Industry. He looks after the finance and accounts department of the company.

#### **COMPANY SECRETARY**

##### **Ms. Surbhi Jain**

Ms. Surbhi Jain aged 27 years is a Company Secretary of Company. Ms. Surbhi Jain is an Associate Member of Institute of Company Secretaries of India. She is a Law Graduate from M. B Khalsa Law College, Indore(M.P.) and also holds a Commerce Degree from the Dr. Hari Singh Gour University, Sagar (M.P.). Ms. Surbhi Jain looks after the legal, listing and company law compliances of the Company.

#### **OPERATIONAL IN-CHARGE**

##### **Mr. Santosh Chaudhary**

Mr. Santosh Chaudhary aged 36 years is Operational In-charge of the company. He is associated with our company since inception and has experience of around 9 years in Cables and Conductors. He looks after the entire Operational System of the Organization and contributed toward the growth of the company.

#### **Status of Key Management Personnel**

All our Key management personnel are permanent employees of our Company except Mr. Dipesh Godha who is the Promoter, Executive Director & CEO of the Company.

#### **Family Relationship between Key Management Personnel**

As on date, none of the key management personnel is having family relation with each other.

#### **Arrangements and Understanding with major Shareholders**

None of our key management personnel have been appointed on our Board pursuant to any arrangement with our major shareholders, customers, suppliers or others.

#### **Shareholding of the Key Management Personnel**

Except Mr. Dipesh Godha who is holding 2,36,500 Equity Shares, none of the KMPs hold Equity Shares in our Company as on date of this DRHP.

#### **Bonus or Profit Sharing Plan for the Key Management Personnel**

There is no profit sharing plan for the key management personnel. Our Company makes bonus payments to the employees based on their performances, which is as per their terms of appointment.

#### **Loans to Key Management Personnel**

There is no loan outstanding against key management personnel as on date of this Draft Red Herring Prospectus.

#### **Interest of Key Management Personnel**

The key management 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 and to the extent of Equity Shares held by them in our Company, if any.

Except as disclosed in this Draft Red Herring Prospectus, none of our key management personnel have been paid any consideration of any nature from our Company, other than their remuneration.

#### **Changes in Key Management Personnel of our Company since Inception**

<b>Name of Key Managerial Personnel</b>	<b>Designation</b>	<b>Date of Event</b>	<b>Reason</b>
<b>Mr. Dipesh Godha</b>	Executive Director & CEO	26.10.2017	Re-designated as CEO cum Executive Director
<b>Ms. Surbhi Jain</b>	Company Secretary	13.09.2017	New appointment
<b>Mr. Kapil Verma</b>	CFO	23.10.2017	New appointment

#### **Employees Stock Option Scheme**

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

#### **Payment or Benefit to our Officers**

Except for the payment of normal remuneration for the services rendered in their capacity as employees of our Company, no other amount or benefit has been paid or given within the two (2) preceding years or intended to be paid or given to any of them.

#### **Employees**

The details about our employees appear under the Paragraph titled “*Human Resource*” beginning on page 83 of this Draft Red Herring Prospectus.




## OUR PROMOTERS AND PROMOTER GROUP

The Promoters of our Company are:


1. Mrs. Madhu Godha
2. Mrs. Rupali Godha
3. Mr. Dipesh Godha

### 1. Mrs. Madhu Godha

	<p>Mrs. Madhu Godha aged 61 years is the Promoter and Executive Director of the Company. She has done her Higher <b>Secondary</b> in the year 1972. She is having overall experience of 10 Years in this sector. She has started this business initially under a partnership firm which was later on converted into a proprietorship concern and subsequently under this Company. With her efforts, the Company has become the leading supplier of AAAC Conductor in the State of Madhya Pradesh.</p>
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<b>Address</b>	36, Gumasta Nagar, Indore -452 009
<b>Occupation</b>	Business
<b>Permanent Account Number</b>	AHOPG1768Q
<b>Passport Number</b>	H8223205
<b>Aadhar Card Number</b>	5667 0028 6417

### 2. Mrs. Rupali Godha

	<p>Mrs. Rupali Godha aged 34 years is the Promoter and Executive Director of the Company. She is a Commerce Graduate from DAVV University, Indore. She has 5 years of experience in various fields. She has contributed for the growth and expansion of the Company.</p>
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<b>Address</b>	36, Gumasta Nagar, Indore-452 009
<b>Occupation</b>	Business
<b>Permanent Account Number</b>	AXRPG5600Q
<b>Passport Number</b>	N9333373
<b>Aadhar Card Number</b>	451547529206

### 3. Mr. Dipesh Godha

	Mr. Dipesh Godha aged 34 years is young and dynamic person with business experience of more than 10 years is the Promoter and CEO cum Executive Director of the company. He is a Commerce Graduated from DAVV University ,Indore. He has modified machine design to achieve higher production at lower consumption of electricity and manpower mainly based on his experience. He looks after entire management including procurement, production, marketing etc. His good networking, business and social relations and reputation have helped our company to acquire the current position in the market. He is having good command in technical, financial and commercial fields.
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<b>Address</b>	36, Gumasta Nagar, Indore-452 009
<b>Occupation</b>	Business
<b>Permanent Account Number</b>	AHOPG1769R
<b>Passport Number</b>	N9333136
<b>Aadhar Card Number</b>	4345 0676 6042

#### Other Undertakings and Confirmations

Our Company undertakes that the details of Permanent Account Number, bank account number and passport number of the Promoters will be submitted to NSE, where the securities of our Company are proposed to be listed at the time of submission of this Draft Red Herring Prospectus.

#### Common Pursuits Of Our Promoters

Except as mentioned in chapter titled “*Group Companies / Entities*” beginning on page 110, our Promoters have not promoted any *Group Companies/Entities* which are engaged in the line of business similar to our Company as on the date of this Draft Red Herring Prospectus. For more details, please refer Section titled “*Our Promoters and Promoter Group*” & “*Group Companies/Entities*” on page 105 & 110 of this Draft Red Herring Prospectus respectively. We shall adopt the necessary procedures and practices as permitted by law to address any conflicting situations, as and when they may arise.

#### Interest Of The Promoters

Our promoters are interested in our Company to the extent that they have promoted the Company, to the extent of their shareholding, for which they are entitled to receive the dividend declared, and other distribution in respect of Equity Shares if any, by our Company. For details on shareholding of our Promoter in our Company, please refer sections “*Capital Structure*” and “*Our Management*” on pages 48 and 93 respectively of this Draft Red Herring Prospectus.

Further, our Promoters who are also our Directors may be deemed to be interested to the extent of fees, remuneration and/or reimbursement of expenses payable to them for services rendered to us in accordance with the provisions of the Companies Act, terms of the Articles and their terms of appointment.

Except as stated herein and as stated in “*Annexure XXVII of Related Party Transactions*” appearing under section titled “*Financial Information*” of the Company beginning on page 112 of this Draft Red Herring Prospectus, we have not entered into any contract, agreements or arrangements during the preceding two years from the date of this Draft Red Herring Prospectus in which the Promoters are directly or indirectly interested and no payments have been made to them in respect of these contracts, agreements or arrangements which are proposed to be made to them.

#### Interest in the property of Our Company

Our Promoters have no interest in any property acquired or proposed to be acquired by our Company within the two years from the date of this Draft Red Herring Prospectus, or in any transaction by our Company.

### **Payment Amounts Or Benefit To Our Promoters During The Last Two Years**

No payment has been made or benefit given to our Promoters since inception except as mentioned / referred to in this chapter and in the section titled “*Our Management*”, “*Financial Information*” and “*Capital Structure*” on page nos. 93, 112 and 48 respectively of this Draft Red Herring Prospectus. Further, as on the date of this Draft Red Herring Prospectus, there is no bonus or profit sharing plan for our Promoters.

### **Confirmations**

For details of legal and regulatory proceedings involving our Promoter, please refer to the section titled “*Outstanding Litigation and Material Developments*” on page 142 of this Draft Red Herring Prospectus. Our Promoters have not been declared a willful defaulter by the RBI or any other governmental authority and there are no violations of securities laws committed by our Promoters in the past or are pending against them.

### **Other Ventures Of Our Promoters**

Save and except as disclosed in the section titled “*Our Promoters and Promoter Group*” and “*Group Companies / Entities*” beginning on page 105 & 110 respectively of this Draft Red Herring Prospectus, there are no ventures promoted by our Promoters in which they have any business interests/ other interests.

### **Litigation Details Pertaining To Our Promoters**

For details on litigations and disputes pending against the Promoters and defaults made by the Promoters please refer to the section titled “*Outstanding Litigations and Material Developments*” on page 142 of this Draft Red Herring Prospectus.

### **Shareholding Of The Promoters And Promoter Group In Our Company**

Except as disclosed in “*Capital Structure*”, none of the members of our Promoter Group hold any Equity Shares as on the date of filing of this Draft Red Herring Prospectus.

### **Related Party Transactions**

For the transactions with our Promoter Group entities, please refer to section titled “*Related Party Transactions*” on page 125 of this Draft Red Herring Prospectus.

Except as stated in “*Related Party Transactions*” on page 125 of this Draft Red Herring Prospectus, and as stated therein, our Promoters or any of the Promoter Group Entities do not have any other interest in our business.

### **Companies With Which The Promoters Are Disassociated In The Last Three Years**

None of the Promoters are disassociated with any Company in last three years.

### Our Promoter Group

In addition to the Promoters of our Company, the following individuals and entities form a part of the Promoter Group.

#### Individuals forming part of Promoter Group

In terms of SEBI (ICDR) Regulations, the following immediate relatives, due to their relationship with our Promoters are part of our Promoter Group in terms of Regulation 2(1) (zb) (ii) of SEBI (ICDR) Regulations

Promoters	Mrs. Madhu Godha	Mrs. Rupali Godha	Mr. Dipesh Godha
Father	-	Tej Kumar Badjatya	-
Mother	Girni Bai Sethi	Premlata Badjatya	Madhu Godha
Spouse	-	Dipesh Godha	Rupali Godha
Brother(s)	Mahendra Sethi Narendra Sethi Anil Sethi	-	-
Sister(s)	Sunita Ajmera, Renu Mothiya	Mona Mukesh Patni, Sona Nilesh Chabda	Puja Ajmera, Arti Jain, Shraddha Neema
Son	Dipesh Godha	Meet Godha	Meet Godha
Daughter(s)	Puja Ajmera, Arti JainShraddha Neema	Bhini Godha	Bhini Godha
Spouse Father	-	Dilip Godha	Tej Kumar Badjatya
Spouse Mother	-	Madhu Godha	Premlata Badjatya
Spouse Brother(s)	Prakash Chand Ji Godha	-	-
Spouse Sister(s)		Puja Ajmera, Arti Jain, Shraddha Neema	Mona Mukesh Patni, Sona Nilesh Chabda

#### ENTITIES FORMING PART OF THE PROMOTER GROUP

As specified in clause 2(1)(zb)(iv) of the SEBI Regulation, the companies, HUFs, partnership firms and other entities, that form part of our Promoter Group are as follows:

Nature of Relationship	Entity
Any Body corporate in which ten percent or more of the equity share capital is held by the promoters or an immediate relative of the promoters or a firm or HUF in which the promoter or any one or more of his immediate relative is a member	Madhu Cable & Conductor Private Limited
Any Body Corporate in which a body corporate as provided above holds ten percent or more of the equity share capital	Not Applicable
Any Subsidiary or Holding Company of our Promoter Company	Not Applicable
Any Body corporate in which a group of individuals or companies or combinations thereof which hold twenty percent or more of the equity share capital in that body corporate also holds twenty percent or more of the	Not Applicable
Any HUF or firm in which the aggregate shareholding of the promoter and his immediate relatives is equal to or more than ten percent of the total	Not Applicable

## GROUP COMPANIES/ENTITIES

Pursuant to the requirement of SEBI ICDR Regulations, the Group Companies includes entities covered under the applicable accounting standards, being AS 18 (as identified under the Restated Financial Statements) and also other entities as considered material by the Board of the Company.

### LISTED COMPANIES WITHIN OUR GROUP COMPANIES

There is no listed Company in our Group Companies.

### UNLISTED COMPANIES WITHIN OUR GROUP COMPANIES/ENTITIES

#### Madhu Cable & Conductor Private Limited

<b>Incorporation</b>	01/08/2011
<b>CIN</b>	U27100MP2011PTC026498
<b>Registered Office</b>	36 Gumasta Nagar, Indore-452 009
<b>Corporate Office</b>	27/28A, Sector F, Industrial Area, Sanwer Road, Indore-452 [●]
<b>Nature of Activities</b>	Deals in Manufacturing of Cable And Conductor
<b>Present Status</b>	Originally company was promoted by Mr. Lalith Kumar Challani and Sandeep Agrawal and was taken over by our promoters in the year 2016-17. And it is currently active.

### BOARD OF DIRECTORS

Name	Designation
Mr. Jitendra Ajmera	Director
Ms. Puja Ajmera	Director

### SHAREHOLDERS HOLDING OVER 5% AS ON MARCH 31, 2017

Sr. No.	Name	No. of shares held	Percentage (%)
1	Dipesh Godha	5.02	33.49%
2	Rupali Godha	4.98	33.16%
3	Madhu Godha	5.00	33.34%
<b>Total</b>		<b>15.00</b>	<b>100.00%</b>

### The summary of Audited Financial Statements for the last three years is as set forth below:

(₹ in lacs)

Particulars	FY 2016-17	FY 2015-16	FY 2014-15
Equity Share Capital (Face Value ₹ 10) [In Lac]	150.00	5.00	5.00
Preference Share Capital (Face Value ₹ 10) [In Lac]	-	-	-
Reserves (Excluding revaluation reserves) and Surplus [In Lac]	(5.17)	(2.56)	(1.34)
<b>Total Income</b>	<b>3.31</b>	<b>1.80</b>	<b>1.45</b>
Profit/(Loss) after tax	(2.61)	(1.22)	(2.68)
Earnings per share (Basic) (Rs.)	(0.17)	(2.44)	(2.68)
Earnings per share (Diluted) (Rs.)	(0.17)	(2.44)	(2.68)
Net Worth	144.83	2.44	3.66
Net Asset Value per share	9.6	4.8	7.3

## INTEREST OF GROUP ENTITIES IN OUR COMPANY

Our group entities do not have any interest in

- the promotion of our Company
- any property acquired by our Company within the last two years or proposed to be acquired by our Company
- in any transaction for acquisition of land, construction of building and supply of machinery

No part of the Issue Proceeds is payable to our group entities mentioned above.

## UNDERTAKING / CONFIRMATIONS

Our Promoters, Promoter Group and Group Companies/entities have further confirmed that they have not been declared as wilful defaulters by the RBI or any other government authority and there have been no violations of securities laws committed by them in the past and no proceedings pertaining to such penalties are pending against them except as stated under chapters “*Risk Factors*”, “*Our Promoter and Promoter Group*”, “*Group Companies / Entities*” and “*Outstanding Litigations and Material Developments*” on pages 12, 103, 110 and 142 respectively of this Draft Red Herring Prospectus,. Additionally, none of our Promoters, Promoter Group and Group Companies/Entities have been restrained from accessing the capital market for any reasons by the SEBI or any other authorities except as stated under chapters “*Risk Factors*”, “*Our Promoter and Promoter Group*”, “*Group Companies / Entities*” and “*Outstanding Litigations and Material Developments*” on pages 12, 103, 110 and 142 respectively of this Draft Red Herring Prospectus.

## COMMON PURSUITS

Our Group Company , Madhu Cable and Conductor Pvt. Ltd has objects similar to that of our company’s business and recently it has started manufacturing products similar to the one which is manufactured by our company.

Our company has established its name among the customers and hence does not foresee any competition.

## LITIGATION/ DEFAULTS

For details relating to legal proceedings involving the Promoters, Promoter Group and Group Companies/Entities, see the section titled “*Outstanding Litigation and Material Developments*” beginning on page 142 of this Draft Red Herring Prospectus.

## RELATED BUSINESS TRANSACTION WITHIN THE GROUP AND SIGNIFICANCE ON FINANCIAL PERFORMANCE

There are no business transactions between our Company and the Promoter Group Companies except as stated on under section titled as “*Related Party Transactions*” on page 125 in this Draft Red Herring Prospectus.

## SALE OR PURCHASE BETWEEN OUR COMPANY AND OUR PROMOTER GROUP COMPANIES

There are no sales or purchases between our Company and any Company in the Promoter Group and the Group Companies / Entities except as stated on under the titled “*Related party transactions*” on page 125 in this Draft Red Herring Prospectus exceeding 10% of the sales or purchases of our Company.

## SICK COMPANIES / INSOLVENCY BANKRUPTCY CODE 2016

There are no Companies in our Promoter group and the Group Companies / Entities listed above which have been declared as a sick company under the SICA. There are no winding up proceedings against any of Promoter Group Companies and the Group Companies / Entities. Further, no application has been made by any of these Companies to ROC to strike off their name.

## **DEFUNCT GROUP COMPANIES AND ENTITIES**

None of our Promoter Group Companies and the Group Companies / Entities has remained defunct and no application has been made to the Registrar of Companies for striking off their name from the register of companies, during the five years preceding the date of filing of this Draft Red Herring Prospectus.

## **RELATED PARTY TRANSACTIONS**

For details please refer to “*Annexure XXII -Related Party Transactions*” forming part of the chapter titled “*Financial Information*” beginning on page 112 of this Draft Red Herring Prospectus.



## **DIVIDEND POLICY**

Under the Companies Act, our Company can pay dividends upon a recommendation by our Board of Directors and approval by a majority of the shareholders at the General Meeting. The shareholders of our Company have the right to decrease or not to increase the amount of dividend recommended by the Board of Directors. The dividends may be paid out of profits of our Company in the year in which the dividend is declared or out of the undistributed profits or reserves of previous fiscal years or out of both. The Articles of Association of our Company also gives the discretion to our Board of Directors to declare and pay interim dividends.

There are no dividends declared by our Company since inception.

Our Company does not have any formal dividend policy for the Equity Shares. The declaration and payment of dividend will be recommended by our Board of Directors and approved by the shareholders of our Company at their discretion and will depend on a number of factors, including the results of operations, earnings, capital requirements and surplus, general financial conditions, applicable Indian legal restrictions and other factors considered relevant by our Board of Directors.

## SECTION V - FINANCIAL INFORMATION

### FINANCIAL STATEMENTS AS RESTATED

Auditor's Report on Restated Financial Statements

**Independent Auditors' report as required by Section 26 of Companies Act, 2013 read with Rule 4 of Companies (Draft Red Herring Prospectus and Allotment of Securities) Rules, 2014**

To,  
The Board of Directors  
Godha Cabcon& Insulation Ltd  
36 D, Sector B,  
Sanwer Road, Industrial Estate,  
Indore - 452015

Dear Sir,

- 1) We have examined the attached Restated Standalone Financial Information of **Godha Cabcon& Insulation Limited** ("the Company"), (Formerly known as Godha Cabcon & Insulation Private Limited) which comprise of the Restated Standalone Statement of Assets and Liabilities as at March 31, 2017, the Restated Standalone Statement of Profit and loss for the period ended March 31, 2017 and the Restated Standalone statement of Cash Flows for the period ended March 31, 2017 and the summary of significant accounting policies, read together with the annexures and notes thereto and other restated financial information explained in paragraph 7 below (collectively, the 'Restated Standalone Financial Information'), for the purpose of inclusion in the offer document prepared by the Company in connection with its proposed initial public offer of Equity shares . The Restated Standalone Financial Information has been approved by the Board of Directors of the Company and is prepared in terms of the requirements of:
  - (a) Section 32 of Part I of Chapter III of the Companies Act, 2013 ("the Act") read with Rules 4 to 6 of Companies (Prospectus and Allotment of Securities) Rules, 2014 ("the Rules");
  - (b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended from time to time in pursuance of provision of Securities and Exchange Board of India Act, 1992 ("ICDR Regulations"); and
  - (c) The Guidance Note on Reports in Company Prospectuses (Revised 2016) issued by the Institute of Chartered Accountants of India ("ICAI") (the "Guidance Note").
- 2) The preparation of the Restated Standalone Financial Information including the interim financial information mentioned in paragraph 5 below is the responsibility of the management of the Company for the purpose set out in paragraph 11 below. The Management's responsibility includes designing, implementing and maintaining adequate internal control relevant to the preparation and presentation of the Restated Standalone Financial Information. The Management is also responsible for identifying and ensuring that the Company complies with the Act, Rules, ICDR Regulations and the Guidance note.
- 3) We have examined such Restated Standalone Financial Information taking into consideration:
  - (a) The terms of reference and terms of our engagement agreed upon with you in accordance with our engagement letter in connection with the proposed issue of equity shares of the Company; and
  - (b) The Guidance note on Reports in Company's Prospectuses (Revised 2016) issued by ICAI.
- 4) These Restated Standalone Financial Information have been compiled by the management as follows:

As at March 31, 2017 From the audited standalone financial statements of the Company and for the period ended March 31, 2017 prepared in accordance with Accounting Standards prescribed under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules 2014, and the other relevant provisions of the Act which has been approved by the Board of Directors at their Board meeting held on June 19, 2017.
- 5) We have also examined the financial information of the company for the period 1<sup>st</sup> April 2017 to 31<sup>st</sup> Oct, 2017 ( the broken period ending not before 180 days from the date of prospectus) prepared and approved by the Board of Directors for the purpose of disclosure in the offer document of the company.

- 6) Based on our examination and in accordance with the requirements of Section 32 of Part I of Chapter III of the Act, read with Rules 4 to 6 of Companies (Prospectus and Allotment of Securities) Rules, 2014, the ICDR Regulations, the Guidance Note and terms of our engagement agreed with you, we report that:
- (a) The Restated Standalone Statement of Assets and Liabilities of the Company as at March 31, 2017 and as at Oct 31, 2017 examined by us, as set out in Annexure I to this report, have been arrived at after making adjustments and regroupings/reclassifications as in our opinion, were appropriate and more fully described in the Statement of Adjustments to the Audited Financial Statements appearing in Annexure V of the Restated Standalone Financial Information.
  - (b) The Restated Standalone Statement of Profit and loss of the Company for the periods ended March 31, 2017 and Oct 31, 2017 examined by us, as set out in Annexure II to this report, have been arrived at after making adjustments and regroupings/reclassifications as in our opinion, were appropriate and more fully described in the Statement of Adjustments to the Audited Financial Statements appearing in Annexure V of the Restated Standalone Financial Information.
  - (c) The Restated Standalone Statement of Cash flows of the Company for the periods ended March 31, 2017 and Oct 31, 2017 examined by us, as set out in Annexure III to this report, have been arrived at after making adjustments and regroupings/reclassifications as in our opinion, were appropriate and more fully described in the Statement of Adjustments to the Audited Financial Statements appearing in Annexure V of the Restated Standalone Financial Information.
  - (d) Based on the above and according to the information and explanations given to us we further report that the Restated Standalone Financial information:
    - i. have been made after incorporating adjustments for change in accounting policies retrospectively in respective financial years/ period to reflect the same accounting treatment as per changed accounting policy for all the reporting years/ period;
    - ii. have been made after incorporating adjustments for the material amounts in the respective financial years/ period to which they relate; and
    - iii. do not contain any exceptional items that need to be disclosed separately other than those presented in the Restated Standalone Financial Information in the respective financial years/period and do not contain any qualification requiring adjustments.
- 7) We have also examined the following Restated Standalone Financial Information of the Company asset out in the Annexures prepared by the management of the Company and approved by the Board of Directors, on 8<sup>th</sup> Nov, 2017 for the period ended Oct 31, 2017 and for the period ended March 31, 2017
- i) Basis of preparation and significant accounting policies as restated in Annexure IV;
  - ii) Restated Statement of Adjustment as appearing in Annexure V to this report;
  - iii) Details of Share Capital as Restated as appearing in Annexure VI to this report;
  - iv) Details of Reserves and Surplus as Restated as appearing in Annexure VII to this report;
  - v) Details of Long Term Borrowings as Restated as appearing in Annexure VIII to this report;
  - vi) Nature of Security and Terms of Repayment for Long Term Borrowings as appearing in Annexure IX to this report;
  - vii) Details of Deferred Tax Liabilities (Net) as Restated as appearing in Annexure X to this report;
  - viii) Details of Short Term Borrowings as Restated as appearing in Annexure XI to this report;
  - ix) Nature of Security and Terms of Repayment for Short Term Borrowings as appearing in Annexure XII to this report;
  - x) Details of Trade Payables as Restated as appearing in Annexure XIII to this report;
  - xi) Details of Other Current Liabilities as Restated as appearing in Annexure XIV to this report;
  - xii) Details of Short Term Provisions as Restated as appearing in Annexure XV to this report;
  - xiii) Details of Fixed Assets as Restated as appearing in Annexure XVI to this report;
  - xiv) Details of Inventories as Restated as appearing in Annexure XVII to this report;
  - xv) Details of Trade Receivables as Restated as appearing in Annexure XVIII to this report;
  - xvi) Details of Cash & Cash Equivalent as Restated as appearing in Annexure XIX to this report;
  - xvii) Details of Short Term Loans & Advances as Restated as appearing in Annexure XX to this report;
  - xviii) Details of Other Income as Restated as appearing in Annexure XXI to this report;
  - xix) Details of Cost of Material Consumed as Restated as appearing in Annexure XXII to this report;
  - xx) Details of Employee Benefit Expense as Restated as appearing in Annexure XXIII to this report;
  - xxi) Details of Finance Cost as Restated as appearing in Annexure XXIV to this report;
  - xxii) Details of Other Expense as Restated as appearing in Annexure XXV to this report;
  - xxiii) Details of Contingent Liability as Restated as appearing in Annexure XXVI to this report;
  - xxiv) Details of Related Parties Transaction as Restated as appearing in Annexure XXVII to this report;
  - xxv) Details of Summary of Accounting ratios as restated as appearing in Annexure XXVIII;

- xxv) Details of Statement of Capitalization as restated as appearing in Annexure XXIX.  
xxvi) Details of Statement of tax shelter as restated as appearing in Annexure XXX.

8) **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the Restated Standalone Financial Information of the Company as at and for the periods ended Oct 31, 2017 and March 31, 2017 including the above mentioned Other Restated Standalone Financial Information contained in Annexures VI to XXX, read with basis of preparation and summary of significant accounting policies disclosed in Annexure IV, are prepared after making adjustments and regroupings as considered appropriate and as disclosed in Annexure V and have been prepared in accordance with Section 32 of Part I of Chapter III of the Act, read with Rules 4 to 6 of Companies (Prospectus and Allotment of Securities) Rules, 2014, the ICDR Regulations and the Guidance Note.

- 9) This report should not in any way be construed as a reissuance or re-dating of any of the previous audit reports issued by us or by other firms of Chartered Accountants, nor should this report be construed as a new opinion on any of the financial statements referred to herein.
- 10) We have no responsibility to update our report for events and circumstances occurring after the date of the report.
- 11) Our report is intended solely for use of the management and for inclusion in the offer document to be filed with Securities and Exchange Board of India, and stock exchanges where the equity shares are proposed to be listed and the relevant Registrar of Companies in India in connection with the proposed issue of Equity Shares of the Company. Our report should not be used, referred to or distributed for any other purpose except with our prior consent in writing.

**For S. K. Khandelwal & Associates**

Chartered Accountants

Firm's Registration No: 002305C

**Suresh Kumar Khandelwal**

**Partner**

Membership No: 071189

**December 15, 2017**

**ANNEXURE I: STATEMENT OF ASSETS AND LIABILITIES AS RESTATED**

*(₹ in lacs)*

	Particulars	Note No.	31st Oct 2017	31st March 2017
<b>I</b>	<b>EQUITY &amp; LIABILITIES</b>			
	<b>(1) Shareholders funds</b>			
	(a) Share capital		588.61	1.50
	(b) Reserves & Surplus		93.10	(0.30)
	<b>Sub-Total (1)</b>		<b>681.71</b>	<b>1.20</b>
	<b>(2) Non - Current Liabilities</b>			
	(a) Long Term borrowings		482.38	0.00
	(b) Deferred Tax Liabilities		4.50	0.00
	<b>Sub-Total (2)</b>		<b>486.89</b>	<b>0.00</b>
	<b>(3) Current Liabilities</b>			
	(a) Short Term Borrowings		1113.86	0.00
	(b) Trade Payables		20.93	0.09
	(c) Other Current Liabilities		289.13	0.00
	(d) Short - Term provisions		68.15	0.00
	<b>Sub-Total (3)</b>		<b>1492.06</b>	<b>0.09</b>
	<b>TOTAL (1+2+3)</b>		<b>2660.66</b>	<b>1.28</b>
<b>II</b>	<b>ASSETS</b>			
	<b>(1) Non Current Assets</b>			
	(a) Fixed assets			
	(1) Tangible assets		180.77	0.00
	<b>Sub-Total (1)</b>		<b>180.77</b>	<b>0.00</b>
	<b>(2) Current Assets</b>			
	(a) Inventories		295.55	0.00
	(b) Trade receivables		1795.57	0.00
	(c) Cash & cash equivalents		293.58	1.28
	(d) Short term loans and advances		95.19	0.00
	<b>Sub-Total (2)</b>		<b>2479.89</b>	<b>1.28</b>
	<b>TOTAL (1+2)</b>		<b>2660.66</b>	<b>1.28</b>

**Annexure-II****Statement of Profit & Loss as Re-stated***(₹ in lacs)*

Sr. No.	Particulars	Note No.	31st Oct 2017	31st March 2017
	<b>REVENUE</b>			
I	Revenue from operations		2116.32	0.00
II	Other income		7.08	0.00
III	Total Revenue		2123.40	0.00
IV	<b>EXPENSES</b>			
	Cost of Material Consumed		1589.96	0.00
	Goods and Service Tax		305.91	0.00
	Employee benefits expense		7.97	0.00
	Finance costs		45.18	0.00
	Depreciation & amortization expense		8.53	0.00
	Other expenses		26.37	0.30
	<b>Total expenses</b>		1983.93	0.30
V	Profit before tax		139.48	(0.30)
VI	Tax expense:			
	(1) Current tax		41.57	0.00
	(2) Deferred tax		4.50	0.00
VII	<b>Profit for the year (V-VI)</b>		93.40	(0.30)
VIII	Earnings per equity share:			
	(1) Basic		3.17	(2.02)
	(2) Diluted		3.17	(2.02)

**Annexure III****Statement of Cash Flow.as Restated***(₹ in lacs)*

Particulars	For the period ended 31st Oct 2017	For the period ended 31st Mar 2017
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit Before Tax as per Profit and Loss Statement	139.48	(0.30)
<b>Adjusted For:</b>		
Add: Depreciaion	8.53	0.00
<b>Operating Profit Before Working Capital Changes</b>	148.01	(0.30)
<b>Adjusted For:</b>		
<b>Increase/Decrease In Current Asset</b>		
Receivables	(1795.57)	0.00
Inventories	(295.55)	0.00
Short term loans and advances	(95.19)	0.00
<b>Increase/Decrease in Current Liabilities</b>		
Trade Payables	20.84	0.09

Short term Provisions	68.15	0.00
Other current Liabilities	289.13	0.00
Short Term Borrowing	1113.86	0.00
<b>Cash Generated From Operations</b>	<b>(546.33)</b>	<b>(0.22)</b>
Taxes Paid	41.57	0.00
<b>Net Cash from Operating Activiies</b>	<b>(587.90)</b>	<b>(0.22)</b>
<b>B.CASH FLOW FROM INVESTING ACTIVITIES</b>		
Sale of Long Term Asset	0.00	0.00
<b>Less: Purchase of long term asset</b>	<b>(189.30)</b>	<b>0.00</b>
Investment in Fixed Deposits	0.00	0.00
<b>Net Cash Flow From Investing Activiies</b>	<b>(189.30)</b>	<b>0.00</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds From Issue of shares including share premium	587.11	1.50
Net Proceeds Fron Long term Borrowings	482.38	0.00
<b>Net Cash Flow From Financing Activities</b>	<b>1069.49</b>	<b>1.50</b>
Net Increase / Decrease in Cash and Cash Equivalents	292.30	1.28
Opening Balance of Cash and Cash Equivalents	1.28	0.00
Closing Balance of Cash and Cash Equivalents	<b>293.58</b>	<b>1.28</b>

#### **Annexure IV**

#### **Notes to Balance Sheet and Profit & Loss**

#### **BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES**

##### **(A) CORPORATE INFORMATION**

Company was incorporated on October 04, 2016 under the provisions of Companies Act, 2013 as “Godha Cabcon & Insulation Private Limited” at Indore Madhya Pradesh. Our company acquired the business of M/s Godha Cabcon & Insulation which was the proprietary concern of our Promoter Smt. Madhu Godha vide Business assignment Agreement dated 15th July 2017. Our company was converted into Public Limited Company on 26th July 2017 and the name was changed to “Godha Cabcon & Insulation Limited”. Company’s corporate office is situated at 36-D, Sector B, Sanwer Road, Industrial Estate, Indore-452015.

The Company is presently engaged in production & sale of Conductor cables and wires. We are approved vendor for all three Madhya Pradesh Vidhyut Vitran Company.

##### **(B) BASIS FOR PREPARATION**

The restated standalone summary Statements of Assets and Liabilities as at 31<sup>st</sup> Oct 2017 and 31<sup>st</sup> March 2017 and the related Restated Summary Statement of profits and Losses and Cash Flows for the period ended 31<sup>st</sup> Oct 2017 and 31<sup>st</sup> March 2017 have been complied by the management from the financial statements of the company for the period ended on 31<sup>st</sup> Oct 2017 and 31<sup>st</sup> March 2017.

The financial statements are prepared and presented under the historical cost convention and evaluated on a going concern basis using the accrual system of in accordance with the accounting principles generally accepted in India (Indian GAAP) and comply in all material aspects with the Accounting Standards (AS) notified under the Companies (Accounting Standard) Rules, 2006 (as amended), to the extent applicable, other pronouncements of the Institute of Chartered Accountants of India and with the relevant provisions of the Companies Act, 2013.

## **(C) SIGNIFICANT ACCOUNTING POLICIES**

### **A. Use of Estimates**

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results are known/ materialized.

### **B. Revenue Recognition**

- (a) Revenue is recognized only when it can be reliably measured and it is reasonable to expect ultimate collection. Revenue from operations include sale of goods including GST.
- (b) Interest on F.D.R is taken on accrual basis.

### **C. Tangible Fixed Assets**

Fixed assets (tangible) are stated at cost less accumulated depreciation .The cost of fixed assets includes taxes & duties (non-recoverable), freight and other incidental expenses incurred in relation to the acquisition and bringing the assets for their intended use.

### **D. Depreciation**

Depreciation is provided based on useful life of asset as prescribed in schedule II of Companies Act 2013.

Depreciation on additions to the assets and the assets sold or disposed off, during the year is provided for on prorate basis at their respective useful life or rate of depreciation as prescribed with reference to the date of acquisition/ installation or date of sale/disposal.

### **E. Inventories**

- (i) Raw Material and Finished Goods is valued at lower of cost or net realizable value.
- (ii) Packing Material is valued at cost.

### **F. Employee Benefits**

- (i) Short-term employee benefits are recognized as an expense at the undiscounted amount in the profit and loss account of the year in which the related service is rendered.
- (ii) Recognition of Post-employment and other long term employee benefits are not provided for as the same is not applicable to the company right now.

### **G. Impairment of Assets**

An asset is impaired if there are sufficient indication that the carrying cost would exceed the recoverable amount of cash generating assets. In that event an impairment loss so computed would be recognized in the account in the relevant year.

### **H. Earnings per share**

The Company reports Earnings per Share (EPS) in accordance with Accounting Standard 20 on Earning per share. EPS is computed by dividing the net profit for the year by the number of equity shares during the year.

### **I. Taxation**

Provision for current tax is made after taking into consideration benefits admissible under the provisions of the Income-tax Act, 1961. Deferred tax resulting from “timing difference” between taxable and accounting income is accounted for using the tax rates and laws that are enacted or substantively enacted as on the balance sheet date.



## J. Provisions, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognized but are disclosed in the notes (if any). Contingent Assets are neither recognized nor disclosed in the financial statements.

## K. Cash Flow Statement

Cash flows are reported using the indirect method, whereby net profit before tax is adjusted for the effects of transactions of a non-cash nature and any deferral and accruals of past or future cash receipts or payment. The cash flows from regular operating, investing and financing activities of the Company are segregated.

### Annexure –V

(₹ in lacs)

Particulars	31st Oct 2017	31st March 2017
Net Profit/(loss) as per audited statement of profit & loss	93.40	(0.30)
<b>Adjustments for:</b>		
Preliminary Expenses	0.00	0.00
<b>Net Profit/(loss) after tax as restated</b>	<b>93.40</b>	<b>(0.30)</b>

### Annexure -VI

#### Details of Share Capital

(₹ in lacs)

Particulars		31st Oct 2017	31st March 2017
<b>AUTHORISED</b>			
Equity Shares of Rs 10/-each		1250.00	10.00
		1250.00	10.00
<b>ISSUED, SUBSCRIBED AND FULLY PAID UP CAPITAL</b>		588.61	1.50
<b>Total Rs.</b>		<b>588.61</b>	<b>1.50</b>

### Notes

1. During the financial year 2017-18 the company has increased its Authorised Share capital from Rs. 10.00 lacs to Rs. 600.00 lacs by passing an Ordinary Resolution in the Annual General Meeting dated 14th July 2017 and from Rs. 600.00 lacs to Rs. 1250.00 lacs by passing an ordinary Resolution in the Extra ordinary General Meeting dated 26th Oct 2017.

2. During the financial year 2017-18 the company has issued and allotted 5871100 Equity Shares of Rs 10.00 each on 16th July 2017 at a price of Rs. 10.00 per Equity Shares for other than cash.

#### Terms / rights attached to equity shares:

1. The company is having only one class of Equity shares with par value of Rs. 10.00 per share.
2. Right to receive dividend as may be approved by the Board of Directors / Annual General Meeting.
3. The equity shares are not repayable except in case of a buy back, reduction in capital or winding up in terms of the Provisions of the Companies Act, 2013
4. Every member of the company holding equity shares has a right to attend the General Meeting of the Company and has a right to speak and on a show of hands has one vote if he is present in person and on poll shall have the right to vote in proportion to his share of the paid up capital of the company.

**A Reconciliation of Shares outstanding at the beginning and at the end of the year**

No. of shares outstanding at the beginning of the year		0.15	0.00
Shares issued		58.71	0.15
No. of shares outstanding at the end of the year		<b>58.86</b>	<b>0.15</b>

**B Details of Share Holders holding more than 5% share in company**

Details	As at 31st Oct, 2017		As at 31st march, 2017	
	No. of shares	% of share	No. of shares	% of share
Smt. Madhu Godha	5876060	99.83%	5000	33.34%
Shri Dipesh Godha	5000	0.085%	5000	33.33%
Smt. Rupali Godha	5000	0.085%	5000	33.33%

**Annexure VII****Details of Reserves and Surplus***(₹ in lacs)*

Particulars	31st Oct 2017	31st March 2017
<b>A. SECURITY PREMIUM ACCOUNT</b>		
Opening Balance	<b>0.00</b>	<b>0.00</b>
Add: Securities Premium on account of shares issued	0.00	0.00
<b>Closing Balance</b>	<b>0.00</b>	<b>0.00</b>
<b>B. PROFIT AND LOSS ACCOUNT</b>		
Opening Balance	(0.30)	0.00
Add: Net Profit after tax transferred from Statement of Profit and loss	93.40	(0.30)
Closing Balance	<b>93.10</b>	<b>(0.30)</b>
Total A+B	<b>93.10</b>	<b>(0.30)</b>

**Annexure VIII****Details of Long Term Borrowing***(₹ in lacs)*

Particulars	31st Oct 2017	31st March 2017
<b>SECURED LOANS</b>		
Term Loan from Banks	42.30	0.00
Term Loan from Hero Finance	28.85	0.00
	<b>71.15</b>	<b>0.00</b>
<b>UNSECURED LOANS</b>		
From Banks and NBFC	411.23	0.00
	<b>411.23</b>	<b>0.00</b>
<b>Total Rs.</b>	<b>482.38</b>	<b>0.00</b>

**Annexure IX**  
**Details of Nature of Security & Repayment Terms**

Sr. No.	Name of Bank	Principal Amount (Rs.)	Outstanding 31.10.2017	Rate of Interest	Security	Terms
1.	State Bank of India	45.00	13.81	10.20%	Hypothecation of car	Repayable in 84 monthly installments of Rs.0.78 lacs each up to June 2019.
2.	State Bank of India	6.90	5.91	9.20%	Hypothecation of car	Repayable in 84 monthly installments of Rs.0.12lacs each up to June 2023.
3.	Union Bank of India	66.99	49.22	MCLR+4.15% effective rate is 12.45%	Equitable mortgage of Land & Factory and Residential Building and hypothecation of Plant & Machinery.	Repayable in 45 monthly installments (excluding interest) of Rs.1.49lacs each up to Aug 2020.
4.	Hero Finance	26.77	18.88	13.50%	Hypothecation of Plant & Machinery.	Repayable in 48 monthly installments of Rs.0.72lacs each up to May 2020.
5.	Hero Finance	6.56	4.63	13.50%	Hypothecation of Plant & Machinery.	Repayable in 48 monthly installments of Rs.0.17lacs each up to May 2020.
6.	Hero Finance	29.26	20.64	13.50%	Hypothecation of Plant & Machinery.	Repayable in 48 monthly installments of Rs.0.79lacs each up to May 2020.
7.	Tata Capital	50.00	43.80	17.54%	Unsecured	Repayable in 36 monthly installments of Rs.1.77lacs each up to May 2020.
8.	Fullerton India	30.54	27.86	17.00%	Unsecured	Repayable in 36 monthly installments of Rs.1.09 lacs each up to June 2020.
9.	Edelweiss India	40.00	36.39	17.00%	Unsecured	Repayable in 36 monthly installments of Rs.1.43 lacs each up to June 2020.
10.	Capital First	58.74	53.51	16.00%	Unsecured	Repayable in 36 monthly installments of Rs.2.06lacs each up to June 2020.
11.	Capital Float (Zen Lefin)	50.00	45.55	16.00%	Unsecured	Repayable in 36 monthly installments of Rs.1.76 lacs each

						up to June 2020.
12.	India Infoline	50.00	45.61	17.00%	Unsecured	Repayable in 36 monthly installments of Rs.1.78lacs each up to June 2020.
13.	Equitas	40.00	36.46	16.50%	Unsecured	Repayable in 36 monthly installments of Rs.1.42 lacs each up to June 2020.
14.	Bajaj Finance	28.00	25.13	18.00%	Unsecured	Repayable in 36 monthly installments of Rs.1.12lacs each up to June 2020.
15.	Capital First	30.00	11.68	18.75%	Unsecured	Repayable in 36 monthly installments of Rs.1.09lacs each up to September 2018.
16.	Magma Fincorp	28.00	11.14	19.00%	Unsecured	Repayable in 36 monthly installments of Rs.1.03 lacs each up to September 2018.
17.	Religare	30.00	12.55	18.00%	Unsecured	Repayable in 36 monthly installments of Rs.1.08lacs each up to September 2018.
18.	Standard Chartered Bank	50.00	43.77	14.996%	Unsecured	Repayable in 36 monthly installments of Rs.1.71lacs each up to May 2020.
19.	HDFC Bank	50.00	45.47	14.75%	Unsecured	Repayable in 36 monthly installments of Rs.1.73 lacs each up to June 2020.
20.	ICICI Bank	35.00	31.93	15.49%	Unsecured	Repayable in 36 monthly installments of Rs.1.22lacs each up to June 2020.
21.	Kotak Mahindra Bank	75.00	64.14	16.50%	Unsecured	Repayable in 24 monthly installments of Rs.3.70 lacs each up to June 2019.
22.	Indusind Bank	40.00	36.37	16.25%	Unsecured	Repayable in 36 monthly installments of Rs.1.41lacs each up to June 2020.
23.	RBL Bank	50.00	44.11	16.50%	Unsecured	Repayable in 36 monthly installments of Rs.1.76 lacs each up to May 2020.
24.	Magma Fincorp	37.50	32.05	16.00%	Unsecured	Repayable in 24 monthly installments of Rs.1.84 lacs each up to June 2019.

**Annexure X**  
**Details of Deferred Tax Liability**

(₹ in lacs)

Particulars	31st Oct 2017	31st March 2017
Related to Fixed Assets (Liability)	6.33	0.00
Related to Preliminary Expenses (Asset)	(1.83)	0.00
<b>Total Rs.</b>	<b>4.50</b>	<b>0.00</b>

**Annexure XI**  
**Details of Short Term Borrowings**

(₹ in lacs)

Particulars	31st Oct 2017	31st March 2017
Related to Fixed Assets (Liability)	6.33	0.00
Related to Preliminary Expenses (Asset)	(1.83)	0.00
<b>Total Rs.</b>	<b>4.50</b>	<b>0.00</b>

**Annexure XII**  
**Details of Security and Repayment Terms**

1. Cash Credit facility of Rs. 800.00 lacs from Union Bank of India is secured by way of Equitable mortgage/ hypothecation of all fixed assets of Company and by way of equitable mortgage of Residential house property of directors and by way of hypothecation of all current assets of the company. Cash credit facilities are repayable on demand. Rate of Interest is 11%. Balance as on 31.10.2017 is Rs. 639.80 lacs.

2. Unsecured loan of Rs. 474.06 lacs from Director is repayable on demand and is interest free.

**Annexure XIII**

**Details of Trade Payable as Restated**

(₹ in lacs)

Particulars	31st Oct 2017	31st March 2017
Sundry Creditors for Goods & Expenses	20.93	0.09
<b>Total Rs.</b>	<b>20.93</b>	<b>0.09</b>

**Annexure XIV**

**Details of Other Current Liabilities as restated**

(₹ in lacs)

Particulars	31st Oct 2017	31st March 2017
Current Maturity of Long term debt	278.29	0.00
Advance from Customers	10.84	0.00
<b>Total Rs.</b>	<b>289.13</b>	<b>0.00</b>

**Annexure XV**

(₹ in lacs)

Particulars	31st Oct 2017	31st March 2017
SGST Payable	26.56	0.00
TDS on Payable	0.02	0.00
Provision for Income Tax	41.57	0.00
<b>Total Rs.</b>	<b>68.15</b>	<b>0.00</b>

**Annexure XVI****Details of Fixed Assets as Restated**

(₹ in lacs)

Particulars	31st Oct 2017	31st March 2017
Tangible Assets (as per annexure attached)	180.77	0.00
<b>Total Rs.</b>	<b>180.77</b>	<b>0.00</b>

(₹ in lacs)

Particulars	Gross Block		Depreciation			Net Block As on 31.10.2017	As on 31.03.2017	
	As on 31.03.2017	Addition	Sale/Disposal	Total As on 31.10.2017	up to 31.03.2017	for the period 31.10.2017	Total	
<b>Tangible Assets</b>								
Building	0.00	11.02	0.00	11.02	0.00	0.14	0.14	10.88
Furniture	0.00	3.74	0.00	3.74	0.00	0.48	0.48	3.26
Plant and Machinery	0.00	127.26	0.00	127.26	0.00	2.75	2.75	124.51
Car	0.00	45.10	0.00	45.10	0.00	4.98	4.98	40.12
Air conditioner	0.00	1.16	0.00	1.16	0.00	0.04	0.04	1.12
Computer & Printer	0.00	0.39	0.00	0.39	0.00	0.02	0.02	0.37
Mobile	0.00	0.63	0.00	0.63	0.00	0.12	0.12	0.51
<b>Total Rs</b>	<b>0.00</b>	<b>189.30</b>	<b>0.00</b>	<b>189.30</b>	<b>0.00</b>	<b>8.53</b>	<b>8.53</b>	<b>180.77</b>

**Annexure XVII****Details of Inventories as Restated**

(₹ in lacs)

Particulars	31st Oct 2017	31st March 2017
Raw Material	136.90	0.00
Finished Goods	138.65	0.00
Packing Material ( At Cost)	20.00	0.00
<b>Total Rs.</b>	<b>295.55</b>	<b>0.00</b>

**Annexure XVIII****Details of Trade Receivables as Restated**

(₹ in lacs)

Particulars	31st Oct 2017	31st March 2017
( Unsecured Considered Good)		
Debts outstanding for a period exceeding		
Six month	39.49	0.00
Others	1756.07	0.00
<b>Total Rs.</b>	<b>1795.57</b>	<b>0.00</b>

**Annexure XIX****Details of Cash and Cash equivalents as Restated**

(₹ in lacs)

Particulars	31st Oct 2017	31st March 2017
Cash in hand (as certified by the directors)	14.56	1.28
Balance with Bank	108.57	0.00
Balances with bank in fixed deposit to the extent held as security against bank guarantee issued having maturity more than 12 months	170.45	0.00
<b>Total Rs.</b>	<b>293.58</b>	<b>1.28</b>

**Annexure XX**  
**Details of Short Term Loans and Advances**

(₹ in lacs)

Particulars	31st Oct 2017	31st March 2017
Security Deposits	15.46	0.00
Advances to be recoverable in cash or in kind	10.00	0.00
Accrued Interest	1.28	0.00
Advances to suppliers	22.88	0.00
CGST receivable	45.54	0.00
TDS Receivable	0.03	0.00
<b>Total Rs.</b>	<b>95.19</b>	<b>0.00</b>

**Annexure XXI**  
**Details of Other Income as Restated**

(₹ in lacs)

Particulars	31st Oct 2017	31st March 2017
Interest	1.03	0.00
Discount received	6.05	0.00
<b>Total Rs.</b>	<b>7.08</b>	<b>0.00</b>

**Annexure XXII**  
**Details of Cost of Materials Consumed**

(₹ in lacs)

Particulars	31st Oct 2017	31st March 2017
Opening Stock	0.00	0.00
Add: Purchases	1885.52	0.00
	1885.52	0.00
Less: Closing Stock	295.55	0.00
<b>Total Rs.</b>	<b>1589.96</b>	<b>0.00</b>

**Annexure XXIII**  
**Details of Employee Benefit Expenses**

(₹ in lacs)

Particulars	31st Oct 2017	31st March 2017
Salary & wages	7.97	0.00
<b>Total Rs.</b>	<b>7.97</b>	<b>0.00</b>

**Annexure XXIV**  
**Details of Finance Cost**

(₹ in lacs)

Particulars	31st Oct 2017	31st March 2017
Interest to Bank & others	44.95	0.00
Bank Charges & Commission	0.24	0.00
<b>Total Rs.</b>	<b>45.18</b>	<b>0.00</b>

**Annexure XXV**

**Details of Other Expenses**

(₹ in lacs)

Particulars	31st Oct 2017	31st March 2017
Freight Charges	3.90	0.00
Power Expenses	6.77	0.00
ROC Charges	0.00	0.04
Stamp Expenses	(1.35)	0.08

Other Incorporation Expenses	0.00	0.11
Travelling expenses	0.11	0.00
Service Tax	1.45	0.00
Telephone Expenses	0.26	0.00
Legal & Professional Charges	0.09	0.00
Office Expenses	0.50	0.00
ROC Expenses for increase of authorised capital	6.90	0.00
Donation	0.17	0.00
Factory Expenses	0.50	0.00
Financial Consultancy Charges	0.15	0.00
ISO Fee A/c	0.20	0.00
Liaison Charges	1.11	0.00
Licences Fees A/c	1.50	0.00
Postal and Courier Expenses	0.02	0.00
Repair and Maintenance	0.38	0.00
Tender Expenses	2.50	0.00
Testing Charges	0.14	0.00
Vehicle Running Expenses A/c	0.44	0.00
Water Expenses	0.12	0.00
Audit fee	0.50	0.09
<b>Total</b>	<b>26.37</b>	<b>0.30</b>

#### **Annexure XXVI**

##### **Details of Contingent Liabilities as Restated**

(₹ in lacs)

<b>Particulars</b>	<b>31st Oct 2017</b>	<b>31st March 2017</b>
Outstanding bank Guarantee	955.45	0.00
Disputed Excise Duty	157.18	0.00

#### **Annexure XXVII**

##### **Details of Related Party Disclosure as Restated**

##### **DETAILS OF RELATED PARTY DISCLOSURE AS RESTATED**

Names of Related parties and Description of relationship

##### **A. Key Management Personnel**

Smt. Madhu Godha

Mr. Dipesh Godha

Smt. Rupali Godha



**B. Associate Company:-**

Madhu Cables &amp; Conductors Pvt. Ltd.

**Transaction during the year with related parties**

(₹ in lacs)

Particulars	31st Oct 2017	31st March 2017
<b>Net Unsecured Loan taken</b>		
Smt. Madhu Godha	474.06	0.00
	<b>474.06</b>	<b>0.00</b>
<b>Sales</b>		
Madhu Cables & Conductors Pvt. Ltd.	1136.29	0.00
<b>Purchases</b>		
Madhu Cables & Conductors Pvt. Ltd.	459.27	0.00
	<b>459.27</b>	<b>0.00</b>
<b>Balances at the end of the year</b>		
<b>Net Unsecured loan payable</b>		
Smt. Madhu Godha	474.06	0.00
	<b>474.06</b>	<b>0.00</b>
<b>Debtors</b>		
Madhu Cables & Conductors Pvt. Ltd.	677.02	0.00
	<b>677.02</b>	<b>0.00</b>

**Annexure XXVIII****Details of Summary of Accounting Ratio as Restated**

(₹ in lacs)

Particulars	31st Oct 2017	31st March 2017
Restated PAT as per Statement of Profit & Loss (A)	93.40	(0.30)
Weightage average number of equity shares at the end of the year/Period (B)	29.51	0.15
No. of Equity shares at the end of the year/ period(C)	58.86	0.15
Net Worth as restated (D)	681.71	1.20
Basic & Diluted Earnings Per Share (Rs.) (A/B)	3.17	(2.02)
Return on Net Worth (%) (A/D)	13.70%	-25.29%
Net Assets value per Equity Share (D/C)	11.58	7.98
Nominal Value per Equity share (Rs.)	10	10

**Annexure XXIX****Capitalization Statement as Restated**

(₹ in lacs)

Particulars	31st Oct 2017
	<b>Pre Issue</b>
<b>Borrowings:-</b>	
Long Term Debt (A)	482.38
Short Term Debt (B)	1392.15
<b>Total Debts (C)</b>	<b>1874.54</b>
<b>Shareholders' funds:</b>	
Share Capital	588.61
Reserve and Surplus	93.10
<b>Total Shareholders' Funds (D)</b>	<b>681.71</b>
<b>Long Term Debt/ Shareholders' Funds (B/D)</b>	<b>0.71</b>
<b>Total Debt/ Shareholders' Funds (C/D)</b>	<b>2.75</b>

**Annexure XXX**  
**Statement of Tax Shelter as Restated**

(₹ in lacs)

Particulars	31st Oct 2017	31st March 2017
Profit before tax, as restated (A)	139.48	(0.30)
Normal Corporate Tax Rate (%)	33.06%	30.90%
Minimum Alternate Tax Rate (%)	20.39%	19.06%
<b>Adjustments:</b>		
<b>Permanent Differences</b>		
Donation Expense	0.17	0.00
<b>Total Permanent Differences (B)</b>	<b>0.17</b>	<b>0.00</b>
<b>Income considered Separately (C)</b>	<b>0.00</b>	<b>0.00</b>
<b>Timing Differences</b>		
Depreciation as per Books	8.53	0.00
Depreciation as per IT Act	27.67	0.00
Preliminary Expenses	5.52	0.00
<b>Total Timing Differences (D)</b>	<b>(13.62)</b>	<b>0.00</b>
<b>Net Adjustments E=(B+C+D)</b>	<b>(13.44)</b>	<b>0.00</b>
<b>Tax Expense/ (Saving) thereon</b>	<b>(4.44)</b>	<b>0.00</b>
<b>Income from Other Sources (F)</b>	<b>0.00</b>	<b>0.00</b>
<b>Exempt Income (G)</b>	<b>0.00</b>	<b>0.00</b>
<b>Taxable Income /(loss) (A+E+F-G)</b>	<b>126.03</b>	<b>(0.30)</b>
<b>Tax as per Normal Provision</b>	<b>41.57</b>	<b>0.00</b>
<b>Taxable Income/ (loss) as per MAT</b>	<b>106.42</b>	<b>(0.30)</b>
<b>Income Tax as per MAT</b>	<b>21.70</b>	<b>0.00</b>
<b>Tax paid as per "Normal Provisions" or "MAT"</b>	Normal Provision	Normal Provision

## MANAGEMENT DISCUSSION & ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

*You should read the following discussion and analysis of our financial condition and results of operations together with our audited restated financial statements prepared in accordance with paragraph B of Part II of Schedule II to the Companies Act and SEBI (ICDR) Regulations, including the schedules, annexure and notes thereto and the reports thereon of each of the financial years ended March 31, 2017 and period ended October 31, 2017 in the chapter titled "Financial Information" on page 112 of this Draft Red Herring Prospectus. The following discussion relates to our Company and, unless otherwise stated, is based on our restated financial statements, which have been prepared in accordance with Indian GAAP, the Accounting Standards and other applicable provisions of the Companies Act and the SEBI (ICDR) Regulations. Our financial year ends on March 31 of each year so accordingly all references to a particular financial year are to the twelve months ended March 31 of that year.*

*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 auditors dated [Date, Month, 2017] which is included in this Draft Red Herring Prospectus under the section titled "Financial Information" beginning on page 112 of this Draft Red Herring 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.*

*Accordingly, the degree to which the financial statements in this Draft Red Herring Prospectus will provide meaningful information depends entirely on such potential investor's level of familiarity with Indian accounting practices. Our F.Y. ends on March 31 of each year; therefore, all references to a particular fiscal are to the twelve-month period ended March 31 of that year. Please also refer to section titled "Certain Conventions, Use of Financial, Industry and Market Data and Currency of Presentation" beginning on page 9 of this Draft Red Herring Prospectus.*

### Significant Developments Subsequent to the Last Financial Year

In the opinion of the Board of Directors of our Company, there have not arisen, since the date of the last financial statements disclosed in this Prospectus, any significant developments or any circumstance that materially or adversely affect or are likely to affect the profitability of our Company or the value of its assets or its ability to pay its material liabilities within the next twelve months except as follows:-

1. We have passed a special resolution for conversion of our company from private limited into public limited company dated July 19, 2017 and Registrar of Companies issued the fresh certificate of Incorporation dated 28<sup>th</sup> July, 2017.
2. The authorized capital of ₹12,50,00,000 (Rupees Twelve Crore and Fifty Lacs only) consisting of 1,25,00,000 Equity Shares of face value of ₹10 each was increased from ₹6,00,00,000 (Rupees Six Crores only) consisting of 60,00,000 Equity Shares of face value of ₹10 each pursuant to a resolution of the shareholders dated October 26, 2017.
3. We passed a special resolution for approval for our IPO vide Shareholders resolution dated August 14, 2017.

### Summary of the Results of Operation

The following table sets forth select financial data from restated profit and loss accounts for the year ended March 31, 2017 and period ended October 31, 2017. The components of which are also expressed as a percentage of total income for such periods.

Particulars	31.10.2017
<b>Income</b>	
Revenue from Operations	211631995.76
As a % of Total Revenue	<b>99.67</b>
Other Income	708224.74

Particulars	31.10.2017
<i>As a % of Total Revenue</i>	<b>100.00</b>
<b>Total Income (A)</b>	212340220.50
<b><u>Total Expenditure</u></b>	
Cost of materials consumed	158996434.73
Employee benefits expense	797090.00
<u>Finance costs</u>	4518307.69
Depreciation and amortization expense	853024.57
Other expenses	2637013.89
<i>As a % of Total Revenue</i>	93.43%
<b>Total expenditure (B)</b>	198392589.72
<i>As a % of Total Revenue</i>	93.43%
<b>Profit before exceptional items and tax</b>	198392589.72
<i>As a % of Total Revenue</i>	93.43%
Prior period expenses	
<i>As a % of Total Revenue</i>	93.43%
<b>Profit before Extraordinary items and Tax</b>	198392589.72
<i>As a % of Total Revenue</i>	93.43%
Extra Ordinary Items	
<i>As a % of Total Revenue</i>	93.43%
<b>Profit before tax</b>	13947630.78
<i>As a % of Total Revenue</i>	6.57%
Less: Provision for Taxes	
Current Tax	4157027.00
Deferred Tax	450222.00
<b>Total Tax Expenses</b>	<b>4607249.00</b>
<i>As a % of Total Revenue</i>	2.17%
<b>Profit for the year</b>	9340381.78
<i>As a % of Total Revenue</i>	4.40%

Our company was incorporated as on 04.10.2016 in the name and style of Godha Cabcon & Insulation Pvt Ltd at Indore. The Company has acquired the proprietorship concern M/S Godha Cabcon & Insulation Ltd on 15th July 2017 and thereafter only the commercial operation of the company started hence the financial results of 31st March 2017 are not comparable.

Review of Seven Months ended October 2017

#### Revenue from Operations:

Our income for operations was Rs. 2116.31 Lacs, which was about 99.67% of the total revenue for the seven month period ended October 31, 2017.

#### Other Income:

Our other income was Rs. 7.08 Lacs, which was about 0.33% of the total revenue for the seven month period ended October 31, 2017.

#### Total Operational Expenses:

**Direct Expenditure:** Our Direct Expenditure comprises of Raw Material, packing material and GST for Rs. 1895.87 Lacs which was about 89.58 % of the total revenue for the seven month period ended October 31,2017.

**Employee benefits expense:** Our total Employee Benefit expenses was Rs. 7.97 Lacs which is 0.375 % of total revenue for the seven month period ended October 31,2017 and primarily comprised of salary and wages expenses, staff welfare etc.

**Finance costs:**

Our Finance cost was Rs. 45.18 Lacs which is 2.12% of total revenue for the seven month period ended October 31, 2017 and comprise of Interest Cost on short term and long term borrowings.

**Depreciation and amortization expense:**

Our depreciation expenses was Rs. 8.53 Lacs which is 0.401 % of total revenue for the seven month period ended October 31, 2017 and mainly includes depreciation on tangible assets like building, plant and machinery, furniture & fixtures, calculated on WDV Method, based on useful of Assets as prescribed in Schedule II of Companies Act 2013.

**Other Expenses:** Our other expense was Rs. 26.3 Lacs which is 1.24 % of total revenue for the seven month period ended October 31, 2017 which mainly includes administrative, power and selling expenses.

**Net Profit before tax:** Our profit before tax was Rs. 139.48 Lacs which is 6.57 % of total revenue for the seven month period ended October 31, 2017.

**Restated profit after tax:** Our net profit after tax was Rs. 93.40 Lacs which is 4.40% of total revenue for the seven month period ended October 31, 2017.

**Unusual or Infrequent Events or Transactions**

There has not been any unusual trend on account of our business activity. There are no Unusual or infrequent events or transactions in our Company. The transactions are as per usual business operations.

**Significant Economic Changes that Materially Affected or are Likely to Affect Income from Continuing Operations**

There are no significant economic changes that may materially affect or likely to affect income from continuing operations.

**Known Trends or Uncertainties that Have Had or are Expected to Have a Material Adverse Impact On Sales, Revenue or Income From Continuing Operations**

Apart from the risks as disclosed under section titled "Risk Factors" beginning on page 12 of this Draft Red Herring Prospectus, in our opinion there are no other known trends or uncertainties that have had or are expected to have a material adverse impact on revenue or income from continuing operations.

**Future Changes In Relationship Between Costs And Revenues**

Our Company's future costs and revenues will be determined by demand/supply situation, government policies and prices quoted by our suppliers.

**Increases In Net Sales Or Revenue And Introduction Of New Products Or Services Or Increased Sales Prices**

Increases in revenues are by and large linked to increases in volume of business.

**Seasonality Of Business**

Our Company's business is not seasonal in nature. For further details please refer to sections titled "Risk Factors" and "Our Business" beginning on pages 12 and 74 respectively of this Draft Red Herring Prospectus.

**Competitive conditions**

Competitive conditions are as described under section titled "Industry Overview and "Our Business" beginning on pages 66 and 66 respectively of this Draft Red Herring Prospectus.

**Details of material developments after the date of last balance sheet i.e. October 31, 2017**

Except as disclosed in this Draft Red Herring Prospectus, no circumstances have arisen since the date of last financial statement until the date of filing this Draft Red Herring Prospectus, which materially and adversely affect or are likely to affect the operations or profitability of our Company, or value of its assets, or its ability to pay its liability within next twelve months. There is no subsequent development after the date of the Auditor's Report, which will have a material impact on the reserves, profits, earnings per share and book value of the Equity Shares of the Company.

## FINANCIAL INDEBTNESS

### **Financial Indebtedness from Union Bank of India**

Date of Sanction / Modification: October 14, 2016

Charge Holder: Union Bank of India

FACILITY 1: CASH CREDIT (CC) interchangeable with PERFORMANCE Bank Guarantee

Particulars	
Facility Name	Cash Credit Limit interchangeable with Performance BG
Extent of Credit	₹800.00 Lakhs (Sanctioned Limit)
Utilized as on October 31,2017	₹6,39,79,670/-
Utilized as on December 31,2017	₹7,50,01,506/-
Purpose	To meet Working Capital requirement

### **Terms & Conditions**

Sr. No.	Description of Security
1.	Hypothecation of Stock and Book Debts of the company.

Margin	Stock :25% Book Debt: 40%
Age of Book Debts (in days)	90 days and 150 days for PSU/ Govt.
Rate of Interest	MCLR + 3.90% effective rate is 11.00%
Interchangeable	It is interchangeable to Performance Bank Guarantee to the extent of Rs.500.00 lacs

FACILITY 2: Performance Bank Guarantee

Particulars	
Facility Name	Performance Bank Guarantee
Extent of Credit	₹1000.00 lacs
Utilized as on October 31,2017	₹9,55,45,256/-
Utilized as on December 31, 2017	₹9,74,58,261/-
Purpose	Performance Guarantee connected with the activity of the borrower.

### **Terms & Conditions**

Description of Security	FDR held as margin, all the receivables and current assets of the contract for which BG is submitted
Margin	20% margin shall be cash margin kept in Fixed Deposit under bank lien.
Commission	1% p.a.

FACILITY 3: Term Loan (Plant & Machinery)

Particulars	
Facility Name	Term Loan
Extent of Credit	₹70.00 Lakhs
Outstanding as on October 31,2017	₹49,22,383/-
Outstanding as on December 31,2017	₹47,28,624/-
Purpose	For acquisition of Plant & Machinery

**Terms & Conditions**

Description of Security	1. Exclusive charge on present and future block of assets of the company by way Hypothecation of Plant, Machinery & Equipment's etc. except those financed by other financial institutions.
Margin	Minimum 25% on plant & machinery
Rate of Interest	MCLR + 4.15% i.e. 12.45% .p.a. Interest to be recovered as and when levied.

Following are the personal guarantors for the above Facilities:

Sr. No.	Name of the Guarantor	Relationship with the Company
1.	Smt. Madhu Godha	Director
2.	Mr. Dipesh Godha	Director
3.	Mrs. Rupali Godha	Director
4.	Mrs. Puja Ajmera	Relative of Directors
5.	Mrs. Arti Jain	Relative of Directors
6.	Mrs. Shradha Neema	Relative of Directors

Collateral Security for the above Facilities:

Sr. No.	Description of Property	Ownership	Realizable Value (₹ In Lakhs)	Basis of Valuation
1	Equitable mortgage over Residential House constructed on land admeasuring 2400 Sq ft at plot no. 36, Gumasta Nagar, Indore	Madhu Godha	387.00	As per Valuation report of M/s Mahesh Agrawal & Associates (dated -07.09.2016)
2	Equitable mortgage over Factory Land & Building of the firm situated on land admeasuring 12000 Sq ft at plot no. 36-D, Sector B, Industrial Area, Sanwer Road, Indore	Company	307.35	As per Valuation report of M/s Mahesh Agrawal & Associates (dated -07.09.2016)

**Financial Indebtedness from Hero Fincorp Limited**

Date of Sanction/Modification: February 26, 2016

Charge Holder: Hero Finance

FACILITY 1: TERM LOAN

Particulars	
Facility Name	Term Loan
Extent of Credit	₹26.77 Lakhs (Sanctioned Limit)
Outstanding as on October 31, 2017	₹18,88,393/-
Outstanding as on December 31, 2017	₹17,85,320/-
Purpose	For acquisition of Plant & Machinery

**Terms & Conditions**

Description of Security	Hypothecation of Plant & Machinery
Margin	25%
Rate of Interest	13.50%



## FACILITY 2: TERM LOAN

Particulars	
Facility Name	Term Loan
Extent of Credit	₹6.56 Lakhs (Sanctioned Limit)
Outstanding as on October 31,2017	₹4,62,952/-
Outstanding as on December 31, 2017	₹4,37,682/-
Purpose	For acquisition of Plant & Machinery

### Terms & Conditions

Description of Security	Hypothecation of Plant & Machinery
Margin	25%
Rate of Interest	13.50%

## FACILITY 3: TERM LOAN

Particulars	
Facility Name	Term Loan
Extent of Credit	₹29.26 Lakhs (Sanctioned Limit)
Outstanding as on October 31,2017	₹20,63,861/-
Outstanding as on December 31, 2017	₹19,51,211/-
Purpose	For acquisition of Plant & Machinery

### Terms & Conditions

Description of Security	Hypothecation of Plant & Machinery
Margin	25%
Rate of Interest	13.50%

Following are the personal guarantors for the above Facilities:

Sr. No.	Name of the Guarantor	Relationship with the Company
1.	Smt. Madhu Godha	Director
2.	Mr. Dipesh Godha	Director

## DETAILS OF OTHER LOANS (CAR LOANS)

Sr. No.	Name	Sanctioned Amount (In ₹)	Outstanding Amount (In ₹)(As on 31.10.2017)	Outstanding Amount (In ₹)(As on 31.12.2017)	Rate of Interest	Tenure(In Months)	Security
1.	STATE BANK OF INDIA	45,00,000	13,81,093	12,46,593	10.20%	84 Months	Against Hypothecation of Car
2.	STATE BANK OF INDIA	6,90,000	5,91,022	5,74,958	9.20%	84 Months	Against Hypothecation of Car

	<b>Total</b>	<b>51,90,000</b>	<b>19,72,115</b>	<b>18,21,551</b>			
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#### **Financial Indebtedness from Tata Capital Financial Services Limited**

FACILITY: BUSINESS LOAN – (Term Loan)

Particulars	
Facility Name	Business loan
Extent of Credit	₹50.00 Lakhs
Outstanding as on October 31,2017	₹ 43,80,132/-
Outstanding as on December 31 ,2017	₹ 41,52,698/-
Purpose	For meeting business requirements.

**Maturity Profile of Loan from 31.10.2017 is set out below:**

Equated Monthly Installment	Rate of Interest	Tenure (In Months)	Period from Maturity from Balance Sheet Date
177012.00	17.54%	36	2 years 7 months

#### **Financial Indebtedness from Fullerton India Credit Co. Limited**

FACILITY: BUSINESS LOAN – (Term Loan)

Particulars	
Facility Name	Business loan
Extent of Credit	₹30.54 Lakhs
Outstanding as on October 31,2017	₹27,85,627/-
Outstanding as on December 31 ,2017	₹ 26,45,822/-
Purpose	For meeting business requirements.

**Maturity Profile of Loan from 31.10.2017 is set out below:**

Equated Monthly Installment	Rate of Interest	Tenure (In Months)	Period from Maturity from Balance Sheet Date
108874.00	17.00%	36	2 years 8 months

#### **Financial Indebtedness from Edelweiss Retail Finance Limited**

FACILITY: BUSINESS LOAN – (Term Loan)

Particulars	
Facility Name	Business loan
Extent of Credit	₹40.00 Lakhs
Outstanding as on October 31,2017	₹36,39,403/-
Outstanding as on December 31 ,2017	₹ 34,56,277/-
Purpose	For meeting business requirements.

**Maturity Profile of Loan from 31.10.2017 is set out below:**

Equated Monthly Installment	Rate of Interest	Tenure (In Months)	Period from Maturity from Balance Sheet Date
142611.00	17.00%	36	2 years 8 months

**Financial Indebtedness from Capital First Limited**

FACILITY: BUSINESS LOAN – (Term Loan)

Particulars	
Facility Name	Business loan
Extent of Credit	₹58.74 Lakhs
Outstanding as on October 31,2017	₹53,50,882/-
Outstanding as on December 31 ,2017	₹ 50,78,744/-
Purpose	For meeting business requirements.

**Maturity Profile of Loan from 31.10.2017 is set out below:**

Equated Monthly Installment	Rate of Interest	Tenure (In Months)	Period from Maturity from Balance Sheet Date
206513.00	16.00%	36	2 years 8 months

**Financial Indebtedness from Capital Float (Zen Lefin Private Limited)**

FACILITY: BUSINESS LOAN – (Term Loan)

Particulars	
Facility Name	Business loan
Extent of Credit	₹50.00 Lakhs
Outstanding as on October 31,2017	₹45,54,719/-
Outstanding as on December 31 ,2017	₹ 43,23,075/-
Purpose	For meeting business requirements.

**Maturity Profile of Loan from 31.10.2017 is set out below:**

Equated Monthly Installment	Rate of Interest	Tenure (In Months)	Period from Maturity from Balance Sheet Date
175785.00	16.00%	36	2 years 8 months

**Financial Indebtedness from India Infoline Limited**

FACILITY: BUSINESS LOAN – (Term Loan)

Particulars	
Facility Name	Business loan
Extent of Credit	₹50.00 Lakhs
Outstanding as on October 31,2017	₹45,61,041/-
Outstanding as on December 31 ,2017	₹ 43,32,133/-
Purpose	For meeting business requirements.

**Maturity Profile of Loan from 31.10.2017 is set out below:**

Equated Monthly Installment	Rate of Interest	Tenure (In Months)	Period from Maturity from Balance Sheet Date
178263.00	17.00%	36	2 years 8 months

**Financial Indebtedness from Equitas Small Finance Bank Limited**

FACILITY: BUSINESS LOAN – (Term Loan)

Particulars	
Facility Name	Business loan
Extent of Credit	₹40.00 Lakhs
Outstanding as on October 31,2017	₹36,46,250/-
Outstanding as on December 31 ,2017	₹ 34,62,026/-
Purpose	For meeting business requirements.

**Maturity Profile of Loan from 31.10.2017 is set out below:**

Equated Monthly Installment	Rate of Interest	Tenure (In Months)	Period from Maturity from Balance Sheet Date
141620.00	16.50%	36	2 years 8 months

**Financial Indebtedness from Bajaj Finserv Limited**

FACILITY: BUSINESS LOAN – (Term Loan)

Particulars	
Facility Name	Business loan
Extent of Credit	₹28.00 Lakhs
Outstanding as on October 31,2017	₹25,13,443/-
Outstanding as on December 31 ,2017	₹ 23,63,638/-
Purpose	For meeting business requirements.

**Maturity Profile of Loan from 31.10.2017 is set out below:**

Equated Monthly Installment	Rate of Interest	Tenure (In Months)	Period from Maturity from Balance Sheet Date
112037.00	18.00%	36	2 years 8 months

**Financial Indebtedness from Capital First Limited**

FACILITY: BUSINESS LOAN – (Term Loan)

Particulars	
Facility Name	Business loan
Extent of Credit	₹30.00 Lakhs
Outstanding as on October 31,2017	₹11,68,223/-
Outstanding as on December 31 ,2017	₹ 9,48,830/-
Purpose	For meeting business requirements.

**Maturity Profile of Loan from 31.10.2017 is set out below:**

Equated Monthly Installment	Rate of Interest	Tenure (In Months)	Period from Maturity from Balance Sheet Date
109590.00	18.75%	36	11 months

**Financial Indebtedness from Magma Fincorp Limited**

FACILITY: BUSINESS LOAN – (Term Loan)

Particulars	
Facility Name	Business loan
Extent of Credit	₹28.00 Lakhs
Outstanding as on October 31,2017	₹11,13,623/-
Outstanding as on December 31 ,2017	₹ 9,42,272/-
Purpose	For meeting business requirements.

**Maturity Profile of Loan from 31.10.2017 is set out below:**

Equated Monthly Installment	Rate of Interest	Tenure (In Months)	Period from Maturity from Balance Sheet Date
102637.00	19.00%	36	11 months

**Financial Indebtedness from Religare Finvest Limited**

FACILITY: BUSINESS LOAN – (Term Loan)

Particulars	
Facility Name	Business loan
Extent of Credit	₹30.00 Lakhs
Outstanding as on October 31,2017	₹12,54,949/-
Outstanding as on December 31 ,2017	₹ 10,74,865/-
Purpose	For meeting business requirements.

**Maturity Profile of Loan from 31.10.2017 is set out below:**

Equated Monthly Installment	Rate of Interest	Tenure (In Months)	Period from Maturity from Balance Sheet Date
108458.00	18.00%	36	11 months

**Financial Indebtedness from Standard Chartered Bank**

FACILITY: BUSINESS LOAN – (Term Loan)

Particulars	
Facility Name	Business loan
Extent of Credit	₹50.00 Lakhs
Outstanding as on October 31,2017	₹43,77,097/-
Outstanding as on December 31 ,2017	₹ 41,42,679/-
Purpose	For meeting business requirements.

**Maturity Profile of Loan from 31.10.2017 is set out below:**

Equated Monthly Installment	Rate of Interest	Tenure (In Months)	Period from Maturity from Balance Sheet Date
171180.00	14.996%	36	2 years 7 months

**Financial Indebtedness from HDFC Bank Limited**

FACILITY: BUSINESS LOAN – (Term Loan)

Particulars	
Facility Name	Business loan

Extent of Credit	₹50.00 Lakhs
Outstanding as on October 31,2017	₹45,46,696/-
Outstanding as on December 31 ,2017	₹ 43,11,600/-
Purpose	For meeting business requirements.

**Maturity Profile of Loan from 31.10.2017 is set out below:**

Equated Monthly Installment	Rate of Interest	Tenure (In Months)	Period from Maturity from Balance Sheet Date
172716.00	14.75%	36	2 years 8 months

**Financial Indebtedness from ICICI Bank Limited**

FACILITY: BUSINESS LOAN – (Term Loan)

Particulars	
Facility Name	Business loan
Extent of Credit	₹35.00 Lakhs
Outstanding as on October 31,2017	₹31,92,788/-
Outstanding as on December 31 ,2017	₹ 30,29,307/-
Purpose	For meeting business requirements.

**Maturity Profile of Loan from 31.10.2017 is set out below:**

Equated Monthly Installment	Rate of Interest	Tenure (In Months)	Period from Maturity from Balance Sheet Date
122430.00	15.49%	36	2 years 8 months

**Financial Indebtedness from Kotak Mahindra Bank Limited**

FACILITY: BUSINESS LOAN – (Term Loan)

Particulars	
Facility Name	Business loan
Extent of Credit	₹75.00 Lakhs
Outstanding as on October 31,2017	₹64,14,290/-
Outstanding as on December 31 ,2017	₹ 58,48,785/-
Purpose	For meeting business requirements.

**Maturity Profile of Loan from 31.10.2017 is set out below:**

Equated Monthly Installment	Rate of Interest	Tenure (In Months)	Period from Maturity from Balance Sheet Date
369018.00	16.50%	24	1 year 8 months

**Financial Indebtedness from Indusind Bank Limited**

FACILITY: BUSINESS LOAN – (Term Loan)

Particulars	
Facility Name	Business loan
Extent of Credit	₹40.00 Lakhs
Outstanding as on October 31,2017	₹36,37,927/-
Outstanding as on December 31 ,2017	₹ 34,53,160/-

Purpose	For meeting business requirements.
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**Maturity Profile of Loan from 31.10.2017 is set out below:**

Equated Monthly Installment	Rate of Interest	Tenure (In Months)	Period from Maturity from Balance Sheet Date
141122.00	16.25%	36	2 years 8 months

**Financial Indebtedness from RBL Bank Limited**

FACILITY: BUSINESS LOAN – (Term Loan)

Particulars	
Facility Name	Business loan
Extent of Credit	₹50.00 Lakhs
Outstanding as on October 31,2017	₹44,10,908/-
Outstanding as on December 31 ,2017	₹ 41,78,124/-
Purpose	For meeting business requirements.

**Maturity Profile of Loan from 31.10.2017 is set out below:**

Equated Monthly Installment	Rate of Interest	Tenure (In Months)	Period from Maturity from Balance Sheet Date
175785.00	16.50%	36	2 years 7 months

**Financial Indebtedness from Magma Fincorp Limited**

FACILITY: BUSINESS LOAN – (Term Loan)

Particulars	
Facility Name	Business loan
Extent of Credit	₹37.50 Lakhs
Outstanding as on October 31,2017	₹32,04,531/-
Outstanding as on December 31 ,2017	₹ 29,20,889/-
Purpose	For meeting business requirements.

**Maturity Profile of Loan from 31.10.2017 is set out below:**

Equated Monthly Installment	Rate of Interest	Tenure (In Months)	Period from Maturity from Balance Sheet Date
183612.00	16.00%	24	1 years 8 months

Note: -

1. All the Loans availed from Union Bank of India have been originally sanctioned in the name of proprietary firm M/s Godha Cabcon & Insulations and the same have been transferred in the name of the Company after takeover of the Business.
2. Loan against Car from State Bank of India and all Other Loans obtained from Other Lenders are still stands in the name of proprietorship firm, M/s Godha Cabcon & Insulations. However, steps have been initiated to transfer the same in the name of our Company.

## SECTION VI: LEGAL AND OTHER INFORMATION

### OUTSTANDING LITIGATIONS AND MATERIAL DEVELOPMENTS

*Except as stated below, there are no outstanding litigation, suits, criminal or civil prosecutions, proceedings or tax liabilities against our Company, our Directors, our Promoters, and Group Companies that would have a material adverse effect on our business. Further, except as stated below there are no defaults, non-payment of statutory dues, over-dues to banks/financial institutions, defaults against banks/financial institutions, defaults in dues payable to holders of any debenture, bonds and fixed deposits and arrears of preference shares issued by our Company, default in creation of full security as per terms of issue/other liabilities. No proceedings have been initiated for economic/civil/any other offences (including past cases where penalties may or may not have been awarded and irrespective of whether they are specified under paragraph (a) of Part I of Schedule V of the Companies Act, 2013) other than unclaimed liabilities of our Company and no disciplinary action has been taken by SEBI or any stock exchanges against our Company, our Promoters, our Directors and Group Companies.*

*Our Board of Directors, in its meeting held on November 30, 2017 determined that outstanding legal proceedings involving our Company, Directors, Promoters and Group Companies: (a) the aggregate amount involved in such individual litigation exceeds 100 Lakhs, as per the last audited financial statements; (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 100 Lakhs as per the last audited financial statements, if similar litigations put together collectively exceed 100 Lakhs (c) litigations whose outcome could have a material impact on the business, operations, prospects or reputations of the Company and the Board or any of its committees shall have the power and authority to determine the suitable materiality thresholds for the subsequent financial years on the aforesaid basis or any other basis as may be determined by the Board or any of its committees.*

*Further, dues owed by our Company to small scale undertakings and other creditors, which exceeds Rs.100 Lakhs as at November 30, 2017 ("Material Creditors") have been considered as material dues for the purposes of disclosure in this Draft Red Herring Prospectus.*

*Unless stated to the contrary, the information provided below is as of the date of this Draft Red Herring Prospectus.*

*Further, except as stated below, in the last five years preceding the date of this Draft Red Herring Prospectus there have been (a) no instances of material frauds committed against our Company (b) no inquiries, inspections or investigations initiated or conducted under the Companies Act or any previous companies law in the case of our Company and no prosecutions have been filed (whether pending or not), fines imposed or compounding of offences for our Company (c) no litigation or legal action pending or taken by any ministry or department of the government or any statutory body against our Promoters.*

*Further, except as described below, there are no proceedings initiated or penalties imposed by any authorities against our Company, and Directors and no adverse findings in respect of our Company, our Promoters, and our Group Companies and the persons/entities connected therewith, as regards compliance with securities laws. Further, except as described below, there are no instances where our Company, or Directors have been found guilty in suits or criminal or civil prosecutions, or proceedings initiated for economic or civil offences or any disciplinary action by SEBI or any stock exchange, or tax liabilities.*

*Further, except as disclosed below there are no (i) litigation against our Directors or our Promoters involving violation of statutory regulations or alleging criminal offence; (ii) past cases in which penalties were imposed by the relevant authorities on our Company, our Directors, our Promoters and our Group Companies; and (iii) outstanding litigation or defaults relating to matters likely to affect the operations and finances of our Company including disputed tax liabilities and prosecution under any enactment in respect of Schedule V to the Companies Act, 2013. Unless stated to the contrary, the information provided below is as on the date of this Draft Red Herring Prospectus.*

### CONTINGENT LIABILITIES

Sr. No.	Particulars	Remarks
1.	Bank Guarantee Issued by Union Bank	Rs. 9,55,45,261



Sr. No.	Particulars	Remarks
2.	Claim against company not acknowledge as debt (In respect of Service Tax/Excise Duty)	Rs. 1,57,17,662
	<b>Total</b>	<b>[•]</b>

**A. LITIGATION INVOLVING OUR COMPANY**

**(I) Litigation against our Company:**

- (a) *Litigation Involving Criminal Laws:* NIL
- (b) *Litigation Involving Actions by Statutory/Regulatory Authorities:* NIL
- (c) *Litigation Involving Tax Liabilities*
  - (i) *Direct Tax Liabilities* NIL
  - (ii) *Indirect Tax Liabilities:* NIL
- (d) *Other Material Pending Litigations:* NIL

**(II) Litigation by our Company:**

- (a) *Litigation Involving Criminal Laws:* NIL
- (b) *Litigation Involving Actions by Statutory/Regulatory Authorities:* NIL
- (c) *Litigation Involving Tax Liabilities*
  - (i) *Direct Tax Liabilities -* NIL
  - (ii) *Indirect Tax Liabilities*

Our Company has filed an appeal against the Order-in-Original bearing no. 07-09/COMMR/CEX/IND/ 2015 dated January 29, 2016 ("**Order**"). The Order disposes off the Show Cause Notice dated December 4, 2014 and July 25, 2013. The Show cause notice dated July 25, 2013 was issued pursuant to a raid conducted at the premises of our Company which revealed that our Company was, besides manufacturing of ACSR and AAAC conductor also engaged in the production of electrical grade insulating Craft paper. It was alleged that this paper was made by cutting and slitting jumbo rolls of insulating Craft paper thereby resulting into a different and marketable product which resulted in a process of manufacturing. It was also observed that the sale invoices were issued by our Company from its own unit as well as on account of M/s Dewas Conductors, a non-existent unit and on this unit, central excise duty was also charged and hence was recoverable from both the units. Further, scrutiny of invoices revealed that the cenvatable invoices collected from our Company's buyers were not deposited with the government. Scrutiny of the seized documents revealed that the total value of clearances had exceeded the exemption limit of Rs. 150 Lakhs for which our Company has not paid central excise duty and has failed to maintain proper daily stock account. It was further mentioned in the Show Cause Notice that our Company is engaged in trading of raw materials and finished goods, but has not maintained inventory on basis of the sale voices and therefore are not eligible for exemption of central excise duty. Therefore, Show Cause Notice dated December 4, 2014 was issued to our Company on the allegation that it is liable to pay duty on the sales of electrical grading insulating paper, sale of ACSE/AAAC conductor and sale of G.I wire, G.I strips of aluminum wire road. The Order issued by the Principle Commissioner, Central Excise ("**Commissioner**") held that the smaller rolls of the insulated Craft paper produced by slitting and cutting jumbo rolls is liable to excise duty.. In view of the above, the Commissioner has passed the following orders:

(A) In relation to the Show Cause Notice dated December 4, 2014:

1. The central excise duty amounting to Rs. 1,37,40,671 is confirmed for recovery; and Rs.

- 10,10,930 is already paid against the said demand.
- The amount of Rs. 8,59,602 collected towards central excise duty under the invalid invoices not paid to the government is confirmed for recovery.
  - Interest under section 11 AB and Section 11 DD together of the Central Excise Act, 1944 ("Central Excise Act").
  - A penalty of Rs. 1,37,40,671 is imposed under section 11 AC of the Central Excise Act read with Rule 25, of Central Excise Rules, 2002 ("Central Excise Rules").
  - A penalty of Rs. 5,00,000 imposed on Shri Dipesh Godha under Rule 26(1) of Central Excise Rules, 2002.

(B) In relation to the Show Cause Notice dated July 25, 2013:

- The seized excisable goods worth Rs. 10,11,108 and Rs. 16,24,635 are confiscated under the provisions of Rule 25 of the Central Excise Rules. An option to redeem the same is available to our Company on payment Rs. 5,00,000.
- A penalty of Rs. 1,00,000 is imposed under Rule 25 of the Central Excise Rules.
- A penalty of Rs. 50,000 is imposed upon Mr. Dipesh Godha under Rule 26 of the Central Excise Rules.

(C) In relation to the Show cause Notice dated April 21, 2015;

- The demand of Rs. 16,44,344 is dropped by the Commissioner.

No penalty is imposed on Noticee no.1 under Rule 25 of the central Excise Rules, 1944.

In the appeal made by our Company at the Customs Excise & Service Tax Appellate Tribunal ("Tribunal") a final order no. A/57/185-57186/2017-EX [DB] was passed dated October 12, 2017. In this appeal two main issues were raised; the first being whether the process of cutting and slitting the craft paper roll amounted to manufacturing and the second with respect to qualification of turnover for SSI exemption under Notification no. 8/2003 dated March 1, 2003. Vide this order the President of the Tribunal after hearing both parties, found no merit in the impugned order of the Commissioner passed with respect to Show Cause Notice dated July 25, 2013. On the second issue, regarding entitlement of the SSI exemption by excluding the trading activity, the Tribunal directed that the matter be sent back to the Original Authority for due appreciation of the supporting documents to be submitted by the Appellants. The Original Authority will examine the claim regarding entitlement of the calculation of the duty liability by extending cum duty benefit based on supporting evidence.

(d) **Other Material Pending Litigations : NIL**

## **B. LITIGATION INVOLVING OUR DIRECTORS**

### **(I) Litigation against our Directors:**

(a) **Litigation Involving Criminal Laws: NIL**

(b) **Litigation Involving Actions by Statutory/Regulatory Authorities: NIL**

(c) **Litigation Involving Tax Liabilities**

(i) **Direct Tax Liabilities: NIL**

(ii) **Indirect Tax Liabilities:**

Year	Section	Date of demand	Outstanding Demand (₹)	Status
<b><i>Name of the Director-Dipesh Godha</i></b>				
2015-2016	Rule 26 of the Central	January 29, 2016	5,00,000	The matter has been remanded to the Original Authority vide

	Excise Rules, 2002.			final order dated October 12, 2017 by the Central Excise & Sales Tax Appellate Tribunal. The Original Authority will examine the claim regarding entitlement of the calculation of the duty liability by extending cum duty benefit based on supporting evidence.
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(d) ***Other Material Pending Litigations:*** NIL

(II) **Litigation by our Directors:**

(a) ***Litigation Involving Criminal Laws:*** NIL

(b) ***Litigation Involving Actions by Statutory/Regulatory Authorities:*** NIL

(c) ***Litigation Involving Tax Liabilities***

(i) ***Direct Tax Liabilities:*** NIL

(ii) ***Indirect Tax Liabilities:*** NIL

(d) ***Other Material Pending Litigations:*** NIL

C. **LITIGATION INVOLVING OUR PROMOTERS:**

(I) **Litigation against our Promoters:**

(a) ***Litigation Involving Criminal Laws:*** NIL

(b) ***Litigation Involving Actions by Statutory/Regulatory Authorities:*** NIL

(c) ***Litigation Involving Tax Liabilities:***

(i) ***Direct Tax Liabilities:***

*With respect to litigation involving our Promoters Mr. Dipesh Godha please refer to the Heading "LITIGATION INVOLVING DIRECTORS – Litigation Against Our Directors – Litigation Involving Tax Liabilities"*

(ii) ***Indirect Tax Liabilities:*** NIL

(d) ***Other Material Pending Litigations :*** NIL

(II) **Litigation by our Promoters:**

(a) ***Litigation Involving Criminal Laws:*** NIL

(b) ***Litigation Involving Actions by Statutory/Regulatory Authorities:*** NIL

(c) ***Litigation Involving Tax Liabilities***

(i) ***Direct Tax Liabilities -*** NIL

(ii) ***Indirect Tax Liabilities -*** NIL

(d) ***Other Material Pending Litigations :*** NIL

**D. LITIGATION INVOLVING GROUP COMPANIES**

**(I) Litigation against our Subsidiary and Group Companies:**

- (a) *Litigation Involving Criminal Laws:* NIL
- (b) *Litigation Involving Actions by Statutory/Regulatory Authorities:* NIL
- (c) *Litigation Involving Tax Liabilities*
  - (i) *Direct Tax Liabilities:* NIL
  - (ii) *Indirect Tax Liabilities:* NIL
- (d) *Other Material Pending Litigations:* NIL

**(II) Litigation by our Group Companies:**

- (a) *Litigation Involving Criminal Laws:* NIL
- (b) *Litigation Involving Actions by Statutory/Regulatory Authorities:* NIL
- (c) *Litigation Involving Tax Liabilities*
  - (i) *Direct Tax Liabilities -* NIL
  - (ii) *Indirect Tax Liabilities -* NIL
- (d) *Other Material Pending Litigations :* NIL

**E. OUTSTANDING DUES TO CREDITORS OF OUR COMPANY**

As on October 31, 2017 our Company does not owe a sum exceeding Rs. 100 Lakhs to any undertaking except the following:

Sr. No.	Particulars	Amount (Rs. Lakhs)
1.	NIL	
	<b>Total</b>	

The details pertaining to net outstanding dues towards our Material Creditors shall be made available under investors' section on the website of our Company i.e. [www.godhacabcon.com](http://www.godhacabcon.com). It is clarified that such details available on our website do not form a part of this Draft Red Herring Prospectus. Anyone placing reliance on any other source of information, including our Company's website, [www.godhacabcon.com](http://www.godhacabcon.com), would be doing so at their own risk.

**F. MATERIAL DEVELOPMENTS SINCE THE LAST BALANCE SHEET DATE**

Except as disclosed in the chapter titled "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" beginning on page 129 of this Draft Red Herring Prospectus, in the opinion of our Board, there have not arisen, since October 31, 2017 any circumstances that materially or adversely affect or are likely to affect our 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 consents, licenses, permissions, registrations and approvals from the Government, various governmental agencies and other statutory and/ or regulatory authorities required for carrying out our present business activities. Further, our obligation to obtain such approvals arises as we progress through different stages of work and we will make applications for such approvals at the appropriate stage. Unless otherwise stated, these approvals or licenses are valid as of the date of this Draft Red Herring Prospectus. Some of the approvals and licenses that we require for our present business operations may expire in the ordinary course of business, and we will apply for renewal from time to time.*

### ***I. Incorporation details***

1. Certificate of incorporation dated October 4, 2016 issued to Godha Cabcon & Insulation Private Limited by the Registrar of Companies, Gwalior.
2. Certificate of incorporation dated July 28, 2017 issued to Godha Cabcon & Insulation Limited pursuant to change of name of the Company, by the Registrar of Companies, Gwalior.
3. The Corporate Identity Number (CIN) of our Company is U31909MP2016PLC041592

### ***II. Approvals in relation 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 July 20, 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 to Section 62(1)(c) of the Companies Act 2013, by a special resolution passed in the extra ordinary general meeting held on, August 14, 2017 authorized the Issue.
4. In-principle approval from the NSE dated [•].

### ***III. Approvals in relation to Tax***

1. The permanent account number of our Company is AAGCG8264M, received on October 4, 2016.
2. The tax deduction account number of our company is BPLG06554C, received on September 25, 2017.
3. The GST number of our Company is 23AAGCG8264M1Z7, received on July 27, 2017.

### ***IV. Approvals in relation to our Business***

4. Our Company has obtained Udhog Aadhar Registration Certificate bearing number MP23B0016894 issued by the Micro, Small and Medium Enterprises, Government of India, inter-alia, in respect of manufacture of electric power distribution transformers, arc-welding transformers, fluorescent ballasts, transmission and distribution voltage regulators, fibre optic cables for data transmission or live transmission of images, electronic and electric wires and cables (insulated wire and cable made of steel, copper, aluminum) , wiring devices and fittings, electric lighting equipments, other electric equipment and other articles dated November 17, 2017.
5. Certificate of registration bearing number BPBO/L-2511136 issued by Bureau of Indian Standards Bhopal Branch Office, for IS-398 (Part 4): 1994 dated August 31, 2017.
6. Our Company has obtained ISO 9001:2015 bearing certificate number 17DQBK43 from ROHS Certification Pvt. Ltd. for manufacturing of AAC, AAAC and ACSR Conductor dated August 30, 2017. This Certificate is valid upto August 29, 2020.
7. Our Company has received the certificate for registration bearing number 78729080260 under the Madhya Pradesh Professional Tax Act, 1995 from Department of Commercial Tax, Government of Madhya Pradesh dated December 21, 2017.

***V. Approvals in relation to Environment***

8. Our Company has received a non-objection certificate (NOC) under the Water Pollution (Prevention and Control of Pollution), Act, 1974 and Air Pollution (Prevention and Control of Pollution) Act 1981 for its manufacturing activity issued by District Trade and Industries Centre, Madhya Pradesh dated November 11, 2017.

## OTHER REGULATORY AND STATUTORY DISCLOSURES

### AUTHORITY FOR THE ISSUE

The Board of Directors, pursuant to a resolution passed at their meeting held on July 20, 2017 authorized the Issue, subject to the approval of the shareholders of our Company under Section 62(1)(c) of the Companies Act, 2013, and such other authorities as may be necessary.

The shareholders of our Company have, pursuant to a special resolution passed under Section 62(1)(c) of the Companies Act, 2013 at an Extra-Ordinary General Meeting held on August 14, 2017 authorized the Issue.

Our Company has obtained in-principle approval from the NSE for using its name in the Draft Red Herring Prospectus/Prospectus pursuant to an approval letter dated [●]. NSE is the Designated Stock Exchange.

### PROHIBITION BY SEBI OR OTHER GOVERNMENTAL AUTHORITIES

Our Company, our Promoters, members of the Promoter Group, our Directors, Group Entities 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 Promoters, Directors, persons in control of our Company 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.

The listing of any securities of our Company has never been refused at any time by any of the Stock Exchanges in India or abroad.

### ASSOCIATION WITH SECURITIES MARKET

None of our Directors are in any manner associated with the securities market and there has been no action taken by SEBI against our Directors or any entity in which our Directors are involved as Promoters or Directors.

### PROHIBITION BY RBI

Neither our Company, our Promoter, our Directors, Group Companies, relatives (as per Companies Act, 2013) of Promoter or the person(s) in control of our Company have been identified as a willful defaulter by the RBI or other governmental authority and no such proceedings are pending against any of them except as details provided in the chapter titled “*Outstanding Litigations and Material Development*” on page 142 of this Prospectus.

### ELIGIBILITY FOR THE ISSUE

Our Company is in compliance with the following conditions specified in Regulation 4(2) of the SEBI (ICDR) Regulations to the extent applicable:

- a) Our Company, our Directors and the companies with which our Directors are associated as directors or promoters or persons in control have not been prohibited from accessing or operating in the capital markets under any order or direction passed by SEBI;
- b) Our Company has applied to the NSE for obtaining their in-principle listing approval for listing of the Equity Shares on NSE Emerge under this Issue and has received the in-principle approval from the NSE pursuant to its letter dated [●]. For the purposes of this Issue, the NSE shall be the Designated Stock Exchange;
- c) Our Company has entered into tripartite agreement dated December 12, 2017 with CDSL for dematerialization of the equity shares;

d) Our Company has entered into tripartite agreement dated, [.] with NSDL for dematerialization of the equity shares;

e) The Equity Shares are fully paid and there are no partly paid-up Equity Shares as on the date of filing this Draft Red Herring Prospectus.

Further, in compliance with Regulation 4(5) of the SEBI (ICDR) Regulations, none of our Company, Promoters or Directors is a Willful Defaulter, as on the date of this Draft Red Herring Prospectus.

Our Company is an “Unlisted Issuer” in terms of the SEBI (ICDR) Regulations; and this Issue is an “Initial Public Offer” in terms of the SEBI (ICDR) Regulations.

Our Company is eligible for the Issue in accordance with Regulation 106(M) (2) and other provisions of Chapter XB of the SEBI (ICDR) Regulations, as we are an Issuer whose post issue paid up capital exceeds ₹10 crore, 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 NSE").

We confirm that:

1. In accordance with Regulation 106(P) of the SEBI (ICDR) Regulations, this issue is 100% underwritten and that the Book Running Lead Manager to the Issue shall underwrite minimum 15% of the Total Issue Size. For further details pertaining to said underwriting please refer to chapter titled “*General Information – Underwriting*” beginning on page 42 of this DRHP.
2. 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 50 (fifty), otherwise, the entire application money will be unblocked forthwith. If such money is not repaid within 8 (eight) 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 8 (eight) Working Days, be liable to repay such application money, with an interest at the rate as prescribed under the SEBI (ICDR) Regulations, Companies Act 2013 and other applicable laws.
3. In accordance with Regulation 106(O) of the SEBI (ICDR) Regulations, 2009 we have not filed any Offer Document with SEBI nor has SEBI issued any observations on our Offer Document. Also, we shall ensure that our Book Running Lead Manager submits a copy of the RHP/Prospectus along with a Due Diligence Certificate including additional confirmations as required to SEBI at the time of filing the RHP/Prospectus with Stock Exchange and the Registrar of Companies.
4. In accordance with Regulation 106(V) of the SEBI (ICDR) Regulations, 2009 we hereby confirm that we have entered into an agreement with the Book Running Lead Manager and a Market Maker to ensure compulsory Market Making for a minimum period of 3 (three) years from the date of listing of Equity Shares on the SME Platform of NSE. For further details of the arrangement of market making, see chapter titled “*General Information – Details of the Market Making Arrangements for this Issue*” beginning on page 42 of this Draft Red Herring Prospectus.

We further confirm that we shall be complying with all the other requirements as laid down for such an issue under Chapter XB of SEBI (ICDR) Regulations, as amended from time to time and subsequent circulars and guidelines issued by SEBI and the Stock Exchange.

As per Regulation 106(M)(3) of SEBI (ICDR) Regulations, 2009 the provisions of Regulations 6(1), 6(2), 6(3), Regulation 8, Regulation 9, Regulation 10, Regulation 25, Regulation 26, Regulation 27 and sub regulation (1) of Regulation 49 of SEBI (ICDR) Regulations, 2009 shall not apply to us in this Issue.

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) on 12/12/2017 and National Securities Depository Limited on [●] for establishing connectivity.

Our Company has a website which can be accessed at the following link: [www.godhacabcon.com](http://www.godhacabcon.com)



There has been no change in the promoter/s of the Company in the preceding one year from date of filing application to NSE for listing on NSE Emerge.

We confirm that we comply with all the below requirements / conditions so as to be eligible to be listed on the SME Platform of the NSE (NSE EMERGE):-

1. Our operations commenced initially under a partnership firm in the year 2006 and due to the death of one of the partner in the year 2008, the business was carried under a proprietorship concern namely M/s Godha Cabcon & Insulation . Thereafter, with an intent to takeover the running business of this proprietorship concern, the company under the name “Godha Cabcon & Insulation Private Limited” was incorporated under the provisions of the Companies Act, 2013 with Certificate of Incorporation bearing Registration Number 041592 dated October 4, 2016 issued by the Registrar of Companies, Gwalior (Madhya Pradesh ) . The Corporate Identification Number of our Company is U31909MP2016PLC041592.
2. The post issue paid up capital of the company will be 1,11,00,000 equity shares of face value of Rs.10/- each aggregating to Rs.1110.00 Lacs which is less than Rs. 25 Crore.
3. Our company confirms that Mrs. Madhu Godha, one of the promoter of the Company has more than 10 years of track record in the business in which our company is engaged. Further, the company has taken over the proprietorship concern namely Godha Cabcon & Insulation on July 19, 2017 which has track record of more than 3 years in the business. For further details, see chapter titled “*Our Business*” and “*Our Management*” on page 74 and 93 respectively to this Draft Red Herring Prospectus..
4. Our Company confirms that the proprietorship concern namely Godha Cabcon & Insulation, which was acquired by the company, has positive cash accruals (earnings before depreciation and tax) from operations for at least 2 (two) financial years preceding the application and the net-worth of our company as on October 31, 2017 is positive.
5. Our Company has not been referred to the National Company Law Tribunal (NCLT) .
6. There is no winding up petition against our Company that has been admitted by the National Company Law Tribunal and no liquidator has been appointed against the Company.
7. No material regulatory or disciplinary action by a stock exchange or regulatory authority in the past three years against the company.
8. Our Company confirms that there is no material regulatory or disciplinary action by a stock exchange or regulatory authority in the past one year in respect of Promoters, Group Companies, companies promoted by the Promoters of the Company.
9. There are no defaults in respect of payment of interest and/or principal to the debenture/bond/fixed deposit holders, banks, financial institutions by our Company, Promoters, Group Companies, companies promoted by the Promoters during the past three years.

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 NSE (NSE EMERGE).

#### **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.

#### **DISCLAIMER CLAUSE OF SEBI**

**IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF OFFER DOCUMENT TO THE SECURITIES AND EXCHANGE BOARD OF INDIA (SEBI) SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI.**

**SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE OFFER DOCUMENT. THE LEAD MERCHANT BANKER, MARK CORPORATE ADVISORS PRIVATE LIMITED HAS CERTIFIED THAT THE DISCLOSURES MADE IN THE OFFER DOCUMENT ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 IN FORCE FOR THE TIME BEING. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING INVESTMENT IN THE PROPOSED ISSUE.**

**IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE ISSUER IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE OFFER DOCUMENT, THE LEAD MERCHANT BANKER, MARK CORPORATE ADVISORS PRIVATE 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 SEBI A DUE DILIGENCE CERTIFICATE DATED JANUARY 15, 2018 WHICH READS AS FOLLOWS:**

**WE, THE UNDER NOTED BOOK RUNNING LEAD MANAGER TO THE ABOVE MENTIONED FORTHCOMING ISSUE STATE AND CONFIRM AS FOLLOWS:**

- 1. WE HAVE EXAMINED VARIOUS DOCUMENTS INCLUDING THOSE RELATING TO LITIGATION LIKE COMMERCIAL DISPUTES, PATENT DISPUTES, DISPUTES WITH COLLABORATORS, ETC. AND OTHER MATERIAL IN CONNECTION WITH THE FINALISATION OF THE RED HERRING PROSPECTUS/PROSPECTUS PERTAINING TO THE SAID ISSUE;**
- 2. ON THE BASIS OF SUCH EXAMINATION AND THE DISCUSSIONS WITH THE ISSUER, ITS DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES, AND INDEPENDENT VERIFICATION OF THE STATEMENTS CONCERNING THE OBJECTS OF THE ISSUE, PRICE JUSTIFICATION AND THE CONTENTS OF THE DOCUMENTS AND OTHER PAPERS FURNISHED BY THE ISSUER, WE CONFIRM THAT:**
  - A. THE RED HERRING PROSPECTUS/ PROSPECTUS FILED WITH THE EXCHANGE IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPERS RELEVANT TO THE ISSUE;**
  - B. ALL THE LEGAL REQUIREMENTS RELATING TO THE ISSUE AS ALSO THE REGULATIONS GUIDELINES, INSTRUCTIONS, ETC. FRAMED/ISSUED BY THE BOARD, THE CENTRAL GOVERNMENT AND ANY OTHER COMPETENT AUTHORITY IN THIS BEHALF HAVE BEEN DULY COMPLIED WITH; AND**
  - C. THE DISCLOSURES MADE IN THE RED HERRING PROSPECTUS/ PROSPECTUS ARE TRUE, FAIR AND ADEQUATE TO ENABLE THE INVESTORS TO MAKE A WELL INFORMED DECISION AS TO THE INVESTMENT IN THE PROPOSED ISSUE AND SUCH DISCLOSURES ARE IN ACCORDANCE WITH THE REQUIREMENTS OF THE COMPANIES ACT, 2013, APPLICABLE PROVISIONS OF THE COMPANIES ACT, 1956, THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 AND OTHER APPLICABLE LEGAL REQUIREMENTS.**
- 3. WE CONFIRM THAT BESIDES OURSELVES, ALL THE INTERMEDIARIES NAMED IN THE RED HERRING PROSPECTUS/ PROSPECTUS ARE REGISTERED WITH THE BOARD AND THAT TILL DATE SUCH REGISTRATION IS VALID.**
- 4. WE HAVE SATISFIED OURSELVES ABOUT THE CAPABILITY OF THE UNDERWRITERS TO FULFILL THEIR UNDERWRITING COMMITMENTS.**

5. WE CERTIFY THAT WRITTEN CONSENT FROM PROMOTER HAS BEEN OBTAINED FOR INCLUSION OF THEIR SPECIFIED SECURITIES AS PART OF PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN AND THE SPECIFIED SECURITIES PROPOSED TO FORM PART OF PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN SHALL NOT BE DISPOSED / SOLD / TRANSFERRED BY THE PROMOTER DURING THE PERIOD STARTING FROM THE DATE OF FILING THE RED HERRING PROSPECTUS/ PROSPECTUS WITH THE BOARD TILL THE DATE OF COMMENCEMENT OF LOCK-IN PERIOD AS STATED IN THE RED HERRING PROSPECTUS/ PROSPECTUS.
6. WE CERTIFY THAT REGULATION 33 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, WHICH RELATES TO SPECIFIED SECURITIES INELIGIBLE FOR COMPUTATION OF PROMOTERS CONTRIBUTION, HAS BEEN DULY COMPLIED WITH AND APPROPRIATE DISCLOSURES AS TO COMPLIANCE WITH THE SAID REGULATION HAVE BEEN MADE IN THE RED HERRING PROSPECTUS/ PROSPECTUS.
7. WE UNDERTAKE THAT SUB-REGULATION (4) OF REGULATION 32 AND CLAUSE (C) AND (D) OF SUB-REGULATION (2) OF REGULATION 8 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 SHALL BE COMPLIED WITH. WE CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION SHALL BE RECEIVED AT LEAST ONE DAY BEFORE THE OPENING OF THE ISSUE. WE UNDERTAKE THAT AUDITORS' CERTIFICATE TO THIS EFFECT SHALL BE DULY SUBMITTED TO THE BOARD. WE FURTHER CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION SHALL BE KEPT IN AN ESCROW ACCOUNT WITH A SCHEDULED COMMERCIAL BANK AND SHALL BE RELEASED TO THE ISSUER ALONG WITH THE PROCEEDS OF THE PUBLIC ISSUE. – NOT APPLICABLE
8. WE CERTIFY THAT THE PROPOSED ACTIVITIES OF THE ISSUER FOR WHICH THE FUNDS ARE BEING RAISED IN THE PRESENT ISSUE FALL WITHIN THE 'MAIN OBJECTS' LISTED IN THE OBJECT CLAUSE OF THE MEMORANDUM OF ASSOCIATION OR OTHER CHARTER OF THE ISSUER AND THAT THE ACTIVITIES WHICH HAVE BEEN CARRIED OUT UNTIL NOW ARE VALID IN TERMS OF THE OBJECT CLAUSE OF ITS MEMORANDUM OF ASSOCIATION.
9. WE CONFIRM THAT NECESSARY ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT THE MONEYS RECEIVED PURSUANT TO THE ISSUE ARE KEPT IN A SEPARATE BANK ACCOUNT AS PER THE PROVISIONS OF SUB-SECTION (3) OF SECTION 40 OF THE COMPANIES ACT, 2013 AND THAT SUCH MONEYS SHALL BE RELEASED BY THE SAID BANK ONLY AFTER PERMISSION IS OBTAINED FROM ALL THE STOCK EXCHANGES MENTIONED IN THE RED HERRING PROSPECTUS/ PROSPECTUS. WE FURTHER CONFIRM THAT THE AGREEMENT ENTERED INTO BETWEEN THE BANKERS TO THE ISSUE AND THE ISSUER SPECIFICALLY CONTAINS THIS CONDITION – NOTED FOR COMPLIANCE.
10. WE CERTIFY ALL THE SHARES SHALL BE ISSUED IN DEMATERIALIZED FORM IN COMPLIANCE WITH THE PROVISIONS OF SECTION 29 OF THE COMPANIES ACT, 2013 AND THE DEPOSITORIES ACT, 1996 AND THE REGULATIONS MADE THEREUNDER.
11. WE CERTIFY THAT ALL THE APPLICABLE DISCLOSURES MANDATED IN THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 HAVE BEEN MADE IN ADDITION TO DISCLOSURES WHICH, IN OUR VIEW, ARE FAIR AND ADEQUATE TO ENABLE THE INVESTOR TO MAKE A WELL INFORMED DECISION.
12. WE CERTIFY THAT THE FOLLOWING DISCLOSURES HAVE BEEN MADE IN THE RED HERRING PROSPECTUS/ PROSPECTUS:
  - A. AN UNDERTAKING FROM THE ISSUER THAT AT ANY GIVEN TIME, THERE SHALL BE ONLY ONE DENOMINATION FOR THE EQUITY SHARES OF THE ISSUER AND

- B. AN UNDERTAKING FROM THE ISSUER THAT IT SHALL COMPLY WITH SUCH DISCLOSURE AND ACCOUNTING NORMS SPECIFIED BY THE BOARD FROM TIME TO TIME.**
- 13. WE UNDERTAKE TO COMPLY WITH THE REGULATIONS PERTAINING TO ADVERTISEMENT IN TERMS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 WHILE MAKING THE ISSUE.**
- 14. WE ENCLOSE A NOTE EXPLAINING HOW THE PROCESS OF DUE DILIGENCE HAS BEEN EXERCISED BY US IN VIEW OF THE NATURE OF CURRENT BUSINESS BACKGROUND OR THE ISSUER, SITUATION AT WHICH THE PROPOSED BUSINESS STANDS, THE RISK FACTORS, PROMOTERS EXPERIENCE, ETC.**
- 15. WE ENCLOSE A CHECKLIST CONFIRMING REGULATION-WISE COMPLIANCE WITH THE APPLICABLE PROVISIONS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, CONTAINING DETAILS SUCH AS THE REGULATION NUMBER, ITS TEXT, THE STATUS OF COMPLIANCE, PAGE NUMBER OF THE RED HERRING PROSPECTUS/ PROSPECTUS WHERE THE REGULATION HAS BEEN COMPLIED WITH AND OUR COMMENTS, IF ANY.**
- 16. WE ENCLOSE STATEMENT ON ‘PRICE INFORMATION OF PAST ISSUES HANDLED BY MERCHANT BANKER BELOW (WHO ARE RESPONSIBLE FOR PRICING THIS ISSUE)’, AS PER FORMAT SPECIFIED BY SEBI THROUGH CIRCULAR NO. CIR/CFD/DIL/7/2015 DATED OCTOBER 30, 2015.**
- 17. WE CERTIFY THAT PROFITS FROM RELATED PARTY TRANSACTIONS HAVE ARISEN FROM LEGITIMATE BUSINESS TRANSACTIONS 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 RED HERRING PROSPECTUS/ PROSPECTUS.**

**ADDITIONAL CONFIRMATIONS/ CERTIFICATION TO BE GIVEN BY MERCHANT BANKER IN DUE DILIGENCE CERTIFICATE TO BE GIVEN ALONG WITH ISSUE DOCUMENT REGARDING SME EXCHANGE**

- (1) WE CONFIRM THAT NONE OF THE INTERMEDIARIES NAMED IN THE RED HERRING PROSPECTUS/PROSPECTUS HAVE BEEN DEBARRED FROM FUNCTIONING BY ANY REGULATORY AUTHORITY.**
- (2) WE CONFIRM THAT ALL THE MATERIAL DISCLOSURES IN RESPECT OF THE ISSUER HAVE BEEN MADE IN RED HERRING PROSPECTUS/ 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 INFORMED THROUGH PUBLIC NOTICES/ ADVERTISEMENTS IN ALL THOSE NEWSPAPERS IN WHICH PRE-ISSUE ADVERTISEMENT AND ADVERTISEMENT FOR OPENING OR CLOSURE OF THE ISSUE HAVE BEEN GIVEN.**
- (3) WE CONFIRM THAT THE ABRIDGED PROSPECTUS CONTAINS ALL THE DISCLOSURES AS SPECIFIED IN THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 - NOTED FOR COMPLIANCE.**
- (4) WE CONFIRM THAT AGREEMENTS HAVE BEEN ENTERED INTO WITH THE DEPOSITORIES FOR DEMATERIALISATION OF THE SPECIFIED SECURITIES OF THE ISSUER – NOTED FOR COMPLIANCE.**
- (5) WE CERTIFY THAT AS PER THE REQUIREMENTS OF FIRST PROVISOR TO SUB REGULATION (4) OF REGULATION 32 OF SECURITIES AND EXCHANGE BOARD OF**

**INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009; CASH FLOW STATEMENT HAS BEEN PREPARED AND DISCLOSED IN THE RED HERRING PROSPECTUS/ PROSPECTUS.**

- (6) WE CONFIRM THAT UNDERWRITING AND MARKET MAKING ARRANGEMENTS AS PER REQUIREMENTS OF REGULATION 106P AND 106V OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 HAVE BEEN MADE - NOTED FOR COMPLIANCE.**

*Note:*

*The filing of this Draft Red Herring 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 Book Running Lead Manager any irregularities or lapses in the Draft Red Herring 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, Gwalior, Madhya Pradesh in terms of sections 26, 32 and 33 of the Companies Act, 2013.*

**Statement on Price Information of Past Issues handled by Mark Corporate Advisors Private Limited:**

No.	Issue Name	Issue Size (₹ in Cr.)	Issue Price (₹)	Listing date	Opening Price on listing date	+/- % change in closing price, [+/- % change in closing benchmark]- 30 <sup>th</sup> calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90 <sup>th</sup> calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180 <sup>th</sup> calendar days from listing
1.	Madhya Pradesh Today Media Limited	14.18	66.00	September 29, 2017	70.00	14.01% 5.46%	60.92% 7.58%	NA

**Summary statement of Disclosure:**

Our Company, its Directors and the Book Running Lead Manager accept no responsibility for statements made otherwise than those contained in this Draft Red Herring 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 Book Running Lead Manager accepts no responsibility, save to the limited extent as provided in the MOU entered between the Book Running Lead Manager (Mark Corporate Advisors Private Limited) and our Company on January 11, 2018 and the Underwriting Agreement dated [●] entered into between the Underwriters and our Company and the Market Making Agreement dated [●] entered into among the Market Maker and our Company.

All information shall be made available by our Company and the Book Running Lead Manager to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever including at road show presentations, in research or sales reports, at collection centers or elsewhere.

The Book Running Lead Manager and their respective associates and affiliates may engage in transactions with, and perform services for, our Company, our Promoter Group, Group Entities, or our affiliates or

associates in the ordinary course of business and have engaged, or may in future engage, in commercial banking and investment banking transactions with our Company, our Promoter Group, Group Entities, and our affiliates or associates, for which they have received and may in future receive compensation.

#### **NOTE**

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 offer, sell, pledge or transfer the Equity Shares of our Company to any person who is not eligible under applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of our Company. Our Company, the Underwriters and their respective directors, officers, agents, affiliates and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire the Equity Shares in the Issue.

#### **Track Record of past issues handled by Mark Corporate Advisors Private Limited**

For details regarding track record of BRLM to the issue as specified in Circular reference no. CIR/MIRSD/1/2012 dated January 10, 2012 issued by the SEBI, please refer the website of the BRLM at [www.markcorporateadvisors.com](http://www.markcorporateadvisors.com)

#### **DISCLAIMER FROM OUR COMPANY AND THE BOOK RUNNING LEAD MANAGER**

Our Company, its Directors and the Book Running Lead Manager accept no responsibility for statements made otherwise than those contained in this Draft Red Herring 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 Book Running Lead Manager accepts no responsibility, save to the limited extent as provided in the MOU entered between the Book Running Lead Manager (Mark Corporate Advisors Private Limited) and our Company on January 11, 2018 and the Underwriting Agreement dated [●] entered into between the Underwriters and our Company and the Market Making Agreement dated [●] entered into among the Market Maker and our Company.

All information shall be made available by our Company and the Book Running Lead Manager to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever including at road show presentations, in research or sales reports, at collection centers or elsewhere.

The Book Running Lead Manager and their respective associates and affiliates may engage in transactions with, and perform services for, our Company, our Promoter Group, Group Entities, or our affiliates or associates in the ordinary course of business and have engaged, or may in future engage, in commercial banking and investment banking transactions with our Company, our Promoter Group, Group Entities, and our affiliates or associates, for which they have received and may in future receive compensation.

#### **NOTE**

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 offer, sell, pledge or transfer the Equity Shares of our Company to any person who is not eligible under applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of our Company. Our Company, the Underwriters and their respective directors, officers, agents, affiliates and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire 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 (Twenty Five Hundred) Lacs and pension funds with a minimum corpus of ₹2,500.00 (Twenty Five Hundred) Lacs, 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 Draft Red Herring Prospectus does not, however, constitute an offer to sell or an invitation to subscribe for Equity Shares offered hereby in any jurisdiction other than India to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession this Draft Red Herring 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 Indore, Madhya Pradesh, India only.

No action has been, or will be, taken to permit a public offering in any jurisdiction where action would be required for that purpose. Accordingly, the Equity Shares represented hereby may not be offered or sold, directly or indirectly, and this Draft Red Herring Prospectus may not be distributed in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of this Draft Red Herring Prospectus or any sale hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of our Company from the date hereof or that the information contained herein is correct as of any time subsequent to this date.

#### **DISCLAIMER CLAUSE OF THE SME PLATFORM OF NSE**

As required, a copy of this Issue Document has been submitted to National Stock Exchange of India Limited (hereinafter referred to as NSE). NSE has given vide its letter [●] permission to the Issuer to use the Exchange's name in this Issue Document as one of the stock exchanges on which this Issuer's securities are proposed to be listed. The Exchange has scrutinized this draft offer document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Issuer. It is to be distinctly understood that the aforesaid permission given by NSE should not in any way be deemed or construed that the offer document has been cleared or approved by NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this offer document; nor does it warrant that this Issuer's securities will be listed or will continue to be listed on the Exchange; nor does it take any responsibility for the financial or other soundness of this Issuer, its promoters, its management or any scheme or project of this Issuer.

Every person who desires to apply for or otherwise acquire any securities of this Issuer may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription /acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever.

#### **DISCLAIMER CLAUSE UNDER RULE 144A OF THE U.S. SECURITIES ACT**

The Equity Shares have not been, and will not be, registered under the U.S. Securities Act 1933, as amended (the "Securities Act") or any state securities laws in the United States and may not be offered or sold within the United States or to, or for the account or benefit of, "U.S. persons" (as defined in Regulation S 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 offered and sold outside the United States in compliance with Regulation S of the Securities Act and the applicable laws of the jurisdiction where those offers and sales occur. The Equity Shares have not been, and will not be, registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Further, each Applicant where required agrees that such Applicant will not sell or transfer any Equity Shares or create any economic interest therein, including any off-shore derivative instruments, such as participatory notes, issued against the Equity Shares or any similar security, other than pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with applicable laws and legislations in each jurisdiction, including India.

## **FILING**

The Draft Red Herring Prospectus is being filed with National Stock Exchange of India Limited, Exchange Plaza, Plot No. C/1, G Block, Bandra- Kurla Complex, Bandra (East), Mumbai-400051, Maharashtra.

This Draft Red Herring 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, Corporation Finance Department, SEBI Bhavan, Plot No. C4 A, G Block, 3rd Floor, Bandra Kurla Complex, Bandra (E), Mumbai 400 051, India for their record purpose only.

A copy of the Red Herring 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, Madhya Pradesh, Gwalior. Additionally, a copy of the prospectus would be filed under section [●] under Companies Act, 2013 with Registrar of Companies, Gwalior, Madhya Pradesh.

## **LISTING**

The Equity Shares of our Company are proposed to be listed on NSE EMERGE. Our Company has obtained in principle approval from NSE by way of its letter dated [●] for listing of equity shares on NSE EMERGE.

NSE will be the Designated Stock Exchange, with which the Basis of Allotment will be finalized for the Issue. If the permission to deal in and for an official quotation of the Equity Shares on the SME Platform is not granted by NSE, our Company shall forthwith repay, without interest, all moneys received from the applicants in pursuance of this Draft Red Herring Prospectus. If such money is not repaid within the prescribed time then our Company becomes liable to repay it, then our Company and every officer in default shall, shall be liable to repay such application money, with interest, as prescribed under the applicable law.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at the SME Platform of NSE mentioned above are taken within 6 (Sixth) Working Days of the Issue Closing Date. If Equity Shares are not Allotted pursuant to the Issue within 6 (Sixth) Working Days from the Issue Closing Date or within such timeline as prescribed by the SEBI, our Company shall repay with interest all monies received from applicants, failing which interest shall be due to be paid to the applicants at the rate of 15% per annum for the delayed period, subject to applicable law.

## **IMPERSONATION**

Attention of the Applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:

Any person who-

- (a) Makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or*
- (b) Makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or*
- (c) Otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name,*

Shall be liable to action under section 447 of the Companies, Act 2013. The liability prescribed under Section 447 of the Companies Act, 2013, includes imprisonment for a term of not less than six months extending up to



ten years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending up to three times of such amount.

## CONSENTS

Consents in writing of (a) our Directors, our Promoters, our Company Secretary & Compliance Officer, Chief Financial Officer, our Statutory Auditor/ Peer Review Auditor (b) Book Running Lead Manager, Registrar to the Issue, Banker(s) to the Issue\*, Legal Advisor to the Issue, Syndicate Members, Underwriter(s) to the Issue and Market Maker to the Issue to act in their respective capacities have been obtained as required under Section 26 of the Companies Act, 2013 and shall be filed along with a copy of the Red Herring 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.

\*The aforesaid will be appointed prior to filing of the Red Herring Prospectus with RoC and their consents as above would be obtained prior to the filing of the Red Herring Prospectus with RoC.

In accordance with the Companies Act and the SEBI (ICDR) Regulations, S.K. Khandelwal & Associates, Chartered Accountants, Indore (M.P.), Statutory Auditor and Peer Review Auditors of the Company has agreed to provide their written consent to the inclusion of their respective reports on Statement of Possible Tax Benefits relating to the possible tax benefits and restated financial statements as included in this Draft Red Herring Prospectus/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 Draft Red Herring Prospectus.

## EXPERTS OPINION

Except for the reports in the section titled “*Financial information of the Company*” and “*Statement of Tax Benefits*” beginning on page 112 and page 64 of this Draft Red Herring Prospectus from the Peer Review Auditors and Statutory Auditor, our Company has not obtained any expert opinions.

## EXPENSES OF THE ISSUE

The total expenses of the Issue are estimated to be ₹Rs. 102.00 Lakhs, which is [●] % of the Issue size. The estimated Issue related expenses include Issue Management Fee, underwriting and management fees SCSB's commission/ Selling commission, fees, printing and distribution expenses, legal fees, statutory advertisement expenses, registrar and depository fees and listing fees. All expenses with respect to the Issue would be paid by our company.

The estimated Issue expenses are as under:-

No.	Particulars	Amount (In Lacs)	Percentage Of Total Estimated Issue Expenditure	Percentage Of Issue Size
1.	Payment to Merchant Banker including, underwriting and selling commissions, brokerages, payment to other intermediaries such as Legal Advisors, Bankers etc and other out of pocket expenses	[●]	[●]	[●]
2.	Printing and Stationery and postage expenses, Advertising and Marketing expenses	[●]	[●]	[●]
3.	Regulatory fees and expenses	[●]	[●]	[●]
	<b>Total estimated Issue Expenses</b>	<b>102.00</b>	<b>100.00%</b>	<b>[●]</b>

\*Included Commission/ processing fees for SCSB, Brokerage and selling commission for Registered Brokers, RTA's and CDPs

#### **FEES, BROKERAGE AND SELLING COMMISSION PAYABLE TO THE BOOK RUNNING LEAD MANAGER**

The total fees payable to the Book Running Lead Manager will be as per the (i) Memorandum of Understanding dated January 11, 2018 with the Book Running Lead Manager Mark Corporate Advisors Private Limited, (ii) the Underwriting Agreement dated [●] with Underwriter and (iii) the Market Making Agreement dated [●] with Market Maker, a copy of which is available for inspection at our Registered Office from 10.00 am to 5.00 pm on Working Days from the date of the Draft Red Herring 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 CAN, tape and printing of bulk mailing register will be as per the MOU between our Company and the Registrar to the Issue dated [●] 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 send allotment advice by registered post/speed post.

#### **PARTICULARS REGARDING PUBLIC OR RIGHTS ISSUES DURING THE LAST FIVE (5) YEARS**

Except as disclosed in chapter titled "*Capital Structure*" beginning on page 48 in this Draft Red Herring Prospectus, our Company has not made any previous public or rights issue in India or Abroad since inception.

#### **PREVIOUS ISSUES OF EQUITY SHARES OTHERWISE THAN FOR CASH**

For a detailed description, see chapter titled "*Capital Structure*" beginning on page 48 of this Draft Red Herring Prospectus.

#### **UNDERWRITING COMMISSION, BROKERAGE AND SELLING COMMISSION ON PREVIOUS ISSUES**

Since this is the initial public offering of our Company's Equity Shares, no sum has been paid or has been payable as commission or brokerage for subscribing for or procuring or agreeing to procure subscription for any of the Equity Shares since our incorporation.

**Particulars in regard to our Company and other listed group-companies / subsidiaries/ associates under the same management within the meaning of Section 370 (1B) of the Companies Act, 1956 / 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 370(1B) of the Companies Act, 1956 has made/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 in the chapter titled "*Capital Structure*" beginning on page 48 of this Draft Red Herring 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**

All of our Group / Associate are unlisted and have not made a public issue of shares.

#### **OUTSTANDING DEBENTURES OR BOND ISSUES OR REDEEMABLE PREFERENCE SHARES**

Our Company does not have any outstanding debentures or bonds or Preference Redeemable Shares as on the date of filing this Draft Red Herring Prospectus.

## **OUTSTANDING CONVERTIBLE INSTRUMENTS**

Our Company does not have any outstanding convertible instruments as on the date of filing this Draft Red Herring Prospectus.

## **OPTION TO SUBSCRIBE**

Equity Shares being offered through the Draft Red Herring Prospectus can be applied for in dematerialized form only.

## **STOCK MARKET DATA OF THE EQUITY SHARES**

This being an Initial Public Offering of the Equity Shares of our Company, the Equity Shares are not listed on any Stock Exchanges.

## **MECHANISM FOR REDRESSAL OF INVESTOR GRIEVANCES**

The agreement between the Registrar to the Issue and our Company provides for retention of records with the Registrar to the Issue for a period of at least 3 (three) years from the last date of dispatch of the letters of allotment and demat credit to enable the investors to approach the Registrar to the Issue for redressal of their grievances.

We hereby confirm that there is no investor complaints received during the three years preceding the filing of Draft Red Herring Prospectus. Since there is no investor complaints received, none are pending as on the date of filing of this Draft Red Herring Prospectus.

All grievances relating to the Issue may be addressed to the Registrar to the Issue, with a copy to the Compliance Officer and with a copy to the relevant Designated Intermediary with whom the Application Form was submitted.

The Applicant should give full details such as name of the sole/ 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 herein above.

## **DISPOSAL OF INVESTOR GRIEVANCES BY OUR COMPANY**

Our Company estimates that the average time required by our Company or the Registrar to the Issue for the redressal of routine investor grievances shall be 15(fifteen) Working Days from the date of receipt of the complaint. In case of complaints that are not routine or where external agencies are involved, our Company will seek to redress these complaints as expeditiously as possible.

Our Company has appointed Ms. Surbhi Jain as Company Secretary and 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:

### **Godha Cabcon and Insulation Limited**

36-D, Sector-B, Sanwer Road,  
Industrial Area, Indore (M.P.), 452006  
India.

For further details, see chapter titled “*Our Management*” beginning on page 93 of this Draft Red Herring Prospectus.

**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 Draft Red Herring Prospectus and hence there are no pending investor complaints as on the date of this Draft Red Herring 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 have been no changes in the auditors since incorporation. The Auditors of our company is M/S S.K. Khandelwal and Associates which were appointed as the First Auditor of the company and ratified by the members in AGM held on July 14, 2017.

#### **CAPITALIZATION OF RESERVES OR PROFITS**

Except as disclosed under section titled “*Capital Structure*” beginning on page 48 of this Draft Red Herring Prospectus, our Company has not capitalized its reserves or profits at any time during the last 5 (five) years.

#### **REVALUATION OF ASSETS**

Our Company has not revalued its assets since inception.

#### **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 chapter titled “*Statement of Tax Benefits*” beginning on page 64 of this Draft Red Herring Prospectus.

#### **PURCHASE OF PROPERTY**

Other than as disclosed in chapter titled “*Our Business*” on page 74 of the Draft Red Herring 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 Draft Red Herring 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 Draft Red Herring 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.

#### **SERVICING BEHAVIOR**

Except as stated in this Draft Red Herring Prospectus, there has been no default in payment of statutory dues or of interest or principle 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 in chapter titled “*Our Management*” beginning on page 93 and “*Related Party Transactions*” beginning on page 125 of this Draft Red Herring Prospectus, none of the beneficiaries of loans and advances and sundry debtors are related to the Directors of our Company.

## SECTION VII- ISSUE RELATED INFORMATION

### TERMS OF THE ISSUE

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

*Please note that, in terms of SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015, all the investors applying in a public issue shall use only Application Supported by Blocked Amount (ASBA) facility for making payment.*

*Further vide the said circular Registrar to the Issue and Depository Participants have been also authorised to collect the Bid cum Application forms.*

### AUTHORITY FOR THE PRESENT ISSUE

The present Public Issue of 3,00,0000 Equity Shares in terms of the Red Herring Draft Red Herring Prospectus has been proposed and authorized by the Board of Directors pursuant to a resolution dated July 20, 2017 and by the shareholders pursuant to the special resolution passed in an Extra Ordinary General Meeting dated 14<sup>th</sup> August, 2017 under Section 62(1)(c) of the Companies Act, 2013.

### RANKING OF EQUITY SHARES

The Equity Shares being offered shall be subject to the provisions of the Companies Act, our Memorandum and Articles of Association and shall rank pari-passu in all respects with the existing Equity Shares including in respect of the rights to receive dividends and other corporate benefits, if any, declared by us after the date of Allotment.

For further details, please refer to the section titled “Main Provisions of the Articles of Association” on page 216 of this Draft Red Herring Prospectus.

### MODE OF PAYMENT OF DIVIDEND

The declaration and payment of dividend will be as per the provisions of Companies Act, the Articles of Association and the provisions of the Listing Agreement executed with the Stock Exchange, and shall be recommended by the Board of Directors and the shareholders at their discretion and will depend on a number of factors, including but not limited to earnings, capital requirements and overall financial condition of our Company. We shall pay dividends if any, in cash and as per provisions of the Companies Act 2013.

For further details, please refer to the section titled “Dividend Policy” on page 111 of this Draft Red Herring Prospectus.

### FACE VALUE AND ISSUE PRICE

The Equity Shares having a face value of ₹10/- each are being offered in terms of this Draft Red Herring Prospectus at the price of [●]per Equity Share. The Issue Price is determined by our Company in consultation with the Book Running Lead Manager and is justified under the section titled “Basis for Issue Price” on page 61 of this Draft Red Herring Prospectus. At any given point of time there shall be only one denomination of the Equity Shares of our Company, subject to applicable laws.

### RIGHTS OF THE EQUITY SHAREHOLDERS

Subject to applicable laws, rules, regulations and guidelines, the equity shareholders shall have the following rights:

- Right to receive dividend, if declared;
- Right to attend general meetings and exercise voting powers, unless prohibited by law;
- Right to vote on a poll either in person or by proxy;
- Right to receive offers for rights shares and be allotted bonus shares, if announced;
- Right to receive surplus on liquidation;
- Right of free transferability; and
- Such other rights, as may be available to a shareholder of a listed public company under the Companies Act, terms of Listing Agreements with Stock Exchange and the Memorandum and Articles of Association of the Company.

For a detailed description of the main provision of the Articles of Association of our Company relating to voting rights, dividend, forfeiture and lien and / or consolidation / splitting, etc., please see the section titled "*Main Provisions of Articles of Association*" beginning on page 216 this Draft Red Herring 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 dematerialized form. In terms of existing SEBI ICDR Regulations, trading in the Equity Shares shall only be in dematerialized form for all investors.

The trading of the Equity Shares will happen in the minimum lot size of 4,000 Equity Shares in terms of the SEBI circular No. CIR/MRD/DSA/06/2012 dated February 21, 2012 and the same may be modified by NSE from time to time by giving prior notice to investors at large.

Allocation and allotment of Equity Shares through this Issue will be done in multiples of 4,000 Equity Share subject to a minimum allotment of 4,000 Equity Shares to the successful Bidders.

#### **MINIMUM NUMBER OF ALLOTTEES**

The minimum number of Allottees in this Issue shall be 50 shareholders. In case the minimum number of prospective Allottees is less than 50, no allotment will be made pursuant to this Issue and the monies collected shall be refunded within 15 days of closure of Issue.

#### **JOINT HOLDERS**

Where two or more persons are registered as the holders of any Equity Shares, they will be deemed to hold such Equity Shares as joint-holders with benefits of survivorship.

#### **NOMINATION FACILITY TO INVESTOR**

In accordance with Section 72 of the Companies Act, 2013, the sole or first, 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 Bidders, as the case may be, the Equity Shares allotted, if any, shall vest. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall in accordance with Section 72 of the Companies Act, 2013, be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to Equity Share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale of equity share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at the Registered Office of our Company or to the Registrar and Transfer Agents of our Company.

In accordance with Section 72 of the Companies Act, 2013, any person who becomes a nominee by virtue of Section 72 of the Companies Act, 2013, shall upon the production of such evidence as may be required by the Board, elect either:

- 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 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 is in dematerialized form, there is no need to make a separate nomination with us. Nominations registered with the respective depository participant of the applicant would prevail. If the investors require changing the nomination, they are requested to inform their respective depository participant.

#### **MINIMUM SUBSCRIPTION**

This Issue is not restricted to any minimum subscription level. This Issue is 100% underwritten. If the Issuer does not receive the subscription of 100% of the Issue through this offer document including devolvement of Underwriters within sixty days from the date of closure of the Issue, the Issuer shall forthwith refund the entire subscription amount received. If there is a delay beyond eight days after the Issuer becomes liable to pay the amount, the Issuer shall pay interest prescribed under section 40 of the Companies Act, 2013.

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

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

*Further, the minimum application size in terms of number of specified securities shall not be less than Rupees One Lac per application.*

#### **ARRANGEMENTS FOR DISPOSAL OF ODD LOTS**

The trading of the Equity Shares will happen in the minimum contract size of 4,000 shares. 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 lot size allowed for trading on the SME platform of NSE.

#### **RESTRICTIONS, IF ANY, ON TRANSFER AND TRANSMISSION OF SHARES OR DEBENTURES AND ON THEIR CONSOLIDATION OR SPLITTING.**

Except for the lock in of the pre-Issue capital of our Company, Promoters' minimum contribution as provided in chapter titled "*Capital Structure*" on page 48 of this Draft Red Herring Prospectus, and except as provided in the Articles of Association there are no restrictions on transfer of Equity Shares. For a detailed description in respect of restrictions, if any, on transfer and transmission of shares and on their consolidation / splitting, please refer to the section titled "*Main Provisions of the Articles of Association*" on Page 216 of this Draft Red Herring Prospectus.

#### **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. Bidders 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**



Our Company may migrate to the main board of NSE from SME platform of NSE on a later date subject to the following:

- a) If the Paid up Capital of the Company is likely to increase above ₹25 crores by virtue of any further issue of capital by way of rights, preferential issue, bonus issue etc. (which has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the promoters in favor of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal and for which the Company has obtained in-principal approval from the main board), we shall have to apply to NSE 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

- b) If the Paid up Capital of the company is more than ₹10 crores but below ₹25 crores, we may still apply for migration to the main board if the same has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the promoters in favor of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal (Not clear in terms of language).

## MARKET MAKING

The shares offered through this Issue are proposed to be listed on the SME Platform of NSE (NSE Emerge), wherein the Book Running Lead Manager to this Issue shall ensure compulsory Market Making through the registered Market Maker of the SME Exchange for a minimum period of three years from the date of listing on the SME Platform of NSE. For further details of the agreement entered into between the Company, the Book Running Lead Manager and the Market Maker please refer to “General Information - Details of the Market Making Arrangement for this Issue” on page 42 of this Draft Red Herring 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 Maker during market making process taking into consideration the Issue size in the following manner:

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

Further, the following shall apply to market makers while managing their inventory during the process of market making:

The exemption from threshold shall not be applicable for the first three months of market making and the market maker shall be required to provide two way quotes during this period irrespective of the level of holding.

Any initial holdings over and above such 5% of issue size would not be counted towards the inventory levels prescribed.

Apart from the above mandatory inventory, only those shares which have been acquired on the platform of the exchange during market making process shall be counted towards the Market Maker's threshold. Threshold limit will take into consideration, the inventory level across market makers

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

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

## NEW FINANCIAL INSTRUMENTS

The Issuer Company is not issuing any new financial instruments through this Issue.

## JURISDICTION

Exclusive jurisdiction for the purpose of this Issue is with the competent courts / authorities in Indore, India.

The Equity Shares have not been and will not be registered under the US Securities Act of 1933 (“**Securities Act**”) or any state securities laws in the United States, and may not be offered or sold within the United States (as defined in **Regulation S under the Securities Act**), except pursuant to an exemption from or in a transaction not subject to, registration 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 offered or sold, and applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

### Period of Operation of Subscription List of Public Issue

<b>ISSUE OPENS ON</b>	<b>[Day, Date], 2017</b>
<b>ISSUE CLOSSES ON</b>	<b>[Day, Date], 2017</b>

### Submission of Application

<b>(Issue period except the Issue Closing date)</b>	
Submission and Revision in Application	Only between 10.00a.m. and 5.00p.m. IST
<b>Issue Closing Date</b>	
Submission and Revision in Application	Only between 10.00a.m. and 3.00p.m. IST

### On the Issue Closing Date, the Applications shall be uploaded until:

- i. 4.00 p.m. IST in case of Applications by QIBs and Non Institutional Investors
- ii. 5.00 p.m. IST or such extended time as permitted by the Stock Exchange, incase of Applications received by Retail Individual Investors

On the Issue Closing Date, extension of time will be granted by Stock Exchange only for uploading Applications received by Retail Individual Investors after taking into account the total number of Applications received and as reported by the Book Running Lead Manager to the Stock Exchange.

It is clarified that Applications not uploaded on the electronic bidding system or in respect of which the full Application Amount is not blocked by SCSBs would be rejected.

Due to limitation of time available for uploading the Applications on the Issue Closing Date, the Bidders are advised to submit their Applications one day prior to the Issue Closing Date. Any time mentioned in this Draft Red Herring Prospectus is IST. Bidders are cautioned that, in the event a large number of Applications are received on the Issue Closing Date, 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 during Monday to Friday (excluding any public/bank holiday). None among our Company or Book Running Lead Manager is liable for any failure in uploading the Applications due to faults in any software/hardware system or otherwise.

## ISSUE STRUCTURE

This Issue is being made in terms of Regulation 106(M)(2) of Chapter XB of SEBI (ICDR) Regulations, 2009, as amended from time to time, whereby, an issuer whose post-issue face value capital exceeds ten Crores rupees shall issue shares to the public and propose to list the same on the Small and Medium Enterprise Exchange (“NSE Emerge”, in this case being the SME Platform of NSE). For further details regarding the salient features and terms of such an Issue please refer the section titled “*Terms of the Issue*” and “*Issue Procedure*” on 164 and 171 of this Draft Red Herring Prospectus.

### Following is the Issue structure:

Public Issue of 30,00,000 Equity Shares of ₹ ₹10/- each for cash at a price of ₹[•] per Equity Share (including a Share premium of ₹[•] per Equity Share) aggregating to ₹[•] Lacs. The Issue comprises reservation of 1,60,000 Equity Shares for subscription by the designated Market Maker (“the Market Maker Reservation Portion”) and Net Issue to Public of 28,40,000 Equity Shares (“the Net Issue”).

Particulars of the Issue	Net Issue to Public*	Market Maker Reservation Portion
<b>Number of Equity Shares available for allocation</b>	28,40,000 Equity Shares	1,60,000 Equity Shares
<b>Percentage of Issue Size available for allocation</b>	94.67% of the Issue size	5.33% of the Issue size
<b>Basis of Allotment</b>	Proportionate subject to minimum allotment of 4,000 Equity Shares and further allotment in multiples of 4,000 Equity Shares each.  For further details please refer to the section titled “ <i>Issue Procedure – Basis of Allotment</i> ” on page 171 of this Draft Red Herring Prospectus.	Firm Allotment
<b>Mode of Application*</b>	Through ASBA Process Only	Through ASBA Process Only
<b>Minimum Application Size</b>	<b>For QIB and NII:</b> Such number of Equity Shares in multiples of 4,000 Equity Shares such that the Application Value exceeds ₹2,00,000.  <b>For Retail Individuals:</b> 4,000 Equity Shares	1,60,000 Equity Shares
<b>Maximum Application Size</b>	<b>For QIB and NII:</b> The maximum application size is the Net Issue to public subject to limits the investor has to adhere under the relevant laws and regulations as applicable.  <b>For Retail Individuals:</b> Such number of Equity Shares in multiples of 4,000 Equity Shares such that the Application Value does not exceed ₹2,00,000/-.	1,60,000 Equity Shares
<b>Mode of Allotment</b>	Dematerialized Form only	Dematerialized Form only
<b>Trading Lot</b>	4,000 Equity Shares	4,000 Equity Shares, However the Market Maker may accept odd lots if any in the market as required under the SEBI (ICDR) Regulations, 2009.

<b>Terms of Payment</b>	Full Application Amount shall be blocked by the SCSBs in the bank account of the ASBA Bidders that is specified in the ASBA Form at the time of submission of the ASBA Form
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\*As per Regulation 43(4) of the SEBI (ICDR) Regulations, as amended, as present Issue is a Book Building process 'the Allocation' in the net Issue to the public category shall be made as follows:

- a. Minimum fifty percent to retail individual investors; and
- b. Remaining to
  - i. Individual Bidders other than retail individual investors; and
  - ii. Other investors including corporate bodies or institutions, irrespective of the number of specified securities applied for;
- c. The unsubscribed portion in either of the categories specified in (a) or (b) above may be allocated to the Bidders in the other category.

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

\* In case of joint Applications, the Bid cum Application form should contain only the name of the first Applicant whose name should also appear as the first holder of the beneficiary account held in joint names. The signature of only such first Applicant would be required in the Bid cum Application form and such first Applicant would be deemed to have signed on behalf of the joint holders.

#### **WITHDRAWAL OF THE ISSUE**

The Company, in consultation with the BRLM, reserves the right not to proceed with the Issue at any time before the Issue Opening Date, without assigning any reason thereof. Notwithstanding the foregoing, the Issue is also subject to obtaining the following:

1. The final listing and trading approvals of NSE for listing of Equity Shares offered through this issue on its SME Platform, which the Company shall apply for after Allotment and
2. The final ROC approval of the Draft Red Herring Prospectus after it is filed with the ROC.

The Book Running Lead Manager, through the Registrar to the Issue, will instruct the SCSBs to unblock the ASBA Accounts within one Working Day from the day of receipt of such instruction. The notice of withdrawal will be issued in the same newspapers where the pre-Issue advertisements have appeared and the Stock Exchange will also be informed promptly. If our Company withdraws the Issue after the Issue Closing Date and subsequently decides to undertake a public offering of Equity Shares, our Company will file a fresh offer document with the stock exchange where the Equity Shares may be proposed to be listed.

Notwithstanding the foregoing, the Issue is subject to obtaining (i) the final listing and trading approvals of the Stock Exchange with respect to the Equity Shares Issued through the Prospectus, which our Company will apply for only after Allotment; and (ii) the final RoC approval of the Prospectus.

Applications and any revisions to the same will be accepted only between 10.00 a.m. to 5.00 p.m. (Indian Standard Time) during the Issue Period at the Application Centers mentioned in the Bid cum 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, Bidders 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. Bidders are cautioned that, in the event a large number of applications are received on the Issue Closing Date, as is typically experienced in public Issue, some applications may not get uploaded due to lack of sufficient time. Such applications that cannot be uploaded were not be considered for allocation under this Issue.

Applications were accepted only on Working Days, i.e., Monday to Friday (excluding any public holiday)

## ISSUE PROCEDURE

*All Bidders should review the General Information Document for Investing in Public Issues prepared and issued in accordance with the circular (CIR/CFD/DIL/12/2013) dated October 23, 2013 notified by SEBI ("General Information Document") included below under section **"-PART B – General Information Document"**, which highlights the key rules, processes and procedures applicable to public issues in general in accordance with the provisions of the Companies Act 2013 (to the extent notified), the Companies Act, 1956 (to the extent not repealed by the Companies Act, 2013), the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957 and the SEBI ICDR Regulations as amended. The General Information Document has been updated to include reference to the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014, SEBI Listing Regulations 2015 and certain notified provisions of the Companies Act, 2013, to the extent applicable to a public issue. The General Information Document is also available on the websites of the Stock Exchanges and the Book Running 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 Issueings including making ASBA Process mandatory for all investors, allowing registrar, share transfer agents, collecting depository participants and stock brokers to accept Bid cum Application forms. Further, SEBI, by its circular No. (CIR/CFD/POLICYCELL/11/2015) dated November 10, 2015, reduced the time taken for listing after the closure of an issue to six working days. These changes are applicable for all public issues which open on or after January 1,2016.*

***Please note that the information stated/ covered in this section may not be complete and/or accurate and as such would be subject to modification/change. Our Company and the Book Running Lead Manager do not accept any responsibility for the completeness and accuracy of the information stated in this section and the General Information Document. Bidders 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 the Red Herring Draft Red Herring Prospectus and the Draft Red Herring Prospectus.***

*This section applies to all the Bidders, please note that all the Bidders are required to make payment of the full Bid amount along with the Bid cum Application form.*

**Our Company and the BRLM are not liable for any amendments, modifications or change in applicable laws or regulations, which may occur after the date of the Red Herring Draft Red Herring Prospectus and this Draft Red Herring Prospectus.**

### **PART A**

#### **BOOK BUILDING ISSUE PROCEDURE**

This Issue is made in compliance with the provisions of Reg. 106(M)(2) of Chapter XB of the SEBI ICDR Regulations and through the Book Building Process wherein 50% of the net issue to Public was made available for allocation to Retail Individual Bidders and the balance shall be available for allocation to QIBs and Non-Institutional Bidders. Further 5.10% of the Issue is reserved for allocation to the Market Maker.

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 BRLMs and the Designated Stock Exchange.

Subject to valid Bids received at or above the issue Price, allocation to all categories in the Net Issue, shall be made on a proportionate basis, except for retail portion where allotment to each retail bidder shall not be less than the minimum bid lot subject to availability of Equity shares in Retail portion, and the remaining available Equity shares, if any, shall be allotted on a proportionate basis.

The Equity Shares, on Allotment, shall be traded only in the dematerialized segment of the Stock Exchange. **Investors should note that the Equity Shares will be Allotted to all successful Bidders only in dematerialized form. The Bid cum Application Forms which do not have the details of the Bidders' depository account, including DP ID, Client ID and PAN, shall be treated as incomplete and will be rejected. Bidders will not have the option of being Allotted Equity Shares in physical form.**

## BID CUM APPLICATION FORM

Copies of the Bid cum Application Form and the abridged Red Herring Prospectus will be available at the offices of the Book Running Lead Manager, the Designated Intermediaries, and Registered Office of our Company. An electronic copy of the Bid cum Application Form will also be available for download on the websites of the Book Running Lead Manager, SCSBs, the NSE ([www.nseindia.com](http://www.nseindia.com)), the terminals of the Registered Brokers, the RTAs and the CDPs at least one day prior to the Issue Opening Date.

All Bidders were mandatorily required to participate in the Issue only through the ASBA process. ASBA Bidders were required to provide bank account details and authorisation to block funds in the relevant space provided in the Bid cum Application Form that does not contain such details are liable to be rejected.

ASBA Bidders were required to ensure that the Bids are made on Bid cum Application Forms bearing the stamp of the Designated Intermediary, submitted at the Collection Centers only (except in case of electronic Bid cum Application Forms) and the Bid cum Application Forms not bearing such specified stamp are liable to be rejected.

The prescribed color of the Bid cum Application Form for various categories is as follows:

Category	Color*
Resident Indians and Eligible NRIs applying on a Non-Repatriation Basis (ASBA)	White
Non-Residents, Eligible NRIs and FIIs applying on a repatriation basis (ASBA)	Blue

Bidders shall only use the specified Bid cum Application Form for the purpose of making an Application in terms of this Draft Red Herring Prospectus.

Pursuant to SEBI Circular dated November 10, 2015 and bearing Reference No. CIR/CFD/POLICYCELL/11/2015, an investor intending to subscribe to this Issue shall submit a completed Bid cum Application form to any of the following intermediaries (collectively called as “Designated Intermediaries”)

Sr. No.	Designated Intermediaries
1.	SCSB with whom the bank account is maintained which is to be blocked
2.	Syndicate Member (including 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, as a proof of having accepted the Bid cum Application form in physical or electronic mode respectively.*

## **PROCESSING OF APPLICATIONS BY DESIGNATED INTERMEDIARIES**

**Applications submitted to SCSBs:** After accepting the form, SCSB shall capture and upload the relevant details in the electronic bidding system as specified by the Stock Exchange and block the necessary funds available in the bank account as specified in the Bid cum Application Form to the extent of application money specified.

**Applications submitted to other than SCSBs:** After accepting the form, respective intermediary shall capture and upload the relevant details in the electronic bidding system of the stock exchange. Post uploading, they shall forward a schedule as per prescribed format along with the Bid cum Application forms to designated branches of the respective SCSBs for blocking of funds within one day of closure of Issue.

Bidders shall submit the Bid cum Application Forms either in physical or electronic form to the SCSBs authorizing blocking funds that are available in the bank account specified in the Bid cum Application form used by bidders.

## **AVAILABILITY OF RED HERRING PROSPECTUS/DRAFT RED HERRING PROSPECTUS AND BID CUM APPLICATION FORMS**

The Memorandum Form 2A containing the salient features of the Red Herring Prospectus together with the Bid cum Application Forms and copies of the Red Herring Prospectus may be obtained from the Registered office of our Company, Book Running Lead Manager to the Issue, Registrar to the Issue and the collection centers of the Bankers to the Issue, as mentioned in the Bid cum Application form. The Bid cum Application forms may also be downloaded from the website of NSE i.e. [www.nseindia.com](http://www.nseindia.com)

## **WHO CAN BID?**

In addition to the category of Bidders as set forth under —Part B -General Information Document for Investing in Public Issues-Category of Investors Eligible to participate in an Issue” on page 188 of this Prospectus, the following persons are also eligible to invest in the Equity Shares under all applicable laws, regulations and guidelines, including:

- FPIs and sub-accounts registered with SEBI other than Category III foreign portfolio investor;
- Category III foreign portfolio investors, which are foreign corporate or foreign individuals only under the Non- Institutional Investors category;
- Scientific and / or industrial research organizations authorized in India to invest in the Equity Shares.
- Any other persons eligible to apply in this Issue under the laws, rules, regulations, guidelines and policies applicable to them.

## **OPTION TO SUBSCRIBE IN THE ISSUE**

- a) As per Section 29 of the Companies Act, 2013, allotment of Equity Shares will in dematerialized form only.
- b) The equity shares, on allotment, shall be traded on Stock Exchange in demat segment only.
- c) A single application from any investor shall not exceed the investment limit/minimum number of specified securities that can be held by him/her/it under the relevant regulations/statutory guidelines and applicable law.

## **PARTICIPATION BY ASSOCIATES/AFFILIATES OF BRLM**

The BRLM, Market Maker and the Underwriter, if any shall not be entitled to subscribe to this Issue in any manner except towards fulfilling their underwriting and market making obligations. However, associates and affiliates of the BRLM , if any may subscribe to Equity Shares in the Issue, in the category as may be applicable to the Bidders, where the allotment is on a proportionate basis in such subscription, may be on their own account or behalf of their clients.

## **BIDS BY INDIAN PUBLIC INCLUDING ELIGIBLE NRI'S APPLYING ON NON-REPATRIATION**

Bid cum Application was required to 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 was required to be made by the Karta of the HUF. An applicant in the Net Public Category cannot make an application for that number of Equity Shares exceeding the number of Equity Shares Issued to the public. Eligible NRIs applying on a non-repatriation basis should authorize their SCSB to block their NRE/FCNR accounts as well as NRO accounts.

## **BIDS BY ELIGIBLE NRIS ON REPATRIATION BASIS**

Bid cum Application Forms were made available for eligible NRIs at our registered office and at the office of the Book Running Lead Manager to the Issue.

Eligible NRIs Bidders may please note that only such applications as are accompanied by payment in free foreign exchange shall be considered for Allotment under the 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 this category.

Under FEMA, general permission is granted to companies vide notification no. FEMA/20/2000 RB dated 03/05/2000 to issue securities to NRIs subject to the terms and conditions stipulated therein. Companies are required to file the declaration in the prescribed form to the concerned Regional Office of RBI within 30(thirty) days from the date of issue of shares of allotment to NRIs on repatriation basis. Allotment of Equity shares to Non-Resident Indians shall be subject to the prevailing Reserve Bank of India Guidelines. Sale proceeds of such investments in Equity shares will be allowed to be repatriated along with the income thereon subject to the permission of the RBI and subject to the Indian Tax Laws and regulations and any other applicable laws.

### **As Per The Current Regulations, The Following Restrictions Are Applicable For Investments By FPIs.**

- a) 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 the Board from time to time.
- b) 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 Issue 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.
- c) In respect of investments in the secondary market, the following additional conditions shall apply:
  - i. 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;
  - ii. Nothing contained in clause (a) shall apply to:
    - Any transactions in derivatives on a recognized stock exchange;



- Short selling transactions in accordance with the framework specified by the Board;
  - Any transaction in securities pursuant to an agreement entered into with the merchant banker in the process of market making or subscribing to unsubscribed portion of the issue in accordance with Chapter XB of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - Any other transaction specified by the Board.
- iii. No transaction on the stock exchange shall be carried forward;
- iv. 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:
- ❖ 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;
  - ❖ 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;
  - ❖ 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;
  - ❖ Sale of securities, in accordance with the Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998;
  - ❖ 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;
  - ❖ Any bid for, or acquisition of, securities in response to an offer for disinvestment of shares made by the Central Government or any State Government;
  - ❖ Any transaction in securities pursuant to an agreement entered into with merchant banker in the process of market making portion of the Issue or subscribing to the unsubscribed portion of the Issue in accordance with Chapter XB of the Securities and Exchange Board of India ( Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - ❖ Any other transaction specified by Board.
- v. 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.
- d) Unless otherwise approved by the Board, securities shall be registered in the name of the foreign portfolio investor as a beneficial owner for the purposes of the Depositories Act, 1996.
- e) 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.
- f) 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.
- g) 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.
- h) A foreign portfolio investor may lend or borrow securities in accordance with the framework specified by the Board in this regard.

No foreign portfolio investor may issue, subscribe to or otherwise deal in offshore derivative instruments, directly or indirectly, unless the following conditions are satisfied:

- a. Such offshore derivative instruments are issued only to persons who are regulated by an appropriate foreign regulatory authority;
  - b. Such offshore derivatives instruments are issued after compliance with “know your client” norms:
- Provided that those unregulated broad based funds, which are classified as Category II foreign portfolio investor by virtue of their investment manager being appropriately regulated shall not issue, subscribe or otherwise deal, in offshore derivatives instruments directly or indirectly:

Provided further that no Category III foreign portfolio investor shall issue, subscribe to or otherwise deal in offshore derivatives instruments directly or indirectly.

A foreign portfolio investor shall ensure that further issue or transfer of any offshore derivative instruments issued by or on behalf of it is made only to persons who are regulated by an appropriate foreign regulatory authority.

Foreign portfolio investors shall fully disclose to the Board any information concerning the terms of and parties to offshore derivative instruments such as participatory notes, equity linked notes or any other such instruments, by whatever names they are called, entered into by it relating to any securities listed or proposed to be listed in any stock exchange in India, as and when and in such form as the Board may specify.

Any offshore derivative instruments issued under the Securities and Exchange Board of India of India (Foreign Institutional Investors) Regulations, 1995 before commencement of SEBI (Foreign Portfolio Investors) Regulation, 2014 shall be deemed to have been issued under the corresponding provision of SEBI (Foreign Portfolio Investors) Regulation, 2014.

The purchase of equity shares of each company by a single foreign portfolio investor or an investor group shall be below 10 per cent of the total issued capital of the company.

An FII or its subaccount which holds a valid certificate of registration shall, subject to the payment of conversion fees, be eligible to continue to buy, sell or otherwise deal in securities till the expiry of its registration as a foreign institutional investor or sub-account, or until he obtains a certificate of registration as foreign portfolio investor, whichever is earlier.

Qualified foreign investor may continue to buy, sell or otherwise deal in securities subject to the provision of SEBI

(Foreign Portfolio Investors) Regulation, 2014, for a period of one year from the date of commencement of aforesaid

regulations, or until it obtains a certificate of registration as foreign portfolio investor, whichever is earlier.

#### **BIDS BY MUTUAL FUNDS**

As per the current regulations, the following restrictions are applicable for investments by mutual funds:

No mutual fund scheme shall invest more than 10% of its net asset value in the Equity Shares or equity related instruments of any Company provided that the limit of 10% shall not be applicable for investments in index funds or sector or industry specific funds. No mutual fund under all its schemes should own more than 10% of any Company's paid up share capital carrying voting rights.

With respect to Bids by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged with the Bid Cum Application Form. Failing this, our Company reserves the right to accept or reject any Bid 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 Bid 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.

#### **BIDS BY LIMITED LIABILITY PARTNERSHIPS**

In case of bids made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, must be attached to the Bid cum Application Form. Failing this, our Company reserves the right to reject any application, without assigning any reason thereof. Limited liability partnerships can participate in the Issue only through the ASBA process.

## **BIDS BY INSURANCE COMPANIES**

In case of bids made by insurance companies registered with the IRDA, a certified copy of certificate of registration issued by IRDA must be attached to the Bid cum Application Form. Failing this, our Company reserves the right to reject any application, without assigning any reason thereof.

The exposure norms for insurers, prescribed under the Insurance Regulatory and Development Authority (Investment Scheme) (5th Amendment) Regulations, 2013, 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).

## **BIDS BY PROVIDENT FUNDS/ PENSION FUNDS**

In case of bids made by provident funds/pension funds, subject to applicable laws, with minimum corpus of ₹2,500 Lacs, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/ pension fund must be attached to the Bid cum Application Form. Failing this, our Company reserves the right to reject any application, without assigning any reason thereof.

The above information is given for the benefit of the Bidder. Our Company, BRLM and Syndicate Members are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of filing of the Red Herring Prospectus. Bidders 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 the Red Herring Prospectus.

## **BIDS BY BANKING COMPANIES**

In case of Bids 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 Bid cum Application form, failing which our Company reserves the right to reject any Application without assigning any reason.

The investment limit for banking companies as per the Banking Regulation Act, 1949, as amended, 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 (except in certain specified exceptions, such as setting up or investing in a subsidiary, which requires RBI approval). Further, the RBI Master Circular of July 1, 2015 sets forth prudential norms required to be followed for classification, valuation and operation of investment portfolio of banking companies. A banking company may hold up to 30% of the paid-up share capital of the investee company with the prior approval of the RBI provided that the investee company is engaged in non-financial activities in which banking companies are permitted to engage under the Banking Regulation Act.

## **BIDS UNDER POWER OF ATTORNEY**

In case of bids made pursuant to a power of attorney by limited companies, corporate bodies, registered societies, Mutual Funds, insurance companies and provident funds with minimum corpus of ₹25 Crores (subject to applicable law) and pension funds with a minimum corpus of ₹25 Crores a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/or bye laws must be lodged with the Bid cum 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 Bids 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 Bid cum Application Form. Failing this, the Company reserves the right to accept or reject any Bid cum Application in whole or in part, in either case, without assigning any reason therefore.

In the case of Bids 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 Bid cum 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 Bids 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 Bid cum Application Form. Failing this, the Company reserves the right to accept or reject any Bid cum Application in whole or in part, in either case, without assigning any reason thereof.

In the case of Bid cum Applications made by provident funds, subject to applicable law, with minimum corpus of ₹2,500 Lacs and pension funds with minimum corpus of ₹2,500Lacs, 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 Bid cum 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.

#### **MAXIMUM AND MINIMUM APPLICATION SIZE**

##### **For Retail Individual Bidders**

The Application must be for a minimum of 4,000 Equity Shares and in multiples of 4,000 Equity Share thereafter, so as to ensure that the Application Price payable by the Applicant does not exceed ₹2,00,000. In case of revision of Applications, the Retail Individual Bidders have to ensure that the Application Price does not exceed ₹2,00,000.

##### **For Other Bidders (Non Institutional Bidders and QIBs):**

The Application must be for a minimum of such number of Equity Shares such that the Application Amount exceeds ₹2,00,000 and in multiples of 4,000 Equity Shares thereafter. An Application cannot be submitted for more than the Issue size. However, the maximum Application by a QIB investor should not exceed the investment limits prescribed for them by applicable laws. Under existing SEBI Regulations, a QIB or Non Institution Applicant cannot withdraw or lower its Application at any stage of Issue.

In case of revision in Applications, the Non Institutional Bidders, who are individuals, have to ensure that the Application Amount is greater than ₹2,00,000 for being considered for allocation in the Non Institutional Portion.

**Bidders are advised to ensure that any single Application from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Draft Red Herring Prospectus.**

**The above information is given for the benefit of the Bidders. The Company and the BRLMs are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of the Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares applied for do not exceed the applicable limits under laws or regulations.**

#### **Information for the Bidders:**

1. Our Company and the Book Running Lead Manager shall declare the Issue Opening Date and Issue Closing Date in the Red Herring 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 Red Herring Prospectus with the RoC at least 3 (three) days before the Issue Opening Date.
3. Our Company announced the Price Band at least five Working Days before the Issue Opening Date in English and Hindi national newspapers and one regional newspaper with wide circulation. This announcement contained relevant financial ratios computed for both upper and lower end of the Price Band. Further, this announcement was disclosed on the websites of the Stock Exchanges where the Equity Shares are proposed to be listed and also pre-filled in the Bid cum Application forms available on the websites of the stock exchanges.
4. The Issue Period shall be for a minimum of three Working Days. In case the Price Band is revised, the Issue Period shall be extended, by an additional three Working Days, subject to the total Issue Period not exceeding ten Working Days. The revised Price Band and Issue Period will be widely disseminated by notification to the SCSBs and Stock Exchanges, and by publishing in English and Hindi national newspapers and one regional newspaper with wide circulation and also by indicating the change on the websites of the Book Running Lead Manager and at the terminals of the members of the Syndicate.
5. The Book Running Lead Manager dispatched the Red Herring Prospectus and other Issue material including Bid cum Application Form, to the Designated Stock Exchange, members of the Syndicate, Bankers to the Issue, investors' associations and SCSBs in advance.
6. Copies of the Bid cum Application Form were made available for all categories of Bidders, with the Designated Branches, members of the Syndicate (at the Syndicate ASBA Bidding Centers) and at our Registered Office. Electronic Bid cum Application Form were made available on the websites of the SCSBs and on the websites of the Stock Exchanges at least one Working Day prior to the Issue Opening Date. Copies of the Bid cum Application Form were made available for the Retail Individual Bidders with the members of the Syndicate and at our Registered Office.

**The Bidders should note that in case the PAN, the DP ID and Client ID mentioned in the Bid cum Application Form and entered into the electronic bidding system of the Stock Exchanges by the Syndicate Member does not match with the PAN, DP ID and Client ID available in the database of Depositories, the Bid cum Application Form is liable to be rejected.**

#### **METHOD AND PROCESS OF BIDS**

1. The Designated Intermediaries shall accept applications from the Bids during the Issue Period.
2. The Issue Period shall be for a minimum of three Working Days and shall not exceed 10 (ten) 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 (ten) Working Days.
3. During the Issue Period, Bidders who are interested in subscribing to the Equity Shares should approach the Designated Intermediaries to register their applications.
4. The Bidder cannot apply on another Bid cum Application Form after bids on one Bid Cum Application Form have been submitted to the Designated Intermediaries. Submission of a second Bid cum Application form to either the same or to another Designated Intermediaries will be treated as multiple bids 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 bid cum application forms shall be responsible for uploading the application along with other relevant details in Bid cum Application forms on the electronic bidding system of stock exchange and submitting the form to SCSBs for blocking of funds (except in case of SCSBs, where blocking of funds will be done by respective SCSBs only). All bids shall be stamped and thereby acknowledged by the Designated Intermediaries at the time of receipt.
6. Upon receipt of the bid cum Application Form, submitted whether in physical or electronic mode, the Designated Intermediaries shall verify if sufficient funds equal to the bid Amount are available in the ASBA Account, as mentioned in the bid cum Application Form, prior to uploading such bids with the Stock Exchange.
7. If sufficient funds are not available in the ASBA Account, the Designated Intermediaries shall reject such bids and shall not upload such bids with the Stock Exchange.
8. If sufficient funds are available in the ASBA Account, the SCSB shall block an amount equivalent to the bid Amount mentioned in the Bid cum 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.

9. The bid Amount shall remain blocked in the aforesaid ASBA Account until finalization of the Basis of Allotment and consequent transfer of the bid Amount against the Allotted Equity Shares to the Public Issue Account, or until withdrawal/ failure of the Issue or until withdrawal/ rejection of the bid cum 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 bidders to the Public Issue Account. In case of withdrawal/ failure of the Issue, the blocked amount shall be unblocked on receipt of such information from the Registrar to the Issue.

#### **TERMS OF PAYMENT / PAYMENT INSTRUCTIONS**

The entire Issue Price of ₹[•] per share is payable on application. All the Bidders are required to use ASBA facility to make the payment. In case of allotment of lesser number Equity Shares than the number applied, the Registrar shall instruct the SCSBs to unblock the excess amount paid on application to the bidders.

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 Bidders should note that the arrangement with Banker 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 Bidders.

#### **PAYMENT MECHANISM**

The bidders shall specify the bank account number in their Bid cum Application Form and the SCSBs shall block an amount equivalent to the Application Amount in the bank account specified in the Bid cum 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 Bidders shall neither withdraw nor lower the size of their applications at any stage. In the event of withdrawal or rejection of the Bid cum Application Form or for unsuccessful Bid cum Application Forms, the Registrar to the Issue shall give instructions to the SCSBs to unblock the 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 potential investors shall invest in the public issue through ASBA Mode only.*

#### **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 bids accepted by them,
  - ii. the bids uploaded by them
  - iii. the bids accepted but not uploaded by them or
  - iv. With respect to applications by Bidders, applications accepted and uploaded by any Designated Intermediary other than SCSBs, the Bid cum 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 Book Running 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 bids accepted by any Designated Intermediaries
  - ii. the bids uploaded by any Designated Intermediaries
  - iii. the bids accepted but not uploaded by any Designated Intermediaries
5. The Stock Exchange will offer an electronic facility for registering applications for the Issue. This facility will be available at the terminals of Designated Intermediaries and their authorized agents during the Issue Period. The Designated Branches or agents of Designated Intermediaries can also set up facilities for off-line electronic registration of applications subject to the condition that they will subsequently upload the off-line data file into the online facilities on a regular basis. On the Issue Closing Date, the Designated Intermediaries shall upload the applications till such time as may be permitted by the Stock Exchange. This information will be available with the Book Running Lead Manager on a regular basis.
6. With respect to bids by bidders, at the time of registering such bids, the Syndicate members, DPs and RTAs shall forward a Schedule along with the Bid cum Application Forms to Designated Branches of the SCSBs for blocking of funds:

S.No.	Details*
1.	Symbol
2.	Intermediary Code
3.	Location Code
4.	Application No.
5.	Category
6.	PAN
7.	DP ID
8.	Client ID
9.	Quantity
10.	Amount

*\*Stock Exchanges shall uniformly prescribe character length for each of the above mentioned fields*

7. With respect to bids by bidders, at the time of registering such applications, the Designated Intermediaries shall enter the following information pertaining to the bids into the on-line system:
  - Name of the bidder;
  - IPO Name;
  - Bid cum Application Form Number;
  - Investor Category;
  - PAN (of First Bidder, if more than one bidder);
  - DP ID of the demat account of the Bidder;
  - Client Identification Number of the demat account of the Bidder;
  - 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 Bid by a Bidder through the Electronic Mode, the Bidder shall complete the above-mentioned details and mention the bank account number, except the Electronic ASBA Bid cum 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 Bid cum 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 Bidders and Retail Individual Bidders, applications would not be rejected except on the technical grounds as mentioned in this Draft Red Herring Prospectus. The Designated Intermediaries shall have no right to reject applications, except on technical grounds.
12. The permission given by the Stock Exchange to use their network and software of the Online IPO system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company and/or the Book Running 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 Draft Red Herring Prospectus, nor does it warrant that the Equity Shares will be listed or will continue to be listed on the Stock Exchanges.
13. The Designated Intermediaries will be given time till 1.00 p.m. on the next working day after the Issue Closing Date to verify the DP ID and Client ID uploaded in the online IPO system during the Issue Period, after which the Registrar to the Issue will receive this data from the Stock Exchange and will validate the electronic application details with Depository's records. In case no corresponding record is available with Depositories, which matches the three parameters, namely DP ID, Client ID and PAN, then such applications are liable to be rejected.
14. The SCSBs shall be given one day after the Issue Closing Date to send confirmation of Funds blocked (Final certificate) to the Registrar to the Issue.
15. The details uploaded in the online IPO system shall be considered as final and Allotment will be based on such details for bids.

## **ALLOCATION OF EQUITY SHARES**

The Issue is being made through the Book Building Process where in 1,98,000 Equity Shares shall be reserved for Market Maker. 18,62,000 Equity Shares will be allocated on Proportionate basis to Retail Individual Bidders, subject to valid bids being received from Retail Individual Bidders at the Issue Price. The balance of the Net Issue will be available for allocation on proportionate basis to Non Retail Bidders.

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 Book Running Lead Manager and the Stock Exchange.

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.

In terms of SEBI Regulations, Non Retail Bidders shall not be allowed to either withdraw or lower the size of their applications at any stage.

Allotment Status details shall be available on the website of the Registrar to the Issue.

## **GENERAL INSTRUCTIONS**

### ***Do's:***

- Check if you are eligible to apply;
- Read all the instructions carefully and complete the applicable Bid Cum Application Form;
- Ensure that you have Bid within the Price Band;
- 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 bidders 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 Bid cum 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 Bid cum Application Form under the ASBA process to the respective member of the Syndicate (in the Specified Locations), the SCSBs, the Registered Broker (at the Broker Centers), 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 Bid cum Application Form is signed by the account holder in case the bidder is not the account holder;
- Ensure that you have mentioned the correct bank account number in the Bid cum Application Form;
- Ensure that the Bid cum Application Forms are delivered by the bidders within the time prescribed as per the Bid cum Application Form and the Red Herring Prospectus;
- Ensure that you have requested for and receive a TRS;
- Ensure that you request for and receive a stamped acknowledgement of the Bid cum Application Form for all your bid options;
- All Investors submit their bids through the ASBA process only;
- Ensure that you receive an acknowledgement from the concerned Designated Intermediary, for the submission of your Bid cum Application Form; and
- The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

***Don'ts:***

- Check if you are eligible to apply;
- Read all the instructions carefully and complete the applicable Bid Cum Application Form;
- Ensure that you have Bid within the Price Band;
- 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 bidders 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 Bid cum 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 Bid cum Application Form under the ASBA process to the respective member of the Syndicate (in the Specified Locations), the SCSBs, the Registered Broker (at the Broker Centers), 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 Bid cum Application Form is signed by the account holder in case the bidder is not the account holder;
- Ensure that you have mentioned the correct bank account number in the Bid cum Application Form;
- Ensure that the Bid cum Application Forms are delivered by the bidders within the time prescribed as per the Bid cum Application Form and the Red Herring Prospectus;
- Ensure that you have requested for and receive a TRS;
- Ensure that you request for and receive a stamped acknowledgement of the Bid cum Application Form for all your bid options;
- All Investors submit their bids through the ASBA process only;
- Ensure that you receive an acknowledgement from the concerned Designated Intermediary, for the submission of your Bid cum Application Form; and
- The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with. Do not submit the bid without ensuring that funds equivalent to the entire application Amount are blocked in the relevant ASBA Account;
- Do not apply for a bid Amount exceeding ₹2,00,000 (for applications by Retail Individual Bidders);
- Do not fill up the Bid cum 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 bids on plain paper or incomplete or illegible Bid cum Application Forms in a colour prescribed for another category of Bidder; and
- Do not make Bid cum Applications if you are not competent to contract under the Indian Contract Act, 1872, as amended.
- Do not submit more than five Bid cum Application Forms per ASBA Account;

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

## **BIDS AT DIFFERENT PRICE LEVELS AND REVISION OF BIDS**

- a) Our Company in consultation with the BRLM, and without the prior approval of, or intimation, to the Bidders, reserves the right to revise the Price Band during the Bid/ Issue Period, provided that the Cap Price shall be less than or equal to 120% of the Floor Price and the Floor Price shall not be less than the face value of the Equity Shares. The revision in Price Band shall not exceed 20% on the either side i.e. the floor price can move up or down to the extent of 20% of the floor price disclosed. If the revised price band decided, falls within two different price bands than the minimum application lot size shall be decided based on the price band in which the higher price falls into.
- b) Our Company in consultation with the BRLM, will finalize the Issue Price within the Price Band, without the prior approval of, or intimation, to the Bidders.
- c) The Bidders can Bid at any price within the Price Band. The Bidder has to Bid for the desired number of Equity Shares at a specific price. Retail Individual Bidders may Bid at the Cut-off Price. However, bidding at Cut-off Price is prohibited for QIB and Non-Institutional Bidders and such Bids from QIB and Non-Institutional Bidders shall be rejected.
- d) Retail Individual Bidders, who Bid at Cut-off Price agree that they shall purchase the Equity Shares at any price within the Price Band. Retail Individual Bidders shall submit the Bid cum Application Form along with a cheque/demand draft for the Bid Amount based on the Cap Price with the Syndicate. In case of ASBA Bidders (excluding Non- Institutional Bidders and QIB Bidders) bidding at Cut-off Price, the ASBA Bidders shall instruct the SCSBs to block an amount based on the Cap Price.

## **OTHER INSTRUCTIONS**

### ***Joint Applications in the case of Individuals***

Applications may be made in single or joint names (not more than three). In the case of joint Applications, all payments will be made out in favour of the Bidder whose name appears first in the Bid cum Application Form or Revision Form. All communications will be addressed to the First Bidder and will be dispatched to his or her address as per the Demographic Details received from the Depository.

### ***Multiple Applications***

A Bidder should submit only one bid (and not more than one) for the total number of Equity Shares required. Two or more Applications will be deemed to be multiple Applications if the sole or First Bidder is one and the same.

In this regard, the procedures which would be followed by the Registrar to the Issue to detect multiple applications are given below:

- i. All applications are electronically strung on first name, address (1st line) and bidder's status. Further, these applications are electronically matched for common first name and address and if matched, these are checked manually for age, signature and father/ husband's name to determine if they are multiple applications

- ii. Applications which do not qualify as multiple applications as per above procedure are further checked for common DP ID/ beneficiary ID. In case of applications with common DP ID/ beneficiary ID, are manually checked to eliminate possibility of data entry error to determine if they are multiple applications.
- iii. Applications which do not qualify as multiple applications as per above procedure are further checked for common PAN. All such matched applications with common PAN are manually checked to eliminate possibility of data capture error to determine if they are multiple applications.

In case of a mutual fund, a separate Application can be made in respect of each scheme of the mutual fund registered with SEBI and such Applications in respect of more than one scheme of the mutual fund will not be treated as multiple Applications provided that the Applications clearly indicate the scheme concerned for which the Application has been made.

In cases where there are more than 20 valid applications having a common address, such shares will be kept in abeyance, post allotment and released on confirmation of “know your client” norms by the depositories. The Company reserves the right to reject, in our absolute discretion, all or any multiple Applications in any or all categories.

After submitting an ASBA Application either in physical or electronic mode, an ASBA Bidder cannot apply (either in physical or electronic mode) to either the same or another Designated Branch of the SCSB. Submission of a second Application in such manner will be deemed a multiple Application and would be rejected. More than one ASBA Bidder may apply for Equity Shares using the same ASBA Account, provided that the SCSBs will not accept a total of more than five Bid cum Application Forms with respect to any single ASBA Account.

Duplicate copies of Bid cum Application Forms downloaded and printed from the website of the Stock Exchange bearing the same application number shall be treated as multiple Applications and are liable to be rejected. The Company, in consultation with the Book Running Lead Manager reserves the right to reject, in its absolute discretion, all or any multiple Applications in any or all categories. In this regard, the procedure which would be followed by the Registrar to the Issue to detect multiple Applications is given below:

1. All Applications will be checked for common PAN. For Bidders other than Mutual Funds and FII subaccounts, Applications bearing the same PAN will be treated as multiple Applications and will be rejected.
2. For Applications from Mutual Funds and FII sub-accounts, submitted under the same PAN, as well as Applications on behalf of the Bidders for whom submission of PAN is not mandatory such as the Central or State Government, an official liquidator or receiver appointed by a court and residents of Sikkim, the Bid cum Application Forms will be checked for common DP ID and Client ID.

#### **PERMANENT ACCOUNT NUMBER OR PAN**

Pursuant to the circular MRD/DoP/Circ 05/2007 dated April 27, 2007, SEBI has mandated Permanent Account Number (“PAN”) to be the sole identification number for all participants transacting in the securities market, irrespective of the amount of the transaction w.e.f. July 2, 2007. Each of the Bidder should mention his/her PAN allotted under the IT Act. **Applications without this information will be considered incomplete and are liable to be rejected.** It is to be specifically noted that Bidders should not submit the GIR number instead of the PAN, as the Application is liable to be rejected on this ground.

## **SIGNING OF UNDERWRITING AGREEMENT**

Vide an Underwriting Agreement dated [Date, Year] this issue is 100% Underwritten.

## **FILING OF THE RED HERRING PROSPECTUS WITH THE RoC**

The Company will file a copy of the Red Herring Prospectus with the RoC in terms of 26 of the Companies Act, 2013.

## **PRE-ISSUE ADVERTISEMENT**

Subject to Section 30 of the Companies Act, 2013 the Company shall, after registering the Red Herring Prospectus with the RoC, publish a pre-Issue advertisement, in the form prescribed by the SEBI Regulations, in one widely circulated English language national daily newspaper; one widely circulated Hindi language national daily newspaper and one regional newspaper with wide circulation. In the pre-Issue advertisement, we stated the Bid Opening Date and the Bid Closing Date. This advertisement, subject to the provisions of Section 30 of the Companies Act, 2013, was in the format prescribed in Part A of Schedule XIII of the SEBI Regulations.

## **ADVERTISEMENT REGARDING ISSUE PRICE AND PROSPECTUS**

Our Company will issue a statutory advertisement after the filing of the Prospectus with the RoC. This advertisement, in addition to the information that has to be set out in the statutory advertisement, shall indicate the final derived Issue Price.

Any material updates between the date of the Red Herring Prospectus and the date of Prospectus will be included in such statutory advertisement.

## **ISSUANCE OF A CONFIRMATION OF ALLOCATION NOTE ("CAN")**

1. Upon approval of the basis of allotment by the Designated Stock Exchange.
2. The Book Running Lead Managers or the Registrar to the Issue will dispatch an Allotment Advice to their bidders who have been allocated Equity Shares in the Issue.

The dispatch of Allotment Advice shall be deemed a valid, binding and irrevocable contract for the Allotment to such Bid.

## **UNDERTAKINGS BY OUR COMPANY**

The Company undertakes the following:

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 does not proceed with the Issue, the reason thereof shall be given as a public notice to be issued by our Company within two days of the Issue Closing Date. The public notice shall be issued in the same newspapers where the pre-Issue advertisements were published. The stock exchange on which the Equity Shares are proposed to be listed shall also be informed promptly;
4. That the our Promoters' contribution in full has already been brought in;
5. All steps for completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges where the Equity Shares are proposed to be listed are taken within six Working Days of the Bid/Issue Closing Date;
6. That no further issue of Equity Shares shall be made till the Equity Shares offered through the Draft Red Herring Prospectus are listed or until the Application monies are unblocked on account of non-listing, under subscription etc. and
7. 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/ SE/SEBI, in the event our Company subsequently decides to proceed with the Issuer;
8. Adequate arrangements shall be made to collect all Bid cum Application Forms from the bidders.

9. That none of the promoters or directors of the company is willful defaulter under Section 4(5) of SEBI (ICDR) Regulations, 2009 as per the (Third Amendment) in SEBI (ICDR) Regulations, 2016 dated May, 25, 2016.

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

Our Company declares that all monies received out of the Issue shall be credited/ transferred to a separate bank account other than the bank account referred to in sub section (3) of Section 40 of the Companies Act 2013.

#### **COMMUNICATIONS**

All future communications in connection with Bids made in this Issue should be addressed to the Registrar quoting the full name of the sole or First Bidder, Bid cum Application Form number, Bidders Depository Account Details, number of Equity Shares applied for, date of Bid cum Application Form, name and address of the member of the Syndicate or the SCSB / Designated Intermediary, where the Bid was submitted and bank account number in which the amount equivalent to the Bid Amount was blocked.

Bidders can contact the Compliance Officer or the Registrar in case of any pre-Issue or post-Issue related problems such as non-receipt of letters of Allotment, credit of allotted shares in the respective beneficiary accounts, unblocking of funds, etc. In case of ASBA Bids submitted to the Designated Branches of the SCSBs, the Bidders can contact the Designated Branches of the SCSBs.

#### **IMPERSONATION**

Attention of the bidders is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:

Any person who-

- a) Makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or
- b) Makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or
- c) Otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name.

Shall be liable to action under section 447 of the Companies, Act 2013.

## PART B

### GENERAL INFORMATION DOCUMENT FOR INVESTING IN PUBLIC ISSUES

This General Information Document highlights the key rules, processes and procedures applicable to public issues in accordance with the provisions of the Companies Act, 2013, The Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957 and the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009. Bidders should not construe the contents of this General Information Document as legal advice and should consult their own legal counsel and other advisors in relation to the legal matters concerning the Issue. For taking an investment decision, the Bidders should rely on their own examination of the Issuer and the Issue, and should carefully read the Red Herring Prospectus/Prospectus before investing in the Issue.

#### SECTION 1: PURPOSE OF THE GENERAL INFORMATION DOCUMENT (GID)

This document is applicable to the public issues undertaken inter-alia through the Book Building process. The purpose of the ***“General Information Document for Investing in Public Issues”*** is to provide general guidance to potential Bidders in IPOs, on the processes and procedures governing IPOs, undertaken in accordance with the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (***“SEBI ICDR Regulations, 2009”***).

Bidders should note that investment in equity and equity related securities involves risk and Bidder should not invest any funds in the Issue unless they can afford to take the risk of losing their investment. The specific terms relating to securities and/or for subscribing to securities in an Issue and the relevant information about the Issuer undertaking the Issue; are set out in the Red Herring Prospectus filed by the Issuer with the Registrar of Companies (***“RoC”***). Bidders should carefully read the entire Red Herring Prospectus and the Bid cum Application form and the Abridged Red Herring Prospectus of the Issuer in which they are proposing to invest through the Issue. In case of any difference in interpretation or conflict and/or overlap between the disclosure included in this document and the Red Herring Prospectus, the disclosures in the Red Herring Prospectus shall prevail. The Draft Red Herring Prospectus of the Issuer is available on the websites of stock exchange, on the website(s) of the **BRLM** to the Issue and on the website of Securities and Exchange Board of India (***“SEBI”***) at [www.sebi.gov.in](http://www.sebi.gov.in).

For the definitions of capitalized terms and abbreviations used herein Bidders may refer to the section “Glossary and Abbreviations”.

#### SECTION 2: BRIEF INTRODUCTION TO IPOs ON SME EXCHANGE

##### 2.1 Initial public Issue(IPO)

An IPO means an Issue of specified securities by an unlisted Issuer to the public for subscription and may include an Issue for Sale of specified securities to the public by any existing holder of such securities in an unlisted Issuer.

For undertaking an IPO, an Issuer is inter-alia required to comply with the eligibility requirements of in terms of either Regulation 26(1) or Regulation 26(2) of the SEBI ICDR Regulations, 2009 if applicable. For details of compliance with the eligibility requirements by the Issuer Bidder may refer to the Red Herring Prospectus.

The Issuer may also undertake IPO under Chapter XB of SEBI (ICDR) regulations, wherein as per,

- Regulation 106M(1) : An issuer whose post-issue face value capital does not exceed ten crore rupees shall issue its specified securities in accordance with provisions of this Chapter.
- Regulation 106M(2) : An issuer whose post-issue face value capital is more than ten crore rupees and upto twenty five crore rupees, may also issue its specified securities in accordance with provisions of this Chapter.

The present Issue being made under Regulation 106M(2) of Chapter XB of SEBI (ICDR) Regulation.

## 2.2 Other Eligibility Requirements

In addition to the eligibility requirements specified in paragraphs 2.1 an Issuer proposing to undertake an IPO is required to comply with various other requirements as specified in the SEBI ICDR Regulations, 2009, The Companies Act, 2013 as may be applicable (“the Companies Act”), the Securities Contracts (Regulation) Rules, 1957 (the “SCRR”), industry-specific regulations, if any, and other applicable laws for the time being in force.

Following are the eligibility requirements for making an SME IPO under Regulation 106M (2) of Chapter XB of SEBI (ICDR) Regulation:

- a) In accordance with Regulation 106(P) of SEBI (ICDR) Regulation, Issue has to be 100% underwritten and the BRLM has to underwrite at least 15% of the total issue size.
- b) In accordance with regulation 106(R) of SEBI (ICDR) Regulation, total number of proposed allottees in the Issue shall be greater than or equal to fifty, otherwise the entire application money will be blocked forthwith. If such money is not repaid within eight days from the date the company becomes liable to repay it, then the Company and every officer in default shall, on and from expiry of eight days, be liable to repay such application money, with interest as prescribed under Section 40 of the Companies Act, 2013.
- c) In accordance with Regulation 106(O) of the SEBI (ICDR) Regulation, Company is not required to file any Issue Document with SEBI nor has SEBI issued any observations on the Issue Document. The Lead Manager shall submit the copy of Red Herring Prospectus along with a Due Diligence Certificate including additional confirmations as required to SEBI at the time of filing the Red Herring Prospectus with Stock Exchange and the Registrar of Companies.
- d) In accordance with Regulation 106(V) of the SEBI (ICDR) Regulation, the BRLM has to ensure compulsory market making for a minimum period of three years from the date of listing of Equity Shares Issued in the Issue.
- e) The Issuer shall have a track record of three years.
- f) The Net worth (excluding revaluation reserves) of the Issuer shall be positive as per the latest audited financial results.
- g) The Issuer should have positive cash accruals (earnings before depreciation and tax) from operations for at least 2 financial years.
- h) The Post-issue paid up capital of the Issuer shall be less than ₹25 Crores.
- i) The Issuer shall mandatorily facilitate trading in demat securities.
- j) The Issuer should not have been referred to Board for Industrial and Financial Reconstruction.
- k) No petition for winding up is admitted by a Court or a Liquidator has not been appointed of competent jurisdiction against the Company.
- l) No material regulatory or disciplinary action should have been taken by any stock exchange or regulatory authority in the past three years against the Issuer.
- m) The Issuer Company should have a website.

Issuer shall also comply with all the other requirements as laid down for such an Issue under Chapter X-B of SEBI (ICDR) Regulations and subsequent circulars and guidelines issued by SEBI and the Stock Exchange. As per Regulation 106 (M) (3) of SEBI (ICDR) Regulation, 2009 the provisions of regulations 6(1), 6(2), 6(3), Regulation 7, Regulation 8, Regulation 9, Regulation 10, Regulation 25, Regulation 26, Regulation 27 and Sub regulation (1) of Regulation 49 of SEBI (ICDR) Regulations, 2009 shall not apply to this Issue.

Thus the Company is eligible for the Issue in accordance with Regulation 106M(2) and other provision of Chapter XB of SEBI (ICDR) Regulations as the post –issue face value capital does not exceed ₹2500 Lacs. Company also complies with the eligibility conditions laid by the SME Platform of NSE for listing of our Equity Shares in their SME Platform.

## 2.3 Types of Public Issues – Fixed Price Issues and Book Built Issues

In accordance with the provisions of the SEBI ICDR Regulations, 2009, an Issuer can either determine the Issue Price through the Book Building Process (“**Book Built Issue**”) or undertake a Fixed Price Issue (“**Fixed Price Issue**”). An Issuer may mention Floor Price or Price Band in the RHP (in case of a Book Built Issue) and a Price in this Red Herring Prospectus (in case of a fixed price Issue) and determine the price at a later date before registering the Draft Red Herring Prospectus with the Registrar of Companies.

The cap on the Price Band should be less than or equal to 120% of the Floor Price. The Issuer shall announce the Price or the Floor Price or the Price Band through advertisement in all newspapers in which the pre-issue advertisement was given at least five Working Days before the Bid/Issue Opening

Date, in case of an IPO and at least one Working Day before the Bid/Issue Opening Date, in case of anFPO.

The Floor Price or the Issue price cannot be lesser than the face value of the securities.

Bidders should refer to the Red Herring Prospectus or Issue advertisements to check whether the Issue is a Book Built Issue or a Fixed Price Issue.

## **2.4 Issue Period**

The Issue may be kept open for a minimum of three Working Days (for all category of Bidders) and not more than ten Working Days. Bidders are advised to refer to the Bid cum Application form and Abridged Draft Red Herring Prospectus or Red Herring Prospectus for details of the Issue Period. Details of Issue Period are also available on the website of Stock Exchange.

## **2.5 Migration To Main Board**

SME Issuer may migrate to the Main Board of Stock Exchange from the SME Exchange at a later date subject to the following:

- a) If the Paid up Capital of the Company is likely to increase above ₹25 crores by virtue of any further issue of capital by way of rights, preferential issue, bonus issue etc. (which has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the Promoters in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal and for which the company has obtained in-principal approval from the main board), The Company shall apply to SE for listing of its shares on its Main Board subject to the fulfillment of the eligibility criteria for listing of specified securities laid down by the Main Board.

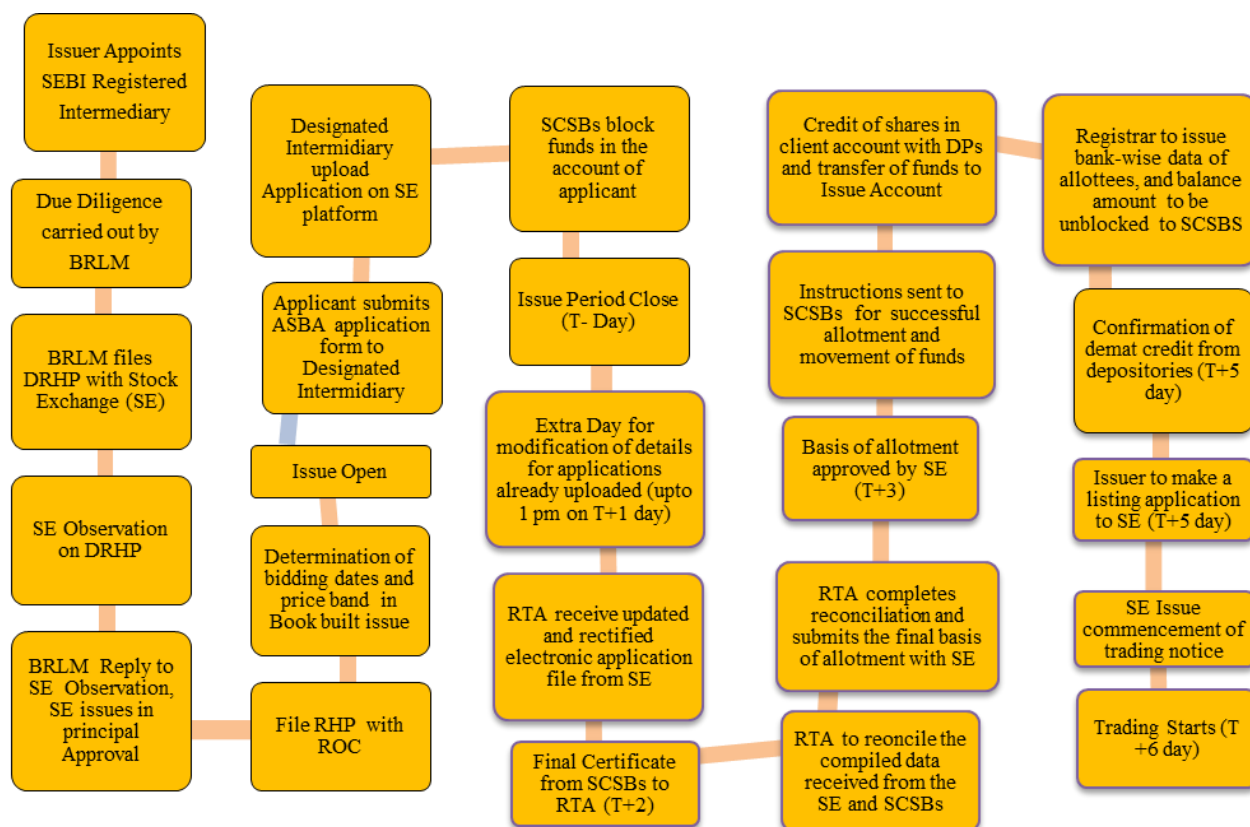
OR

- b) If the Paid up Capital of the company is more than ₹10 crores but below ₹25 crores, the Company may still apply for migration to the main board if the same has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the 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.

## **2.6 Flowchart Of Timelines**

A flow chart of process flow in Book Building Issues is as follows:





### SECTION 3: CATEGORY OF INVESTORS ELIGIBLE TO PARTICIPATE IN AN ISSUE

**Each Bidder should check whether it is eligible to apply under applicable law.** Furthermore, certain categories of Bidders/Bidders, such as NRIs, FII's, FPIs and FVCIs may not be allowed to apply in the Issue or to hold Equity Shares, in excess of certain limits specified under applicable law. Bidders are requested to refer to the Red Herring Prospectus for more details.

Subject to the above, an illustrative list of Bidders is as follows:

- Indian nationals resident in India who are competent to contract under the Indian Contract Act, 1872, as amended, in single or joint names (not more than three) or in the names of minors as natural / legal guardian;
- Hindu Undivided Families or HUFs, in the individual name of the Karta. The Bidder/Bidder should specify that the Application is being made in the name of the HUF in the Bid cum Application Form as follows: "Name of sole or first Bidder: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta". Applications by HUFs may be considered at par with those from individuals;
- Companies, corporate bodies and societies registered under applicable law in India and authorized to invest in equity shares under their respective constitutional and charter documents;
- Mutual Funds registered with SEBI;
- Eligible NRIs on a repatriation basis or on a non-repatriation basis subject to applicable law; NRIs other than Eligible NRIs are not eligible to participate in this Issue.
- Indian Financial Institutions, scheduled commercial banks regional rural banks, co-operative banks (subject to RBI regulations and the SEBI ICDR Regulations, 2009 and other laws, as applicable);
- FPIs other than Category III foreign portfolio investors, VCFs and FVCIs registered with SEBI.
- Limited liability partnerships registered in India and authorized to invest in equity shares.
- Sub-accountsofFIIsregisteredwithSEBI,whichareforeigncorporateorforeignindividualsonlyundertheNon-Institutional Bidder's category.
- State Industrial Development Corporations.
- Trusts/societies registered under the Societies Registration Act, 1860, as amended or under any other law relating to trusts/societies and who are authorized under their respective constitutions to

- hold and invest in equity shares;
- Scientific and/ or Industrial Research Organizations authorized to invest in equity shares.
- Insurance Companies registered with IRDA;
- Provident Funds and Pension Funds with minimum corpus of ₹2,500Lacs and who are authorized under their constitution to hold and invest in equity shares;
- Eligible QFIs;
- Multilateral and Bilateral Development Financial Institutions;
- National Investment Fund set up by resolution no F.No.2/3/2005-DDII dated November 23, 2005 of Government of India published in the Gazette of India;
- Insurance funds set up and managed by army, navy, air force of the Union of India or by Department of Posts, India;
- Any other person eligible to apply to this Issue, under the laws, rules, regulations, guidelines, and policies applicable to them and under Indian Laws.

**Applications not to be made by:**

- Minors (except under guardianship)**
- Partnership firms or their nominees**
- Foreign Nationals (except NRIs)**
- Overseas Corporate Bodies**

As per the existing regulations, OCBs are not allowed to participate in an Issue.

#### **SECTION 4: APPLYING IN THE ISSUE**

**Book Building Issue:** Bidders should only use the specified Bid cum Application Form either bearing the stamp of Designated Intermediaries as available or downloaded from the websites of the Stock Exchanges. Bid cum Application Forms are available with the registered office of the Issuer, and office of the RTA and at the office of the BRLM. For further details regarding availability of Bid cum Application Forms, Bidders may refer to the Red Herring Prospectus.

Bidders should ensure that they apply in the appropriate category. The prescribed color of the Bid cum Application Form for various categories of Bidders is as follows:

<b>Category</b>	<b>Color of the Application</b>
Resident Indian, Eligible NRIs applying on a non -repatriation basis	White
NRIs, FVCIs, FIIs, their Sub-Accounts (other than Sub-Accounts which are foreign corporate(s) or foreign individuals bidding under the QIB), FPIs on a repatriation basis	Blue

##### **1.1. Instructions For Filing Application Form/ Bid cum Application Form**

Bidders may note that forms not filled completely or correctly as per instructions provided in this BID, the Red Herring Prospectus and Application Form / Bid cum Application Form are liable to be rejected.

Instructions to fill each field of the Bid cum Application Form can be found on the reverse side of the Bid cum Application Form. Specific instructions for filling various fields of the Resident Bid cum Application Form and Non-Resident Bid cum Application Form and samples are provided below.

The samples of the Bid cum Application Form for resident Bidders and the Bid cum Application Form for non-resident Bidders are reproduced below:

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COMMON BID CUM APPLICATION FORM	XYZ LIMITED - INITIAL PUBLIC ISSUE - R		FOR RESIDENT INDIANS, INCLUDING RESIDENT QIBs AND ELIGIBLE NRIs APPLYING ON A NON-REPATRIATION BASIS
	Address : ..... Contact Details : ..... CIN No. ....		
LOGO	TO, THE BOARD OF DIRECTORS XYZ LIMITED	BOOK BUILT ISSUE ISIN : .....	Bid cum Application Form No. ....

SYNDICATE MEMBER'S STAMP & CODE	BROKER/SCSB/DP/RTA STAMP & CODE	1. NAME & CONTACT DETAILS OF SOLE / FIRST BIDDER
		Mr / Ms. ....
SUBBROKER'S / SUBAGENTS STAMP & CODE	BK/BIW BANK/CSB BRANCH STAMP & CODE	Address : .....
		.....
BANK BRANCH SERIAL NO.	SCSB SERIAL NO.	Tel. No (with STD code) / Mobile : .....

3. BIDDER'S DEPOSITORY ACCOUNT DETAILS		4. BID OPTIONS (ONLY RETAIL INDIVIDUAL BIDDERS CAN BID AT "CUT-OFF")		5. CATEGORY		6. INVESTOR STATUS	
<input type="checkbox"/> NSDL <input type="checkbox"/> CDSL For NSDL, enter 8 digit DP ID followed by 8 digit Client ID / For CDSL, enter 16 digit Client ID		Bid Options: No. of Equity Shares Bid (in Figures) (Bid must be in multiples of Bid Lot as advertised) Price per Equity Share (₹) / "Cut-off" (Price in multiples of ₹ 1/- only) (in Figures) Bid Price: ..... Retail Discount: ..... Net Price: ..... "Cut-off" (Please tick)		<input type="checkbox"/> Retail Individual Bidder <input type="checkbox"/> Non-Institutional Bidder <input type="checkbox"/> QIB		<input type="checkbox"/> Individual(s) - IND <input type="checkbox"/> Hindu Undivided Family - HUF <input type="checkbox"/> Bodies Corporate - CO <input type="checkbox"/> Banks & Financial Institutions - FI <input type="checkbox"/> Mutual Funds - MF <input type="checkbox"/> Non-Resident Indian - NRI (Non-Repatriation basis) <input type="checkbox"/> National Investment Fund - NIF <input type="checkbox"/> Insurance Funds - IF <input type="checkbox"/> Insurance Companies - IC <input type="checkbox"/> Venture Capital Funds - VCF <input type="checkbox"/> Alternative Investment Funds - AIF <input type="checkbox"/> Others (Please specify) - OTH	
Option 1: ..... OR Option 2: ..... OR Option 3: .....						* HUF should apply only through Karvy Application by HUF must be created on par with bid (retail)	

7. PAYMENT DETAILS		PAYMENT OPTION: FULL PAYMENT <input type="checkbox"/> PART PAYMENT <input type="checkbox"/>	
Amount paid (₹ in figures) : .....		(₹ in words) : .....	
ASBA Bank A/c No. ....			
Bank Name & Branch : .....			
I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ AND UNDERSTOOD THE TERMS AND CONDITIONS OF THIS BID CUM APPLICATION FORM AND THE ATTACHED ANNEXURE PROSPECTUS AND THE GENERAL INFORMATION DOCUMENT FOR INVESTING IN PUBLIC ISSUES ("GID") AND HEREBY AGREE AND CONFIRM THE "BIDDER'S UNDERTAKING" AT GIVEN OVERLEAF. I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ THE INSTRUCTIONS FOR FILLING OF THE BID CUM APPLICATION FORM GIVEN OVER LEAF.			
8A. SIGNATURE OF SOLE / FIRST BIDDER		8B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(S) (AS PER BANK RECORDS)	
(I/We undertake to the SCSB to debit my/our account to enable the Application, in the form 1) ..... 2) ..... 3) ..... Date : .....		BROKER / SCSB / DP / RTA STAMP (A clear embossed stamp of Bid in Stock Exchange system)	

TEAR HERE

LOGO	XYZ LIMITED INITIAL PUBLIC ISSUE - R	Acknowledgement Slip for Broker/SCSB/DP/RTA	Bid cum Application Form No. ....
DPID / CUID			PAN of Sole / First Bidder
Amount paid (₹ in figures)	Bank & Branch	Stamp & Signature of SCSB Branch	
ASBA Bank A/c No.			
Received from Mr/Ms.			
Telephone / Mobile	Email		

TEAR HERE

XYZ LIMITED - INITIAL PUBLIC ISSUE - R	Option 1	Option 2	Option 3	Stamp & Signature of Broker / SCSB / DP / RTA	Name of Sole / First Bidder
	No. of Equity Shares				
	Bid Price				
	Amount Paid (₹)				
ASBA Bank A/c No.				Acknowledgement Slip for Bidder	Bid cum Application Form No. ....
Bank & Branch					

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COMMON BID CUM APPLICATION FORM	XYZ LIMITED - INITIAL PUBLIC ISSUE - NR		FOR NON-RESIDENTS, INCLUDING ELIGIBLE NRIS, FPIs OR FVCIS, ETC APPLYING ON A REPATRIATION BASIS
	Address : _____ Contact Details : _____ CIN No _____		

LOGO	TO, THE BOARD OF DIRECTORS XYZ LIMITED	BOOK BUILT ISSUE	Bid cum Application Form No. _____
		ISIN : _____	

SYNDICATE MEMBER'S STAMP & CODE	BROKER/SCSB/DP/RTA STAMP & CODE	1. NAME & CONTACT DETAILS OF SOLE / FIRST BIDDER Mr. / Ms. _____ Address _____ Email _____ Tel. No (with STD code) / Mobile _____
SUB-BROKER'S / SUB-AGENT'S STAMP & CODE	ESCROW BANK/SCSB BRANCH STAMP & CODE	
BANK BRANCH SERIAL NO.	SCSB SERIAL NO.	

3. BIDDER'S DEPOSITORY ACCOUNT DETAILS	4. INVESTOR STATUS
<input type="checkbox"/> NSDL <input type="checkbox"/> CDSL	<input type="checkbox"/> NRI Non-Resident Indian(s) (Repatriation basis)
For NSDL, enter 8 digit DP ID followed by 8 digit Client ID / For CDSL, enter 16 digit Client ID	<input type="checkbox"/> FII FII or Sub-account not a Corporate/Foreign Individual

4. BID OPTIONS (ONLY RETAIL INDIVIDUAL BIDDERS CAN BID AT "CUT-OFF")				5. CATEGORY	
Bid Options:	No. of Equity Shares Bid (In Figures) (Bids must be in multiples of Bid Lot as advertised)	Price per Equity Share (₹) / "Cut-off" (Price in multiples of ₹ 1/- only) (In Figures)			
		Bid Price	Retail Discount	Net Price	"Cut-off" (Please tick)
Option 1					<input type="checkbox"/> Retail Individual Bidder
(OR) Option 2					<input type="checkbox"/> Non-Institutional Bidder
(OR) Option 3					<input type="checkbox"/> QIB

7. PAYMENT DETAILS	PAYMENT OPTION - FULL PAYMENT <input type="checkbox"/> PART PAYMENT <input type="checkbox"/>
Amount paid (₹ in figures) _____ (₹ in words) _____	
ASBA Bank A/c No. _____	
Bank Name & Branch _____	

I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ AND UNDERSTOOD THE TERMS AND CONDITIONS OF THIS BID CUM APPLICATION FORM AND THE ATTACHED AGREED PROSPECTUS AND THE ORIGINAL INFORMATION DOCUMENT FOR INVESTING IN PUBLIC ISSUES ("CII") AND HEREBY AGREE AND CONFIRM THE "BIDDERS UNDERTAKING" AS GIVEN OVERLEAF. I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ THE INSTRUCTIONS FOR FILLING UP THE BID CUM APPLICATION FORM GIVEN OVERLEAF.

8A. SIGNATURE OF SOLE / FIRST BIDDER	8B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(S) (AS PER BANK RECORDS)	BROKER / SCSB / DP / RTA STAMP (Acknowledging upload of Bid in Stock Exchange system)
	I/We authorize the SCSB to do all acts as are necessary to make the Application in the line	
	1) _____	
	2) _____	
	3) _____	

TEAR HERE

LOGO	XYZ LIMITED	Acknowledgement Slip for Broker/SCSB/ DP/RTA	Bid cum Application Form No. _____
	INITIAL PUBLIC ISSUE - NR		

DPID / CLID	PAN of Sole / First Bidder
Amount paid (₹ in figures) _____ Bank & Branch _____	Stamp & Signature of SCSB Branch
ASBA Bank A/c No. _____	
Received from Mr./Ms. _____ Telephone / Mobile _____ Email _____	

TEAR HERE

XYZ LIMITED - INITIAL PUBLIC ISSUE - NR	Option 1	Option 2	Option 3	Stamp & Signature of Broker / SCSB / DP / RTA	Name of Sole / First Bidder
	No. of Equity Shares				
	Bid Price				
	Amount Paid (₹)				
ASBA Bank A/c No. _____ Bank & Branch _____				Acknowledgement Slip for Bidder	
				Bid cum Application Form No. _____	

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### 1.1.1. FIELD NUMBER 1: NAME AND CONTACT DETAILS OF THE SOLE/FIRST BIDDER

Bidders should ensure that the name provided in this field is exactly the same as the name in which the Depository Account is held.

- a) **Mandatory Fields:** Bidders should note that the name and address fields are compulsory and e-mail and/or telephone number/mobile number fields are optional. Bidders should note that the contact details mentioned in the Bid cum Application Form may be used to dispatch communications (including letters notifying the unblocking of the bank accounts of Bidders) in case the communication sent to the address available with the Depositories are returned undelivered or are not available. The contact details provided in the Bid cum Application Form may be used by the Issuer.
- b) The Designated Intermediaries and the Registrar to the Issue only for correspondence(s) related to an Issue and for no other purposes.
- c) **Joint Bids:** In the case of Joint Bids, the Bids should be made in the name of the Bidder whose name appears first in the Depository account. The name so entered should be the same as it appears in the Depository records. The signature of only such first Bidder would be required in the Bid cum Application Form/ Application Form and such first Bidder would be deemed to have signed on behalf of the joint holders. All communications may be addressed to such Bidder and may be dispatched to his or her address as per the Demographic Details received from the Depositories.
- d) **Impersonation:** Attention of the Bidders is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:

**“Any person who:**

- makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or
  - makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or
  - otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under Section 447 of the said Act.”
- e) **Nomination Facility to Bidder:** Nomination facility is available in accordance with the provisions of Section 72 of the Companies Act, 2013. In case of allotment of the Equity Shares in dematerialized form, there is no need to make a separate nomination as the nomination registered with the Depository may prevail. For changing nominations, the Bidders should inform their respective DP.

### 1.1.2. FIELD NUMBER 2: PAN NUMBER OF SOLE/FIRST BIDDER

- a) PAN (of the sole/first Bidder) provided in the Bid cum Application Form should be exactly the same as the PAN of the person(s) in whose name the relevant beneficiary account is held as per the Depositories' records.
- b) PAN is the sole identification number for participants transacting in the securities market irrespective of the amount of transaction except for Applications on behalf of the Central or State Government, Applications by officials appointed by the courts and Applications by Bidders residing in Sikkim (“PAN Exempted Bidders”). Consequently, all Bidders, other than the PAN Exempted Bidders, are required to disclose their PAN in the Bid cum Application Form, irrespective of the Application Amount. A Bid cum Application Form without PAN, except in case of Exempted Bidders, is liable to be rejected. Applications by the Bidders whose PAN is not available as per the Demographic Details available in their Depository records, are liable to be rejected.
- c) The exemption for the PAN Exempted Bidders is subject to (a) the Demographic Details received from the respective Depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in “active status”; and (b) in the case of residents of Sikkim, the address as per the Demographic Details evidencing the same.

- d) Bid cum Application Forms which provide the General Index Register Number instead of PAN may be rejected.
- e) Applications by Bidders whose demat accounts have been 'suspended for credit' are liable to be rejected pursuant to the circular issued by SEBI on July 29, 2010, bearing number CIR/MRD/DP/22/2010. Such accounts are classified as "Inactive demat accounts" and demographic details are not provided by depositories.

### 1.1.3. FIELD NUMBER 3: BIDDERS DEPOSITORY ACCOUNT DETAILS

- a) Bidders should ensure that DP ID and the Client ID are correctly filled in the Bid cum Application Form. The DP ID and Client ID provided in the Bid cum Application Form should match with the DP ID and Client ID available in the Depository database, **otherwise, the Bid cum Application Form is liable to be rejected.**
- b) Bidders should ensure that the beneficiary account provided in the Bid cum Application Form is active.
- c) Bidders should note that on the basis of DP ID and Client ID as provided in the Bid cum Application Form, the Bidder may be deemed to have authorized the Depositories to provide to the Registrar to the Issue, any requested Demographic Details of the Bidder as available on the records of the depositories. These Demographic Details may be used, among other things, for unblocking of ASBA Account or for other correspondence(s) related to an Issue.
- d) Bidders are, advised to update any changes to their Demographic Details as available in the records of the Depository Participant to ensure accuracy of records. Any delay resulting from failure to update the Demographic Details would be at the Bidders' sole risk.

### 1.1.4. FIELD NUMBER 4: BID OPTIONS

- a) Price or Floor Price or Price Band, minimum Bid Lot and Discount (if applicable) may be disclosed in the DRHP by the Issuer. The Issuer is required to announce the Floor Price or Price Band, minimum Bid Lot and Discount (if applicable) by way of an advertisement in at least one English, one Hindi and one regional newspaper, with wide circulation, at least five Working Days before Bid/Offer Opening Date in case of an IPO, and at least one Working Day before Bid/Offer Opening Date in case of an FPO.  
The Bidders may Bid at or above Floor Price or within the Price Band for IPOs undertaken through the Book Building Process. Cut-Off Price: Retail Individual Investors or Employees or Retail Individual Shareholders can Bid at the Cut off Price indicating their agreement to Bid for and purchase the Equity Shares at the Offer Price as determined at the end of the Book Building Process. Bidding at the Cut-off Price is prohibited for QIBs and NIIs and such Bids from QIBs and NIIs may be rejected.  
Minimum Bid Value and Bid Lot: The Issuer in consultation with the BRLMs may decide the minimum number of Equity Shares for each Bid to ensure that the minimum Bid value is within the range of above ₹1,00,000. The minimum Bid Lot is accordingly determined by an Issuer on basis of such minimum Bid value.
- b) **Allotment:** The Allotment of specified securities to each RII shall not be less than the minimum Bid Lot, subject to availability of shares in the RII category, and the remaining available shares, if any, shall be Allotted on a proportionate basis. For details of the Bid Lot, Bidders may refer to the DRHP or the advertisement regarding the Price Band published by the Issuer. Minimum and Maximum Bid Size
  - i. For Retail Individual Bidders  
The Application must be for a minimum of 4,000 equity shares. As the application price payable by the retail individual Bidders cannot exceed ₹2,00,000 they can make Application for only minimum Application size i.e for 4,000 equity shares.
  - ii. For Other Bidders (Non Institutional Bidders and QIBs):  
The Application must be for a minimum of such number of equity shares such that the Application Amount exceeds ₹2,00, 000 and in multiples of 4,000 equity shares thereafter. An application cannot be submitted for more than the Issue Size. However, the maximum application by a QIB investor should not exceed the investment limits prescribed for them by applicable laws. Under existing SEBI Regulations, a QIB Bidder cannot withdraw its Application after the Issue Closing Date and is required to pay 100% QIB Margin upon

submission of Application. In case of revision of Applications, the Non Institutional Bidders, who are individuals, have to ensure that the Application Amount is greater than ₹2,00,000 for being considered for allocation in the Non Institutional Portion. Bidders are advised to ensure that any single Application from them does not exceed the investment limits or maximum number of equity shares that can be held by them under prescribed law or regulation or as specified in this Red Herring Prospectus.

In case the Bid Amount reduces to ₹2,00,000 or less due to a revision of the Price Band, Bids by the Non-Institutional Bidders who are eligible for allocation in the Retail Category would be considered for allocation under the Retail Category.

The price and quantity options submitted by the Bidder in the Bid cum Application Form may be treated as optional bids from the Bidder and may not be cumulated. After determination of the Issue Price, the number of Equity Shares Bid for by a Bidder at or above the Issue Price may be considered for allotment and the rest of the Bid(s), irrespective of the Bid Amount may automatically become invalid. This is not applicable in case of FPOs undertaken through Alternate Book Building Process.

- c) **Multiple Applications:** Bidder should submit only one Bid cum Application Form. Bidder shall have the option to make a maximum of Bids at three different price levels in the Bid cum Application Form and such options are not considered as multiple Bids. Submission of a second Bid cum Application Form to either the same or to another member of the Syndicate, SCSB or Registered Broker and duplicate copies of Bid cum Application Forms bearing the same application number shall be treated as multiple Bids and are liable to be rejected.
- d) Bidders are requested to note the following procedures may be followed by the Registrar to the issue to detect multiple applications:
  - i. All Bids may be checked for common PAN as per the records of the Depository. For Bidders other than Mutual Funds and FPI sub-accounts, bids bearing the same PAN may be treated as multiple applications by a Bidder and may be rejected.
  - ii. For applications from Mutual Funds and FPI sub-accounts, submitted under the same PAN, as well as Applications on behalf of the PAN Exempted Bidders, the Bid cum Application Forms may be checked for common DP ID and Client ID. In any such applications which have the same DP ID and Client ID, these may be treated as multiple applications and may be rejected.
- e) The following Bids may not be treated as multiple applications:
  - i. Bid by Reserved Categories in their respective reservation portion as well as that made by them in the Net Issue portion in public category.
  - ii. Separate Bids by Mutual Funds in respect of more than one scheme of the Mutual Fund provided that the Bid clearly indicates the scheme for which the application has been made.
  - iii. Application by Mutual Funds, and sub-accounts of FPIs (or FPIs and its sub-accounts) submitted with the same PAN but with different beneficiary account numbers, Client IDs, and DP IDs.

#### **1.1.5. FIELD NUMBER 5: CATEGORY OF BIDDERS**

- a) The categories of Bidders identified as per the SEBI ICDR Regulations, 2009 for the purpose of Application, allocation and allotment in the Issue are RIIs, Individual Bidders other than RIIs, and other investors (including corporate bodies or institutions, irrespective of the number of specified securities applied for).
- b) An Issuer can make reservation for certain categories of Bidders as permitted under the SEBI ICDR Regulations, 2009. For details of any reservations made in the Issue, Bidders may refer to the Draft Red Herring Prospectus.
- c) The SEBI ICDR Regulations, 2009, specify the allocation or allotment that may be made to various categories of Bidders in an Issue depending upon compliance with the eligibility conditions. For details pertaining to allocation and Issue specific details in relation to allocation Bidder may refer to the Red Herring Prospectus.

#### **1.1.6. FIELD NUMBER 6: INVESTOR STATUS**

- a) Each Bidder should check whether it is eligible to apply under applicable law and ensure that any prospective allotment to it in the Issue is in compliance with the investment restrictions under applicable law.
- b) Certain categories of Bidders, such as NRIs, FIIs, FPIs and FVCIs may not be allowed to Apply in the Issue or hold Equity Shares exceeding certain limits specified under applicable law. Bidders are requested to refer to the Red Herring Prospectus for more details.
- c) Bidders should check whether they are eligible to apply on non-repatriation basis or repatriation basis and should accordingly provide the investor status. Details regarding investor status are different in the Resident Bid cum Application Form and Non-Resident Bid cum Application Form.
- d) Bidders should ensure that their investor status is updated in the Depository records.

#### **1.1.7. FIELD NUMBER 7: PAYMENTDETAILS**

- a) All Bidders are required to use ASBA facility to block the full Amount (net of any Discount, as applicable) along- with the Bid cum Application Form. If the Discount is applicable in the Issue, the RIIs should indicate the full Amount in the Bid cum Application Form and the funds shall be blocked for Amount net of Discount. Only in cases where the Draft Herring Prospectus indicates that part payment may be made, such an option can be exercised by the Bidder.
- b) All categories of investors can participate in the Issue only through ASBA mechanism.
- c) Application Amount cannot be paid in cash, through money order or through postal order or through stockinvest.
- d) Bidders who Bid at Cut-off Price shall DEPOSIT the Bid Amount based on the CapPrice.

##### **1.1.7.1. Payment instructions for Bidders**

- (a) Bidders may submit the Bid cum Application Form either in physical mode or online mode to any Designated Intermediaries.
- (b) Bidders should specify the Bank Account number in the Bid cum Application Form. The Bid cum Application Form submitted by a Bidder and which is accompanied by cash, demand draft, money order, postal order or any mode of payment other than blocked amounts in the ASBA Account maintained with an SCSB, may not be accepted;
- (c) Bidder should ensure that the Bid cum Application Form is also signed by the ASBA Account holder(s) if the Bidder is not the ASBA Account holder;
- (d) Bidder shall note that for the purpose of blocking funds under ASBA facility clearly demarcated funds shall be available in the account;
- (e) From one ASBA Account, a maximum of five Bid cum Application Forms can be submitted;
- (f) Bidders applying through a member of the Syndicate should ensure that the Bid cum Application Form is submitted to a member of the Syndicate only at the Specified Locations. Bidders should also note that Bid cum Application Forms submitted to the Syndicate at the Specified Locations may not be accepted by the member of the Syndicate if the SCSB where the ASBA Account, as specified in the Bid cum Application Form, is maintained has not named at least one branch at that location for the members of the Syndicate to deposit Bid cum Application Forms (a list of such branches is available on the website of SEBI at <http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries>).



- (g) Bidders applying through a Registered Broker, RTA or CDP should note that Bid cum Application Forms submitted to them may not be accepted, if the SCSB where the ASBA Account, as specified in Bid cum Application Form, is maintained has not named at least one branch at that location for the Registered Brokers, RTA or CDP, as the case may be, to deposit Bid cum Application Forms.
- (h) ASBA Bidder applying directly through the SCSBs should ensure that the Bid cum Application Form is submitted to a Designated Branch of a SCSB where the ASBA Account is maintained.
- (i) Upon receipt of Bid cum Application Form, the Designated Branch of the SCSB may verify if sufficient funds equal to the Application Amount are available in the ASBA Account, as mentioned in the Bid cum Application Form.
- (j) If sufficient funds are available in the ASBA Account, the SCSB may block an amount equivalent to the Application Amount mentioned in the Bid cum Application Form may upload the details on the Stock Exchange Platform.
- (k) If sufficient funds are not available in the ASBA Account, the Designated Branch of the SCSB may not upload such Applications on the Stock Exchange platform and such Applications are liable to be rejected.
- (l) Upon submission of a completed Bid cum Application Form each Bidder may be deemed to have agreed to block the entire Bid Amount and authorized the Designated Branch of the SCSB to block the Application Amount specified in the Bid cum Application Form in the ASBA Account maintained with the SCSBs.
- (m) The Bid Amount may remain blocked in the aforesaid ASBA Account until finalisation of the Basis of allotment and consequent transfer of the Bid Amount against the Allotted Equity Shares to the Public Issue Account, or until withdrawal or failure of the Issue, or until withdrawal or rejection of the Bid cum Application, as the case may be.
- (n) SCSBs bidding in the Issue must apply through an Account maintained with any other SCSB; else their Application is liable to be rejected.

#### **1.1.8. Unblocking of ASBA Account**

- a) Once the Basis of Allotment is approved by the Designated Stock Exchange, the Registrar to the Issue may provide the following details to the controlling branches of each SCSB, along with instructions to unblock the relevant bank accounts and for successful Bids transfer the requisite money to the Public Issue Account designated for this purpose, within the specified timelines: (i) the number of Equity Shares to be Allotted, if any, against each Bid, (ii) the amount to be transferred from the relevant bank account to the Public Issue Account, for each Bid, (iii) the date by which funds referred to in (ii) above may be transferred to the Public Issue Account, and (i) details of rejected/ non allotment / partial allotment ASBA Application, if any, along with reasons for rejection and details of withdrawn or unsuccessful Bid, if any, to enable the SCSBs to unblock the respective bank accounts.
- b) On the basis of instructions from the Registrar to the Issue, the SCSBs may transfer the requisite amount against each successful Bid to the Public Issue Account and may unblock the excess amount, if any, in the ASBA Account.  
In the event of withdrawal or rejection of the Bid cum Application Form and for unsuccessful Bid, the Registrar to the Issue may give instructions to the SCSB to unblock the Bid Amount in the relevant ASBA Account within 6 Working Days of the Issue Closing Date.

##### **1.1.8.1. Discount (if applicable)**

- a) The Discount is stated in absolute rupee terms.
- b) RII, Employees and Retail Individual Shareholders are only eligible for discount. For Discounts Issued in the Issue, Bidders may refer to the Red Herring Prospectus.

- c) For the Bidders entitled to the applicable Discount in the Issue the Bid Amount less Discount (if applicable) shall be blocked.

#### **1.1.8.2. Additional Instructions for NRIs**

The Non-Resident Indians who intend to block funds in their Non-Resident Ordinary (NRO) accounts shall use the form meant for Resident Indians (non-repatriation basis). In the case of Bids by NRIs applying on a repatriation basis, blocking of funds in their NRO account shall not be accepted.

#### **1.1.9. FIELD NUMBER 8: SIGNATURES AND OTHER AUTHORIZATIONS**

- a) Only the First Bidder is required to sign the Bid cum Application Form. Bidders should ensure that signatures are in one of the languages specified in the Eighth Schedule to the Constitution of India.
- b) If the ASBA Account is held by a person or persons other than the Bidder, then the Signature of the ASBA Account holder(s) is also required.
- c) In relation to the Applications, signature has to be correctly affixed in the authorization/undertaking box in the Bid cum Application Form, or an authorization has to be provided to the SCSB via the electronic mode, for blocking funds in the ASBA Account equivalent to the Application Amount mentioned in the Bid cum Application Form.
- d) Bidders must note that Bid cum Application Form without signature of Bidder and /or ASBA Account holder is liable to be rejected.

#### **1.1.10. ACKNOWLEDGEMENT AND FUTURE COMMUNICATION**

Bidders should ensure that they receive the acknowledgment duly signed and stamped by the Designated Intermediary, as applicable, for submission of the Bid cum Application Form.

- a) All communications in connection with Applications made in the Issue should be addressed as under:
  - i. In case of queries related to Allotment, non-receipt of Allotment Advice, credit of allotted equity shares, unblocking of funds; the Bidders should contact the Registrar to the Issue.
  - ii. In case of Applications submitted to the Designated Branches of the SCSBs or Registered Brokers or Registered RTA/DP, the Bidders should contact the relevant Designated Branch of the SCSB or Registered Brokers or Registered RTA/DP, as the case maybe.
  - iii. Bidder may contact the Company Secretary and Compliance Officer or BRLM in case of any other complaints in relation to the Issue.
- b) The following details (as applicable) should be quoted while making any queries-
  - i. Full name of the sole or Bidder, Bid cum Application Form number, Bidders' DPID, Client ID, PAN, number of Equity Shares applied for, amount paid on application.
  - ii. name and address of the Designated Intermediary, where the Application was submitted; or
  - iii. In case of ASBA Applications, ASBA Account number in which the amount equivalent to the Application Amount was blocked.

For further details, Bidder may refer to the Red Herring Prospectus and the Bid cum Application Form.

#### **1.2. INSTRUCTIONS FOR FILING THE REVISION FORM**

- a) During the Issue Period, any Bidder (other than QIBs and NIIs, who can only revise their application upwards) who has registered his or her interest in the Equity Shares at a particular number of shares is free to revise number of shares applied using revision forms available separately.
- b) RII may revise their applications till closure of the issue period or withdraw their applications until finalization of allotment.

- c) Revisions can be made in both the desired number of Equity Shares and the Bid Amount by using the Revision Form.
- d) The Bidder can make this revision any number of times during the Issue Period. However, for any revision(s) in the Bid, the Bidders will have to use the services of the same Designated Intermediary through which such Bidder had placed the original Bid.

A sample Revision form is reproduced below:

COMMON BID REVISION FORM	XYZ LIMITED - INITIAL PUBLIC ISSUE - R		FOR RESIDENT INDIANS, INCLUDING RESIDENT QIBs, AND ELIGIBLE NRIs APPLYING ON A NON-REPATRIATION BASIS
	Address : ..... Contact Details: ..... CIN No. ....		

LOGO TO,  
THE BOARD OF DIRECTORS  
XYZ LIMITED

BOOK BUILT ISSUE  
ISIN : .....

Bid cum  
Application  
Form No. ....

SYNDICATE MEMBER'S STAMP & CODE	BROKER/SCSB/DP/RTA STAMP & CODE	1. NAME & CONTACT DETAILS OF SOLE / FIRST BIDDER	
		Mr. /Ms. ....	
		Address : .....	
		Email : .....	
		Tel. No. (with STD code) / Mobile : .....	
		2. PAN OF SOLE / FIRST BIDDER	
		3. BIDDER'S DEPOSITORY ACCOUNT DETAILS	
		<input type="checkbox"/> NSDL <input type="checkbox"/> CDSL For NSDL, enter 8 digit DP ID followed by 8 digit Client ID / For CDSL, enter 16 digit Client ID	

PLEASE CHANGE MY BID

4. FROM (AS PER LAST BID OR REVISION)																	
Bid Options	No. of Equity Shares Bid (Bids must be in multiples of Bid Lot as advertised)										Price per Equity Share (₹) "Cut-off" (Price in multiples of ₹ 1/- only)						
	(In Figures)										(In Figures)						
	<div>8 7 6 5 4 3 2 1</div>										<div>Bid Price Retail Discount Net Price "Cut-off"</div>						
Option 1																	
(OR) Option 2																	
(OR) Option 3																	
5. TO (Revised Bid) (Only Retail Individual Bidders can bid at "Cut-off")																	
Bid Options	No. of Equity Shares Bid (Bids must be in multiples of Bid Lot as advertised)										Price per Equity Share (₹) "Cut-off" (Price in multiples of ₹ 1/- only)						
	(In Figures)										(In Figures)						
	<div>8 7 6 5 4 3 2 1</div>										<div>Bid Price Retail Discount Net Price "Cut-off"</div>						
Option 1																	
(OR) Option 2																	
(OR) Option 3																	

6. PAYMENT DETAILS													PAYMENT OPTION : FULL PAYMENT <input type="checkbox"/> PART PAYMENT <input type="checkbox"/>			
Additional Amount Paid (₹ in figures) .....													₹ in words) .....			
ASBA																
Bank A/c No. ....																
Bank Name & Branch .....																
<small>I/We hereby declare that I/We am/are a resident Indian citizen and confirm the address under this application. I/We have read and understood the terms and conditions of the IPO and have agreed to the same. I/We have also read and understood the prospectus and have agreed to the same. I/We have also read and understood the terms and conditions of the IPO and have agreed to the same. I/We have also read and understood the terms and conditions of the IPO and have agreed to the same.</small>																
7A. SIGNATURE OF SOLE / FIRST BIDDER					7B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(s) (AS PER BANK RECORDS)					BROKER / SCSB / DP / RTA STAMP (Acknowledging upload on / Bid in Book Exchange system)						
Date : .....					1) ..... 2) ..... 3) .....											

TEAR HERE

LOGO	XYZ LIMITED BID REVISION FORM - INITIAL PUBLIC ISSUE - R	Acknowledgement Slip for Broker/SCSB/ DP/RTA	Bid cum Application Form No. ....
PAN of Sole / First Bidder			
DPID / CLID			
Additional Amount Paid (₹)	Bank & Branch	Stamp & Signature of SCSB Branch	
ASBA Bank A/c No.			
Received from Mr./Ms.			
Telephone / Mobile	Email		

TEAR HERE

XYZ LIMITED - BID REVISION FORM - INITIAL PUBLIC ISSUE - R	Option 1	Option 2	Option 3	Stamp & Signature of Broker / SCSB / DP / RTA	Name of Sole / First Bidder
	No. of Equity Shares				
	Bid Price				
	Additional Amount Paid (₹)				Acknowledgement Slip for Bidder
	ASBA Bank A/c No.				
Bank & Branch				Bid cum Application Form No. ....	

### **1.2.1. FIELDS 1, 2 AND 3: NAME AND CONTACT DETAILS OF SOLE/FIRST BIDDER, PAN OF SOLE/FIRST BIDDER & DEPOSITORY ACCOUNT DETAILS OF THE BIDDER**

Bidders should refer to instructions contained in paragraphs 4.1.1, 4.1.2 and 4.1.3.

### **1.2.2. FIELD 4 & 5: BID OPTIONS REVISION 'FROM' AND 'TO'**

- a) Apart from mentioning the revised options in the Revision Form, the Bidder must also mention the details of the share applied/bid for given in his or her Bid cum Application Form or earlier Revision Form.
- b) In case of revision, Bid options should be provided by Bidders in the same order as provided in the Bid cum Application Form.
- c) In case of revision of Bids by RIIs, Employees and Retail Individual Shareholders, such Bidders should ensure that the Bid Amount, should not exceed ₹2,00,000/- due to revision and the bid may be considered, subject to the eligibility, for allocation under the Non-Institutional Category, not being eligible for Discount (if applicable) and such Bid may be rejected if it is at the Cut-off Price. The Cut-off Price option is given only to the RIIs, Employees and Retail Individual Shareholders indicating their agreement to Bid for and purchase the Equity Shares at the Offer Price as determined at the end of the Book Building Process.
- d) In case the total amount (i.e., original Bid Amount plus additional payment) exceeds ₹2,00,000, the Bid will be considered for allocation under the Non-Institutional Category in terms of the DRHP. If, however, the RII does not either revise the Bid or make additional payment and the Offer Price is higher than the cap of the Price Band prior to revision, the number of Equity Shares Bid for shall be adjusted downwards for the purpose of allocation, such that no additional payment would be required from the RII and the RII is deemed to have approved such revised Bid at Cut-off Price.
- e) In case of a downward revision in the Price Band, RIIs and Bids by Employees under the Reservation Portion, who have bid at the Cut-off Price could either revise their Bid or the excess amount paid at the time of Bidding may be unblocked in case of Bidders.

### **1.2.3. FIELD 6: PAYMENT DETAILS**

- f) All Bidders are required to make payment of the full Bid Amount (less Discount, if applicable) along with the Bid Revision Form. In case of Bidders specifying more than one Bid Option in the Bid cum Application Form, the total Bid Amount may be calculated for the highest of three options at net price, i.e. Bid price less discount offered, if any.
- g) Bidder may Offer instructions to block the revised amount based on cap of the revised Price Band (adjusted for the Discount (if applicable) in the ASBA Account, to the same Designated Intermediary through whom such Bidder had placed the original Bid to enable the relevant SCSB to block the additional Bid Amount, if any.
- h) In case the total amount (i.e., original Bid Amount less discount (if applicable) plus additional payment) exceeds ₹2,00,000 the Bid may be considered for allocation under the Non-Institutional Category in terms of the DRHP. If, however, the Bidder does not either revise the Bid or make additional payment and the Offer Price is higher than the cap of the Price Band prior to revision, the number of Equity Shares Bid for may be adjusted downwards for the purpose of Allotment, such that additional amount is required blocked and the Bidder is deemed to have approved such revised Bid at the Cut-off Price.
- i) In case of a downward revision in the Price Band, RIIs, Employees and Retail Individual Shareholders, who have bid at the Cut-off Price, could either revise their Bid or the excess amount paid at the time of Bidding may be unblocked.

### **1.2.4. FIELDS 7: SIGNATURES AND ACKNOWLEDGEMENTS**

Bidders may refer to instructions contained at paragraphs 4.1.8 and 4.1.9 for this purpose.

### **1.3. SUBMISSION OF REVISION FORM/BID CUM APPLICATION FORM**

Bidders may submit completed Bid cum Application Form / Revision Form in the following manner:-

Mode of Application	Submission of Bid cum Application Form
All Investor Bids	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 Bid cum Application Form, in physical or electronic mode respectively.

## **SECTION 5: ISSUE PROCEDURE IN BOOK BUILDING ISSUE**

Book Building, in the context of the Offer, refers to the process of collection of Bids within the Price Band or above the Floor Price and determining the Offer Price based on the Bids received as detailed in Schedule XI of SEBI ICDR Regulations, 2009. The Offer Price is finalised after the Bid/Offer Closing Date. Valid Bids received at or above the Offer Price are considered for allocation in the Offer, subject to applicable regulations and other terms and conditions.

### **5.1. SUBMISSION OF BIDS:**

- (a) During the Bid/Offer Period, Bidders/Applicants may approach any of the Designated Intermediaries to register their Bids.
- (b) In case of Bidders/Applicants (excluding NIIs, NIBs and QIBs) Bidding at Cut-off Price, the Bidders/Applicants may instruct the SCSBs to block Bid Amount based on the Cap Price less discount (if applicable).
- (c) For details of the timing on acceptance and upload of Bids in the Stock Exchanges Platform Bidders/Applicants are requested to refer to the RHP.

### **5.2. ELECTRONIC REGISTRATION OF BIDS**

- (a) The Designated Intermediary may register the Bids using the on-line facilities of the Stock Exchanges. The Designated Intermediaries can also set up facilities for off-line electronic registration of Bids, subject to the condition that they may subsequently upload the off-line data file into the on-line facilities for Book Building on a regular basis before the closure of the issue.
- (b) On the Bid/Offer Closing Date, the Designated Intermediaries may upload the Bids till such time as may be permitted by the Stock Exchanges and as disclosed in the Red Herring Prospectus.
- (c) Only Bids that are uploaded on the Stock Exchanges Platform are considered for allocation/Allotment. The Designated Intermediaries are given till 1 p.m. on the next Working Day following the Bid/Offer Closing Date to modify select fields uploaded in the Stock Exchange Platform during the Bid/Offer Period after which the Stock Exchange(s) send the bid information to the Registrar to the Issue for further processing.

### **5.3. BUILD UP OF THE BOOK**

- (a) Bids received from various Bidders/Applicants through the Designated Intermediaries may be electronically uploaded on the Bidding Platform of the Stock Exchanges' on a regular basis. The book gets built up at various price levels. This information may be available with the BRLMs at the end of the Bid/Offer Period.
- (b) Based on the aggregate demand and price for Bids registered on the Stock Exchanges Platform, a graphical representation of consolidated demand and price as available on the websites of the Stock Exchanges may be made available at the Bidding centers during the Bid/ Offer Period.

### **5.4. WITHDRAWAL OF BIDS**

- (a) RIBs can withdraw their Bids until Bid/Offer Closing Date. In case a RIB wishes to withdraw the Bid during the Bid/Offer Period, the same can be done by submitting a request for the same to the concerned Designated Intermediary who shall do the requisite, including unblocking of the funds by the SCSB in the ASBA Account.
- (b) The Registrar to the Offer shall give instruction to the SCSB for unblocking the ASBA Account upon or after the finalization of basis of allotment. QIBs and NIBs can neither withdraw nor lower the size of their Bids at any stage.

### **5.5. REJECTION & RESPONSIBILITY FOR UPLOAD OF BIDS**

- (a) The Designated Intermediaries are individually responsible for the acts, mistakes or errors or omission in relation to:



- i. the Bids accepted by the Designated Intermediary,
  - ii. the Bids uploaded by the Designated Intermediary, and
  - iii. the Bid cum application forms accepted but not uploaded by the Designated Intermediary.
- (b) The BRLMs and their affiliate Syndicate Members, as the case may be, may reject Bids if all information required is not provided and the Bid cum Application Form is incomplete in any respect.
- (c) The SCSBs shall have no right to reject Bids, except in case of unavailability of adequate funds in the ASBA account or on technical grounds.
- (d) In case of QIB Bidders, only the (i) SCSBs; and (ii) BRLMs and their affiliate Syndicate Members (only in the Specified Locations) have the right to reject bids. However, such rejection shall be made at the time of receiving the Bid and only after assigning a reason for such rejection in writing.
- (e) All bids by QIBs, NIBs & RIBs Bidders can be rejected on technical grounds listed herein.

## 5.6. GROUNDS FOR TECHNICAL REJECTIONS

Bid cum Application Forms/Application Forms 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. Bidders/ Applicants are advised to note that the Bids/Applications are liable to be rejected, which have been detailed at various places in this GID:-

- (a) Bid/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) Bids/Applications by OCBs;
- (c) In case of partnership firms, Bid/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 Bids/Applications under power of attorney or by limited companies, corporate, trust, etc., relevant documents are not being submitted along with the Bid cum application form;
- (e) Bids/Applications by persons prohibited from buying, selling or dealing in the shares directly or indirectly by SEBI or any other regulatory authority;
- (f) Bids/Applications by any person outside India if not in compliance with applicable foreign and Indian laws;
- (g) PAN not mentioned in the Bid cum Application Form/ Application Forms except for Bids/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;
- (h) In case no corresponding record is available with the Depositories that matches the DP ID, the Client ID and the PAN;
- (i) Bids/Applications for lower number of Equity Shares than the minimum specified for that category of investors;
- (j) Bids/Applications at a price less than the Floor Price & Bids/Applications at a price more than the Cap Price;
- (k) Bids/Applications at Cut-off Price by NIBs and QIBs;
- (l) The amounts mentioned in the Bid cum Application Form/Application Forms do not tally with the amount payable for the value of the Equity Shares Bid/Applied for;
- (m) Bids/Applications for amounts greater than the maximum permissible amounts prescribed by the regulations;
- (n) Submission of more than five ASBA Forms/Application Forms per ASBA Account;
- (o) Bids/Applications for number of Equity Shares which are not in multiples Equity Shares as specified in the RHP;
- (p) Multiple Bids/Applications as defined in this GID and the RHP/Draft Red Herring Prospectus;
- (q) Bids not uploaded in the Stock Exchanges bidding system.
- (r) Inadequate funds in the bank account to block the Bid/ Application Amount specified in the ASBA Form/ Application Form at the time of blocking such Bid/ Application Amount in the bank account;
- (s) Where no confirmation is received from SCSB for blocking of funds;
- (t) Bids/Applications by Bidders not submitted through ASBA process;
- (u) Bids/Applications submitted to Designated Intermediaries at locations other than the Bidding Centers or 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 Offer;
- (v) Bids/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 Bid cum Application Form/Application Form.

## 5.7. BASIS OF ALLOCATION

(a) The SEBI ICDR Regulations, 2009 specify the allocation or Allotment that may be made to various categories of Bidders/Applicants in an Offer depending on compliance with the eligibility conditions. Certain details pertaining to the percentage of Offer size available for allocation to each category is disclosed overleaf of the Bid cum Application Form and in the RHP/Draft Red Herring Prospectus. For details in relation to allocation, the Bidder/Applicant may refer to the RHP/Draft Red Herring Prospectus.

(b) Under-subscription in any category (except QIB Portion) is allowed to be met with spill-over from any other category or combination of categories at the discretion of the Issuer and in consultation with the BRLMs and the Designated Stock Exchange and in accordance with the SEBI ICDR Regulations, 2009. Unsubscribed portion in QIB Category is not available for subscription to other categories.

(c) In case of under subscription in the Offer, spill-over to the extent of such under-subscription may be permitted from the Reserved Portion to the Offer. For allocation in the event of an under-subscription applicable to the Issuer, Bidders/Applicants may refer to the RHP.

### (d) Illustration of the Book Building and Price Discovery Process

*Bidders should note that this example is solely for illustrative purposes and is not specific to the Offer; it also excludes Bidding by Anchor Investors.*

Bidders can bid at any price within the price band. For instance, assume a price band of ₹20 to ₹24 per share, issue size of 4,000 equity shares and receipt of five bids from bidders, details of which are shown in the table below. The illustrative book given below shows the demand for the equity shares of the issuer company at various prices and is collated from bids received from various investors.

Bid Quantity	Bid Price (₹)	Cumulative Quantity	Subscription
500	24	500	16.70%
1000	23	1500	50.00%
1500	22	3000	100.00%
2000	21	5000	166.70%
2500	20	7500	250.00%

The price discovery is a function of demand at various prices. The highest price at which the issuer is able to issue the desired number of equity shares is the price at which the book cuts off, i.e., ₹22.00 in the above example. The issuer, in consultation with the Book Running Lead Managers, will finalise the issue price at or below such cut-off price, i.e., at or below ₹22.00. All bids at or above this issue price and cut-off bids are valid bids and are considered for allocation in the respective categories.

### (e) Alternate Method of Book Building

In case of FPOs, Issuers may opt for an alternate method of Book Building in which only the Floor Price is specified for the purposes of bidding (“Alternate Book Building Process”). The Issuer may specify the Floor Price in the RHP or advertise the Floor Price at least one Working Day prior to the Bid/Offer Opening Date. QIBs may Bid at a price higher than the Floor Price and the Allotment to the QIBs is made on a price priority basis. The Bidder with the highest Bid Amount is allotted the number of Equity Shares Bid for and then the second highest Bidder is Allotted Equity Shares and this process continues until all the Equity Shares have been allotted. RIBs, NIBs and Employees are Allotted Equity Shares at the Floor Price and Allotment to these categories of Bidders is made proportionately. If the number of Equity Shares Bid for at a price is more than available quantity then the Allotment may be done on a proportionate basis. Further, the Issuer may place a cap either in terms of number of specified securities or percentage of issued capital of the Issuer that may be Allotted to a single Bidder, decide whether a Bidder be allowed to revise the bid upwards or downwards in terms of price and/or quantity and also decide whether a Bidder be allowed single or multiple bids.

## SECTION 6: ISSUE PROCEDURE IN BOOK BUILDING ISSUE

**Bidders may note that there is no Bid cum Application Form in a Fixed Price Offer.**

As the Offer Price is mentioned in the Fixed Price Offer therefore on filing of the Prospectus with the RoC, the Application so submitted is considered as the application form. Bidders may only use the specified Application Form for the purpose of making an Application in terms of the Red Herring Prospectus which



may be submitted through the Designated Intermediary. Bidders may submit an Application Form either in physical form to the any of the Designated Intermediaries or in the electronic form to the SCSB or the Designated Branches of the SCSBs authorizing blocking of funds that are available in the bank account specified in the Application Form only ("ASBA Account"). The Application Form is also made available on the websites of the Stock Exchanges at least one day prior to the Bid/Offer Opening Date. In a fixed price Offer, allocation in the net offer to the public category is made as follows: minimum fifty per cent to Retail Individual Bidders; and remaining to (i) individual investors other than Retail Individual Bidders; and (ii) other Bidders including corporate bodies or institutions, irrespective of the number of specified securities applied for. The unsubscribed portion in either of the categories specified above may be allocated to the Bidders in the othercategory.

For details of instructions in relation to the Application Form, Bidders/ Applicants may refer to the relevant section of the GID.

## **SECTION 7: ALLOTMENT PROCEDURE AND BASIS OF ALLOTMENT**

### **7.1. Basis of Allotment**

The Allotment of Equity Shares to Bidders other than Retail Individual Investors may be on proportionate basis. For Basis of Allotment to Bidders may refer to DRHP. No Retail Individual Investor will be Allotted less than the minimum Bid Lot subject to availability of shares in Retail Individual Investor Category and the remaining available shares, if any will be Allotted on a proportionate basis. The Issuer is required to receive a minimum subscription of 90% of the Offer (excluding any Offer for Sale of specified securities). However, in case the Offer is in the nature of Offer for Sale only, then minimum subscription may not be applicable.

Allotment will be made in consultation with NSE EMERGE (The Designated Stock Exchange). In the event of oversubscription, the allotment will be made on a proportionate basis in marketable lots as set forth here:

- a) The total number of Shares to be allocated to each category as a whole shall be arrived at on a proportionate basis i.e. the total number of Shares applied for in that category multiplied by the inverse of the oversubscription ratio (number of Bidders in the category x number of Shares applied for).
- b) The number of Shares to be allocated to the successful Bidders will be arrived at on a proportionate basis in marketable lots (i.e. Total number of Shares applied for into the inverse of the oversubscription ratio).
- c) For applications where the proportionate allotment works out to less than 4,000 Equity Shares the allotment will be made as follows:
  - i. Each successful Bidder shall be allotted 4,000 Equity Shares;
  - ii. The successful Bidders out of the total Bidders for that category shall be determined by the draw of lots in such a manner that the total number of Shares allotted in that category is equal to the number of Shares worked out as per (2) above.
- d) If the proportionate allotment to an Bidder works out to a number that is not a multiple of 4,000 Equity Shares, the Bidder would be allotted Shares by rounding off to the lower nearest multiple of 4,000 Equity Shares subject to a minimum allotment of 4,000 Equity Shares.
- e) If the Shares allotted on a proportionate basis to any category is more than the Shares allotted to the Bidders in that category, the balance available Shares for allocation shall be first adjusted against any category, where the allotted Shares are not sufficient for proportionate allotment to the successful Bidders in that category, the balance Shares, if any, remaining after such adjustment will be added to the category comprising of Bidders applying for the minimum number of Shares. If as a result of the process of rounding off to the lower nearest multiple of 4,000 Equity Shares, results in the actual allotment being higher than the shares Issued, the final allotment may be higher at the sole discretion of the Board of Directors, up-to 110% of the size of the Issue specified under the Capital Structure mentioned in the Red Herring Prospectus.
- f) The above proportionate allotment of shares in an Issue that is oversubscribed shall be subject to the reservation for Retail Individual Bidders as described below:
  - i. As per Regulation 43(4) of the SEBI (ICDR) Regulations, as the Retail Individual Investor category is entitled to more than fifty percent on proportionate basis, the retail individual investors shall be allocated that higher percentage.
  - ii. Remaining to Individual Bidders other than retail individual investors and Other investors including corporate bodies or institutions, irrespective of the number of specified securities

- applied for;
- iii. The unsubscribed portion in either of the categories specified in (a) or (b) above may be available for allocation to the Bidders in the other category, if so required.

'Retail Individual Investor' means an investor who applies for shares of value of not more than ₹2,00,000. Investors may note that in case of over subscription allotment shall be on proportionate basis and will be finalized in consultation with SME Platform of NSE- Emerge.

The Executive Director / Managing Director of NSE - the Designated Stock Exchange in addition to Book Running Lead Manager and Registrar to the Public Issue shall be responsible to ensure that the basis of allotment is finalized in a fair and proper manner in accordance with the SEBI (ICDR) Regulations, 2009.

As per the RBI regulations, OCBs are not permitted to participate in the Issue. There is no reservation for Non Residents, NRIs, FPIs and foreign venture capital funds and all Non Residents, NRI, FPI and Foreign Venture Capital Funds Bidders will be treated on the same basis with other categories for the purpose of allocation.

## 7.2. DESIGNATED DATE AND ALLOTMENT OF EQUITY SHARES

- a) **Designated Date:** On the Designated Date, the SCSBs shall transfer the funds represented by allocation of Equity Shares into the Public Issue Account with the Bankers to the Issue.
- b) **Issuance of Allotment Advice:** Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Registrar shall upload the same on its website. On the basis of the approved Basis of Allotment, the Issuer shall pass necessary corporate action to facilitate the Allotment and credit of Equity Shares. Bidders **are advised to instruct their Depository Participant to accept the Equity Shares that may be allotted to them pursuant to the Issue.**  
  
Pursuant to confirmation of such corporate actions, the Registrar will dispatch Allotment Advice to the Bidders who have been Allotted Equity Shares in the Issue.
- c) The dispatch of Allotment Advice shall be deemed a valid, binding and irrevocable contract.
- d) Issuer will ensure that: (i) the Allotment of Equity Shares; and (ii) initiate corporate action for credit of shares to the successful Bidders Depository Account will be completed within 5 working Days of the Issue Closing Date. The Issuer also ensures the credit of shares to the successful Bidder's depository account is completed within 5 Working Days of the Issue Closing Date.

## SECTION 8: INTEREST AND REFUNDS

### 8.1 COMPLETION OF FORMALITIES FOR LISTING & COMMENCEMENT OF TRADING

The Issuer may ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges are taken within 6 Working Days of the Issue Closing Date. The Registrar to the Issue may give instructions for credit to Equity Shares the beneficiary account with DPs, and dispatch the Allotment Advice within 6 Working Days of the Issue Closing Date.

### 8.2 GROUNDS FOR UNBLOCKING OFFUNDS

#### 8.2.1. Non Receipt of Listing Permission

An Issuer makes an application to the Stock Exchange(s) for permission to deal in/list and for an official quotation of the Equity Shares. All the Stock Exchanges from where such permission is sought are disclosed in Red Herring Prospectus. The Designated Stock Exchange may be as disclosed in the Red Herring Prospectus with which the Basis of Allotment may be finalized.

If the permissions to deal in and for an official quotation of the Equity Shares are not granted by any of the Stock Exchange(s), the Issuer may forthwith initiate action to unblock the application amount from the Investors accounts.

If such money is not repaid within the eight days after the Issuer becomes liable to repay it, then the Issuer and every director of the Issuer who is an officer in default may, on and from such expiry of eight days, be

liable to repay the money, with interest at such rate, as prescribed under Section 73 of Companies Act, and disclosed in the Red Herring Prospectus.

### **8.2.2. Minimum Subscription**

This Issue is not restricted to any minimum subscription level. This Issue is 100% underwritten.

As per Section 39 of Companies Act, 2013 if the “stated minimum amount” has not been subscribed and the sum payable on application is not received within a period of 30 days from the date of the Red Herring Prospectus, the application money has to be returned within such period as may be prescribed. If our company does not receive the 100% subscription of the Issue through the Issue Document including devolvement of underwriters, if any, within sixty (60) days from the date of closure of the issue, our company shall forthwith unblocked the entire application amount received. If there is a delay beyond eighty days after our company becomes liable to pay the amount, our company and every officer in default will, on and from the expiry of this period be jointly and severally liable to repay the money, with interest or other penalty as prescribed under SEBI Regulations, the Companies Act, 2013.

The minimum number of allottees in this Issue shall be 50 shareholders. In case the minimum number of prospective allottees is less than 50 no allotment will be made pursuant to this Issue and the amounts in the ASBA Account shall be unblocked within 6 working days of closure of the issue.

Further in accordance with Regulation 106(Q) of the SEBI (ICDR) Regulations, our Company shall ensure that the minimum application size in terms of number of specified securities shall not be less than ₹100000/- (Rupees One Lakh) per application.

The equity shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be Issued or sold, and applications may not be made by persons in any such jurisdiction, except in compliance without the applicable laws of such jurisdiction.

### **8.2.3. MINIMUM NUMBER OF ALLOTTEES**

The Issuer may ensure that the number of prospective allottees to whom Equity Shares may be allotted may not be less than 50 failing which the entire application monies may be unblocked forthwith.

## **8.3 Mode of Unblocking of Funds**

Within 6 Working Days of the Issue Closing Date, the Registrar to the Issue may give instructions to SCSBs for unblocking the amount in ASBA Account on unsuccessful Application and also for any excess amount blocked on Application.

### **8.3.1. Mode of making refunds for Bidders**

The Registrar to the Issue may instruct the controlling branch of the SCSB to unblock the funds in the relevant ASBA Account for any withdrawn, rejected or unsuccessful ASBA applications or in the event of withdrawal or failure of the Issue.

### **8.3.2. Interest In Case Of Delay in Allotment**

The Issuer may pay interest at the rate of 15% per annum if demat credits are not made to Bidders or instructions for unblocking of funds in the ASBA Account are not dispatched within the 6 Working days of the Issue Closing Date.

The Issuer may pay interest at 15% per annum for any delay beyond 6 working days from the Issue Closing Date, if Allotment is not made.

## **SECTION 9: GLOSSARY AND ABBREVIATIONS**

Unless the context otherwise indicates or implies, certain definitions and abbreviations used in this document may have the meaning as provided below. References to any legislation, act or regulation may be to such legislation, act or regulation as amended from time to time.

Allocation / Allocation of Equity Shares	The Allocation of Equity Shares of our Company pursuant to Fresh Issue of Equity Shares to the successful Bidders
Allotment/ Allot/ Allotted	Issue an allotment of Equity Shares of our Company pursuant to

	Fresh Issue of the Equity Shares to the successful Bidders
Allottee(s)	Successful Bidders to whom Equity Shares of our Company shall have been allotted
ASBA/ Application Supported by Blocked Amount.	Applications Supported by Blocked Amount (ASBA) means an application for Subscribing to the Issue containing an authorization to block the application money in a bank account maintained with SCSB
ASBA Account	Account maintained with SCSBs which will be blocked by such SCSBs to the extent of the Application Amount
ASBA Application Location(s)/ Specified Cities	Locations at which ASBA Applications can be uploaded by the SCSBs viz, Mumbai, New Delhi, Chennai, Kolkata, Ahmedabad, Rajkot, Bangalore, Hyderabad, Pune, Baroda and Surat
ASBA Investor/ASBA applicant	Any prospective investor(s)/Bidder(s) in this Issue who apply (ies) through the ASBA process
Banker(s) to the Issue/ Public Issue Bank(s).	The banks which are clearing members and registered with SEBI as Banker to an Issue with whom the Public Issue Account will be opened and in this case being ICICI Bank Limited
Basis of Allotment	The basis on which Equity Shares will be Allotted to the successful Bidders under the Issue and which is described under chapter titled "Issue Procedure" beginning on page 171 of this Draft Red Herring Prospectus
Bids	An indication to make an Issue during the Bid/Issue Period by a Bidder pursuant to submission of the Bid cum Application Form to subscribe for or purchase our Equity Shares of our Company at a price within the Price Band, including all revisions and modifications thereto, to the extent permissible under SEBI ICDR Regulations.
Bid Amount	The highest value of the optional Bids as indicated in the Bid-cum-Application Form and payable by the Bidder upon submission of the Bid in this Issue.
Bid Cum Application Form	The form in terms of which the Bidder shall make a Bid and which shall be considered as the application for the Allotment pursuant to the terms of the Red Herring Prospectus and the Draft Red Herring Prospectus.
Bid Lot	[id
Bid/ Issue Opening Date	The date on which the Designated Intermediaries shall start accepting Bids for the Issue, which shall be published by our Company in [the terms of the Red Herring Prospectus and the Draft Red Herring Prospectus. ice Band, including all revisiond Hindi national newspaper, Hindi also being the regional language in the place where our Registered and Corporate Office is located
Bid/Issue Closing Date	The date on which the Designated Intermediaries shall not accept Bids for the Issue, which shall be published by our Company in [ in [the terms of the Red Herring Prospectus and the Draft Red Herring Prospectus. ice Band, including allcated Hindi national newspaper, Hindi also being the regional language in the place where our Registered and Corporate Office is located)
Bid/Issue Period	The period between the Bid/Issue Opening Date and the Bid/ Issue Closing Date, inclusive of both days, during which prospective Bidders can submit their Bids, including any revisions thereof.
Bidding Centers	Centers at which the Designated Intermediaries shall accept the Bid cum Application Forms, i.e, Designated SCSB Branch for SCSBs, Specified Locations for Syndicate, Broker Centers for Registered Brokers, Designated RTA Locations for RTAs and Designated CDP Locations for CDPs
Book Building Process/ Book Building Method	The book building route as provided under Schedule XI of the SEBI (ICDR) Regulations, 2009, in terms of which this Issue is being made.

Broker Centers	Broker centers notified by the Stock Exchanges where Bidders can submit the Bid cum Application Forms to a Registered Broker. The details of such Broker Centers, along with the names and contact details of the Registered Brokers are available on the websites of the Stock Exchange on the following link:- <a href="http://www.nseindia.com/Markets/PublicIssues/brokercenters">http://www.nseindia.com/Markets/PublicIssues/brokercenters</a>
Book Running Lead Manager/BRLM	Book Running Lead Manager to the Issue, in this case being Mark Corporate Advisors Private Limited, SEBI Registered Merchant Banker
Cap Price	The higher end of the Price Band, in this case being [●] per Equity Share above which the Issue Price will not be finalized and above which no Bids will be accepted
CAN or Confirmation of Allocation Note	The note or advice or intimation sent to each successful bidders 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
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 Bidders with the Book Running 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 Bidders such as their address, PAN, occupation and bank account details
Designated Intermediaries /Collecting Agent	Syndicate Members, Sub-Syndicate/Agents, SCSBs, Registered Brokers, Brokers, the CDPs and RTAs, who are authorized to collect Bid cum Application forms from the Bidders, in relation to the Issue
Depository Participant	A Depository Participant as defined under the Depositories Act, 1996
Designated SCSB Branches	Such branches of the SCSBs which shall collect the ASBA Forms from the ASBA Bidders and a list of which is available at <a href="http://www.sebi.gov.in">www.sebi.gov.in</a> , or at such other website as may be prescribed by SEBI from time to time
Designated CDP Locations	Such locations of the CDPs where Applicant can submit the Bid cum Application forms to Collecting Depository Participants. The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept Bid cum Application forms are available on the websites of the Stock Exchange i.e. <a href="http://www.nseindia.com">www.nseindia.com</a>
Designated RTA Locations	Such locations of the RTAs where Applicant can submit the Bid cum Application forms to RTAs. The details of such Designated RTA Locations, along with names and contact details of the RTAs eligible to accept Bid cum Application forms are available on the websites of the Stock Exchange i.e. <a href="http://www.nseindia.com">www.nseindia.com</a>
Designated Date	The date on which funds are transferred from the amount blocked by the SCSBs is transferred from the ASBA Account to the Public Issue Account, as appropriate, after the Issue is closed, following which the Equity Shares shall be allotted/transfer to the successful Bidders
Designated Stock Exchange	National Stock Exchange of India Limited
DP	Depository Participant
DP ID	Depository Participant's Identity number.
Draft Red Herring Prospectus	The Draft Red Herring Prospectus issued in accordance with Section

	32 of the Companies Act, 2013 and filed with the NSE under SEBI (ICDR) Regulations.
Eligible NRIs	NRIs from jurisdictions outside India where it is not unlawful to make an issue or invitation under the Issue and in relation to whom this Draft Red Herring Prospectus constitutes an invitation to subscribe to the Equity Shares offered herein
Emerge Platform of NSE	The Emerge Platform of NSE for listing of Equity Shares offered under Chapter XB of the SEBI (ICDR) Regulations which was approved by SEBI as an NSE Emerge on October 14, 2011
Escrow Agreement	Agreement entered into amongst the Company, Book Running Lead Manager, the Registrar and the Banker to the Issue to receive monies from the Bidders through the SCSBs Bank Account on the Designated Date in the Public Issue Account
FII / Foreign Institutional Investors	Foreign Institutional Investor (as defined under SEBI (Foreign Institutional Investors) Regulations, 1995, as amended) registered with SEBI under applicable laws in India.
First/Sole Bidder	The Bidder whose name appears first in the Bid cum Application Form or Revision Form.
Floor Price	The lower end of the Price Band, at or above which the Issue Price will be finalized and below which no Bids will be accepted.
General Information Document	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/ Issue Size/ Initial Public Issue/ Initial Public Offer/ Initial Public Offering/ IPO	Public Issue of 30,00,000 Equity Shares of face value of ₹10/- each fully paid of Godha Cabcon & Insulation Limited for cash at a price of ₹[•] per Equity Share (including a premium of ₹[•] per Equity Share) aggregating ₹[•] Lacs.
Issue Opening Date	The date on which Issue opens for subscription
Issue Closing Date	The date on which Issue closes for subscription
Issue Price	The price at which the Equity Shares are being issued by our Company under this Draft Red Herring Prospectus being ₹[•] per Equity Share of face value of ₹10/-each fully paid
Issue Proceeds	Proceeds from the fresh Issue that will be available to our Company, being ₹[•] Lacs
Listing Agreement	The Equity Listing Agreement to be signed between our Company and the NSE
Market Making Agreement	Market Making Agreement dated [Month, Date Year] between our Company, BRLM and Market Maker
Market Maker	Market Maker appointed by our Company from time to time, in this case [•], who has agreed to receive or deliver the specified securities in the market making process for a period of three years from the date of listing of our Equity Shares or for any other period as may be notified by SEBI from time to time
Market Maker Reservation Portion	The Reserved Portion of 1,60,000 Equity Shares of face value of ₹10/-each fully paid for cash at an issue price of ₹[•] per Equity Share aggregating ₹[•] Lacs to be subscribed by the Market Maker
MoU/Issue Agreement	The Memorandum of Understanding dated November, 10, 2017 between our Company and Book Running Lead Manager.
Mutual Fund(s)	A mutual fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996, as amended from time to time
Net Issue	The Issue excluding the Market Maker Reservation Portion of 28,40,000 Equity Shares of face value of ₹10/- each fully paid for cash at a price of ₹[•] Equity Share aggregating ₹[•] Lacs by our Company
Net Proceeds	The Issue Proceeds, less the Issue related expenses, received by the

	Company. For further information about use of the Issue Proceeds and the Issue expenses, please refer to the chapter titled “Objects of the Issue” beginning on page 57 of this Draft Red Herring Prospectus
Non-Institutional Investors	All Bidders that are not Qualified Institutional Buyers or Retail Individual Investors and who have Applied for Equity Shares for an amount more than ₹2,00,000
OCB/Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs, including overseas trusts in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly as defined under the Foreign Exchange Management (Deposit) Regulations, 2000, as amended from time to time. OCBs are not allowed to invest in this Issue
Payment through electronic transfer of	Payment through NECS, NEFT or Direct Credit, as applicable funds
Person/Persons	Any individual, sole proprietorship, unincorporated association, unincorporated organization, body corporate, corporation, company, partnership, limited liability company, joint venture, or trust or any other entity or organization validly constituted and/or incorporated in the jurisdiction in which it exists and operates, as the context requires
Price Band	Price band of a minimum price (Floor Price) of ₹[●] and the maximum price (Cap Price) of ₹[●] and includes revisions thereof. The Price Band for the Issue will be decided by our Company in consultation with the BRLM and the Minimum Bid Lot will be decided by our Company in consultation with the BRLM and will be advertised in [●] edition of [●] (a widely circulated English national newspaper) and [●] editions of [●] (a widely circulated Hindi national newspaper, Hindi also being the regional language in the place where our Registered and Corporate Office is located), at least five Working Days prior to the Bid/Issue Opening Date, with the relevant financial ratios calculated at the Floor Price and at the Cap Price and shall be made available to the Stock Exchanges for the purpose of uploading on their website.
Pricing Date	The date on which our Company in consultation with the BRLM, finalizes the Issue Price
Draft Red Herring Prospectus	The Draft Red Herring Prospectus, to be filed with the RoC in accordance with the provisions of Section 26 of the Companies Act, 2013.
Public Issue Account Agreement	Agreement entered into by our Company, the Registrar to the Issue, the Book Running Lead Manager, and the Public Issue Bank/Banker to the Issue for collection of the Application Amounts
Public Issue Account	Account opened with the Banker to the Issue/Public Issue Bank i.e. ICICI Bank by our Company to receive monies from SCSBs from the bank accounts of the ASBA Bidders on the Designated Date
Qualified Institutional Buyers or QIBs	QIBs, as defined under the SEBI ICDR Regulations, including public financial institutions as specified in Section 2(72) of the Companies Act, 2013 scheduled commercial banks, mutual fund registered with SEBI, FII and sub-account (other than a sub-account which is a foreign corporate or foreign individual) registered with SEBI, multilateral and bilateral development financial institution, venture capital fund registered with SEBI, foreign venture capital investor registered with SEBI, state industrial development corporation, insurance company registered with Insurance Regulatory and Development Authority, provident fund with minimum corpus of ₹2,500 Lacs, pension fund with minimum corpus of ₹2,500 Lacs, NIF, 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
Refund Account (s)	Account(s) to which monies to be refunded to the Bidders shall be transferred from the Public Issue Account in case listing of the Equity Shares does not occur
Refund Bank(s) / Refund Banker(s)	Bank(s) which is / are clearing member(s) and registered with the SEBI as Bankers to the Issue at which the Refund Accounts will be opened in case listing of the Equity Shares does not occur, in this case being ICICI Bank Limited
Registrar and Share Transfer Agents /Registrar to the Issue	Registrar to the Issue, in this case being Karvy Computershare Private Limited having registered office Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad-500 032.
Retail Individual Investor	Individual Bidders, or minors applying through their natural guardians, including HUFs (applying through their Karta) and ASBA Bidders, who apply for an amount less than or equal to ₹2,00,000.
Revision Form	The form used by the Bidders to modify the quantity of Equity Shares in any of their Bid cum Application forms or any previous Revision Form(s).
Registered Brokers	Stock brokers registered with the stock exchanges having nationwide terminals, other than the Members of the Syndicate.
SCSB/ Self Certified Syndicate Banker.	Shall mean a Banker to an Issue registered under SEBI (Bankers to an Issue) Regulations, 1994, as amended from time to time, and which offer the service of making Application/s Supported by Blocked Amount including blocking of bank account and a list of which is available on <a href="http://www.sebi.gov.in">www.sebi.gov.in</a> or at such other website as may be prescribed by SEBI from time to time
Specified Locations	Bidding centers where the Syndicate shall accept Bid cum Application Forms, a list of which is included in the Bid cum Application Form.
Sub-Syndicate Members	A SEBI registered member of NSE appointed by the BRLM, and/ or the Syndicate Member to act as a Sub-Syndicate Member in the Issue.
Syndicate Agreement	The agreement dated [●] entered into among the BRLM, the Syndicate Members, Registrar of the Issue and our Company in relation to the collection of Bids in this Issue
Syndicate Members	Intermediaries registered with the SEBI and permitted to carry out activities as an underwriter, in this case being Mark Corporate Advisors Private Limited.
Syndicate or Members of the Syndicate	Collectively, the BRLM and the Syndicate Members
Transaction Registration Slip/ TRS	The slip or document issued by a member of the Syndicate or an SCSB (only on demand), as the case may be, to the Bidder, as proof of registration of the Application
Underwriters	Mark Corporate Advisors Private Limited
Underwriting Agreement	The agreement dated [Month, date year] entered into between the Underwriter and our Company
Working Day	Unless the context otherwise requires: Working Days shall be all trading days of stock exchange excluding Sundays and bank holidays in accordance with the SEBI circular no. SEBI/HO/CFD/DIL/CIR/P/2016/26 dated January 21, 2016



## **RESTRICTION 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 the 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 foreign investment under manufacture sector is allowed under automatic route. Subsequent to the abolition of Foreign Investment Promotion Board (FIPB) by the Government vide O.M No. 01/01/FC12017 -FIPB dated the June 05,2017 the work of granting government approval for foreign investment under the extant FDI Policy and FEMA Regulations, has been entrusted to the concerned Administrative Ministries/Department in consultation with the Department of Industrial Policy and Promotion

The Government has from time to time made policy pronouncements on foreign direct investment (“**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 by way of circular no. D/o IPP F. No. 5(1)/2017-FC-1 dated August 28, 2017 (“**FDI Policy**”), which with effect from August 28, 2017, consolidates and supersedes all previous press notes, press releases and clarifications on FDI issued by the DIPP that were in force and effect as on August 28, 2017. The Government proposes to update the consolidated circular on FDI policy once every year and therefore, FDI Policy will be valid until the DIPP issues an updated circular.

The transfer of shares between an Indian resident and a non-resident does not require the prior approval of the FIPB or the RBI, provided that (i) the activities of the investee company are under the automatic route under the FDI policy and transfer does not attract the provisions of the SEBI Takeover Regulations; (ii) the non-resident shareholding is within the sectoral limits under the FDI policy; and (iii) the pricing is in accordance with the guidelines prescribed by the SEBI/RBI.

As per the existing policy of the Government of India, OCBs cannot participate in this Issue.

No person shall make an application in the Offer, unless such person is eligible to acquire Equity Shares of our Company in accordance with applicable laws, rules, regulations, guidelines and approvals. Investors that make application under the Offer will be required to confirm and will be deemed to have represented to our Company, the Underwriters, and their respective directors, officers, agents, affiliates and representatives, as applicable, that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of our Company and will not offer, sell, pledge or transfer the Equity Shares of our Company to any person who is not eligible under applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of our Company. Our Company, the Underwriters and their respective directors, officers, agents, affiliates and representatives, as applicable, accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire Equity Shares of our Company.

**The Equity Shares have not been and will not be registered under the U.S. Securities Act, or any state securities laws in the United States, and, unless so registered, may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws in the United States.**

**Accordingly, the Equity Shares are being offered and sold outside the United States in offshore transactions in compliance with Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those offers and sales occur.**

**The above information is given for the benefit of the Bidders. Our Company and the Book Running 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 Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares Applied for do not exceed the applicable limits under laws or regulations.**

## SECTION VIII – MAIN PROVISIONS OF ARTICLES OF ASSOCIATION

### THE COMPANIES ACT, 2013(COMPANY LIMITED BY SHARES)ARTICLES OF ASSOCIATION OF GODHA CABCON & INSULATION LIMITED

Sr. No	Particulars	
1.	No regulation contained in Table “F” in the First Schedule to Companies Act, 2013 shall apply to this Company but the regulations for the Management of the Company and for the observance of the Members thereof and their representatives shall be as set out in the relevant provisions of the Companies Act, 2013 and subject to any exercise of the statutory powers of the Company with reference to the repeal or alteration of or addition to its regulations by Special Resolution as prescribed by the said Companies Act, 2013 be such as are contained in these Articles unless the same are repugnant or contrary to the provisions of the Companies Act, 2013 or any amendment thereto.	<b>Table F Applicable.</b>
	Interpretation Clause	
2.	In the interpretation of these Articles the following expressions shall have the following meanings unless repugnant to the subject or context:	
	(a) "The Act" means the Companies Act, 2013 and includes any statutory modification or re-enactment thereof for the time being in force.	<b>Act</b>
	(b) "These Articles" means Articles of Association for the time being in force or as may be altered from time to time vide Special Resolution.	<b>Articles</b>
	(c) "Auditors" means and includes those persons appointed as such for the time being of the Company.	<b>Auditors</b>
	(d) "Capital" means the share capital for the time being raised or authorized to be raised for the purpose of the Company.	<b>Capital</b>
	(e) *"The Company" shall mean GODHA CABCON & INSULATION LIMITED	<b>Company</b>
	(f) "Executor" or "Administrator" means a person who has obtained a probate or letter of administration, as the case may be from a Court of competent jurisdiction and shall include a holder of a Succession Certificate authorizing the holder thereof to negotiate or transfer the Share or Shares of the deceased Member and shall also include the holder of a Certificate granted by the Administrator General under section 31 of the Administrator General Act, 1963.	<b>Executor or Administrator</b>
	(g) "Legal Representative" means a person who in law represents the estate of a deceased Member.	<b>Legal Representative</b>
	(h) Words importing the masculine gender also include the feminine gender.	<b>Gender</b>
	(i) "In Writing" and "Written" includes printing lithography and other modes of representing or reproducing words in a visible form.	<b>In Writing and Written</b>
	(j) The marginal notes hereto shall not affect the construction thereof.	<b>Marginal notes</b>
	(k) "Meeting" or "General Meeting" means a meeting of members.	<b>Meeting or General Meeting</b>
	(l) "Month" means a calendar month.	<b>Month</b>
	(m) "Annual General Meeting" means a General Meeting of the Members held in accordance with the provision of section 96 of the Act.	<b>Annual General Meeting</b>

<b>Sr. No</b>	<b>Particulars</b>	
	(n) "Extra-Ordinary General Meeting" means an Extraordinary General Meeting of the Members duly called and constituted and any adjourned holding thereof.	<b>Extra-Ordinary General Meeting</b>
	(o) "National Holiday" means and includes a day declared as National Holiday by the Central Government.	<b>National Holiday</b>
	(p) "Non-retiring Directors" means a director not subject to retirement by rotation.	<b>Non-retiring Directors</b>
	(q) "Office" means the registered Office for the time being of the Company.	<b>Office</b>
	(r) "Ordinary Resolution" and "Special Resolution" shall have the meanings assigned thereto by Section 114 of the Act.	<b>Ordinary and Special Resolution</b>
	(s) "Person" shall be deemed to include corporations and firms as well as individuals.	<b>Person</b>
	(t) "Proxy" means an instrument whereby any person is authorized to vote for a member at General Meeting or Poll and includes attorney duly constituted under the power of attorney.	<b>Proxy</b>
	(u) "The Register of Members" means the Register of Members to be kept pursuant to Section 88(1) (a) of the Act.	<b>Register of Members</b>
	(v) "Seal" means the common seal for the time being of the Company.	<b>Seal</b>
	(w) Words importing the Singular number include where the context admits or requires the plural number and vice versa.	<b>Singular number</b>
	(x) "The Statutes" means the Companies Act, 2013 and every other Act for the time being in force affecting the Company.	<b>Statutes</b>
	(y) "These presents" means the Memorandum of Association and the Articles of Association as originally framed or as altered from time to time.	<b>These presents</b>
	(z) "Variation" shall include abrogation; and "vary" shall include abrogate.	<b>Variation</b>
	(aa) "Year" means the calendar year and "Financial Year" shall have the meaning assigned thereto by Section 2(41) of the Act.	<b>Year and Financial Year</b>
	Save as aforesaid any words and expressions contained in these Articles shall bear the same meanings as in the Act or any statutory modifications thereof for the time being in force.	<b>Expressions in the Act to bear the same meaning in Articles</b>
	<b>CAPITAL</b>	
<b>3.</b>	The Authorized Share Capital of the Company shall be such amount as may be mentioned in Clause V of Memorandum of Association of the Company from time to time.	<b>Authorized Capital.</b>
<b>4.</b>	The Company may in General Meeting from time to time by Ordinary Resolution increase its capital by creation of new Shares which may be unclassified and may be classified at the time of issue in one or more classes and of such amount or amounts as may be deemed expedient. The new Shares shall be issued upon such terms and conditions and with such rights and privileges annexed thereto as the resolution shall prescribe and in particular, such Shares may be issued with a preferential or qualified right to dividends and in the distribution of assets of the Company and with a right of voting at General Meeting of the Company in conformity with Section 47 of the Act. Whenever the capital of the Company has been increased under the provisions of this Article the Directors shall comply with the	<b>Increase of capital by the Company how carried into effect</b>

<b>Sr. No</b>	<b>Particulars</b>	
	provisions of Section 64 of the Act.	
<b>5.</b>	Except so far as otherwise provided by the conditions of issue or by these Presents, any capital raised by the creation of new Shares shall be considered as part of the existing capital, and shall be subject to the provisions herein contained, with reference to the payment of calls and installments, forfeiture, lien, surrender, transfer and transmission, voting and otherwise.	<b>New Capital same as existing capital</b>
<b>6.</b>	The Board shall have the power to issue a part of authorized capital by way of non-voting Shares at price(s) premium, dividends, eligibility, volume, quantum, proportion and other terms and conditions as they deem fit, subject however to provisions of law, rules, regulations, notifications and enforceable guidelines for the time being in force.	<b>Non Voting Shares</b>
<b>7.</b>	Subject to the provisions of the Act and these Articles, the Board of Directors may issue redeemable preference shares to such persons, on such terms and conditions and at such times as Directors think fit either at premium or at par, and with full power to give any person the option to call for or be allotted shares of the company either at premium or at par, such option being exercisable at such times and for such consideration as the Board thinks fit.	<b>Redeemable Preference Shares</b>
<b>8.</b>	The holder of Preference Shares shall have a right to vote only on Resolutions, which directly affect the rights attached to his Preference Shares.	<b>Voting rights of preference shares</b>
<b>9.</b>	On the issue of redeemable preference shares under the provisions of Article 7 hereof, the following provisions shall take effect: (a) No such Shares shall be redeemed except out of profits of which would otherwise be available for dividend or out of proceeds of a fresh issue of shares made for the purpose of the redemption; (b) No such Shares shall be redeemed unless they are fully paid; (c) Subject to section 55(2)(d)(i) the premium, if any payable on redemption shall have been provided for out of the profits of the Company or out of the Company's security premium account, before the Shares are redeemed; (d) Where any such Shares are redeemed otherwise than out of the proceeds of a fresh issue, there shall out of profits which would otherwise have been available for dividend, be transferred to a reserve fund, to be called "the Capital Redemption Reserve Account", a sum equal to the nominal amount of the Shares redeemed, and the provisions of the Act relating to the reduction of the share capital of the Company shall, except as provided in Section 55 of the Act apply as if the Capital Redemption Reserve Account were paid-up share capital of the Company; and (e) Subject to the provisions of Section 55 of the Act, the redemption of preference shares hereunder may be effected in accordance with the terms and conditions of their issue and in the absence of any specific terms and conditions in that behalf, in such manner as the Directors may think fit. The reduction of Preference Shares under the provisions by the Company shall not be taken as reducing the amount of its Authorized Share Capital	<b>Provisions to apply on issue of Redeemable Preference Shares</b>
<b>10.</b>	The Company may (subject to the provisions of sections 52, 55, 66, both inclusive, and other applicable provisions, if any, of the Act) from time to time by Special Resolution reduce (a) the share capital; (b) any capital redemption reserve account; or (c) any security premium account	<b>Reduction of capital</b>

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	In any manner for the time being, authorized by law and in particular capital may be paid off on the footing that it may be called up again or otherwise. This Article is not to derogate from any power the Company would have, if it were omitted.	
11.	Any debentures, debenture-stock or other securities may be issued at a discount, premium or otherwise and may be issued on condition that they shall be convertible into shares of any denomination and with any privileges and conditions as to redemption, surrender, drawing, allotment of shares, attending (but not voting) at the General Meeting, appointment of Directors and otherwise. Debentures with the right to conversion into or allotment of shares shall be issued only with the consent of the Company in the General Meeting by a Special Resolution.	Debentures
12.	The Company may exercise the powers of issuing sweat equity shares conferred by Section 54 of the Act of a class of shares already issued subject to such conditions as may be specified in that sections and rules framed there under.	Issue of Sweat Equity Shares
13.	The Company may issue shares to Employees including its Directors other than independent directors and such other persons as the rules may allow, under Employee Stock Option Scheme (ESOP) or any other scheme, if authorized by a Special Resolution of the Company in general meeting subject to the provisions of the Act, the Rules and applicable guidelines made there under, by whatever name called.	ESOP
14.	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.	Buy Back of shares
15.	Subject to the provisions of Section 61 of the Act, the Company in general meeting may, from time to time, sub-divide or consolidate all or any of the share capital into shares of larger amount than its existing share or sub-divide its shares, or any of them into shares of smaller amount than is fixed by the Memorandum; subject nevertheless, to the provisions of clause (d) of sub-section (1) of Section 61; Subject as aforesaid the Company in general meeting may also cancel shares which have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled.	Consolidation, Sub-Division And Cancellation
16.	Subject to compliance with applicable provision of the Act and rules framed there under the company shall have power to issue depository receipts in any foreign country.	Issue of Depository Receipts
17.	Subject to compliance with applicable provision of the Act and rules framed there under the company shall have power to issue any kind of securities as permitted to be issued under the Act and rules framed there under.	Issue of Securities
	<b>MODIFICATION OF CLASS RIGHTS</b>	
18.	(a) If at any time the share capital, by reason of the issue of Preference Shares or otherwise is divided into different classes of shares, all or any of the rights privileges attached to any class (unless otherwise provided by the terms of issue of the shares of the class) may, subject to the provisions of Section 48 of the Act and whether or not the Company is being wound-up, be varied, modified or dealt, with the consent in writing of the holders of not less than three-fourths of the issued shares of that class or with the sanction of a Special Resolution passed at a separate general meeting of the holders of the shares of that class. The provisions of these Articles relating to general meetings shall	Modification of rights

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	mutatis mutandis apply to every such separate class of meeting. Provided that if variation by one class of shareholders affects the rights of any other class of shareholders, the consent of three-fourths of such other class of shareholders shall also be obtained and the provisions of this section shall apply to such variation.	
	(b) The rights conferred upon the holders of the Shares including Preference Share, if any) of any class issued with preferred or other rights or privileges shall, unless otherwise expressly provided by the terms of the issue of shares of that class, be deemed not to be modified, commuted, affected, abrogated, dealt with or varied by the creation or issue of further shares ranking pari passu therewith.	<b>New Issue of Shares not to affect rights attached to existing shares of that class.</b>
<b>19.</b>	Subject to the provisions of Section 62 of the Act and these Articles, the shares in the capital of the company for the time being shall be under the control of the Directors who may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par and at such time as they may from time to time think fit and with the sanction of the company in the General Meeting to give to any person or persons the option or right to call for any shares either at par or premium during such time and for such consideration as the Directors think fit, and may issue and allot shares in the capital of the company on payment in full or part of any property sold and transferred or for any services rendered to the company in the conduct of its business and any shares which may so be allotted may be issued as fully paid up shares and if so issued, shall be deemed to be fully paid shares.	<b>Shares at the disposal of the Directors.</b>
<b>20.</b>	The Company may issue shares or other securities in any manner whatsoever including by way of a preferential offer, to any persons whether or not those persons include the persons referred to in clause (a) or clause (b) of sub-section (1) of section 62 subject to compliance with section 42 and 62 of the Act and rules framed there under.	<b>Power to issue shares on preferential basis.</b>
<b>21.</b>	The shares in the capital shall be numbered progressively according to their several denominations, and except in the manner hereinbefore mentioned no share shall be sub-divided. Every forfeited or surrendered share shall continue to bear the number by which the same was originally distinguished.	<b>Shares should be Numbered progressively and no share to be subdivided.</b>
<b>22.</b>	An application signed by or on behalf of an applicant for shares in the Company, followed by an allotment of any shares therein, shall be an acceptance of shares within the meaning of these Articles, and every person who thus or otherwise accepts any shares and whose name is on the Register shall for the purposes of these Articles, be a Member.	<b>Acceptance of Shares.</b>
<b>23.</b>	Subject to the provisions of the Act and these Articles, the Directors may allot and issue shares in the Capital of the Company as payment or part payment for any property (including goodwill of any business) sold or transferred, goods or machinery supplied or for services rendered to the Company either in or about the formation or promotion of the Company or the conduct of its business and any shares which may be so allotted may be issued as fully paid-up or partly paid-up otherwise than in cash, and if so issued, shall be deemed to be fully paid-up or partly paid-up shares as aforesaid.	<b>Directors may allot shares as full paid-up</b>
<b>24.</b>	The money (if any) which the Board shall on the allotment of any shares being made by them, require or direct to be paid by way of deposit, call or otherwise, in respect of any shares allotted by them shall become a debt due to and recoverable by	<b>Deposit and call etc. to be a debt payable immediately.</b>



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	the Company from the allottee thereof, and shall be paid by him, accordingly.	
25.	Every Member, or his heirs, executors, administrators, or legal representatives, shall pay to the Company the portion of the Capital represented by his share or shares which may, for the time being, remain unpaid thereon, in such amounts at such time or times, and in such manner as the Board shall, from time to time in accordance with the Company's regulations, require on date fixed for the payment thereof.	<b>Liability of Members.</b>
26.	Shares may be registered in the name of any limited company or other corporate body but not in the name of a firm, an insolvent person or a person of unsound mind.	<b>Registration of Shares.</b>
	<b>RETURN ON ALLOTMENTS TO BE MADE OR RESTRICTIONS ON ALLOTMENT</b>	
27.	The Board shall observe the restrictions as regards allotment of shares to the public, and as regards return on allotments contained in Sections 39 of the Act	
	<b>CERTIFICATES</b>	
28.	<p>(a) Every member shall be entitled, without payment, to one or more certificates in marketable lots, for all the shares of each class or denomination registered in his name, or if the Directors so approve (upon paying such fee as provided in the relevant laws) to several certificates, each for one or more of such shares and the company shall complete and have ready for delivery such certificates within two months from the date of allotment, unless the conditions of issue thereof otherwise provide, or within one month of the receipt of application for registration of transfer, transmission, sub-division, consolidation or renewal of any of its shares as the case may be. Every certificate of shares shall be under the seal of the company and shall specify the number and distinctive numbers of shares in respect of which it is issued and amount paid-up thereon and shall be in such form as the directors may prescribe or approve, provided that in respect of a share or shares held jointly by several persons, the company shall not be bound to issue more than one certificate and delivery of a certificate of shares to one of several joint holders shall be sufficient delivery to all such holder. Such certificate shall be issued only in pursuance of a resolution passed by the Board and on surrender to the Company of its letter of allotment or its fractional coupons of requisite value, save in cases of issues against letter of acceptance or of renunciation or in cases of issue of bonus shares. Every such certificate shall be issued under the seal of the Company, which shall be affixed in the presence of two Directors or persons acting on behalf of the Directors under a duly registered power of attorney and the Secretary or some other person appointed by the Board for the purpose and two Directors or their attorneys and the Secretary or other person shall sign the share certificate, provided that if the composition of the Board permits of it, at least one of the aforesaid two Directors shall be a person other than a Managing or whole-time Director. Particulars of every share certificate issued shall be entered in the Register of Members against the name of the person, to whom it has been issued, indicating the date of issue.</p> <p>(b) Any two or more joint allottees of shares shall, for the purpose of this Article, be treated as a single member, and the certificate of any shares which may be the subject of joint ownership, may be delivered to anyone of such joint owners on behalf of all of them. For any further certificate the Board shall</p>	<b>Share Certificates.</b>

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	<p>be entitled, but shall not be bound, to prescribe a charge not exceeding Rupees Fifty. The Company shall comply with the provisions of Section 39 of the Act.</p> <p>(c) A Director may sign a share certificate by affixing his signature thereon by means of any machine, equipment or other mechanical means, such as engraving in metal or lithography, but not by means of a rubber stamp provided that the Director shall be responsible for the safe custody of such machine, equipment or other material used for the purpose.</p>	
29.	<p>If any certificate be worn out, defaced, mutilated or torn or if there be no further space on the back thereof for endorsement of transfer, then upon production and surrender thereof to the Company, a new Certificate may be issued in lieu thereof, and if any certificate lost or destroyed then upon proof thereof to the satisfaction of the company and on execution of such indemnity as the company deem adequate, being given, a new Certificate in lieu thereof shall be given to the party entitled to such lost or destroyed Certificate. Every Certificate under the Article shall be issued without payment of fees if the Directors so decide, or on payment of such fees (not exceeding Rs.50/- for each certificate) as the Directors shall prescribe. Provided that no fee shall be charged for issue of new certificates in replacement of those which are old, defaced or worn out or where there is no further space on the back thereof for endorsement of transfer. Provided that notwithstanding what is stated above the Directors shall comply with such Rules or Regulation or requirements of any Stock Exchange or the Rules made under the Act or the rules made under Securities Contracts (Regulation) Act, 1956, or any other Act, or rules applicable in this behalf. The provisions of this Article shall mutatis mutandis apply to debentures of the Company.</p>	<p><b>Issue of new certificates in place of those defaced, lost or destroyed.</b></p>
30.	<p>(a) If any share stands in the names of two or more persons, the person first named in the Register shall as regard receipts of dividends or bonus or service of notices and all or any other matter connected with the Company except voting at meetings, and the transfer of the shares, be deemed sole holder thereof but the joint-holders of a share shall be severally as well as jointly liable for the payment of all calls and other payments due in respect of such share and for all incidentals thereof according to the Company's regulations.</p>	<p><b>The first named joint holder deemed Sole holder.</b></p>
	<p>(b) The Company shall not be bound to register more than three persons as the joint holders of any share.</p>	<p><b>Maximum number of joint holders.</b></p>
31.	<p>Except as ordered by a Court of competent jurisdiction or as by law required, the Company shall not be bound to recognize any equitable, contingent, future or partial interest in any share, or (except only as is by these Articles otherwise expressly provided) any right in respect of a share other than an absolute right thereto, in accordance with these Articles, in the person from time to time registered as the holder thereof but the Board shall be at liberty at its sole discretion to register any share in the joint names of any two or more persons or the survivor or survivors of them.</p>	<p><b>Company not bound to recognise any interest in share other than that of registered holders.</b></p>
32.	<p>If by the conditions of allotment of any share the whole or part of the amount or issue price thereof shall be payable by installment, every such installment shall when due be paid to the Company by the person who for the time being and from time to time shall be the registered holder of the share or his legal representative.</p>	<p><b>Installment on shares to be duly paid.</b></p>
	<p><b>UNDERWRITING AND BROKERAGE</b></p>	



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<b>33.</b>	Subject to the provisions of Section 40 (6) of the Act, the Company may at any time pay a commission to any person in consideration of his subscribing or agreeing, to subscribe (whether absolutely or conditionally) for any shares or debentures in the Company, or procuring, or agreeing to procure subscriptions (whether absolutely or conditionally) for any shares or debentures in the Company but so that the commission shall not exceed the maximum rates laid down by the Act and the rules made in that regard. Such commission may be satisfied by payment of cash or by allotment of fully or partly paid shares or partly in one way and partly in the other.	<b>Commission</b>
<b>34.</b>	The Company may pay on any issue of shares and debentures such brokerage as may be reasonable and lawful.	<b>Brokerage</b>
	<b>CALLS</b>	
<b>35.</b>	(1) The Board may, from time to time, subject to the terms on which any shares may have been issued and subject to the conditions of allotment, by a resolution passed at a meeting of the Board and not by a circular resolution, make such calls as it thinks fit, upon the Members in respect of all the moneys unpaid on the shares held by them respectively and each Member shall pay the amount of every call so made on him to the persons and at the time and places appointed by the Board. (2) A call may be revoked or postponed at the discretion of the Board. (3) A call may be made payable by installments.	<b>Directors may make calls</b>
<b>36.</b>	Fifteen days' notice in writing of any call shall be given by the Company specifying the time and place of payment, and the person or persons to whom such call shall be paid.	<b>Notice of Calls</b>
<b>37.</b>	A call shall be deemed to have been made at the time when the resolution of the Board of Directors authorizing such call was passed and may be made payable by the members whose names appear on the Register of Members on such date or at the discretion of the Directors on such subsequent date as may be fixed by Directors.	<b>Calls to date from resolution.</b>
<b>38.</b>	Whenever any calls for further share capital are made on shares, such calls shall be made on uniform basis on all shares falling under the same class. For the purposes of this Article shares of the same nominal value of which different amounts have been paid up shall not be deemed to fall under the same class.	<b>Calls on uniform basis.</b>
<b>39.</b>	The Board may, from time to time, at its discretion, extend the time fixed for the payment of any call and may extend such time as to all or any of the members who on account of the residence at a distance or other cause, which the Board may deem fairly entitled to such extension, but no member shall be entitled to such extension save as a matter of grace and favor.	<b>Directors may extend time.</b>
<b>40.</b>	If any Member fails to pay any call due from him on the day appointed for payment thereof, or any such extension thereof as aforesaid, he shall be liable to pay interest on the same from the day appointed for the payment thereof to the time of actual payment at such rate as shall from time to time be fixed by the Board not exceeding 21% per annum but nothing in this Article shall render it obligatory for the Board to demand or recover any interest from any such member.	<b>Calls to carry interest.</b>
<b>41.</b>	If by the terms of issue of any share or otherwise any amount is made payable at any fixed time or by installments at fixed time (whether on account of the amount of the share or by way of premium) every such amount or installment shall be payable as if it were a call duly made by the Directors and of which due notice has been given and all the provisions herein contained in	<b>Sums deemed to be calls.</b>

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	respect of calls shall apply to such amount or installment accordingly.	
42.	On the trial or hearing of any action or suit brought by the Company against any Member or his representatives for the recovery of any money claimed to be due to the Company in respect of his shares, if shall be sufficient to prove that the name of the Member in respect of whose shares the money is sought to be recovered, appears entered on the Register of Members as the holder, at or subsequent to the date at which the money is sought to be recovered is alleged to have become due on the share in respect of which such money is sought to be recovered in the Minute Books: and that notice of such call was duly given to the Member or his representatives used in pursuance of these Articles: and that it shall not be necessary to prove the appointment of the Directors who made such call, nor that a quorum of Directors was present at the Board at which any call was made was duly convened or constituted nor any other matters whatsoever, but the proof of the matters aforesaid shall be conclusive evidence of the debt.	<b>Proof on trial of suit for money due on shares.</b>
43.	Neither a judgment nor a decree in favour of the Company for calls or other moneys due in respect of any shares nor any part payment or satisfaction 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 of the Company in respect of his shares, either by way of principal or interest, nor any indulgence granted by the Company in respect of the payment of any such money, shall preclude the Company from thereafter proceeding to enforce forfeiture of such shares as hereinafter provided.	<b>Judgment, decree, partial payment motto proceed for forfeiture.</b>
44.	(a) The Board may, if it thinks fit, receive from any Member willing to advance the same, all or any part of the amounts of his respective shares beyond the sums, actually called up and upon the moneys so paid in advance, or upon so much thereof, from time to time, and at any time thereafter as exceeds the amount of the calls then made upon and due in respect of the shares on account of which such advances are made the Board may pay or allow interest, at such rate as the member paying the sum in advance and the Board agree upon. The Board may agree to repay at any time any amount so advanced or may at any time repay the same upon giving to the Member three months' notice in writing: provided that moneys paid in advance of calls on shares may carry interest but shall not confer a right to dividend or to participate in profits. (b) No Member paying any such sum in advance shall be entitled to voting rights in respect of the moneys so paid by him until the same would but for such payment become presently payable. The provisions of this Article shall mutatis mutandis apply to calls on debentures issued by the Company.	<b>Payments in Anticipation of calls may carry interest</b>
	<b>LIEN</b>	
45.	The Company shall have a first and paramount lien upon all the shares/debentures (other than fully paid-up shares/debentures) registered in the name of each member (whether solely or jointly with others) and upon the proceeds of sale thereof for all moneys (whether presently payable or not) called or payable at a fixed time in respect of such shares/debentures and no equitable interest in any share shall be created except upon the footing and condition that this Article will have full effect. And such lien shall extend to all dividends and bonuses from time to time declared in respect of such shares/debentures. Unless otherwise agreed the registration of a transfer of shares/debentures shall	<b>Company to have Lien on shares.</b>

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	operate as a waiver of the Company's lien if any, on such shares/debentures. The Directors may at any time declare any shares/debentures wholly or in part to be exempt from the provisions of this clause.	
46.	For the purpose of enforcing such lien the Directors may sell the shares subject thereto in such manner as they shall think fit, but no sale shall be made until such period as aforesaid shall have arrived and until notice in writing of the intention to sell shall have been served on such member or the person (if any) entitled by transmission to the shares and default shall have been made by him in payment, fulfillment of discharge of such debts, liabilities or engagements for seven days after such notice. To give effect to any such sale the Board may authorize some person to transfer the shares sold to the purchaser thereof and purchaser shall be registered as the holder of the shares comprised in any such transfer. Upon any such sale as the Certificates in respect of the shares sold shall stand cancelled and become null and void and of no effect, and the Directors shall be entitled to issue a new Certificate or Certificates in lieu thereof to the purchaser or purchasers concerned.	<b>As to enforcing lien by sale.</b>
47.	The net proceeds of any such sale shall be received by the Company and applied in or towards payment of such part of the amount in respect of which the lien exists as is presently payable and the residue, if any, shall (subject to lien for sums not presently payable as existed upon the shares before the sale) be paid to the person entitled to the shares at the date of the sale.	<b>Application of proceeds of sale.</b>
	<b>FORFEITURE AND SURRENDER OF SHARES</b>	
48.	If any Member fails to pay the whole or any part of any call or installment or any moneys due in respect of any shares either by way of principal or interest on or before the day appointed for the payment of the same, the Directors may, at any time thereafter, during such time as the call or installment or any part thereof or other moneys as aforesaid remains unpaid or a judgment or decree in respect thereof remains unsatisfied in whole or in part, serve a notice on such Member or on the person (if any) entitled to the shares by transmission, requiring him to pay such call or installment of such part thereof or other moneys as remain unpaid together with any interest that may have accrued and all reasonable expenses (legal or otherwise) that may have been accrued by the Company by reason of such non-payment. Provided that no such shares shall be forfeited if any moneys shall remain unpaid in respect of any call or installment or any part thereof as aforesaid by reason of the delay occasioned in payment due to the necessity of complying with the provisions contained in the relevant exchange control laws or other applicable laws of India, for the time being in force.	<b>If call or installment not paid, notice maybe given.</b>
49.	The notice shall name a day (not being less than fourteen days from the date of notice) and a place or places on and at which such call or installment and such interest thereon as the Directors shall determine from the day on which such call or installment ought to have been paid and expenses as aforesaid are to be paid. The notice shall also state that, in the event of the non-payment at or before the time and at the place or places appointed, the shares in respect of which the call was made or installment is payable will be liable to be forfeited.	<b>Terms of notice.</b>
50.	If the requirements of any such notice as aforesaid shall not be complied with, every or any share in respect of which such notice has been given, may at any time thereafter but before payment of all calls or installments, interest and expenses, due in	<b>On default of payment, shares to be forfeited.</b>

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	respect thereof, be forfeited by resolution of the Board to that effect. Such forfeiture shall include all dividends declared or any other moneys payable in respect of the forfeited share and not actually paid before the forfeiture.	
<b>51.</b>	When any shares have been forfeited, notice of the forfeiture shall be given to the member in whose name it stood immediately prior to the forfeiture, and an entry of the forfeiture, with the date thereof shall forthwith be made in the Register of Members.	<b>Notice of forfeiture to a Member</b>
<b>52.</b>	Any shares so forfeited, shall be deemed to be the property of the Company and may be sold, re-allotted, or otherwise disposed of, either to the original holder thereof or to any other person, upon such terms and in such manner as the Board in their absolute discretion shall think fit.	<b>Forfeited shares to be property of the Company and maybe sold etc.</b>
<b>53.</b>	Any Member whose shares have been forfeited shall notwithstanding the forfeiture, be liable to pay and shall forthwith pay to the Company, on demand all calls, installments, interest and expenses owing upon or in respect of such shares at the time of the forfeiture, together with interest thereon from the time of the forfeiture until payment, at such rate as the Board may determine and the Board may enforce the payment of the whole or a portion thereof as if it were a new call made at the date of the forfeiture, but shall not be under any obligation to do so.	<b>Members still liable to pay money owing at time of forfeiture and interest.</b>
<b>54.</b>	The forfeiture shares shall involve extinction at the time of the forfeiture, of all interest in all claims and demand against the Company, in respect of the share and all other rights incidental to the share, except only such of those rights as by these Articles are expressly saved.	<b>Effect of forfeiture.</b>
<b>55.</b>	A declaration in writing that the declarant is a Director or Secretary of the Company and that shares in the Company have been duly forfeited in accordance with these articles on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the shares.	<b>Evidence of Forfeiture.</b>
<b>56.</b>	The Company may receive the consideration, if any, given for the share on any sale, re-allotment or other disposition thereof and the person to whom such share is sold, re-allotted or disposed of may be registered as the holder of the share and he shall not be bound to see to the application of the consideration: if any, nor shall his title to the share be affected by any irregularly or invalidity in the proceedings in reference to the forfeiture, sale, re-allotment or other disposal of the shares.	<b>Title of purchaser and allottee of Forfeited shares.</b>
<b>57.</b>	Upon any sale, re-allotment or other disposal under the provisions of the preceding Article, the certificate or certificates originally issued in respect of the relative shares shall (unless the same shall on demand by the Company have been previously surrendered to it by the defaulting member) stand cancelled and become null and void and of no effect, and the Directors shall be entitled to issue a duplicate certificate or certificates in respect of the said shares to the person or persons entitled thereto.	<b>Cancellation of share certificate in respect of forfeited shares.</b>
<b>58.</b>	In the meantime and until any share so forfeited shall be sold, re-allotted, or otherwise dealt with as aforesaid, the forfeiture thereof may, at the discretion and by a resolution of the Directors, be remitted as a matter of grace and favour, and not as was owing thereon to the Company at the time of forfeiture being declared with interest for the same unto the time of the actual payment thereof if the Directors shall think fit to receive the same, or on any other terms which the Director may deem	<b>Forfeiture may be remitted.</b>

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	reasonable.	
59.	Upon any sale after forfeiture or for enforcing a lien in purported exercise of the powers hereinbefore given, the Board may appoint some person to execute an instrument of transfer of the Shares sold and cause the purchaser's name to be entered in the Register of Members in respect of the Shares sold, and the purchasers shall not be bound to see to the regularity of the proceedings or to the application of the purchase money, and after his name has been entered in the Register of Members in respect of such Shares, the validity of the sale shall not be impeached by any person and the remedy of any person aggrieved by the sale shall be in damages only and against the Company exclusively.	Validity of sale
60.	The Directors may, subject to the provisions of the Act, accept a surrender of any share from or by any Member desirous of surrendering on such terms the Directors may think fit.	Surrender of shares.
	<b>TRANSFER AND TRANSMISSION OF SHARES</b>	
61.	(a) The instrument of transfer of any share in or debenture of the Company shall be executed by or on behalf of both the transferor and transferee. (b) The transferor shall be deemed to remain a holder of the share or debenture until the name of the transferee is entered in the Register of Members or Register of Debenture holders in respect thereof.	Execution of the instrument of shares.
62.	The instrument of transfer of any share or debenture shall be in writing and all the provisions of Section 56 and statutory modification thereof including other applicable provisions of the Act shall be duly complied with in respect of all transfers of shares or debenture and registration thereof. The instrument of transfer shall be in a common form approved by the Exchange;	Transfer Form.
63.	The Company shall not register a transfer in the Company other than the transfer between persons both of whose names are entered as holders of beneficial interest in the records of a depository, unless a proper instrument of transfer duly stamped and executed by or on behalf of the transferor and by or on behalf of the transferee and specifying the name, address and occupation if any, of the transferee, has been delivered to the Company along with the certificate relating to the shares or if no such share certificate is in existence along with the letter of allotment of the shares: Provided that where, on an application in writing made to the Company by the transferee and bearing the stamp, required for an instrument of transfer, it is proved to the satisfaction of the Board of Directors that the instrument of transfer signed by or on behalf of the transferor and by or on behalf of the transferee has been lost, the Company may register the transfer on such terms as to indemnity as the Board may think fit, provided further that nothing in this Article shall prejudice any power of the Company to register as shareholder any person to whom the right to any shares in the Company has been transmitted by operation of law.	Transfer not to be registered except on production of instrument of transfer.
64.	Subject to the provisions of Section 58 of the Act and Section 22A of the Securities Contracts (Regulation) Act, 1956, the Directors may, decline to register— (a) any transfer of shares on which the company has a lien. That registration of transfer shall however not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever;	Directors may refuse to register transfer.



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<b>65.</b>	If the Company refuses to register the transfer of any share or transmission of any right therein, the Company shall within one month from the date on which the instrument of transfer or intimation of transmission was lodged with the Company, send notice of refusal to the transferee and transferor or to the person giving intimation of the transmission, as the case may be, and there upon the provisions of Section 56 of the Act or any statutory modification thereof for the time being in force shall apply.	<b>Notice of refusal to be given to transferor and transferee.</b>
<b>66.</b>	No fee shall be charged for registration of transfer, transmission, Probate, Succession Certificate and letter of administration, Certificate of Death or Marriage, Power of Attorney or similar other document with the Company.	<b>No fee on transfer.</b>
<b>67.</b>	The Board of Directors shall have power on giving not less than seven days previous notice in accordance with section 91 and rules made there under close the Register of Members and/or the Register of debentures holders and/or other security holders at such time or times and for such period or periods, not exceeding thirty days at a time, and not exceeding in the aggregate forty five days at a time, and not exceeding in the aggregate forty five days in each year as it may seem expedient to the Board.	<b>Closure of Register of Members or debenture holder or other security holders..</b>
<b>68.</b>	The instrument of transfer shall after registration be retained by the Company and shall remain in its custody. All instruments of transfer which the Directors may decline to register shall on demand be returned to the persons depositing the same. The Directors may cause to be destroyed all the transfer deeds with the Company after such period as they may determine.	<b>Custody of transfer Deeds.</b>
<b>69.</b>	Where an application of transfer relates to partly paid shares, the transfer shall not be registered unless the Company gives notice of the application to the transferee and the transferee makes no objection to the transfer within two weeks from the receipt of the notice.	<b>Application for transfer of partly paid shares.</b>
<b>70.</b>	For this purpose the notice to the transferee shall be deemed to have been duly given if it is dispatched by prepaid registered post/speed post/ courier to the transferee at the address given in the instrument of transfer and shall be deemed to have been duly delivered at the time at which it would have been delivered in the ordinary course of post.	<b>Notice to transferee.</b>
<b>71.</b>	<p>(a) On the death of a Member, the survivor or survivors, where the Member was a joint holder, and his nominee or nominees or legal representatives where he was a sole holder, shall be the only person recognized by the Company as having any title to his interest in the shares.</p> <p>(b) Before recognizing any executor or administrator or legal representative, the Board may require him to obtain a Grant of Probate or Letters Administration or other legal representation as the case may be, from some competent court in India.</p> <p>Provided nevertheless that in any case where the Board in its absolute discretion thinks fit, it shall be lawful for the Board to dispense with the production of Probate or letter of Administration or such other legal representation upon such terms as to indemnity or otherwise, as the Board in its absolute discretion, may consider adequate</p> <p>(c) Nothing in clause (a) above shall release the estate of the deceased joint holder from any liability in respect of any share which had been jointly held by him with other persons.</p>	<b>Recognition of legal representative.</b>
<b>72.</b>	The Executors or Administrators of a deceased Member or holders of a Succession Certificate or the Legal Representatives	<b>Titles of Shares of deceased Member</b>

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	in respect of the Shares of a deceased Member (not being one of two or more joint holders) shall be the only persons recognized by the Company as having any title to the Shares registered in the name of such Members, and the Company shall not be bound to recognize such Executors or Administrators or holders of Succession Certificate or the Legal Representative unless such Executors or Administrators or Legal Representative shall have first obtained Probate or Letters of Administration or Succession Certificate as the case may be from a duly constituted Court in the Union of India provided that in any case where the Board of Directors in its absolute discretion thinks fit, the Board upon such terms as to indemnity or otherwise as the Directors may deem proper dispense with production of Probate or Letters of Administration or Succession Certificate and register Shares standing in the name of a deceased Member, as a Member. However, provisions of this Article are subject to Sections 72 of the Companies Act.	
73.	Where, in case of partly paid Shares, an application for registration is made by the transferor, the Company shall give notice of the application to the transferee in accordance with the provisions of Section 56 of the Act.	<b>Notice of application when to be given</b>
74.	Subject to the provisions of the Act and these Articles, any person becoming entitled to any share in consequence of the death, lunacy, bankruptcy, insolvency of any member or by any lawful means other than by a transfer in accordance with these presents, may, with the consent of the Directors (which they shall not be under any obligation to give) upon producing such evidence that he sustains the character in respect of which he proposes to act under this Article or of this title as the Director shall require either be registered as member in respect of such shares or elect to have some person nominated by him and approved by the Directors registered as Member in respect of such shares; provided nevertheless that if such person shall elect to have his nominee registered he shall testify his election by executing in favour of his nominee an instrument of transfer in accordance so he shall not be freed from any liability in respect of such shares. This clause is hereinafter referred to as the 'Transmission Clause'.	<b>Registration of persons entitled to share otherwise than by transfer.(transmission clause).</b>
75.	Subject to the provisions of the Act and these Articles, the Directors shall have the same right to refuse or suspend register a person entitled by the transmission to any shares or his nominee as if he were the transferee named in an ordinary transfer presented for registration.	<b>Refusal to register nominee.</b>
76.	Every transmission of a share shall be verified in such manner as the Directors may require and the Company may refuse to register any such transmission until the same be so verified or until or unless an indemnity be given to the Company with regard to such registration which the Directors at their discretion shall consider sufficient, provided nevertheless that there shall not be any obligation on the Company or the Directors to accept any indemnity.	<b>Board may require evidence of transmission.</b>
77.	The Company shall incur no liability or responsibility whatsoever in consequence of its registering or giving effect to any transfer of shares made, or purporting to be made by any apparent legal owner thereof (as shown or appearing in the Register or Members) to the prejudice of persons having or claiming any equitable right, title or interest to or in the same shares notwithstanding that the Company may have had notice of such equitable right, title or interest or notice prohibiting	<b>Company not liable for disregard of a notice prohibiting registration of transfer.</b>

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	<p>registration of such transfer, and may have entered such notice or referred thereto in any book of the Company and the Company shall not be bound or require to regard or attend or give effect to any notice which may be given to them of any equitable right, title or interest, or be under any liability whatsoever for refusing or neglecting so to do though it may have been entered or referred to in some book of the Company but the Company shall nevertheless be at liberty to regard and attend to any such notice and give effect thereto, if the Directors shall so think fit.</p>	
78.	<p>In the case of any share registered in any register maintained outside India the instrument of transfer shall be in a form recognized by the law of the place where the register is maintained but subject thereto shall be as near to the form prescribed in Form no. SH-4 hereof as circumstances permit.</p>	<p><b>Form of transfer Outside India.</b></p>
79.	<p>No transfer shall be made to any minor, insolvent or person of unsound mind.</p>	<p><b>No transfer to insolvent etc.</b></p>
	<p><b>NOMINATION</b></p>	
80.	<p>i) Notwithstanding anything contained in the articles, every holder of securities of the Company may, at any time, nominate a person in whom his/her securities shall vest in the event of his/her death and the provisions of Section 72 of the Companies Act, 2013 shall apply in respect of such nomination.</p> <p>ii) No person shall be recognized by the Company as a nominee unless an intimation of the appointment of the said person as nominee has been given to the Company during the lifetime of the holder(s) of the securities of the Company in the manner specified under Section 72 of the Companies Act, 2013 read with Rule 19 of the Companies (Share Capital and Debentures) Rules, 2014</p> <p>iii) The Company shall not be in any way responsible for transferring the securities consequent upon such nomination.</p> <p>iv) If the holder(s) of the securities survive(s) nominee, then the nomination made by the holder(s) shall be of no effect and shall automatically stand revoked.</p>	<p><b>Nomination</b></p>
81.	<p>A nominee, upon production of such evidence as may be required by the Board and subject as hereinafter provided, elect, either-</p> <p>(i) to be registered himself as holder of the security, as the case may be; or</p> <p>(ii) to make such transfer of the security, as the case may be, as the deceased security holder, could have made;</p> <p>(iii) if the nominee elects to be registered as holder of the security, himself, as the case may be, he shall deliver or send to the Company, a notice in writing signed by him stating that he so elects and such notice shall be accompanied with the death certificate of the deceased security holder as the case may be;</p> <p>(iv) a nominee shall be entitled to the same dividends and other advantages to which he would be entitled to, if he were the registered holder of the security except that he shall not, before being registered as a member in respect of his security, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company.</p> <p>Provided further that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the share or debenture, and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys</p>	<p><b>Transmission of Securities by nominee</b></p>



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	payable or rights accruing in respect of the share or debenture, until the requirements of the notice have been complied with.	
	<b>DEMATERIALIZATION OF SHARES</b>	
82.	Subject to the provisions of the Act and Rules made there under the Company may offer its members facility to hold securities issued by it in dematerialized form.	<b>Dematerialization of Securities</b>
	<b>JOINT HOLDER</b>	
83.	Where two or more persons are registered as the holders of any share they shall be deemed to hold the same as joint Shareholders with benefits of survivorship subject to the following and other provisions contained in these Articles.	<b>Joint Holders</b>
84.	(a) The Joint holders of any share shall be liable severally as well as jointly for and in respect of all calls and other payments which ought to be made in respect of such share.	<b>Joint and several liabilities for all payments in respect of shares.</b>
	(b) on the death of any such joint holders the survivor or survivors shall be the only person recognized by the Company as having any title to the share but the Board may require such evidence of death as it may deem fit and nothing herein contained shall be taken to release the estate of a deceased joint holder from any liability of shares held by them jointly with any other person;	<b>Title of survivors.</b>
	(c) Any one of two or more joint holders of a share may give effectual receipts of any dividends or other moneys payable in respect of share; and	<b>Receipts of one sufficient.</b>
	(d) only the person whose name stands first in the Register of Members as one of the joint holders of any share shall be entitled to delivery of the certificate relating to such share or to receive documents from the Company and any such document served on or sent to such person shall deemed to be service on all the holders.	<b>Delivery of certificate and giving of notices to first named holders.</b>
	<b>SHARE WARRANTS</b>	
85.	The Company may issue warrants subject to and in accordance with provisions of the Act and accordingly the Board may in its discretion with respect to any Share which is fully paid upon application in writing signed by the persons registered as holder of the Share, and authenticated by such evidence(if any) as the Board may, from time to time, require as to the identity of the persons signing the application and on receiving the certificate (if any) of the Share, and the amount of the stamp duty on the warrant and such fee as the Board may, from time to time, require, issue a share warrant.	<b>Power to issue share warrants</b>
86.	(a) The bearer of a share warrant may at any time deposit the warrant at the Office of the Company, and so long as the warrant remains so deposited, the depositor shall have the same right of signing a requisition for call in a meeting of the Company, and of attending and voting and exercising the other privileges of a Member at any meeting held after the expiry of two clear days from the time of deposit, as if his name were inserted in the Register of Members as the holder of the Share included in the deposit warrant. (b) Not more than one person shall be recognized as depositor of the Share warrant. (c) The Company shall, on two day's written notice, return the deposited share warrant to the depositor.	<b>Deposit of share warrants</b>
87.	(a) Subject as herein otherwise expressly provided, no person, being a bearer of a share warrant, shall sign a requisition for calling a meeting of the Company or attend or vote or exercise any other privileges of a Member at a meeting of the Company, or be entitled to receive any notice from the Company.	<b>Privileges and disabilities of the holders of share warrant</b>

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	(b)The bearer of a share warrant shall be entitled in all other respects to the same privileges and advantages as if he were named in the Register of Members as the holder of the Share included in the warrant, and he shall be a Member of the Company.	
<b>88.</b>	The Board may, from time to time, make bye-laws as to terms on which (if it shall think fit), a new share warrant or coupon may be issued by way of renewal in case of defacement, loss or destruction.	<b>Issue of new share warrant coupons</b>
<b>CONVERSION OF SHARES INTO STOCK</b>		
<b>89.</b>	The Company may, by ordinary resolution in General Meeting. a) convert any fully paid-up shares into stock; and b)re-convert any stock into fully paid-up shares of any denomination.	<b>Conversion of shares into stock or reconversion.</b>
<b>90.</b>	The holders of stock may transfer the same or any part thereof in the same manner as and subject to the same regulation under which the shares from which the stock arose might before the conversion have been transferred, or as near thereto as circumstances admit, provided that, the Board may, from time to time, fix the minimum amount of stock transferable so however that such minimum shall not exceed the nominal amount of the shares from which the stock arose.	<b>Transfer of stock.</b>
<b>91.</b>	The holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, participation in profits, voting at meetings of the Company, and other matters, as if they hold the shares for which the stock arose but no such privilege or advantage shall be conferred by an amount of stock which would not, if existing in shares , have conferred that privilege or advantage.	<b>Rights of stock holders.</b>
<b>92.</b>	Such of the regulations of the Company (other than those relating to share warrants), as are applicable to paid up share shall apply to stock and the words “share” and “shareholders” in those regulations shall include “stock” and “stockholders” respectively.	<b>Regulations.</b>
<b>BORROWING POWERS</b>		
<b>93.</b>	Subject to the provisions of the Act and these Articles, the Board may, from time to time at its discretion, by a resolution passed at a meeting of the Board generally raise or borrow money by way of deposits, loans, overdrafts, cash credit or by issue of bonds, debentures or debenture-stock (perpetual or otherwise) or in any other manner, or from any person, firm, company, co-operative society, any body corporate, bank, institution, whether incorporated in India or abroad, Government or any authority or any other body for the purpose of the Company and may secure the payment of any sums of money so received, raised or borrowed; provided that the total amount borrowed by the Company (apart from temporary loans obtained from the Company’s Bankers in the ordinary course of business) shall not without the consent of the Company in General Meeting exceed the aggregate of the paid up capital of the Company and its free reserves that is to say reserves not set apart for any specified purpose.	<b>Power to borrow.</b>
<b>94.</b>	Subject to the provisions of the Act and these Articles, any bonds, debentures, debenture-stock or any other securities may be issued at a discount, premium or otherwise and with any special privileges and conditions as to redemption, surrender, allotment of shares, appointment of Directors or otherwise; provided that debentures with the right to allotment of or conversion into shares shall not be issued except with the	<b>Issue of discount etc. or with special privileges.</b>

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	sanction of the Company in General Meeting.	
<b>95.</b>	The payment and/or repayment of moneys borrowed or raised as aforesaid or any moneys owing otherwise or debts due from the Company may be secured in such manner and upon such terms and conditions in all respects as the Board may think fit, and in particular by mortgage, charter, lien or any other security upon all or any of the assets or property (both present and future) or the undertaking of the Company including its uncalled capital for the time being, or by a guarantee by any Director, Government or third party, and the bonds, debentures and debenture stocks and other securities may be made assignable, free from equities between the Company and the person to whom the same may be issued and also by a similar mortgage, charge or lien to secure and guarantee, the performance by the Company or any other person or company of any obligation undertaken by the Company or any person or Company as the case may be.	<b>Securing payment or repayment of Moneys borrowed.</b>
<b>96.</b>	Any bonds, debentures, debenture-stock or their securities issued or to be issued by the Company shall be under the control of the Board who may issue them upon such terms and conditions, and in such manner and for such consideration as they shall consider to be for the benefit of the Company.	<b>Bonds, Debentures etc. to be under the control of the Directors.</b>
<b>97.</b>	If any uncalled capital of the Company is included in or charged by any mortgage or other security the Directors shall subject to the provisions of the Act and these Articles make calls on the members in respect of such uncalled capital in trust for the person in whose favour such mortgage or security is executed.	<b>Mortgage of uncalled Capital.</b>
<b>98.</b>	Subject to the provisions of the Act and these Articles if the Directors or any of them or any other person shall incur or be about to incur any liability whether as principal or surety for the payment of any sum primarily due from the Company, the Directors may execute or cause to be executed any mortgage, charge or security over or affecting the whole or any part of the assets of the Company by way of indemnity to secure the Directors or person so becoming liable as aforesaid from any loss in respect of such liability.	<b>Indemnity may be given.</b>
	<b>MEETINGS OF MEMBERS</b>	
<b>99.</b>	All the General Meetings of the Company other than Annual General Meetings shall be called Extra-ordinary General Meetings.	<b>Distinction between AGM &amp; EGM.</b>
<b>100.</b>	(a) The Directors may, whenever they think fit, convene an Extra-Ordinary General Meeting and they shall on requisition of requisition of Members made in compliance with Section 100 of the Act, forthwith proceed to convene Extra-Ordinary General Meeting of the members	<b>Extra-Ordinary General Meeting by Board and by requisition</b>
	(b) If at any time there are not within India sufficient Directors capable of acting to form a quorum, or if the number of Directors be reduced in number to less than the minimum number of Directors prescribed by these Articles and the continuing Directors fail or neglect to increase the number of Directors to that number or to convene a General Meeting, any Director or any two or more Members of the Company holding not less than one-tenth of the total paid up share capital of the Company may call for an Extra-Ordinary General Meeting in the same manner as nearly as possible as that in which meeting may be called by the Directors.	<b>When a Director or any two Members may call an Extra Ordinary General Meeting</b>
<b>101.</b>	No General Meeting, Annual or Extraordinary shall be competent to enter upon, discuss or transfer any business which has not been mentioned in the notice or notices upon which it	<b>Meeting not to transact business not mentioned in notice.</b>

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	was convened.	
<b>102.</b>	The Chairman (if any) of the Board of Directors shall be entitled to take the chair at every General Meeting, whether Annual or Extraordinary. If there is no such Chairman of the Board of Directors, or if at any meeting he is not present within fifteen minutes of the time appointed for holding such meeting or if he is unable or unwilling to take the chair, then the Members present shall elect another Director as Chairman, and if no Director be present or if all the Directors present decline to take the chair then the Members present shall elect one of the members to be the Chairman of the meeting.	<b>Chairman of General Meeting</b>
<b>103.</b>	No business, except the election of a Chairman, shall be discussed at any General Meeting whilst the Chair is vacant.	<b>Business confined to election of Chairman whilst chair is vacant.</b>
<b>104.</b>	<p>a) The Chairperson may, with the consent of any meeting at which a quorum is present, and shall, if so directed by the meeting, adjourn the meeting from time to time and from place to place.</p> <p>b) No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.</p> <p>c) When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting.</p> <p>d) Save as aforesaid, and as provided in section 103 of the Act, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.</p>	<b>Chairman with consent may adjourn meeting.</b>
<b>105.</b>	In the case of an equality of votes the Chairman shall both on a show of hands, on a poll (if any) and e-voting, have casting vote in addition to the vote or votes to which he may be entitled as a Member.	<b>Chairman's casting vote.</b>
<b>106.</b>	Any poll duly demanded on the election of Chairman of the meeting or any question of adjournment shall be taken at the meeting forthwith.	<b>In what case poll taken without adjournment.</b>
<b>107.</b>	The demand for a poll except on the question of the election of the Chairman and of an adjournment shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll has been demanded.	<b>Demand for poll not to prevent transaction of other business.</b>
	<b>VOTES OF MEMBERS</b>	
<b>108.</b>	No Member shall be entitled to vote either personally or by proxy at any General Meeting or Meeting of a class of shareholders either upon a show of hands, upon a poll or electronically, or be reckoned in a quorum in respect of any shares registered in his name on which any calls or other sums presently payable by him have not been paid or in regard to which the Company has exercised, any right or lien.	<b>Members in arrears not to vote.</b>
<b>109.</b>	Subject to the provision of these Articles and without prejudice to any special privileges, or restrictions as to voting for the time being attached to any class of shares for the time being forming part of the capital of the company, every Member, not disqualified by the last preceding Article shall be entitled to be present, and to speak and to vote at such meeting, and on a show of hands every member present in person shall have one vote and upon a poll the voting right of every Member present in person or by proxy shall be in proportion to his share of the paid-up equity share capital of the Company, Provided, however, if any preference shareholder is present at any meeting of the Company, save as provided in sub-section (2) of Section	<b>Number of votes each member entitled.</b>

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	47 of the Act, he shall have a right to vote only on resolution placed before the meeting which directly affect the rights attached to his preference shares.	
<b>110.</b>	On a poll taken at a meeting of the Company a member entitled to more than one vote or his proxy or other person entitled to vote for him, as the case may be, need not, if he votes, use all his votes or cast in the same way all the votes he uses.	<b>Casting of votes by a member entitled to more than one vote.</b>
<b>111.</b>	A member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, or a minor may vote, whether on a show of hands or on a poll, by his committee or other legal guardian, and any such committee or guardian may, on a poll, vote by proxy.	<b>Vote of member of unsound mind and of minor</b>
<b>112.</b>	Notwithstanding anything contained in the provisions of the Companies Act, 2013, and the Rules made there under, the Company may, and in the case of resolutions relating to such business as may be prescribed by such authorities from time to time, declare to be conducted only by postal ballot, shall, get any such business/ resolutions passed by means of postal ballot, instead of transacting the business in the General Meeting of the Company.	<b>Postal Ballot</b>
<b>113.</b>	A member may exercise his vote at a meeting by electronic means in accordance with section 108 and shall vote only once.	<b>E-Voting</b>
<b>114.</b>	a) In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders. If more than one of the said persons remain present than the senior shall alone be entitled to speak and to vote in respect of such shares, but the other or others of the joint holders shall be entitled to be present at the meeting. Several executors or administrators of a deceased Member in whose name share stands shall for the purpose of these Articles be deemed joints holders thereof. b) For this purpose, seniority shall be determined by the order in which the names stand in the register of members.	<b>Votes of joint members.</b>
<b>115.</b>	Votes may be given either personally or by attorney or by proxy or in case of a company, by a representative duly Authorized as mentioned in Articles	<b>Votes may be given by proxy or by representative</b>
<b>116.</b>	A body corporate (whether a company within the meaning of the Act or not) may, if it is member or creditor of the Company (including being a holder of debentures) authorize such person by resolution of its Board of Directors, as it thinks fit, in accordance with the provisions of Section 113 of the Act to act as its representative at any Meeting of the members or creditors of the Company or debentures holders of the Company. A person authorized by resolution as aforesaid shall be entitled to exercise the same rights and powers (including the right to vote by proxy) on behalf of the body corporate as if it were an individual member, creditor or holder of debentures of the Company.	<b>Representation of a body corporate.</b>
<b>117.</b>	(a) A member paying the whole or a part of the amount remaining unpaid on any share held by him although no part of that amount has been called up, shall not be entitled to any voting rights in respect of the moneys paid until the same would, but for this payment, become presently payable.	<b>Members paying money in advance.</b>
	(b) A member is not prohibited from exercising his voting rights on the ground that he has not held his shares or interest in the Company for any specified period preceding the date on which the vote was taken.	<b>Members not prohibited if share not held for any specified period.</b>
<b>118.</b>	Any person entitled under Article 73 (transmission clause) to transfer any share may vote at any General Meeting in respect	<b>Votes in respect of shares of deceased or insolvent members.</b>



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	thereof in the same manner as if he were the registered holder of such shares, provided that at least forty-eight hours before the time of holding the meeting or adjourned meeting, as the case may be at which he proposes to vote he shall satisfy the Directors of his right to transfer such shares and give such indemnify (if any) as the Directors may require or the directors shall have previously admitted his right to vote at such meeting in respect thereof.	
<b>119.</b>	No Member shall be entitled to vote on a show of hands unless such member is present personally or by attorney or is a body Corporate present by a representative duly Authorized under the provisions of the Act in which case such members, attorney or representative may vote on a show of hands as if he were a Member of the Company. In the case of a Body Corporate the production at the meeting of a copy of such resolution duly signed by a Director or Secretary of such Body Corporate and certified by him as being a true copy of the resolution shall be accepted by the Company as sufficient evidence of the authority of the appointment.	<b>No votes by proxy on show of hands.</b>
<b>120.</b>	The instrument appointing a proxy and the power-of-attorney or other authority, if any, under which it is signed or a notarized 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>Appointment of a Proxy.</b>
<b>121.</b>	An instrument appointing a proxy shall be in the form as prescribed in the rules made under section 105.	<b>Form of proxy.</b>
<b>122.</b>	A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or insanity of the Member, or revocation of the proxy or of any power of attorney which such proxy signed, or the transfer of the share in respect of which the vote is given, provided that no intimation in writing of the death or insanity, revocation or transfer shall have been received at the office before the meeting or adjourned meeting at which the proxy is used.	<b>Validity of votes given by proxy notwithstanding death of a member.</b>
<b>123.</b>	No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes.	<b>Time for objections to votes.</b>
<b>124.</b>	Any such objection raised to the qualification of any voter in due time shall be referred to the Chairperson of the meeting, whose decision shall be final and conclusive.	<b>Chairperson of the Meeting to be the judge of validity of any vote.</b>
	<b>DIRECTORS</b>	
<b>125.</b>	Until otherwise determined by a General Meeting of the Company and subject to the provisions of Section 149 of the Act, the number of Directors (including Debenture and Alternate Directors) shall not be less than three and not more than fifteen. Provided that a company may appoint more than fifteen directors after passing a special resolution The persons herein named shall be the First directors of the Company: 1.MR. DIPESH GODHA 2.MRS. RUPALI GODHA 3.MRS. MADHU GODHA	<b>Number of Directors</b>
<b>126.</b>	A Director of the Company shall not be bound to hold any	<b>Qualification</b>

<b>Sr. No</b>	<b>Particulars</b>	
	Qualification Shares in the Company.	<b>shares.</b>
<b>127.</b>	<p>(a) Subject to the provisions of the Companies Act, 2013 and notwithstanding anything to the contrary contained in these Articles, the Board may appoint any person as a director nominated by any institution in pursuance of the provisions of any law for the time being in force or of any agreement</p> <p>(b) The Nominee Director/s so appointed shall not be required to hold any qualification shares in the Company nor shall be liable to retire by rotation. The Board of Directors of the Company shall have no power to remove from office the Nominee Director/s so appointed. The said Nominee Director/s shall be entitled to the same rights and privileges including receiving of notices, copies of the minutes, sitting fees, etc. as any other Director of the Company is entitled.</p> <p>(c) If the Nominee Director/s is an officer of any of the financial institution the sitting fees in relation to such nominee Directors shall accrue to such financial institution and the same accordingly be paid by the Company to them. The Financial Institution shall be entitled to depute observer to attend the meetings of the Board or any other Committee constituted by the Board.</p> <p>(d) The Nominee Director/s shall, notwithstanding anything to the contrary contained in these Articles, be at liberty to disclose any information obtained by him/them to the Financial Institution appointing him/them as such Director/s.</p>	<b>Nominee Directors.</b>
<b>128.</b>	The Board may appoint an Alternate Director to act for a Director (hereinafter called "The Original Director") during his absence for a period of not less than three months from India. An Alternate Director appointed under this Article shall not hold office for period longer than that permissible to the Original Director in whose place he has been appointed and shall vacate office if and when the Original Director returns to India. If the term of Office of the Original Director is determined before he so returns to India, any provision in the Act or in these Articles for the automatic re-appointment of retiring Director in default of another appointment shall apply to the Original Director and not to the Alternate Director.	<b>Appointment of alternate Director.</b>
<b>129.</b>	Subject to the provisions of the Act, the Board shall have power at any time and from time to time to appoint any other person to be an Additional Director. Any such Additional Director shall hold office only upto the date of the next Annual General Meeting.	<b>Additional Director</b>
<b>130.</b>	Subject to the provisions of the Act, the Board shall have power at any time and from time to time to appoint a Director, if the office of any director appointed by the company in general meeting is vacated before his term of office expires in the normal course, who shall hold office only upto the date upto which the Director in whose place he is appointed would have held office if it had not been vacated by him.	<b>Directors power to fill casual vacancies.</b>
<b>131.</b>	Until otherwise determined by the Company in General Meeting, each Director other than the Managing/Whole-time Director (unless otherwise specifically provided for) shall be entitled to sitting fees not exceeding a sum prescribed in the Act (as may be amended from time to time) for attending meetings of the Board or Committees thereof.	<b>Sitting Fees.</b>
<b>132.</b>	The Board of Directors may subject to the limitations provided in the Act allow and pay to any Director who attends a meeting at a place other than his usual place of residence for the purpose of attending a meeting, such sum as the Board may consider fair,	<b>Travelling expenses Incurred by Director on Company's business.</b>

<b>Sr. No</b>	<b>Particulars</b>	
	compensation for travelling, hotel and other incidental expenses properly incurred by him, in addition to his fee for attending such meeting as above specified.	
	<b>PROCEEDING OF THE BOARD OF DIRECTORS</b>	
<b>133.</b>	(a) The Board of Directors may meet for the conduct of business, adjourn and otherwise regulate its meetings as it thinks fit. (b) A director may, and the manager or secretary on the requisition of a director shall, at any time, summon a meeting of the Board.	<b>Meetings of Directors.</b>
<b>134.</b>	a) The Directors may from time to time elect from among their members a Chairperson of the Board and determine the period for which he is to hold office. If at any meeting of the Board, the Chairman is not present within five minutes after the time appointed for holding the same, the Directors present may choose one of the Directors then present to preside at the meeting. b) Subject to Section 203 of the Companies Act, 2013 and rules made there under, one person can act as the Chairman as well as the Managing Director or Chief Executive Officer at the same time.	<b>Chairperson</b>
<b>135.</b>	Questions arising at any meeting of the Board of Directors shall be decided by a majority of votes and in the case of an equality of votes, the Chairman will have a second or casting vote.	<b>Questions at Board meeting how decided.</b>
<b>136.</b>	The continuing directors may act notwithstanding any vacancy in the Board; but, if and so long as their number is reduced below the quorum fixed by the Act for a meeting of the Board, the continuing directors or director may act for the purpose of increasing the number of directors to that fixed for the quorum, or of summoning a general meeting of the company, but for no other purpose.	<b>Continuing directors may act notwithstanding any vacancy in the Board</b>
<b>137.</b>	Subject to the provisions of the Act, the Board may delegate any of their powers to a Committee consisting of such member or members of its body as it thinks fit, and it may from time to time revoke and discharge any such committee either wholly or in part and either as to person, or purposes, but every Committee so formed shall in the exercise of the powers so delegated conform to any regulations that may from time to time be imposed on it by the Board. All acts done by any such Committee in conformity with such regulations and in fulfillment of the purposes of their appointment but not otherwise, shall have the like force and effect as if done by the Board.	<b>Directors may appoint committee.</b>
<b>138.</b>	The Meetings and proceedings of any such Committee of the Board consisting of two or more members shall be governed by the provisions herein contained for regulating the meetings and proceedings of the Directors so far as the same are applicable thereto and are not superseded by any regulations made by the Directors under the last preceding Article.	<b>Committee Meetings how to be governed.</b>
<b>139.</b>	a) A committee may elect a Chairperson of its meetings. b) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the members present may choose one of their members to be Chairperson of the meeting.	<b>Chairperson of Committee Meetings</b>
<b>140.</b>	a) A committee may meet and adjourn as it thinks fit. b) Questions arising at any meeting of a committee shall be determined by a majority of votes of the members present, and in case of an equality of votes, the Chairperson shall have a second or casting vote.	<b>Meetings of the Committee</b>



<b>Sr. No</b>	<b>Particulars</b>	
<b>141.</b>	Subject to the provisions of the Act, all acts done by any meeting of the Board or by a Committee of the Board, or by any person acting as a Director shall notwithstanding that it shall afterwards be discovered that there was some defect in the appointment of such Director or persons acting as aforesaid, or that they or any of them were disqualified or had vacated office or that the appointment of any of them had been terminated by virtue of any provisions contained in the Act or in these Articles, be as valid as if every such person had been duly appointed, and was qualified to be a Director.	<b>Acts of Board or Committee shall be valid notwithstanding effect in appointment.</b>
	<b>RETIREMENT AND ROTATION OF DIRECTORS</b>	
<b>142.</b>	Subject to the provisions of Section 161 of the Act, if the office of any Director appointed by the Company in General Meeting vacated before his term of office will expire in the normal course, the resulting casual vacancy may in default of and subject to any regulation in the Articles of the Company be filled by the Board of Directors at the meeting of the Board and the Director so appointed shall hold office only up to the date up to which the Director in whose place he is appointed would have held office if had not been vacated as aforesaid.	<b>Power to fill casual vacancy</b>
	<b>POWERS OF THE BOARD</b>	
<b>143.</b>	The business of the Company shall be managed by the Board who may exercise all such powers of the Company and do all such acts and things as may be necessary, unless otherwise restricted by the Act, or by any other law or by the Memorandum or by the Articles required to be exercised by the Company in General Meeting. However no regulation made by the Company in General Meeting shall invalidate any prior act of the Board which would have been valid if that regulation had not been made.	<b>Powers of the Board</b>
<b>144.</b>	Without prejudice to the general powers conferred by the Articles and so as not in any way to limit or restrict these powers, and without prejudice to the other powers conferred by these Articles, but subject to the restrictions contained in the Articles, it is hereby, declared that the Directors shall have the following powers, that is to say	<b>Certain powers of the Board</b>
	(1) Subject to the provisions of the Act, to purchase or otherwise acquire any lands, buildings, machinery, premises, property, effects, assets, rights, creditors, royalties, business and goodwill of any person firm or company carrying on the business which this Company is authorised to carry on, in any part of India.	<b>To acquire any property , rights etc.</b>
	(2) Subject to the provisions of the Act to purchase, take on lease for any term or terms of years, or otherwise acquire any land or lands, with or without buildings and out-houses thereon, situate in any part of India, at such conditions as the Directors may think fit, and in any such purchase, lease or acquisition to accept such title as the Directors may believe, or may be advised to be reasonably satisfy.	<b>To take on Lease.</b>
	(3) To erect and construct, on the said land or lands, buildings, houses, warehouses and sheds and to alter, extend and improve the same, to let or lease the property of the company, in part or in whole for such rent and subject to such conditions, as may be thought advisable; to sell such portions of the land or buildings of the Company as may not be required for the company; to mortgage the whole or any portion of the property of the company for the purposes of the Company; to sell all or any portion of the machinery or stores belonging to the Company.	<b>To erect &amp; construct.</b>

<b>Sr. No</b>	<b>Particulars</b>	
	(4) At their discretion and subject to the provisions of the Act, the Directors may pay property rights or privileges acquired by, or services rendered to the Company, either wholly or partially in cash or in shares, bonds, debentures or other securities of the Company, and any such share may be issued either as fully paid up or with such amount credited as paid up thereon as may be agreed upon; and any such bonds, debentures or other securities may be either specifically charged upon all or any part of the property of the Company and its uncalled capital or not so charged.	<b>To pay for property.</b>
	(5) To insure and keep insured against loss or damage by fire or otherwise for such period and to such extent as they may think proper all or any part of the buildings, machinery, goods, stores, produce and other moveable property of the Company either separately or co-jointly; also to insure all or any portion of the goods, produce, machinery and other articles imported or exported by the Company and to sell, assign, surrender or discontinue any policies of assurance effected in pursuance of this power.	<b>To insure properties of the Company.</b>
	(6) To open accounts with any Bank or Bankers and to pay money into and draw money from any such account from time to time as the Directors may think fit.	<b>To open Bank accounts.</b>
	(7) To secure the fulfillment of any contracts or engagement entered into by the Company by mortgage or charge on all or any of the property of the Company including its whole or part of its undertaking as a going concern and its uncalled capital for the time being or in such manner as they think fit.	<b>To secure contracts by way of mortgage.</b>
	(8) To accept from any member, so far as may be permissible by law, a surrender of the shares or any part thereof, on such terms and conditions as shall be agreed upon.	<b>To accept surrender of shares.</b>
	(9) To appoint any person to accept and hold in trust, for the Company property belonging to the Company, or in which it is interested or for any other purposes and to execute and to do all such deeds and things as may be required in relation to any such trust, and to provide for the remuneration of such trustee or trustees.	<b>To appoint trustees for the Company.</b>
	(10) To institute, conduct, defend, compound or abandon any legal proceeding by or against the Company or its Officer, or otherwise concerning the affairs and also to compound and allow time for payment or satisfaction of any debts, due, and of any claims or demands by or against the Company and to refer any difference to arbitration, either according to Indian or Foreign law and either in India or abroad and observe and perform or challenge any award thereon.	<b>To conduct legal proceedings.</b>
	(11) To act on behalf of the Company in all matters relating to bankruptcy insolvency.	<b>Bankruptcy &amp; Insolvency</b>
	(12) To make and give receipts, release and give discharge for moneys payable to the Company and for the claims and demands of the Company.	<b>To issue receipts &amp; give discharge.</b>
	(13) Subject to the provisions of the Act, and these Articles to invest and deal with any moneys of the Company not immediately required for the purpose thereof, upon such authority (not being the shares of this Company) or without security and in such manner as they may think fit and from time to time to vary or realise such investments. Save as provided in Section 187 of the Act, all investments shall be made and held in the Company's own name.	<b>To invest and deal with money of the Company.</b>

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	(14) To execute in the name and on behalf of the Company in favour of any Director or other person who may incur or be about to incur any personal liability whether as principal or as surety, for the benefit of the Company, such mortgage of the Company's property (present or future) as they think fit, and any such mortgage may contain a power of sale and other powers, provisions, covenants and agreements as shall be agreed upon;	<b>To give Security byway of indemnity.</b>
	(15) To determine from time to time persons who shall be entitled to sign on Company's behalf, bills, notes, receipts, acceptances, endorsements, cheques, dividend warrants, releases, contracts and documents and to give the necessary authority for such purpose, whether by way of a resolution of the Board or by way of a power of attorney or otherwise.	<b>To determine signing powers.</b>
	(16) To give to any Director, Officer, or other persons employed by the Company, a commission on the profits of any particular business or transaction, or a share in the general profits of the company; and such commission or share of profits shall be treated as part of the working expenses of the Company.	<b>Commission or share in profits.</b>
	(17) To give, award or allow any bonus, pension, gratuity or compensation to any employee of the Company, or his widow, children, dependents, that may appear just or proper, whether such employee, his widow, children or dependents have or have not a legal claim on the Company.	<b>Bonus etc. to employees.</b>
	(18) To set aside out of the profits of the Company such sums as they may think proper for depreciation or the depreciation funds or to insurance fund or to an export fund, or to a Reserve Fund, or Sinking Fund or any special fund to meet contingencies or repay debentures or debenture-stock or for equalizing dividends or for repairing, improving, extending and maintaining any of the properties of the Company and for such other purposes (including the purpose referred to in the preceding clause) as the Board may, in the absolute discretion think conducive to the interests of the Company, and subject to Section 179 of the Act, to invest the several sums so set aside or so much thereof as may be required to be invested, upon such investments (other than shares of this Company) as they may think fit and from time to time deal with and vary such investments and dispose of and apply and extend all or any part thereof for the benefit of the Company notwithstanding the matters to which the Board apply or upon which the capital moneys of the Company might rightly be applied or expended and divide the reserve fund into such special funds as the Board may think fit; with full powers to transfer the whole or any portion of a reserve fund or division of a reserve fund to another fund and with the full power to employ the assets constituting all or any of the above funds, including the depredation fund, in the business of the company or in the purchase or repayment of debentures or debenture-stocks and without being bound to keep the same separate from the other assets and without being bound to pay interest on the same with the power to the Board at their discretion to pay or allow to the credit of such funds, interest at such rate as the Board may think proper.	<b>Transfer to Reserve Funds.</b>
	(19) To appoint, and at their discretion remove or suspend such general manager, managers, secretaries, assistants,	<b>To appoint and remove officers and other employees.</b>

Sr. No	Particulars	
	supervisors, scientists, technicians, engineers, consultants, legal, medical or economic advisers, research workers, labourers, clerks, agents and servants, for permanent, temporary or special services as they may from time to time think fit, and to determine their powers and duties and to fix their salaries or emoluments or remuneration and to require security in such instances and for such amounts they may think fit and also from time to time to provide for the management and transaction of the affairs of the Company in any specified locality in India or elsewhere in such manner as they think fit and the provisions contained in the next following clauses shall be without prejudice to the general powers conferred by this clause.	
	(20) At any time and from time to time by power of attorney under the seal of the Company, to appoint any person or persons to be the Attorney or attorneys of the Company, for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Board under these presents and excluding the power to make calls and excluding also except in their limits authorised by the Board the power to make loans and borrow moneys) and for such period and subject to such conditions as the Board may from time to time think fit, and such appointments may (if the Board think fit) be made in favour of the members or any of the members of any local Board established as aforesaid or in favour of any Company, or the shareholders, directors, nominees or manager of any Company or firm or otherwise in favour of any fluctuating body of persons whether nominated directly or indirectly by the Board and any such powers of attorney may contain such powers for the protection or convenience for dealing with such Attorneys as the Board may think fit, and may contain powers enabling any such delegated Attorneys as aforesaid to sub-delegate all or any of the powers, authorities and discretion for the time being vested in them.	<b>To appoint Attorneys.</b>
	(21) Subject to Sections 188 of the Act, for or in relation to any of the matters aforesaid or otherwise for the purpose of the Company to enter into all such negotiations and contracts and rescind and vary all such contracts, and execute and do all such acts, deeds and things in the name and on behalf of the Company as they may consider expedient.	<b>To enter into contracts.</b>
	(22) From time to time to make, vary and repeal rules for the regulations of the business of the Company its Officers and employees.	<b>To make rules.</b>
	(23) To effect, make and enter into on behalf of the Company all transactions, agreements and other contracts within the scope of the business of the Company.	<b>To effect contracts etc.</b>
	(24) To apply for, promote and obtain any act, charter, privilege, concession, license, authorization, if any, Government, State or municipality, provisional order or license of any authority for enabling the Company to carry any of this objects into effect, or for extending and any of the powers of the Company or for effecting any modification of the Company's constitution, or for any other purpose, which may seem expedient and to oppose any proceedings or applications which may seem calculated, directly or indirectly to prejudice the Company's interests.	<b>To apply &amp; obtain concessions licenses etc.</b>

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	(25) To pay and charge to the capital account of the Company any commission or interest lawfully payable there out under the provisions of Sections 40of the Act and of the provisions contained in these presents.	<b>To pay commissions or interest.</b>
	(26) To redeem preference shares.	<b>To redeem preference shares.</b>
	(27) To subscribe, incur expenditure or otherwise to assist or to guarantee money to charitable, benevolent, religious, scientific, national or any other institutions or subjects which shall have any moral or other claim to support or aid by the Company, either by reason of locality or operation or of public and general utility or otherwise.	<b>To assist charitable or benevolent institutions.</b>
	(28) To pay the cost, charges and expenses preliminary and incidental to the promotion, formation, establishment and registration of the Company. (29) To pay and charge to the capital account of the Company any commission or interest lawfully payable thereon under the provisions of Sections 40 of the Act.	
	(30) To provide for the welfare of Directors or ex-Directors or employees or ex-employees of the Company and their wives, widows and families or the dependents or connections of such persons, by building or contributing to the building of houses, dwelling or chawls, or by grants of moneys, pension, gratuities, allowances, bonus or other payments, or by creating and from time to time subscribing or contributing, to provide other associations, institutions, funds or trusts and by providing or subscribing or contributing towards place of instruction and recreation, hospitals and dispensaries, medical and other attendance and other assistance as the Board shall think fit and subject to the provision of Section 181 of the Act, to subscribe or contribute or otherwise to assist or to guarantee money to charitable, benevolent, religious, scientific, national or other institutions or object which shall have any moral or other claim to support or aid by the Company, either by reason of locality of operation, or of the public and general utility or otherwise.	
	(31) To purchase or otherwise acquire or obtain license for the use of and to sell, exchange or grant license for the use of any trade mark, patent, invention or technical know-how. (32) To sell from time to time any Articles, materials, machinery, plants, stores and other Articles and thing belonging to the Company as the Board may think proper and to manufacture, prepare and sell waste and by-products. (33) From time to time to extend the business and undertaking of the Company by adding, altering or enlarging all or any of the buildings, factories, workshops, premises, plant and machinery, for the time being the property of or in the possession of the Company, or by erecting new or additional buildings, and to expend such sum of money for the purpose aforesaid or any of them as they be thought necessary or expedient. (34) To undertake on behalf of the Company any payment of rents and the performance of the covenants, conditions and agreements contained in or reserved by any lease that may be granted or assigned to or otherwise acquired by the Company and to purchase the reversion or reversions, and otherwise to acquire on free hold sample of all or any of the lands of the Company for the time being held under	



Sr. No	Particulars	
	<p>lease or for an estate less than freehold estate.</p> <p>(35) To improve, manage, develop, exchange, lease, sell, resell and re-purchase, dispose off, deal or otherwise turn to account, any property (movable or immovable) or any rights or privileges belonging to or at the disposal of the Company or in which the Company is interested.</p> <p>(36) To let, sell or otherwise dispose of subject to the provisions of Section 180 of the Act and of the other Articles any property of the Company, either absolutely or conditionally and in such manner and upon such terms and conditions in all respects as it thinks fit and to accept payment in satisfaction for the same in cash or otherwise as it thinks fit.</p> <p>(37) Generally subject to the provisions of the Act and these Articles, to delegate the powers/authorities and discretions vested in the Directors to any person(s), firm, company or fluctuating body of persons as aforesaid.</p> <p>(38) To comply with the requirements of any local law which in their opinion it shall in the interest of the Company be necessary or expedient to comply with.</p>	
	<b>MANAGING AND WHOLE-TIME DIRECTORS</b>	
145.	<p>a) Subject to the provisions of the Act and of these Articles, the Directors may from time to time in Board Meetings appoint one or more of their body to be a Managing Director or Managing Directors or whole-time Director or whole-time Directors of the Company for such term not exceeding five years at a time as they may think fit to manage the affairs and business of the Company, and may from time to time (subject to the provisions of any contract between him or them and the Company) remove or dismiss him or them from office and appoint another or others in his or their place or places.</p> <p>b) The Managing Director or Managing Directors or whole-time Director or whole-time Directors so appointed shall be liable to retire by rotation. A Managing Director or Whole-time Director who is appointed as Director immediately on the retirement by rotation shall continue to hold his office as Managing Director or Whole-time Director and such re-appointment as such Director shall not be deemed to constitute a break in his appointment as Managing Director or Whole-time Director.</p>	<b>Powers to appoint Managing/Whole-time Directors.</b>
146.	The remuneration of a Managing Director or a Whole-time Director (subject to the provisions of the Act and of these Articles and of any contract between him and the Company) shall from time to time be fixed by the Directors, and may be, by way of fixed salary, or commission on profits of the Company, or by participation in any such profits, or by any, or all of these modes.	<b>Remuneration of Managing or Whole time Director.</b>
147.	<p>(1) Subject to control, direction and supervision of the Board of Directors, the day-to-day management of the company will be in the hands of the Managing Director or Whole-time Director appointed in accordance with regulations of these Articles of Association with powers to the Directors to distribute such day-to-day management functions among such Directors and in any manner as may be directed by the Board.</p> <p>(2) The Directors may from time to time entrust to and confer upon the Managing Director or Whole-time Director for the time</p>	<b>Powers and duties of Managing Director or Whole-time Director.</b>

Sr. No	Particulars	
	<p>being save as prohibited in the Act, such of the powers exercisable under these presents by the Directors as they may think fit, and may confer such objects and purposes, and upon such terms and conditions, and with such restrictions as they think expedient; and they may subject to the provisions of the Act and these Articles confer such powers, either collaterally with or to the exclusion of, and in substitution for, all or any of the powers of the Directors in that behalf, and may from time to time revoke, withdraw, alter or vary all or any such powers.</p> <p>(3) The Company's General Meeting may also from time to time appoint any Managing Director or Managing Directors or Wholetime Director or Wholetime Directors of the Company and may exercise all the powers referred to in these Articles.</p> <p>(4) The Managing Director shall be entitled to sub-delegate (with the sanction of the Directors where necessary) all or any of the powers, authorities and discretions for the time being vested in him in particular from time to time by the appointment of any attorney or attorneys for the management and transaction of the affairs of the Company in any specified locality in such manner as they may think fit.</p> <p>(5) Notwithstanding anything contained in these Articles, the Managing Director is expressly allowed generally to work for and contract with the Company and especially to do the work of Managing Director and also to do any work for the Company upon such terms and conditions and for such remuneration (subject to the provisions of the Act) as may from time to time be agreed between him and the Directors of the Company.</p>	
	Chief Executive Officer, Manager, Company Secretary or Chief Financial Officer	
148.	<p>a) Subject to the provisions of the Act,— A chief executive officer, manager, company secretary or chief financial officer may be appointed by the Board for such term, at such remuneration and upon such conditions as it may thinks fit; and any chief executive officer, manager, company secretary or chief financial officer so appointed may be removed by means of a resolution of the Board;</p> <p>ii. A director may be appointed as chief executive officer, manager, company secretary or chief financial officer.</p> <p>b) A provision of the Act or these regulations requiring or authorising a thing to be done by or to a director and chief executive officer, manager, company secretary or chief financial officer shall not be satisfied by its being done by or to the same person acting both as director and as, or in place of, chief executive officer, manager, company secretary or chief financial officer.</p>	<p><b>Board to appoint Chief Executive Officer/ Manager/ Company Secretary/ Chief Financial Officer</b></p>
	<b>THE SEAL</b>	
149.	<p>(a) The Board shall provide a Common Seal for the purposes of the Company, and shall have power from time to time to destroy the same and substitute a new Seal in lieu thereof, and the Board shall provide for the safe custody of the Seal for the time being, and the Seal shall never be used except by the authority of the Board or a Committee of the Board previously given.</p> <p>(b) The Company shall also be at liberty to have an Official Seal in accordance with of the Act, for use in any territory, district or place outside India.</p>	<p><b>The seal, its custody and use.</b></p>
150.	<p>The seal of the company shall not be affixed to any instrument except by the authority of a resolution of the Board or of a committee of the Board authorized by it in that behalf, and except in the presence of at least two directors and of the</p>	<p><b>Deeds how executed.</b></p>

Sr. No	Particulars	
	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.	
	<b>Dividend and Reserves</b>	
151.	<p>(1) Subject to the rights of persons, if any, entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid, but if and so long as nothing is paid upon any of the shares in the Company, dividends may be declared and paid according to the amounts of the shares.</p> <p>(2) No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this regulation as paid on the share.</p> <p>(3) All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid; but if any share is issued on terms providing that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly.</p>	<b>Division of profits.</b>
152.	The Company in General Meeting may declare dividends, to be paid to members according to their respective rights and interests in the profits and may fix the time for payment and the Company shall comply with the provisions of Section 127 of the Act, but no dividends shall exceed the amount recommended by the Board of Directors, but the Company may declare a smaller dividend in general meeting.	<b>The company in General Meeting may declare Dividends.</b>
153.	<p>a) The Board may, before recommending any dividend, set aside out of the profits of the company such sums as it thinks fit as a reserve or reserves which shall, at the discretion of the Board, be applicable for any purpose to which the profits of the company may be properly applied, including provision for meeting contingencies or for equalizing dividends; and pending such application, may, at the like discretion, either be employed in the business of the company or be invested in such investments (other than shares of the company) as the Board may, from time to time, thinks fit.</p> <p>b) The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.</p>	<b>Transfer to reserves</b>
154.	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.	<b>Interim Dividend.</b>
155.	The Directors may retain any dividends on which the Company has a lien and may apply the same in or towards the satisfaction of the debts, liabilities or engagements in respect of which the lien exists.	<b>Debts may be deducted.</b>
156.	No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this articles as paid on the share.	<b>Capital paid up in advance not to earn dividend.</b>
157.	All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid but if any share is issued on terms providing that it shall rank for dividends as from a particular date such share shall rank for dividend accordingly.	<b>Dividends in proportion to amount paid-up.</b>
158.	The Board of Directors may retain the dividend payable upon	<b>Retention of dividends until</b>



<b>Sr. No</b>	<b>Particulars</b>	
	shares in respect of which any person under Articles has become entitled to be a member, or any person under that Article is entitled to transfer, until such person becomes a member, in respect of such shares or shall duly transfer the same.	<b>completion of transfer under Articles .</b>
<b>159.</b>	No member shall be entitled to receive payment of any interest or dividend or bonus in respect of his share or shares, whilst any money may be due or owing from him to the Company in respect of such share or shares (or otherwise however, either alone or jointly with any other person or persons) and the Board of Directors may deduct from the interest or dividend payable to any member all such sums of money so due from him to the Company.	<b>No Member to receive dividend whilst indebted to the company and the Company's right of reimbursement thereof.</b>
<b>160.</b>	A transfer of shares does not pass the right to any dividend declared thereon before the registration of the transfer.	<b>Effect of transfer of shares.</b>
<b>161.</b>	Any one of several persons who are registered as joint holders of any share may give effectual receipts for all dividends or bonus and payments on account of dividends in respect of such share.	<b>Dividend to joint holders.</b>
<b>162.</b>	<p>a) Any dividend, interest or other monies payable in cash in respect of shares may be paid by cheque or warrant sent through the post directed to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint holders who is first named on the register of members, or to such person and to such address as the holder or joint holders may in writing direct.</p> <p>b) Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.</p>	<b>Dividends how remitted.</b>
<b>163.</b>	Notice of any dividend that may have been declared shall be given to the persons entitled to share therein in the manner mentioned in the Act.	<b>Notice of dividend.</b>
<b>164.</b>	No unclaimed dividend shall be forfeited before the claim becomes barred by law and no unpaid dividend shall bear interest as against the Company.	<b>No interest on Dividends.</b>
	<b>CAPITALIZATION</b>	
<b>165.</b>	<p>(1)The Company in General Meeting may, upon the recommendation of the Board, resolve:</p> <p>(a) That it is desirable to capitalize any part of the amount for the time being standing to the credit of any of the Company's reserve accounts, or to the credit of the Profit and Loss account, or otherwise available for distribution; and</p> <p>(b) that such sum be accordingly set free for distribution in the manner specified in clause (2) amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.</p> <p>(2) The sums aforesaid shall not be paid in cash but shall be applied subject to the provisions contained in clause (3) either in or towards:</p> <p>(i) paying up any amounts for the time being unpaid on any shares held by such members respectively;</p> <p>(ii) paying up in full, unissued shares of the Company to be allotted and distributed, credited as fully paid up, to and amongst such members in the proportions aforesaid; or</p> <p>(iii) partly in the way specified in sub-clause (i) and partly in that specified in sub-clause (ii).</p> <p>(3) A Securities Premium Account and Capital Redemption Reserve Account may, for the purposes of this regulation, only be applied in the paying up of unissued shares to be issued to members of the Company and fully paid bonus shares.</p> <p>(4) The Board shall give effect to the resolution passed by the Company in pursuance of this regulation.</p>	<b>Capitalization.</b>

<b>Sr. No</b>	<b>Particulars</b>	
<b>166.</b>	<p>(1) Whenever such a resolution as aforesaid shall have been passed, the Board shall —</p> <p>(a) make all appropriations and applications of the undivided profits resolved to be capitalized thereby and all allotments and issues of fully paid shares, if any, and</p> <p>(b) generally to do all acts and things required to give effect thereto.</p> <p>(2) The Board shall have full power -</p> <p>(a) to make such provision, by the issue of fractional certificates or by payment in cash or otherwise as it thinks fit, in case of shares becoming distributable in fractions; and also</p> <p>(b) to authorise any person to enter, on behalf of all the members entitled thereto, into an agreement with the Company providing for the allotment to them respectively, credited as fully paid up, of any further shares to which they may be entitled upon such capitalization, or (as the case may require) for the payment by the Company on their behalf, by the application thereto of their respective proportions, of the profits resolved to be capitalized, of the amounts or any part of the amounts remaining unpaid on their existing shares.</p> <p>(3) Any agreement made under such authority shall be effective and binding on all such members.</p> <p>(4) That for the purpose of giving effect to any resolution, under the preceding paragraph of this Article, the Directors may give such directions as may be necessary and settle any questions or difficulties that may arise in regard to any issue including distribution of new equity shares and fractional certificates as they think fit.</p>	<b>Fractional Certificates.</b>
<b>167.</b>	<p>(1) The books containing the minutes of the proceedings of any General Meetings of the Company shall be open to inspection of members without charge on such days and during such business hours as may consistently with the provisions of Section 119 of the Act be determined by the Company in General Meeting and the members will also be entitled to be furnished with copies thereof on payment of regulated charges.</p> <p>(2) Any member of the Company shall be entitled to be furnished within seven days after he has made a request in that behalf to the Company with a copy of any minutes referred to in sub-clause (1) hereof on payment of Rs. 10 per page or any part thereof.</p>	<b>Inspection of Minutes Books of General Meetings.</b>
<b>168.</b>	<p>a) The Board shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations, the accounts and books of the company, or any of them, shall be open to the inspection of members not being directors.</p> <p>b) No member (not being a director) shall have any right of inspecting any account or book or document of the company except as conferred by law or authorised by the Board or by the company in general meeting.</p>	<b>Inspection of Accounts</b>
	<b>FOREIGN REGISTER</b>	
<b>169.</b>	The Company may exercise the powers conferred on it by the provisions of the Act with regard to the keeping of Foreign Register of its Members or Debenture holders, and the Board may, subject to the provisions of the Act, make and vary such regulations as it may think fit in regard to the keeping of any such Registers.	<b>Foreign Register.</b>
	<b>DOCUMENTS AND SERVICE OF NOTICES</b>	
<b>170.</b>	Any document or notice to be served or given by the Company	<b>Signing of documents &amp; notices</b>

Sr. No	Particulars	
	be signed by a Director or such person duly authorised by the Board for such purpose and the signature may be written or printed or lithographed.	<b>to be served or given.</b>
<b>171.</b>	Save as otherwise expressly provided in the Act, a document or proceeding requiring authentication by the company may be signed by a Director, the Manager, or Secretary or other Authorised Officer of the Company and need not be under the Common Seal of the Company.	<b>Authentication of documents and proceedings.</b>
	<b>WINDING UP</b>	
<b>172.</b>	<p>Subject to the provisions of Chapter XX of the Act and rules made thereunder—</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 other securities whereon there is any liability.</p>	
	<b>INDEMNITY</b>	
<b>173.</b>	Subject to provisions of the Act, every Director, or Officer or Servant of the Company or any person (whether an Officer of the Company or not) employed by the Company as Auditor, shall be indemnified by the Company against and it shall be the duty of the Directors to pay, out of the funds of the Company, all costs, charges, losses and damages which any such person may incur or become liable to, by reason of any contract entered into or act or thing done, concurred in or omitted to be done by him in any way in or about the execution or discharge of his duties or supposed duties (except such if any as he shall incur or sustain through or by his own wrongful act neglect or default) including expenses, and in particular and so as not to limit the generality of the foregoing provisions, against all liabilities incurred by him as such Director, Officer or Auditor or other officer of the Company in defending any proceedings whether civil or criminal in which judgment is given in his favor, or in which he is acquitted or in connection with any application under Section 463 of the Act on which relief is granted to him by the Court.	<b>Directors' and others right to indemnity.</b>
<b>174.</b>	Subject to the provisions of the Act, no Director, Managing Director or other officer of the Company shall be liable for the acts, receipts, neglects or defaults of any other Directors or Officer, or for joining in any receipt or other act for conformity, or for any loss or expense happening to the Company through insufficiency or deficiency of title to any property acquired by order of the Directors for or on behalf of the Company or for the insufficiency or deficiency of any security in or upon which any of the moneys of the Company shall be invested, or for any loss or damage arising from the bankruptcy, insolvency or tortuous act of any person, company or corporation, with whom any moneys, securities or effects shall be entrusted or deposited, or for any loss occasioned by any error of judgment or oversight on his part, or for any other loss or damage or misfortune	<b>Not responsible for acts of others</b>

Sr. No	Particulars	
	whatever which shall happen in the execution of the duties of his office or in relation thereto, unless the same happens through his own dishonesty.	
	<b>SECRECY</b>	
175.	(a) Every Director, Manager, Auditor, Treasurer, Trustee, Member of a Committee, Officer, Servant, Agent, Accountant or other person employed in the business of the company shall, if so required by the Directors, before entering upon his duties, sign a declaration pleading himself to observe strict secrecy respecting all transactions and affairs of the Company with the customers and the state of the accounts with individuals and in matters relating thereto, and shall by such declaration pledge himself not to reveal any of the matter which may come to his knowledge in the discharge of his duties except when required so to do by the Directors or by any meeting or by a Court of Law and except so far as may be necessary in order to comply with any of the provisions in these presents contained.	<b>Secrecy</b>
	(b) No member or other person (other than a Director) shall be entitled to enter the property of the Company or to inspect or examine the Company's premises or properties or the books of accounts of the Company without the permission of the Board of Directors of the Company for the time being or to require discovery of or any information in respect of any detail of the Company's trading or any matter which is or may be in the nature of trade secret, mystery of trade or secret process or of any matter whatsoever which may relate to the conduct of the business of the Company and which in the opinion of the Board it will be inexpedient in the interest of the Company to disclose or to communicate.	<b>Access to property information etc.</b>

## SECTION IX: OTHER INFORMATION

### LIST OF MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following contracts and agreements referred to (not being contracts entered into in the ordinary course of business carried on or intended to be carried on by the Company or contracts entered into more than two years before this Draft Red Herring Prospectus), which are or may be deemed to be material have been entered into by or on behalf of the Company. Copies of these contracts together with copies of documents referred under material documents below all of which have been attached to the copy of the Draft Red Herring Prospectus and have been delivered to the SME platform of NSE Limited and may be inspected at the Registered Office of the Company situated at 36-D, Sector B, Sanwer Road, Industrial Area, Indore, Madhya Pradesh-452 006, India, from the date of filing the Draft Red Herring Prospectus with RoC to Issue Closing date on working days from 10.00 a.m. to 5.00 p.m.

#### MATERIAL CONTRACTS

1. Memorandum of Understanding dated November 10, 2017 between our Company and the Book Running Lead Manager to the Issue.
2. Agreement dated 09, November, 2017 between our Company and Karvy Computershare Private Limited, Registrar to the Issue.
3. Public Issue Agreement dated **[Date, Month]**, 2018 between our Company, Book Running Lead Manager, Banker to the Issue and the Registrar to the Issue.
4. Market Making Agreement dated **[Date, Month]**, 2018 amongst our Company, Book Running Lead Manager and Market Maker.
5. Underwriting Agreement dated **[Date, Month]**, 2018 between our Company and Underwriter.
6. Copy of tripartite agreement dated **[•]** amongst NSDL, our Company and Karvy Computershare Private Limited.
7. Copy of tripartite agreement dated December 12, 2017 amongst CDSL, our Company and Karvy Computershare Private Limited.

#### MATERIAL DOCUMENTS

8. Certificate of Incorporation of our Company dated October 4, 2016 issued by Registrar of Companies, Gwalior.
9. Fresh Certificate of Incorporation dated July 28, 2017 issued by Registrar of Companies, Gwalior pursuant to conversion into public limited Company.
10. Memorandum and Articles of Association of our Company as amended from time to time.
11. Copy of the Resolution passed at the meeting of the Board of Directors held on July 20, 2017 approving the Issue.
12. Copy of the Resolution passed by the Shareholders of our Company under section 62(1) (c) at the EGM held on August 14, 2017.
13. Consents of the Directors, Company Secretary & Compliance Officer, Chief Financial Officer, Statutory (Peer Reviewed) Auditor, Book Running Lead Manager to the Issue, Underwriter, Syndicate Members, Market Maker, Banker to the Company, Banker to the Issue, Registrar to the Issue and Legal Advisor to the Issue to include their names in this Draft Red Herring Prospectus to act in their respective capacities.
14. Report of the Peer Review Auditor, M/s. S.K. Khandelwal, Chartered Accountants on the Restated Financial Statements for the period ended March 31, 2017 and for the period ended October 31, 2017 .

15. Letter dated December 15, 2017 from the statutory Auditors of our Company, M/s. S. K. Khandelwal & Associates, Chartered Accountants, detailing the special tax benefits.
16. Copy of certificate from the Statutory Auditor of our Company, M/s. S. K. Khandelwal & Associates, Chartered Accountants, dated January 11, 2018 regarding the sources and deployment of funds as on January 11, 2018.
17. Due Diligence Certificate dated January 15, 2018 to be submitted to NSE and Due Diligence Certificate [•], to be submitted to SEBI by Book Running Lead Manager viz. Mark Corporate Advisors Private Limited along with the filing of the Draft Red Herring Prospectus.
18. Copy of approval from NSE vide letter dated [•] to use the name of NSE in this offer document for listing of Equity Shares on SME Platform of NSE.

Any of the contracts or documents mentioned in this Draft Red Herring Prospectus may be amended or modified at any time, if so required, in the interest of our Company or if required by the other parties, with reference to the shareholders, subject to compliance of the provisions contained in the Companies Act and other relevant statutes.

## DECLARATION

All the relevant provisions of the Companies Act, 2013 and the guidelines issued by the Government of India or the regulations issued by Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992 as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 1956, Companies Act, 2013 (to the extent notified) the Securities and Exchange Board of India Act, 1992 or rules made there under or regulations issued, as the case may be. We further certify that all statements in this Draft Red Herring Prospectus are true and correct and nothing in the Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 1956, Companies Act, 2013 (to the extent notified), the Securities Contracts (Regulation) Act, 1956 (42 of 1956) and the Securities and Exchange Board of India Act, 1992 (15 of 1992) and rules and the regulations made thereunder:

### SIGNED BY ALL THE DIRECTORS OF OUR COMPANY:

<b>Dipesh Godha</b> Executive Director & CEO DIN: 07529876	Sd/-
<b>Rupali Godha</b> Executive Director DIN: 07530189	Sd/-
<b>Madhu Godha</b> Executive Director DIN: 07607783	Sd/-
<b>Ankit Vijayvargiya</b> Independent Director DIN: 07950205	Sd/-
<b>Kamaljeet Singh Ajimal</b> Independent Director DIN: 07889436	Sd/-

### SIGNED BY COMPANY SECRETARY & COMPLIANCE OFFICER AND CHIEF FINANCIAL OFFICER OF OUR COMPANY:

<b>Ms. Surbhi Jain</b> Company Secretary & Compliance Officer	Sd/-
<b>Mr. Kapil Verma</b> Chief Financial Officer	Sd/-

**Place: Indore**

**Date: January 17, 2018**