



## SHIV AUM STEELS

**SHIV AUM STEELS LIMITED**  
CIN: U27105MH2002PLC135117

Our Company was incorporated as Shiv Aum Steels Private Limited on March 11, 2002 under Companies Act, 1956 with a certificate of incorporation bearing Registration No. 135117 issued by the Registrar of Companies, Mumbai. Subsequently the name of the Company was changed to Shiv Jagannath Steel Private Limited pursuant to a fresh certificate of Incorporation dated September 25, 2009. Further, the name of our Company was changed to Shiv Aum Steels Private Limited pursuant to a fresh certificate of Incorporation dated March 9, 2011. Subsequently, Our Company was converted to Public Company pursuant to a shareholders resolution dated April 22, 2019, and the name was changed to Shiv Aum Steels Limited. A fresh certificate of incorporation consequent upon conversion was granted to our Company on April 26, 2019 by the Registrar of Companies, Mumbai. The Corporate Identity Number of our Company is U27105MH2002PLC135117. For further details pertaining to the change of name of our Company and the change in Registered Office, please refer the chapter "History and Certain Corporate Matters" on page no. 102 of this Prospectus.

**Registered Office:** 515, The Summit Business Bay, Opp. Cinemax Western Express Way, A.K. Road Andheri (East) Mumbai – 400 093

**Tel No.:** +91 22 26827900 /01/02/03/04 **Fax :** +91 22 26827899; **Email:** [info@shivaumsteels.com](mailto:info@shivaumsteels.com) ; **Website:** [www.shivaumsteels.com](http://www.shivaumsteels.com)

**Contact Person:** Dhvani Vora, Company Secretary and Compliance Officer.

**Our Promoters:** Sanjay Bansal, Ajay Bansal, Jatin Mehta, Jatin Mehta HUF

### THE ISSUE

**PUBLIC ISSUE OF 36,00,000 EQUITY SHARES OF ₹ 10 EACH ("EQUITY SHARES") OF SHIV AUM STEELS LIMITED ("SASL" OR THE "COMPANY") FOR CASH AT A PRICE OF ₹ 44 PER SHARE (THE "ISSUE PRICE"), AGGREGATING TO ₹ 1584.00 LAKHS ("THE ISSUE"), OF WHICH 1,92,000 EQUITY SHARES OF ₹ 10 EACH WILL BE RESERVED FOR SUBSCRIPTION BY MARKET MAKER TO THE ISSUE (THE "MARKET MAKER RESERVATION PORTION"). THE ISSUE LESS MARKET MAKER RESERVATION PORTION I.E. ISSUE OF 34,08,000 EQUITY SHARES OF ₹ 10 EACH IS HEREINAFTER REFERRED TO AS THE "NET ISSUE". THE ISSUE AND THE NET ISSUE WILL CONSTITUTE 26.47% AND 25.06%, RESPECTIVELY OF THE POST ISSUE PAID UP EQUITY SHARE CAPITAL OF THE COMPANY.**

**THE FACE VALUE OF THE EQUITY SHARE IS ₹ 10 AND THE ISSUE PRICE IS 4.4 TIMES OF THE FACE VALUE**

In terms of Rule 19(2)(b)(i) of the SCRR this Issue is being made for at least 25% of the post-Issue paid-up Equity Share capital of our Company. This Issue is being made through Fixed Price process in accordance and compliance with Chapter IX and other applicable provisions of SEBI ICDR Regulations wherein a minimum 50% of the Net Issue is allocated for Retail Individual Applicants and the balance shall be offered to individual applicants other than Retail Individual Applicants and other investors including corporate bodies or institutions, QIBs and Non-Institutional Applicants. However, if the aggregate demand from the Retail Individual Applicants is less than 50%, then the balance Equity Shares in that portion will be added to the non-retail portion offered to the remaining investors including QIBs, NIIs and vice-versa subject to valid Applications being received from them at or above the Issue Price. Additionally, if the Retail Individual Applicants category is entitled to more than fifty per cent on proportionate basis, the Retail Individual Applicants shall be allocated that higher percentage. For further details please refer the section titled "Issue Information" beginning on page no. 186 of this Prospectus.

In terms of the SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 and SEBI/HO/CFD/DIL2/CIR/P/2018/138, all potential investors shall participate in the Issue only through an Application Supported by Blocked Amount ("ASBA") process including through UPI mode (as applicable) by providing details about the bank account which will be blocked by the Self Certified Syndicate Banks ("SCSBs") for the same. For details in this regard, specific attention is invited to "Issue Procedure" on page no. 194 of this Prospectus. A copy will be delivered for registration to the Registrar of Companies as required under Section 26 of the Companies Act, 2013.

### RISK IN RELATION TO THE FIRST ISSUE

This being the first Public Issue of our Company, there has been no formal market for the Equity Shares of our Company. The face value of the Equity Shares is ₹10 each and the Issue Price is 4.4 times the face value. The Issue Price (determined and justified by our Company in consultation with the Lead Manager) as stated under "Basis for Issue Price" beginning on page no. 64 of this Prospectus should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active or sustained trading in the Equity Shares or regarding the price at which the Equity Shares will be traded after listing.

### GENERAL RISKS

Investment in equity and equity-related securities involve a degree of risk and investors should not invest any funds in the 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 the 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 in the Issue have not been recommended or approved by the Securities and Exchange Board of India ("SEBI"), nor does SEBI guarantee the accuracy or adequacy of this Prospectus. Specific attention of the investors is invited to "Risk Factors" beginning on page no. 15 of this Prospectus.

### COMPANY'S ABSOLUTE RESPONSIBILITY

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

### LISTING

The Equity Shares offered through this Prospectus are proposed to be listed on the Emerge Platform of National Stock Exchange of India Limited. In terms of the Chapter IX of the SEBI (ICDR) Regulations, 2018, as amended from time to time. Our Company has received an In Principle Approval letter dated July 26, 2019 from National Stock Exchange of India Limited for using its name in this offer document for listing our shares on the SME Platform of National Stock Exchange of India Limited. For the purpose of this Issue, the Designated Stock Exchange will be the National Stock Exchange of India Limited ("NSE").

#### LEAD MANAGER TO THE ISSUE



**ARYAMAN FINANCIAL SERVICES LIMITED**  
60, Khatau Building, Ground Floor, Alkesh Dinesh Modi Marg  
Fort, Mumbai – 400 001  
**Tel No.:** +91 – 22 – 6216 6999; **Fax No.:** +91 – 22 – 2263 0434  
**Email:** [ipo@afsl.co.in](mailto:ipo@afsl.co.in)  
**Website:** [www.afsl.co.in](http://www.afsl.co.in)  
**Investor Grievance Email:** [feedback@afsl.co.in](mailto:feedback@afsl.co.in)  
**Contact Person:** Mr. Vatsal Ganatra  
**SEBI Registration No.** INM000011344

#### REGISTRAR TO THE ISSUE



**SKYLINE FINANCIAL SERVICES PRIVATE LIMITED**  
A/505, Dattani Plaza, Andheri Kurla Road,  
Safeed Pool, Andheri East Mumbai – 400 072  
**Tele:** +91 22 28511022 / 49721245  
**Email:** [mumbai@skylinerta.com](mailto:mumbai@skylinerta.com)  
**Website:** [www.skylinerta.com](http://www.skylinerta.com)  
**Investor Grievance Email:** [grievances@skylinerta.com](mailto:grievances@skylinerta.com)  
**Contact Person:** Mr. Subhash Dhingreja  
**SEBI Registration No.:** INR000003241

**ISSUE OPENS ON**

**SEPTEMBER 19, 2019**

**ISSUE CLOSES ON**

**SEPTEMBER 23, 2019**

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## SECTION I – GENERAL

## DEFINITIONS AND ABBREVIATIONS

## General Terms

Term	Description
Shiv Aum Steels Limited/ SASL/ The Company / Company / We / Us / Our Company	Unless the context otherwise indicates or implies refers to Shiv Aum Steels Limited, a public limited company incorporated under the provisions of the Companies Act, 1956 with its registered office in Mumbai.
Promoter(s) / Core Promoter	Mr. Sanjay Bansal, Mr. Ajay Bansal, Mr. Jatin Mehta and M/s. Jatin Mehta HUF
Promoter Group	Such persons, entities and companies constituting our promoter group pursuant to Regulation 2(1)(pp) of the SEBI (ICDR) Regulations as disclosed in the Chapter titled “Our Promoter and Promoter Group” on page no. 122 of this Prospectus

## Company related Terms

Term	Description
AoA/ Articles / Articles of Association	Unless the context otherwise requires, refers to the Articles of Association of Shiv Aum Steels Limited
Auditor of the Company	M/s. Agrawal Jain & Gupta, Chartered Accountants, having their office at Office No. 101, Saurabh Society, Above Andhra Bank, A.K Road, Andheri (East), Mumbai- 400 093.
Audit Committee	The committee of the Board of Directors constituted on June 07, 2019 as our Company’s Audit Committee in accordance with Section 177 of the Companies Act, 2013
Board of Directors / Board	The Board of Directors of Shiv Aum Steels Limited, including all duly constituted Committees thereof.
Chief Financial Officer	Chief financial officer of our Company is Mr. Vinayak Kokane
Company Secretary and Compliance Officer	The Company Secretary and Compliance officer of our Company is Ms. Dhvani Vora
Director(s)	Director(s) of Shiv Aum Steels Limited, unless otherwise specified.
Equity Shares	Equity Shares of our Company of Face Value of ₹ 10 each unless otherwise specified in the context thereof.
Equity Shareholders	Persons holding Equity Share of our Company
Group Company	Companies (other than our Promoters and Subsidiaries) with which there were related party transactions as disclosed in the Restated Financial Statements as covered under the applicable accounting standards, and as disclosed in “Our Group Company” beginning on page no. 127 of this Prospectus
Key Management Personnel / KMP	Key managerial personnel of our Company in terms of Regulation 2(1)(bb) of the SEBI ICDR Regulations as disclosed in the chapter titled “Our Management” on page no. 106 of this Prospectus
MOA / Memorandum / Memorandum of Association	Memorandum of Association of Shiv Aum Steels Limited
Nomination and Remuneration Committee	The committee of the Board of Directors constituted on June 07, 2019 as our Company’s Nomination and Remuneration Committee in accordance with Section 178 of the Companies Act, 2013
Registered Office	The Registered Office of our company which is 515, The Summit Business Bay, Opp. Cinemax Western Express Way, A.K.Road Andheri (East) Mumbai- 400 093.
Registrar of Companies / RoC	Registrar of Companies, Mumbai situated at Everest, 100, Marine Drive, Mumbai – 400 002.
Restated Financial Statements	Restated financial statements of our Company as at and for the Fiscals ended March 31, 2019, 2018 and 2017 (prepared in accordance with Ind AS read with Section 133 of the Companies Act, 2013) which comprises the restated Ind AS consolidated statement of assets and liabilities, the restated Ind AS consolidated statement of profit and loss and the restated Ind AS consolidated statement of cash flows and notes thereto
Stakeholders’ Relationship Committee	The committee of the Board of Directors constituted on June 07, 2019 as our Company’s Stakeholders’ Relationship Committee.



Term	Description
Stock Exchange	Unless the context requires otherwise, refers to, the SME Platform of National Stock Exchange of India Limited i.e. NSE EMERGE.

**Issue Related Term**

Term	Description
Abridged Prospectus	Abridged Prospectus to be issued under Regulation 255 of SEBI ICDR Regulations and appended to the Application Form
Acknowledgement Slip	The slip or document issued by the Designated Intermediary to an Applicant as proof of registration of the Application Form.
Allotment	Unless the context otherwise requires, the allotment of the Equity Shares pursuant to the Issue to the successful applicants, including transfer of the Equity Shares pursuant to the Issue to the successful applicants
Allotment Advice	Note, advice or intimation of Allotment sent to the Applicants who have been or are to be Allotted the Equity Shares after the Basis of Allotment has been approved by the Designated Stock Exchange.
Allotees	The successful applicant to whom the Equity Shares are being / have been allotted.
Applicant	Any prospective investor who makes an application for Equity Shares in terms of this Prospectus
Application Form	The Form in terms of which the applicant shall apply for the Equity Shares of the Company.
Application Supported by Blocked Amount/ ASBA	An application, whether physical or electronic, used by ASBA Applicant to make an Application authorizing an SCSB to block the Application Amount in the specified Bank Account maintained with such SCSB. ASBA is mandatory for all Applicants participating in the Issue.
ASBA Account	A bank account maintained with an SCSB and specified in the ASBA Form submitted by the Applicants for blocking the Application Amount mentioned in the ASBA Form.
ASBA Applicant(s)	Any prospective investor who makes an Application pursuant to the terms of the Prospectus and the Application Form.
ASBA Application / Application	An application form, whether physical or electronic, used by ASBA Bidders which will be considered as the application for Allotment in terms of the Prospectus
Banker(s) to the Company	Such banks which are disclosed as Bankers to our Company in the chapter titled “ <i>General Information</i> ” on page no. 40 of this Prospectus
Banker(s) to the Issue	The banks which are Clearing Members and registered with SEBI as Banker to an Issue with whom the Escrow Agreement is entered and in this case being ICICI Bank Limited.
Basis of Allotment	The basis on which the Equity Shares will be Allotted to successful Applicants under the Issue and which is described in the chapter titled “ <i>Issue Procedure</i> ” beginning on page no. 194 of this Prospectus.
Broker Centres	Broker centres notified by the Stock Exchanges where Applicants can submit the ASBA Forms to a Registered Broker. The details of such Broker Centres, along with the names and contact details of the Registered Broker are available on the respective websites of the Stock Exchanges ( <a href="http://www.bseindia.com">www.bseindia.com</a> and <a href="http://www.nseindia.com">www.nseindia.com</a> )
Business Day	Monday to Friday (except public holidays)
CAN / Confirmation of Allocation Note	The note or advice or intimation sent to each successful Applicant indicating the Equity Shares which will be Allotted, after approval of Basis of Allotment by the Designated Stock Exchange.
Client ID	Client identification number maintained with one of the Depositories in relation to Demat account
Collecting Depository Participant(s) or CDP(s)	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. GR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI
Controlling Branches	Such Branches of the SCSBs which co-ordinate Applications by the Applicants with the Registrar to the Issue and the Stock Exchanges and a list of which is available at <a href="http://www.sebi.gov.in">http://www.sebi.gov.in</a> or at such other website as may be prescribed by SEBI from time to time.
Demographic Details	The demographic details of the Applicants such as their Address, PAN, Occupation, Bank Account details and UPI ID (if applicable).
Depositories	A depository registered with SEBI under the SEBI (Depositories and Participant)



Term	Description
	Regulations, 1996 i.e. CDSL and NSDL
Depositories Act	The Depositories Act, 1996, as amended from time to time
Designated Date	The date on which the funds blocked by the SCSBs are transferred from the ASBA Accounts specified by the Applicants to the Public Issue Account.
Designated Intermediaries / Collecting Agent	Syndicate Members, Sub-Syndicate/Agents, SCSBs, Registered Brokers, Brokers, the CDPs and RTAs, who are authorized to collect Application Forms from the Applicants, in relation to the Issue
Designated Locations	Such locations of the CDPs where Applicants can submit the Application Forms to Collecting Depository Participants. The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept Application Forms are available on the websites of the Stock Exchange
Designated Market Maker	Aryaman Capital Markets Limited (formerly known as Aryaman Broking Limited) will act as the Market Maker and has agreed to receive or deliver the specified securities in the market making process for a period of three years from the date of listing of our Equity Shares or for a period as may be notified by amendment to SEBI ICDR Regulations.
Designated Locations	Such locations of the RTAs where Applicants can submit the Application Forms to RTAs. The details of such Designated RTA Locations, along with names and contact details of the RTAs eligible to accept Application Forms are available on the websites of the Stock Exchange
Designated Branches	Such Branches of the SCSBs which shall collect the Application Forms used by the Applicants applying through the ASBA process and a list of which is available on <a href="http://www.sebi.gov.in/pmd/scsb.pdf">http://www.sebi.gov.in/pmd/scsb.pdf</a>
Designated Exchange	Stock SME Platform of National Stock Exchange of India Limited i.e NSE EMERGE
Draft Prospectus	Draft Prospectus dated June 21, 2019 issued in accordance with the SEBI ICDR Regulations
Eligible NRI(s)	An NRI(s) from such a jurisdiction outside India where it is not unlawful to make an Issue or invitation under this Issue and in relation to whom the Application Form and the Prospectus will constitute an invitation to purchase the equity shares.
Escrow Agreement	Agreement dated September 9, 2019 entered into amongst the Company, Lead Manager, the Registrar and the Banker to the Issue to receive monies from the Applicants through the SCSBs Bank Account on the Designated Date in the Public Issue Account.
Foreign Investor / FPIs	Portfolio Foreign Portfolio Investor as defined under the SEBI (Foreign Portfolio Investors) Regulations, 2014.
Issue Proceeds	The proceeds of the Issue as stipulated by the Company. For further information about use of the Issue Proceeds please see the chapter titled “ <i>Objects of the Issue</i> ” beginning on page no. 60 of this Prospectus
Issue/ Issue Size / Public Issue/ IPO	This Initial Public Issue of 36,00,000 Equity Shares of ₹10 each for cash at a price of ₹ 44 per equity share aggregating to ₹ 1584.00 lakhs by our Company.
Issue Closing date	The date on which the Issue closes for subscription being September 23, 2019
Issue Opening date	The date on which the Issue opens for subscription being September 19, 2019
Issue Price	The price at which the Equity Shares are being issued by our Company in consultation with the Lead Manager under this Prospectus being ₹ 44 per share.
LM’s / Lead Manager	Lead Manager to the Issue, is Aryaman Financial Services Limited
Listing Agreement	Unless the context specifies otherwise, this means the Equity Listing Agreement to be signed between our Company and NSE Limited.
Lot Size	The Market lot and Trading lot for the Equity Share is 3,000 and in multiples of 3,000 thereafter; subject to a minimum allotment of 3,000 Equity Shares to the successful applicants.
Market Reservation Portion	Maker The Reserved portion of 1,92,000 Equity shares of ₹ 10 each at an Issue Price of ₹44 aggregating to ₹ 84.48 lakhs for Designated Market Maker in the Public Issue of our Company.
Market Making Agreement	Making The Agreement among the Market Maker, the Lead Manager and our Company dated June 10, 2019
Mutual Fund	A Mutual Fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996, as amended.



Term	Description
Net Issue	The Net Issue of 34,08,000 Equity Shares of ₹ 10 each at ₹ 44 per Equity Share aggregating to ₹ 1499.52 lakhs by our Company.
Non-Institutional Applicant	All Applicants, including Eligible QFIs, sub accounts of FIIs registered with SEBI which are foreign corporates or foreign individuals, that are not QIBs or Retail Individual Applicants and who have applied for Equity Shares for an amount of more than ₹ 2,00,000 (but not including NRIs other than Eligible NRIs)
Non-Resident	A person resident outside India, as defined under FEMA and includes Eligible NRIs, Eligible QFIs, FIIs registered with SEBI and FVCIs registered with SEBI
Person or Persons	Any individual, sole proprietorship, unincorporated association, unincorporated organization, body corporate, corporation, Company, partnership, limited liability Company, joint venture, or trust or any other entity or organization validly constituted and/or incorporated in the jurisdiction in which it exists and operates, as the context requires.
Prospectus	The Prospectus, to be filed with the RoC containing, inter alia, the Issue opening and closing dates and other information.
Public Issue Account	Account opened with Bankers to the Issue for the purpose of transfer of monies from the SCSBs from the bank accounts of the ASBA Applicants on the Designated Date.
Qualified Foreign Investors / QFIs	Non-resident investors other than SEBI registered FIIs or sub-accounts or SEBI registered FVCIs who meet 'know your client' requirements prescribed by SEBI
Qualified Institutional Buyers / QIBs	Public financial institutions as defined in Section 2(72) of the Companies Act, 2013, Foreign Portfolio Investor other than Category III Foreign Portfolio Investor, AIFs, VCFs, FVCIs, Mutual Funds, multilateral and bilateral financial institutions, scheduled commercial banks, state industrial development corporations, insurance companies registered with the IRDA, provident funds and pension funds with a minimum corpus of M 250 million, insurance funds set up and managed by the army, navy or air force of the Union of India and insurance funds set up and managed by the Department of Posts, Government of India, eligible for Bidding and does not include FVCIs and multilateral and bilateral institutions.
Refund Bank(s)	The Banker(s) to the Issue with whom the Refund Account(s) will be opened, in this case being ICICI Bank Limited.
Registrar Agreement	The agreement dated June 10, 2019 among our Company and the Registrar to the Issue in relation to the responsibilities and obligations of the Registrar to the Issue pertaining to the Issue
Registrar and Share Transfer Agents/RTAs	Registrar and Share Transfer Agents registered with SEBI and eligible to procure Applications at the Designated RTA Locations in terms of circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI
Registrar/ Registrar to the Issue	Registrar to the Issue being Skyline Financial Services Private Limited
Retail Individual Investors	Individual investors (including HUFs, in the name of Karta and Eligible NRIs) who apply for the Equity Shares of a value of not more than ₹ 2,00,000
Revision Form	Form used by the Applicants to modify the quantity of the Equity Shares or the Applicant Amount in any of their ASBA Form(s) or any previous Revision Form(s)  QIB Bidders and Non-Institutional Bidders are not allowed to withdraw or lower their Applications (in terms of quantity of Equity Shares or the Bid Amount) at any stage. Retail Individual Applicants can revise their Application during the Issue Period and withdraw their Applications until Issue Closing Date.
Self-Certified Syndicate Bank(s) / SCSBs	A Bank registered with SEBI under the SEBI (Bankers to an Issue) Regulations, 1994 and Issues the facility of ASBA, including blocking of bank account. A list of all SCSBs is available at <a href="http://www.sebi.gov.in/pmd/scsb.pdf">http://www.sebi.gov.in/pmd/scsb.pdf</a>
TRS / Transaction Registration Slip	The slip or document issued by a member of the Syndicate or an SCSB (only on demand), as the case may be, to the Applicant, as proof of registration of the Application.
Underwriters	Aryaman Financial Services Limited and Aryaman Capital Markets Limited
Underwriting Agreement	The Agreement among the Underwriters and our Company dated June 10, 2019.
U.S. Securities Act	U.S. Securities Act of 1933, as amended
Working Day	All trading days of the Stock Exchange excluding Sundays and Bank holidays in Mumbai.

**Technical / Industry related Terms**

<b>Term</b>	<b>Description</b>
ASSOCHAM	The Associated Chambers of Commerce of India
BIS	Bureau of Indian Standard
CCEA	Cabinet Committee on Economic Affairs
DPIIT	Department for Promotion of Industry and Internal Trade
DRI	Direct Reduced Iron
E. U.	European Union
EAF	Electric Arc Furnace
EOT Crane	Electric Overhead Travelling Crane
EPC	Engineering Procurement Construction
FAME II	Phase 2 of the Faster Adoption and Manufacturing of Hybrid and Electric Vehicles
HRC	Hot Rolled Coil
IF	Induction Furnace
IIP	Index of Industrial Production; an index for India which details out the growth of various sectors in an economy
ISSB	International Steel Statistics Bureau
JPC	Joint Planning Commission
JSPL	Jindal Steel & Power Limited
JSWL	JSW Steel Limited
MIEL	Monnet Ispat & Energy Limited
MIP	Minimum Import Price
MMT	Million Metric Tonnes
MTPA	Metric Tons Per Annum
NSP	National Steel Policy
OECD	Organisation for Economic Co-operation and Development
PMEGP	Prime Minister's Employment Generation Programme
PMI	Purchasing Managers Index
PPP	Purchasing Power Parity
RINL	Rashtriya Ispat Nigam Limited
SAIL	Steel Authority of India
Sq. Mtrs.	Square Meters
TMT Bars	Thermo Mechanically Treated Bars
Torsional Strength	Measure of the ability of a material to withstand a twisting load.
TSL	Tata Steel Limited
VIL	Vandana Ispat Limited
YTD	Year to Date

**Conventional Terms / General Terms / Abbreviations**

<b>Term</b>	<b>Description</b>
A/c	Account
AGM	Annual General Meeting
AIF	Alternative Investment Fund as defined in and registered with SEBI under the Securities and Exchange Board of India (Alternative Investments Funds) Regulations, 2012
AS / Accounting Standards	Accounting Standards as issued by the Institute of Chartered Accountants of India
ASBA	Applications Supported by Blocked Amount
AY	Assessment Year
BSE	BSE Limited
CAGR	Compound Annual Growth Rate
Category I foreign portfolio investor(s) / Category I FPIs	FPIs who are registered as "Category I foreign portfolio investors" under the SEBI FPI Regulations
Category II foreign portfolio investor(s) / Category II FPIs	FPIs who are registered as "Category II foreign portfolio investors" under the SEBI FPI Regulations



Term	Description
Category III foreign portfolio investor(s) / Category III FPIs	FPIs who are registered as “Category III foreign portfolio investors” under the SEBI FPI Regulations
CDSL	Central Depository Services (India) Limited
CFO	Chief Financial Officer
CIN	Company Identification Number
CIT	Commissioner of Income Tax
Client ID	Client identification number of the Applicant’s beneficiary account
Companies Act	Unless specified otherwise, this would imply to the provisions of the Companies Act, 2013 (to the extent notified) and /or Provisions of Companies Act, 1956 w.r.t. the sections which have not yet been replaced by the Companies Act, 2013 through any official notification.
Companies Act, 1956	The Companies Act, 1956, as amended from time to time
Companies Act, 2013	The Companies Act, 2013 published on August 29, 2013 and applicable to the extent notified by MCA till date.
CSR	Corporate Social Responsibility
CST	Central Sales Tax
CY	Calendar Year
DIN	Director Identification Number
DP	Depository Participant, as defined under the Depositories Act 1996
DP ID	Depository Participant’s identification
EBITDA	Earnings before Interest, Taxes, Depreciation and Amortization
ECS	Electronic Clearing System
EGM	Extraordinary General Meeting
EMDEs	Emerging Markets and Developing Economies
EPS	Earnings Per Share
FCNR Account	Foreign Currency Non Resident Account
FDI	Foreign Direct Investment
FEMA	Foreign Exchange Management Act, 1999, read with rules and regulations thereunder
FEMA Regulations	Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2017
FIIIs	Foreign Institutional Investors (as defined under Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000) registered with SEBI under applicable laws in India
FPIs	Foreign Portfolio Investors as defined under the SEBI FPI Regulations
FIPB	Foreign Investment Promotion Board
FVCI	Foreign Venture Capital Investors as defined and registered under the SEBI FVCI Regulations
FY / Fiscal / Financial Year	Period of twelve months ended March 31 of that particular year, unless otherwise stated
GDP	Gross Domestic Product
GoI/Government	Government of India
GST	Goods & Services Tax
HNIs	High Networth Individuals
HUF	Hindu Undivided Family
IAS Rules	Indian Accounting Standards, Rules 2015
ICAI	The Institute of Chartered Accountants of India
ICSI	Institute of Company Secretaries of India
IFRS	International Financial Reporting Standards
IMF	International Monetary Fund
Indian GAAP	Generally Accepted Accounting Principles in India
Ind AS	Indian Accounting Standards prescribed under section 133 of the Companies Act, 2013, as notified under the Companies (Indian Accounting Standard) Rules, 2015
I.T. Act	Income Tax Act, 1961, as amended from time to time
IPO	Initial Public Offering
ISIN	International Securities Identification Number
KM / Km / km	Kilo Meter



Term	Description
Merchant Banker	Merchant Banker as defined under the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992
MoF	Ministry of Finance, Government of India
MICR	Magnetic Ink Character Recognition
MOU	Memorandum of Understanding
NA / N. A.	Not Applicable
NAV	Net Asset Value
NECS	National Electronic Clearing Service
NEFT	National Electronic Fund Transfer
NOC	No Objection Certificate
NRE Account	Non Resident External Account
NRIs	A person resident outside India, who is a citizen of India or a person of Indian origin, and shall have the meaning ascribed to such term in the Foreign Exchange Management (Deposit) Regulations, 2000
NRO Account	Non Resident Ordinary Account
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
OCB / Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60.00% by NRIs including overseas trusts, in which not less than 60.00% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date had taken benefits under the general permission granted to OCBs under FEMA
p.a.	per annum
P/E Ratio	Price/Earnings Ratio
PAC	Persons Acting in Concert
PAN	Permanent Account Number
PAT	Profit After Tax
PLR	Prime Lending Rate
RBI	Reserve Bank of India
Regulation S	Regulation S under the U.S. Securities Act
RoC	Registrar of Companies
ROE	Return on Equity
RONW	Return on Net Worth
Rupees / Rs. / M	Rupees, the official currency of the Republic of India
RTGS	Real Time Gross Settlement
SCRA	Securities Contract (Regulation) Act, 1956, as amended from time to time
SCRR	Securities Contracts (Regulation) Rules, 1957, as amended from time to time
SEBI	Securities and Exchange Board of India
SEBI Act	Securities and Exchange Board of India Act, 1992
SEBI AIF Regulations	Securities and Exchange Board of India (Alternative Investments Funds) Regulations, 2012
SEBI FII Regulations	Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995
SEBI FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014
SEBI FVCI Regulations	Securities and Exchange Board of India (Foreign Venture Capital Investor) Regulations, 2000
SEBI ICDR Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018
SEBI LODR Regulations, 2015 / SEBI Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 notified on September 2, 2015
SEBI SAST Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
SEBI VCF Regulations	Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996, as repealed by the SEBI AIF Regulations
Sec.	Section
Securities Act	U.S. Securities Act of 1933, as amended



<b>Term</b>	<b>Description</b>
SICA	Sick Industrial Companies (Special Provisions) Act, 1985
STT	Securities Transaction Tax
Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
TIN	Taxpayers Identification Number
TDS	Tax Deducted at Source
UPI	Unified Payments Interface
US/United States	United States of America
USD/ US\$/ \$	United States Dollar, the official currency of the Unites States of America
VAT	Value Added Tax
VCF / Venture Capital Fund	Foreign Venture Capital Funds (as defined under the Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996) registered with SEBI under applicable laws in India.
Wilful Defaulter(s)	Wilful defaulter as defined under Regulation 2(1)(III) of the SEBI ICDR Regulations

## CERTAIN CONVENTIONS; PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA

### Certain Conventions

All references to “India” contained in this Prospectus are to the Republic of India. In this Prospectus, our Company has presented numerical information in “thousand” units. One thousand represents 1,000.

### Financial Data

Unless stated otherwise, the financial data included in this Prospectus are extracted from the Financial Statements, as at and for the financial year ended 2019, 2018 and 2017 of our Company, prepared in accordance with the applicable provisions of the Companies Act, Indian GAAP and restated in accordance with SEBI ICDR Regulations and Guidance Note on “Reports in Company Prospectus (Revised 2019)” issued by ICAI, as stated in the report of our Statutory Auditor, as set out in the chapter titled “*Financial Statements as Restated*” beginning on page 130 this Prospectus. Our Financial Statements are derived from our audited financial statements prepared in accordance with Indian GAAP, the Companies Act, and have been restated in accordance with SEBI ICDR Regulations and Guidance Note on “Reports in Company Prospectus (Revised 2019)” issued by ICAI. Our Fiscal commences on April 1st of each year and ends on March 31st of the next year. All references to a particular Fiscal are to the twelve (12) months period ended March 31st of that year. In this Prospectus, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding-off. 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 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 Prospectus should accordingly be limited. Any percentage amounts, as set forth in section titled “*Risk Factors*”, and chapters titled “*Our Business*”, “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” and elsewhere in this Prospectus unless otherwise indicated, have been calculated on the basis of the Company’s Financial Statements prepared in accordance with the applicable provisions of the Companies Act, Indian GAAP and restated in accordance with SEBI ICDR Regulations and Guidance Note on “Reports in Company Prospectus (Revised 2019)” issued by ICAI as stated in the report of our Statutory and Peer Reviewed Auditor, set out in the chapter titled “*Financial Statements as Restated*” beginning on page 130 of this Prospectus.

Consequent to the introduction of Goods and Service Tax (“GST”) central excise and value added tax have been subsumed into GST. In accordance with Ind AS 18, GST is not considered a part of revenue unlike excise duties which used to be included in revenue prior to July 1, 2017. Accordingly, our results of operations and our EBITDA for Fiscal 2018 are not directly comparable with the previous Fiscals.

### Currency, Units of Presentation and Exchange Rates

All references to “Rupees”, “Rs.” or “₹” are to Indian Rupees, the official currency of the Republic of India. All references to “US\$” or “US Dollars” or “USD” are to United States Dollars, the official currency of the United States of America.

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

### Definitions

For definitions, please see the Chapter titled “*Definitions and Abbreviations*” on page no. 1 of this Prospectus. In the Section titled “*Main Provisions of Articles of Association*” beginning on page no. 264 of this Prospectus, defined terms have the meaning given to such terms in the Articles of Association.

### Industry and Market Data

Unless stated otherwise, the industry and market data and forecasts used throughout this Prospectus has been obtained from industry sources as well as Government Publications. Industry sources as well as Government Publications generally state that the information contained in those publications has been obtained from sources believed to be



reliable but that their accuracy and completeness and underlying assumptions are not guaranteed and their reliability cannot be assured. Further, the extent to which the industry and market data presented in this Prospectus is meaningful depends on the reader's familiarity with and understanding of the methodologies used in compiling such data. There are no standard data gathering methodologies in the industry in which we conduct our business, and methodologies and assumptions may vary widely among different industry sources.



## FORWARD-LOOKING STATEMENTS

All statements contained in this Prospectus that are not statements of historical fact constitute forward-looking statements. All statements regarding our expected financial condition and results of operations, business, plans and prospects are forward-looking statements. These forward-looking statements include statements with respect to our business strategy, our revenue and profitability, our projects and other matters discussed in this Prospectus regarding matters that are not historical facts. Investors can generally identify forward-looking statements by the use of terminology such as “aim”, “anticipate”, “believe”, “expect”, “estimate”, “intend”, “objective”, “plan”, “project”, “may”, “will”, “will continue”, “will pursue”, “contemplate”, “future”, “goal”, “propose”, “will likely result”, “will seek to” or other words or phrases of similar import. All forward looking statements (whether made by us or any third party) are predictions and are subject to risks, uncertainties and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement.

Forward-looking statements reflect our current views with respect to future events and are not a guarantee of future performance. These statements are based on our management’s beliefs and assumptions, which in turn are based on currently available information. Although we believe the assumptions upon which these forward-looking statements are based are reasonable, any of these assumptions could prove to be inaccurate, and the forward-looking statements based on these assumptions could be incorrect.

Further the actual results may differ materially from those suggested by the forward-looking statements due to risks or uncertainties associated with our expectations with respect to, but not limited to, regulatory changes pertaining to the Metal & Steels Industry in India where we have our businesses and our ability to respond to them, our ability to successfully implement our strategy, our growth and expansion, technological changes, our exposure to market risks, general economic and political conditions in India and overseas which have an impact on our business activities or investments, the monetary and fiscal policies of India and other jurisdictions in which we operate, inflation, deflation, unanticipated volatility in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India and globally, changes in domestic laws, regulations and taxes, changes in competition in our industry and incidence of any natural calamities and/or acts of violence. Other important factors that could cause actual results to differ materially from our expectations include, but are not limited to, the following:

- Changes in laws and regulations relating to the sectors/areas in which we operate;
- Increased competition in Steel Industry.
- Our ability to successfully implement our growth strategy and expansion plans;
- Our ability to meet our further capital expenditure requirements;
- Fluctuations in operating costs;
- Our ability to attract and retain qualified personnel;
- Conflict of Interest with affiliated companies, the promoter group and other related parties
- General economic and business conditions in the markets in which we operate and in the local, regional, national and international economies;
- 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 occurrence of natural disasters or calamities;
- Our inability to maintain or enhance our brand recognition;
- Inability to adequately protect our trademarks and
- Changes in consumer demand

For further discussions of factors that could cause our actual results to differ, please see the section titled “*Risk Factors*”, chapters titled “*Our Business*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” beginning on page nos. 15, 82 and 153 of this Prospectus, respectively.

By their nature, certain 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. Forward-looking statements speak only as of this Prospectus. Our Company, our Directors, the Lead Manager, and their respective affiliates or associates do not have any obligation to, and do not intend to, update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with the SEBI requirements, our Company and the Lead Manager will ensure that investors in India are informed of material developments until such time as the grant of listing and trading approvals by the Stock Exchange.

## SECTION II: OFFER DOCUMENT SUMMARY

### A. Summary of Business

Our Company, Shiv Aum Steels Limited, is engaged in the trading of mild steel products such as beams, angles, plates, channels, coils and TMT bars. Our Company operates as a trader, stockist and distributor of steel products. We are an authorised distributor for selling steel products of JSPL, have entered into MoUs with SAIL & RINL and also procure steel products from various other steel manufacturers including Monnet Ispat & Energy Limited and Vandana Ispat Limited to name a few, which gives us an exclusive market to trade in high quality and well established brands of steel products.

### Summary of Industry

India was the world's second-largest steel producer with production standing at 106.5 MT in 2018. India's finished steel consumption grew at a CAGR of 5.69 per cent during FY08-FY18 to reach 90.68 MT. India's crude steel and finished steel production increased to 103.13 MT and 104.98 MT in 2017-18, respectively. In 2017-18, the country's finished steel exports increased 17 per cent year-on-year to 9.62 million tonnes (MT), as compared to 8.24 MT in 2016-17. Exports and imports of finished steel stood at 5.77 MT and 7.13 MT, during April 2018-February 2019 (P).

### B. Our Promoters:

Our Company is promoted by Mr. Sanjay Bansal, Mr. Ajay Bansal, Mr. Jatin Mehta, & M/s. Jatin Mehta HUF

- C. Public Issue of 36,00,000 Equity Shares of ₹ 10 each ("Equity Shares") of Shiv Aum Steels Limited ("SASL" or the "Company") for cash at a price of ₹ 44/- per share (the "Issue Price"), aggregating to ₹ 1584.00 lakhs ("the Issue"), of which 1,92,000 equity shares of ₹ 10/- each will be reserved for subscription by Market Makers to the Issue (the "Market Maker Reservation Portion"). The Issue less Market Maker Reservation Portion i.e. Issue of 34,08,000 equity shares of ₹ 10/- each is hereinafter referred to as the "Net Issue". The Issue and the Net Issue will constitute 26.47% and 25.06%, respectively of the Post Issue paid up equity share capital of the Company.

### D. Object of the Issue

The fund requirements for each of the Object of the Issue are stated as below:

(₹ in lakhs)

Sr. No.	Particulars	Amount	% of Net Proceeds
1	Repayment of Loans	1,510.25	98.45%
2	General Corporate Purpose	23.75	1.55%
<b>Total</b>		<b>1534.00</b>	<b>100.00%</b>

### E. Pre-Issue Shareholding of our Promoter and Promoter Group as a percentage of the paid-up share capital of the Company

Set forth is the Pre Issue shareholding of our Promoter and Promoter Group as a percentage of the paid-up share capital of the Company

Category of Promoter	Pre Issue	
	No. of Shares	As a % of Pre- Issued Equity
<b>1. Promoter</b>		
Mr. Jatin Mehta <sup>(1)</sup>	13,51,000	13.51%
Mr. Sanjay Bansal <sup>(2)</sup>	21,37,450	21.37%
Mr. Ajay Bansal <sup>(3)</sup>	4,38,350	4.38%
M/s. Jatin Mehta HUF	12,91,000	12.91%
<b>Sub-Total (A)</b>	<b>52,17,800</b>	<b>52.17%</b>
<b>2. Promoter Group</b>		
Mrs. Niyati Mehta <sup>(4)</sup>	7,55,000	7.55%
Mrs. Sudha N Mehta <sup>(5)</sup>	200	Negligible
M/s. Ajay Bansal HUF	2,10,600	2.11%
Mrs. Usha Bansal	2,00,200	2.00%



Category of Promoter	Pre Issue	
	No. of Shares	As a % of Pre- Issued Equity
M/s. Sanjay Bansal HUF	2,10,600	2.11%
Mrs. Vanita Bansal <sup>(6)</sup>	2,00,000	2.00%
M/s. Mobi Relators Private Limited	32,06,000	32.06%
<b>Sub-Total (B)</b>	<b>47,82,600</b>	<b>47.83%</b>
<b>Total Promoter &amp; Promoter Group Holding</b>	<b>1,00,00,400</b>	<b>100.00%</b>

**Notes:**

- (1) All the shares held by Mr. Jatin Mehta (Holder 1) are jointly held with Mrs. Niyati Mehta (Holder 2)
- (2) All the shares held by Mr. Sanjay Bansal (Holder 1) are joint held with Mrs. Vanita Bansal (Holder 2)
- (3) Out of the 4,38,350 Shares, 4,12,300 shares are joint held by Mr. Ajay Bansal (Holder 1) and Mrs. Usha Bansal (Holder 2)
- (4) All the shares held by Mrs. Niyati Mehta (Holder 1) are joint held with Mr. Jatin Mehta (Holder 2)
- (5) All the shares held by Mrs. Sudha Mehta (Holder 1) are joint held with Mr. Jatin Mehta (Holder 2)
- (6) All the shares held by Mrs. Vanita Bansal (Holder 1) are joint held with Mr. Sanjay Bansal (Holder 2)

For further details refer chapter titled “Capital Structure” beginning on page no. 48 of this Prospectus.

**F. Summary of Restated Financial Statement**

(₹ in lakhs)

Particulars	For the year ended March 31,		
	2019	2018	2017
Share Capital	1,000.04	1,000.04	1,000.04
Net Worth	4,663.19	4,090.76	3,545.22
Total Revenue	37,729.03	27,788.74	24900.39
Profit after Tax	572.43	545.54	293.15
Basic & Diluted EPS	5.72	5.46	2.93
Net Asset Value Per Share (₹)	46.63	40.90	35.44
Total Borrowings	7,686.75	6,313.93	3,982.84

G. There are no material Auditor’s Qualifications in any of the Financial Statements of the Company.

**H. Summary of Outstanding Litigation are as follows**

Sr. No.	Nature of Case	No. of Outstanding cases	Amount in dispute/demanded to the extent quantifiable (in Rs.)
<b>I.</b>	<b>Litigations filed by our Company</b>		
(a)	Criminal Matters	11	5,08,89,733
(b)	Direct Tax Liabilities	4	6,67,620
(c)	Other Pending Litigations	1	23,65,772
<b>II.</b>	<b>Litigations by our Directors/Promoters</b>		
(a)	Direct Tax Liabilities	2	10,40,240
<b>III.</b>	<b>Litigations by our Group Company- Mobi Relators Pvt. Ltd.</b>		
(a)	Direct Tax Liabilities	1	61,20,380

For further information, please refer chapter titled “Outstanding Litigations and Material Developments” on page no. 167 of this Prospectus.

I. Investors should read chapter titled “Risk Factors” beginning on page no. 15 of this Prospectus to get a more informed view before making any investment decisions.

**J. Summary of contingent liabilities**

Summary table of our contingent liabilities as indicated in our Restated Financial Statements and also certified by our statutory auditors is as follows:

(₹ in lakhs)

Particulars	As at March 31,		
	2019	2018	2017
Income Tax	6.68	6.68	6.68
VAT / Sales Tax	-	283.66	-
<b>TOTAL</b>	<b>6.68</b>	<b>290.34</b>	<b>6.68</b>

For further information, please refer “Annexure XXVI Contingent Liability” on page no. 130 of this Prospectus

#### K. Summary of related party transactions

Our Company has entered into certain transactions with our related parties including our Promoters, Promoter Group, Directors and their relatives as mentioned below:

(₹ in lakhs)

Particulars	For the year ended March 31,		
	2019	2018	2017
<b>1) Finance</b>			
Loan Taken	2,482.42	826.46	499.37
Repayment of Loan taken	1,716.58	446.72	1,274.20
<b>2) Expenses</b>			
Interest Paid	313.97	215.19	191.14
Remuneration	237.00	242.00	117.40

For further information, please refer to “Annexure XXV - Related Party Transactions” under chapter titled “Financial Statements” on page no. 130 of this Prospectus.

L. There are no financing arrangements whereby the Promoter Group, the Directors of our Company who are the Promoters of our Company, the Directors of our Company and their relatives have financed the purchase by any other person of securities of our Company during the period of 6 (six) months immediately preceding the date of this Prospectus.

M. The weighted average price of acquisition of Equity Shares by our Promoters in last one year is:

The Weighted Average cost of Acquisition Equity Shares by our Promoters in last one year will be Nil as the shares were acquired through Gift Deed. For further details refer chapter titled “Capital Structure” beginning on page no. 48 of this Prospectus.

N. The average cost of acquisition of Equity Shares by our Promoters is:

(₹ in lakhs)

Promoter	Average cost (₹)
Mr. Sanjay Bansal	3.51
Mr. Ajay Bansal	13.42
Mr. Jatin Mehta	7.59
Jatin Mehta HUF	5.00

O. Our Company does not contemplate any issuance or placement of Equity Shares from the date of this Prospectus till the listing of the Equity Shares.

P. Our Company has not issued any Equity Shares for consideration other than cash in the one year preceding the date of this Prospectus

Q. Our Company has not undertaken a split or consolidation of the Equity Shares in the one year preceding the date of this Prospectus.

### SECTION III – RISK FACTORS

*An investment in Equity Shares involves a high degree of financial risk. You should carefully consider all information in this Prospectus, including the risks described below, before making an investment in our Equity Shares. The risk factors set forth below 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. Any of the following risks, as well as the other risks and uncertainties discussed in this Prospectus, could have a material adverse effect on our business and could cause the trading price of our Equity Shares to decline and you may lose all or part of your investment. In addition, the risks set out in this Prospectus are not exhaustive. 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. To obtain a complete understanding of our Company, prospective investors should read this section in conjunction with the sections entitled “Our Business” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” on page nos. 82 and 153 of this Prospectus respectively as well as other financial and statistical information contained in this Prospectus. Unless otherwise stated 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.*

*This Prospectus also contains forward-looking statements that involve risks and uncertainties. Our 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 Prospectus. Unless otherwise stated, the financial information used in this section is derived from and should be read in conjunction with restated financial information of our Company prepared in accordance with the Companies Act and restated in accordance with the SEBI (ICDR) Regulations, including the schedules, annexure and notes thereto.*

#### Materiality

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

1. Some events may have material impact quantitatively;
2. Some events may have material impact qualitatively instead of quantitatively;
3. Some events may not be material individually but may be found material collectively;
4. Some events may not be material at present but may be having material impact in future.

#### Internal Risk Factors

1. ***Our Company, Promoters, Directors and Group Companies are parties to certain legal proceedings. Any adverse decision in such proceedings may have a material adverse effect on our business, results of operations and financial condition.***

Our Company, Group Companies, Promoters and Directors are parties to certain legal proceedings. These legal proceedings are pending at different levels of adjudication before various courts, tribunals and forums. Mentioned below are the details of the proceedings involving our Company, Promoters, Directors and Group Companies as on the date of this Prospectus along with the amount involved, to the extent quantifiable, based on the materiality policy for litigations, as approved by the Company in its Board meeting held on May 24, 2019.

Sr. No.	Nature of Case	No. of Outstanding cases	Amount in dispute/demanded to the extent quantifiable (in Rs.)
<b>I.</b>	<b>Litigations filed by our Company</b>		
(d)	Criminal Matters	11	5,08,89,733
(e)	Direct Tax Liabilities	4	6,67,620
(f)	Other Pending Litigations	1	23,65,772
<b>II.</b>	<b>Litigations by our Directors/Promoters</b>		
(b)	Direct Tax Liabilities	9	37,89,625
<b>III.</b>	<b>Litigations by our Group Company- Mobi Relators Pvt. Ltd.</b>		
(b)	Direct Tax Liabilities	1	61,20,380



There can be no assurance that these litigations will be decided in favour the Company, Promoters, Directors and Group Companies, respectively, and consequently it may divert the attention of our management and Promoters and waste our corporate resources and we may incur significant expenses in such proceedings and may have to make provisions in our financial statements, which could increase our expenses and liabilities. If such claims are determined against us, there could be a material adverse effect on our reputation, business, financial condition and results of operations, which could adversely affect the trading price of our Equity Shares. For the details of the cases filed by and against our Company, Promoters, Directors and Group Companies please refer the chapter titled “*Outstanding Litigations and Material Developments*” on page no. 167 of this Prospectus.

2. ***We are heavily dependent on certain suppliers for whom we are either authorised distributors or have entered into MoUs with, for procurement and sale of our traded goods. Any disruption of supply from such entities may affect our business operations.***

We mainly procure our traded goods from key players in Indian Steel Industry including Jindal Steel Private Limited (JSPL), Steel Authority Of India Limited (SAIL), Rashtriya Ispat Nigam Limited, Monet Ispat & Energy Limited (MIEL), to name a few. We believe that the quality of steel products supplied, the transparent pricing, locational advantage, etc. are some of the major reasons our Company prefers to procure our traded goods from these key players. However, the fact that we are so heavily dependent on these manufacturers exposes us indirectly to the risks that these manufacturers face. Any failure of the manufacturers to deliver these traded goods in the necessary quantities or to adhere to delivery schedules or specified quality standards and technical specifications would adversely affect our business operations and our ability to deliver orders on time and at the desired level of quality. As a result, we may lose customers and incur liabilities for failure to execute orders, which could have a material adverse effect on our business financial condition and results of operations.

3. ***Our business is working capital intensive. If we are unable to generate sufficient cash flows to allow us to make required payments on our debt or fund working capital requirements, there may be an adverse effect on our results of operations.***

Our business is working capital intensive including fund requirement for payment for bulk purchases of various products across different brands and product verticals. Hence, major portion of our working capital is utilised towards debtors and inventory. Our debtors for the F. Y. 2018-19, 2017-18 and 2016-17 was approximately 142%, 140% and 113% of the total net worth respectively in each year. Our inventories for the F. Y. 2018-19, 2017-18 and 2016-17 was approximately 95%, 91% and 79% of the total net worth respectively in each year.

The results of operations of our business are dependent on our ability to effectively manage our inventory (stock of traded goods) and trade receivables. To effectively manage our inventory, we must be able to accurately estimate customer demand and supply requirements and purchase new inventory accordingly. However, if our management misjudges expected customer demand, it could cause either a shortage of products or an accumulation of excess inventory. Further, if we fail to sell the inventory we purchase, 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 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 increased working capital borrowings and, consequently, higher finance cost which will adversely impact our profitability.

We have a sanctioned limit for working capital of ₹ 6,800 lakhs from the existing bankers / financial institutions. 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. In the event we are not able to recover our dues from our trade receivables or sell our inventory, we may not be able to maintain our Sales level and thus adversely affecting our financial health. If this situation persists, we may not be able to pay our lenders / creditors and we may be forced to go for Corporate Debt Restructuring (CDR) which may result in adversely affecting our operations and future prospects.



**4. 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 and financial conditions. Due to the nature and varied types of the products we sell, we may not be able to charge higher margins for our products. Hence, our business model is heavily reliant on our ability to effectively increase sale of value business products and / or grow our turnover and manage our key processes including but not limited to order procurement, timely order execution, effectively delivery monitoring 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 lakhs)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018	Year ended March 31, 2017
Total Income	37,729.03	27,788.74	24,900.39
PAT as a % of Total Income	1.52%	1.96%	1.18%

We operate in a dynamic industry, and on account of changes in market conditions, industry dynamics 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 of our results, please refer “*Management’s Discussions and Analysis of Financial Condition and Results of Operations*” on page no. 153 of this Prospectus.

**5. We have incurred substantial indebtedness which exposes us to various risks which may have an adverse effect on our business and results of operations. We may also be unable to obtain future financing to fund our operations, expected capital expenditure and working capital requirements on favourable terms, or at all.**

As of March 31, 2019 and March 31, 2018, we have ₹ 7,686.74 lakhs and ₹ 6,313.93 lakhs respectively, of outstanding debt including current maturities of Long Term Debts on our balance sheet. Our level of indebtedness has important consequences to us, such as:

- 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, since almost all of our debt bears interest at floating rates.

If any of these risks were to materialise, our business and results of operations may be adversely affected. We intend to repay part of our indebtedness in the form of unsecured loans from our Promoters / Directors, from the funds proposed to be raised from this Issue. The reduction in the debt will enable us to improve our debt equity ratio and the total indebtedness after the proposed re-payment will be ₹ 6,176.49 lakhs.

Our business requires funding for capital expenditure and working capital requirements. The actual amount and timing of future capital expenditure may depend on several factors, among others, new opportunities, availability of land, regulatory approvals, regulatory changes, economic conditions, technological changes and market developments in our industry. Our sources of additional funding, if required, to meet our capital expenditure may include the incurrence of debt or the issue of equity or debt securities or a combination of both. If we decide to raise additional funds through the incurrence of debt, our interest and debt repayment obligations will increase, and could have a significant effect on our profitability and cash flows and we may be subject to additional covenants, which could limit our ability to access cash flows from operations. In case there is insufficient cash flow to meet our working capital requirement or we are unable to arrange the same from other sources or there is delay in disbursement of arranged funds, or there is any increase in interest rate on our borrowings, it may adversely affect our operations and profitability. These factors may result in an increased amount of short-term borrowings.



Continuous increase of our working capital requirements may have an adverse effect on our results of operations and financial condition.

Further our ability to arrange for additional funds on acceptable terms is subject to a variety of uncertainties, including future results of operations, financial condition and cash flows; economic, political conditions and market scenario for our products; costs of financing, liquidity and overall condition of financial and capital markets in India; issuance of necessary business/government licenses, approvals and other risks associated with our businesses; and limitations on our ability to raise capital in capital markets and conditions of the Indian and other capital markets in which we may seek to raise funds. Any such inability to raise sufficient funds could have a material adverse effect on our business and results of operations.

**6. *Our success depends heavily upon our Promoters and Directors for their continuing services, strategic guidance and financial support.***

Our success depends heavily upon the continuing services of Mr. Jatin Mehta, Mr. Ajay Bansal and Mr. Sanjay Bansal who are the natural person in control of our Company. Our Promoters have a vast experience in the field of trading in Steel products through their erstwhile partnership firms engaged in similar business. They have established cordial relations with various customers and suppliers over the past several years, which have immensely benefitted our Company's current customer and supplier relations. We believe that our relation with our Promoters, who have rich experience in trading in steel industry, managing customers and handling overall businesses, has enabled us to experience growth and profitability. We benefit from our relationship with our Promoters and our success depends upon the continuing services of our Promoters who have been responsible for the growth of our business and are closely involved in the overall strategy, direction and management of our business. Further, our Promoters are also part of certain other firms / ventures and may continue to do so. If they divert their attention to such other concerns, we may not be able to function as efficiently and profitably as before. We may have to incur additional costs to replace the services of our Promoters or we may not be able to do so at all, which could adversely affect our business operations and affect our ability to continue to manage and expand our business.

Further, we also depend significantly on our Directors for executing their day to day activities. If our Promoters / Directors or any member of the senior management team is unable or unwilling to continue in his present position, we may not be able to replace him easily or at all, and our business, financial condition, results of operations and prospects may be materially and adversely affected.

In addition, we depend on our Directors / Promoters in procuring certain bank loans and for the extension of unsecured loans and advances from time to time. We rely on our Directors and Promoters, in relation to our bank loans for which they have granted certain security and personal guarantees. For details, see "Annexure XXV – Related Party Transactions" and chapter titled "Financial Indebtedness" on page nos. 130 and 164 respectively of this Prospectus. We cannot assure you that any future financing we obtain without guarantees from our Directors / Promoters or from unrelated third-parties will be on terms which are equal to or more favourable than the terms of our past financings.

**7. *Our Company has not entered into any long-term contracts with most of its customers and we typically operate on the basis of orders. Inability to maintain regular order flow would adversely impact our revenues and profitability***

Our Company has had long standing business relationships with various customers and have been supplying our products to several customers including repeat orders received from them. A substantial number of our customers are big brands engaged in varied industry segments like engineering, infrastructure, construction, automobiles, etc. However, we have not entered into any fixed contracts with these 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 and, without consequence, which could materially and adversely impact our business. Consequently, our revenue may be subject to variability because of fluctuations in demand for our products. Our Company's customers have no obligation to place order with us and may either cancel, reduce or delay orders. The orders placed by our Company's customers are dependent on factors such as the customer satisfaction with the level of service that our Company provides, quality consistency, fluctuation in demand for our Company's products and customer's inventory management.

Although we place a strong emphasis on quality, pricing and timely delivery of our products and after sales service such as feedback on the trends in their market, personal interaction by the top management with the customers,



etc., in the absence of contracts, any sudden change in the buying pattern of buyers could adversely affect the business and the profitability of our Company.

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

Our Company has entered into related party transactions with our Promoters, Directors, and their relatives aggregating ₹ 5,193.62 lakhs for the financial year ended March 31, 2019. While our Company believes that all such transactions have been conducted on the arms length basis, there can be no assurance that it could not have been achieved on more favourable terms had such transactions not been entered into with related parties. Furthermore, it is likely that our Company will enter into related party transactions in the future. There can be no assurance that such transactions, individually or in the aggregate, will not have an adverse effect on our financial condition and results of operation. For details, please refer to “Annexure XXV - Related Party Transactions” under section titled “Financial Statements” on page no. 130 of this Prospectus.

**9. *Our Company has availed unsecured loan from our Directors / Promoters and Promoter Group which is repayable on demand. Any demand from the lender for repayment of such unsecured loan may affect our cash flow and financial condition.***

Our Company, as per the restated audited financial statement as on March 31, 2019 has availed unsecured loan of ₹ 2,398.25 lakhs at the interest rate of 15% pa and are repayable on demand. Further, as on August 31, 2019 the total outstanding of Unsecured Loans was ₹ 2,396.45 lakhs. Though our Company intends to repay an amount of ₹ 1510.25 lakhs from this proposed Issue, sudden recall may disrupt our operations and also may force us to opt for funding at higher interest rates, resulting in higher financial burden. Further, we will not be able to raise funds at short notice and thus result in shortage of working capital fund. For further details, please refer to the section “Unsecured Loans” under “Financial Statements” beginning on page no. 130 of this Prospectus. Any demand for the repayment of such unsecured loan, may adversely affect our cash flow and financial condition.

**10. *The IPO Proceeds will be used to repay a loan from our Directors / Promoters***

We intend to use the proceeds from the Issue to repay a loan from our Promoters / Directors. As of March 31, 2019, we have availed an aggregate of ₹ 2,398.25 lakhs of unsecured loans from them and these loans were to utilized to fund working capital expenditures and for general business purpose. Further, as on August 31, 2019 the total outstanding of Unsecured Loans was ₹ 2,396.45 lakhs. We intend to repay an aggregate of ₹ 1,510.25 lakhs of the said outstanding loan. We believe that the proposed repayment will enable us to improve our debt-equity ratio and the total unsecured loans after the proposed repayment will be ₹ 888 lakhs.

For details, refer the chapter “Objects of the Issue” on page no. 60 of this Prospectus.

**11. *We are dependent on third party transportation providers for the delivery of majority of our products from our suppliers and also to our customers. Accordingly, continuing increases in transportation costs or unavailability of transportation services for our products, as well the extent and reliability of Indian infrastructure may have an adverse effect on our business, financial condition, results of operations and prospects***

As a Company engaged in the trading of Iron & Steel products, transportation is one of the most important components of our business. We rely substantially on third party transportation providers for the supply of many of our traded goods from our vendors and for delivery of our products to our customers. Transportation strikes / non-availability of Transportation could have an adverse effect on our receipt of traded goods and our ability to deliver the same to our customers. In addition, transportation costs in India have been steadily increasing over the past several years. While usually the end consumer bears the freight cost, we may not always be able to pass on these costs to our customers. Continuing increases in transportation costs or unavailability of transportation services for our products may have an adverse effect on our business, financial condition, results of operations and prospects.

In addition, India’s physical infrastructure is less developed than that of many developed nations, and problems with its port, rail and road networks, electricity grid, communication systems or any other public facility could disrupt our normal business activity, including supply from our vendors and delivery of our products to customers by third-party transportation providers. 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 business operations, which could have a material adverse effect on our results of operations and financial condition.



- 12. We do not have any agreement with the third party service providers to whom we outsource Steel Coil cutting and deliveries; 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 relies on third parties for outsourcing cutting, finishing and storage of one of our traded products i.e. Steel Coils. We procure the Steel Coils and the same are delivered directly to these third parties who cut the coils as per customer requirement and then deliver the same to such customers. This entire process is done on invoice basis and we have no agreements with any of these third parties. Further, we cannot assure you that our third party service providers will continue to be associated with us on reasonable terms, or at all. Since such third party service providers are not contractually bound to deal with us exclusively, we may face the risk of our competitors offering better terms to such third party service providers, which may cause them to cater to our competitors alongside, or even instead of us. Also, in the absence of any contract, they may discontinue their job-work on a short notice and our business may be stalled or hindered due to this. We may have to rely on in-experienced or costlier or unprofessional cutting units which may compromise the quality of our finished products.

Also, the cut Coils are generally stored at the premises of such third party. Though our business has not experienced any major delay due to disruption in the quality of third party services, but any future delay in this process may have an adverse impact on our business. The said third party facility may not be adequate to support our existing and future requirements and any breakdown in accuracy of the job work processes, delivery management system, delay of service including occurrence of accidents at such facility of the third party may affect our business operations.

Further any disruption in their services due to strikes, lock-outs, inadequacies at the facilities of such third party, or other unforeseen events could impair ability to deliver the steel coils to our customers on time. Any such disruptions could materially and adversely affect our Company's reputation, business and results of operations.

- 13. Our Company has limited storage capacity which can result in stock out cost and loss of customer adversely affecting our business and results of operations.**

Large warehousing capacity is the key growth driver in steel trading business. Large warehousing ensures a regular supply of goods into the marketplace by being able to procure goods in bulk quantities and then releasing them to various customers in the varied quantities required by them. Maintaining consistent stock levels helps prices to stay stable, making it easier for businesses to forecast profit and loss. Large warehousing facility also helps in attracting a variety of customers by providing them with a wide range of products and meeting their order requirements in a timely manner.

Though our Company has a godown space admeasuring 9,500 square meters, where currently our entire stock is comfortably stored, we cannot guarantee that this space will be sufficient to store our future procurements. As per management estimates, our godown has a storage capacity upto 7,000 to 12,000 tonnes of steel products depending on nature of the products after taking care of factors like free human movement and crane movement for day to day operations. This may restrict our storing capacity and in turn restrict the variety of products which we can procure and store. Inability to meet customer demand due to inadequate storage may adversely affect our Company's reputation, business and results of operation.

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

We require several statutory and regulatory permits, licenses and approvals to operate our business. Many of these approvals are granted for fixed periods of time and need renewal from time to time. Non-renewal of the said permits and licenses would adversely affect our Company's operations, thereby having a material adverse effect on our business, results of operations and financial condition. 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 our permits, licenses and approvals are subject to several conditions and we cannot provide any assurance that we will be able to continuously meet such conditions or be able to prove compliance with such conditions to the statutory authorities, which may lead to the cancellation, revocation or suspension of relevant permits, licenses or approvals. Any failure by us to apply in time, to renew, maintain or obtain the required permits, licenses or approvals, or the cancellation, suspension or revocation of any of the permits, licenses or approvals may result in the interruption of our operations and may have a material adverse effect on the business. For further details, please see chapters titled



“Key Regulations and Policies” and “Government and Other Key Approvals s” at pages 96 and 175 respectively of this Prospectus.

**15. *Internal logistics form an integral part of our godown management and our inability to maintain our godown with efficient staff, machines and planning may lead to delays, injuries and lack of space.***

Our Company procure steel products from steel manufacturers and supplies the same to various locations, PAN India, using the roadways as the preferred mode of transportation. Further these products which include Angles, Plates, Channels, TMT Bars, Beams, Sheets and Plates are extremely heavy and bulky in nature. Though our Company has equipped its godown with 2 cranes, we are required to hire additional cranes in case of need. We cannot guarantee that we will be able to obtain additional cranes, as and when required or at the terms acceptable to us, we may not be able to manage the loading / unloading process properly or in time or both.

Also, the operating of cranes and the process of loading and unloading required skilled / semi skilled labour who stack the bulky goods in an orderly manner, thus utilising the maximum space in the godown. Any lack in the labour for the required work, including operating of the crane may hinder our godown activities leading to delays in deliveries, unorganised stacking of steel products, lack of space in the godown and also personal injuries. If any of the above were to happen, we may be subject to order cancellations, litigations and loss of reputation, consequently leading to adverse operational and financial positions.

**16. *If we are unable to manage our growth effectively or if our estimates or assumptions used in developing our strategic plan are inaccurate or we are unable to execute our strategic plan effectively, our business and prospects may be materially and adversely affected.***

Our revenue and our business operations have grown in recent years. Although we plan to continue to expand our scale of operations, we may not be able to sustain these rates of growth in future periods due to a number of factors, including, among others, our execution capability, our ability to retain, maintain & enter into new supplier MOUs / agreements, our ability to maintain customer satisfaction, our ability to mobilise sufficient working capital, macroeconomic factors beyond our control such as decline in global economic conditions, availability of cheaper imported / domestic products / brands, competition within each product category from players in the organized and unorganized segments, the greater difficulty of growing at sustained rates from a larger revenue base, our inability to control our expenses and the availability of resources for our growth. There can be no assurance that we will not suffer from capital constraints, operational difficulties or difficulties in expanding existing business operations.

Our development and expansion strategies will require substantial managerial efforts and skills and the incurrence of additional expenditures may subject us to new or increased risks. We may not be able to efficiently or effectively implement our growth strategies or manage the growth of our operations, and any failure to do so may limit future growth and have an adverse effect on our business. For e.g. our strategy to increase operational efficiency is dependent on our ability to focus on better analysis of customer demand and accordingly managing our bulk supply of the various traded products. Further, our strategy to improve our debt – equity ratio may not materialise in the manner we intend to, and we may be required to obtain additional debt to meet immediate capital requirements, resulting in unfavourable ratios.

Further, if the estimates or assumptions used in developing our strategic plan vary significantly from actual conditions, our sales, margins and profitability could be impacted. For instance, sales of certain category of products may not grow as quickly as we currently expect, and we may be incorrect in our assumptions and expectations of customer preferences during our purchasing or entering into agreements with our suppliers. Also, the fund requirement and deployment for our strategies are based purely on management estimates and assumptions considering the current market scenario and are subject to revision in the light of changes in external circumstances or costs. If we are unsuccessful in executing our strategic plan, or if the underlying estimates or assumptions used to develop our strategic plan are materially inaccurate, our business and financial condition would have an adverse impact.



**17. We are bound by the terms of agreement, MoU or contract for supply of majority of our steel products products due to which we may face limitations in supply from our current suppliers / vendors including pricing limitations and renewal terms**

We are a Company engaged in the trading and distribution of a variety of steel products and we enter into various distribution agreements / MoUs with major steel manufacturers across India for different steel products like Beams, Channels, Angles, TMT Bars, Steel Plates & Sheets, Steel Coils, etc. We currently are an authorised distributor for Jindal Steel & Power Limited (JSPL) and have entered into supply MoUs with Steel Authority of India Limited (SAIL) and Rashtriya Ispat Nigam Limited (RINL). Besides, we also enter into periodical agreements with various other steel manufacturers like Monet Ispat & Energy Limited (MIEL) and Vandana Ispat Limited to name a few. Accordingly, we are bound by the terms of such agreement / MoUs in relation to supply of their products, selling targets, pricing and inventory management.

Big national steel manufacturing companies are very particular about their pricing and may specify the pricing terms in their agreements. These pricings are based on the manufacturers' brand perception and may or may not be realisable in the market. This may lead to lower sales of that particular brand / product eventually resulting in higher inventory and dead stock. Also, the terms of the agreement may specify other parameters of trade like quantity, delivery terms, payment terms, all of which could affect our business process and in turn render us unable to dictate terms with our customers.

Furthermore, many of these big steel manufacturers may not be proactive in renewing their agreements. Majority of our agreements are for a period of not more than 1 year. Though we continue to undertake business transaction with them on oral basis, even after expiry of the original agreement, we cannot guarantee that we will be able to enforce the terms of business in case of old agreement. There can be no assurance that there will not be a significant disruption in the supply of the particular product from such manufacturer or, in the event of a disruption that we would be able to locate alternative suppliers of such product of the same quality and on terms acceptable to us, or at all. Identifying and negotiating with a new steel manufacturer involves a process that requires us to become satisfied with their market demand, quality control, responsiveness and service and financial stability. Non-availability or disruption in supply of any product may result in reducing our revenues by a considerable amount.

**18. In addition to normal remuneration, other benefits and reimbursement of expenses our Directors (including our Promoter) and Key Management Personnel are interested in our Company to the extent of their shareholding and dividend entitlement in our Company.**

Some of our Directors (including our Promoters) and Key Management Personnel may be interested in our Company to the extent of their shareholding and dividend entitlement in our Company, in addition to normal remuneration, incentives or benefits and reimbursement of expenses. We cannot assure you that our Directors or our Key Management Personnel would always exercise their rights as Shareholders to the benefit and best interest of our Company. As a result, our Promoters & 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 Promoters and 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 Promoters and Directors will always act to resolve any conflicts of interest in our favour, thereby adversely affecting our business and results of operations and prospects. For further details of our transactions or interests of our promoters / promoter group, please refer the chapters titled "Our Business" and "Our Promoters, Promoter Group" and "Our Group Companies", "Related Party Transactions" and "Financial Information" beginning on page nos. 82, 122, 127, 130 and 37 respectively, of this Prospectus.

**19. Our funding requirements and deployment of the issue proceeds are based on management estimates and have not been independently appraised by any bank or financial institution and is not subject to any monitoring by any independent agency and our Company's management will have flexibility in utilizing the Proceeds from the Issue.**

Our Company intends to primarily use the Net Proceeds from the Issue towards repayment of debt as described in "Objects of the Issue" on page no. 60 of this Prospectus. The fund requirements, the deployment of funds and the intended use of the Net Proceeds as described herein are based on our current business plan, management estimates and have not been appraised by any bank, financial institution or any other external agency. Also, in terms of



Regulation 262 of the SEBI (ICDR) Regulations, we are not required to appoint a monitoring agency since the Fresh Issue size is not in excess of ₹ 100 crores. The management of our Company will have discretion to use the Net Proceeds from the Issue, and investors will be relying on the judgment of our Company's management regarding the application of the Net Proceeds from the Issue.

Given the dynamic nature of our business, we may have to revise our business plan from time to time and consequently our funding requirements and deployment on account of variety of factors such as our financial condition, business and strategy, including external factors such as market conditions, competitive environment, costs of commodities and interest/ exchange rate fluctuations which may not be within the control of our management. The deployment of the funds towards the objects of the Issue is entirely at the discretion of the Board and our Board will monitor the utilisation of Net Proceeds through its Audit Committee. Our Company will disclose the utilisation of the Net Proceeds under a separate head along with details in its balance sheet until the Net Proceeds remain unutilised, clearly specifying the purpose for which the Net Proceeds have been utilised. Any inability on our part to effectively utilize the Issue proceeds could adversely affect our operational and financial performance. Additionally, various risks and uncertainties, including those set forth in this section "Risk Factors", may limit or delay our Company's efforts to use the Net Proceeds from the Issue to achieve profitable growth in its business.

Further, pursuant to Section 27 of the Companies Act 2013, any variation in the objects would require a special resolution of the Shareholders and would be required to provide an exit opportunity to the shareholders who do not agree with our proposal to change the Objects of the Issue, at a price and manner as specified in the SEBI ICDR Regulations. Additionally, the requirement on Promoters or controlling shareholders to provide an exit opportunity to such dissenting shareholders may deter the Promoters or controlling shareholders from agreeing to the variation of the proposed utilisation of our Net Proceeds, even if such variation is in our interest. Further, we cannot assure you that our Promoters or the controlling shareholders will have adequate resources at their disposal at all times to enable them to provide an exit opportunity at the price which may be prescribed by SEBI.

Accordingly, prospective investors in the Issue will need to rely upon our management's judgment with respect to the use of Net Proceeds. If we are unable to enter into arrangements for utilization of Net proceeds as expected and assumed by us in a timely manner or at all, we may not be able to derive the expected benefits from the proceeds of the Issue and our business and financial results may suffer.

**20. *We sell our products in 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.***

The steel trading industry is highly competitive, coupled with the large number of players and also the existence of unorganised players. Also, several national and international steel manufacturers and brand owners have set-up their own distribution arms / have distribution tie-ups in India. With the high level of competition, our results of operations are sensitive to, and may be materially and adversely affected by, competitive pricing, services offered, brand recognition and other factors. Competition may result in pricing pressure, reduced profit margin or a failure to increase our market share, any of which could substantially harm our business and results of our operations.

We compete directly against national and local distributors of a variety of steel products, who are traders with substantial market share as well as established dealers of the manufacturers themselves with an increased access to stockist network as well as retailers and regional competitors in each of the region of our trade. Many of our competitors are established companies with strong brand recognition and a high number of product distribution agreements. Also, the steel distribution industry is fragmented in various regions of the country and many unorganized and local traders have a considerable market share. We compete primarily on the basis of timely delivery, quality, quick financing and overall customer relationship. In order to compete effectively, we must continue to maintain and develop our business model and reputation, enter into product distributor agreement / MoUs with renowned brands, including timely renewals and be flexible and innovative in responding to rapidly changing market demands and customer preferences and offer customers a wide variety of good quality products at competitive prices.

Many of our competitors have significant competitive advantages, including longer operating histories, larger and broader customer base, more established relationships with a broader set of steel manufacturer agreements and greater financial, research and development, marketing, distribution budgets and other resources than we do. The number of our direct competitors and the intensity of competition may increase as we expand into other product lines or as other smaller traders expand into other product lines. Our competitors may enter into business combinations or alliances. Our competitors may also be able to respond more quickly and effectively than we do to



new or changing opportunities, technologies, trends or customer preferences, which could result in a decline in our revenues. There can be no assurance that we can effectively compete with our competitors in the future, and any such failure to compete effectively may have a material adverse effect on our business, financial condition and results of operations.

**21. We constantly face a credit risk which may in turn affect our complete buying cycle adversely.**

As a trading Company, our primary competence is the ability to market various categories of products in bulk quantities across Pan India and hence exploit the benefits of variety, economies of scale and credit shortage in the market. Our requirement of working capital is high mainly due to our ability to outright purchase and deliver huge amount of goods, thus relieving the vendor / manufacturer of its cost and storage issue. This stock is then sold by us to customers in various regions in India according to their demand and consequent orders places with us. In order to maintain trading relations and manage competition, we provide medium-term to long-term credit facilities to these customers. Our current Debtors turnover period is an average 65 days, depending on our relation with that customer. On the other hand, our suppliers are paid almost immediately i.e. within 1-2 days, depending on our trade relations and quantity of the order, thus leading to a high working capital gap.

Our aforementioned buying cycle is heavily dependent on timely payments being received from our customers who are situated in different parts of the country. If there is a default in payment from any of our customer or there is any unforeseeable delay in payment, our working capital cycle will be adversely affected. This may lead to our inability to extend further advance payments to our suppliers and thus lack the competitive advantage against our competitors leading to an adverse effect on our business operations and profitability.

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

We are a trading Company engaged in the sale and distribution of various structural and flat steel products. We sell our products to various industry segments mainly including engineering, infrastructure, construction and automobiles companies, to name a few, at various locations in India For the financial years ended March 31, 2019 and March 31, 2018, our top ten (10) customers accounted for approximately 20% and 21% of our total revenues. The loss of a significant customer would have a material adverse effect on our financial results. A significant number of our customers are big multinational companies having multiple suppliers for their products and we cannot assure you that we can maintain our current levels of business from these customers or that we will be able to replace these customers in case we lose any of them. Also, any attempt to lower our dependence on our top customers, might expose us to credit risks and also affect our logistical set-up that we have with the existing customers. Furthermore, major events affecting our customers, such as bankruptcy, change of management, change in their country's policy and business framework, mergers and acquisitions, etc. could adversely impact our business. If any of our major customers becomes bankrupt or insolvent, we may lose some or all of our business from that customer and our receivable from that customer would increase and may have to be written off, adversely impacting our income and financial condition.

**23. Our Company has reported certain negative cash flows from its operating activity, investing activity and financing activity, details of which are given below. Sustained negative cash flow could impact our growth and business**

Our Company had reported certain negative cash flows from our operating activities, investing activities and financing activities in the previous three (3) years as per the restated financial statements and the same are summarised as under:

(₹ in lakhs)

Particulars	For the year ended		
	2019	2018	2017
Cash flow from Operating Activities	(571.23)	(1,739.74)	(28.25)
Cash flow from Investing Activities	(122.73)	(125.05)	1160.45
Cash flow from Financing Activities	711.61	1,861.24	(1,179.65)

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 adversely affect our business and financial operations.



**24. *Changes in pricing policy of various brands and products by the original manufacturer may affect the pricing for the goods acquired by us for distribution as we may not be able to always absorb the same.***

We enter into distribution agreements and MoUs with various steel product manufacturer and sell them to various customers who are spread across industry segments like EPC, infrastructure, construction, automobiles, etc. These steel manufacturer agreements / MoUs have a specific pricing clause and our Company is required to price the goods to our customers in accordance with the set terms. However, the original manufacturers may change the pricing of their products due to conditions inherent to their operations, which may affect our ability to sell the goods. If the price is lowered by the original manufacturers, we may have to lower the price too, thus affecting our profitability and financial results. Further, we are not able to lower the price simultaneously; our customers may opt for our competitors who were able to absorb the price reduction. This may affect not only our current transaction, but also our future relation with these customers, as they may prefer our competitors for all their future trades. Losing our customers could adversely affect our business operations and financial condition.

Further, in case of a price hike by the original manufacturers, we may not be able to successfully replicate the said hike, due various reasons like earlier commitments given to our customers, deals signed before the price hike information was received and / or to stay ahead in the competitive market scenario. In any of the above cases, we stand to lose the opportunity to improve our margins and our profitability. Also, the original manufacturers may object to our selling the product at a lower cost, thus affecting their brand image. The vendors may terminate our supply agreement or may not be willing to renew the same upon expiration, both of which will adversely affect our ability to maintain the supply and also lose the product category as part of our product portfolio. If any of the above were to occur, it may affect our liquidity and our ability to finance planned product and geographical expansion and our business operations and financial condition will be negatively affected.

**25. *Orders placed by customers may be delayed, modified, cancelled or not fully paid for 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 traded products, or executing it on a timely basis. Moreover, factors beyond our control or the control of our customers, including delays or failure to obtain necessary permits, authorizations, permissions and other types of difficulties or obstructions, may result in the postponement of the delivery of products or cause its cancellation. Further, even though we may finalise the deal order with our customers, the order could be cancelled or there could be changes in scope and / or scheduled delivery of the products. Accordingly, it is difficult to predict with certainty if, when, and to what extent the delivery of the orders placed will be made. Failure to deliver products on time could lead to customers delaying or refusing to pay the amount, in part or full, which may adversely affect our business.

In addition, even where a delivery proceeds as scheduled, it is possible that the contracting parties may default or otherwise fail to pay amounts owed. While we have not yet experienced any material delay, reduction in scope, cancellation, execution difficulty, delay or default in payment with regard to the orders placed with us, or any material disputes with customers in respect of any of the foregoing, any such adverse event in the future could materially harm our cash flow position and income. Any delay, modification, cancellation of order by our large customers may have material adverse effect on our financial condition and results of operations.

**26. *We have availed of certain loans from Banks, pursuant to the Financing Agreements that we have entered into with them. Pursuant to the terms of such agreements, we require consents from the respective Bankers for a number of corporate actions, including for undertaking this Issue & repayment of unsecured loan, which have not been obtained as on date. Any failure to obtain such consents on a timely basis may result in a delay in the Issue.***

Pursuant to the Financing Agreements entered into by us with the Bankers, we are required to obtain consents from the respective Bankers to undertake certain actions, including this Issue and for completion of the requirements pertaining to this Issue. Though, we have informed our bankers orally of our intention to undertake this Issue, we have not obtained consents from these bankers and the same are awaited. Also, our bankers have specific negative covenant for re-payment of unsecured loans taken from Directors & their relatives, which is the proposed object of this Issue. However, considering that the repayment of the loan as per the proposed objects of this Issue, we are increasing our equity capital & networth, it would not make a material difference to the Bankers and hence we believe that the Bankers shall provide their NoC and / or Consent for the same on a timely manner. While our Company intends to obtain all the necessary NoC and / or consents in relation to this Issue from our bankers prior to the filing of the Prospectus with the RoC, any delay in obtaining the same may result in delay in undertaking this Issue, thus affecting our future plans and strategies.



**27. *There are various negative covenants in the sanction letters issued to us by our lenders, which could put us at a competitive disadvantage and could have an adverse effect on our business, results of operations and financial condition.***

The sanction letter issued to us contains provisions that restrict our ability to do, among other things, any of the following:

- To make any change in the constitution without the prior written Consent.
- To avail any loan from any Bank or financial institution which increases indebtedness beyond permitted limits without the prior written consent.
- To create or allow to exist any encumbrance or security over assets specifically charged with the bank, without any prior written consent.
- To have any additional current accounts with other Banks, without the knowledge and written consent of the Bank;
- To declare dividends/ withdraw any amount in any form of salary/ remuneration by the Promoter/ Directors in case of overdue with the Bank.
- To change directors/ ownership/ Promoter/ major shareholders without the written consent of the Bank.
- To utilize the funds for the purposes other than for which they have been lent without prior written Consent.

Further the Company has created a charge on its assets in favour of their bankers against the assets of the Company. In case of default by the Company in repayment of the loans, bankers may exercise their rights over the security, which may be detrimental to the interest of the Company. For details, please refer "*Financial Indebtedness*" on page no. 164 of this Prospectus.

Also, we are required to obtain the required consents of the lenders before undertaking certain significant corporate actions. We cannot assure you that the lenders will grant the required approvals in a timely manner, or at all. The time required to secure consents may hinder us from taking advantage of a dynamic market environment. In addition to the restrictions listed above, we are required to maintain certain financial ratios under our financing agreements. These financial ratios and the restrictive provisions could limit our flexibility to engage in certain business transactions or activities.

Additionally, our borrowings are secured by our movable, immovable or tangible assets (whether existing or future) and by a personal guarantee of our Promoters / Promoter Group. Such securities enable the lenders to cancel any outstanding commitments, accelerate the repayment, exercise cross default provisions and enforce their security interests on the occurrence of events of default such as a breach of financial covenants, failure to obtain the proper consents, failure to perfect security as specified and such other covenants that are not cured. It is possible that we may not have sufficient funds upon such an acceleration of our financial obligations to pay the principal amount and interest in full. Further, if we are forced to issue additional equity to the lenders, your ownership interest in our Company will be diluted. It is also possible that future financing agreements may contain similar or more onerous covenants and may also result in higher interest cost.

If any of these events were to occur, our business, results of operations and financial condition may be adversely affected.

**28. *We are required to incur substantial expenditure for our business operations and if we are not able to manage our financial requirements in the future, we may be required to obtain additional financing which may not be on terms commercially acceptable to us.***

We are required to incur substantial expenditure for conducting our business operations primarily in relation to making payments to our suppliers who extend limited credit period to us. The actual amount and timing of our future capital requirements may differ from estimated requirements as a result of, amongst other things, unforeseen delays in obtaining orders, confirmation of required products and brands from our suppliers, price fluctuations in various products and brands, changes in business plans due to prevailing economic conditions, unanticipated expenses and regulatory changes in the States of our trade. If we are not able to manage our financial requirements



from our internal accruals in the future, we may be required to seek additional debt or equity financing. Additional debt financing could increase our interest costs and require us to comply with various restrictive covenants that are generally part of such financing agreements. Additional equity financing could dilute our earnings per Equity Share and your interest in the Company, and could adversely impact the price of our Equity Share.

Our ability to obtain additional financing on favourable terms, if at all, will depend on a number of factors. We cannot assure you that we will be able to raise additional financing on acceptable terms in a timely manner or at all which could adversely impact our planned capital expenditure and our business.

- 29. We are yet to make an application seeking registration of trademark of our “”. There is no assurance that this application shall result in us being granted registration in a timely manner. Failure to protect our intellectual property may adversely affect our reputation, goodwill and business operations**

We have not yet applied for registration of our name and logo under the provisions of the Trademarks Act, 1999. As such, we do not enjoy the statutory protection accorded to a registered trademark as on date. There can be no assurance that we will be able to register the trademark 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.

- 30. Conflicts of interest may arise out of common business undertaken by our Company and our Promoter Group Entities.**

Certain of our Promoter Group entities, including partnership firms; M/s. Hariom Steels and M/s. Jatin Kishir & Co, are authorized by their charters / memorandum to carry similar activities as those conducted by our Company. Though, these Promoter Group firms may not have the exact product range, client base and supplier network as our Company, however they are authorised by their respective charters to carry the same business. As a result, conflicts of interests may arise in allocating business opportunities amongst our Company and our Promoter Group entities in circumstances where our respective interests diverge. In cases of conflict, our Promoters may favour other firms in which our Promoters or their immediate relatives have interests. There can be no assurance that our Promoters or members & entities of our Promoter Group will not compete with our existing business or any future business that we may undertake or that their interests will not conflict with ours. Any such present and future conflicts could have a material adverse effect on our reputation, business, results of operations and financial condition.

- 31. We are dependent on certain steel manufacturers / steel brand for promotion of our products. An inability by the manufacturer / brand owners to adequately promote its products and / or adequately protect its trademarks may result in loss of goodwill and business and adversely affect our business prospects, results of operations and financial condition.**

Our Company is engaged in the business of distribution various types of steel products, including structural steel and flat steel products. We have entered into distribution agreements / MoUs with several of our suppliers for different products. For e.g. We procure TMT Bars from Jindal Steel and Power Ltd. (JSPL) under its brand name of Panther TMT. Though we sell the product under the brand name panther TMT, we do not directly undertake any branding activity for such product. The owner of the brand, or in this case JSPL, is primarily responsible for consumer marketing and brand promotion. Currently, while do not make any contribution to the brand marketing costs, we could be asked in future by these brand owners / manufacturers to share such expenses. We are under no obligation to make such contribution or maintain funding levels in future, and our ability to expand our product range would depend on product expansion strategy carried out by the brand owners.

Further, if there is a slowdown in the demand of this product or a negative publicity of the product due to various reasons beyond our control, then we may not be able to sell our existing stock, or may have to sell it at prices below our purchase prices, leading to loss or write-offs. A decrease in marketing efforts and expenditure by brand owners / manufacturers, in contribution to its marketing plan or in its commitment to the development and introduction quality products may adversely affect our business prospects, results of operations and financial condition.

**32. Our Group Company(s) have incurred losses during the last three financial years**

Our Group Company has incurred losses in one out of the last three financial years, details of which are as under:

(₹ in lakhs)

Name of the Company	March 31, 2019	March 31, 2018	March 31, 2017
Mobi Realtors Private Limited	-	(0.09)	(8.69)

**33. Our Promoters together with our Promoter Group will continue to retain majority shareholding in our Company subsequent to the Issue, which will allow them to exercise significant influence over our Company. We cannot assure you that our Promoters and/or our Promoter Group will always act in our Company's or your best interest.**

Currently 100% of our issued and outstanding Equity Shares are beneficially owned by our Promoters and our Promoter Group. Upon completion of the Issue, our Promoters and Promoter Group will own 1,00,00,400 Equity Shares, or 73.53% of our post-Issue Equity Share capital. Accordingly, our Promoters and Promoter Group will continue to exercise significant influence over our business policies and affairs and all matters requiring shareholders' approval, including the composition of our Board, the adoption of amendments to our memorandum and articles of association, the approval of mergers, strategic acquisitions or joint ventures or the sales of substantially all of our assets, and the policies for dividends, lending, investments and capital expenditures. This concentration of ownership also may delay, defer or even prevent a change in control of our Company and may make some transactions more difficult or impossible without the support of these shareholders. The interests of the Promoters and Promoter Group as our Company's controlling shareholders could conflict with our Company's interests or the interests of its other shareholders. We cannot assure you that the Promoters and Promoter Group will act to resolve any conflicts of interest in our Company's or the shareholders favour.

**34. Our Company might be unable to meet certain delivery obligations including timelines of delivery, due to which, it could become liable to claims by customers, suffer adverse publicity and incur substantial costs, which in turn could adversely affect our results of operations.**

We are involved in the trading of various steel products and we deliver the same. Many of our orders involve providing services that are critical to the operations of our customers business. Any failure or defect in services could result in a claim against us for substantial damages, regardless of our responsibility for such a failure or defect. Our Company has commitments for safe and timely delivery of the products. Any failure to meet the scheduled timelines set by our customers or loss or damage to cargo may lead to our customers raising claims against us. Although Our Company is attempting to limit its contractual liability for all the damages, including consequential damages, while rendering the services, our Company cannot be assured that the limitations on liability it provides for, in the service contracts will be enforceable in all cases.

**35. Some of the properties mortgaged for our secured loans do not belong to us and are owned by our Promoters / Promoter Group. Further, our Promoters / Directors have extended personal guarantees in connection with our debt facilities. There can be no assurance that such properties and personal guarantees will be continued to be provided by our Promoters / Promoter Group & Directors in the future or can be called at any time, affecting our financial condition.**

Our Company has obtained Working Capital loans from banks for a total loan sanction amount of ₹ 6,800 lakhs. The said loan amount is secured by various immovable properties, some of which are not owned by our Company. These properties are owned by our Promoters and Promoter Group entities. If our Promoters / Promoter Group withdraw, sell or dispose off, any of these properties or decide not to continue as a security for our loan due to any reason, we may require alternative properties of an equal or greater value. We cannot assure you that we will be able to acquire such a property within reasonable time and of the desired value or at all. If we are unable to arrange suitable collateral within the stipulated time, we may be required to repay a substantial portion of the loan. In order to arrange for collateral, we may have to acquire properties at commercially unviable terms or with unviable prospects, which may lead to a large capital out flow, adversely affecting our cash flow condition and financial stability.

Further, our Promoters / Directors have provided personal / corporate guarantees for the above mentioned borrowings to secure our loans. If these personal / corporate guarantees are revoked, our lenders may require alternative guarantees or collateral or cancellation of such facilities, entailing repayment of amounts outstanding under such facilities. If we are unable to procure alternative guarantees satisfactory to our lenders, we may need to seek alternative sources of capital, which may not be available to us at commercially reasonable terms or at all, or



to agree to more onerous terms under our financing agreements, which may limit our operational flexibility. Accordingly, our business, financial condition, results of operations, cash flows and prospects may be adversely affected by the revocation of all or any of the personal guarantees provided by our Promoters / Directors in connection with our Company's borrowings.

**36. *Employee misconduct, errors or fraud could expose us to business risks or losses that could adversely affect our business prospects, results of operations and financial condition.***

Employee misconduct, errors or frauds could expose us to business risks or losses, including regulatory sanctions, penalties and serious harm to our reputation. Such employee misconduct includes breach in security requirements, misappropriation of funds, hiding unauthorized activities, failure to observe our operational standards and processes, and improper use of confidential information. It is not always possible to detect or deter such misconduct, and the precautions we take to prevent and detect such misconduct may not be effective. In addition, losses caused on account of employee misconduct or misappropriation of petty cash expenses and advances may not be recoverable, which we may result in write-off of such amounts and thereby adversely affecting our results of operations. Our employees may also commit errors that could subject us to claims and proceedings for alleged negligence, as well as regulatory actions in which case, our reputation, business prospects, results of operations and financial condition could be adversely affected.

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

Our business and assets could suffer damage from fire, natural calamities and the goods transported to our customers by our supplier could suffer from damage, misappropriation or other causes, resulting in losses, which may not be covered / fully compensated by insurance. Legal proceedings or other actions may be initiated against us or any of our employees for acts and conduct of our employees which may occur due to various reasons including misconduct with customers. In the event of personal injuries, damage or other accidents suffered by our employees or our customers or other people, we could face claims alleging that we were negligent, provided inadequate supervision or be otherwise liable for the injuries. Our principal types of insurance coverage include standard fire and special perils policy and vehicle policy for registered office and cranes at the godown.

While we believe that the insurance coverage which we maintain would be reasonably adequate to cover the normal risks associated with the operation of our businesses, we cannot assure you that any claim under the insurance policies maintained by us will be honored fully, in part or on time, or that we have taken out sufficient insurance to cover all our losses. 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, or successful assertion of one or more large claims against us for events for which we are not insured, or for which we did not obtain or maintain insurance, or which is not covered by insurance which 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, financial performance and cash flows could be adversely affected. For further details on our insurance arrangements, see "Insurance – Our Business" on page no. 82 of this Prospectus.

**38. *We have not made any alternate arrangements for repaying the unsecured loans for the Objects of the Issue. Further we have not identified any alternate source of financing the 'Objects of the Issue'. Any shortfall in raising / meeting the same could adversely affect our growth plans, operations and financial performance.***

As on date, we have not made any alternate arrangements for repaying our unsecured loans as per the Objects of the Issue. Over the period of time, we have met our capital requirements through Director / Promoters' unsecured loans. Any shortfall in our net cash flows, internal accruals and our inability to raise institutional debt in future would result in us being unable to repay these unsecured loans, which are repayable on demand, which in turn may increase our financial costs, affect our Promoter's / Director's liquidity and restrict future funding from our Directors in urgent situations, thus negatively affecting our financial condition and results of operations. Further we have not identified any alternate source of funding and hence any failure or delay on our part to raise money from this Issue or any shortfall in the Issue Proceeds may delay the implementation schedule and could adversely affect our growth plans. For further details please refer "Objects of the Issue" on page no. 60 of this Prospectus.



- 39. *Certain agreements may be inadequately stamped or may not have been registered as a result of which our operations may be adversely affected.***

Few of our agreements may not be stamped adequately or registered. The effect of inadequate stamping is that the document is not admissible as evidence in legal proceedings and parties to that agreement may not be able to legally enforce the same, except after paying a penalty for inadequate stamping. The effect of non registration, in certain cases, is to make the document inadmissible in legal proceedings. Any potential dispute due to non-compliance of local laws relating to stamp duty and registration may adversely impact the operations of our Company.

- 40. *The requirements of being a public listed company may strain our resources and impose additional requirements.***

With the increased scrutiny of the affairs of a public listed company by shareholders, regulators and the public at large, we will incur significant legal, accounting, corporate governance and other expenses that we did not incur in the past. We will also be subject to the provisions of the listing agreements signed with the Stock Exchange(s) which require us to file unaudited financial results on a half yearly basis. In order to meet our financial control and disclosure obligations, significant resources and management supervision will be required. As a result, management's attention may be diverted from other business concerns, which could have an adverse effect on our business and operations. There can be no assurance that we will be able to satisfy our reporting obligations and/or readily determine and report any changes to our results of operations in a timely manner as other listed companies. In addition, we will need to increase the strength of our management team and hire additional legal and accounting staff with appropriate public company experience and accounting knowledge and we cannot assure that we will be able to do so in a timely manner.

#### **RISK FACTORS RELATED TO EQUITY SHARES**

- 41. *The Equity Shares issued pursuant to the Issue may not be listed on the Stock Exchange(s) in a timely manner, or at all, and any trading closures at the Stock Exchange(s) may adversely affect the trading price of our Equity Shares.***

In accordance with Indian law and practice, permission for listing and trading of the Equity Shares issued pursuant to the Issue will not be granted until after the Equity Shares have been issued and allotted. Approval for listing and trading will require all relevant documents authorising the issuing of Equity Shares to be submitted and there could therefore be a failure or delay in listing the Equity Shares on the Stock Exchanges. Any failure or delay in obtaining such approval would restrict your ability to dispose of your Equity Shares.

The regulation and monitoring of Indian securities markets and the activities of investors, brokers and other participants differ, in some cases significantly, from those in developed economies. The Stock Exchanges have in the past experienced problems, including temporary exchange closures, broker defaults, settlements delays and strikes by brokerage firm employees, which, if continuing or recurring, could affect the market price and liquidity of the securities of Indian companies, including the Equity Shares, in both domestic and international markets. A closure of, or trading stoppage on, either of the Stock Exchanges could adversely affect the trading price of the Equity Shares.

- 42. *Any further issuance of Equity Shares by our Company or sales of Equity Shares by any significant shareholders may adversely affect the trading price of the Equity Shares***

Any future issuance of Equity Shares by our Company could dilute the investors' shareholding. Any such future issuance of Equity Shares or sales of Equity Shares by any of our significant shareholders may also adversely affect the trading price of the Equity Shares, and could impact our ability to raise capital through an offering of securities. In addition, any perception by investors that such issuances or sales might occur could also affect the trading price of the Equity Shares.

- 43. *There is no existing market for our Equity Shares, and we do not know if one will develop. Our stock price may be highly volatile after the Issue and, as a result, you could lose a significant portion or all of your investment***

There is no guarantee that our Equity Shares will be listed on the Stock Exchanges in a timely manner or at all and any trading closures at the Stock Exchanges may adversely affect the trading price of our Equity Shares. Prior to the Issue, there has not been a public market for the Equity Shares. Further, we cannot predict the extent to which



investor interest will lead to the development of an active trading market on the Stock Exchanges or how liquid that market will become. If an active market does not develop, you may experience difficulty selling the Equity Shares that you purchased. The Issue Price is not indicative of prices that will prevail in the open market following the Issue. Consequently, you may not be able to sell your Equity Shares at prices equal to or greater than the Issue Price. The market price of the Equity Shares on the Stock Exchanges may fluctuate after listing as a result of several factors, including the following:

- Volatility in the Indian and other Global Securities Markets;
- The performance of the Indian and Global Economy;
- Risks relating to our business and industry, including those discussed in this Prospectus;
- Strategic actions by us or our competitors;
- Investor perception of the investment opportunity associated with the Equity Shares and our future performance;
- Adverse media reports about us, our shareholders or Group Companies;
- Future sales of the Equity Shares;
- Variations in our half-yearly results of operations;
- Differences between our actual financial and operating results and those expected by investors and analysts;
- Our future expansion plans;
- Perceptions about our future performance or the performance of steel manufacturing and distribution companies generally;
- Performance of our competitors in the steel trading and distribution industry and the perception in the market about investments in the Trading sector;
- Significant developments in the regulation of the trading and distribution industry in our key trade locations;
- 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 has been significant volatility in the Indian stock markets in the recent past, and our Equity Share.

Price could fluctuate significantly as a result of market volatility. A decrease in the market price of the Equity Shares could cause you to lose some or all of your investment.

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

The price of the Equity Shares will be subject to a daily circuit breaker imposed by all stock exchanges in India which does not allow transactions beyond a certain level of volatility in the price of the Equity Shares. This circuit breaker operates independently of the index-based market-wide circuit breakers generally imposed by the SEBI on Indian stock exchanges. The percentage limit on our circuit breaker is set by the stock exchanges based on the historical volatility in the price and trading volume of the Equity Shares. The stock exchanges do not inform us of the percentage limit of the circuit breaker from time to time, and may change it without our knowledge. This circuit breaker effectively limits upward and downward movements in the price of the Equity Shares. As a result, shareholders' ability to sell the Equity Shares, or the price at which they can sell the Equity Shares, may be adversely affected at a particular point in time.

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

Under current Indian tax laws and regulations, capital gains arising from the sale of equity shares in an Indian company are generally taxable in India. Any gain realized on the sale of listed equity shares on a stock exchange held for more than 12 months will not be subject to capital gains tax in India, upto an amount of ₹ 1 lakh, if Securities Transaction Tax ("STT") has been paid on the transaction. STT will be levied on and collected by a domestic stock exchange on which the equity shares are sold. Any gain realized on the sale of equity shares held for more than 12 months to an Indian resident, which are sold other than on a recognized stock exchange and on which no STT has been paid, will be subject to long term capital gains tax in India. Further, any gain realized on the sale of listed equity shares held for a period of 12 months or less will be subject to short term capital gains tax in India. Capital gains arising from the sale of the Equity Shares will be exempt from taxation in India in cases where the exemption from taxation in India is provided under a treaty between India and the country of which the seller is 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 jurisdiction on a gain upon



the sale of the Equity Shares. In addition, changes in the terms of tax treaties or in their interpretation, as a result of renegotiations or otherwise, may affect the tax treatment of capital gains arising from a sale of Equity Shares.

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

We are a Steel trading company. Our future ability to pay dividends will depend on the earnings, financial condition and capital requirements of our Company. Dividends distributed by us will attract dividend distribution tax at rates applicable from time to time. We cannot assure you that we will generate sufficient income to cover our operating expenses and pay dividends to our shareholders, or at all.

Our business is working capital intensive and we may plan to invest additional working capital expenditures to effect purchase of inventory or pay creditors. Our ability to pay dividends could also be restricted under certain financing arrangements that we may enter into. We may be unable to pay dividends in the near or medium term, and our future dividend policy will depend on our capital requirements and financing arrangements for the products proposed to be purchased, financial condition and results of operations.

## **EXTERNAL RISK FACTORS**

**47. *Any change in the government policies in India or that of any State in India vis-à-vis expenditure, subsidies and policies etc. in the trading sector and also in various other rules in India could affect our ability to carry on our trade, thereby affecting our business and profitability.***

Any changes in government policies in India or that of any State in India, relating to the steel industry and also the distribution and trading industry such as reduction of government expenditure, withdrawal or changes in incentives and subsidy systems, or adverse changes in overall prices and / or minimum support prices could have an adverse effect on the ability of various traders and stockists to spend on a large variety of traded products.

Our ability to exploit the prices for different products used in a varied industry segments may be restricted by the various government policies and restrictions and our profits may be affected accordingly. End users of our various steel products may seek to find ways to reduce or contain related costs. We cannot predict the nature of the measures that may be adopted by governments or private organisations or their impact on our revenues. In the event such measures result in increased costs for our suppliers to undertake the trading activity, their concentration in this area may reduce which could affect our supply chain and our overall revenues may decrease and our cash flows and profits could be adversely affected even in cases where the demand for our products increases.

**48. *Surge in cheap imports have led to increased pressure on domestic steel trading companies.***

Domestic producers and traders are suffering from pressure of a rise in cheap imports and low domestic steel prices, which threatens to wipe out the healthy profits made in the past years, happening due to the existing US-China trade war. The steel companies have had to communicate with the Government and the Ministry multiple times over the issue of dumping of various grades of low cost steel into Indian market by countries like China, Japan, South Korea and Vietnam, and stealing market share.

The Companies and the Government are trying to protect our borders by making sure that goods which enter into India are not disrupting the prices as well as the quality of the goods and hurting the domestic steel industry. Hence, Indian Government has been monitoring the impact of imported cheaper steel from China on domestic industry. In a bid to support use of locally made steel, the ministry has urged automakers to cut imports from Japan and Korea.

We cannot ensure that any of the Government's initiative towards this issue will reduce the pressure on the Company in the future. The availability of cheaper imported steel may lead to a reduction in demand of our traded goods and further affect our operations.

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

Our business and financial performance could be adversely affected by unfavourable changes in or interpretations of existing, or the promulgation of new laws, rules and regulations applicable to us and our business. Please refer to "Key Industry Regulations and Policies" on page no. 96 of this Prospectus for details of the laws currently



applicable to us. There can be no assurance that the Government of India may not implement new regulations and policies which will require us to obtain approvals and licenses from the Government of India and other regulatory bodies or impose onerous requirements and conditions on our operations. Any such changes and the related uncertainties with respect to the applicability, interpretation and implementation of any amendment to, or change to governing laws, regulation or policy in the jurisdictions in which we operate may have a material adverse effect on our business, financial condition and results of operations. In addition, we may have to incur expenditures to comply with the requirements of any new regulations, which may also materially harm our results of operations. Any unfavourable changes to the laws and regulations applicable to us could also subject us to additional liabilities.

The application of various Indian tax laws, rules and regulations to our business, currently or in the future, is subject to interpretation by the applicable taxation authorities. If such tax laws, rules and regulations are amended, new adverse laws, rules or regulations are adopted or current laws are interpreted adversely to our interests, the results could increase our tax payments (prospectively or retrospectively) and/or subject us to penalties. Further, changes in capital gains tax or tax on capital market transactions or sale of shares could affect investor returns. As a result, any such changes or interpretations could have an adverse effect on our business and financial performance.

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

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

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

While facts and other statistics in this Prospectus relating to India, the Indian economy and the Steel industry, including its trading and distribution, has been based on various publications and reports from agencies that we believe are reliable, we cannot guarantee the quality or reliability of such materials. While we have taken reasonable care in the reproduction of such information, industry facts and other statistics have not been prepared or independently verified by us or any of our respective affiliates or advisors and, therefore we make no representation as to their accuracy or completeness. These facts and other statistics include the facts and statistics included in the chapter titled 'Our Industry' beginning on page no. 70 of this Prospectus. Due to possibly flawed or ineffective data 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 we have placed our reliance on the such publically available data.

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

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

**53. *Terrorist attacks, civil unrest and other acts of violence or war involving India and other countries could adversely affect the financial markets and our business.***

Terrorist attacks and other acts of violence or war in any region of our trade may negatively affect the Indian markets on which our Equity Shares will trade and also adversely affect the worldwide financial markets. These acts may also result in a loss of business confidence, impede travel and other services and ultimately adversely affect our business. In addition, any deterioration in relations between India and Pakistan might result in investor concern about stability in the region, which could adversely affect the price of our Equity Shares.



India, Africa and Middle East are regions that have witnessed civil disturbances in recent years and it is possible that future civil unrest as well as other adverse social, economic and political events in any such region could have a negative impact on the value of business and eventually the price of our Equity Shares. Such incidents could also create a greater perception that investment in Indian companies involves a higher degree of risk and could have an adverse impact on our business and the price of our Equity Shares.

**54. Significant differences exist between Indian GAAP and other accounting principles, such as US GAAP and IFRS, which may be material to investors' assessments of Our Company's financial condition. Our failure to successfully adopt IFRS may have an adverse effect on the price of our Equity Shares. The proposed adoption of IFRS could result in our financial condition and results of operations appearing materially different than under Indian GAAP.**

Our financial statements, including the financial statements provided in this Prospectus, are prepared in accordance with Indian GAAP. We have not attempted to quantify the impact of IFRS or U.S. GAAP on the financial data included in this Prospectus, nor do we provide a reconciliation of our financial statements to those of U.S. GAAP or IFRS. U.S. GAAP and IFRS differ in significant respects from Indian GAAP. For details, see “*Presentation of Financial, Industry and Market Data*” on page no. 70 of this Prospectus. Accordingly, the degree to which the Indian GAAP financial statements included in this Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting practices. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Prospectus should accordingly be limited.

India has decided to adopt the “Convergence of its existing standards with IFRS” and not the “International Financial Reporting Standards” (“IFRS”), which was announced by the MCA, through the press note dated January 22, 2010. These “IFRS based / synchronized Accounting Standards” are referred to in India as IND (AS). Public companies in India, including our Company, may be required to prepare annual and interim financial statements under IND (AS). The MCA, through a press release dated February 25, 2011, announced that it will implement the converged accounting standards in a phased manner after various issues, including tax related issues, are resolved. Further, MCA Notification dated February 16, 2015, has provided an exemption to the Companies proposing to list their shares on the SME Exchange as per Chapter IX of the SEBI ICDR Regulations and hence the adoption of IND (AS) by a SME exchange listed company is voluntary. Accordingly, we have made no attempt to quantify or identify the impact of the differences between Indian GAAP and IFRS or to quantify the impact of the difference between Indian GAAP and IFRS as applied to its financial statements. There can be no assurance that the adoption of IND-AS will not affect our reported results of operations or financial condition. Any failure to successfully adopt IND-AS may have an adverse effect on the trading price of our Equity Shares. Currently, it is not possible to quantify whether our financial results will vary significantly due to the convergence to IND (AS), given that the accounting principles laid down in the IND (AS) are to be applied to transactions and balances carried in books of accounts as on the date of the applicability of the converged standards (i.e., IND (AS)) and for future periods.

Moreover, if we volunteer for transition to IND (AS) reporting, the same may be hampered by increasing competition and increased costs for the relatively small number of IND (AS)-experienced accounting personnel available as more Indian companies begin to prepare IND (AS) financial statements. Any of these factors relating to the use of converged Indian Accounting Standards may adversely affect our financial condition.

**55. Any downgrading of India's debt rating by a domestic or international rating agency could adversely affect our Company's business**

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

**56. Conditions in the Indian securities market and stock exchanges may affect the price and liquidity of our Equity Shares.**

Indian stock exchanges, which are smaller and more volatile than stock markets in developed economies, have in the past, experienced problems which have affected the prices and liquidity of listed securities of Indian companies. These problems include temporary exchange closures to manage extreme market volatility, broker



defaults, settlement delays and strikes by brokers. In addition, the governing bodies of the Indian stock exchanges have from time to time restricted securities from trading, limited price movements and restricted margin requirements. Further, disputes have occurred on occasion between listed companies and the Indian stock exchanges and other regulatory bodies that, in some cases, have had a negative effect on market sentiment. If similar problems occur in the future, the market price and liquidity of the Equity Shares could be adversely affected. Further, a closure of, or trading stoppage on, either of the Stock Exchanges could adversely affect the trading price of our Equity Shares.

**SECTION IV: INTRODUCTION  
THE ISSUE**

**PRESENT ISSUE IN TERMS OF THIS PROSPECTUS**

<b>Equity Shares<sup>(1)</sup> :</b> Present Issue of Equity Shares by our Company <sup>(2)</sup>	36,00,000 Equity Shares of ₹ 10 each for cash at a price of ₹ 44 per share aggregating ₹ 1584.00 lakhs
<b>Of which:</b>	
<b>Issue Reserved for the Market Maker</b>	1,92,000 Equity Shares of ₹ 10 each for cash at a price of ₹ 44 per share aggregating ₹ 84.48 lakhs
<b>Net Issue to the Public</b>	34,08,000 Equity Shares of ₹ 10 each for cash at a price of ₹ 44 per share aggregating ₹ 1499.52 lakhs
	<b>Of Which<sup>(3)</sup>:</b>
	17,04,000 Equity Shares of ₹ 10 each at a price of ₹ 44 per Equity Share will be available for allocation for Investors of up to ₹ 2.00 lakhs
	17,04,000 Equity Shares of ₹ 10 each at a price of ₹ 44 per Equity Share will be available for allocation for Investors of above ₹ 2.00 lakhs
<b>Equity Shares outstanding prior to the Issue</b>	1,00,00,400 Equity Shares
<b>Equity Shares outstanding after the Issue</b>	1,36,00,400 Equity Shares
<b>Objects of the Issue</b>	Please see the chapter titled “ <i>Objects of the Issue</i> ” beginning on page no. 60 of this Prospectus

<sup>(1)</sup> This issue is being made in terms of Chapter IX of the SEBI (ICDR) Regulations, 2018, as amended from time to time. For further details, please see the section titled “Issue Related Information” beginning on page no. 186 of this Prospectus.

<sup>(2)</sup> The present Issue has been authorized pursuant to a resolution of our Board dated May 24, 2019 and by Special Resolution passed under Section 62(1)(C) of the Companies Act, 2013 at an Extra-Ordinary General Meeting of our shareholders held with a shorter notice on May 28, 2019.

<sup>(3)</sup> The allocation’ is the net issue to the public category shall be made as per the requirements of Regulation 32(4) of SEBI (ICDR) Regulations, as amended from time to time:

a) Minimum fifty percent to retail individual investors; and

b) Remaining to

(i) Individual applicants other than retail individual investors; and

(ii) Other investors including corporate bodies or institutions, irrespective of the number of specified securities applied for;

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

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

For further details please refer to the chapter titled “Issue Structure” beginning on page no. 191 of this Prospectus.

## SUMMARY OF FINANCIAL INFORMATION

## STATEMENT OF ASSETS AND LIABILITIES, AS RESTATED

(₹ in lakhs)

Particulars	As at March 31,		
	2019	2018	2017
<b>EQUITY AND LIABILITIES</b>			
<b><u>Shareholders Funds</u></b>			
a. Share Capital	1,000.04	1,000.04	1,000.04
b. Reserves & Surplus	3,663.15	3,090.72	2,545.18
	<b>4,663.19</b>	<b>4,090.76</b>	<b>3,545.22</b>
<b><u>Non Current Liabilities</u></b>			
a. Long Term Borrowings	2,398.25	1,632.41	1,255.56
b. Long Term Provisions	32.81	21.32	31.07
	<b>2,431.06</b>	<b>1,653.73</b>	<b>1,286.62</b>
<b><u>Current Liabilities</u></b>			
a. Short Term Borrowings	5,288.50	4,678.64	2,720.83
b. Trade Payables	103.57	123.63	91.33
c. Other Current Liabilities	270.12	121.19	257.45
b. Short Term Provisions	305.55	257.91	112.35
	<b>5,967.73</b>	<b>5,181.37</b>	<b>3,181.95</b>
<b>TOTAL</b>	<b>13,061.98</b>	<b>10,925.87</b>	<b>8,013.79</b>
<b>ASSETS</b>			
<b><u>Non Current Assets</u></b>			
<b>a. Fixed Assets (Net Block)</b>			
i. Tangible Assets	855.18	816.88	833.38
ii. Intangible Assets	-	-	-
Gross Block	855.18	816.88	833.38
Less: Depreciation	325.81	274.56	231.01
Net Block	<b>529.36</b>	<b>542.32</b>	<b>602.37</b>
b. Non Current Investment	164.55	164.55	161.23
c. Deferred Tax Assets (Net)	18.72	18.64	9.71
d. Long Term Loans & Advances	119.17	38.17	310.85
<b><u>Current Assets</u></b>			
a. Inventories	4,452.57	3,718.96	2,818.11
b. Trade Receivables	6,639.69	5,732.02	3,994.41
c. Cash and Cash Equivalents	267.69	163.43	23.14
d. Short Term Loans & Advances	870.22	547.09	93.22
e. Other Current Assets	-	0.69	0.76
<b>TOTAL</b>	<b>13,061.98</b>	<b>10,925.87</b>	<b>8,013.79</b>

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

(₹ in lakhs)

Particulars	For the year ended March 31,		
	2019	2018	2017
<b>INCOME</b>			
Revenue from Operations	37,173.02	27,253.74	24,227.34
Other Income	556.02	535.00	673.05
<b>Total Income (A)</b>	<b>37,729.03</b>	<b>27,788.74</b>	<b>24,900.39</b>
<b>EXPENDITURE</b>			
Purchases	35,236.28	25,778.11	22,653.31
Changes in Inventory	(733.61)	(900.85)	(202.57)
Employee benefit expenses	361.42	365.42	208.30
Finance costs	664.08	473.43	405.98
Depreciation & amortization	64.50	68.18	75.94
Other Expenses	1,258.47	1,196.84	1,358.98
<b>Total Expenses (B)</b>	<b>36,851.14</b>	<b>26,981.13</b>	<b>24,499.94</b>
<b>Profit before extraordinary items and tax ( C)</b>	<b>877.89</b>	<b>807.61</b>	<b>400.45</b>
Prior period items (Net)	-	-	-
<b>Profit before exceptional, extraordinary items and tax (A-B)</b>	<b>877.89</b>	<b>807.61</b>	<b>400.45</b>
Exceptional items	-	-	-
<b>Profit before extraordinary items and tax</b>	<b>877.89</b>	<b>807.61</b>	<b>400.45</b>
Extraordinary items	-	-	-
<b>Profit before tax (D)</b>	<b>877.89</b>	<b>807.61</b>	<b>400.45</b>
<i>Tax expense :</i>			
(i) Current tax	305.55	271.00	113.00
(ii) MAT credit	-	-	-
(iii) Deferred tax	(0.08)	(8.93)	(5.69)
<b>Total Tax Expense (E)</b>	<b>305.47</b>	<b>262.07</b>	<b>107.31</b>
<b>Profit for the year (D-E)</b>	<b>572.43</b>	<b>545.54</b>	<b>293.15</b>

**CASH FLOW STATEMENT, AS RESTATED**
*( ₹ in lakhs)*

Particulars	For the year ended March 31,		
	2019	2018	2017
<b>Cash flow from operating activities:</b>			
Net Profit before tax as per Profit And Loss account	<b>877.89</b>	<b>807.61</b>	<b>400.45</b>
<u>Adjusted for:</u>			
Depreciation & Amortisation Exp.	64.50	68.18	75.94
Loss (Profit) on Sale of Assets	(0.06)	(1.07)	(145.15)
Interest Income	(12.73)	(27.95)	(54.84)
Rental Income from investment properties	(1.95)	(1.15)	-
Finance Cost	664.08	473.43	405.98
<b>Operating Profit Before Working Capital Changes</b>	<b>1,591.74</b>	<b>1,319.06</b>	<b>682.38</b>
<b>Adjusted for (Increase)/ Decrease in:</b>			
Trade receivable	(907.68)	(1,737.61)	(170.78)
Long Term Loans and advances	(81.00)	272.67	(288.18)
Short Term Loans and advances	(323.14)	(453.87)	215.26
Inventories	(733.61)	(900.85)	(202.57)
Trade Payables	(20.06)	32.30	(134.76)
Other Current Liabilities	148.92	(136.26)	142.77
Long Term provisions	11.49	(9.74)	(2.82)
Short term Provisions	47.64	145.56	(156.56)
<b>Cash Generated From Operations Before Extra-Ordinary Items</b>	<b>(265.69)</b>	<b>(1,468.74)</b>	<b>84.75</b>
Direct Tax Paid	305.55	271.00	113.00
<b>Net Cash Flow from/(used in) Operating Activities: (A)</b>	<b>(571.23)</b>	<b>(1,739.74)</b>	<b>(28.25)</b>
<b>Cash Flow From Investing Activities:</b>			
Net Additions of Fixed Assets	(51.79)	(12.51)	(50.09)
Sale of Fixed Assets (net)	0.94	4.46	1.57
Non-current investment	-	(3.32)	90.70
Investment in Fixed Deposit	(86.61)	(143.84)	918.27
Interest Income	12.73	27.95	54.84
Rental Income from investment properties	1.95	1.15	-
Profit on Sale of Assets	0.06	1.07	145.15
<b>Net Cash Flow from/(used in) Investing Activities: (B)</b>	<b>(122.73)</b>	<b>(125.05)</b>	<b>1,160.45</b>
<b>Cash Flow from Financing Activities:</b>			
Increase / (Decrease) in Long Term Borrowing	765.84	376.85	(788.29)
Increase / (Decrease) in Short Term Borrowing	609.85	1,957.82	14.62
Interest & Financial Charges	(664.08)	(473.43)	(405.98)
<b>Net Cash Flow from/(used in) Financing Activities ( C)</b>	<b>711.61</b>	<b>1,861.24</b>	<b>(1,179.65)</b>
<b>Net Increase/(Decrease) in Cash &amp; Cash Equivalents (A+B+C)</b>	<b>17.64</b>	<b>(3.55)</b>	<b>(47.46)</b>
<b>Cash &amp; Cash Equivalents As At Beginning of the Year</b>	<b>15.09</b>	<b>18.64</b>	<b>66.10</b>
<b>Cash &amp; Cash Equivalents As At End of the Year</b>	<b>32.73</b>	<b>15.09</b>	<b>18.64</b>
<u>Cash &amp; Cash Equivalents comprises of :</u>			
Cash in Hand	3.24	11.36	10.36
Bank Balance	<b>29.50</b>	<b>3.73</b>	<b>8.28</b>
Closing Balance of Cash & Cash Equivalents	<b>32.73</b>	<b>15.09</b>	<b>18.64</b>

**GENERAL INFORMATION**

Our Company was incorporated as Shiv Aum Steels Private Limited on March 11, 2002 under Companies Act, 1956 with a certificate of incorporation bearing Registration No. 135117 issued by the Registrar of Companies, Mumbai. Subsequently the name of the Company was changed to Shiv Jagannath Steel Private Limited pursuant to a fresh certificate of Incorporation dated September 25, 2009. Further, the name of our Company was changed to Shiv Aum Steels Private Limited pursuant to a fresh certificate of Incorporation dated March 9, 2011. Subsequently, Our Company was converted to Public Company pursuant to a shareholders resolution dated April 22, 2019, and the name was changed to Shiv Aum Steels Limited. A fresh certificate of incorporation consequent upon conversion was granted to our Company on April 26, 2019 by the Registrar of Companies, Mumbai.

The Corporate Identity Number of our Company is U27105MH2002PLC135117.

For further details, please refer to the chapter titled “*History and Certain Corporate Matters*” beginning on page no. 102 of this Prospectus.

**BRIEF COMPANY AND ISSUE INFORMATION**

<b>Registered Office</b>	<b>Address:</b> 515, The Summit Business Bay, Opp. Cinemax Western Express Way, A.K. Road , Andheri (East) Mumbai – 400 093. <b>Tel No:</b> +91 22 26827900 /01/02/03/04 <b>Email:</b> <a href="mailto:info@shivaumsteels.com">info@shivaumsteels.com</a> <b>Website:</b> <a href="http://www.shivaumsteels.com">www.shivaumsteels.com</a>
<b>Date of Incorporation</b>	March 11, 2002
<b>Company Registration No.</b>	135117
<b>Company Identification No.</b>	U27105MH2002PLC135117
<b>Address of Registrar of Companies</b>	Everest, 100, Marine Drive, Mumbai - 400 002 <b>Tel No.:</b> +91 22 2281 7259 / 2281 1493 <b>Fax No.:</b> +91 22 2281 2389
<b>Issue Programme</b>	Issue Opens on: September 19, 2019 Issue Closes on: September 23, 2019
<b>Designated Stock Exchange</b>	SME Platform of National Stock Exchange of India Limited i.e. NSE EMERGE
<b>Company Secretary &amp; Compliance Officer</b>	<b>Ms. Dhvani Vora</b> <b>Address:</b> 515, The Summit Business Bay, Opp. Cinemax Western Express Way, A.K. Road , Andheri (East) Mumbai – 400 093. <b>Tel No:</b> +91 22 26827900 /01/02/03/04 <b>Email:</b> <a href="mailto:info@shivaumsteels.com">info@shivaumsteels.com</a> <b>Website:</b> <a href="http://www.shivaumsteels.com">www.shivaumsteels.com</a>

**BOARD OF DIRECTORS OF OUR COMPANY**

The following table sets forth the Board of Directors of our Company:

<b>Name</b>	<b>Designation</b>	<b>Address</b>	<b>DIN</b>
Mr. Jatin Mehta	Whole-Time Director	3A, Akshay Anand, Junction Off 7th And 9th Road, Sandhuwadi, Chembur, Mumbai - 400071	00176438
Mr. Sanjay Bansal	Whole-Time Director	1201, Sapphire CHS, Plot no. 194 Main Avenue, Santacruz (west), Mumbai 400054.	00235509
Mr. Ajay Bansal	Whole-Time Director	Plot No 668, Flat No 201, La Roche CHS Ltd, 19 <sup>th</sup> Ambedkar Road, Near Beams Hospital Khar West, Mumbai – 400 052.	00365449
Mr. Rishabh Mehta	Whole-Time Director	3A, Akshay –Anand, 7 <sup>th</sup> Cross Road, Chembur East, Mumbai – 400 071	03024717
Mr. Utsav Bansal	Whole-Time Director	1201, Sapphire CHS, Main Avenue, Plot No. 194, Santacruz West, Mumbai – 400 054	03130373
Mr. Krishna Nagin Mehta	Whole-Time Director	101, 102, Trishul, 1C, Seven Bunglow, Opp Nana Nani Park, Andheri West, Mumbai – 400 061	03581129
Mrs. Vanita Bansal	Additional Non-Executive Director	1201, Sapphire CHS, Main Avenue, Plot No. 194, Santacruz West, Mumbai – 400 054	08426623
Mrs. Niyati Mehta	Additional Non-	3A, Akshay –Anand, 7 <sup>th</sup> Cross Road, Near Diamond	08424934



Name	Designation	Address	DIN
	Executive Director	Gardens, Chembur East, Mumbai – 400 071	
Mr. Sunil Sharma	Additional Non-Executive Independent Director	301, Nutan Priyadarshini Chs, Plot 87, Daulat Nagar, Next to Rajsthani Majid, Santacruz west, Mumbai – 400 054.	07797750
Mr. Govind Agrawal	Additional Non-Executive Independent Director	504, Blue Diamond, Juhu Road, Near SNTD College, Santacruz West, Mumbai – 400 049.	00191099
Mr. Mahendra Pandhi	Additional Non-Executive Independent Director	Amber Apartment, Plot No. 75, Road No. 26, Sion, Mumbai -400 022.	02730175
Mr. Suryakant Mehta	Additional Non-Executive Independent Director	Block No. 10/11, 131, Mani Bhavan 2 <sup>nd</sup> Floor, Road No-24, Jain Society, Opp Gurananak, High School, Sion (west), Mumbai - 400022	00282725

For further details pertaining to the educational qualification and experience of our Directors, for details please refer to the chapter titled “Our Management” beginning on page no. 106 of this Prospectus.

*Investors can contact the Compliance Officer or the Registrar to the Issue in case of any pre or Post-Issue related problems, such as non-receipt of letters of allotment, credit of allotted shares in the respective beneficiary account and unblocking of funds. All grievances relating to the Application process may be addressed to the Registrar to the Issue with a copy to the SCSBs, giving full details such as name, address of Applicant, application number, number of Equity Shares applied for, amount blocked on application and designated branch or the collection centre of the SCSB where the Application Form was submitted by the Applicants.*

## DETAILS OF KEY INTERMEDIARIES PERTAINING TO THIS ISSUE AND OUR COMPANY

### LEAD MANAGER TO THE ISSUE



**ARYAMAN FINANCIAL SERVICES LIMITED**  
60, Khatau Building, Gr. Floor, Alkesh Dinesh Modi Marg, Opp. P.J. Tower (BSE Bldg), Fort, Mumbai – 400 001.  
**Tel. No.:** +91 – 22 – 6216 6999  
**Website:** [www.afsl.co.in](http://www.afsl.co.in)  
**Email:** [ipo@afsl.co.in](mailto:ipo@afsl.co.in)  
**Investor Grievance Email:** [feedback@afsl.co.in](mailto:feedback@afsl.co.in)  
**Contact Person:** Mr. Vatsal Ganatra  
**SEBI Registration No.:** INM000011344

### REGISTRAR TO THE ISSUE



**SKYLINE FINANCIAL SERVICES PRIVATE LIMITED**  
A/505, Dattani Plaza, Andheri Kurla Road, Safeed Pool, Andheri East Mumbai – 400 072  
**Tele:** +91 22 28511022 / 49721245  
**Email:** [mumbai@skylinerta.com](mailto:mumbai@skylinerta.com)  
**Website:** [www.skylinerta.com](http://www.skylinerta.com)  
**Investor Grievance Email:** [grievances@skylinerta.com](mailto:grievances@skylinerta.com);  
**Contact Person:** Mr. Subhash Dhingreja  
**SEBI Registration No.:** INR000003241

### LEGAL COUNSEL TO THE ISSUE



**M/S KANGA & CO. (ADVOCATE AND SOLICITORS)**  
Readymoney Mansion, 43, Veer Nariman Road, Fort, Mumbai - 400 001.  
**Tel No.:** +91 – 22 – 6623 0000, +91 – 22 – 6623 2288  
**Email:** [chetanthakkar@kangacompany.com](mailto:chetanthakkar@kangacompany.com)  
**Website:** [www.kangacompany.com](http://www.kangacompany.com)  
**Contact Person:** Mr. Chetan Thakkar

**STATUTORY AUDITOR OF THE COMPANY**
**M/S. AGRAWAL JAIN & GUPTA**

Office No 101, Saurabh Society,  
Above Andhra Bank, A K Road, Andheri (East),  
Mumbai – 400 093.

**Tel No:** +91 9702928280

**Email:** [ca.narayanswami@gmail.com](mailto:ca.narayanswami@gmail.com)

**Website:** [www.ajngupta.com](http://www.ajngupta.com)

**Contact Person:** Mr. Narayan Swami

**Peer Review No.:** 008541

**Membership No.:** 409759

**Firm Registration No.:** 013538C

**CHANGES IN THE AUDITORS**

Except as disclosed below, there has been no change in the statutory auditors during the three years immediately preceding the date of this Prospectus:

Sr. No.	Date	From	To	Reason for change
1.	March 18, 2019	<b>M/s. D G PAREKH &amp; CO (Prop Dinesh G Parekh)</b> 597, JSS Road, 103, Rajshila Building, Chira Bazaar, Mumbai - 400002 <b>Tel:</b> +91-9322299466 <b>Email:</b> <a href="mailto:udhjparekh@yahoo.co.in">udhjparekh@yahoo.co.in</a> <b>Contact Person:</b> Dinesh G Parekhs <b>Peer Review No.:</b> N. A. <b>Membership No.:</b> 527687 <b>Firm Registration No.:</b> 025549N	<b>M/s. Agrawal Jain &amp; Gupta.</b> Office No. 101, Saurabh Society, Above Andhra Bank, A.K Road, Andheri (East), Mumbai- 400 093. <b>Tel No:</b> +91 9702928280 <b>Email:</b> <a href="mailto:ca.narayanswami@gmail.com">ca.narayanswami@gmail.com</a> <b>Website:</b> <a href="http://www.ajngupta.com">www.ajngupta.com</a> <b>Contact Person:</b> Mr. Narayan Swami <b>Peer Review No.:</b> 008541 <b>Membership No.:</b> 409759 <b>Firm Registration No.:</b> 013538C	Resignation

**BANKER(S) TO OUR COMPANY**

**STATE BANK OF INDIA**

144, Majestic Shopping Center, 1<sup>st</sup> Floor,  
JSS Road, Girgaon, Mumbai -400004  
**Tel No.:** 022-23827262

**Email ID:** [swapnil.tamboli@sbi.co.in](mailto:swapnil.tamboli@sbi.co.in)

**Website:** [www.sbi.co.in](http://www.sbi.co.in)

**Contact Person:** Mr. Swapnil Tamboli


**KOTAK MAHINDRA BANK**

8<sup>th</sup> Floor, C-12, G-Block, RO Mumbai,  
Bandra Kurla Complex, Mumbai – 400051.  
**Tel No.:** 022-33095530

**Email ID:** [tanmay.patankar@kotak.com](mailto:tanmay.patankar@kotak.com)

**Website:** [www.sbi.co.in](http://www.sbi.co.in)

**Contact Person:** Mr. Swapnil Tamboli


**STANDARD CHARTERED BANK**

Plot No. C-38 & 39, G-Block, 6/F, Crescenzo,  
Bandra Kurla Complex, Mumbai – 400051.  
**Tel No.:** 022-61158295

**Email ID:** [sumeet.puglia@sc.com](mailto:sumeet.puglia@sc.com)

**Website:** [www.standardchartered.com](http://www.standardchartered.com)

**Contact Person:** Sumeet Pugalia

**BANKER(S) TO THE ISSUE****ICICI BANK LIMITED**

Capital Market Division, 1<sup>st</sup> Floor,  
122, Mistry Bhavan, Dinshaw Vachha Road,  
Backbay Reclamation, Churchgate,  
Mumbai - 400 020

**Tel No.:** +91 – 22 – 6681 8933 / 23 / 24

**Email:** [kmr.saurabh@icicibank.co](mailto:kmr.saurabh@icicibank.co)

**Website:** [www.icicibank.com](http://www.icicibank.com)

**Contact Person:** Mr. Saurabh Kumar

**SEBI Registration Number:** INBI00000004

**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 the website of SEBI on <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>. For details on Designated Branches of SCSBs collecting the Application Forms, please refer to the above mentioned SEBI link.

**BROKERS TO THIS ISSUE**

Applicants can submit Application Forms in the Issue using the stock brokers network of the Stock Exchanges, i.e., through the Registered Brokers at the Broker Centres. The list of the Registered Brokers, including details such as postal address, telephone number and e-mail address, is provided on the website of the SEBI ([www.sebi.gov.in](http://www.sebi.gov.in)) and updated from time to time. For details on Registered Brokers, please refer <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>.

**REGISTRAR TO ISSUE AND SHARE TRANSFER AGENTS**

The list of the RTAs eligible to accept Applications forms at the Designated RTA Locations, including details such as address, telephone number and e-mail address, are provided on the website of the SEBI on <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>, as updated from time to time.

**COLLECTING DEPOSITORY PARTICIPANTS**

The list of the CDPs eligible to accept Application Forms at the Designated CDP Locations, including details such as name and contact details, are provided on the website of Stock Exchange. The list of branches of the SCSBs named by the respective SCSBs to receive deposits of the Bid cum Application Forms from the Designated Intermediaries will be available on the website of the SEBI ([www.sebi.gov.in](http://www.sebi.gov.in)) on <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes> and updated from time to time.

**INTER-SE ALLOCATION OF RESPONSIBILITIES**

Aryaman Financial Services Limited is the sole Lead manager to this Issue and hence is responsible for all the issue management related activities.

**MONITORING AGENCY**

As per Regulation 262(1) of the SEBI (ICDR) Regulations, 2018 the requirement of Monitoring Agency is not mandatory if the issue size is below ₹ 10,000 lakhs and hence our Company has not appointed a monitoring agency for this Issue. However, as per Section 177 of the Companies Act, 2013, the Audit Committee of our Company, would be monitoring the utilization of the proceeds of the Offer.

**IPO GRADING**

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

## TRUSTEES

This being an Issue of Equity Shares, the appointment of trustees is not required.

## DETAILS OF THE APPRAISING AUTHORITY

The objects of the Issue and deployment of funds are not appraised by any independent agency/ bank/ financial institution.

## CREDIT RATING

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

## EXPERT OPINION

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

Our Company has received written consent from the Statutory Auditor namely, Agrawal Jain and Gupta, Chartered Accountants, to include their name in respect of the reports on the Restated Financial Statements dated June 07, 2019 and the Statement of Tax Benefits dated June 07, 2019, issued by them and included in this Prospectus, as required under section 26(1)(a)(v) of the Companies Act, 2013 in this Prospectus and as “Expert” as defined under section 2(38) of the Companies Act, 2013 and such consent has not been withdrawn as on the date of this Prospectus.

However, the term “expert” shall not be construed to mean an “expert” as defined under the U.S. Securities Act.

## FILING OF OFFER DOCUMENT

The Prospectus has not been filed with SEBI, nor has SEBI issued any observation on the Offer Document in terms of Regulation 246 of SEBI (ICDR), 2018. However, pursuant to sub regulation (5) of regulation 246, the copy of Prospectus shall also be furnished to the board in a soft copy. Pursuant to SEBI Circular Number SEBI/HO/CFD/DIL1/CIR/P/2018/011 dated January 19, 2018, a copy of the Prospectus will be filed online through SEBI Intermediary Portal at <https://siportal.sebi.gov.in>. A copy of the Prospectus along with the documents required to be filed under Section 26 of the Companies Act, 2013 will be delivered to the Registrar of Company, Mumbai, situated at 100, Everest, Marine Drive, Mumbai – 400 002

## ISSUE PROGRAMME

An indicative timetable in respect of the Issue is set out below:

Event	Indicative Date
Issue Opening Date	September 19, 2019
Issue Closing Date	September 23, 2019
Finalisation of Basis of Allotment with the Designated Stock Exchange	September 26, 2019
Initiation of Allotment / Refunds / Unblocking of Funds	On or before September 27, 2019
Credit of Equity Shares to demat accounts of Allottees	On or before September 30, 2019
Commencement of trading of the Equity Shares on the Stock Exchange	On or before October 1, 2019

The above timetable is indicative and does not constitute any obligation on our Company or the Lead Manager. Whilst our Company shall ensure that all steps for the completion of the necessary formalities for the listing and the commencement of trading of the Equity Shares on the Stock Exchange are taken within 6 Working Days of the Issue Closing Date, the timetable may change due to various factors, such as extension of the Issue Period by our Company, or any delay in receiving the final listing and trading approval from the Stock Exchange. The Commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchange and in accordance with the applicable laws.

Applications and any revision to the same shall be accepted **only between 10.00 a.m. and 5.00 p.m. (IST)** during the Issue Period (except for the Issue Closing Date). On the Issue Closing Date, the Applications and any revision to the same shall be accepted between **10.00 a.m. and 3.00 p.m. (IST)** or such extended time as permitted by the Stock Exchanges, in case of Applications by Retail Individual Applicants after taking into account the total number of



applications received up to the closure of timings and reported by the Lead Manager to the Stock Exchanges. It is clarified that Applications not uploaded on the electronic system would be rejected. Applications will be accepted only on working days, i.e., Monday to Friday (excluding any public holiday).

Due to limitation of time available for uploading the Applications on the Issue Closing Date, the Applicants are advised to submit their Applications one day prior to the Issue Closing Date and, in any case, no later than 3.00 p.m. (IST) on the Issue Closing Date. All times mentioned in this Prospectus are Indian Standard Times. Applicants are cautioned that in the event a large number of Applications are received on the Issue Closing Date, as is typically experienced in public offerings, 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 the Issue. Applications will be accepted only on Business Days. Neither our Company, nor the Lead Manager is liable for any failure in uploading the Applications due to faults in any software/hardware system or otherwise.

In accordance with the SEBI Regulations, QIBs and Non-Institutional Applicants are not allowed to withdraw or lower the size of their Applications (in terms of the quantity of the Equity Shares or the Applications Amount) at any stage. Retail Individual Applicants can revise or withdraw their Applications prior to the Issue Closing Date. Except Allocation to Retail Individual Investors, Allocation in the Issue will be on a proportionate basis.

In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical or the electronic Application Form, for a particular Applicant, the details as per the file received from the Stock Exchange may be taken as the final data for the purpose of Allotment. In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical or electronic Application Form, for a particular ASBA Applicant, the Registrar to the Issue shall ask the relevant SCSB or the member of the Syndicate for rectified data.

## UNDERWRITING

This Issue is 100% Underwritten. Our Company has entered into an Underwriting Agreement dated June 10, 2019 with the Underwriters for the Equity Shares proposed to be issued through the Issue. Pursuant to the terms of the Underwriting Agreement, the obligations of the Underwriters are several and are subject to certain conditions specified therein. The Underwriters have given their consent for inclusion of their name in the Prospectus as Underwriters and have indicated their intention to underwrite the following number of specified securities being issued through this Issue:

Details of the Underwriter	No. of Shares Underwritten	Amt Underwritten (₹ in lakhs)	% of the Total Issue Size Underwritten
<b>Aryaman Financial Services Limited</b> 60, Khatau Building, Gr. Floor, Alkesh Dinesh Modi Marg, Opp. P.J. Tower (BSE Bldg.), Fort, Mumbai – 400 001 <b>Tel. No.:</b> +91 – 22 – 6216 6999 <b>Fax No.:</b> +91 – 22 – 2263 0434 <b>Email:</b> <a href="mailto:ipo@afsl.co.in">ipo@afsl.co.in</a>	34,08,000	1499.52	94.67%
<b>Aryaman Capital Markets Limited</b> 60, Khatau Building, Gr. Floor, Alkesh Dinesh Modi Marg, Opp. P.J. Tower (BSE Bldg.), Fort, Mumbai – 400 001 <b>Tel. No.:</b> +91 – 22 – 6216 6999 <b>Fax No.:</b> +91 – 22 – 2263 0434 <b>Email:</b> <a href="mailto:aryacapm@gmail.com">aryacapm@gmail.com</a>	1,92,000	84.48	5.33%
<b>Total</b>	<b>36,00,000</b>	<b>1584.00</b>	<b>100.00%</b>

As per Regulation 260 (2) of SEBI (ICDR) Regulations, 2018, the Lead Manager has agreed to underwrite to a minimum extent of 15% of the Issue out of its own account.

In the opinion of the Board of Directors (based on certificate given by the Underwriters), the resources of the above mentioned Underwriters are sufficient to enable them to discharge their respective underwriting obligations in full. The above – mentioned Underwriters are registered with SEBI under Section 12(1) of the SEBI Act or registered as broker with the Stock Exchange.

## WITHDRAWAL OF THE ISSUE

Our Company in consultation with the Lead Manager, reserves the right not to proceed with the Issue at any time after the Issue Opening Date but before the Board meeting for Allotment. In such an event our Company would Issue a public notice in the newspapers, in which the pre-issue advertisements were published, within two days of the Issue Closing Date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Issue. The Lead Manager, through the Registrar to the Issue, shall notify the SCSBs to unblock the bank accounts of the ASBA Applicants within one day of receipt of such notification. Our Company shall also promptly inform the Stock Exchange on which the Equity Shares were proposed to be listed. Notwithstanding the foregoing, the Issue is also subject to obtaining the final listing and trading approvals of the Stock Exchange, which our Company shall apply for after Allotment. If our Company withdraws the Issue after the Issue Closing Date and thereafter determines that it will proceed with an IPO, our Company shall be required to file a fresh Draft Prospectus.

## MARKET MAKER



### ARYAMAN CAPITAL MARKETS LIMITED

60, Khatau Building, Gr. Floor, Alkesh Dinesh Modi Marg,

Opp. P. J. Tower (BSE Bldg.), Fort, Mumbai – 400 001

**Tel. No.:** +91 – 22 – 6216 6999

**Fax No.:** +91 – 22 – 2263 0434

**Email:** [aryacapm@gmail.com](mailto:aryacapm@gmail.com)

**Contact Person:** Mr. Harshad Dhanawade

**SEBI Registration No.:** INZ000004739

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

Our Company and the Lead Manager, Aryaman Financial Services Limited have entered into an agreement dated June 10, 2019 with Aryaman Capital Markets Limited (“ACML”), a Market Maker registered with SME Platform of National Stock Exchange of India Limited i.e. NSE EMERGE in order to fulfil the obligations of Market Making and ACML has given its consent for inclusion of its name in the Prospectus as Market Maker.

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

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

1. The Market Maker shall be required to provide a 2-way quote for 75% of the time in a day. The same shall be monitored by the Stock Exchange. Further, the Market Maker shall inform the exchange in advance for each and every black out period when the quotes are not being offered by the Market Maker.
2. The minimum depth of the quote shall be ₹ 1,00,000. However, the investors with holdings of value less than ₹ 1,00,000 shall be allowed to offer their holding to the Market Maker in that scrip provided that he sells his entire holding in that scrip in one lot along with a declaration to the effect to the selling broker.
3. The Inventory Management and Buying/Selling Quotations and its mechanism shall be as per the relevant circulars issued by SEBI and SME Platform of National Stock Exchange of India Limited i.e. NSE EMERGE from time to time.
4. Execution of the order at the quoted price and quantity must be guaranteed by the Market Maker, for the quotes given by him.
5. 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.
6. The shares of the Company will be traded in continuous trading session from the time and day the company gets listed on SME Platform of National Stock Exchange of India Limited i.e. NSE EMERGE and Market Maker will remain present as per the guidelines mentioned under NSE and SEBI circulars.
7. 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 or 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.

8. 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.
9. The Market Maker shall have the right to terminate the said arrangement by giving a three months notice or on mutually acceptable terms to the Lead Manager, who shall then be responsible to appoint a replacement Market Maker.

In case of termination of the above mentioned Market Making Agreement prior to the completion of the compulsory Market Making period, it shall be the responsibility of the Lead Manager to arrange for another Market Maker in replacement during the term of the notice period being served by the Market Maker but prior to the date of releasing the existing Market Maker from its duties in order to ensure compliance with the requirements of regulation 261 of the SEBI (ICDR) Regulations, 2018. Further the Company and the Lead Manager reserve the right to appoint other Market Makers either as a replacement of the current Market Maker or as an additional Market Maker subject to the total number of Designated Market Makers does not exceed five or as specified by the relevant laws and regulations applicable at that particulars point of time.

The Market Making Agreement is available for inspection at our Registered Office from 11.00 a.m. to 5.00 p.m. on working days.

10. **Risk containment measures and monitoring for Market Maker:** EMERGE Platform of NSE 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.
11. **Punitive Action in case of default by Market Maker:** EMERGE Platform of NSE will monitor the obligations on a real-time basis and punitive action will be initiated for any exceptions and/or non-compliances. Penalties / fines may be imposed by the Exchange on the Market Maker, in case he is not able to provide the desired liquidity in a particular security as per the specified guidelines. These penalties / fines will be set by the Exchange from time to time. The Exchange will impose a penalty on the Market Maker in case he is not present in the market (offering two way quotes) for at least 75% of the time. The nature of the penalty will be monetary as well as suspension in market making activities / trading membership.

The Department of Surveillance and Supervision of the Exchange would decide and publish the penalties / fines / suspension for any type of misconduct/ manipulation/ other irregularities by the Market Maker from time to time.

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

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

All the above mentioned conditions and systems regarding the Market Making Arrangement are subject to change based on changes or additional regulations and guidelines from SEBI and Stock Exchange from time to time.

On the first day of listing, there will be a pre-open session (call auction) and there after 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. The securities of the Company will be placed in SPOS and would remain in Trade for Trade settlement for 10 days from the date of listing of Equity Shares on the Stock Exchange.

## CAPITAL STRUCTURE

The share capital of the Company as on the date of this Prospectus is set forth below:

(₹ in lakhs, except share data)

Sr. No.	Particulars	Aggregate Value at Nominal Value	Aggregate Value at Issue Price
<b>A</b>	<b>Authorised Share Capital</b>		
	1,50,00,000 Equity Shares of face value of ₹ 10 each	1,500.00	-
<b>B</b>	<b>Issued, Subscribed and Paid-up Share Capital before the Issue</b>		
	1,00,00,400 Equity Shares of face value of ₹ 10 each	1,000.04	-
<b>C</b>	<b>Present Issue in terms of this Prospectus<sup>(1)</sup></b>		
	Issue of 36,00,000 Equity Shares of ₹ 10 each at a price of ₹ 10 per equity Share	360.00	1584.00
	<b>Which comprises:</b>		
	1,92,000 Equity Shares of ₹ 10 each at a price of ₹ 10 per Equity Share reserved as Market Maker Portion	19.20	84.48
	Net Issue to Public of 34,08,000 Equity Shares of ₹ 10 each at a price of ₹ 10 per Equity Share to the Public	340.80	1499.52
	<b>Of which<sup>(2)</sup>:</b>		
	17,04,000 Equity Shares of ₹ 10 each at a price of ₹ 10 per Equity Share will be available for allocation for Investors of up to ₹ 2.00 lakhs	170.40	749.52
	17,04,000 Equity Shares of ₹ 10 each at a price of ₹ 10 per Equity Share will be available for allocation for Investors of above ₹ 2.00 lakhs	170.40	749.52
<b>D</b>	<b>Paid-up Equity Share Capital after the Issue</b>		
	1,36,00,400 Equity Shares of ₹ 10 each		1,360.04
<b>E</b>	<b>Securities Premium Account</b>		
	Before the Issue (as on date of this Prospectus)		1,103.38
	After the Issue		2,327.38

<sup>1)</sup> The present Issue has been authorized pursuant to a resolution of our Board dated May 24, 2019 and by Special Resolution passed under Section 62(1)(C) of the Companies Act, 2013 at an Extra-Ordinary General Meeting of our shareholder held with a shorter notice on May 28, 2019.

<sup>(2)</sup> Allocation to all categories shall be made on a proportionate basis subject to valid Applications received at or above the Issue Price. Under subscription, if any, in any of the categories, would be allowed to be met with spill-over from any of the other categories or a combination of categories at the discretion of our Company in consultation with the Lead Manager and Designated Stock Exchange. Such inter-se spill over, if any, would be affected in accordance with applicable laws, rules, regulations and guidelines.

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

### Changes in Authorized Share Capital

Since incorporation, the capital structure of our Company has been altered in the following manner:

1. The initial authorised Share Capital of ₹ 2,25,00,000 divided into 22,50,000 shares was increased to ₹ 3,00,00,000 divided into 30,00,000 Equity Shares of ₹10 each, pursuant to resolution of shareholders passed at the EGM held on August 28, 2003.



2. The authorised share capital of ₹ 3,00,00,000 divided into 30,00,000 Equity Shares of ₹10 each was increased to ₹ 3,50,00,000 divided into 35,00,000 Equity Shares of ₹ 10 each, pursuant to resolution of shareholders passed at the EGM held on February 04, 2006.
3. The authorised share capital of ₹ 3,50,00,000 divided into 35,00,000 Equity Shares of ₹ 10 each was increased to ₹ 5,00,00,000 divided into 50,00,000 Equity Shares of ₹ 10 each., pursuant to resolution of shareholders passed at the EGM held on July 25, 2008.
4. The authorised share capital of ₹ 5,00,00,000 divided into 50,00,000 Equity Shares of ₹ 10 each was increased to ₹ 7,50,00,000 divided into 75,00,000 Equity Shares of ₹ 10 each, pursuant to resolution of shareholders passed at the EGM held on September 02, 2009.
5. The authorised share capital of ₹7,50,00,000 divided into 75,00,000 Equity Shares of ₹ 10 each was increased to ₹ 15,00,00,000 divided into 1,50,00,000 Equity Shares of ₹ 10 each, pursuant to resolution of shareholders passed at the EGM held on January 16, 2017.

#### Notes to the Capital Structure

##### 1) Share Capital History of our Company:

###### a) Equity Share Capital

Our Company has made allotments of Equity Shares from time to time. The following is the Equity Share Capital Build-up of our Company:

Date of Allotment of Fully paid-up Equity Shares	No. of Equity Shares	Face Value (₹)	Issue Price (₹)	Nature / Reason of Allotment	Nature of Consideration	Cumulative No. of Equity Shares	Cumulative Paid Up Share Capital (₹ in Lakhs)	Cumulative Share Premium (₹ in Lakhs)
Upon Incorporation <sup>(1)</sup>	16,50,000	10	10	Subscription to MoA	Other than Cash	16,50,000	165.00	Nil
On or before March 31, 2004 <sup>(2)</sup>	6,00,000	10	50	Further Allotment	Cash & Other than Cash	24,70,800	247.08	350.40
	2,20,800	10	60					
On or before March 31, 2006 <sup>(3)</sup>	7,00,000	10	60	Further Allotment	Cash	31,70,800	317.08	700.40
March 10, 2008 <sup>(4)</sup>	400	10	10	Further Allotment	Cash	31,71,200	317.12	700.40
February 16, 2009 <sup>(5)</sup>	9,25,800	10	10	Further Allotment	Cash	40,97,000	409.70	700.40
March 19, 2009 <sup>(6)</sup>	9,03,000	10	110	Further Allotment	Cash	50,00,000	500.00	1,603.40
September 04, 2012 <sup>(7)</sup>	200	10	10	Further Allotment	Cash	50,00,200	500.02	1,603.40
January 27, 2017 <sup>(8)</sup>	50,00,200	10	NA	Bonus Issue	Other than Cash	1,00,00,400	1,000.04	1,103.38

#### Notes:

- (1) Allotment of 16,50,000 equity shares were made in two parts for consideration other than cash (against takeover of partnership firm namely Aum Enterprises & Shiv Aum Steels). The exact details of these allotments of shares are not available. However after these allotments, Ajay Bansal, Sanjay Bansal, Jatin Mehta and Krishna Mehta each were holding 4,12,500 equity shares aggregating to 16,50,000 equity shares.
- (2) Allotment of 87,500 equity shares to Jatin Mehta, 10,000 equity shares to Kiran Mehta, 2,51,250 equity shares to Hacienda Investments Private Limited and 4,72,050 equity shares to Kalahari Investment & Leasing Private Limited. These shares were issued partly for cash & partly against conversion of unsecured loan. Initially the



shares were issued as partly paid-up and were made fully paid-up on or before March 31, 2004. However the exact details of these fully paid-up shares are not available.

- (3) Allotment of 80,000 equity shares to Khush Hindustan Entertainment Limited, 70,000 equity shares to Hema Trading Co Private Limited, 70,000 equity shares to Real Gold Trading Co. Private Limited, 85,000 equity shares to Javda India Impex Limited, 95,000 equity shares to Yash V. Jewels Limited, 1,00,000 equity shares to Vanguard Jewels Limited, 1,00,000 equity shares to Lexus Infotech Limited and 1,00,000 equity shares to Alka Diamond India Limited. Exact date of allotment of fully-up equity shares is not available. However all these shares were issued on or before March 31, 2006.
- (4) Allotment of 100 equity shares each to Akesh Nahar, Gaurav Nahar HUF, Kunal Nahar and Neketa Nahar aggregating to 400 equity shares.
- (5) Allotment of 1,62,900 equity shares to Jatin Mehta, 1,50,000 equity shares to Jatin Mehta (HUF), 2,31,450 equity shares to Ajay Bansal, 2,31,450 equity shares to Sanjay Bansal, 50,000 equity shares to Niyati Mehta and 1,00,000 equity shares to Rutvik Mehta.
- (6) Allotment of 1,65,000 equity shares to Novelty Traders Limited, 36,500 equity shares to Shivilaxmi Exports Limited, 1,46,000 equity shares to Shakti Ispat Products Private Limited, 46,000 equity shares to Bhaskar Fund Management Limited, 1,24,500 equity shares to Stocknet International Limited, 1,35,000 equity shares to Gromorefund Management Co. Private Limited, 1,25,000 equity shares to Ispat Sheets Limited and 1,25,000 equity shares to Artillegence Bio-Innovations Limited.
- (7) Allotment of 100 equity shares each to Narendra Bansal and Sudha Mehta aggregating to 200 equity shares.
- (8) Pursuant to EGM held on January 16, 2017 our Company has issued 50,00,200 Bonus Shares in the ratio of 1:1 to all the existing shareholders of the Company i.e to Jatin Mehta (6,75,500 equity shares), Ajay Bansal (6,43,750 equity shares), Sanjay Bansal (6,44,150 equity shares), Jatin Mehta HUF (6,45,500 equity shares), Niyati Mehta (2,77,500 equity shares), Rutvik Mehta (1,00,000 equity shares), Sudha Mehta (100 equity shares) , Ajay Bansal HUF (1,05,300 equity shares) , Usha Bansal (1,00,100 equity shares) , Sanjay Bansal HUF (1,05,300 equity shares) , Vanita Bansal (1,00,000 equity shares) & Mobi Realtors Private Limited (16,03,000 equity shares).
- b) Our Company has not issued Equity Shares for consideration other than cash or out of Revaluation Reserves except as disclosed below:

Date of Allotment of Fully paid-up Equity Shares	No. of Equity Shares	Face Value (₹)	Issue Price (₹)	Nature / Reason of Allotment	Nature of Consideration
Upon Incorporation <sup>(1)</sup>	16,50,000	10	10	Subscription to MoA	Other than Cash
On or before March 31, 2004 <sup>(2)</sup>	6,00,000	10	50	Further Allotment	Cash & Other than Cash
	2,20,800	10	60		
January 27, 2017 <sup>(3)</sup>	50,00,200	10	NA	Bonus Issue	Other than Cash

- (1) Allotment of 16,50,000 equity shares were made in two parts for consideration other than cash (against takeover of partnership firm namely Aum Enterprises & Shiv Aum Steels). The exact details of these allotments of shares are not available. However after these allotments, Ajay Bansal, Sanjay Bansal, Jain Mehta and Krishna Mehta each were holding 4,12,500 equity shares aggregating to 16,50,000 equity shares.
- (2) Allotment of 87,500 equity shares to Jatin Mehta, 10,000 equity shares to Kiran Mehta, 2,51,250 equity shares to Hacienda Investments Private Limited and 4,72,050 equity shares to Kalahari Investment & Leasing Private Limited. These shares were issued partly for cash & partly against conversion of unsecured loan. Initially the shares were issued as partly paid-up and were made fully paid-up on or before March 31, 2004. However the exact details of these fully paid-up shares are not available.
- (3) Pursuant to EGM held on January 16, 2017 our Company has issued 50,00,200 Bonus Shares in the ratio of 1:1 to all the existing shareholders of the Company i.e to Jatin Mehta (6,75,500 equity shares), Ajay Bansal (6,43,750 equity shares), Sanjay Bansal (6,44,150 equity shares), Jatin Mehta HUF (6,45,500 equity shares), Niyati Mehta (2,77,500 equity shares), Rutvik Mehta (1,00,000 equity shares), Sudha Mehta (100 equity shares) , Ajay Bansal



HUF (1,05,300 equity shares) , Usha Bansal (1,00,100 equity shares) , Sanjay Bansal HUF (1,05,300 equity shares) , Vanita Bansal (1,00,000 equity shares) & Mobi Realtors Private Limited (16,03,000 equity shares).

- c) No shares have been allotted in terms of any scheme approved under sections 391-394 of the Companies Act, 1956 or Sections 230-234 of the Companies Act, 2013.
- d) Our Company has not issued any shares pursuant to an Employee Stock Option Scheme.
- e) No shares have been issued at a price lower than the Issue Price within the last one year from the date of this Prospectus.
- f) **Shareholding of our Promoters**

Set forth below are the details of the build-up of shareholding of our Promoters:

Date of Allotment of Fully Paid – up Equity Shares	Nature of Transaction	Consideration	No. of Shares	F. V (₹)	Issue / Transfer Price (₹)	% of Pre-Issue Paid Up Capital	% of Post-Issue Paid Up Capital	Cumulative no. of Shares
<b>Mr. Jatin Mehta<sup>(1)</sup></b>								
Upon Incorporation <sup>(2)</sup>	Subscription to MOA	Other than Cash	4,12,500	10	10	4.12	3.03%	4,12,500
28.03.2002	Allotment	Cash	87,500	10	50	0.87%	0.64%	5,00,000
29.12.2003	Transfer	Cash	(87,700)	10	10	0.87%	0.64%	4,12,300
22.03.2004	Transfer	Cash	3,51,150	10	10	3.51%	2.58%	7,63,450
28.06.2004	Transfer	Cash	(2,51,250)	10	10	2.51%	1.85%	5,12,200
16.02.2009	Allotment	Cash	1,62,900	10	10	1.63%	1.20%	6,75,100
31.05.2010	Transfer	Cash	200	10	10	Negligible	Negligible	6,75,300
31.03.2014	Transfer	Cash	200	10	10	Negligible	Negligible	6,75,500
31.03.2015	Transfer	Cash	(200)	10	10	Negligible	Negligible	6,75,300
31.03.2016	Transfer	Cash	200	10	10	Negligible	Negligible	6,75,500
27.01.2017	Bonus Allotment	N.A.	6,75,500	10	N.A.	6.75%	4.97%	13,51,000

(1) All the shares held by Mr. Jatin Mehta (Holder 1) are jointly held with Mrs. Niyati Mehta (Holder 2)

(2) Allotment of 16,50,000 equity shares were made in two parts for consideration other than cash (against takeover of partnership firm namely Aum Enterprises & Shiv Aum Steels). The exact details of these allotments of shares are not available. However after these allotments, Ajay Bansal, Sanjay Bansal, Jain Mehta and Krishna Mehta each were holding 4,12,500 equity shares aggregating to 16,50,000 equity shares.

Date of Allotment / Transfer	Nature of Transaction	Consideration	No. of Shares	F. V (₹)	Issue / Transfer Price (₹)	% of Pre-Issue Paid Up Capital	% of Post-Issue Paid Up Capital	Cumulative no. of Shares
<b>Mr. Sanjay Bansal<sup>(1)</sup></b>								
Upon Incorporation <sup>(2)</sup>	Subscription to MOA	Other than Cash	4,12,500	10	10	4.12	3.03%	4,12,500
27.03.2002	Allotment	Cash	1,62,500	10	10	1.62%	1.19%	4,12,500
29.04.2004	Transfer	Cash	200	10	10	Negligible	Negligible	4,12,700
30.11.2006	Transfer	Cash	(300)	10	10	Negligible	Negligible	4,12,400
16.02.2009	Allotment	Cash	2,31,450	10	10	2.31%	1.70%	6,43,850
31.03.2014	Transfer	Cash	200	10	10	Negligible	Negligible	6,44,050
31.03.2015	Transfer	Cash	(200)	10	10	Negligible	Negligible	6,43,850
31.03.2016	Transfer	Cash	300	10	10	Negligible	Negligible	6,44,150
27.01.2017	Bonus Allotment	N.A.	6,44,150	10	N.A.	6.44%	4.74%	12,88,300
08.04.2019	Transfer (Gift Deed)	N.A.	8,49,150	10	N.A.	8.49%	6.24%	21,37,450



- (1) All the shares held by Mr. Sanjay Bansal (Holder 1) are jointly held with Mrs. Vanita Bansal (Holder 2)
- (2) Allotment of 16,50,000 equity shares were made in two parts for consideration other than cash (against takeover of partnership firm namely Aum Enterprises & Shiv Aum Steels). The exact details of these allotments of shares are not available. However after these allotments, Ajay Bansal, Sanjay Bansal, Jain Mehta and Krishna Mehta each were holding 4,12,500 equity shares aggregating to 16,50,000 equity shares.

Date of Allotment / Transfer	Nature of Transaction	Consideration	No. of Shares	F. V (₹)	Issue / Transfer Price (₹)	% of Pre-Issue Paid Up Capital	% of Post-Issue Paid Up Capital	Cumulative no. of Shares
<b>Mr. Ajay Bansal<sup>(1)</sup></b>								
Upon Incorporation <sup>(2)</sup>	Subscription to MOA	Other than Cash	4,12,500	10	10	4.12	3.03%	4,12,500
27.03.2002	Allotment	Cash	1,62,500	10	10	1.62%	1.19%	4,12,500
30.11.2006	Transfer	Cash	(200)	10	10	Negligible	Negligible	4,12,300
16.02.2009	Allotment	Cash	2,31,450	10	10	2.31%	1.70%	6,43,750
27.01.2017	Bonus Allotment	N.A.	6,43,750	10	N.A	6.44%	4.73%	12,87,500
08.04.2019	Transfer (Gift Deed)	N.A.	(8,49,150)	10	N.A	8.49%	6.24%	4,38,350

- (1) Out of the 4,38,350 Shares, 4,12,300 shares are jointly held by Mr. Ajay Bansal (Holder 1) and Mrs. Usha Bansal (Holder 2)
- (2) Allotment of 16,50,000 equity shares were made in two parts for consideration other than cash (against takeover of partnership firm namely Aum Enterprises & Shiv Aum Steels). The exact details of these allotments of shares are not available. However after these allotments, Ajay Bansal, Sanjay Bansal, Jain Mehta and Krishna Mehta each were holding 4,12,500 equity shares aggregating to 16,50,000 equity shares.

Date of Allotment / Transfer	Nature of Transaction	Consideration	No. of Shares	F. V (₹)	Issue / Transfer Price (₹)	% of Pre-Issue Paid Up Capital	% of Post-Issue Paid Up Capital	Cumulative no. of Shares
<b>M/s. Jatin Mehta HUF</b>								
29.12.2003	Transfer	Cash	100	10	10	Negligible	Negligible	100
22.03.2004	Transfer	Cash	2,00,000	10	10	2.00%	1.47%	2,00,100
28.06.2004	Transfer	Cash	3,10,400	10	10	3.10%	2.28%	5,10,400
29.04.2004	Transfer	Cash	7,900	10	10	0.08%	0.06%	5,18,400
30.11.2006	Transfer	Cash	100	10	10	Negligible	Negligible	518500
16.02.2009	Allotment	Cash	1,50,000	10	10	1.50%	1.10%	6,68,500
31.05.2010	Transfer	Cash	(23,000)	10	10	0.23%	0.17%	6,45,500
27.01.2017	Bonus Allotment	Other than Cash	6,45,500	10	N.A	6.45%	4.75%	12,91,000

**Notes:**

- None of the shares belonging to our Promoters have been pledged till date.
- The entire Promoter's shares shall be subject to lock-in from the date of allotment of the equity shares issued through this Prospectus for periods as per applicable Regulations of the SEBI (ICDR) Regulations. For details please see Note no. k of "Capital Structure" on page no. 57 of this Prospectus.
- Our Promoters have confirmed to the Company and the Lead Manager that the Equity Shares held by our Promoters have been financed from their personal funds and no loans or financial assistance from any bank or financial institution has been availed by them for this purpose.
- All the shares held by our Promoters, were fully paid-up on the respective dates of acquisition of such shares.

g) Our Company has Eleven (11) shareholders, as on the date of this Prospectus.

#### h) Pre-Issue and Post Issue Shareholding of our Promoters and Promoter(s) Group

i. Set forth is the shareholding of our Promoters and Promoter(s) Group before and after the proposed Issue:

Category	Pre Issue		Post Issue	
	No. of Shares	% of Pre-Issue Paid Up Capital	No. of Shares	% of Post- Issue Paid Up Capital
<b>Promoters</b>				
Mr. Jatin Mehta <sup>(1)</sup>	13,51,000	13.51%	13,51,000	9.93%
Mr. Sanjay Bansal <sup>(2)</sup>	21,37,450	21.37%	21,37,450	15.72%
Mr. Ajay Bansal <sup>(3)</sup>	4,38,350	4.38%	4,38,350	3.22%
M/s. Jatin Mehta HUF	12,91,000	12.91%	12,91,000	9.49%
<b>Total</b>	<b>52,17,800</b>	<b>52.17%</b>	<b>52,17,800</b>	<b>38.37%</b>
<b>Promoter(s) Group (as defined by SEBI (ICDR) Regulations)</b>				
Mrs. Niyati Mehta <sup>(4)</sup>	7,55,000	7.55%	7,55,000	5.55%
Mrs. Sudha N Mehta <sup>(5)</sup>	200	Negligible	200	Negligible
M/s. Ajay Bansal HUF	2,10,600	2.11%	2,10,600	1.55%
Mrs. Usha Bansal	2,00,200	2.00%	2,00,200	1.47%
M/s. Sanjay Bansal HUF	2,10,600	2.11%	2,10,600	1.55%
Mrs. Vanita Bansal <sup>(6)</sup>	2,00,000	2.00%	2,00,000	1.47%
M/s. Mobi Relators Private Limited	32,06,000	32.06%	32,06,000	23.57%
<b>TOTAL</b>	<b>47,82,600</b>	<b>47.82%</b>	<b>47,82,600</b>	<b>35.17%</b>
<b>Other Persons, Firms or Companies whose shareholding is aggregated for the purpose of disclosing in the Prospectus under the heading "Shareholding of the Promoter Group".</b>	-	-	-	-
<b>Total Promoter(s) &amp; Promoter(s) Group Holding</b>	<b>1,00,00,400</b>	<b>100.00%</b>	<b>1,00,00,400</b>	<b>73.53%</b>
<b>Total Paid up Capital</b>	<b>1,00,00,400</b>	<b>100.00%</b>	<b>1,36,00,400</b>	<b>100.00%</b>

**Notes:**

- (7) All the shares held by Mr. Jatin Mehta (Holder 1) are jointly held with Mrs. Niyati Mehta (Holder 2)
- (8) All the shares held by Mr. Sanjay Bansal (Holder 1) are joint held with Mrs. Vanita Bansal (Holder 2)
- (9) Out of the 4,38,350 Shares, 4,12,300 shares are joint held by Mr. Ajay Bansal (Holder 1) and Mrs. Usha Bansal (Holder 2)
- (10) All the shares held by Mrs. Niyati Mehta (Holder 1) are joint held with Mr. Jatin Mehta (Holder 2)
- (11) All the shares held by Mrs. Sudha Mehta (Holder 1) are joint held with Mr. Jatin Mehta (Holder 2)
- (12) All the shares held by Mrs. Vanita Bansal (Holder 1) are joint held with Mr. Sanjay Bansal (Holder 2)

ii. Except as disclosed below, none of the members of the Promoters, Promoter(s) Group, Directors and their immediate relatives have purchased or sold any Equity shares of our Company within the last six months from the date of the Prospectus.

Date of Transfer	Name of Transferor	Name of Transferee	No. of Shares (F.V. ₹ 10)	Price (₹)	Nature of Transaction	Nature of Consideration
March 30, 2019	Mr. Rutvik Mehta	Mrs. Niyati Mehta*	2,00,000	N.A.	Transfer (Gift Deed)	Nil
April 12, 2019	Mr. Ajay Bansal	Mr. Sanjay Bansal*	8,49,150	N.A.	Transfer (Gift Deed)	Nil

\* For details of Joint Shareholding, please refer note mentioned under point (h) of Notes to Capital Structure on page 53 of this Prospectus.



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- iii. None of the members of the Promoter(s) Group, Directors and their immediate relatives have financed the purchase by any other person of Equity shares of our Company other than in the normal course of business of the financing entity within the period of six months immediately preceding the date of this Prospectus.

**i) Shareholding pattern of our Company**

The following is the shareholding pattern of the Company as on the date of this Prospectus



Category (I)	Category of Share- holder (II)	No. of Share-holder (III)	No. of fully paid-up equity shares held (IV)	No. of Partly paid-up equity shares held (V)	No. of shares Underlying Depository Receipts (VI)	Total Nos. Shares held (VII) = (IV) + (V) + (VI)	Share holding as a % of total No. of Shares (calculated As per SCRR, 1957)(VIII)As a % of (A+B+C2)	Number of Voting Rights held in each Class of securities (IX)				No of Underlying Outstanding Convertible securities (incl. Warrants) (X)	Share Holding as a % assuming Full convertible securities (as a % of Diluted Share Capital)(XI)=(VII)+(X) As a % of (A+B+C2)	Number of Locked In shares (XII)		No. of shares Pledged Or Otherwise encumbered (XIII)		No. of Equity shares held in De-mat form (XIV)
								No of voting Right			Total As a %of(A+B+C)			No (a)	As a %of total shares held (b)	No (a)	As a % of total shares held (b)	
								Class-Equity	Class	Total								
(A)	Promoter & Promoter Group	11	1,00,00,400	-	-	1,00,00,400	100.00%	1,00,00,400	-	1,00,00,400	100.00%	-	100.00%	-	-	-	-	1,00,00,400
(B)	Public	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C)	Non Promoter Non Public	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C1)	Shares Underlying DRs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C2)	Shares held by Employee Trusts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	<b>Total</b>	<b>11</b>	<b>1,00,00,400</b>	<b>-</b>	<b>-</b>	<b>1,00,00,400</b>	<b>100.00%</b>	<b>1,00,00,400</b>	<b>-</b>	<b>1,00,00,400</b>	<b>100.00%</b>	<b>-</b>	<b>100.00%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,00,00,400</b>

- i. The list of Shareholders holding 1% or more of the paid-up Share Capital of our Company as on the date of this Prospectus are:

Sr. No.	Particulars	No. of Shares	% of Shares to Pre – Issue Share Capital
1.	M/s. Mobi Realtors Private Limited	32,06,000	32.06%
2.	Mr. Sanjay Bansal*	21,37,450	21.37%
3.	Mr. Jatin Mehta*	13,51,000	13.51%
4.	M/s. Jatin Mehta HUF	12,91,000	12.91%
5.	Mrs. Niyati Mehta*	7,55,000	7.55%
6.	Mr. Ajay Bansal*	4,38,350	4.38%
7.	M/s. Ajay Bansal HUF	2,10,600	2.11%
8.	Mrs. Usha Bansal	2,00,200	2.00%
9.	M/s. Sanjay Bansal HUF	2,10,600	2.11%
10.	Mrs. Vanita Bansal *	2,00,000	2.00%
<b>Total</b>		<b>1,00,00,200</b>	<b>100.00%</b>

\* For details of Joint Shareholding, please refer note mentioned under point (h) of Notes to Capital Structure on page 53 of this Prospectus.

- ii. The list of Shareholders holding 1% or more of the paid-up Share Capital of our Company ten days prior to date of this Prospectus are:

Sr. No.	Particulars	No. of Shares	% of Shares to Pre – Issue Share Capital
1.	M/s. Mobi Realtors Private Limited	32,06,000	32.06%
2.	Mr. Sanjay Bansal*	21,37,450	21.37%
3.	Mr. Jatin Mehta*	13,51,000	13.51%
4.	M/s. Jatin Mehta HUF	12,91,000	12.91%
5.	Mrs. Niyati Mehta*	7,55,000	7.55%
6.	Mr. Ajay Bansal*	4,38,350	4.38%
7.	M/s. Ajay Bansal HUF	2,10,600	2.11%
8.	Mrs. Usha Bansal	2,00,200	2.00%
9.	M/s. Sanjay Bansal HUF	2,10,600	2.11%
10.	Mrs. Vanita Bansal*	2,00,000	2.00%
<b>Total</b>		<b>1,00,00,200</b>	<b>100.00%</b>

\* For details of Joint Shareholding, please refer note mentioned under point (h) of Notes to Capital Structure on page 53 of this Prospectus.

- iii. The list of Shareholders holding 1% or more of the paid-up Share Capital of our Company one year prior to date of this Prospectus are:

Sr. No.	Particulars	No. of Shares	% of Shares of then Paid-up Capital
1.	M/s. Mobi Realtors Private Limited	32,06,000	32.06%
2.	Mr. Jatin Mehta*	13,51,000	13.51%
3.	M/s. Jatin Mehta HUF	12,91,000	12.91%
4.	Mr. Sanjay Bansal*	12,88,300	12.88%
5.	Mr. Ajay Bansal*	12,87,500	12.87%
6.	Mrs. Niyati Mehta*	5,55,000	5.55%
7.	M/s. Ajay Bansal HUF	2,10,600	2.11%
8.	M/s. Sanjay Bansal HUF	2,10,600	2.11%
9.	Mr. Rutvik Mehta	2,00,000	2.00%
10.	Mrs. Usha Bansal	2,00,200	2.00%
11.	Mrs. Vanita Bansal*	2,00,000	2.00%
<b>Total</b>		<b>1,00,00,200</b>	<b>100.00%</b>

\* For details of Joint Shareholding, please refer note mentioned under point (h) of Notes to Capital Structure on page 53 of this Prospectus.

iv. The top ten Shareholders of our Company two years prior to date of this Prospectus:.

Sr. No.	Particulars	No. of Shares	% of Shares of then Paid-up Capital
1.	M/s. Mobi Realtors Private Limited	32,06,000	32.06%
2.	Mr. Jatin Mehta*	13,51,000	13.51%
3.	M/s. Jatin Mehta HUF	12,91,000	12.91%
4.	Mr. Sanjay Bansal*	12,88,300	12.88%
5.	Mr. Ajay Bansal*	12,87,500	12.87%
6.	Mrs. Niyati Mehta*	5,55,000	5.55%
7.	M/s. Ajay Bansal HUF	2,10,600	2.11%
8.	M/s. Sanjay Bansal HUF	2,10,600	2.11%
9.	Mr. Rutvik Mehta	2,00,000	2.00%
10.	Mrs. Usha Bansal	2,00,200	2.00%
11.	Mrs. Vanita Bansal*	2,00,000	2.00%
<b>Total</b>		<b>1,00,00,200</b>	<b>100.00%</b>

\* For details of Joint Shareholding, please refer note mentioned under point (h) of Notes to Capital Structure on page 53 of this Prospectus.

j) Except as disclosed in the Prospectus, our Company presently does not have any intention or proposal to alter its capital structure for a period of six months commencing from the date of opening of this Issue, by way of split / consolidation of the denomination of Equity Shares or further issue of Equity Shares or securities convertible into Equity Shares, whether on a preferential basis or issue of bonuses or rights or further public issue of specified securities or Qualified Institutional Placement.

k) **Promoter's Contribution and other Lock-In details:**

i. **Details of Promoter's Contribution locked-in for 3 years**

Pursuant to the Regulation 236 and 238 of the SEBI (ICDR) Regulations, an aggregate of 20% of the Post-Issue Equity Share 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. The details of the Promoter's Equity Shares proposed to be locked-in for a period of three years are as follows:

Name of Promoters	No. of Shares locked in	% of Post Issue Share Capital
Jatin Mehta*	8,36,000	6.15%
Jatin Mehta HUF	7,90,000	5.81%
Ajay Bansal*	3,20,000	2.35%
Sanjay Bansal*	7,90,000	5.81%
<b>Total</b>	<b>27,36,000</b>	<b>20.12%</b>

\* For details of Joint Shareholding, please refer note mentioned under point (h) of Notes to Capital Structure on page 53 of this Prospectus.

The details of the build-up of such Equity Shares are given below:

Date of Allotment / Transfer	Nature of Transaction	Consideration	No. of Shares	F.V (₹)	Issue / Transfer Price (₹)	% of Pre-Issue Paid Up Capital	% of Post-Issue Paid Up Capital
<b>Mr. Jatin Mehta*</b>							
February 16, 2009	Further Allotment	Cash	1,61,000	10	10	1.61%	1.18%
January 27, 2017	Bonus Allotment	NA	6,75,000	10	NA	6.75%	4.97%
	<b>Total</b>		<b>8,36,000</b>			<b>8.36%</b>	<b>6.15%</b>



Date of Allotment / Transfer	Nature of Transaction	Consideration	No. of Shares	F.V (₹)	Issue / Transfer Price (₹)	% of Pre-Issue Paid Up Capital	% of Post-Issue Paid Up Capital
<b>M/s. Jatin Mehta (HUF)</b>							
February 16, 2009	Further Allotment	Cash	1,44,500	10	10	1.44%	1.06%
January 27, 2017	Bonus Allotment	NA	6,45,500	10	NA	6.45%	4.75%
	<b>Total</b>		<b>7,90,000</b>			<b>7.90%</b>	<b>5.81%</b>
<b>Mr. Ajay Bansal*</b>							
January 27, 2017	Bonus Allotment	NA	3,20,000	10	NA	3.20%	2.35%
	<b>Total</b>		<b>3,20,000</b>			<b>3.20%</b>	<b>2.35%</b>
<b>Mr. Sanjay Bansal*</b>							
February 16, 2009	Further Allotment	Cash	1,45,850	10	10	1.46%	1.07%
January 27, 2017	Bonus Allotment	NA	6,44,150	10	NA	6.44%	4.74%
	<b>Total</b>		<b>7,90,000</b>			<b>7.90%</b>	<b>5.81%</b>

\* For details of Joint Shareholding, please refer note mentioned under point (h) of Notes to Capital Structure on page 53 of this Prospectus.

We confirm that in compliance with regulation 237 of SEBI ICDR Regulations, the minimum Promoters contribution of 20% as shown above 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 issued to public in the Issue.
- Private placement made by solicitation of subscription from unrelated persons either directly or through any intermediary.
- The Equity Shares held by the Promoters and offered for minimum 20% 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.

**We further confirm that our Promoter's Contribution of 20% of the Post Issue Equity does not include any contribution from Alternative Investment Funds.**

ii. **Details of Shares locked-in for one year**

- Pursuant to Regulation 238(b) of the SEBI (ICDR) Regulations, in addition to the Promoter's Contribution to be locked-in for a period of 3 years, as specified above, the entire Pre-Issue Equity Share capital will be locked in for a period of one (1) year from the date of Allotment in this Issue.
- Pursuant to Regulation 242 of the SEBI Regulations, the Equity Shares held by our Promoters can be pledged only with banks or financial institutions as collateral security for loans granted by such banks or financial institutions for the purpose of financing one or more of the objects of the issue and the pledge of shares is one of the terms of sanction of such loan. However, as on date of this Prospectus, none of the Equity Shares held by our Promoters have been pledged to any person, including banks and financial institutions.
- Pursuant to Regulation 243 of the SEBI (ICDR) Regulations, Equity Shares held by our Promoters, which are locked in as per Regulation 238 of the SEBI (ICDR) Regulations, may be transferred to and amongst our Promoters/ Promoter(s) Group or to a new promoter or persons in control of our Company subject to



continuation of the lock-in in the hands of the transferees for the remaining period and compliance with Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 2011 as applicable.

- d) Pursuant to Regulation 243 of the SEBI (ICDR) Regulations, Equity Shares held by shareholders other than our Promoters, which are locked-in as per Regulation 239 of the SEBI (ICDR) Regulations, may be transferred to any other person holding shares, subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 2011 as applicable.
- l) Our Promoters and Promoter(s) Group will not participate in the Issue. Neither the Company, nor its Promoters, Directors or the Lead Manager have entered into any buyback and/or standby arrangements for purchase of Equity Shares of the Company from any person. The Lead Manager and its associates do not directly or indirectly hold any shares of the Company.
- m) None of our Directors or Key Managerial Personnel holds Equity Shares in the Company, except as stated in the chapter titled "*Our Management*" beginning on page no. 106 of this Prospectus.
- n) Investors may note that in case of over-subscription, allotment will be on proportionate basis as detailed under "*Basis of Allotment*" in the chapter titled "*Issue Procedure*" beginning on page no. 219 of this Prospectus. In case of over-subscription in all categories the allocation in the Issue shall be as per the requirements of Regulation 253 (2) of SEBI (ICDR) Regulations, as amended from time to time.
- o) 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.
- p) An over-subscription to the extent of 10% of the Issue can be retained for the purpose of rounding off to the nearest integer during finalizing the allotment, subject to minimum allotment, which is the minimum application size in this Issue. Consequently, the actual allotment may go up by a maximum of 10% of the Issue, as a result of which, the post-issue paid up capital after the Issue would also increase by the excess amount of allotment so made. In such an event, the Equity Shares held by the Promoters and subject to lock-in shall be suitably increased; so as to ensure that 20% of the post Issue paid-up capital is locked in.
- q) Under subscription, if any, in any of the categories, would be allowed to be met with spill-over from any of the other categories or a combination of categories at the discretion of our Company in consultation with the Lead Manager and Designated Stock Exchange. Such inter-se spill over, if any, would be effected in accordance with applicable laws, rules, regulations and guidelines
- r) 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.
- s) As on date of this Prospectus, 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.
- t) As on date of this Prospectus, the entire issued share capital of our Company is fully paid-up. The Equity Shares issued through this Public Issue will be fully paid up.
- u) There shall be only one denomination of Equity Shares of our Company unless otherwise permitted by law. Our Company shall comply with disclosure and accounting norms as may be specified by SEBI from time to time.
- v) Our Company has not made any public issue (including any rights issue to the public) since its incorporation

Our Company shall ensure that transactions in the Equity Shares by our Promoters and our Promoter(s) Group between the date of this Prospectus and the Issue Closing Date shall be reported to the Stock Exchange within 24 hours of such transaction

## SECTION V – PARTICULARS OF THE ISSUE

### OBJECTS OF THE ISSUE

#### Issue Proceeds & Net Issue Proceeds

The details of the proceeds of the Issue are set forth in the table below:

(₹ in lakhs)

Sr. No.	Particulars	Amount
1	Gross Proceeds of the Issue	1584.00
2	Issue related Expenses <sup>(1)</sup>	50.00
	<b>Net Proceeds of the Issue</b>	<b>1534.00</b>

<sup>(1)</sup> The Issue related expenses are estimated expenses and subject to change.

#### Net Issue

The Objects of the Net Issue is to raise funds for:

- (a) Repayment of Loans
- (b) General Corporate Purpose

Further, our Company expects that the listing of the Equity Shares will enhance our visibility and our brand image among our existing and potential customers.

The Main Objects clause as set out in the Memorandum of Association enables our Company to undertake its existing activities and the activities for which funds are being raised by the Company through the Present Issue. Further, we confirm that the activities that we have been conducting until now are in accordance with the objects clause of our Memorandum of Association.

#### Proposed Schedule of Implementation and Deployment of the Net Proceeds

The Net Proceeds of the Issue (“Net Proceeds”) are proposed to be deployed in accordance with the schedule as stated below:

(₹ in lakhs)

Sr. No.	Object	Amount to be funded from Net Proceeds	Amount to be funded from Net Proceeds (F. Y. 2020)
1.	Repayment of Loans	1,510.25	1,510.25
2.	General Corporate Purpose	23.75	23.75
	<b>Total</b>	<b>1534.00</b>	<b>1534.00</b>

#### Requirement of Funds and Means of Finance

The fund requirements mentioned above are based on the internal management estimates of our Company and have not been verified or appraised by any bank, financial institution or any other external agency. They are based on current circumstances of our business and our Company may have to revise its estimates from time to time on account of various factors beyond its control, such as market conditions, competitive environment, costs of commodities and interest or exchange rate fluctuations. Consequently, the fund requirements of our Company are subject to revisions in the future at the discretion of the management. In the event of any shortfall of funds for the activities proposed to be financed out of the Net Proceeds as stated above, our Company may re-allocate the Net Proceeds to the activities where such shortfall has arisen, subject to compliance with applicable laws. Further, in case of a shortfall in the Net Proceeds or cost overruns, our management may explore a range of options including utilising our internal accruals or seeking debt financing.

The entire fund requirements are to be financed from the Net Issue Proceeds, and there is no requirement to make firm arrangements of finance under Regulation 230(1)(e) of the SEBI Regulations through verifiable means towards at least 75% of the stated means of finance, excluding the amounts to be raised through the Issue.

For further details on the risks involved in our proposed fund utilization, please refer the “Risk Factors - 18. - Our funding requirements and deployment of the issue proceeds are based on management estimates and have not been



independently appraised by any bank or financial institution and is not subject to any monitoring by any independent agency and our Company's management will have flexibility in utilizing the Proceeds from the Issue" on page no. 15 of this Prospectus.

## DETAILS OF THE FUND REQUIREMENTS

### 1) Repayment of Loans

We have from time to time availed unsecured loan from our directors, who also form part of our Promoters & Promoter(s) Group. As on August 31, 2019 our Company had total outstanding unsecured loans amounting to ₹ 2,396.45 lakhs as confirmed by the Statutory Auditors M/s. Agarwal Jain & Gupta, Chartered Accountants, vide Certificate dated September 11, 2019. These loans carry an interest rate of 15% p.a. They have further confirmed that these loans were received from directors, who also form part of our Promoters & Promoter(s) Group, and were utilized for business working capital purposes. Our Company proposes to utilize an amount of ₹ 1,510.25 lakhs out of the Net Proceeds towards repayment of the borrowings / loans listed in the table below. We believe that such repayment / prepayment will help reduce our outstanding indebtedness and improve our debt-equity ratio. We believe that reducing our indebtedness will result in enhanced equity base, reduce our financial costs, improve our profitability and improve our leverage capacity. Following are the details of the loans we intend to repay from the issue proceeds.

(₹ in lakhs)

Sr. No.	Name of the Lender	Amt. of Loan outstanding as on August 31, 2019	Amt. of loan proposed to be repaid
1.	Ajay N Bansal	179.00	179.00
2.	Sanjay N Bansal	349.62	349.62
3.	Vanita S Bansal	565.00	115.00
4.	Utsav S Bansal	61.00	61.00
5.	Jatin N Mehta	149.90	149.90
6.	Krishna Mehta	202.30	202.30
7.	Niyati J Mehta	700.80	264.60
8.	Rishabh J Mehta	188.83	188.83
	<b>Total</b>	<b>2,396.45</b>	<b>1,510.25</b>

The above are the outstanding loan balances as on August 31, 2019. However, we may repay the above loans, in full or in part, before we obtain proceeds from the Issue, through other means and source of financing, including internal accruals or other financial arrangements, which will then be recouped from the proceeds of the Issue.

### 2) General Corporate Purpose

Our management will have flexibility to deploy ₹ 23.75, aggregating to 1.55 % of the Net Proceeds of the Issue towards general corporate purposes, including but not restricted to strategic initiatives, partnerships, joint ventures and acquisitions, meeting exigencies which our Company may face in the ordinary course of business, to renovate and refurbish certain of our existing Company owned/leased and operated facilities or premises, towards brand promotion activities or any other purposes as may be approved by our Board, subject to compliance with the necessary provisions of the Companies Act.

Our management, in accordance with the policies of the Board, will have flexibility in utilizing any amounts for general corporate purposes under the overall guidance and policies of our Board. The quantum of utilization of funds towards any of the purposes will be determined by the Board, based on the amount actually available under this head and the business requirements of our Company, from time to time.

We confirm that any issue related expenses shall not be considered as a part of General Corporate Purpose. Further, we confirm that in terms of Regulation 230 (2) of the SEBI ICDR Regulations, the extent of the Net Proceeds according to this Prospectus, proposed to be used for general corporate purposes, shall not exceed 25% of the amount raised by our Company through the Issue of Equity Shares.

**ISSUE RELATED EXPENSES**

The total estimated Issue Expenses are ₹ 50.00 lakhs, which is 3.16% of the total Issue Size. The details of the Issue Expenses are tabulated below:

Sr. No.	Particulars	Amount (₹ in lakhs) <sup>(1)</sup>	% of Total Expenses <sup>(1)</sup>	% of Total Issue size <sup>(1)</sup>
1	Issue Management fees including fees and payment to other intermediaries such as Legal Advisors, Registrars and other out of pocket expenses.	39.40	78.80%	2.49%
2	Brokerage and selling commission <sup>(2)(3)(4)</sup>	1.60	3.20%	0.10%
3	Printing & Stationery, Distribution, Postage, etc.	2.00	4.00%	0.13%
4	Advertisement and Marketing Expenses	2.00	4.00%	0.13%
5	Stock Exchange Fees, Regulatory and other Expenses	5.00	10.00%	0.32%
<b>Total</b>		<b>50.00</b>	<b>100.00%</b>	<b>3.16%</b>

<sup>(1)</sup> Will be incorporated at the time of filing of the Prospectus and on determination of Issue Price and other details.

<sup>(2)</sup> The SCSBs and other intermediaries will be entitled to a commission of ₹ 10/- per every valid Application Form submitted to them and uploaded on the electronic system of the Stock Exchange by them.

<sup>(3)</sup> The SCSBs would be entitled to processing fees of ₹ 10/- per Application Form, for processing the Application Forms procured by other intermediaries and submitted to the SCSBs.

<sup>(4)</sup> Further the SCSBs and other intermediaries will be entitled to selling commission of 0.01% of the Amount Allotted (product of the number of Equity Shares Allotted and the Issue Price) for the forms directly procured by them and uploaded on the electronic system of the Stock Exchange by them.

The Issue expenses are estimated expenses and subject to change. The Issue expenses shall be payable within 30 working days post the date of receipt of the final invoice from the respective Intermediaries by our Company.

**Appraisal and Bridge Loans**

Our Company has not raised any bridge loans from any bank or financial institution as on the date of this Prospectus, which are proposed to be repaid from the Net Proceeds of the Issue.

**Year wise Deployment of Funds / Schedule of Implementation**

As on the date of this Prospectus, no funds have been deployed on these objects. The entire Issue size is proposed to be deployed in the Financial Year 2019 – 20.

**Monitoring of Utilization of Funds**

Since the proceeds from the Fresh Issue do not exceed ₹ 10,000 lakhs, in terms of Regulation 262 of the SEBI ICDR Regulations, our Company is not required to appoint a monitoring agency for the purposes of this Issue. Our Board and Audit Committee will monitor the utilisation of the proceeds of the Issue. Our Company will disclose the utilization of the Net Proceeds under a separate head in our balance sheet along with the relevant details, for all such amounts that have not been utilized. Our Company will indicate investments, if any, of unutilised Net Proceeds in the balance sheet of our Company for the relevant fiscals subsequent to receipt of listing and trading approvals from the Stock Exchange.

Pursuant to the SEBI Listing Regulations, our Company shall disclose to the Audit Committee of the Board of Directors the uses and applications of the Net Proceeds. Our Company shall prepare a statement of funds utilised for purposes other than those stated in this Prospectus and place it before the Audit Committee of the Board of Directors, as required under applicable law. Such disclosure shall be made only until such time that all the Net Proceeds have been utilised in full. The statement shall be certified by the statutory auditor of our Company. Furthermore, in accordance with the Regulation 32(1) of the SEBI Listing Regulations, our Company shall furnish to the Stock Exchange on a half yearly basis, a statement indicating (i) deviations, if any, in the utilisation of the proceeds of the Issue from the objects of the Issue as stated above; and (ii) details of category wise variations in the utilisation of the proceeds from the Issue from the objects of the Issue as stated above.

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**Working Capital Requirement**

Our Company currently funds its working capital needs through a mix of its internal accruals, unsecured loans and banking facilities and they intend to continue to do so in the future. Hence no amount is proposed to be utilised for Working Capital from the Net Proceeds of this Issue.

**Interim Use of Funds**

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

**Variation in Objects**

In accordance with Section 27 of the Companies Act, 2013, our Company shall not vary the objects of the Issue without our Company being authorised to do so by the Shareholders by way of a special resolution. In addition, the notice issued to the Shareholders in relation to the passing of such special resolution shall specify the prescribed details as required under the Companies Act. The notice in respect of such resolution to Shareholders shall simultaneously be published in the newspapers, one in English and one in Regional language of the jurisdiction where our Registered Office is situated. The Shareholders who do not agree to the above stated proposal, our Promoters or controlling Shareholders will be required to provide an exit opportunity to such dissenting Shareholders, at a price as may be prescribed by SEBI, in this regard.

**Other Confirmations / Payment to Promoters and Promoter's Group from the IPO Proceeds**

Except as mentioned under the section 'Details of Funds Requirement' in this Chapter above, no part of the Net Proceeds will be paid by our Company as consideration to our Promoters, Promoter(s) Group, our Board of Directors, our Key Management Personnel or Group Companies except in the normal course of business in compliance with applicable law.

**BASIS FOR ISSUE PRICE**

The Issue Price has been determined by our Company in consultation with the Lead Manager on the basis of the key business strengths. The face value of the Equity Shares is ₹ 10 and Issue Price is ₹ 44 per Equity Shares and is 4.40 time of the face value. Investors should read the following basis with the sections titled “Risk Factors” and “Financial Information” and the chapter titled “Our Business” beginning on page nos. 15,130 and 82 respectively, of this Prospectus to get a more informed view before making any investment decisions..

**Qualitative Factors**

Some of the qualitative factors and our strengths which form the basis for the Issue Price are:

- Experienced Promoters and Management Expertise
- Tie-ups with Major Steel Manufacturers
- Existing and Diversified Customer Base
- Wide Range of Products
- Strategic Location of our Warehousing Units
- Scalable Business Model

For more details on qualitative factors, refer to chapter “Our Business” on page no. 82 of this Prospectus.

**Quantitative Factors**

The information presented in this section for the period ended March 31, 2019 and Fiscal ended March 31, 2018 and March 31, 2017 is derived from our Restated Financial Statements. For more details on financial information, investors please refer the chapter titled “Financial Statements” on page no. 130, of this Prospectus.

Investors should evaluate our Company taking into consideration its earnings and based on its growth strategy. Some of the quantitative factors which may form the basis for computing the price are as follows:

**1) Basic and Diluted Earnings / Loss Per Share (“EPS”)**

Year ended March 31,	Basic & Diluted	
	EPS (in ₹) <sup>(1)</sup>	Weights
2019	5.72	3
2018	5.46	2
2017	2.93	1
<b>Weighted Average</b>		<b>5.17</b>

<sup>(1)</sup> Based on Restated Financials of our Company

**Notes:**

- a. Basic EPS has been calculated as per the following formula:

$$\text{Basic EPS (₹)} = \frac{\text{Net profit/ (loss) as restated, attributable to Equity Shareholders}}{\text{Weighted average number of Equity Shares outstanding during the year/period}}$$

- b. Diluted EPS has been calculated as per the following formula:

$$\text{Diluted EPS (₹)} = \frac{\text{Net profit/ (loss) as restated, attributable to Equity Shareholders}}{\text{Diluted Weighted average number of Equity Shares outstanding during the year/period}}$$

**2) Price Earnings Ratio (“P/E”) in relation to the Price of ₹ 44 per share of ₹ 10 each**

Particulars	P/E
P/E ratio based on Basic and Diluted EPS as at March 31, 2019	7.69
P/E ratio based on Weighted Average EPS	8.51



Industry P/E <sup>(1)</sup>	
Highest – Apollo Tricoat Tubes Limited.	123.8
Lowest – Chandra Prabhu International Limited.	3.7
Industry Average	41.1

<sup>(1)</sup> Source: Capital Market, Vol. XXXIV/14, Aug 26 – Sep 08, 2019; Segment: Trading

### 3) Return on Net worth (RoNW)

Year ended March 31,	RoNW (%)	Weight
2019	12.28%	3
2018	13.34%	2
2017	8.27%	1
<b>Weighted Average</b>		<b>11.97%</b>

**Note:** Return on Net worth has been calculated as per the following formula:

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

### 4) Minimum Return on Net Worth after Issue needed to maintain Pre-Issue EPS for the year ended March 31, 2019

The minimum return on increased net worth i.e. after Issue, required to maintain pre-Issue Basic / Diluted EPS of ₹ 5.72 for the F.Y. 2018-19 is 12.45%.

**Note:**

Net worth is the sum of the share capital, the reserves and the surplus less miscellaneous expenditure not written off.

### 5) Net Asset Value (NAV)

Financial Year	NAV (₹)
NAV as at March 31, 2019	46.63
NAV after Issue	45.93
Issue Price (₹)	44.00

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

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

### 6) Comparison with Industry Peers

We believe following is our peer group which has been determined on the basis of listed public companies comparable in the similar line of segments in which our Company operates i.e. Trading, whose business segment in part or full may be comparable with that of our business, however, the same may not be exactly comparable in size or business portfolio on a whole with that of our business.

Name of the Company	EPS	Face Value (₹)	P/E Ratio <sup>(b)</sup>	RoNW (%) <sup>(c)</sup>	NAV Per Share (₹) <sup>(d)</sup>
Peer Group <sup>(a)</sup>					
SRU Steels Limited	0.37	10.00	44.05	2.46%	15.07
<i>Source: Financial Results / Annual Report of the Company filed with the Stock Exchanges</i>					
The Company					
Shiv Aum Steels Limited	5.72	10	7.69	12.28%	46.63
<i>Source: Restated Financials of the Company as disclosed on page no. 130 of this Prospectus.</i>					

**Note:**

a) The peer group figures based on audited standalone financials as on and for the year ended June 30, 2019.



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- b) *P/E figures for the peer is computed based on closing market price as on June 18, 2019, of relevant peer companies as available at BSE, (available at [www.bseindia.com](http://www.bseindia.com)) divided by Basic EPS for FY 19 reported in the filings made with stock exchanges.*
- c) *Return on net worth (%) = Net profit after tax \* 100 / Net worth at the end of the year*
- d) *Net Asset value per share = Net worth at the end of the year / No. of shares outstanding at the end of year*
- 7) The Company in consultation with the Lead Manager believes that the Issue price of ₹ 44 per share for the Public Issue is justified in view of the above parameters. The investors may also want to peruse the Risk Factors and Financials of the company including important profitability and return ratios, as set out in the Financial Statements included in this Prospectus to have more informed view about the investment proposition. The Face Value of the Equity Shares is ₹ 10 per share and the Issue Price is 4.40 times of the face value i.e. ₹ 44 per share.

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## STATEMENT OF TAX BENEFITS

To  
**The Board of Directors,**  
**Shiv Aum Steels Limited**  
515, The Summit Business Bay,  
Opp. Cinemax Western Express Way,  
A. K. Road Andheri (East), Mumbai – 400 093

Dear Sirs,

**Sub: Statement of Possible Special Tax Benefits available to Shiv Aum Steels Limited and its shareholders prepared in accordance with Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (“SEBI Regulations”) and the Companies Act, 2013, as amended (the “Act”).**

We hereby report that the accompanying Statement states the possible special tax benefits available to the Company and shareholders of the Company (hereinafter referred to as “**the Statement**”) under the Income Tax Act, 1961 (read with Income Tax Rules, circulars, notifications) as amended by the Finance Act, 2018 presently in force in India (together referred to as the “**Direct Tax Laws**”) and The Goods and Service Tax Act, 2017 & Customs Act, 1962 (read with rules, circulars, notifications) presently in force in India (together referred to as the “**Indirect Tax Laws**”).

These possible special tax benefits are dependent on the Company and / or the Company’s shareholders fulfilling the conditions prescribed under the relevant Tax Laws, Indirect Tax Laws and other laws. Hence, the ability of the Company or the Company’s shareholders to derive these possible special tax benefits is dependent upon their fulfilling such conditions, which is based on business imperatives the Company may face in the future and accordingly, the Company or the Company’s shareholders may or may not choose to fulfil. Our Company does not have any Material Subsidiary as on date of this Prospectus.

The benefits discussed in the enclosed Statement are not exhaustive and only cover the possible special direct and indirect tax benefits available to the Company and the Company’s shareholders. The Statement is neither designed nor intended to be a substitute for professional tax advice and 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 of the Company.

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

- a) the Company or its shareholders will continue to obtain these possible special tax benefits in future; or
- b) the conditions prescribed for availing the possible special tax benefits, where applicable, have been/would be met with; and

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

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 change from time to time. We do not assume responsibility to update the views consequent to such changes.

We conducted our examination in accordance with the “Guidance Note on Reports or Certificates for Special Purposes (Revised 2019)” (“**Guidance Note**”) issued by the Institute of Chartered Accountants of India. The Guidance Note requires that we comply with ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.



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We hereby give consent to include this Statement in the Prospectus and Prospectus in connection with the proposed initial public offering of the Company.

Yours faithfully,

**For M/s. Agrawal Jain & Gupta,  
Chartered Accountants**  
(Firm Registration No. 013538C)

**Narayan Swami**  
**Partner**  
Membership No: 409759  
Place: Mumbai  
Date: 7<sup>th</sup> June, 2019

Encl: a/a

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**Annexure**

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

Outlined below are the possible special tax benefits available to **Shiv Aum Steels Limited ("the Company")** and to its Shareholders under the direct and indirect Tax Laws in force in India (i.e. applicable for the Financial Year 2019 – 20 relevant to the Assessment Year 2020 – 21).

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

**1. Direct Tax**

There are no special direct tax benefits available the Company.

**2. Indirect Tax**

There are no special indirect tax benefits available the Company.

**B. SPECIAL TAX BENEFITS AVAILABLE TO THE SHAREHOLDERS OF THE COMPANY**

**1. Direct Tax**

There are no special direct tax benefits available the Company.

**2. Indirect Tax**

There are no special indirect tax benefits available the Company.



## SECTION VI: ABOUT THE COMPANY

### INDUSTRY OVERVIEW

*The information in this chapter has been extracted from the websites of and publicly available documents from various sources. The data may have been re-classified by us for the purpose of presentation. Neither we nor any other person connected with this Issue has independently verified the information provided in this chapter. Industry sources and publications, referred to in this chapter, generally state that the information contained therein has been obtained from sources generally believed to be reliable but 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.*

#### OVERVIEW OF GLOBAL ECONOMY

According to the May 2018 OECD Economic Outlook, world GDP growth is forecast to be around 4% in the coming years (3.8% in 2018 and 3.9% in 2019). Nevertheless, economic growth is benefiting largely from accommodative monetary and fiscal policies, whereas in most economies the implementation of necessary structural reforms has stalled (OECD, 2018[1]). There are therefore significant downside risks to the GDP growth forecast due to the inevitable phasing out of central bank and government fiscal support. In the euro area, GDP growth is projected to remain above 2% in 2018 and 2019, with a broad based recovery driven by both domestic and external demand — private consumption and investment are being supported by the accommodative monetary and fiscal policy stance. A high level of indebtedness in both the household and the corporate sector, as well as a large stock of nonperforming loans in some economies still have the potential to negatively affect future growth. Brexit is also a downside risk for E.U. countries should a workable trade agreement not be found prior to the United Kingdom leaving the European Union.

In the U.S., the economy has felt the effects of a substantial fiscal boost. Employment growth remains robust which, coupled with buoyant asset prices and strong consumer confidence, is sustaining income and consumption growth. Business investment is projected to strengthen as a result of major tax reforms and supportive financial conditions. GDP growth projections stand at 2.9% in 2018, and 2.8% in 2019. The main downside risks are a correction in asset prices, including in the housing sector, high leverage in the corporate sector and trade frictions that could jeopardise the growth-inducing effects of global value chains, and result in further tensions and increase in trade measures. In Japan, economic growth is projected to be 1.2% both in 2018 and 2019, supported by exports, business investment and private consumption. The level of government debt (224% of GDP) is extremely high and poses serious downside risks. A loss of confidence in Japan's fiscal sustainability could destabilise the financial sector and the real economy, with potentially large negative spill-overs to the world economy. The escalation of trade actions is also a significant risk, although the recently signed Comprehensive and Progressive Agreement for Trans-Pacific Partnership (TPP-11) could help mitigate it.

Economic growth in emerging economies varies depending on the degree of exposure to commodity markets, progress in the implementation of structural reforms, the extent of financial vulnerabilities, and the different demand-side policies being implemented. In China, economic growth should soften as export and investment growth rates slow. GDP growth is projected at 6.7% in 2018 and 6.4% in 2019. Monetary policy has been tightened in order to curb excessive financial risks, while fiscal policy remains accommodative but should become tighter because of better scrutiny over unauthorised local government investments.

The Belt and Road Initiative is expected to keep infrastructure investment and exports strong. Potential headwinds to economic growth going forward include the risks of a real estate market downturn, the rise of non-performing loans due to a high level of corporate indebtedness (particularly amongst state-owned enterprises) and increased trade actions. In India, investment and exports have become major growth engines, supported by adjustments in how the new goods and services tax (GST) is implemented. Private consumption was negatively affected by the confidence and employment shocks associated with demonetization (a measure to reduce the black market economy), but the recovery seems well underway. Nevertheless, job creation in the formal sector is expected to remain sluggish, leaving the vast majority of workers in low-productivity, low-paid activities. The OECD forecast points to GDP growth rates of 7.4% in 2018, and 7.5% in 2019. In the longer run, the new GST should continue to sustain corporate investment, productivity and growth by creating a single market and reducing the cost of capital equipment. Private investment is likely to accelerate, as deleveraging by corporations and banks continues to incentivise investors and infrastructure projects mature. Exports will strengthen thanks to competitiveness gains resulting from the implementation of the GST. In the Russian Federation (hereafter “Russia”), the economy is projected to continue growing at a modest pace: 1.8% in 2018 and 1.5% in 2019. Private consumption and investment should benefit from a confidence boost from higher oil prices and macroeconomic policies that have improved financial conditions. Modest income growth is nevertheless keeping

inequality and poverty at high levels. Oil price uncertainty, international sanctions and a decreasing workforce are likely to continue weighing on economic activity. In Brazil, the recovery is projected to continue to strengthen and GDP growth is expected to reach 2.0% in 2018 and 2.8% in 2019. Solid investment growth reflects improving confidence due to recent reforms, particularly in financial markets. Downside risks include high corporate indebtedness, with a possible deterioration in loan quality, as well as fiscal sustainability that absent pension reforms could jeopardise investor confidence.

	2015	2016	2017	2018	2019
<b>World <sup>1</sup></b>	<b>3.3</b>	<b>3.1</b>	<b>3.7</b>	<b>3.8</b>	<b>3.9</b>
United States	2.9	1.5	2.3	2.9	2.8
Euro area	2.0	1.8	2.6	2.2	2.1
Germany	1.5	1.9	2.5	2.1	2.1
France	1.0	1.1	2.3	1.9	1.9
Italy	0.8	1.0	1.6	1.4	1.1
Spain	3.4	3.3	3.1	2.8	2.4
Japan	1.4	1.0	1.7	1.2	1.2
United Kingdom	2.3	1.9	1.8	1.4	1.3
Mexico	3.3	2.7	2.3	2.5	2.8
Korea	2.8	2.9	3.1	3.0	3.0
Canada	1.0	1.4	3.0	2.1	2.2
Turkey	5.9	3.2	7.4	5.1	5.0
Australia	2.5	2.6	2.3	2.9	3.0
China	6.9	6.7	6.9	6.7	6.4
India <sup>2</sup>	8.2	7.1	6.5	7.4	7.5
Russia	-2.8	-0.1	1.5	1.8	1.5
Brazil	-3.6	-3.5	1.0	2.0	2.8
Indonesia	4.9	5.0	5.1	5.3	5.4
South Africa	1.3	0.6	1.3	1.9	2.2
<b>OECD <sup>1</sup></b>	<b>2.5</b>	<b>1.7</b>	<b>2.6</b>	<b>2.2</b>	<b>2.5</b>
<b>Non-OECD <sup>1</sup></b>	<b>3.9</b>	<b>4.2</b>	<b>4.6</b>	<b>4.8</b>	<b>5.1</b>
<b>World real trade growth</b>	<b>2.8</b>	<b>2.6</b>	<b>5.0</b>	<b>4.1</b>	<b>4.5</b>

(Source: <https://www.oecd.org/sti/ind/steel-market-developments-Q42018.pdf>)

## OVERVIEW OF INDIAN ECONOMY

### Introduction

India has emerged as the fastest growing major economy in the world and is expected to be one of the top three economic powers of the world over the next 10-15 years, backed by its strong democracy and partnerships.

### Market size

India's GDP is estimated to have increased 7.2 per cent in 2017-18 and 7 per cent in 2018-19. India has retained its position as the third largest startup base in the world with over 4,750 technology start-ups. India's labour force is expected to touch 160-170 million by 2020, based on rate of population growth, increased labour force participation, and higher education enrolment, among other factors, according to a study by ASSOCHAM and Thought Arbitrage Research Institute. India's foreign exchange reserves were US\$ 405.64 billion in the week up to March 15, 2019, according to data from the RBI.

### Recent Developments

With the improvement in the economic scenario, there have been various investments in various sectors of the economy. The M&A activity in India reached record US\$ 129.4 billion in 2018 while private equity (PE) and venture capital (VC) investments reached US\$ 20.5 billion. Some of the important recent developments in Indian economy are as follows:



- During 2018-19 (up to February 2019), merchandise exports from India have increased 8.85 per cent year-on-year to US\$ 298.47 billion, while services exports have grown 8.54 per cent year-on-year to US\$ 185.51 billion.
- Nikkei India Manufacturing Purchasing Managers' Index (PMI) reached a 14-month high in February 2019 and stood at 54.3.
- Net direct tax collection for 2018-19 had crossed Rs 10 trillion (US\$ 144.57 billion) by March 16, 2019, while goods and services tax (GST) collection stood at Rs 10.70 trillion (US\$ 154.69 billion) as of February 2019.
- Proceeds through Initial Public Offers (IPO) in India reached US\$ 5.5 billion in 2018 and US\$ 0.9 billion in Q1 2018-19.
- India's Foreign Direct Investment (FDI) equity inflows reached US\$ 409.15 billion between April 2000 and December 2018, with maximum contribution from services, computer software and hardware, telecommunications, construction, trading and automobiles.
- India's Index of Industrial Production (IIP) rose 4.4 per cent year-on-year in 2018-19 (up to January 2019).
- Consumer Price Index (CPI) inflation stood at 2.57 per cent in February 2019.
- Net employment generation in the country reached a 17-month high in January 2019.

### Government Initiatives

The interim Union Budget for 2019-20 was announced by Mr Piyush Goyal, Union Minister for Finance, Corporate Affairs, Railways and Coal, Government of India, in Parliament on February 01, 2019. It focuses on supporting the needy farmers, economically less privileged, workers in the unorganised sector and salaried employees, while continuing the Government of India's push towards better physical and social infrastructure. Total expenditure for 2019-20 is budgeted at Rs 2,784,200 crore (US\$ 391.53 billion), an increase of 13.30 per cent from 2018-19 (revised estimates). Numerous foreign companies are setting up their facilities in India on account of various government initiatives like Make in India and Digital India. Mr. Narendra Modi, Prime Minister of India, has launched the Make in India initiative with an aim to boost the manufacturing sector of Indian economy, to increase the purchasing power of an average Indian consumer, which would further boost demand, and hence spur development, in addition to benefiting investors. The Government of India, under the Make in India initiative, is trying to give boost to the contribution made by the manufacturing sector and aims to take it up to 25 per cent of the GDP from the current 17 per cent. Besides, the Government has also come up with Digital India initiative, which focuses on three core components: creation of digital infrastructure, delivering services digitally and to increase the digital literacy. Some of the recent initiatives and developments undertaken by the government are listed below:

- In February 2019, the Government of India approved the National Policy on Software Products – 2019, to develop the country as a software hub.
- The National Mineral Policy 2019, National Electronics Policy 2019 and Faster Adoption and Manufacturing of (Hybrid) and Electric Vehicles (FAME II) have also been approved by the Government of India in 2019.
- Village electrification in India was completed in April 2018. Universal household electrification is expected to be achieved by March 2019 end.
- The Government of India released the maiden Agriculture Export Policy, 2018 which seeks to double agricultural exports from the country to US\$ 60 billion by 2022.
- Around 1.29 million houses have been constructed up to December 24, 2018, under Government of India's housing scheme named Pradhan Mantri Awas Yojana (Urban).
- Prime Minister's Employment Generation Programme (PMEGP) will be continued with an outlay of Rs 5,500 crore (US\$ 755.36 million) for three years from 2017-18 to 2019-20, according to the Cabinet Committee on Economic Affairs (CCEA).

## Road Ahead

India's gross domestic product (GDP) is expected to reach US\$ 6 trillion by FY27 and achieve upper-middle income status on the back of digitisation, globalisation, favourable demographics, and reforms. India's revenue receipts are estimated to touch Rs 28-30 trillion (US\$ 385-412 billion) by 2019, owing to Government of India's measures to strengthen infrastructure and reforms like demonetisation and Goods and Services Tax (GST). India is also focusing on renewable sources to generate energy. It is planning to achieve 40 per cent of its energy from non-fossil sources by 2030 which is currently 30 per cent and also have plans to increase its renewable energy capacity from to 175 GW by 2022. India is expected to be the third largest consumer economy as its consumption may triple to US\$ 4 trillion by 2025, owing to shift in consumer behaviour and expenditure pattern, according to a Boston Consulting Group (BCG) report; and is estimated to surpass USA to become the second largest economy in terms of purchasing power parity (PPP) by the year 2040, according to a report by PricewaterhouseCoopers. Exchange Rate Used: INR 1 = US\$ 0.0145 as on March 29, 2019

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

## GLOBAL STEEL INDUSTRY

The global steel demand continues to grow in slowing economic environment. The World Steel Association forecasts global steel demand will reach 1,735 Mt in 2019, an increase of 1.3% over 2018. In 2020, demand is projected to grow by 1.0% to reach 1,752 Mt. Commenting on the outlook, Mr Al Remeithi, Chairman of the worldsteel Economics Committee said, "In 2019 and 2020, global steel demand is expected to continue to grow, but growth rates will moderate in tandem with a slowing global economy. Uncertainty over the trade environment and volatility in the financial markets have not yet subsided and could pose downside risks to this forecast."

### Growth in steel demand remains positive

In 2018, global steel demand increased by 2.1% (after adjusting for China induction furnace closures – see note in October 2018 Short Range Outlook), growing slightly slower than in 2017. In 2019 and 2020 growth is still expected, but in a less favourable economic environment. China's deceleration, a slowing global economy, and uncertainty surrounding trade policies and the political situation in many regions suggest a possible moderation in business confidence and investment.

### Chinese steel demand remains robust owing to government stimuli

Chinese steel demand continues to decelerate as the combined effect of economic rebalancing and trade tension is leading to slowing investment and sluggish manufacturing performance. Mild government stimulus cushioned the economic slowdown in 2018. In 2019, the government is likely to heighten the level of stimulus, which is expected to boost steel demand. In 2020, a minor contraction in Chinese steel demand is forecasted as the stimulus effects are expected to subside.

### Steel demand in the developed world reacts to a weaker trade environment

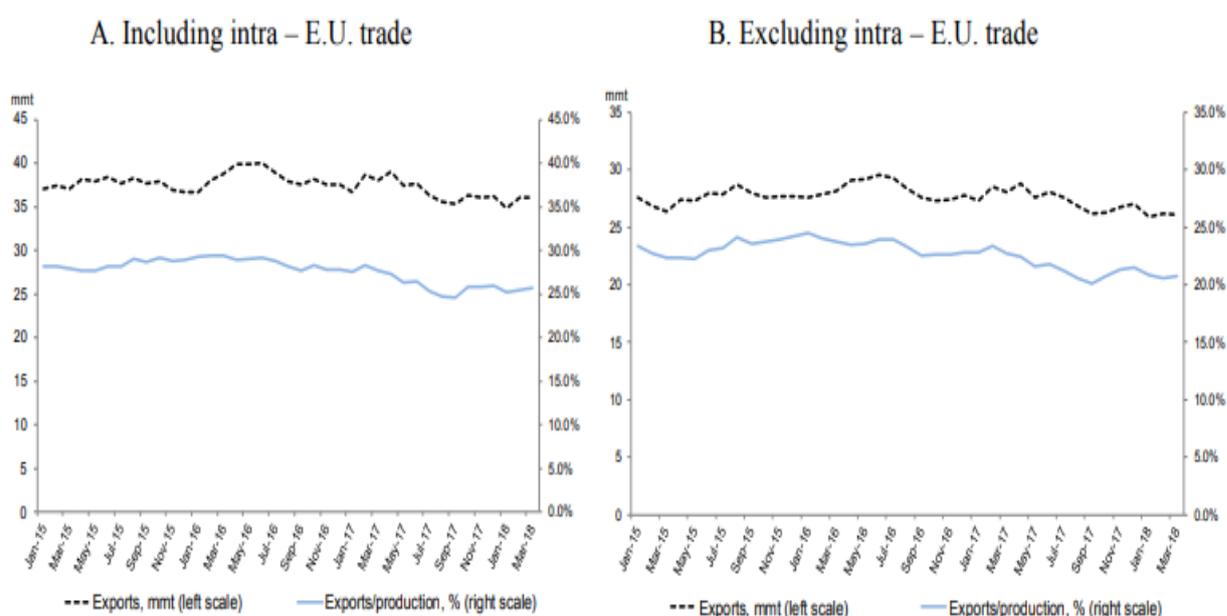
- Steel demand in the developed economies grew by 1.8% in 2018 following a resilient 3.1% growth in 2017. We expect demand to further decelerate to 0.3% in 2019 and 0.7% in 2020, reflecting a deteriorating trade environment.
- In 2017-18, steel demand in the US benefitted from the strong growth of the economy driven by government-led fiscal stimulus, leading to high confidence and a robust job market. In 2019, the US growth pattern is expected to slow with the waning effect of fiscal stimulus and a monetary policy normalisation. Therefore, both construction and manufacturing growth is expected to moderate. Investment in oil and gas exploration is expected to decelerate as well, while a boost in infrastructure spending is not expected.
- The EU economies also face the deteriorating trade environment and uncertainty over Brexit. We expect slower growth in demand for steel in the major EU economies (especially in those more export dependent) in 2019. Steel demand growth is expected to improve in 2020, dependent on a reduction in trade tensions.
- Japan recorded growth in steel demand in 2018, supported by a favourable investment environment and continued construction activities as well as a boost in consumer spending prior to the consumption tax increase. In 2019 and

2020, steel demand is likely to contract slightly due to a moderation of construction activities and decelerating exports despite the support provided by public projects.

- Steel demand in Korea has been contracting since 2017 due to reduced demand from two major steel using sectors, shipbuilding and automotive. Steel demand is expected to continue declining in 2019 due to toughened real estate market measures and a deteriorating export environment. A mild recovery is expected in 2020.

## World Steel Trade

Monthly data from the International Steel Statistics Bureau (ISSB), taking into account internal E.U. and other inter-regional trade, point to global steel exports averaging around 35-36 million tonnes per month during the first three months of 2018, down from around 37-39 million tonnes in 2017. The world export ratio, i.e. exports as a share of crude steel production in 2018 (Figure 5.A), has been declining slightly when compared to levels in 2017. The world export ratio stood at 25.7% in March 2018, falling to the same level as in the beginning of 2014. Excluding intra-E.U. trade, monthly global steel exports have been declining slightly from around 27-28 million tonnes during 2017 to around 26 million tonnes during the first three months of 2018. The export ratio (excluding intra-E.U. trade) has also been declining, falling to 20.8% in March 2018, down from 22.7% in March 2017



Source: OECD calculations based on data from ISSB

The table below presents recent data on trade developments in the seven largest steel-producing economies and the rest of the world. Exports from China have declined by 27.3%, y-o-y, in the first three months of 2018 (Jan-Mar 2018). Exports from the E.U. (external trade) and Japan have also declined, by 1.3% and 4.3% y-o-y, respectively, during Jan-Mar 2018. Exports from India, which had recorded a significant increase in 2017 (60.7%), declined by 35.4% y-o-y in Jan-Mar 2018. Steel exports from the U.S. and Korea also started to decrease, declining by 3.2% and 2.3%, respectively, during Jan-Mar 2018. Russian steel exports increased slightly, climbing 1.2%, y-o-y, in the first three months of this year. Turning to steel imports, the E.U., the largest steel-importing economy, saw steel imports increase by 3.9% in Jan-Mar 2018, compared to the corresponding time period one year earlier. The U.S., which had recorded a significant increase in steel imports in 2017 (14.7%), posted an import decline of 3.8%, y-o-y, during Jan-Mar 2018. The volume of imported steel products in Korea decreased significantly in the first three months of 2018, falling by 30.0% relative to a year earlier. Japanese imports decreased by 6.6%, y-o-y, in Jan-Mar 2018. On the other hand, China and Russia recorded increases in steel imports in the first three months of this year, amounting to 7.4% and 9.7%, respectively, in y-o-y terms.



Thousands of metric tonnes		2013	2014	2015	2016	2017	2018 Jan-Mar	2017 Jan-Mar	% change, y-o-y Jan-Mar 2018
China	Exports	61 083	92 348	110 928	107 531	74 238	14 843	20 430	-27.3%
	Imports	14 642	14 734	13 048	13 467	13 792	3 809	3 547	7.4%
EU-28 (external trade)	Exports	36 087	36 451	32 998	29 193	30 508	6 796	6 887	-1.3%
	Imports	27 872	31 931	37 385	41 150	41 702	11 705	11 266	3.9%
Japan	Exports	42 406	41 247	40 720	40 452	37 408	9 276	9 691	-4.3%
	Imports	5 345	6 657	5 850	5 965	6 186	1 476	1 580	-6.6%
India	Exports	9 646	9 828	7 117	9 933	15 964	3 177	4 915	-35.4%
	Imports	7 347	9 310	13 249	9 857	8 818	1 953	2 023	-3.4%
United States	Exports	12 182	11 581	9 620	8 920	10 081	2 409	2 490	-3.2%
	Imports	29 727	40 285	35 564	29 918	34 327	7 786	8 094	-3.8%
Russian Federation	Exports	23 598	26 939	29 605	31 104	31 087	8 108	8 010	1.2%
	Imports	6 453	5 644	4 309	4 389	6 407	1 479	1 348	9.7%
Korea	Exports	28 826	31 803	31 077	30 504	31 254	7 750	7 929	-2.3%
	Imports	18 878	22 268	21 546	23 168	19 208	3 937	5 627	-30.0%

(Source: <https://www.oecd.org/sti/ind/steel-market-developments.htm>)

## Global Steel Production

2019 had opened on an optimistic mode with global steel prices in general remaining northbound. The momentum had continued into the second month of the new year as well, with prices responding largely to market demand-supply pattern and raw material price impact. While Chinese controls on capacity/production growth remained in force, the limelight has now shifted to the Brazil and iron ore availability, post developments at Vale, which announced production cuts of 40 mtpa due to the decommissioning of all its upstream tailings dams in Brazil. Moreover, according to a new resolution issued by the country's mining agency, local mining companies that operate 'upstream' tailings dams will have to completely decommission them by August 15, 2023.

## Long Product

- USA rebar prices stood steady in February 2019, with market sentiments on the upswing given the rise in shredded scrap prices and increased demand with the arrival of spring season. Transactions, as per Metal Bulletin reports, were quoted around \$710/t at month end.
- EU rebar prices largely remained flat in February 2019 in view of tepid demand conditions. Transactions, as per Metal Bulletin reports, were quoted around €510-520/t (\$580-591) in Southern Europe and around €535-550/t (\$608-625) in Northern Europe.
- China's rebar prices saw limited rebound in February 2019 with the pace of their procurement picking up but not to the extent expected. Transactions, as per Metal Bulletin reports, were quoted around 3,740-3,790 yuan/t (\$559-567) in Shanghai and around 3,730- 3,780 yuan/t in Beijing.
- Seasonal rebound led Russian rebar prices move north in February 2019. Metal Bulletin's price assessment for domestic 12mm A500C rebar in Russia, including 20% VAT, was 36,000-38,500 roubles/t (\$543-581) cpt Moscow at month-end.

## Flat Product

- USA HRC prices remained steady in February 2019 as market participants decided to wait and watch over price movements. Transactions, as per Metal Bulletin reports, were quoted around \$670-680/t at month-end.
- EU HRC prices showed limited movement in February 2019 largely in view of demand conditions. Transactions, as per Metal Bulletin reports, were quoted around €485-510/t (\$551-580) in Southern Europe and around €505-520/t in Northern Europe.



- February 2019 saw Chinese HRC prices move north following trends in the futures market and in anticipation of supply shortage. Transactions, as per Metal Bulletin reports, were quoted around 3,800-3,830 yuan/t (\$567-572) in Shanghai and around 3,740-3,770 yuan/t in Tianjin.
- Like rebar, seasonal rebound led Russian HRC prices move north in February 2019. Metal Bulletin's price assessment for Russia-origin 4mm HR sheet was at 41,200-41,600 roubles/t (\$627-633) cpt Moscow at month-end.

## INDIAN STEEL INDUSTRY

### Introduction

India was the world's second-largest steel producer with production standing at 106.5 MT in 2018. The growth in the Indian steel sector has been driven by domestic availability of raw materials such as iron ore and cost-effective labour. Consequently, the steel sector has been a major contributor to India's manufacturing output. The Indian steel industry is very modern with state-of-the-art steel mills. It has always strived for continuous modernisation and up-gradation of older plants and higher energy efficiency levels. Indian steel industries are classified into three categories such as major producers, main producers and secondary producers.

### Market Size

India's finished steel consumption grew at a CAGR of 5.69 per cent during FY08-FY18 to reach 90.68 MT. India's crude steel and finished steel production increased to 103.13 MT and 104.98 MT in 2017-18, respectively. In 2017-18, the country's finished steel exports increased 17 per cent year-on-year to 9.62 million tonnes (MT), as compared to 8.24 MT in 2016-17. Exports and imports of finished steel stood at 5.77 MT and 7.13 MT, during April 2018-February 2019 (P).

### Investments

Steel industry and its associated mining and metallurgy sectors have seen a number of major investments and developments in the recent past. According to the data released by Department for Promotion of Industry and Internal Trade (DPIIT), the Indian metallurgical industries attracted Foreign Direct Investments (FDI) to the tune of US\$ 11.18 billion in the period April 2000–December 2018. Some of the major investments in the Indian steel industry are as follows:

- As of December 2018, Vedanta Group is going to set up a one million tonne capacity steel plant in Jharkhand with an investment of Rs 22,000 crore (US\$ 3.13 billion).
- JSW Steel will be looking to further enhance the capacity of its Vijayanagar plant from 13 MTPA to 18 MTPA. In June 2018, the company had announced plans to expand the plant's production capacity to 13 MTPA by 2020 with an investment of Rs 7,500 crore (US\$ 1.12 billion).
- Vedanta Star Ltd has outbid other companies to acquire Electrosteel Steels for US\$ 825.45 million.
- Tata Steel won the bid to acquire Bhushan Steel by offering a consideration of US\$ 5,461.60 million.
- JSW Steel has planned a US\$ 4.14 billion capital expenditure programme to increase its overall steel output capacity from 18 million tonnes to 23 million tonnes by 2020.
- In March 2019, ArcelorMittal was declared as the winning bidder to acquire Essar Steel for a consideration of Rs 42,000 crore (US\$ 5.82 billion).
- Tata Steel has decided to increase the capacity of its Kalinganagar integrated steel plant from 3 million tonnes to 8 million tonnes at an investment of US\$ 3.64 billion.

### Government Initiatives

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

- An export duty of 30 per cent has been levied on iron ore<sup>^</sup> (lumps and fines) to ensure supply to domestic steel industry.

- Government of India's focus on infrastructure and restarting road projects is aiding the boost in demand for steel. Also, further likely acceleration in rural economy and infrastructure is expected to lead to growth in demand for steel.
- The Union Cabinet, Government of India has approved the National Steel Policy (NSP) 2017, as it seeks to create a globally competitive steel industry in India. NSP 2017 envisages 300 million tonnes (MT) steel-making capacity and 160 kgs per capita steel consumption by 2030-31.
- The Ministry of Steel is facilitating setting up of an industry driven Steel Research and Technology Mission of India (SRTMI) in association with the public and private sector steel companies to spearhead research and development activities in the iron and steel industry at an initial corpus of Rs 200 crore (US\$ 30 million).
- The Government of India raised import duty on most steel items twice, each time by 2.5 per cent and imposed measures including anti-dumping and safeguard duties on iron and steel items.

### Road ahead

The National Steel Policy, 2017, has envisaged 300 million tonnes of production capacity by 2030-31. In 2018, steel consumption of the country is expected to grow 5.7 per cent year-on-year to 92.1 MT. Further, India is expected to surpass USA to become the world's second largest steel consumer in 2019.

Huge scope for growth is offered by India's comparatively low per capita steel consumption and the expected rise in consumption due to increased infrastructure construction and the thriving automobile and railways sectors.

Exchange Rate Used: INR 1 = US\$ 0.0139 as of Q3 FY19.

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



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

### Indian Steel Production

#### Production Performance of Indian Steel Industry: April-January 2018-19

The following is a status report on the performance of Indian steel industry during April – January 2018-19, based on provisional data released by JPC. It is to be noted that total finished steel includes both non-alloy and alloy (including stainless steel) and all comparisons are made with regard to same period of last year.



Item	Indian steel scene ( Million Tonnes )		
	April-Jan 2018-19	April-Jan 2017-18	% Change
Crude steel production	88.237	85.080	3.7
Hot Metal Production	60.156	56.301	6.8
Pig Iron Production	5.024	4.768	5.4
Sponge Iron Production	27.574	25.049	10.1
<b>Total Finished Steel ( alloy + non-alloy )</b>			
Production	109.169	104.562	4.4
Import	6.547	6.452	1.5
Export	5.150	8.218	-37.3
Consumption	79.998	74.197	7.8

- Crude Steel:** During April - January 2018-19 (prov.), crude steel production was 88.237 million tones (mt), a growth of 3.7 per cent over same period of last year. SAIL, RINL, TSL, Essar, JSWL & JSPL together produced 53.207 mt during this period which was a growth of 8.5 per cent compared to same period of last year. The rest 40 percent i.e. 35.03 mt came from the Other Producers, which was a decline of 2.8 per cent over same period of last year. With a 80 per cent share, the Private Sector (70.5 mt, up by 2.4 per cent) led crude steel production (88.237 mt) during this period. Shares of the Oxygen Route (41.66 mt), EAF Route (23.44 mt) and IF Route (23.14 mt) stood at 47 per cent, 27 per cent and 26 per cent respectively in total crude steel production during this period.
- Hot Metal:** During April - January 2018-19 (prov.), hot metal production was 60.156 million tones (mt), a growth of 6.8 per cent over same period of last year. SAIL, RINL, TSL, Essar, JSWL & JSPL together produced 50.495 mt during this period which was a growth of 8.8 per cent over same period of last year. The rest 16 per cent i.e. 9.661 mt came from the Other Producers, which was a decline of 2.4 per cent over same period of last year.
- Pig Iron:** During April - January 2018-19 (prov.), pig iron production was 5.024 mt, up by 5.4 per cent over same period of last year. SAIL, RINL, TSL, Essar, JSWL & JSPL together produced 0.787 mt during this period which was a growth of 27.1 per cent over same period of last year. The rest 84 per cent i.e. 4.237 mt came from the Other Producers, which was a growth of 2.1 per cent over same period of last year.
- Sponge Iron:** During April - January 2018-19 (prov.), sponge iron production was 27.574 mt, down by 10.1 per cent over same period of last year. The Other Producers (20.372 mt) accounted for 74 per cent of total production, a growth of 10.1 per cent over same period of last year.

#### Total Finished Steel

- Gross Production** or simply Production of total finished steel was at 109.169 mt, and grew by 4.4 per cent during April -January 2018-19 (prov.) over same period of last year. SAIL, RINL, TSL, Essar, JSWL & JSPL together produced 60.75 mt during this period which was a growth of 6.2 per cent over same period of last year. The rest 44 per cent i.e. 48.419 mt came from the Other Producers, which was a growth of 2.3 per cent over same period of last year. Analyzing by broad divisions, in the total production of finished non-alloy steel during this period, contribution of the non-flat segment stood at 40.039 mt (up by 9 per cent) while that of the flat segment stood at 60.008 mt (down by 0.8 per cent).In the non-alloy, non flat segment, in volume terms, major contributor to production of total finished steel was bars & rods (31.811 mt, up by 8.5 per cent) while growth in the non alloy, flat segment was led by HRC (30.84 mt, down by 2.3 per cent) during this period
- Export:** During April-January 2018-19 (prov.), Export of total finished steel stood at 5.151 mt, a decline of 37.3 per cent compared to last year, in which contribution of the non-alloy steel segment stood at 4.643 mt (down by 37.5 per cent), while the rest was the contribution of the alloy steel segment (including stainless steel) where export was down by 36 per cent. Analyzing by broad divisions, in the total export of finished non-alloy steel during this period, contribution of the non-flat segment stood at 0.546 mt (down by 74 per cent) while that of the flat segment stood at 4.09 mt (down by 23 per cent).In the non-alloy, non-flat segment, in volume terms, major contributor to export was bars & rods (0.38 mt, down by 80 per cent) while non-alloy, flat export was led by HRC (2.03 mt, down by 13.2 per cent) during this period.
- Import:** During April-January 2018-19 (prov.), Import of total finished steel stood at 6.547 mt, a growth of 1.5 per cent compared to last year, in which contribution of the non-alloy steel segment stood at 4.949 mt (up by 2.7 per cent), while the rest was the contribution of the alloy steel segment (including stainless steel) where import was down by 2.2 per cent. Analyzing by broad divisions, in the total import of finished non-alloy steel during this

period, contribution of the non-flat segment stood at 0.37 mt (up by 41.2 per cent) while that of the flat segment stood at 4.577 mt (up by 0.5 per cent) . In the non-alloy, non-flat segment, in volume terms, major contributor to import was bars & rods (0.29 mt, up by 35.1 per cent) while non-alloy, flat import was led by HRC (1.6 mt, up by 7.4 per cent) during this period. India was a net importer of total finished steel during this period.

- Consumption:** During April-January 2018-19 (prov.), Consumption of total finished steel stood at 79.998 mt, a growth of 7.8 per cent compared to last year, in which contribution of the non-alloy steel segment stood at 71.415 mt (up by 6.3 per cent), while the rest was the contribution of the alloy steel segment (including stainless steel) where consumption was up by 23 percent. Analyzing by broad divisions, in the total consumption of finished non-alloy steel during this period, contribution of the non-flat segment stood at 37.643 mt (up by 7.4 per cent) while that of the flat segment stood at 33.772 mt (up by 5.1 per cent). In the non-alloy, non-flat segment, in volume terms, major contributor to consumption was bars & rods (29.7 mt, up by 8.3 per cent) while non-alloy, flat consumption was led by HRC (11.89 mt, down by 1.6 per cent) during this period.

(Source: <http://jpcindiansteel.nic.in/pages/display/5-steel-scene>)

### India, Iran drives up global DRI production by 6% in January 2019

Global output of direct reduced iron (DRI) increased by 6% in January 2019 as per provisional World Steel Association (world steel) report, driven by India (production down by 3.2%) and Iran (production up by 36%) during the year as compared to same period of last year. Together, the top five countries (details below) accounted for 88% of the world DRI production during this period and saw their cumulative output rise by 10% as compared to last year.

World DRI Production			
Rank	Country	January 2019 (Mt)	% Change
1	India	2.74	-3.2
2	Iran	2.53	36.0
3	Egypt	0.51	4.1
4	Mexico	0.50	-0.4
5	UAE	0.34	1.8
	<b>Top 5</b>	<b>6.62</b>	<b>10.0</b>
	<b>World</b>	<b>7.5</b>	<b>5.6</b>

(Source: <http://jpcindiansteel.nic.in/pages/display/5-steel-scene>)

### Indian Steel Demand

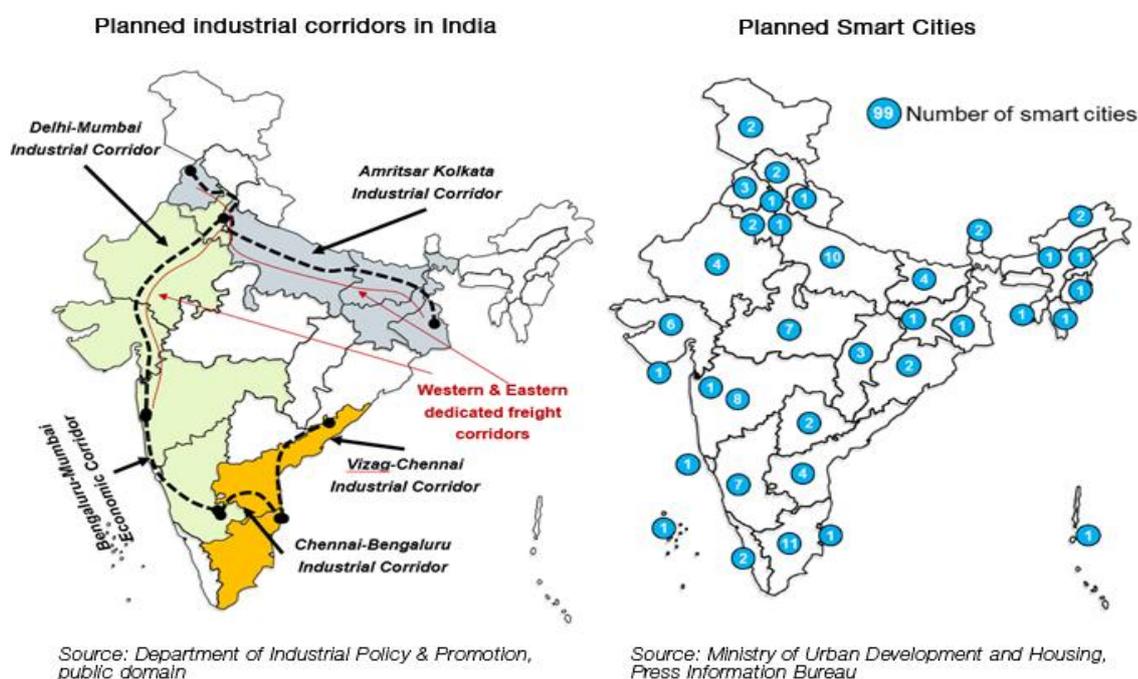
The January to November crude steel production statistics released by worldsteel on 20 December 2018 show that India has become the second largest steel producer in the world, overtaking Japan for the second month in a row, with a growth rate of 4.9%. The growth in steel production is supported by fast-growing steel demand. According to worldsteel's October Short Range Outlook, it is likely that India will also become #2 in steel use by the end of 2019 as its steel demand is expected to grow by 7.3%. The Indian steel industry, after recovering from the twin shocks of demonetisation and the Goods and Services Tax (GST) reform, is one of the few bright spots for the world's steel industry in what is forecasted to be a lower growth era.

### What is driving India's steel demand?

- India's apparent steel use per capita for finished steel products stood at 66.2 kg, way below the world average of 212.3 kg in 2017, which suggests that India has a huge unrealised potential for steel demand growth. Recently, India has been trying to unleash this through an extensive reform agenda to clear institutional bottlenecks. Also, there is an ongoing push for infrastructure development. These factors, along with the favourable demographics, are improving the macroeconomic fundamentals, which translate into sustained growth in steel use. A world steel study of India, conducted in collaboration with the Indian Steel Association and the support of Indian member companies, identifies the construction sector as a pan-India steel demand driver on the back of strong infrastructure development and housing demand, especially affordable housing.
- Projects like industrial corridors (connecting existing industrial cities and develop manufacturing sectors) and Sagarmala (connecting states through waterways) will increase India's connectivity, reducing logistical costs of transportation across Indian states. The Smart Cities initiatives will further boost urban infrastructure investment. There are currently 99 smart cities planned across India. The outlook for India's manufacturing sector, which has

been lagging behind the service sector as a growth driver, should improve. Firstly, the Make in India initiative, which aims to transform India into a global design and manufacturing hub, will support the further development of steel using sectors along the industrial and freight corridors. Secondly, many states are expected to develop automotive and ancillary industries, to be a global auto hub for small cars with a focus on exports. Lastly, some states are also expected to strengthen their mechanical machinery sector. All these factors point to a high potential for steel demand growth in India, but how fast the potential can be realised will depend upon whether India can successfully implement both its reform agenda and infrastructure plans.

(Source: <https://www.worldsteel.org/media-centre/blog/2019/india-boost-demand-for-steel.html>)



## Steel Prices in India

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

(Source: [https://steel.gov.in/sites/default/files/Overview\\_SteelSector\\_27December2018.pdf](https://steel.gov.in/sites/default/files/Overview_SteelSector_27December2018.pdf))



## Import of Steel in India

India is the world's fifteenth-largest steel importer. In 2017, India imported 8.9 million metric tons of steel, a 9.7 percent decrease from 9.8 million metric tons in 2016. India's steel imports represented 2.6 percent of all steel imported globally in 2016, based on available data. The volume of India's 2017 steel imports was about a quarter of the size of the world's largest importer, the United States. In value terms, steel represented just 1.7 percent of the total amount of goods imported into India in 2017. India imports steel from over 80 countries and territories. The 5 countries highlighted in the map below represent the top import sources for India's imports of steel, with each sending more than 250 thousand metric tons and together accounting for about 80.0 percent of India's steel imports in 2017. India's volume of steel imports hit a peak in 2015 at 13.3 million metric tons — a jump of 41.4 percent from 9.4 million metric tons in 2014. Imports in 2016 decreased 25.8 percent to 9.8 million metric tons and continued to decline in 2017, reaching 8.9 million metric tons. Despite this decrease, the value of India's 2017 imports rose to \$7.4 billion, nearly a 10.0 percent increase from the \$6.7 billion in 2016. Flat products account for the lion's share of India's steel imports. In 2017, about 70.0 percent, or 6.3 million metric tons, of India's steel imports were of flat products. Long products accounted for 11.4 percent, or 1.0 million metric tons, followed by stainless steel at 7.0 percent (618.7 thousand metric tons), semi-finished steel at 6.1 percent (545.5 thousand metric tons), and pipe and tube products at 5.2 percent (464.7 thousand metric tons). Imports by Top Source The top 5 source countries for India's steel imports represented about 79.0 percent of the total steel import volume in 2017 at 7.0 million metric tons (mmt). South Korea accounted for the largest share of India's imports by source country at about 30.0 percent (2.6 mmt), followed by China at about 28.0 percent (2.5 mmt), Japan at about 15.0 percent (1.3 mmt), Indonesia at 3.1 percent (0.3 mmt), and Taiwan at 3.0 percent (0.3 mmt). The United States ranked 12th as a source for India's steel imports. India imported about 110.0 thousand metric tons from the United States in 2017 — approximately an 8.0 percent increase from 102.0 thousand metric tons in 2016.

(Source: <https://www.trade.gov/steel/countries/pdfs/imports-India.pdf>)

## Export of Steel in India

India is the world's ninth-largest steel exporter. In year-to-date 2018 (through June), further referred to as YTD 2018, India exported 5.5 million metric tons of steel, a 31 percent decrease from 8 million metric tons in YTD 2017. India's exports represented about 4 percent of all steel exported globally in 2017. The volume of India's 2017 steel exports was just under on fifth the size of the world's largest exporter, China. In value terms, steel represented just 3.6 percent of the total amount of goods India exported in 2017. India exports steel to more than 170 countries and territories. The countries highlighted in the map below represent the top 10 markets for India's exports of steel and accounting for 67 percent of India's steel exports in 2017. After an 83 percent rise in export volume from 2009 to 2014, India's steel exports fell by 25 percent in 2015 to 7.3 million metric tons. After increasing by 38% in 2016 to 10 million metric tons, India's steel exports increased by 59 percent over 2016 in 2017 to nearly 16 million metric tons. India's YTD 2018 steel exports have decreased by 31 percent from 8 million metric tons to 5.5 million metric tons over YTD 2017. Similarly, the value of India's YTD 2018 steel exports have decreased by 15 percent to \$4.5 billion from \$5.3 billion in YTD 2017. Flat products accounted for 49 percent of India's steel exports by volume at 2.7 million metric tons in YTD 2018, followed by semi-finished steel at 23 percent of exports (1.3 million metric tons), pipe and tube products at 10 percent (566 thousand metric tons), long products at 10 percent (552 thousand metric tons), and stainless steel at 8 percent (416 thousand metric tons). Exports to India's top 10 steel markets represented 62 percent of India's steel export volume in YTD 2018 at 3.4 million metric tons (mmt). Nepal was the largest market for India's exports with 19 percent (1 mmt), followed by Italy at 10 percent (0.5 mmt), Belgium at 7 percent (0.4 mmt), the United Arab Emirates at 6 percent (0.3 mmt), and Spain at 5 percent (0.3 mmt). The United States ranked sixth as a destination for India's steel exports, accounting for 4 percent of exports (204 thousand metric tons) in YTD 2018.

(Source: <https://www.trade.gov/steel/countries/pdfs/exports-India.pdf>)

## OUR BUSINESS

*This chapter should be read in conjunction with, and is qualified in its entirety by, the more detailed information about our Company and its financial statements, including the notes thereto, in the sections titled 'Risk Factors' and 'Financial Statements' and the chapter titled 'Management Discussion and Analysis of Financial Condition and Results of Operations' beginning on page nos. 15, 130 and 153, respectively, of this Prospectus. Unless the context otherwise requires, in relation to business operations, in this chapter of this Prospectus, all references to "we", "us", "our" and "our Company" are to Shiv Aum Steels Limited.*

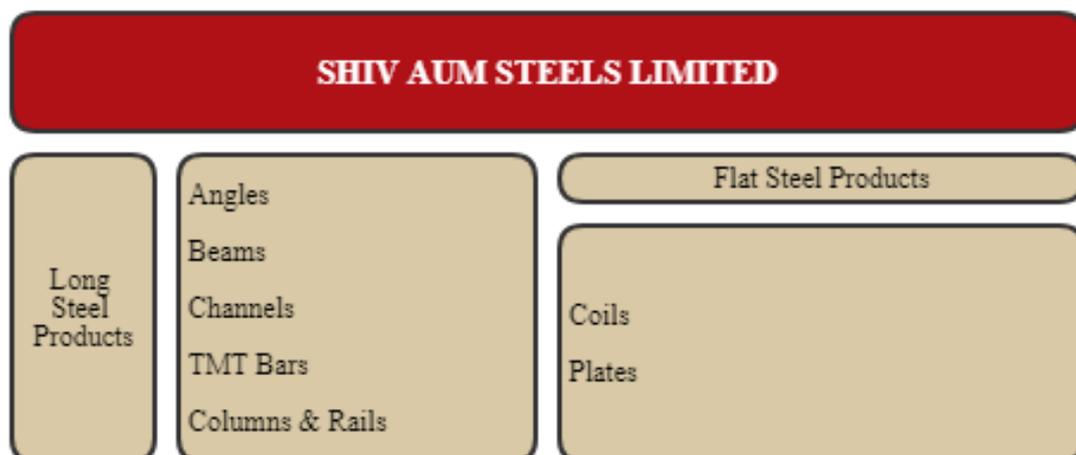
### OVERVIEW

Our Company, Shiv Aum Steels Limited, is engaged in the trading of mild steel products such as beams, angles, plates, channels, coils and thermo mechanically treated (TMT) bars. Our Company operates as a trader, stockist and distributor of steel products. We are an authorised distributor for selling steel products of Jindal Steel & Power Limited (JSPL), have entered into MoUs with Steel Authority of India (SAIL) & Rashtriya Ispat Nigam Limited (RINL) and also procure steel products from various other steel manufacturers including Monnet Ispat & Energy Limited (MIEL) and Vandana Ispat Limited (VIL) to name a few, which gives us an exclusive market to trade in high quality and well established brands of steel products. We deal in various types of steel products like I – Beams, H – Beams, C Channels, Angles, T – Angles, Coils, Plates, etc., all in varied sizes as per the requirement of our customers.

Though our Company was incorporated in the year 2002, our Promoters have amassed extensive experience in the steel trading business since 1982. We specialize in procuring a large array of steel products from the top manufacturers in bulk quantities and selling them to customers who require these steel products in specific quantities, sizes and dimensions. The steel sector being categorized by large scale production and products which are bulky in nature, does not facilitate direct selling in small quantities as it requires specialized transport, storage and buying capacity. Our Company's business is a broad based distribution model, based on multiple steel products. The focus is to establish ourselves and capture a considerable market share in each of the steel product categories like beams, plates, angles, bars, etc. This helps to spread our market risks arising out of fluctuation in the market shares of various steel products and brands besides helping us to achieve economies of scale.

We mainly play a connecting role and support the manufacturers' demand generation activities through trade marketing. Our Company's operating model represents the indirect sales model and we play the role of supply chain consolidator between several steel manufacturers and the end users of the steel products. The key deliverables here are logistics, inventory management, credit and delivery at cost effective prices to the customers. Thus our business require stocking of various steel products at our dedicated godown and is working capital intensive.

Our product range of steel traded by us consists of both flat and long products. Following is the classification of product offerings of our Company:



For further details refer section titled "Product Portfolio – Our Business" on page no.82 of this Prospectus.

At present, we cater only to domestic markets and over the years we have build a strong and reliable customer base. We supply all kinds of steel products on a PAN India basis and our customers range from small steel processing units to large EPC companies and Real Estate & Infrastructure Developers. Some of our customers include Maharashtra



Seamless, Kone Cranes, Dogus Soma JV, L&T STEC JV and IPCA to name a few. We have established cordial relations with dealers, traders and distributors who are well established in steel industry which help us gain long term benefits. We aim to expand our customer base by reaching out to new states and increasing the sales in existing states.

To cater to our customers needs we have a godown situated at Survey No. 99, Hissa No. 1A/2(1)/A & Survey No. 99, Hissa No. 1A/2(2), Village Vavanje, Panvel, District – Raigad spanning approximately 9,500 sq. mtrs., wherein our management estimates that it has a capacity of approximately 7,000 – 8,000 tons of Long Steel products and 10,000 – 12,000 tons of Flat Steel products. Also, our Company operates from its Registered Office located at 515, The Summit Business Bay, Opp. Cinemax, Western Express Way, A. K. Road, Andheri (East) Mumbai - 400093.

We have consistently grown in terms of our revenues and profits over the past years. In the past three (3) years our revenues have increased from ₹ 24,900.39 lakhs in F. Y. 2016-2017 to ₹ 27,788.74 lakhs in F. Y. 2017-18 and further to ₹ 37,729.03 lakhs in F. Y. 2018-19, showing an increase of approximately 12% and 36%. Our Net Profit after tax for the above mentioned periods are ₹ 293.15 lakhs, ₹ 545.54 lakhs and ₹ 572.43 lakhs, respectively, showing an increase of approximately 86% and 5%.

Between F. Y. 2016-17 and F. Y. 2018-19, our total revenue grew at a CAGR of 14.86% from ₹ 24,900.39 lakhs for F. Y. 2016-17 to ₹ 37,729.03 lakhs for F. Y. 2018-19, EBITDA grew at a CAGR of 22.11% from ₹ 882.37 lakhs for F. Y. 2016-17 to ₹ 1,606.48 lakhs for F. Y. 2018-19 and our PAT grew at a CAGR of 24.99% from ₹ 293.15 lakhs for F. Y. 2016-17 to ₹ 572.43 lakhs for F. Y. 2018-19

### OUR COMPETITIVE STRENGTHS

We believe that the following are our primary competitive strengths:



#### *Experienced Promoters and Management Expertise*

Our founding Promoters, Mr. Jatin Mehta, Mr. Ajay Bansal and Mr. Sanjay Bansal have been engaged in the steel industry since 1982 and has a proven background and rich experience in the trading of steel and have garnered cordial relations with various suppliers and customers alike in the steel industry. They carried out the business in steel industry under various partnership firms and in the 2002, they consolidated their businesses and individual experiences into our Company. For further details of our Promoters’ experience and background, please refer the chapter titled “Our



Promoters and Promoter(s) Group” on page no. 122 of this Prospectus. With the combined business acumen and innovative approach, our Promoters have over the years, expanded our scale of operations.

Also, our Company is managed by a team of experienced and professional directors and key personnel. The team comprises of personnel having technical, operational and business development experience. We believe that our management team’s experience and their understanding of the steel trading business will enable us to continue to take advantage of both current and future market opportunities. It is also expected to help us in addressing and mitigating various risks inherent to our business, including significant competition, reliance on independent agents, and fluctuations in steel prices.

#### ***Tie-ups with Major Steel Manufacturers***

As a steel trading Company engaged in distribution of a variety of steel products, our Company has partnered with a number of renowned steel manufacturers for sale of their products in the domestic market. Currently, we are an authorised distributor for selling steel products of Jindal Steel & Power Limited (JSPL), have entered into MoUs with Steel Authority of India (SAIL) & Rashtriya Ispat Nigam Limited (RINL) and also procure steel products from various other steel manufacturers including Monnet Ispat & Energy Limited (MIEL) and Vandana Ispat Limited (VIL) to name a few, to sell structural and flat steel products like beams, angles, channels, plates & sheets, etc. manufactured by them. These associations with the renowned manufacturers give us exclusive rights to market and sell their quality products to our customers.

Our ability to trade in renowned and quality steel products provides us with a competitive edge and also provides us with better margins. Besides, we also have relations with several local small and medium steel manufacturers for procuring the steel products.

#### ***Existing and Diversified Customer Base***

Since our Promoters were engaged in the business of trading of iron and steel products since the year 1982 through erstwhile partnership firm, we have been successful in building a strong client base for our current business. This customer base has been the basis for our successful marketing strategy. Our existing relationships help us to get repeat business from our customers. This has helped us to maintain a long term working relationship with our customers and improve our customer retention strategy. We believe that our existing relationship with our clients represents a competitive advantage in gaining new clients and increasing our business.

Further, our customers belong to varied industry segments like engineering, infrastructure, construction, automobiles, etc., which helps in mitigating our risk against downfall in any particular industry. Also, different industries have different requirements in terms of type, quantity, size and dimension of the steel product and hence we are able to keep a rolling stock of all types of products traded by us. Having a customer base from varied industries also helps us in managing our credit risk from a particular sector and in turn enable us to manage our trade receivables more efficiently.

#### ***Wide Range of Products***

We are a steel trading and distribution Company having distribution agreements with various brands for selling their products nation-wide. The range of products offered by us have varied applications, which gives us an opportunity to create a large customer base. Also, we mitigate any particular product / brand based risk by having a large product portfolio. Our product offerings range from different types of Beams, Angles, Channels, TMT Bars, Rails, Sheets, Plates and Coils including various sub-category of the said products like I-beam, H-beam, L-shaped angles, T-shaped angles, C-channels and Sheets and Plates of varied thickness and dimensions.

#### ***Strategic Location of our Warehousing Units***

We have established ourselves as a dealer for quality steel products manufactured by some of the country’s leading steel manufacturer. We sell our products to a large number of customers throughout India and our godown location provides us with a competitive advantage. Our godown is situated at Taloja, near Panvel, which is less than 20 Km from the National Highway 48 (NH-48). The NH-48 connects Mumbai directly with major cities in the Northern and Southern India. Since, road transport is the preferred mode of transportation for heavy steel products, we believe that our location allows in reducing delivery times and also accessing are larger PAN India network.

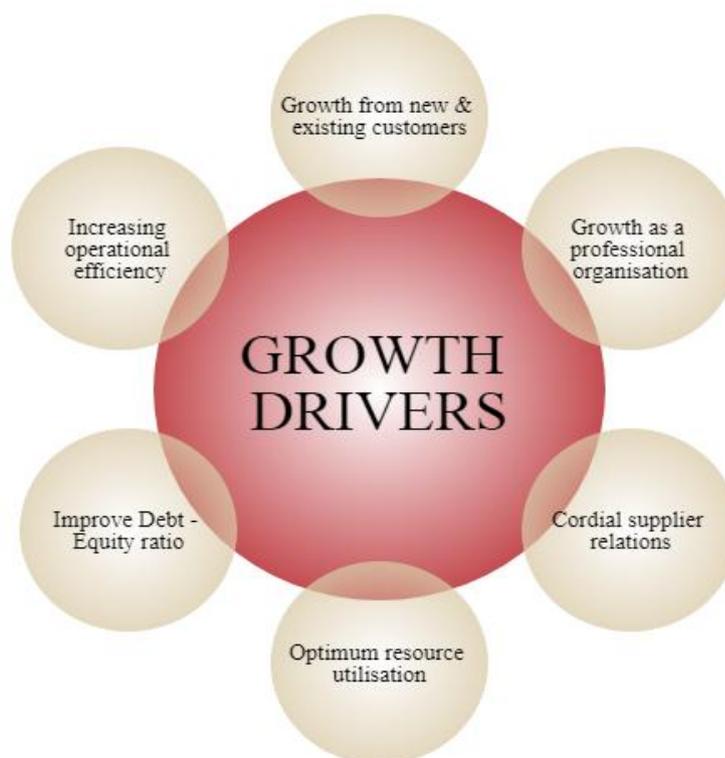
Further, majority of the steel manufacturer who supply their products to us prefer the road transport due to the bulkiness of the products. Our location, being outside the main city limits helps the heavy vehicles and large quantities being transported to us without traffic hassles and in a single shift, thus saving time and cost.

### ***Scalable Business Model***

Our business model is currently driven by the demand of our customers in different industry segments like engineering, infrastructure, construction, automobiles, etc. and comprises of optimum utilization of our procuring abilities, such that our customer is provided with the required goods with minimal delays, and thus achieving consequent economies of scale. We believe that our procurement teams abilities and the business model has proved successful and scalable for us, and we have accordingly established relationships with various steel manufacturers some of whom are among India's leading steel manufacturer. We can scale upward with the growth of various industries, thereby allowing us to increase our scale of operations in each of the products that we trade in. The business scale generation is basically due to the development of new markets created by growth in our customer's scale of operations and the individual industries itself, which will enable us to achieve aggressive marketing of the product, innovation in the product range and maintain the consistent quality of our traded products.

**For risks related to our business, our Company and our industry, see "Risk Factors" on page no. 10 of this Prospectus.**

### **OUR STRATEGIES**



#### ***Improving Debt – Equity Ratio***

Our Company has obtained unsecured loans from Directors from time to time. These loans were utilised for working capital requirement and are repayable on demand. We intend to repay these loans to improve our debt equity ratio and also this will help our company to obtain working capital loans / term loans for expansion in future which will improve our operational efficiency. Further, repayment of unsecured loans will reduce burden of repayment of loans repayable on demand and enhance our Financial Stability and reduce long term liabilities.

#### ***Increasing Operational efficiency***

We continue to invest in increasing our operational efficiency throughout the organisation. We are addressing the increase in functional output through continuous process improvement, quality control activities, customer service,



consistent quality and technological development. Alignment of our people to 'process improvement' through change management and upgrading of skills as required for customer satisfaction is a continuous activity. Awareness of this quality commitment is wide spread among all the employees.

Managerial expertise, trained workforce and modernization of the loading / unloading and delivery process results in consistent high level of productivity. We have established dedicated machines including cranes and weigh bridges at our godown which help us in effectively managing the outflow and inflow of bulky products with systematic and accurate approach. Our investments in value adding equipments has resulted in twin benefits of consistent quality and improved functionality, ensuring enhanced operational efficiency.

### ***Leveraging our Market skills and Relationships***

This is a continuous process in our organization and the skills that we impart in our people give importance to customers and suppliers. We aim to enhance the growth by leveraging our relationships and further enhancing customer satisfaction. We plan to increase our customers by meeting orders in hand on time, maintaining our customer relationship and renewing our relationship with existing buyers. Our suppliers being nationally renowned steel manufacturer, we also intend to enhance our supplier relations by providing them accurate customer feedback, timely execution and complete fulfilment of target commitments.

The trading industry is highly based on our ability to maintain cordial relations with the suppliers and customers alike thus bridging the gap between bulk procurement and individual customer demand. Our marketing skills developed by our team being the key component and we intend to capitalise on the same to increase our scale of operations with the existing resources.

### ***Optimal Utilization of Resources***

Our Company constantly endeavours to improve our service process, and will increase its procurement process to optimize the utilization of resources. We have invested significant resources, and intend to further invest in our activities to develop customized systems and processes to ensure effective management control. We regularly analyze our existing policies to be carried out for operations of our Company which enable us to identify the areas of bottlenecks and correct the same. This helps us in improving efficiency and putting resources to optimal use.

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

As an organization, we believe in transparency and commitment in our work and with our suppliers and customers. We have an experienced team 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. We will consistently put efforts among its group of experienced employees to transform them into an outstanding team of empowered professionals which helps in further accelerating the wheels of development of the organization.

## **DETAILS OF OUR BUSINESS**

### **LOCATION**

We currently operate from the following offices and godown, in the State of Maharashtra:

#### **Registered Office**

Our Registered Office is located at 515, The Summit Business Bay, Opp. Cinemax, Western Express Way, A. K. Road, Andheri (East) Mumbai - 400093.

#### **Godown**

We have established a dedicated godown for storing the bulk steel products. The godown is spread across an area of approximately 9,500 sq. mtrs. and is situated Survey No. 99, Hissa No. 1A/2(1)/A & Survey No. 99, Hissa No. 1A/2(2), Village Vavanje, Panvel, District – Raigad

## PLANT AND MACHINERY

Our company is engaged in trading of a variety of Steel products and hence we do not require any Plant and Machinery. However, we have purchased 2 cranes at our godown which is used to load and unload the heavy and bulky steel products. We also lease additional cranes as and when required in order to maintain smooth operations and ensure timely procurement and delivery.

## OUR PRODUCT PORTFOLIO

Our Company is into trading of a variety of steel products including long steel products and flat steel products used mainly in sectors like EPC, real estate, automobiles, infrastructure and construction, etc. and are also utilized as raw material by various steel processing units. Our Company procures various steel products from various steel manufacturers including renowned Indian steel manufacturing companies like Jindal Steel & Power Limited (JSPL), Steel Authority of India (SAIL), Rashtriya Ispat Nigam Limited (RINL), Monnet Ispat & Energy Limited (MIEL), Vandana Ispat Limited (VIL), etc.

We are an authorised distributor for selling steel products of JSPL, have entered into MoUs with SAIL & RINL and also procure steel products from various other steel manufacturers including MIEL and VIL to name a few. Procurement of our traded products from well known manufacturers gives us a competitive advantage and an exclusive market to trade in high quality and well established brands of steel products. Our purchases from the suppliers, with whom we have distributorship / MoUs constituted approximately 88% of our total purchases in the F. Y. 2018-19. Further, the details of total purchase from these suppliers over the last three (3) years are as below:

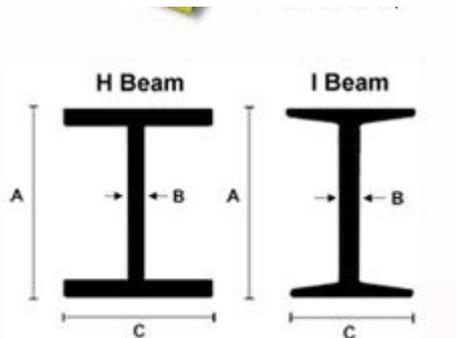
Sr. No.	Name of the Party	F. Y. 2018-19		F. Y. 2017-18		F. Y. 2016-17	
		Amt (₹ in lakhs)	% of total Purchases	Amt (₹ in lakhs)	% of total Purchases	Amt (₹ in lakhs)	% of total Purchases
1	Jindal Steel & Power Limited	16,517	46.88%	10,965	42.54%	7,252	32.01%
2	Steel Authority of India Limited	8,995	25.53%	7,135	27.68%	8,249	36.41%
3	Monnet Ispat & Energy Limited	4,073	11.56%	3,995	15.50%	3,293	14.54%
4	Rashtriya Ispat Nigam Limited	1,389	3.94%	778	3.02%	396	1.75%
5	Vandana Ispat Limited	144	0.41%	59	0.23%	68	0.30%
<b>TOTAL</b>		<b>31,118</b>	<b>88.31%</b>	<b>22,932</b>	<b>88.96%</b>	<b>19,258</b>	<b>85.01%</b>

Though we sell to various customers based on orders received directly or through the manufacturer, we keep a ready stock of a variety of steel products including long products like beams, angles, channels & bars and flat products like plates & coils. Accordingly, we generally keep a high inventory and cater to the customers' needs by providing them customised product, i.e. by size, length, dimension, etc., in the least possible time.

The details of our product portfolio are given below:

### LONG STEEL PRODUCTS (STRUCTURAL STEEL)

- **Parallel Flange Beam**



The Parallel Flange Beams come in different shapes depending upon the width & depth of the beam and are generally known as I-beam and H-beam. The H-beam has wider flanges than an I-beam, while the I-beam has tapered edges. Thus the main difference between both H-beams and I-beams is the flange by web ratio. The types beams further vary

based on the thickness of the web & flanges and also based on the thickness of the root radius. Structurally, the H-beam tends to be heavier than the I-beam.

The Beam is one of the most integral part of construction structure and it is the structural element that is capable of withstanding load primarily by resisting bending. The load may be a brick or stone wall above the opening, a floor or roof in a building or longitudinal beams in a bridge deck.

- **Angles**

Angles or MS Angles are are L-shaped structural steel represented by dimension of sides & thickness. There are mainly two types of angles, L shaped angles & T shaped angles.

Further, L shaped angles have a further classification based on sizes of angles i.e. equal & unequal angles. Equal Angles are angles having both the sides of equal dimensions, whereas unequal angles are angles in which one of the sides is bigger in dimension than the other.



L shaped and T shapes angles are one of the most important parts in any construction. Angles are used for construction of bridges, buildings, factory sheds, manufacturing of truck-trailers, EOT cranes and Gantry, construction and installation of escalators and elevators, ship, bus body, conveyors, boilers, agricultural equipment & scaffolding and many more fabrication and engineering industries.

- **Channels**

A steel channel is a versatile product that is available in many sizes and thicknesses. Its cross-section is shaped like a squared-off C, with a straight back and two perpendicular extensions on the top and bottom. Compared to other structural steel products, such as I-beams, steel channel is lighter and slightly more flexible, though it offers less torsional strength, making it prone to twisting under certain conditions.



Steel Channels have wide scale applications and are one of the most popular parts in construction and manufacturing with uses in tracks & sliders for machines, doorways, etc., posts and supports for building corners, walls & railings, protective edges for walls, decorative elements for constructions like ceiling channel system, frames or framing material for construction, machines. All major construction structure and automobiles use steel channels including walls, poles, roofs, window & door frames, beam support, vehicle frames and large trailer bodies.

- **TMT Bars**

TMT bars or Thermo-Mechanically Treated bars are high-strength reinforcement bars having a tough outer core and a soft inner core. We are a registered distributor of “Jindal Panther TMT” and exclusively deal in Panther TMT bars distribution. The product boasts of uniform and parallel rib pattern, low levels of carbon, earthquake resistant properties and greater resistance to fire among other features.



TMT bars are one of them most important construction materials that are widely used for building homes, multi-storeyed high rise, bridges, flyovers and other civil engineering structures. This is because TMT bars ensures high strength to the structures and improve their longevity. TMT bars can effectively withstand any kind of stress and load, thus, securing the structure from any further damages.

## FLAT STEEL PRODUCTS

- **Plates / Sheets**

Steel sheets & plates are formed by an industrial process into thin, flat pieces which can be then cut and / or bent into a variety of shapes. We trade plain sheets and chequered sheets of varied sizes and thickness. We cater to our customers by providing them sheets cut into different sizes as per their requirement and the cutting is done by our workers at our godown. This way, we keep a track of remaining cut pieces and make sure that there is least possible wastage after the cutting.



Steel sheets & plates have a wide range of application from industrial use to uses in our day-to-day lives. Industrial uses include construction and infrastructure development where plates are used for various temporary and permanent structures, automobile industry, pressure vessels, marine and offshore equipment, military applications, white goods manufacturing and various other engineering and heavy machinery industries. Sheets & plates are also used for daily use items like tables, platforms, sign boards, utensils, etc.

- **Coils**

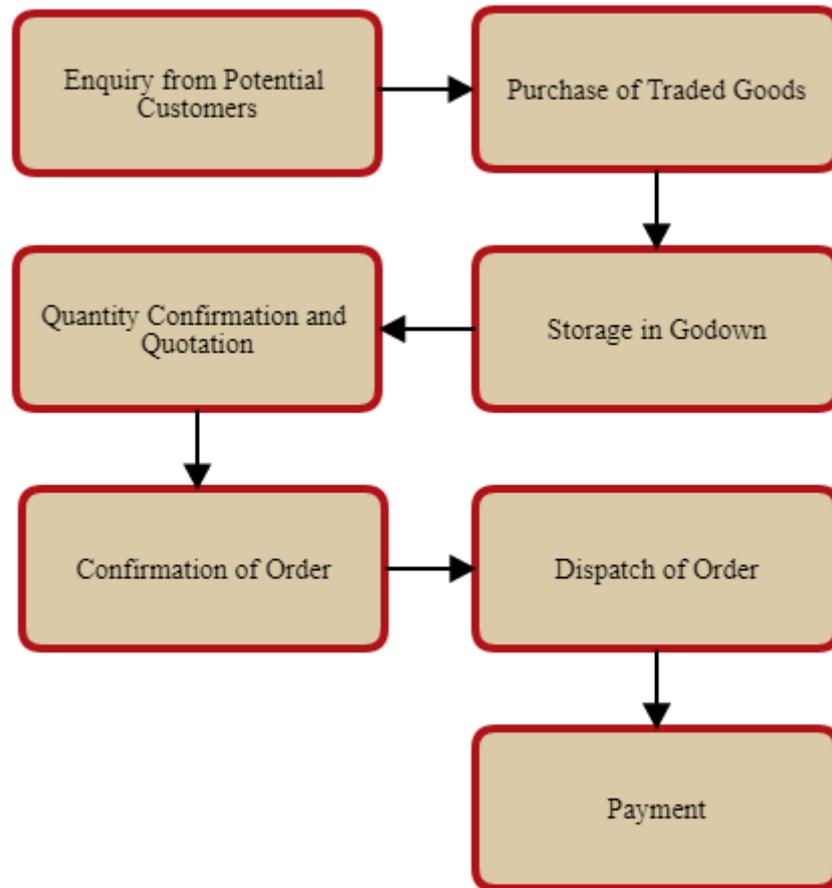
Steel Coils basically are flat products wound into rolls and having a rectangular cross-section, the width of which is much larger than the thickness. Hot-rolled sheet in coil form is produced from semi-finished products (slabs or billets), which are reduced to certain thicknesses by rolling and annealing and wound into a roll. Cold-rolled sheet in coil form is produced by removing rust from hot-rolled sheet by various processes and then winding it into a roll. Our Company trades hot rolled coils as well as cold rolled coils to various customers as per their size requirements. The cutting

process for the coils is outsourced by us and also such coils are sold directly after the cutting process. Thus, the coils are generally never stored in our godown.



Coils, which are known for being extremely ductile, have varied application in industrial as well as non-industrial products. Hot rolled coils have direct industrial and manufacturing applications in pipes, tanks, railway cars, bicycle frames, ships, engineering and military equipment, automobile frames and body parts, etc. Cold rolled coils are ideal for projects where precision is essential including various home appliances, metal furniture, precision tubes, containers, automobile body panels, etc.

## BUSINESS PROCESS



### Enquiry

Our Company receives enquiry for a particular product forming part of our portfolio from a prospective customer or through an existing customer. The enquiry generally includes the quantity, size and other details required by the customer. Many of these enquiries are specific in nature considering we trade in branded steel products and the quality, dimensions and other details of such branded products are available on the manufacturer website.

### Stock at Godown / Purchase of Traded Goods

Our Company procures various steel products from different manufacturers in bulk quantity, which is stored at our godown. Due to this, we are able to provide with our customers quick confirmation and prompt delivery of the products required by them. In case of higher quantities, we have cordial relations with our suppliers and also having a distributorship / MoUs with various manufacturers, we are able to provide our customers with the required quantity in the least time possible.

### Quantity and Quotation

Based on the enquiry, our sales team forwards the requirement to our purchase department and the godown team to ascertain the availability of the product in the quantity requested. Upon confirmation, the quotation is sent to the customer.

### Confirmation of Order

The customer confirms the order and sends us a pro-forma invoice based on which we inform our godown team for the approved sale quantity.



## **Dispatch of Order**

The transport for the steel products is generally arranged by the customer. The empty carrier vehicles enter our godown through the Weigh Bridge installed by us. We use cranes to load the products onto the delivery trucks. An e-way bill is generated by us for the quantity of products and the filled truck is again exited through the weigh bridge. The difference in weight is noted as the final quantity sold. The final quantity is re-verified and recorded as sale by our Company.

## **Payment**

Upon receipt of the products / confirmation of the dispatch, the customer issues the final payment over a pre-decided period of time depending on the credit period extended to such customer.

## **MARKETING AND MARKETING SET-UP**

The efficiency of the marketing and sales network is critical success of our Company. Our success lies in the strength of our relationship with our customers who have been associated with our Company. Our Company also endeavours to provide high quality branded steel products to our customers on a timely basis by obtaining distributorship of major steel manufacturing companies in India. Being a registered distributor also boosts our ability to attract new customers, as the big manufacturing companies do not ideally deal with small scale buyers. They in turn suggest recognised distributors and our marketing team ensures that new customers are serviced in an efficient and timely manner. Our team through their experience and good rapport with customers, owing to timely and quality delivery of service, plays an instrumental role in creating and expanding a work platform for our Company. We believe our relationship with our customers is established as we receive repeat order flows. To retain our customers, our team regularly interacts with them and focuses on gaining an insight into the additional needs of customers like varied sizes, delivery schedules and transparency in weights & billing.

The Steel product market is based on technical specifications mainly in the construction, infrastructure and engineering industry. Our marketing team in consultation with the top management and the technical team ensure that detailed specifications are provided to the potential customers which enable them to make the correct choice. Further, the marketing team also ensures that each specification and variety is available in the least possible time by proper co-ordination with the purchase department.

## **PROCUREMENT**

Procurement of steel products of varied technical specification, size and uses is the main area of concentration for our Company. Our procurement skills determine the quality, quantity and the timeliness of our goods delivered to our customer. We currently are an authorised distributor for selling steel products of Jindal Steel & Power Limited (JSPL), have entered into MoUs with Steel Authority of India (SAIL) & Rashtriya Ispat Nigam Limited (RINL) and also procure steel products from various other steel manufacturers including Monnet Ispat & Energy Limited (MIEL) and Vandana Ispat Limited (VIL) to name a few. Accordingly, we procure different steel products from different manufacturing companies in bulk quantities and in the standard sizes, as manufactured by them. Being registered distributors / MoU holders, we have a set payment schedule to our suppliers and we maintain cordial relations with them. Besides, the manufacturers where we are associated, we also strive to maintain cordial relations with a large number of medium and small manufacturers, from who we procure similar steel products for customers looking for economical options.

Steel products, structural and flat steel, is an industry driven majorly by precise technical needs as each product manufactured or construction carried out required a particular size, load and dimension engineered for the exact outcome. Our procurement team, under the supervision of our Whole Time Directors, Mr. Sanjay Bansal and Mr. Krishna Mehta, undertakes detailed study on the customers' requirement and also current manufacturing and construction standards and matches the same with the historical demands of our customers. Our procurement team also regularly takes feedback from the marketing team to understand the buying pattern of the customers and thus formulate a procurement strategy.

Further, the procurement team is also responsible for maintaining a proper procurement timeline, such that there is never shortfall in the various steel products when demanded by our customer. Steel products with specific dimensions are dependent on the production cycle of the manufacturer and communicating our requirements is one of the top priorities of our procurement team.

**OUR MAJOR CUSTOMERS**

Our Company is engaged in trading of structural and flat steel products to customers ranging from EPC, real estate, infrastructure & construction and also utilized to various manufacturing and steel processing units. The analysis of percentage of income derived from Top 10 customers in the last two financial years is as follows:

(₹ in lakhs)

Particulars	Revenue and Percentage			
	F. Y. 2018-19		F. Y. 2017-18	
Income From Top 10 Customers	7,424.85	19.97%	5,856.71	21.49%

**RAW MATERIALS**

Since our Company is not involved in any manufacturing activities, no raw materials are procured.

**UTILITIES****Power**

Our registered office and our godown have adequate power supply position from the public supply utilities.

Further our godown has been equipped with a D. G. Set for emergency use and in events of power cuts.

**Water**

Water, for our Registered Office and at our godown is mainly used for drinking and sanitation purposes and the same is in adequate supply from various public supply utilities.

**Diesel**

Diesel is used for our cranes at our godown which are used for loading and unloading the steel products and also for our D. G. Set. Diesel is procured from local fuel stations in the vicinity as and when required.

**Infrastructure & Communication**

Our Registered Office situated at Andheri, Mumbai is well equipped with computer systems, internet connectivity, telecommunications equipment, security and other miscellaneous facilities which are required for our business operations to function smoothly.

Our godown also has the requisite technical systems installed in order to accurately assess the weight of the incoming and outgoing steel products and to generate the required documentation for deliveries.

**COMPETITION**

The steel trading industry in India, while fragmented and unorganised, is highly competitive. Competition is faced by our business from other existing traders and manufacturers of steel products dealt by us. We engage with our competitors on a regional or product line basis. Many of our competitors have substantially large capital base and resources than we do and may offer broader range of products. We believe that the principal factors affecting competition in our business include client relationships, reputation, market focus and the relative quality, price of the products and any ancillary service provided. We believe that we are able to distinguish ourselves from our competitors on the basis of our strong Pan India presence, our registered distributorship / MoUs with various steel manufacturers, our customer network and reputation and the availability & timeliness of specific product deliveries.

We also compete to acquire distributorship rights for major steel manufacturers, each of whom have expertise across different steel product verticals. However, we believe that our wide network Pan India and our established marketing set-up provides us with a competitive advantage when competing for such distributorships, as we believe that the steel manufacturers recognise the market reach and premium distribution that may be obtained by partnering with us.

We compete with various organised and unorganised players across the country and also with various regional traders and distributors. We compete against our competitors by establishing ourselves as a knowledge-based trading company



with cordial relations with various suppliers, which enables us to provide our customers with the specified quantities at reasonable rates to meet their requirements.

### CAPACITY AND CAPACITY UTILIZATION

Our company is not engaged in the manufacturing of goods and hence capacity and capacity utilization is not applicable to our company.

### EXPORT AND EXPORT OBLIGATION

Our Company does not have any Export Sales and no Export Obligations.

### COLLABORATIONS

We have not entered into any technical or other collaboration.

### HUMAN RESOURCES

Our Company believes that our ability to maintain growth depends to a large extent on our strength in attracting, training, motivating and retaining employees. As on April 30, 2019, our Company has 37 employees on its payroll.

The detailed break-up of our employees is as under:

Business Activity	Number of Employees
Directors	6
KMPs	2
Other Office Staff	19
Godown Staff	10
<b>Total</b>	<b>37</b>

Further, our company employs 10 - 15 labour on contractual basis as and when required and they are paid wages based on the no. of days worked by them in a particular month.

### PROPERTIES

The Company owns the following properties:

Sr. No.	Schedule of property and area	Date of Agreement	Seller	Purpose	Purchase Consideration
1.	Survey No. 99, Hissa No. 1A/2(1)/A & Survey No. 99, Hissa No. 1A/2(2) situated at village Vavanje, Taluka – Panvel, District – Raigad admeasuring 9,500 Sq. Meters <sup>(1)</sup>	October 21, 2007	Niranjaj Lal Gupta Sanjeev Gupta	Godown	₹ 75.00 lakhs
2.	Office No. 515 on 5 <sup>th</sup> Floor, Building – The Summit Business Bay Andheri lying and located on land bearing CTS No. 266 and 266/1 to 172, within the Registration Sub-District and District of Mumbai City and Mumbai Suburban admeasuring 74 Sq. Meter.	June 04, 2014	M/s. Omkar Realtors & Developers Private Limited	Registered Office	₹ 272.88 lakhs
3.	Survey No. 96, Hissa No. A, situated at Vavanja Village, Panvel, District – Raigad admeasuring 2,274 Sq. Meters	June 03, 2010	Umesh Gandhi Manilal Dhedia Vimla Kubadia	Vacant land – for future expansion	₹ 40.00 lakhs



*(1) Our Company and two other 3<sup>rd</sup> parties had entered into a Consolidated Deed of Conveyance dated October 21, 2007 with the sellers for a total land area of 19,000 Sq. Mtrs. However, the portion belonging to our Company was 50% of the total area i.e. 9,500 Sq. Mtrs.*

Further, our Company has also invested in Properties at various locations as investment in Properties. For details regarding Investment in Properties, please refer "Financial Statements" on page no. 130 of this Prospectus.

## **INSURANCES**

Our operations are subject to various risks inherent in the steel trading and distribution industry as well as fire, earthquake, flood, acts of terrorism and other force majeure events. Our insurance cover includes, among others, standard fire and special perils policy, burglary & theft and commercial vehicle (cranes) policy for our office and godown locations and also for our investment / rented properties owned by us.

We believe that our insurance coverage is in accordance with industry custom, including the terms of and the coverage provided by such insurance. Our policies are subject to standard limitations and, in the case of business interruption insurance, among other things, limitations apply with respect to the length of the interruption covered and the maximum amount that can be claimed. Therefore, insurance might not necessarily cover all losses incurred by us and we cannot provide any assurance that we will not incur losses or suffer claims beyond the limits of, or outside the relevant coverage of, our insurance policies. For details, please refer the Risk Factor – *“Our insurance coverage may not be adequate to protect us against all potential losses, which may have a material adverse effect on our business, financial condition and results of operations”* on page no. 15 of this Prospectus.

## KEY REGULATIONS AND POLICIES

*The following description is a summary of certain sector specific laws and regulations in India, which are applicable to us. The information detailed in this chapter has been obtained from publications available in the public domain. The regulations set out below may not be exhaustive, and are only intended to provide general information to the investors and are neither designed nor intended to substitute for professional legal advice.*

We are engaged in the business of trading of steel products. Our business is governed by various central and state legislations that regulate the substantive and procedural aspects of the business. We are required to obtain and regularly renew certain licenses/ registrations and / or permissions required statutorily under the provisions of various Central and State Government regulations, rules, bye laws, acts and policies.

For details of Government Approvals obtained by us in compliance with these regulations, please see the chapter titled “Government and Other Key Approvals” beginning on page 175 of this Prospectus.

### A. LABOUR RELATED LEGISLATIONS:

#### 1. Maharashtra Shops and Establishments (Regulation of Employment and Conditions of Service) Act, 2017

The Company is governed by Maharashtra Shops and Establishments (Regulation of Employment and Conditions of Service) Act, 2017. The Maharashtra Shops and Establishments (Regulation of Employment and Conditions of Service) Act, 2017 regulates the conditions of work and employment in shops and commercial establishments and generally prescribe obligations in respect of inter alia registration, opening and closing hours, daily and weekly working hours, holidays, leave, health and safety.

#### 2. The Employees State Insurance Act, 1948

The Employees State Insurance Act, 1948 (“ESI Act”) provides for certain benefits to employees in case of sickness, maternity and employment injury. All employees in establishments covered by the ESI Act are required to be insured, with an obligation imposed on the employer to make certain contributions in relation thereto. Employers of factories and establishments covered under the ESI Act are required to pay contributions to the Employees State Insurance Corporation, in respect of each employee at the rate prescribed by the Central Government. Companies which are controlled by the Government are exempt from this requirement if employees receive benefits similar or superior to the benefits prescribed under the ESI Act. In addition, the employer is also required to register itself under the ESI Act and maintain prescribed records and registers.

#### 3. Employees Provident Fund and Miscellaneous Provisions Act, 1952

Under the Employees Provident Fund and Miscellaneous Provisions Act, 1952 (“EPF Act”), compulsory provident fund, family pension fund and deposit linked insurance are payable to employees in factories and other establishments. The legislation provides that an establishment employing more than 20 (twenty) persons, either directly or indirectly, in any capacity whatsoever, is either required to constitute its own provident fund or subscribe to the statutory employee’s provident fund. The employer of such establishment is required to make a monthly contribution to the provident fund equivalent to the amount of the employee’s contribution to the provident fund. There is also a requirement to maintain prescribed records and registers and filing of forms with the concerned authorities. The EPF Act also prescribes penalties for avoiding payments required to be made under the abovementioned schemes.

#### 4. The Employees’ Compensation Act, 1923

The Employees’ Compensation Act, 1923 has been enacted with the object to provide 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. In case the employer fails to pay the compensation under the provisions of the Employees’ Compensation Act, 1923 within 1 (one) month from the date it falls due, the employer may be directed to pay the compensation along with the interest.

#### 5. 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.



## **6. 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.

## **7. 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 ₹ 50,000/-

## **8. 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.

## **9. 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.

## **10. Payment of Gratuity Act, 1972**

The Payment of Gratuity Act, 1972 applies to every shop or establishment within the meaning of any law for the time being in force in relation to shops and establishments in a State, in which ten or more persons are employed, or were employed, on any day of the preceding twelve months. It provides for payment of gratuity to the employees who have put in a continuous service of five years, in the event of their superannuation, retirement, resignation, death or disablement due to accident or disease: Provided that the completion of continuous service of five years shall not be necessary where the termination of the employment of any employee is due to death or disablement. Gratuity is calculated at the rate of 15 days’ wages for every completed year of service with the employer. Presently, an employer is obliged for a maximum gratuity pay out of ₹10, 00,000 for an employee.

## **B. TAX RELATED LEGISLATIONS:**

### **1. Income-tax Act, 1961**

Income-tax Act, 1961 (“IT Act”) is applicable to every company, whether domestic or foreign whose income is taxable under the provisions of this Act or Rules made there under depending upon its ‘Residential Status’ and ‘Type of Income’ involved. Every assessee, under the IT Act, which includes a company, is required to comply with the provisions thereof, including those relating to tax deduction at source, advance tax, minimum alternative tax and like.

### **2. Central Goods and Services Tax Act, 2017**

The Central Goods and Services Tax Act, 2017 (“CGST Act”) regulates the levy and collection of tax on the intra-State supply of goods and services by the Central Government or State Governments. The CGST Act amalgamates a



large number of Central and State taxes into a single tax. The CGST Act mandates every supplier providing the goods or services to be registered within the State or Union Territory it falls under, within 30 days from the day on which he becomes liable for such registration. Such registrations can be amended, as well as cancelled by the proper office on receipt of application by the registered person or his legal heirs. There would 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.

### 3. Integrated Goods and Services Tax Act, 2017

Integrated Goods and Services Tax Act, 2017 (“**IGST Act**”) is a Central Act enacted to levy tax on the supply of any goods and/ or services in the course of inter-State trade or commerce. IGST is levied and collected by Centre on interstate supplies. The IGST Act sets out the rules for determination of the place of supply of goods. Where the supply involves movement of goods, the place of supply shall be the location of goods at the time at which the movement of goods terminates for delivery to the recipient. The IGST Act also provides for determination of place of supply of service where both supplier and recipient are located in India or where supplier or recipient is located outside India. The provisions relating to assessment, audit, valuation, time of supply, invoice, accounts, records, adjudication, appeal etc. given under the CGST Act are applicable to IGST Act.

### 4. Professional Tax

The professional tax slabs in India are applicable to those citizens of India who are either involved in any profession or trade. The State Government of each State is empowered with the responsibility of structuring as well as formulating the respective professional tax criteria and is also required to collect funds through professional tax. The professional taxes are charged on the incomes of individuals, profits of business or gains in vocations. The professional tax is charged as per the List II of the Constitution. The professional taxes are classified under various tax slabs in India. The tax payable under the State Acts by any person earning a salary or wage shall be deducted by his employer from the salary or wages payable to such person before such salary or wages is paid to him, and such employer shall, irrespective of whether such deduction has been made or not when the salary and wage is paid to such persons, be liable to pay tax on behalf of such person and employer has to obtain the registration from the assessing authority in the prescribed manner. Every person liable to pay tax under these Acts (other than a person earning salary or wages, in respect of whom the tax is payable by the employer), shall obtain a certificate of enrolment from the assessing authority.

### 5. Central Excise Act, 1944

The Central Excise Act, 1944 (“**Central Excise Act**”) consolidates and amends the law relating to Central Duties of Excise on goods manufactured or produced in India. Excisable goods under the Act means goods specified in the Schedule to the Central Excise Tariff Act, 1985 as being subject to duty of excise. Under the Act a duty of excise is levied on all excisable goods, which are produced or manufactured in India as and at the rates set forth in the First Schedule to the Central Excise Tariff Act, 1985.

## C. OTHER LEGISLATIONS:

### 1. Transfer of Property Act, 1882

The transfer of property, including immovable property, between living persons, as opposed to the transfer property by operation of law, is governed by the Transfer of Property Act, 1882 (“**T.P. Act**”). The T.P. Act establishes the general principles relating to the transfer of property, including among other things, 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 contingent and vested interest in the property. Transfer of property is subject to stamping and registration under the specific statutes enacted for the purposes which have been dealt with hereinafter. The T.P. Act recognizes, among others, the following forms in which an interest in an immovable property may be transferred.

**Sale:** The transfer of ownership in property for a price, paid or promised to be paid.

**Mortgage:** The transfer of an interest in property for the purpose of securing the payment of a loan, existing or future debt, or performance of an engagement which gives rise to a pecuniary liability. The T.P. Act recognizes several forms of mortgages over a property.



**Charges:** Transactions including the creation of security over property for payment of money to another which are not classifiable as a mortgage. Charges can be created either by operation of law, e.g. decree of the court attaching to specified immovable property, or by an act of the parties.

**Leases:** The transfer of a right to enjoy property for consideration paid or rendered periodically or on specified occasions.

**Leave and License:** The transfer of a right to do something upon immovable property without creating interest in the property. Further, it may be noted that with regards to the transfer of any interest in a property, the transferor transfers such interest, including any incidents, in the property which he is capable of passing and under the law, he cannot transfer a better title than he himself possesses.

## **2. Consumer Protection Act 1986**

The Consumer Protection Act, 1986 (“Consumer Protection Act”) was enacted to provide speedy and simple redressal to consumer disputes through quasi-judicial machinery set up at district, state and national level. The provisions of the Consumer Protection Act cover products as well as services.

## **3. The Registration Act, 1908**

The Registration Act, 1908 (“Registration Act”) was passed to consolidate the enactments relating to the registration of documents. The main purpose for which the Registration Act was designed was to ensure information about all deals concerning land so that correct land records could be maintained. The Registration Act is used for proper recording of transactions relating to other immovable property also. The Registration Act provides for registration of other documents also, which can give these documents more authenticity. Registering authorities have been provided in all the districts for this purpose

## **4. 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.

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

The Specific Relief Act, 1963 (“Specific Relief 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 Specific Relief 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.

## **6. The Companies Act, 2013**

The Companies Act, 2013 (“Companies Act”), has been introduced to replace the existing Companies Act, 1956 in a phased manner. The Companies Act deals with laws relating to companies and certain other associations. The Companies Act primarily regulates the formation, financing, functioning and winding up of companies. The Companies Act prescribes regulatory mechanism regarding all relevant aspects, including organizational, financial and managerial aspects of companies. It deals with issue, allotment and transfer of securities and various aspects relating to company management. It provides for standard of disclosure in public issues of capital, particularly in the fields of company management and projects, information about other listed companies under the same management, and management perception of risk factors.

## **7. 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 anti-competitive agreements, abuse of dominant position and combinations. The Competition Commission of India



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

#### **D. REGULATIONS REGARDING FOREIGN INVESTMENT**

##### **Foreign Exchange Management Act, 1999**

Foreign investment in companies in the manufacturing sector is governed by the provisions of the Foreign Exchange Management Act, 1999 ("FEMA") read with the applicable regulations. The Department of Industrial Policy and Promotion ("DIPP"), Ministry of Commerce and Industry has issued the Consolidated FDI Policy which consolidates the policy framework on Foreign Direct Investment ("FDI Policy"), with effect from August 28, 2017. The FDI Policy consolidates and subsumes all the press notes, press releases, and clarifications on FDI issued by DIPP till August 27, 2017. All the press notes, press releases, clarifications on FDI issued by DIPP till August 27, 2017 stand rescinded as on August 28, 2017. In terms of the FDI Policy, foreign investment is permitted (except in the prohibited sectors) in Indian companies either through the automatic route or the Government route, depending upon the sector in which foreign investment is sought to be made. In terms of the FDI Policy, the work of granting government approval for foreign investment under the FDI Policy and FEMA Regulations has now been entrusted to the concerned Administrative Ministries/Departments. FDI for the items or activities that cannot be brought in under the automatic route may be brought in through the approval route. Where FDI is allowed on an automatic basis without the approval of the Government, the RBI would continue to be the primary agency for the purposes of monitoring and regulating foreign investment. In cases where Government approval is obtained, no approval of the RBI is required except with respect to fixing the issuance price, although a declaration in the prescribed form, detailing the foreign investment, must be filed with the RBI once the foreign investment is made in the Indian company. The RBI, in exercise of its power under the FEMA, has also notified the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2017 to prohibit, restrict or regulate, transfer by or issue of security to a person resident outside India. The Company is engaged in the activity of wholesale trading. The FDI Policy issued by the DIPP permits foreign investment upto 100% in the Cash and Carry Wholesale Trading/ Wholesale Trading ("WT") sector under the automatic route.

##### **Cash and Carry Wholesale Trading/ Wholesale Trading**

Cash & Carry Wholesale trading/Wholesale trading, would mean sale of goods/merchandise to retailers, industrial, commercial, institutional or other professional business users or to other wholesalers and related subordinated service providers. Wholesale trading would, accordingly, imply sales for the purpose of trade, business and profession, as opposed to sales for the purpose of personal consumption. The yardstick to determine whether the sale is wholesale or not would be the type of customers to whom the sale is made and not the size and volume of sales. Wholesale trading would include resale, processing and thereafter sale, bulk imports with ex-port/ex bonded warehouse business sales and B2B e-Commerce. Further, Cash & Carry Wholesale Trading/Wholesale Trading ("WT") is subject to the following conditions:

- a. For undertaking WT, requisite licenses/registration/ permits, as specified under the relevant Acts/Regulations/Rules/Orders of the State Government/Government Body/Government Authority/Local Self Government Body under that State Government should be obtained.
- b. Except in case of sales to Government, sales made by the wholesaler would be considered as 'cash & carry wholesale trading/wholesale trading' with valid business customers, only when WT are made to the following entities:
  - i. Entities holding sales tax/ VAT registration/service tax/excise duty registration; or
  - ii. Entities holding trade licenses i.e. a license/registration certificate/membership certificate/registration under Shops and Establishment Act, issued by a Government Authority/Government Body/Local Self-Government Authority, reflecting that the entity/person holding the license/ registration certificate/ membership certificate, as the case may be, is itself/ himself/herself engaged in a business involving commercial activity; or Entities holding permits/license etc. for undertaking retail trade (like the bazari and similar license for hawkers) from Government Authorities/Local Self Government Bodies; or



iii. Institutions having certificate of incorporation or registration as a society or registration as public trust for their self-consumption.

**An entity, to whom WT is made, may fulfill any one of the 4 (four) conditions stated above.**

c. Full records indicating all the details of such sales like name of entity, kind of entity, registration/license/permit etc. number, amount of sale etc. should be maintained on a day to day basis.

d. WT of goods would be permitted among companies of the same group. However, such WT to group companies taken together should not exceed 25% of the total turnover of the wholesale venture.

e. WT can be undertaken as per normal business practice, including extending credit facilities subject to applicable regulations.

f. A wholesale/cash & carry trader can undertake retail trading, subject to the conditions applicable. An entity undertaking wholesale/cash and carry as well as retail business will be mandated to maintain separate books of accounts for these two arms of the business and duly audited by the statutory auditors. Conditions of the FDI Policy for wholesale/cash and carry business and for retail business have to be separately complied with by the respective business arms.

## HISTORY AND CERTAIN CORPORATE MATTERS

Our Company was incorporated as Shiv Aum Steels Private Limited on March 11, 2002 under Companies Act, 1956 with a certificate of incorporation bearing Registration No. 135117 issued by the Registrar of Companies, Mumbai. Subsequently the name of the Company was changed to Shiv Jagannath Steel Private Limited pursuant to a fresh certificate of Incorporation dated September 25, 2009. Further, the name of our Company was changed to Shiv Aum Steels Private Limited pursuant to a fresh certificate of Incorporation dated March 9, 2011. Subsequently, Our Company was converted to Public Company pursuant to a shareholders resolution dated April 22, 2019, and the name was changed to Shiv Aum Steels Limited. A fresh certificate of incorporation consequent upon conversion was granted to our Company on April 26, 2019 by the Registrar of Companies, Mumbai.

The Corporate Identity Number of our Company is U27105MH2002PLC135117

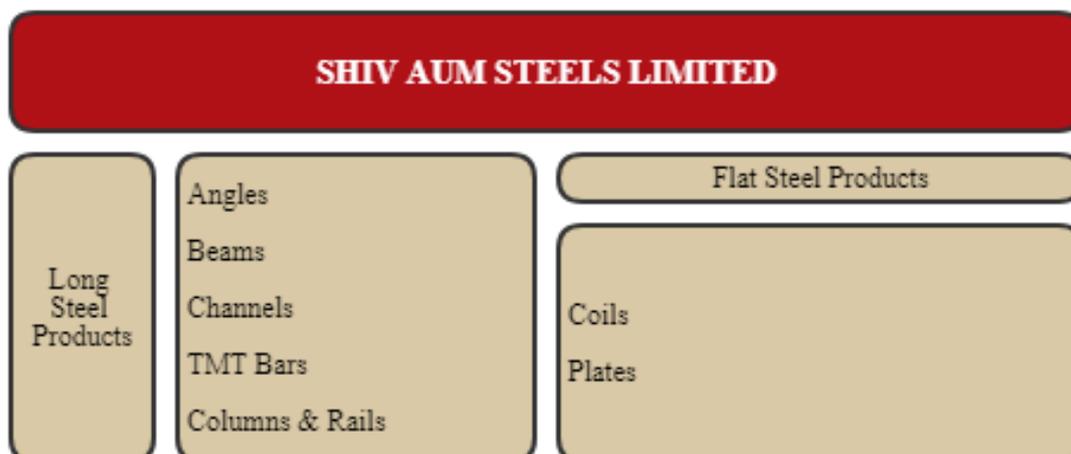
### OVERVIEW

Our Company, Shiv Aum Steels Limited, is engaged in the trading of mild steel products such as beams, angles, plates, channels, coils and thermo mechanically treated (TMT) bars. Our Company operates as a trader, stockist and distributor of steel products. We are an authorised distributor for selling steel products of Jindal Steel & Power Limited (JSPL), have entered into MoUs with Steel Authority of India (SAIL) & Rashtriya Ispat Nigam Limited (RINL) and also procure steel products from various other steel manufacturers including Monnet Ispat & Energy Limited (MIEL) and Vandana Ispat Limited (VIL) to name a few, which gives us an exclusive market to trade in high quality and well established brands of steel products. We deal in various types of steel products like I – Beams, H – Beams, C Channels, Angles, T – Angles, Coils, Plates, etc., all in varied sizes as per the requirement of our customers.

Though our Company was incorporated in the year 2002, our Promoters have amassed extensive experience in the steel trading business since 1982. We specialize in procuring a large array of steel products from the top manufacturers in bulk quantities and selling them to customers who require these steel products in specific quantities, sizes and dimensions. The steel sector being categorized by large scale production and products which are bulky in nature, does not facilitate direct selling in small quantities as it requires specialized transport, storage and buying capacity. Our Company's business is a broad based distribution model, based on multiple steel products. The focus is to establish ourselves and capture a considerable market share in each of the steel product categories like beams, plates, angles, bars, etc. This helps to spread our market risks arising out of fluctuation in the market shares of various steel products and brands besides helping us to achieve economies of scale.

We mainly play a connecting role and support the manufacturers' demand generation activities through trade marketing. Our Company's operating model represents the indirect sales model and we play the role of supply chain consolidator between several steel manufacturers and the end users of the steel products. The key deliverables here are logistics, inventory management, credit and delivery at cost effective prices to the customers. Thus our business require stocking of various steel products at our dedicated godown and is working capital intensive.

Our product range of steel traded by us consists of both flat and long products. Following is the classification of product offerings of our Company:



For further details refer section titled “*Product Portfolio – Our Business*” on page no.82 of this Prospectus.



At present, we cater only to domestic markets and over the years we have build a strong and reliable customer base. We supply all kinds of steel products on a PAN India basis and our customers range from small steel processing units to large EPC companies and Real Estate & Infrastructure Developers. Some of our customers include Maharashtra Seamless, Kone Cranes, Dogus Soma JV, L&T STEC JV and IPCA to name a few. We have established cordial relations with dealers, traders and distributors who are well established in steel industry which help us gain long term benefits. We aim to expand our customer base by reaching out to new states and increasing the sales in existing states.

To cater to our customers needs we have a godown situated at Survey No. 99, Hissa No. 1A/2(1)/A & Survey No. 99, Hissa No. 1A/2(2), Village Vavanje, Panvel, District – Raigad spanning approximately 9,500 sq. mtrs., wherein our management estimates that it has a capacity of approximately 7,000 – 8,000 tons of Long Steel products and 10,000 – 12,000 tons of Flat Steel products. Also, our Company operates from its Registered Office located at 515, The Summit Business Bay, Opp. Cinemax, Western Express Way, A. K. Road, Andheri (East) Mumbai - 400093.

For further details regarding our business operations, please see “*Our Business*” beginning on page no. 82 of this Prospectus.

Our Company has 11 shareholders as on the date of filing of this Prospectus.

### MAJOR EVENTS IN THE HISTORY OF OUR COMPANY

Year	Milestone
2002	The company was incorporated as Shiv Aum Steels Private Limited and started its business.
2007	The Company acquired warehouse at Survey No. 99, Hissa No. 1A/2(1)/A & Survey No. 99, Hissa No. 1A/2(2) situated at village Vavanje, Taluka – Panvel, District – Raigad. Admeasuring 9500 <sup>(1)</sup> Sq. Meters.
2009	The Company acquired its own weight measurement system resulting into operational efficiencies.
	The Company achieved turnover of Rs. 100.00 cr for the first time.
2012	The Company achieved turnover of Rs. 200.00 cr for the first time.
2016	The Company shifted its registered office to 515, 5 <sup>th</sup> Floor, Building – The Summit Business Bay, Andheri, Mumbai City admeasuring 74 Sq. Meter.

<sup>(1)</sup> Our Company and two other 3<sup>rd</sup> parties had entered into a Consolidated Deed of Conveyance dated October 21, 2007 with the sellers for a total land area of 19,000 Sq. Mtrs. However, the portion belonging to our Company was 50% of the total area i.e. 9,500 Sq. Mtrs.

### MAIN OBJECTS AS PER MEMORANDUM OF ASSOCIATION

Our Company’s main objects as per the Memorandum of Association is to:

Carry on the business of trading , manufacturing , processing , cutting, assemblies in all kinds of iron and steel , plats , structure nut bolts, H.R Coils ,Galvanized sheets , ferrous , Non ferrous Metals. C.R Coils, C.R. sheets, Aluminum Sheets and products made of steel and metal.

### CHANGES IN REGISTERED OFFICE OF OUR COMPANY

Date of Change	Changed From	Change to	Reason for change
March 15, 2016	2 <sup>nd</sup> , Lane Darukhana Reay Road, Mumbai- 400 010	515, The Summit Business Bay, Opp. Cinemax, Western Express Way, A.K. Road, Andheri(East), Mumbai – 400 093.	Administrative Reasons

### AMENDMENTS TO THE MEMORANDUM OF ASSOCIATION

Dates on which some of the main clauses of the Memorandum of Association of our Company have been changed citing the details of amendment as under:

Date	Nature Of Amendment
August 28, 2003	The initial authorised Share Capital of ₹ 2,25,00,000 (Rupees Two Crores Twenty Five Lacs Only) divided into 22,50,000 (Rupees Twenty Two Lacs Fifty Thousand only) Equity Shares was increased to 3,00,00,000 divided into 30,00,000 Equity Shares of ₹ 10 each.



Date	Nature Of Amendment
February 04, 2006	The authorised share capital of ₹ 3,00,00,000 divided into 30,00,000 Equity Shares of ₹10 each was increased to ₹3,50,00,000 divided into 35,00,000 Equity Shares of ₹ 10 each
July 25, 2008	The authorised share capital of ₹ 3,50,00,000 divided into 35,00,000 Equity Shares of ₹10 each was increased to ₹5,00,00,000 divided into 50,00,000 Equity Shares of ₹ 10 each
September 02, 2009	The authorised share capital of ₹ 5,00,00,000 divided into 50,00,000 Equity Shares of ₹ 10 each was increased to ₹ 7,50,00,000 divided into 75,00,000 Equity Shares of ₹ 10 each.
January 16, 2017	The authorized share capital of ₹ 7,50,00,000 divided into 75,00,000 Equity Shares of ₹10 each was increased to ₹15,00,00,000 divided into 15,00,000 Equity Shares of ₹ 10 each

## **SUBSIDIARIES**

As on the date of this Prospectus, there are no subsidiaries of our Company.

## **THE AMOUNT OF ACCUMULATED PROFIT/ (LOSSES) NOT ACCOUNTED FOR BY OUR COMPANY**

There is no accumulated profit/ (losses) not accounted for by our Company.

## **HOLDING COMPANY**

As on the date of this Prospectus, there is no Holding Company of our Company.

## **JOINT VENTURES**

As on the date of this Prospectus, there are no joint ventures of our Company.

## **REVALUATION OF ASSETS IN THE LAST TEN YEARS**

There has been no revaluation of assets of our company in last 10 years from the date of this Prospectus.

## **SHAREHOLDERS' AGREEMENT**

There are no Shareholders' Agreements existing as on the date of this Prospectus.

## **ACQUISITION OF BUSINESS / UNDERTAKINGS**

We have not acquired any business / undertakings in last 10 years from the date of this Prospectus.

## **DIVESTMENT OF BUSINESS / UNDERTAKING BY COMPANY IN THE LAST TEN YEARS**

Our company has not divested any of its business / undertaking in last 10 years from the date of this Prospectus

## **FINANCIAL PARTNERS**

As on the date of this Prospectus, apart from the various arrangements with bankers and financial institutions which our Company undertakes in the ordinary course of business, our Company does not have any other financial partners.

## **DEFAULTS OR RESCHEDULING OF BORROWINGS WITH FINANCIAL INSTITUTIONS / BANKS**

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

## **STRATEGIC PARTNERS**

We do not have any strategic partners as on the date of this Prospectus.

## **OTHER AGREEMENTS**

Except the contracts / agreements entered in the ordinary course of the business carried on or intended to be carried on by our Company, we have not entered into any other agreement / contract as on the date of this Prospectus.

## **INJUNCTIONS OR RESTRAINING ORDERS**

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

## OUR MANAGEMENT

### Board of Directors:

Our Company has Twelve (12) Directors consisting of Six (6) Whole-Time Directors, Two (2) Non Executive Non Independent Directors and Four (4) Non Executive Independent Directors. The following table sets forth the details of our Board of Directors as on the date of this Prospectus:

Name, Current Designation, Address, Occupation, Term and DIN	Nationality	Age	Other Directorships
<p><b>Mr. Jatin Mehta</b> <i>Whole-Time Director</i></p> <p><b>Date of Birth:</b> September 26, 1955</p> <p><b>Address:</b> 3A, Akshay Anand, 7<sup>th</sup> Cross Road, Sandu Wadi, Chembur (E), Mumbai – 400 071.</p> <p><b>Date of Appointment as Executive Director:</b> March 11, 2002</p> <p><b>Date of Re-designation as Whole-Time Director:</b> May 17, 2019</p> <p><b>Term:</b> Re- appointed as Whole-Time Director for a period of Five years i.e. from May 17, 2019 to May 16, 2024 and is liable to retire by rotation.</p> <p><b>Occupation:</b> Business</p> <p><b>DIN:</b> 00176438</p>	Indian	63 Years	Nil
<p><b>Mr. Sanjay Bansal</b> <i>Whole-Time Director</i></p> <p><b>Date of Birth:</b> July 20, 1964</p> <p><b>Address:</b> 1201, Sapphire CHS Plot No. 194, Main Avenue, Santacruz (West), Mumbai – 400 054</p> <p><b>Date of Appointment as Executive Director:</b> March 11, 2002</p> <p><b>Date of Re-designation as Whole-Time Director:</b> May 17, 2019</p> <p><b>Term:</b> Re- appointed as Whole-Time Director for a period of Five years i.e. from May 17, 2019 to May 16, 2024 and is liable to retire by rotation.</p> <p><b>Occupation:</b> Business</p> <p><b>DIN:</b> 00235509</p>	Indian	55 Years	Nil



Name, Current Designation, Address, Occupation, Term and DIN	Nationality	Age	Other Directorships
<p><b>Mr. Ajay Bansal</b> <i>Whole-Time Director</i></p> <p><b>Date of Birth:</b> Februray 03, 1961</p> <p><b>Address:</b> Plot No 668, Flat No 201, La Roche CHS Ltd, 19<sup>th</sup> Ambedkar Road, Near Beams Hospital Khar West, Mumbai – 400 052.</p> <p><b>Date of Appointment as Executive Director:</b> March 11, 2002</p> <p><b>Date of Re-designation as Whole-Time Director:</b> May 17, 2019</p> <p><b>Term:</b> Re-appointed as Whole-Time Director for a period of Five years i.e. from May 17, 2019 to May 16, 2024 and is liable to retire by rotation.</p> <p><b>Occupation:</b> Business</p> <p><b>DIN:</b> 00365449</p>	Indian	58 Years	Nil
<p><b>Mr. Utsav Bansal</b> <i>Whole-Time Dircetor</i></p> <p><b>Date of Birth:</b> April 26, 1992</p> <p><b>Address:</b> 1201, Sapphire CHS Plot No. 194, Main Avenue, Santacruz (West), Mumbai – 400 054</p> <p><b>Date of appointment as Executive Director:</b> March 4, 2011</p> <p><b>Date of Re-designation as Whole-Time Director:</b> May 17, 2019</p> <p><b>Term:</b> Appointed as Whole-Time Director for a period of Five years i.e. from May 17, 2019 to May 16, 2024 and is liable to retire by rotation.</p> <p><b>Occupation:</b> Business</p> <p><b>DIN:</b> 03130373</p>	Indian	27 Years	Mobi Realtors Private Limited



Name, Current Designation, Address, Occupation, Term and DIN	Nationality	Age	Other Directorships
<p><b>Mr. Rishabh Mehta</b> <i>Whole-Time Director</i></p> <p><b>Date of Birth:</b> July 23, 1988</p> <p><b>Address:</b> 3A, Akshay Anand, 7th Cross Road, Sandu Wadi, Chembur (E), Mumbai – 400 071.</p> <p><b>Date of appointment as Executive Director:</b> March 4, 2011</p> <p><b>Date of Re-designation as Whole-Time Director:</b> May 17, 2019</p> <p><b>Term:</b> Appointed as Whole-Time Director for a period of Five years i.e. from May 17, 2019 to May 16, 2024 and is liable to retire by rotation.</p> <p><b>Occupation:</b> Business</p> <p><b>DIN:</b> 03024717</p>	Indian	31 Years	Mobi Realtors Private Limited
<p><b>Mr. Krishna Mehta</b> <i>Whole-Time Director</i></p> <p><b>Date of Birth:</b> February 02, 1958</p> <p><b>Address:</b> Flat No. 101/102, Trishul I C opp, Nana Nani Park, 7 Bungalows, Andheri West, Mumbai - 400 061.</p> <p><b>Date of appointment as Executive Director:</b> September 13, 2011</p> <p><b>Date of Re-designation as Whole-Time Director:</b> May 17, 2019</p> <p><b>Term:</b> Appointed as Whole-Time Director for a period of Five years i.e. from May 17, 2019 to May 16, 2024 and is liable to retire by rotation.</p> <p><b>Occupation:</b> Business</p> <p><b>DIN:</b> 03581129</p>	Indian	61 Years	N.A



Name, Current Designation, Address, Occupation, Term and DIN	Nationality	Age	Other Directorships
<p><b>Mrs. Niyati Mehta</b> <i>Additional Non - Executive Director</i></p> <p><b>Date of Birth:</b> October 07, 1956</p> <p><b>Address:</b> 3A, Akshay Anand, 7th Cross Road, Sandu Wadi, Chembur (E), Mumbai – 400 071</p> <p><b>Date of appointment as Additional Non - Executive Director:</b> April 20, 2019</p> <p><b>Term:</b> Appointed as Additional Non - Executive Director upto the conclusion of Ensuing General Meeting.</p> <p><b>Occupation:</b> Business</p> <p><b>DIN:</b> 08424934</p>	Indian	62 Years	N.A
<p><b>Mrs. Vanita Bansal</b> <i>Additional Non - Executive Director</i></p> <p><b>Date of Birth:</b> August 01, 1966</p> <p><b>Address:</b> 1201, Sapphire Chs, Plot No. 194, Main Avenue, Santacruz West, Mumbai - 400054</p> <p><b>Date of appointment as Additional Non - Executive Director:</b> April 20, 2019</p> <p><b>Term:</b> Appointed as Additional Non - Executive Director upto the conclusion of Ensuing General Meeting.</p> <p><b>Occupation:</b> Business</p> <p><b>DIN:</b> 08426623</p>	Indian	53 Years	N.A
<p><b>Mr. Sunil Sharma</b> <i>Additional Non - Executive Independent Director</i></p> <p><b>Date of Birth:</b> September 07, 1963</p> <p><b>Address:</b> 301, Nutan Priyadarshini chs Plot 87, Daulat Nagar, Next to Rajsthani Majid, Santacruz West, Mumbai – 400 054.</p> <p><b>Date of appointment as Additional Non - Executive Independent Director:</b> May 17, 2019</p> <p><b>Term:</b> Appointed as Additional Non-Executive Independent Director i.e. from May 17, 2019 upto the Ensuing General Meeting</p> <p><b>Occupation:</b> Professional</p> <p><b>DIN:</b> 07797750</p>	Indian	56 Years	Corbel Info (OPC) Private Limited



Name, Current Designation, Address, Occupation, Term and DIN	Nationality	Age	Other Directorships
<p><b>Mr. Govind Aggarwal</b> <i>Additional Non - Executive Independent Director</i></p> <p><b>Date of Birth:</b> December 05, 1957</p> <p><b>Address:</b> 504, Blue Diamond, Juhu Road, Near SNDT College, Santacruz west, Mumbai – 400 049.</p> <p><b>Date of appointment as Additional Non - Executive Independent Director:</b> May 17, 2019</p> <p><b>Term:</b> Appointed as Additional Non-Executive Independent Director w.e.f from May 17, 2019 upto the Ensuing General Meeting</p> <p><b>Occupation:</b> Professional</p> <p><b>DIN:</b> 00191099</p>	Indian	61 Years	Niketa Gases Private Limited
<p><b>Mr. Mahendra Pandhi</b> <i>Additional Non Executive Independent Director</i></p> <p><b>Date of Birth:</b> April 12, 1957</p> <p><b>Address:</b> Amber Apartment, Plot No. 75, Road No. 26, Sion, Mumbai – 400 022</p> <p><b>Date of appointment as Additional Non Executive Independent Director:</b> May 24, 2019</p> <p><b>Term:</b> Appointed as Additional Non-Executive Independent Director w.e.f from May 24, 2019 upto the Ensuing General Meeting</p> <p><b>Occupation:</b> Professional</p> <p><b>DIN:</b> 02730175</p>	Indian	62 Years	Nil
<p><b>Mr. Suryakant Mehta</b> <i>Additional Non- Executive Independent Director</i></p> <p><b>Date of Birth:</b> January 05, 1944</p> <p><b>Address:</b> Block No. 10/11, 131 Mani Bhavan, 2<sup>nd</sup> Floor, Road No. 24, Jain Society, Opp Gurunanak High School, Sion- West, Mumbai – 400 022.</p> <p><b>Date of appointment as Additional Non - Executive Independent Director:</b> June 07,2019</p> <p><b>Term:</b> Appointed as Additional Non-Executive Independent Director w.e.f from June 07, 2019 upto the Ensuing Annual General Meeting</p> <p><b>Occupation:</b> Professional</p> <p><b>DIN:</b> 00282725</p>	Indian	75 Years	Nil



For further details on their qualification, experience etc., please see their respective biographies under the heading “*Brief Biographies*” below:

**Notes:**

- Except as mentioned below no other directors are related to each other;
  - Mr. Jatin Mehta is Father of Mr. Rishabh Mehta
  - Mr. Sanjay Bansal is Brother of Ajay Bansal
  - Mrs. Niyati Mehta is Wife of Mr. Jatin Mehta
  - Mr. Sanjay Bansal is Father of Mr. Utsav Bansal
  - Mrs. Vanita Bansal is Wife of Mr. Sanjay Bansal
  - Mr. Krishna Mehta is Brother of Mr. Jatin Mehta
- There are no arrangements or understanding with major shareholders, customers, suppliers or others, pursuant to which any of the Directors or Key Management Personnel were selected as a Director or member of the senior management.
- There is no service contracts entered into by the Directors with our Company.
- None of our Directors have been or are presently directors on the boards of listed companies whose shares have been / were suspended from being traded on the Stock Exchanges during the last five years preceding the date of filing of this Prospectus.
- None of our Directors have been or are presently directors on the boards of listed companies whose shares have been delisted from the Stock Exchange(s).
- No proceedings/investigations have been initiated by SEBI against any company, the board of directors of which also comprise any of the Directors of our Company. No consideration in cash or shares or otherwise has been paid or agreed to be paid to any of our Directors or to the firms or companies in which they are interested as a member by any person either to induce him to become, or to help him qualify as a Director, or otherwise for services rendered by him or by the firm or company in which he is interested, in connection with the promotion or formation of our Company.

**BRIEF BIOGRAPHIES OF OUR DIRECTORS****Mr. Jatin Mehta**

Mr. Jatin Mehta, aged 63 years, is the Whole-Time Director of our Company. He holds “BSC” from University of Mumbai. He has around 38 Years of rich and vast experience in the Steel Product Trading Industry. He was the founding member of Shiv Aum Steels Private Limited and was associated with the company from its Incorporation. He looks after the overall sourcing of mild steel Products and is also responsible for diversification of company in various areas mild Steel Products.

**Mr. Sanjay Bansal**

Mr. Sanjay Bansal, aged 55 years, is the Whole-Time Director of our company. He holds Bachelor of Commerce Degree from Mumbai University. He has around 35 Years of rich and vast experience in the Steel Trading Industry. He was one of the founding member of Shiv Aum Steels Private Limited and was associated with the company from its Incorporation. He looks after the overall sourcing of raw materials. He is also responsible for efficient mobilization of funds.

**Mr. Ajay Bansal**

Mr. Ajay Bansal, aged 58 years, is the Whole-Time Director of our company. He holds Bachelor of Commerce Degree from Mumbai University. He has around 35 years of rich and vast experience in the field of Steel Trading Industry and is also, one of the founders of Shiv Aum Steels Limited and is associated with the company right from its inception. He looks after the procurement of raw materials from domestic as well as international markets and is also actively involved in the day to day management of the Company.

**Mr. Utsav Bansal**

Mr. Utsav Bansal, aged 27 years, is the Whole-Time Director of our Company. He has graduated as Bachelor in Financial Markets from University of Mumbai. He has about 8 years of experience in the field of Steel Trading Industry and since then he is actively involved in the day to day affairs of the Company. His Core focus is on MIS which includes sales, Purchase, debtors, Stock, Inventory input/output, availability of funds and costing.

**Mr. Rishabh Mehta**

Mr. Rishabh Mehta, aged 31 years, is the Whole-Time Director of our company. He has graduated as BE from University of Mumbai. He has around 5 years of experience in the field of Steel Product Trading Industry and he is actively involved in the day to day affairs of the Company. He also works with the Procurement Division of the Company and is involved in identifying and modifying the existing product base of the Company.

**Mr. Krishna Mehta**

Mr. Krishna Mehta, aged 61 years, is the Whole-Time Director of our Company. He holds Bachelor of Commerce Degree from Mumbai University. He has over 38 Years of Rich and Vast Experience in steel Product Industry. He oversees the sales Department and manages Customer Relationships. He also additionally provides input in indentifying the Products which are in Demand.

**Mrs. Niyati Mehta**

Mrs. Niyati Mehta, aged 62 years, is an Additional Non- Executive Director of our Company. She holds Master in Arts from Ahmedabad University in the Year 1979 and has been graduated from Ahmedabad University in the year 1977. She is the wife of the Mr. Jatin Mehta who is one of the Promoters & Whole-Time Director of our Company.

**Mrs. Vanita Bansal**

Mrs. Vanita Bansal, aged 53 years, is an Additional Non- Executive Director of our Company. She holds Diploma in Home Science from Nirmala Niketan College, Mumbai in 1986. She is the wife of the Mr. Sanjay Bansal who is one of the Promoters & Whole-Time Director of our Company.

**Mr. Sunil Sharma**

Mr. Sunil Sharma, aged 56 years is an Additional Non Executive Independent Director of our Company. He holds B.Sc Degree from Mumbai University. He has a vast experience of 28 Years in IT Industry i.e Corbel info (OPC) Private Limited. He handles customization of Software Development and develops all sorts of application software. Further, Testing and implementations of all the projects at Corbel info (OPC) Private Limited are carried out under his guidance.

**Mr. Govind Agrawal**

Mr. Govind Agrawal, aged 61 years is an Additional Non Executive Independent Director of our Company. He is an Undergraduate. Since 1986, he is the Managing Director of Niketa Gases Private Limited, He has an experience over 3 decades in the Industry. He is also one of the Distributors of Industrial gases having 8 retail outlets in prominent Industrial areas in and around Mumbai, serving major industries.

**Mr. Mahendra Pandhi**

Mr. Mahendra Pandhi, aged 62 years, is an Additional Non-Executive Independent Director of our Company. He holds Bachelor of Commerce Degree from Mumbai University. He has an Experience of 38 years in the field of Import & Export Business; he is engaged in this field since 1981. He has acted as a Dealer & Distributor of ILAC Ltd, has been a Distributor of Modi Chemicals, Importers of Various Chemicals & Plastic Raw materials and has also been an investor & Proprietary Trader in the Capital Market.

**Mr. Suryakant Mehta**

Mr. Suryakant Mehta, aged 75 years, is an Additional Non-Executive Independent Director of our Company. He holds Bachelor of Commerce Degree from Mumbai University. He has an Experience of 40 years. He manages his own



trading and manufacturing firm M/s. Ratilal Harilal & Co. which deals in canvas & tarpaulins. In the year 1968 he started a workshop which processes Tarpaulins & Canvas.

### Confirmation

None of the above mentioned Directors are fugitive economic offenders or are on the RBI List of willful defaulters as on date of the Prospectus.

Further, our Company, our Promoters, persons forming part of our Promoter Group, Directors and persons in control of our Company, have not been/are not debarred from accessing the capital market by SEBI.

### Borrowing Powers of our Board of Directors

Our Company at its Extra-Ordinary General Meeting held on May 22, 2019 passed a resolution authorizing Board of Directors pursuant to the provisions of section 180 (1) (c) of the Companies Act, 2013 for borrowing from time to time any sum or sums of money from any person(s) or bodies corporate (including holding Company) or any other entity, whether incorporated or not, on such terms and conditions as the Board of Directors may deem fit for the purpose of the Company's business. The monies so borrowed together with the monies already borrowed by our Company (apart from temporary loans obtained from the banks in the ordinary course of business) may exceed the aggregate of the paid up share capital of our Company and its free reserves, that is to say, reserves not set apart for any specific purpose, provided that the total amount of such borrowings together with the amount already borrowed and outstanding shall not, at any time, exceed ₹ 150 crores.

### REMUNERATION OF EXECUTIVE DIRECTORS

The compensation package payable to them as resolved in the shareholders meeting held on May 22, 2019 is stated hereunder:

Sr. No	Name of Directors	Designation	Maximum Remuneration paid shall not exceed
1	Mr. Sanjay Bansal	Whole-Time Director	84.00
2	Mr. Ajay Bansal	Whole-Time Director	84.00
3	Mr. Jatin Mehta	Whole-Time Director	84.00
4	Mr. Utsav Bansal	Whole-Time Director	84.00
5	Mr. Rishabh Mehta	Whole-Time Director	84.00
6	Mr. Krishna Mehta	Whole-Time Director	84.00

### REMUNERATION PAID TO DIRECTORS BY OUR SUBSIDIARY OR ASSOCIATE COMPANIES

As on date there is no Subsidiary or Associate company of our Company.

### Compensation to the Non Executive Non Independent Directors and Non Executive Independent Directors

Pursuant to a resolution passed at the meeting of the Board of the Company on September 9, 2019, the Non-Executive Directors will be paid sitting fee of ₹ 1,000 for attending Board meetings.

Remuneration paid to our Non Executive Non Independent Directors and Non Executive Independent Director in Fiscal 2019: Nil

### REMUNERATION / SITTING FEES PAID TO DIRECTORS FOR THE FY 2018-19

Sr. No.	Name of the Director	Designation	Remuneration Paid (₹ in Lakhs)	Sitting Fees Paid (₹ in Lakhs)	Total (₹ in Lakhs)
1	Mr. Jatin Mehta	Whole-Time Director	42.00	NA	42.00
2	Mr. Sanjay Bansal	Whole-Time Director	49.00	NA	49.00
3	Mr. Ajay Bansal	Whole-Time Director	23.00	NA	23.00
4	Mr. Utsav Bansal	Whole-Time Director	44.00	NA	44.00
5	Mr. Rishabh Bansal	Whole-Time Director	43.00	NA	43.00



Sr. No.	Name of the Director	Designation	Remuneration Paid (₹ in Lakhs)	Sitting Fees Paid (₹ in Lakhs)	Total (₹ in Lakhs)
6	Mr. Krishna Mehta	Whole-Time Director	36.00	NA	36.00
7	Mr. Niyati Mehta	Non-Executive Director	Nil	Nil	Nil
8	Mr. Vanita Bansal	Non-Executive Director	Nil	Nil	Nil
9	Mr. Sunil Sharma	Non-Executive Independent Director	Nil	Nil	Nil
10	Mr. Govind Agrawal	Non-Executive Independent Director	Nil	Nil	Nil
11	Mr. Mahendra Pandhi	Non-Executive Independent Director	Nil	Nil	Nil
12	Mr. Suryakant Mehta	Non-Executive Independent Director	Nil	Nil	Nil

### Shareholding of Directors

The following table sets forth the shareholding of our Directors as on the date of this Prospectus:

Name of Directors	No. of Equity Shares held	% of Pre-Issue Paid Up Capital
Mr. Jatin Mehta	13,51,000	13.51%
Mr. Sanjay Bansal	21,37,450	21.37%
Mr. Ajay Bansal	4,38,350	4.38%
Mr. Rishabh Mehta	-	-
Mr. Utsav Bansal	-	-
Mr. Krishna Mehta	-	-
Mrs. Niyati Mehta	7,55,000	7.55%
Mrs. Vanita Bansal	2,00,000	2.00%
<b>Total Holding of Directors</b>	<b>48,81,800</b>	<b>48.82%</b>
<b>Total Paid up Capital</b>	<b>1,00,00,400</b>	<b>100.00%</b>

### Interest of the Directors

Our Directors may be deemed to be interested in the promotion of the Company to the extent of the Equity Shares held by them and also to the extent of any dividend payable to them on their holding of such shares and other distributions in respect of the aforesaid Equity Shares. For further details, refer to para titled as *Annexure XXV – Related Party Transactions*” in chapter titled “*Financial Information*” and “*Our Promoter and Promoter Group*” beginning on page nos. 130 and 122 of this Prospectus.

All of our Directors may be deemed to be interested to the extent of fees payable to them for attending meetings of the Board or a committee thereof as well as to the extent of other remuneration and reimbursement of expenses payable to them under our Articles of Association, and to the extent of remuneration paid to them for services rendered as an officer or employee of our Company.

Our Directors may also be regarded as interested in the Equity Shares, if any, held by them or allotted to the companies in which they are interested as Directors, Members, and Promoters, pursuant to this issue. 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 said Equity Shares.

Except as stated in this chapter titled “*Our Management*” and refer to para titled as *Annexure XXV – Related Party Transactions*” in chapter titled “*Financial Information*” beginning on page nos. 106 and 130 of this Prospectus respectively, our Directors do not have any other interest in our business.

Except as disclosed in “*Properties*” within the section titled “*Our Business*” on page no. 82 of this Prospectus, our Directors have no interest in any property acquired or proposed to be acquired by our Company as on the date of this Prospectus.

### Changes in the Board of Directors in the last three years

Following are the changes in our Board of Directors in the last three years:

Sr. No.	Name of Director	Date of Change	Reason for change
1	Mrs. Niyati Mehta	April 20, 2019	Appointed as Additional Non - Executive Director
2	Mrs. Vanita Bansal	April 20, 2019	Appointed as Additional Non - Executive Director
3	Mr. Sanjay Bansal	May 17, 2019	Re-appointed as Whole-Time Director
4	Mr. Ajay Bansal	May 17, 2019	Re-appointed as Whole-Time Director
5	Mr. Jatin Mehta	May 17, 2019	Re-appointed as Whole-Time Director
6	Mr. Rishabh Mehta	May 17, 2019	Re-appointed as Whole-Time Director
7	Mr. Utsav Bansal	May 17, 2019	Re-appointed as Whole-Time Director
8	Mr. Krishna Mehta	May 17, 2019	Re-appointed as Whole-Time Director
9	Mr. Sunil Sharma	May 17, 2019	Appointed as Additional Non - Executive Independent Director
10	Mr. Govind Aggarwal	May 17, 2019	Appointed as Additional Non - Executive Independent Director
11	Mr. Mahendra Pandhi	May 24, 2019	Appointed as Additional Non - Executive Independent Director
12	Mr. Suryakant Mehta	June 07, 2019	Appointed as Additional Non - Executive Independent Director

### Corporate Governance

The provisions of the SEBI (LODR) Regulations, 2015 with respect to corporate governance will be applicable to us immediately upon the listing of our Equity Shares with the Stock Exchanges. We are in compliance with the requirements of the applicable regulations, including the SEBI (LODR) Regulations, 2015, the SEBI Regulations and the Companies Act, in respect of corporate governance including constitution of the Board and committees thereof. The corporate governance framework is based on an effective independent Board, separation of the Board's supervisory role from the executive management team and constitution of the Board Committees, as required under law.

Our Board has been constituted in compliance with the Companies Act and the SEBI Listing Regulations. The Board functions either as a full board, or through various committees constituted to oversee specific operational areas.

Currently, our Board has Twelve (12) Directors. In compliance with the requirements of the Companies Act, 2013 we have Six (6) Whole-Time Directors, Two (2) Non Executive Directors and Four (4) Non Executive Independent Directors. We have Two (2) woman Directors on our Board.

### Committees of our Board

We have constituted the following committees of our Board of Directors for compliance with Corporate Governance requirements:

1. Audit Committee
2. Stakeholder's Relationship Committee
3. Nomination and Remuneration Committee
4. Corporate Social Responsibility Committee

#### 1. Audit Committee

The Audit Committee of our Board was constituted by our Directors by a board resolution dated June 07, 2019 pursuant to section 177 of the Companies Act, 2013. The Audit Committee comprises of:

Name of the Member	Nature of Directorship	Designation in Committee
Mr. Mahendra Pandhi	Non -Executive Independent Director	Chairman
Mr. Govind Agrawal	Non-Executive Independent Director	Member
Mr. Sanjay Bansal	Whole-Time Director	Member

The scope of Audit Committee shall include but shall not be restricted to the following:

- a) Oversight of the Issuer's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- b) Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
- c) Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
- d) Reviewing, with the management, the annual financial statements before submission to the board for approval, with particular reference to:
  - Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013
  - Changes, if any, in accounting policies and practices and reasons for the same
  - Major accounting entries involving estimates based on the exercise of judgment by management
  - Significant adjustments made in the financial statements arising out of audit findings
  - Compliance with listing and other legal requirements relating to financial statements
  - Disclosure of any related party transactions
  - Qualifications in the draft audit report.
- e) Reviewing, with the management, the half yearly financial statements before submission to the board for approval
- f) Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
- g) Review and monitor the auditor's independence and performance, and effectiveness of audit process;
- h) Approval or any subsequent modification of transactions of the company with related parties;
- i) Scrutiny of inter-corporate loans and investments;
- j) Valuation of undertakings or assets of the company, wherever it is necessary;
- k) Evaluation of internal financial controls and risk management systems;
- l) Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems.
- m) 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.
- n) Discussion with internal auditors any significant findings and follow up there on.
- o) 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.
- p) 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.
- q) 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.
- r) To review the functioning of the Whistle Blower mechanism.



- s) Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate.
- t) Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

Explanation (i): The term "related party transactions" shall have the same meaning as contained in the Accounting Standard 18, Related Party Transactions, issued by The Institute of Chartered Accountants of India.

Explanation (ii): If the Issuer has set up an audit committee pursuant to provision of the Companies Act, the said audit committee shall have such additional functions / features as is contained in this clause.

*The Audit Committee enjoys following powers:*

- a) To investigate any activity within its terms of reference
- b) To seek information from any employee
- c) To obtain outside legal or other professional advice
- d) To secure attendance of outsiders with relevant expertise if it considers necessary
- e) The audit committee may invite such of the executives, as it considers appropriate (and particularly the head of the finance function) to be present at the meetings of the committee, but on occasions it may also meet without the presence of any executives of the Issuer. The finance director, head of internal audit and a representative of the statutory auditor may be present as invitees for the meetings of the audit committee.

*The Audit Committee shall mandatorily review the following information:*

- a) Management discussion and analysis of financial condition and results of operations;
- b) Statement of significant related party transactions (as defined by the audit committee), submitted by management;
- c) Management letters / letters of internal control weaknesses issued by the statutory auditors;
- d) Internal audit reports relating to internal control weaknesses; and
- e) The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee.

The recommendations of the Audit Committee on any matter relating to financial management, including the audit report, are binding on the Board. If the Board is not in agreement with the recommendations of the Committee, reasons for disagreement shall have to be incorporated in the minutes of the Board Meeting and the same has to be communicated to the shareholders. The Chairman of the committee has to attend the Annual General Meetings of the Company to provide clarifications on matters relating to the audit.

The Company Secretary of the Company acts as the Secretary to the Committee.

*Meeting of Audit Committee*

The audit committee shall meet at least four times in a year and not more than one hundred and twenty days shall elapse between two meetings. The quorum shall be either two members or one third of the members of the audit committee whichever is greater, but there shall be a minimum of two independent members present.

## **2. Stakeholder's Relationship Committee**

The Shareholder and Investor Grievance Committee of our Board was constituted by our Directors pursuant to section 178 (5) of the Companies Act, 2013 by a board resolution dated June 07, 2019 The Shareholder and Investor Grievance Committee comprises of:



Name of the Member	Nature of Directorship	Designation in Committee
Mrs. Niyati Mehta	Non- Executive Director	Chairman
Mr. Suryakant Mehta	Non-Executive Independent Director	Member
Mr. Sunil Sharma	Non-Executive Independent Director	Member

This committee will address all grievances of Shareholders/Investors and its terms of reference include the following:

- Allotment and listing of our shares in future
- Redressing of shareholders and investor complaints such as non-receipt of declared dividend, annual report, transfer of Equity Shares and issue of duplicate/split/consolidated share certificates;
- Monitoring transfers, transmissions, dematerialization, re-materialization, splitting and consolidation of Equity Shares and other securities issued by our Company, including review of cases for refusal of transfer/ transmission of shares and debentures;
- Reference to statutory and regulatory authorities regarding investor grievances;
- To otherwise ensure proper and timely attendance and redressal of investor queries and grievances;
- And to do all such acts, things or deeds as may be necessary or incidental to the exercise of the above powers.

The Company Secretary of our Company acts as the Secretary to the Committee.

#### ***Quorum and Meetings***

The quorum necessary for a meeting of the Stakeholders Relationship Committee shall be two members or one third of the members, whichever is greater.

### **3. Nomination and Remuneration Committee**

The Nomination and Remuneration Committee of our Board was constituted by our Directors pursuant to section 178 of the Companies Act, 2013 by a board resolution dated June 07, 2019

The Nomination and Remuneration Committee currently comprises of:

Name of the Member	Nature of Directorship	Designation in Committee
Mr. Govind Agrarwal	Non-Executive Independent Director	Chairman
Mr. Sunil Sharma	Non-Executive Independent Director	Member
Mrs. Vanita Bansal	Non-Executive Director	Member

The scope of Nomination and Remuneration Committee shall include but shall not be restricted to the following:

- Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
- Formulation of criteria for evaluation of Independent Directors and the Board;
- Devising a policy on Board diversity
- Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal. The company shall disclose the remuneration policy and the evaluation criteria in its Annual Report.



#### 4. Corporate Social Responsibility Committee

The Corporate Social Responsibility Committee of our Board was constituted on October 16, 2018 and was reconstituted by our Board of Directors pursuant to section 135 of the Companies Act, 2013 *vide* resolution dated June 07, 2019. The Corporate Social Responsibility Committee comprises of the following::

Name of the Member	Nature of Directorship	Designation in Committee
Mr. Jatin Mehta	Whole - Time Director	Chairman
Mrs. Vanita Bansal	Non-Executive & Non- Independent Director	Member
Mr. Sunil Sharma	Non-Executive & Independent Director	Member
Mr. Suryakant Mehta	Non-Executive & Independent Director	Member

The Company Secretary shall act as the secretary of the Corporate Social Responsibility Committee.

The terms of reference, powers and scope of the Corporate Social Responsibility Committee of our Company is in accordance with Section 135 of the Companies Act, 2013. The terms of reference of the Corporate Social Responsibility Committee include the following:

1. To formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII as amended from time to time;
2. To recommend the amount of expenditure to be incurred on the activities referred to in clause (a) subject to the limit provided under Section 135 of the Companies Act;
3. To monitor the corporate Social Responsibility Policy of our Company from time to time;
4. To institute a transparent monitoring mechanism for implementation of the CSR projects or programs or activities undertaken by the Company;
5. Any other matter as the Corporate Social Responsibility Committee may deem appropriate after approval of the Board of Directors or as may be directed by the Board of Directors from time to time.

The quorum of the meeting shall be either two members or one third of the members of the committee whichever is greater.

#### ***Quorum and Meetings***

The quorum necessary for a meeting of the Nomination and Remuneration Committee shall be two members or one third of the members, whichever is greater. The Committee is required to meet at least once a year.

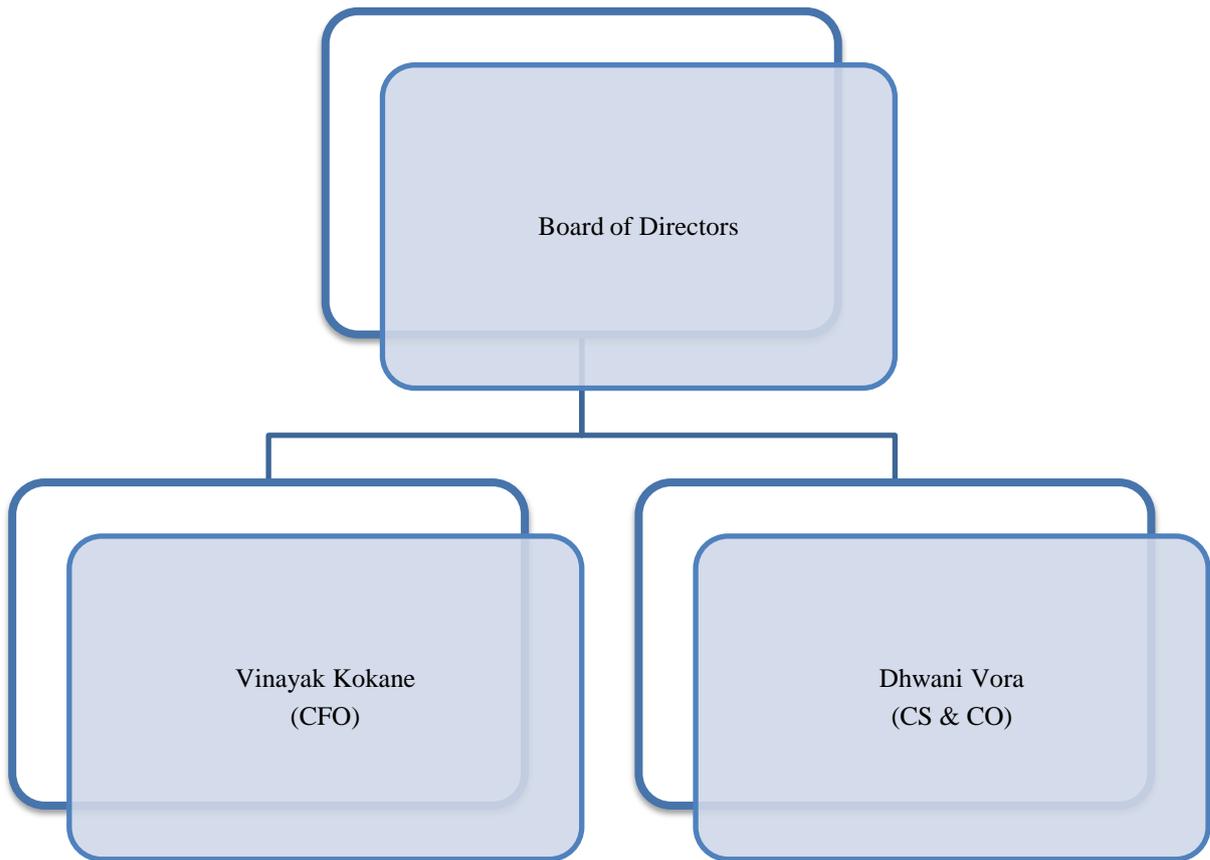
The Company Secretary of our Company acts as the Secretary to the Committee.

#### **Policy on Disclosures & Internal procedure for prevention of Insider Trading**

The provisions of Regulation 8 and 9 of the SEBI (Prohibition of Insider Trading) Regulations, 2015 will be applicable to our Company immediately upon the listing of its Equity Shares on the Stock Exchange. We shall comply with the requirements of the SEBI (Prohibition of Insider Trading) Regulations, 2015 on listing of our Equity Shares on stock exchange. Further, Board of Directors have approved and adopted the policy on insider trading in view of the proposed public issue.

Our Board is responsible for setting forth policies, procedures, monitoring and adherence to the rules for the preservation of price sensitive information and the implementation of the code of conduct under the overall supervision of the board.

## Management Organization Structure



### Terms & Abbreviations

CFO	:	Chief Financial Officer
CS & CO	:	Company Secretary and Compliance Officer

### Key Managerial Personnel

The details of our key managerial personnel are as below –

Name of Employee	Designation & Functional Area	Date of Appointment	Compensation for Last Fiscal (₹ in lakhs)	Qualification	Name of Previous Employer(s)	Experience
Mr. Vinayak Kokane <sup>(1)</sup>	Chief Financial Officer	May 17, 2019	3.95 P.A	<ul style="list-style-type: none"> <li>Bachelor of Commerce</li> </ul>	<ul style="list-style-type: none"> <li>Accountant at Shiv Aum Steels since 2013</li> </ul>	7 Years
Ms. Dhwani Vora <sup>(2)</sup>	Company Secretary & Compliance Officer	October 16, 2018	3.80 P.A	<ul style="list-style-type: none"> <li>Company Secretary &amp; Compliance Officer</li> <li>PG- Diploma in IPR Management</li> </ul>	<ul style="list-style-type: none"> <li>Birla Financial Distribution Limited</li> <li>Apprentice at Sun Pharmaceuticals Industries Limited</li> </ul>	2 Years

1) Mr. Vinayak Kokane was appointed on April 22, 2013 as Accountant and subsequently was re-designated as Chief Financial Officer w.e.f May 17, 2019.



- 2) Ms. Dhvani Vora was appointed on June 01, 2018 as compliance office and subsequently was re-designated as Company Secretary & Compliance Officer w.e.f October 16, 2018.

**Other Notes –**

1. All the key managerial personnel mentioned above are permanent employees of our Company
2. No non-salary-related payments or benefits have been made to our key management personnel.

**Relationship amongst the Key Managerial Personnel**

None of the aforementioned KMP's are related to each other.

**Arrangement / Understanding with Major Shareholders / Customers / Suppliers**

None of the KMPs have been selected pursuant to any arrangement / understanding with major shareholders / customers / suppliers.

**Shareholding of Key Managerial Personnel**

None of our KMP's holds any shares of our Company as on the date of this Prospectus.

**Contingent and deferred compensation payable to our Director and Key Managerial Personnel**

There is no contingent or deferred compensation payable to our Directors and Key Managerial Personnel, which does not form a part of their remuneration.

**Interest of Key Managerial Personnel**

The Key Managerial Personnel of our Company do not have any interest in our Company, other than to the extent of remuneration of benefits to which they are entitled as per their terms of appointment and reimbursement of expenses incurred by them during the ordinary course of business. Further, if any Equity Shares are allotted to our Key Managerial Personnel prior to/ in terms of this Issue, they will be deemed to be interested to the extent of their shareholding and / or dividends paid or payable on the same.

**Bonus or Profit Sharing Plan for the Key Managerial Personnel during the last three years**

Our Company does not have fixed bonus/profit sharing plan for any of the employees, key managerial personnel.

**Employee Share Purchase and Employee Stock Option Scheme**

Presently, we do not have ESOP/ESPS scheme for employees.

**Payment or Benefit to our Key Managerial Personnel**

Except for the payment of salaries and yearly bonus, we do not provide any other benefits to our employees

**Changes in the Key Managerial Personnel in the three years preceding the date of filing this Prospectus**

Except as disclosed below, there has been no change in KMPs in past three years from the date of this Prospectus:

Name	Designation	Appointment / Change in Designation
Mr. Vinayak Kokane	Chief Financial Officer	May 17, 2019 <sup>(1)</sup>
Ms. Dhvani Vora	Company Secretary & Compliance Officer	October 16, 2018 <sup>(2)</sup>

- 1) Mr. Vinayak Kokane was appointed on April 22, 2013 as Accountant and subsequently was re-designated as Chief Financial Officer w.e.f May 17, 2019.
- 2) Ms. Dhvani Vora was appointed on June 01, 2018 as compliance office and subsequently was re-designated as Company Secretary & Compliance Officer w.e.f October 16, 2018.

## OUR PROMOTER AND PROMOTER GROUP

### THE PROMOTERS OF OUR COMPANY ARE:

1. Mr. Sanjay Bansal
2. Mr. Ajay Bansal and
3. Mr. Jatin Mehta
4. M/s. Jatin Mehta HUF

As on the date of this Prospectus, our Promoters holds 52,17,800 Equity Shares in aggregate, representing 52.18% of the issued, subscribed and paid-up Equity Share capital of our Company.

The details of our Promoters are provided below:

	<b>Mr. Sanjay Bansal</b>
	<b>Brief Profile:</b> Mr. Sanjay Bansal, aged 55 years, is the Whole-Time Director of our company. He has around 35 Years of rich and vast experience in the Steel Trading Industry. He was one of the founding member of Shiv Aum Steels Private Limited and was associated with the company from its Incorporation. He looks after the overall sourcing of raw materials domestically and as well as overseas. He is also responsible for efficient mobilization of funds.
	<b>Date of Birth:</b> 20.07.1964
	<b>Address:</b> 1201, Sapphire CHS Plot No. 194, Main Avenue, Santacruz (West), Mumbai – 400 054
	<b>PAN:</b> AACPB6225A
	<b>Passport No.:</b> Z4901690
	<b>Driver's License:</b> MH02 20080074501
	<b>Voter's ID No.:</b> ROL1230762
	<b>Adhaar Card No.:</b> 3568 3621 3230
	<b>Bank A/c No.:</b> 0239101022584
	<b>Name of Bank &amp; Branch:</b> Canara Bank, Fort, Mumbai
	<b>Other Directorship:</b> N.A
	<b>Mr. Ajay Bansal</b>
	<b>Brief Profile:</b> Mr. Ajay Bansal, aged 58 years, is the Whole-Time Director of our company. He holds Bachelor of Commerce Degree from Mumbai University. He has around 35 years of rich and vast experience in the field of Steel Trading Industry and is also, one of the founders of Shiv Aum Steels Limited and is associated with the company right from its inception. He looks after the procurement of raw materials from domestic as well as international markets and is also actively involved in the day to day management of the Company.
	<b>Date of Birth:</b> 03.02.1961
	<b>Address:</b> Plot No 668, Flat No 201, La Roche CHS Ltd, 19 <sup>th</sup> Ambedkar Road, Near Beams Hospital Khar West, Mumbai – 400 052.
	<b>PAN:</b> AACPB6224B
	<b>Passport No.:</b> K6288211
	<b>Driver's License:</b> MH02 20080236629
	<b>Voter's ID No.:</b> N.A
	<b>Adhaar Card No.:</b> 9936 4121 9784
	<b>Bank A/c No.:</b> 561010086201
	<b>Name of Bank &amp; Branch:</b> Kotak Mahindra Bank, Khar West, Mumbai – 400 052.
	<b>Other Directorship:</b> N.A



	<b>Mr. Jatin Mehta</b>
	<b>Brief Profile:</b> Mr. Jatin Mehta, aged 63 years, is the Whole-Time Director of our Company. He has around 38 Years of rich and vast experience in the Steel Product Trading Industry. He was the founding member of Shiv Aum Steels Private Limited and was associated with the company from its Incorporation. He looks after the overall sourcing of steel Products and is also responsible for diversification of company in various areas Steel Products.
	<b>Date of Birth:</b> 26.09.1955
	<b>Address:</b> 3A, Akshay Anand, 7 <sup>th</sup> Cross Road, Sandu Wadi, Chembur (E), Mumbai – 400 071.
	<b>PAN:</b> AAAPM8733C
	<b>Passport No.:</b> N5616006
	<b>Driver's License:</b> N.A
	<b>Voter's ID No.:</b> MT/06/035/0183922
	<b>Adhaar Card No.:</b> 4320 2593 4161
	<b>Bank A/c No.:</b> 561010083517
	<b>Name of Bank &amp; Branch:</b> Kotak Mahindra Bank, Dadar, Mumbai
	<b>Other Directorship:</b> N.A

#### 4. M/s. Jatin Mehta HUF

<b>Name</b>	M/s. Jatin Mehta HUF
<b>Permanent Account Number</b>	AAA Hj0502Q
<b>Address</b>	Flat No. 3A, Akshay Anand, 7 <sup>th</sup> Road, Sanduwadi, Chembur, Mumbai – 400 071
<b>Name of Bank and Branch</b>	Kotak Mahindra Bank, Dadar, Mumbai
<b>Bank Account Number</b>	561010083340

For additional details on the age, background, personal address, educational qualifications, experience, positions / posts, other ventures and Directorships held in the past for our Individual Promoters, please see the chapter titled "Our Management" beginning on page no. 106 of this Prospectus.

For details of the build-up of our Promoter's shareholding in our Company, please see "Capital Structure – Shareholding of our Promoters" beginning on page no 48 of this Prospectus.

#### Other Undertakings and Confirmations

We confirm that the Permanent Account Number, Bank Account number and Passport number of our Promoters were submitted to the Stock Exchange at the time of filing of the Draft Prospectus with the Stock Exchange.

Our Promoters and the members of our Promoter(s) Group have confirmed that they have not been identified as wilful defaulters by the RBI or any other governmental authority.

No violations of securities laws have been committed by our Promoter or members of our Promoter(s) Group or any Group Companies in the past or are currently pending against them. None of (i) our Promoter and members of our Promoter Group or persons in control of or on the boards of bodies corporate forming part of our Group Companies (ii) the Companies with which any of our Promoter are or were associated as a promoter, director or person in control, are debarred or prohibited from accessing the capital markets or restrained from buying, selling, or dealing in securities under any order or directions passed for any reasons by the SEBI or any other authority or refused listing of any of the securities issued by any such entity by any stock exchange in India or abroad.

#### Change in control of our Company

There has been no change in the promoter and control of our Company in the five years immediately preceding the date of this Prospectus.

#### Interests of Promoters

None of our Promoters / Directors have any interest in our Company except to the extent of compensation payable / paid and reimbursement of expenses (if applicable) and to the extent of any equity shares held by them or their relatives



and associates or held by the companies, firms and trusts in which they are interested as director, member, partner, and / or trustee, and to the extent of benefits arising out of such shareholding. For further details on the interest of our promoter in our Company, Please see the chapters titled “*Capital Structure*”, “*Financial Information*” and “*Our Management*” beginning on page nos. 48, 130 and 106 of this Prospectus.

Except as stated otherwise in this Prospectus, we have not entered into any contract, agreements or arrangements in which our Promoter is directly or indirectly interested and no payments have been made to them in respect of the contracts, agreements or arrangements which are proposed to be made with them including the properties purchased by our Company other than in the normal course of business.

For Further details on the related party transaction, to the extent of which our Company is involved, please see “*Annexure XXV - Statement of Related Party Transaction*” on page no. 130 of this Prospectus.

### **Common Pursuits of our Promoters**

Our Group Company is currently not engaged in the same line of business or have any common pursuits as our Company.

Further, our Company will adopt necessary procedures and practices as permitted by law to address any conflicting situation as and when they arise.

### **Companies with which the Promoters has disassociated in the last three years.**

Our Promoters have not disassociated themselves from any companies, firms or entities during the last three years preceding the date of this Prospectus.

### **Payment of Amounts or Benefits to the Promoters or Promoter Group during the last two years**

Except as stated in “*Annexure XXV – Statement of Related Party Transactions*” under the chapter “*Financial Statements*” on page no. 130 of this Prospectus, there has been no other payment of benefits to our Promoter during the two years preceding the date of this Prospectus.

### **Experience of our Promoter in the business of our Company**

For details in relation to experience of our Promoter in the business of our Company, see Chapter “*Our Management*” beginning on page no. 106 of this Prospectus.

### **Interest of Promoters in the Promotion of our Company**

Our Company is currently promoted by the promoter in order to carry on its present business. Our Promoter is interested in our Company to the extent of their shareholding in our Company and the dividend declared, if any, by our Company.

### **Interest of Promoters in the Property of our Company**

Our Promoter have confirmed that they does not has any interest in any property acquired by our Company within three years preceding the date of this Prospectus or proposed to be acquired by our Company as on the date of this Prospectus. For details, related to “*Properties*” and “*Annexure XXV - Related Party Transactions*” please refer chapter titled “*Financial Statements as Restated*” on page nos. 130 of this Prospectus.

Further, other than as mentioned in the chapter titled “*Our Business*” on page no. 82 of this Prospectus our Promoter do not have any interest in any transactions in the acquisition of land, construction of any building or supply of any machinery.

### Interest of Promoter in our Company other than as Promoter

Other than as Promoter, our Promoter is interested in our Company to the extent of their shareholding in our Company and the dividend declared, if any, by our Company. For details please see chapters titled “*Our Management*” and “*Capital Structure*” beginning on page nos. 106 and 48 respectively of this Prospectus.

Except as mentioned in this section and the chapters titled “*Capital Structure*”, “*Our Business*”, “*History and Certain Corporate matters*” and “*Annexure XXV – Statement of Related Party Transactions*” on page nos. 82 ,96,102 and 130 of this Prospectus, respectively, our Promoter do not have any interest in our Company other than as promoter.

### Related Party Transactions

Except as stated in the “*Annexure XXV – Statement of Related Party Transactions*” on page no.130 of this Prospectus, our Company has not entered into related party transactions with our Promoter.

### Material Guarantees

Except as stated in the “*Financial Indebtedness*” and “*Financial Information*” beginning on page nos. 164 and 130 of this Prospectus respectively, our Promoters have not given any material guarantee to any third party with respect to the Equity Shares as on the date of this Prospectus.

### Shareholding of the Promoter Group in our Company

For details of shareholding of members of our Promoter Group as on the date of this Prospectus, please see the chapter titled “*Capital Structure – Notes to Capital Structure*” beginning on page no. 48 of this Prospectus.

### Other Confirmations

Our Company has neither made any payment in cash or otherwise to our Promoter or to firms or companies in which our Promoter is interested as members, directors or promoter nor have our Promoter been offered any inducements to become directors or otherwise to become interested in any firm or company, in connection with the promotion or formation of our Company otherwise than as stated in the “*Annexure XXV – Statement of Related Party Transactions*” on page no. 130 of this Prospectus.

### Outstanding Litigation

There is no outstanding litigation against our Promoter except as disclosed in the section titled “*Risk Factors*” and chapter titled “*Outstanding Litigation and Material Developments*” beginning on page nos. 15 and 167 of this Prospectus.

### OUR PROMOTER GROUP

In addition to the Promoter named above, the following natural persons and entities form part of our Promoter Group in terms of Regulation 2(1)(pp) of the SEBI (ICDR) Regulation, 2018.

#### A. Natural Persons who are Part of the Promoter Group

Name of the Promoter	Name of the Relative	Relationship with the Promoter
Mr. Sanjay Bansal	Narendra Bansal	Father
	Ramdulari Bansal	Mother
	Vanita Bansal	Wife
	Ajay Bansal	Brother (s)
	Renu Mittal	Sister (s)
	Utsav Bansal	Son
	Sanchi Bansal	Daughter
	Late Omprakash Ramful Gupta	Wife's Father
	Sheela Gupta	Wife's Mother
	Geeta sushil Agarwal	Wife's Sister(s)
	Sunita Govind agarwal	



Name of the Promoter	Name of the Relative	Relationship with the Promoter
	Seema Suresh Agarwal	
	Rajesh Gupta	Wife's Brother(s)

Name of the Promoter	Name of the Relative	Relationship with the Promoter
<b>Mr. Ajay Bansal</b>	Late Narendra Bansal	Father
	Ramdulari Bansal	Mother
	Usha Bansal	Wife
	Sanjay Bansal	Brother (s)
	Renu Mittal	Sister (s)
	Palak Bansal	Daughter(s)
	Sakshi Bansal	
	Late Ramswaroop Jain	Wife's Father
	Late Kanta Jain	Wife's Mother
	Rajeev Jain	Wife's Brother(s)
	Sanjeev Jain	
	Kiran Jain	Wife's Sister(s)

Name of the Promoter	Name of the Relative	Relationship with the Promoter
<b>Mr. Jatin Mehta</b>	Late Nagin Mehta	Father
	Sudha Mehta	Mother
	Niyati Mehta	Wife
	Krishna Mehta	Brother(s)
	Rishabh Mehta	Son(s)
	Rutwik Mehta	
	Late Rajendra Shah	Wife's Father
	Late Manjulaben Shah	Wife's Mother
	Kaivalya Shah	Wife's Brother(s)
	Ila Parikh	Wife's Sister(s)
	Vibhuti Gujrati	

***B. Companies / Corporate Entities forming part of the Promoter Group***

Company / Trust / Partnership firm / HUF or Sole Proprietorship shall form part of our Promoter Group.

Sr. No.	Name of Promoter Group Entity / Company
1.	Mobi Realtors Private Limited
2.	Hari Om Carriers
3.	Jatin Mehta HUF
4.	Ajay Bansal HUF
5.	Sanjay Bansal HUF
6.	Hariom Steels
7.	Jatin Kishan & Co.



## OUR GROUP COMPANIES

The definition of ‘Group Companies’ as per the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, shall include such companies (other than promoter(s) and subsidiary/subsidiaries) with which there were related party transactions, during the period for which financial information is disclosed, as covered under the applicable accounting standards, and also other companies as considered material by the board.

In terms of the SEBI Regulations and in terms of the policy of materiality defined by the Board pursuant to its resolution dated May 24, 2019, our Group Companies includes:

1. Those companies disclosed as related parties in accordance with Accounting Standard (“AS 18”) issued by the Institute of Chartered Accountants of India, in the Restated Financial Statements of the Company for the last three financial years.

Accordingly, in addition to our Promoter Group, as specified under the section “Our Promoter and Promoter Group” on page no. 122 of this Prospectus, the following companies have been identified as a Group Companies.

Consequently the following companies have been identified as Group Companies of our Company:

- I. Mobi Realtors Private Limited

### I. MOBI REALTORS PRIVATE LIMITED (MRPL)

<b>Incorporation</b>	Mobi Realtors Private Limited was incorporated as Mobi Soft Services Private Limited on December 30, 2009 under the Companies Act, 1956 with the Registrar of Companies, Mumbai, in the State of Maharashtra.
<b>CIN</b>	U70102MH2009PTC198203
<b>Registered Office</b>	3A, Akshay Anand, 7th Cross Road, Near Diamond Gardens, Chembur (East), Mumbai- 400 071
<b>Nature of Business</b>	<p>1. To carry on the business of developing, import, export, trade or otherwise deal in mobile software including programmes, mobile software application systems, data collections and other facilities relating to mobile operation and data processing equipment of all kinds and to further carry on the business of consultant and consultancy in the area of mobile software preparation, data processing.</p> <p>2. To carry on business as consultants in the field of soft ware technology, engineering, process planning, science, management, organization, finances, and to act as network consultants, efficiency expert, advisors to any person or persons, firm, company, corporation, business, society, association, government, local body, &amp; education institution in India and any other part of world.</p>
<b>Registrar of Companies</b>	Registrar of Companies, Mumbai

### Board of Directors of MRPL

1. Rishabh Mehta
2. Utsav Bansal

### Interest of our promoter

Our promoters & Promoter Group hold 93.46% equity shares of this company.

### Brief Audited Financials of MRPL

(₹ in lakhs)

Particulars	As at March 31,		
	2018	2017	2016
Equity Share Capital	1.07	1.07	1.07
Reserves (excluding revaluation reserve) and Surplus	0.48	0.48	0.57
Net Worth <sup>(1)</sup>	1.55	1.55	1.64
Income including other income	-	-	1.63



Particulars	As at March 31,		
	2018	2017	2016
Profit/ (Loss) after tax	-	(0.09)	(8.69)
Earnings per share	-	(0.09)	(8.13)
Net asset value per share	14.48	14.48	15.35

<sup>(1)</sup> Net Worth Calculated after deducting unamortised / miscellaneous expenses not w/o, if any

There are no defaults in meeting any statutory/bank/institutional dues. No proceedings have been initialled for economic offences against the Company

## NATURE AND EXTENT OF INTEREST OF OUR GROUP COMPANIES

### Litigation

As on the date of this Prospectus, there are no outstanding litigation involving our Group Company which have a material impact on our Company.

### Group Companies which are a sick industrial companies

None of our Group Companies have become sick companies under the erstwhile Sick Industrial Companies (Special Provisions) Act, 1985.

### Group Companies under winding up/insolvency proceedings

Our Group Company is not under any winding up/insolvency proceedings.

### Loss making Group Company

There is Loss in our Group Company as mentioned below:

(₹ in lakhs)

Particulars	As at March 31,		
	2018	2017	2016
Profit/ (Loss) after tax	-	(0.09)	(8.69)

### Defunct Group Company

During the five years immediately preceding the date of this Prospectus, our Group Companies have not remained defunct and no application has been made to the relevant registrar of companies for striking off the name of our Group Companies.

### Common Pursuits between the Company and its Group Companies

Our Group Company is currently not engaged in the same line of business or have any common pursuits as our Company.

Further, our Company will adopt necessary procedures and practices as permitted by law to address any conflicting situation as and when they arise.

### Related Business Transactions

For details pertaining to business transactions, of our Company with our Group Companies, please refer “Annexure XXV - Related Party Transactions” beginning on page no. 130 of this Prospectus.

### Business interests or other interests

Except as disclosed in “Financial Information” beginning on page 130, our Group Companies does not have any business interest in our Company.

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## DIVIDEND POLICY

Under the Companies Act, 2013, 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, 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 incorporation.

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 VII-FINANCIAL INFORMATION

### FINANCIAL STATEMENTS

#### INDEPENDENT AUDITOR'S REPORT ON RESTATED FINANCIAL STATEMENTS OF SHIV AUM STEELS LIMITED

To,

**The Board of Directors,  
Shiv Aum Steels Limited**  
515, The Summit Business Bay,  
Opp. Cinemax Western Express Way,  
A.K. Road Andheri (East), Mumbai – 400 093

Dear Sir/Ma'am,

1. We have examined the attached Restated Summary Statement along with the significant accounting policies and related notes of Shiv Aum Steels Limited (the 'Company') as at and for the financial years ended March 31, 2019, 2018 and 2017, annexed to this report and prepared by the Company for the purpose of inclusion in the Draft Offer Document / Offer Document in connection with its proposed Initial Public Offer ("IPO") on the EMERGE Platform of NSE.
2. The said Restated Financial Statements and other Financial Information have been prepared in accordance with the requirements of:
  - i. Section 26 of Part I of Chapter III to the Companies Act, 2013("the Act") read with Companies (Prospectus and Allotment of Securities) Rules 2014;
  - ii. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2018 ("ICDR Regulations") issued by the Securities and Exchange Board of India ("SEBI") in pursuance to Section 11 of the Securities and Exchange Board of India Act, 1992 and related amendments / clarifications from time to time;
  - iii. The terms of reference to our engagements with the Company requesting us to carry out the assignment, in connection with the Draft Offer Document / Offer Document being issued by the Company for its proposed IPO of equity shares on EMERGE Platform of NSE and
  - iv. The Guidance Note on Reports in Company Prospectus (Revised) issued by the Institute of Chartered Accountants of India ("Guidance Note").
3. We have examined the accompanied 'Restated Statement of Profit and Loss' (**Annexure – II**) for the financial years ended on March 31, 2019, 2018 and 2017 and the 'Restated Statement of Assets and Liabilities' (**Annexure – I**) as on those dates, forming Part of the 'Financial Information' dealt with by this Report, detailed below. Both read together with the Significant Accounting Policies and Notes to Accounts (**Annexure – IV & V**) thereon, which are the responsibility of the Company's management. The information has been extracted from the financial statements for the financial years ended on March 31, 2019, 2018 and 2017. The Financial Statements for the year ended March 31, 2019 have been audited by us. The Financial Statements for the financial years ended March 31, 2018 and 2017 were audited by M/s. D G Parekh & Co., Chartered Accountants being the then Statutory Auditors of the Company and approved by the Board of Directors and upon which we have placed our reliance while reporting.
4. In terms of Schedule VI (Part A) (11) (II) (i) of the SEBI (ICDR) Regulations, 2018 and other provisions relating to accounts of Shiv Aum Steels Limited, we, M/s. Agrawal Jain & Gupta, Chartered Accountants, have been subjected to the peer review process of the Institute of Chartered Accountants of India (ICAI) and our certificate is considered valid under Schedule VI (Part A) (11) (II) (i) (e) of the SEBI (ICDR) Regulations, 2018.
5. Based on our examination, we further report that:
  - a. The Restated Statement of Assets and Liabilities of the Company for the financial years ended on March 31, 2019, 2018 and 2017 examined by us, as set out in **Annexure I** to this examination report, are after making adjustments and regrouping as in our opinion were appropriate and more fully described in the statement of significant accounting policies in **Annexure IV** and the Notes to Accounts in **Annexure V**.



- b. The Restated Statement of Profit and Loss of the Company for the financial years ended on March 31, 2019, 2018 and 2017 examined by us, as set out in **Annexure II** to this examination report are after making adjustments and regrouping as in our opinion were appropriate and more fully described in the statement of significant accounting policies in **Annexure IV** and the Statement of Adjustments to the audited financial statements in **Annexure V**.
  - c. The Restated Statement of Cash Flows of the Company for the financial years ended on March 31, 2019, 2018 and 2017 examined by us, as set out in **Annexure III** to this examination report, are after making adjustments and regrouping as in our opinion were appropriate and more fully described in the statement of significant accounting policies in **Annexure IV** and the Notes to Accounts in **Annexure V**.
  - d. The Restated Financial Statements have been made after incorporating adjustments for:
    - i. The changes, if any, in accounting policies retrospectively in respective financial years to reflect the same accounting treatment as per the changed accounting policy for all the reporting period /years.
    - ii. Prior period and other material amount in the respective financial years to which they relate.  
Which are stated in the Notes to Accounts as set out in **Annexure V**:
  - e. Such Financial statements do not require any corrective adjustments on account of:
    - i. Other remarks/comments in the Companies (Auditor's Report) Order, 2003 ("the Order"), as amended, issued by the Central Government of India in terms of sub - section (4A) of section 227 of the act, on financial statements of the company for the financial years ended on March 31, 2019, 2018 and 2017.
    - ii. Extra-ordinary items that need to be disclosed separately in the accounts requiring adjustments.
6. At the request of the company, we have also examined the following financial information ("Other Financial Information") proposed to be included in the offer document prepared by the management and approved by the board of directors of the company and annexed to this report:
- i) Schedule of Share Capital (Annexure - VI)
  - ii) Schedule of Reserves & Surplus (Annexure - VII)
  - iii) Schedule of Long Term Borrowings (Annexure – VIII)
  - iv) Schedule of Long Term Provisions (Annexure – IX)
  - v) Schedule of Short Term Borrowings (Annexure – X)
  - vi) Schedule of Trade Payables (Annexure – XI)
  - vii) Schedule of Other Current Liabilities (Annexure – XII)
  - viii) Schedule of Short Term Provisions (Annexure – XIII)
  - ix) Schedule of Fixed Assets (Annexure - XIV)
  - x) Schedule of Non Current Investments (Annexure – XV)
  - xi) Schedule of Deferred Tax Assets (Annexure – XVI)
  - xii) Schedule of Long Term Loans & Advances (Annexure – XVII)
  - xiii) Schedule of Inventories (Annexure – XVIII)
  - xiv) Schedule of Trade Receivables (Annexure – XIX)
  - xv) Schedule of Cash and Cash Equivalents (Annexure – XX)
  - xvi) Schedule of Short Term Loans & Advances (Annexure – XXI)
  - xvii) Schedule of Other Current Assets (Annexure – XXII)
  - xviii) Schedule of Revenue from Operations (Annexure – XXIII)
  - xix) Schedule of Other Income (Annexure – XXIV)
  - xx) Schedule of Related Party Transactions (Annexure –XXV)
  - xxi) Schedule of Contingent Liability (Annexure – XXVI)
  - xxii) Schedule of Dividend Declared (Annexure –XXVII)
  - xxiii) Statement of Tax Shelter (Annexure – XXVIII)
7. In our opinion, the Restated Financial Statements and the other Financial Information set forth in Annexure I to XXVIII read with the significant accounting policies and notes to the restated financial statements have been prepared in accordance with section 26 of Companies Act, 2013 and the SEBI Regulations and the Guidance Note on the reports in Company Prospectus (Revised) issued by the Institute of Chartered Accountants of India (ICAI).

Consequently the financial information has been prepared after making such regroupings and adjustments as were, in our opinion, considered appropriate to comply with the same. As a result of these regrouping and adjustments, the amount reported in the financial information may not necessarily be the same as those appearing in the respective audited financial statements for the relevant years.



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

**For M/s. Agrawal Jain & Gupta,**  
**Chartered Accountants**  
(Firm Registration No. 013538C)

**Narayan Swami**  
**Partner**  
Membership No: 409759  
Place: Mumbai  
Date: 7<sup>th</sup> June, 2019

**Annexure I**  
**STATEMENT OF ASSETS AND LIABILITIES, AS RESTATED**
*(₹ in lakhs)*

Particulars	As at March 31,		
	2019	2018	2017
<b>EQUITY AND LIABILITIES</b>			
<b><u>Shareholders Funds</u></b>			
a. Share Capital	1,000.04	1,000.04	1,000.04
b. Reserves & Surplus	3,663.15	3,090.72	2,545.18
	<b>4,663.19</b>	<b>4,090.76</b>	<b>3,545.22</b>
<b><u>Non Current Liabilities</u></b>			
a. Long Term Borrowings	2,398.25	1,632.41	1,255.56
b. Long Term Provisions	32.81	21.32	31.07
	<b>2,431.06</b>	<b>1,653.73</b>	<b>1,286.62</b>
<b><u>Current Liabilities</u></b>			
a. Short Term Borrowings	5,288.50	4,678.64	2,720.83
b. Trade Payables	103.57	123.63	91.33
c. Other Current Liabilities	270.12	121.19	257.45
b. Short Term Provisions	305.55	257.91	112.35
	<b>5,967.73</b>	<b>5,181.37</b>	<b>3,181.95</b>
<b>TOTAL</b>	<b>13,061.98</b>	<b>10,925.87</b>	<b>8,013.79</b>
<b>ASSETS</b>			
<b><u>Non Current Assets</u></b>			
a. Fixed Assets (Net Block)			
i. Tangible Assets	855.18	816.88	833.38
ii. Intangible Assets	-	-	-
Gross Block	855.18	816.88	833.38
Less: Depreciation	325.81	274.56	231.01
Net Block	<b>529.36</b>	<b>542.32</b>	<b>602.37</b>
b. Non Current Investment	164.55	164.55	161.23
c. Deferred Tax Assets (Net)	18.72	18.64	9.71
d. Long Term Loans & Advances	119.17	38.17	310.85
<b><u>Current Assets</u></b>			
a. Inventories	4,452.57	3,718.96	2,818.11
b. Trade Receivables	6,639.69	5,732.02	3,994.41
c. Cash and Cash Equivalents	267.69	163.43	23.14
d. Short Term Loans & Advances	870.22	547.09	93.22
e. Other Current Assets	-	0.69	0.76
<b>TOTAL</b>	<b>13,061.98</b>	<b>10,925.87</b>	<b>8,013.79</b>

**Annexure II**  
**STATEMENT OF PROFIT AND LOSS, AS RESTATED**
*(₹ in lakhs)*

Particulars	For the year ended March 31,		
	2019	2018	2017
<b>INCOME</b>			
Revenue from Operations	37,173.02	27,253.74	24,227.34
Other Income	556.02	535.00	673.05
<b>Total Income (A)</b>	<b>37,729.03</b>	<b>27,788.74</b>	<b>24,900.39</b>
<b>EXPENDITURE</b>			
Purchases	35,236.28	25,778.11	22,653.31
Changes in Inventory	(733.61)	(900.85)	(202.57)
Employee benefit expenses	361.42	365.42	208.30
Finance costs	664.08	473.43	405.98
Depreciation & amortization	64.50	68.18	75.94
Other Expenses	1,258.47	1,196.84	1,358.98
<b>Total Expenses (B)</b>	<b>36,851.14</b>	<b>26,981.13</b>	<b>24,499.94</b>
<b>Profit before extraordinary items and tax ( C)</b>	<b>877.89</b>	<b>807.61</b>	<b>400.45</b>
Prior period items (Net)	-	-	-
<b>Profit before exceptional, extraordinary items and tax (A-B)</b>	<b>877.89</b>	<b>807.61</b>	<b>400.45</b>
Exceptional items	-	-	-
<b>Profit before extraordinary items and tax</b>	<b>877.89</b>	<b>807.61</b>	<b>400.45</b>
Extraordinary items	-	-	-
<b>Profit before tax (D)</b>	<b>877.89</b>	<b>807.61</b>	<b>400.45</b>
<i>Tax expense :</i>			
(i) Current tax	305.55	271.00	113.00
(ii) MAT credit	-	-	-
(iii) Deferred tax	(0.08)	(8.93)	(5.69)
<b>Total Tax Expense (E)</b>	<b>305.47</b>	<b>262.07</b>	<b>107.31</b>
<b>Profit for the year (D-E)</b>	<b>572.43</b>	<b>545.54</b>	<b>293.15</b>

**Annexure III**  
**CASH FLOW STATEMENT, AS RESTATED**
*(₹ in lakhs)*

Particulars	For the year ended March 31,		
	2019	2018	2017
<b>Cash flow from operating activities:</b>			
Net Profit before tax as per Profit And Loss account	<b>877.89</b>	<b>807.61</b>	<b>400.45</b>
<u>Adjusted for:</u>			
Depreciation & Amortisation Exp.	64.50	68.18	75.94
Loss (Profit) on Sale of Assets	(0.06)	(1.07)	(145.15)
Interest Income	(12.73)	(27.95)	(54.84)
Rental Income from investment properties	(1.95)	(1.15)	-
Finance Cost	664.08	473.43	405.98
<b>Operating Profit Before Working Capital Changes</b>	<b>1,591.74</b>	<b>1,319.06</b>	<b>682.38</b>
<b>Adjusted for (Increase)/ Decrease in:</b>			
Trade receivable	(907.68)	(1,737.61)	(170.78)
Long Term Loans and advances	(81.00)	272.67	(288.18)
Short Term Loans and advances	(323.14)	(453.87)	215.26
Inventories	(733.61)	(900.85)	(202.57)
Trade Payables	(20.06)	32.30	(134.76)
Other Current Liabilities	148.92	(136.26)	142.77
Long Term provisions	11.49	(9.74)	(2.82)
Short term Provisions	47.64	145.56	(156.56)
<b>Cash Generated From Operations Before Extra-Ordinary Items</b>	<b>(265.69)</b>	<b>(1,468.74)</b>	<b>84.75</b>
Direct Tax Paid	305.55	271.00	113.00
<b>Net Cash Flow from/(used in) Operating Activities: (A)</b>	<b>(571.23)</b>	<b>(1,739.74)</b>	<b>(28.25)</b>
<b>Cash Flow From Investing Activities:</b>			
Net Additions of Fixed Assets	(51.79)	(12.51)	(50.09)
Sale of Fixed Assets (net)	0.94	4.46	1.57
Non-current investment	-	(3.32)	90.70
Investment in Fixed Deposit	(86.61)	(143.84)	918.27
Interest Income	12.73	27.95	54.84
Rental Income from investment properties	1.95	1.15	-
Profit on Sale of Assets	0.06	1.07	145.15
<b>Net Cash Flow from/(used in) Investing Activities: (B)</b>	<b>(122.73)</b>	<b>(125.05)</b>	<b>1160.45</b>
<b>Cash Flow from Financing Activities:</b>			
Increase / (Decrease) in Long Term Borrowing	765.84	376.85	(788.29)
Increase / (Decrease) in Short Term Borrowing	609.85	1,957.82	14.62
Interest & Financial Charges	(664.08)	(473.43)	(405.98)
<b>Net Cash Flow from/(used in) Financing Activities (C)</b>	<b>711.61</b>	<b>1,861.24</b>	<b>(1,179.65)</b>
<b>Net Increase/(Decrease) in Cash &amp; Cash Equivalents (A+B+C)</b>	<b>17.64</b>	<b>(3.55)</b>	<b>(47.46)</b>
<b>Cash &amp; Cash Equivalents As At Beginning of the Year</b>	<b>15.09</b>	<b>18.64</b>	<b>66.10</b>
<b>Cash &amp; Cash Equivalents As At End of the Year</b>	<b>32.73</b>	<b>15.09</b>	<b>18.64</b>
<u>Cash &amp; Cash Equivalents comprises of :</u>			
Cash in Hand	3.24	11.36	10.36
Bank Balance	<b>29.50</b>	<b>3.73</b>	<b>8.28</b>
Closing Balance of Cash & Cash Equivalents	<b>32.73</b>	<b>15.09</b>	<b>18.64</b>



## Reconciliation of Cash &amp; Cash Equivalents –

(₹ in lakhs)

Particulars	For the year ended March 31,		
	2019	2018	2017
<b>Cash &amp; Cash Equivalents as per Cash flow Statement</b>	32.73	15.09	18.64
Bank Balance in Deposit Account	234.95	148.34	4.50
<b>Cash &amp; Cash Equivalents as per Statement of Assets &amp; Liabilities</b>	267.69	163.43	23.14



## Annexure IV SIGNIFICANT ACCOUNTING POLICIES

### 1. Corporate Information

Shiv Aum Steels Ltd is a Limited company registered under Indian companies Act, 1956 & main business of company is trading in Iron and Steels, having its registered office in the state of Maharashtra, Mumbai.

### 2. Significant Accounting Policies

#### a. Basis of preparation

These financial statements have been prepared in accordance with the Generally Accepted Accounting Principles in India ('Indian GAAP') to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013. The financial statements have been prepared under the historical cost convention on accrual basis.

#### b. Use of Estimates

The preparation of financial statements requires the management of the Company to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to the contingent liabilities as at the date of the financial statements and reported amounts of income and expense during the year. Examples of such estimates include provisions for doubtful receivables, employee benefits, provision for income taxes, accounting for contract costs expected to be incurred, the useful lives of depreciable fixed assets and provisions for impairment. Future results could differ due to changes in these estimates and the difference between the actual result and the estimates are recognised in the period in which the results are known / materialize.

#### c. Fixed Assets

Fixed assets are stated at cost, less accumulated depreciation / amortization. Costs include all expenses incurred to bring the asset to its present location and condition. Fixed assets exclude computers and other assets individually costing ₹ 50,000 or less which are not capitalized except when they are part of a larger capital investment programme.

#### d. Depreciation / Amortization

In respect of fixed assets (other than freehold land and capital work-in-progress) acquired during the year, depreciation/ amortization is charged on a WDV method as per the useful life of the assets prescribed under schedule II of the companies Act, 2013 and the rate of depreciation has been taken as per the rates calculated after taken into account the useful life of the assets

#### e. Impairment of Assets

At each balance sheet date, the management reviews the carrying amounts of its assets included in each cash generating unit to determine whether there is any indication that those assets were impaired, IF any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of impairment. Recoverable amount is the higher of an asset's net selling price and value in use. In assessing value in use, the estimated future cash, flows expected from the continuing use of the asset and from its disposal are discounted to their present value using a pre-tax discount rate that reflects the current market assessments of time value of money and the risks specific to the asset. Reversal of impairment loss is recognised as income in the statement of profit and loss.

#### f. Investments

Long-term investments and current maturities of long-term investments are stated at cost, less provision for other than temporary diminution in value. Current investments, except for current maturities of long-term investments, comprising investments in mutual funds are stated at the lower of cost and fair value.

**g. Employee Benefits**

- i) The company contributes towards Employees state insurance scheme, Provident Fund, Family Pension Fund & superannuation Fund which are defined contribution schemes. Liability in respect thereof is determined on the basis of contribution as required to be made under the statutes/rules.
- ii) Gratuity liability, a defined benefit scheme and gratuity payment has been done to the LIC gratuity scheme & Provision of the same has been created on the basis of Actuarial Valuation Report.

**h. Inventories**

Being a trading company, company has only stock of traded goods & inventories is valued at cost or net realizable value whichever is lower.

**i. Revenue Recognition**

Revenue including other income are recorded on accrual basis. Sales are recorded net of sales tax

**j. Taxation & Deferred Tax**

Income tax has been provided on the basis of current income tax rate on taxable income. Advance tax & TDS deducted will be set off against provisions for taxation at the time finalisation of Income tax assessment proceedings. The deferred tax asset is recognized and carried forward only to the extent that there is a virtual certainty that the asset will be realised in future.

**k. Foreign Exchange Transaction**

There are no transactions of sales, Purchase or borrowing or any other receipt and expenditures in foreign currency. There is no foreign exchange asset or liabilities as on year end.

**l. Operating Cycle**

Based on the nature of products/ activities of the company and the normal time between a acquisition of assets and their realisation in cash or cash equivalents, the company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

**m. Government grants and subsidies**

There is no grants and subsidies from the Government.

**n. Cash and cash equivalents**

The Company considers cash balance, current & saving account balance & fixed deposit bank balance as cash & cash equivalents.

- o. There are no dues as required to be disclosed U/S 22 of the Micro, Small & Medium Enterprises Development Act, 2006.

**Annexure V**  
**NOTES TO ACCOUNTS**
**1. Managerial Remuneration**
*(₹ in lakhs)*

Particulars	For the year ended March 31,		
	2019	2018	2017
Salaries and Allowances	237.00	242.00	117.40
<b>TOTAL</b>			

**2. Remuneration to Auditors**
*(₹ in lakhs)*

Particulars	For the year ended March 31,		
	2019	2018	2017
Statutory Audit Fees	1.50	1.35	1.35

**3. Deferred Tax**
*(₹ in lakhs)*

Particulars	For the year ended March 31,		
	2019	2018	2017
<b>Deferred tax liabilities/(assets) arising on account of timing difference in:</b>			
Opening Balance	18.64	9.71	4.01
Depreciation	3.92	5.68	4.76
Gratuity Expenses	(3.84)	3.25	0.93
<b>Closing Balance</b>	<b>18.72</b>	<b>18.64</b>	<b>9.71</b>

- There are no dues as required to be disclosed U/S 22 of the Micro, Small & Medium Enterprises Development Act, 2006.
- The Management has confirmed that adequate provisions have been made for all the known and determined liabilities and the same is not in excess of the amounts reasonably required.
- There is no Auditor's Qualification in any of the audited Financial Statements as at and for the Financial years ended March 31, 2019, March 31, 2018 and March 31, 2017.

**ADJUSTMENTS MADE IN RESTATED FINANCIAL STATEMENTS / REGROUPING NOTES**
**I. Adjustments having impact on profit**
**Profit & Loss A/c**
*(₹ in lakhs)*

Particulars	For the year ended March 31,		
	2019	2018	2017
Net profit/(Loss) after Tax as per Audited Profit & Loss Account	572.43	512.65	280.72
<b>Adjustments for:</b>			
Deprecation Reversed on Deposit wrongly taken in assets	-	-	0.29
Prior period expenses adjusted	-	4.81	-
Prepaid Expenses-(Insurance)	-	5.40	1.09
Prepaid Expenses adjusted	-	(1.09)	(0.56)
Deferred Tax Liability / Asset Adjustment	-	14.03	12.69
Increase in expenses Prior period expenses booked in P.Y.	-	-	(3.90)
Decrease/(Increase) in Provision for gratuity	-	9.74	2.82
<b>Net Increase/ (Decrease)</b>	<b>-</b>	<b>32.90</b>	<b>12.43</b>
<b>Net Profit/ (Loss) After Tax as Restated</b>	<b>572.43</b>	<b>545.54</b>	<b>293.15</b>

**Reserves & Surplus affecting Equity**

(₹ in lakhs)

Particulars	As at March 31,		
	2019	2018	2017
<b>Reserve and surplus as per Audited Balance sheet</b>	3663.15	3,068.62	2,555.97
Depreciation Reversed on Deposit wrongly taken in assets	-	0.29	0.29
Prior period expenses adjusted	-	4.81	-
Prepaid Expenses-(Insurance)	-	7.06	1.65
Prepaid Expenses adjusted	-	(1.65)	(0.56)
Deferred Tax Liability / Asset Adjustment	-	37.74	23.71
Increase in expenses Prior period expenses booked in P.Y.	-	(4.81)	(4.81)
Decrease/(Increase) in Provision for gratuity	-	(21.32)	(31.07)
<b>Net Increase/ (Decrease)</b>	-	22.11	(10.79)
<b>Reserve and surplus as Restated</b>	3663.15	3,090.72	2,545.18

**II. Adjustments not having impact on profit**

Appropriate adjustments have been made in the restated summary statements, wherever required, by a reclassification of the corresponding items of income, expenses, assets, liabilities and cash flows in order to bring them in line with the groupings as per the audited financial statements of the Company, prepared in accordance with Schedule III and the requirements of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2018.

**Annexure VI**  
**STATEMENT OF SHARE CAPITAL, AS RESTATED**
*(₹ in lakhs)*

Particulars	As at March 31,		
	2019	2018	2017
<b>Equity Share Capital</b>			
<b>Authorised Share capital</b>			
1,50,00,000 Equity Shares of Rs. 10/- each	1,500.00	1,500.00	1,500.00
<b>TOTAL</b>	<b>1,500.00</b>	<b>1,500.00</b>	<b>1,500.00</b>
<b>Issued, Subscribed and Fully Paid Up Share Capital</b>			
1,00,00,400 Equity Shares of Rs. 10/- each fully paid up	1,000.04	1,000.04	1,000.04
<b>TOTAL</b>	<b>1,000.04</b>	<b>1,000.04</b>	<b>1,000.04</b>

**Reconciliation of number of shares outstanding:**

Particulars	As at March 31,		
	2019	2018	2017
<b>Equity Shares</b>			
Equity shares at the beginning of the year	1,00,00,400	1,00,00,400	50,00,200
Bonus Shares	-	-	50,00,200
<b>Equity Shares at the end of the year</b>	<b>1,00,00,400</b>	<b>1,00,00,400</b>	<b>1,00,00,400</b>

**Details of shareholders in the Company**

Name of Shareholder	As at March 31,					
	2019		2018		2017	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Sanjay N Bansal	12,88,300	12.88%	12,88,300	12.88%	12,88,300	12.88%
Jatin N Mehta	13,51,000	13.51%	13,51,000	13.51%	13,51,000	13.51%
Ajay N Bansal	12,87,500	12.87%	12,87,500	12.87%	12,87,500	12.87%
Ajay N Bansal(HUF)	2,10,600	2.11%	2,10,600	2.11%	2,10,600	2.11%
Usha N Bansal	2,00,200	2.00%	2,00,200	2.00%	2,00,200	2.00%
Sanjay N Bansal (HUF)	2,10,600	2.11%	2,10,600	2.11%	2,10,600	2.11%
Niyati J Mehta	5,55,000	5.55%	5,55,000	5.55%	5,55,000	5.55%
Jatin N Mehta(HUF)	12,91,000	12.91%	12,91,000	12.91%	12,91,000	12.91%
Rutvik J Mehta	2,00,000	2.00%	2,00,000	2.00%	2,00,000	2.00%
Vanita S Bansal	2,00,000	2.00%	2,00,000	2.00%	2,00,000	2.00%
Mobi Realtors Pvt Ltd	32,06,000	32.06%	32,06,000	32.06%	32,06,000	32.06%
Sudha N Mehta	200	0.00%	200	0.00%	200	0.00%
	<b>1,00,00,400</b>	<b>100.00%</b>	<b>1,00,00,400</b>	<b>100.00%</b>	<b>1,00,00,400</b>	<b>100.00%</b>

**Annexure VII**  
**STATEMENT OF RESERVES AND SURPLUS**

(₹ in lakhs)

Particulars	As at March 31,		
	2019	2018	2017
<b>Profit &amp; Loss A/c</b>			
Opening Balance	1,987.34	1,441.80	1,171.87
<b>Prior Period Adjustments</b>	-	-	23.22
Adjusted Opening Balance	1937.84	1441.80	<b>1,148.65</b>
<u>Add / (Less): Changes during the year</u>			
Add: Profit After Tax	572.43	545.54	293.15
<b>Total (a)</b>	<b>2,559.77</b>	<b>1,987.34</b>	<b>1,441.80</b>
<b>Share Premium Account</b>			
Opening Balance	<b>1,103.38</b>	1,103.38	1,603.40
less: Bonus Shares Issued			500.02
<b>Total (b)</b>	<b>1,103.38</b>	<b>1,103.38</b>	<b>1,103.38</b>
<b>Total Reserves (a+b)</b>	<b>3,663.15</b>	<b>3,090.72</b>	<b>2,545.18</b>

**Annexure VIII**  
**STATEMENT OF LONG TERM BORROWINGS, AS RESTATED**

(₹ in lakhs)

Particulars	As at March 31,		
	2019	2018	2017
<b>Secured Loans</b>			
- Vehicle Loan (Kotak Mahindra)	-	-	2.88
<b>Total</b>	-	-	<b>2.88</b>
<b>Unsecured Loans from Directors &amp; Relatives</b>	<b>2,398.25</b>	<b>1,632.41</b>	<b>1,252.68</b>
<b>T O T A L</b>	<b>2,398.25</b>	<b>1,632.41</b>	<b>1,255.56</b>

Note: For details of the terms of sanction, maturity and other details of outstanding loans please refer the Schedule I – “Financial Indebtedness “ forming part of these Restated Financial Statements.

**Annexure IX**  
**STATEMENT OF LONG TERM PROVISIONS AS RESTATED**

(₹ in lakhs)

Particulars	As at March 31,		
	2019	2018	2017
Provision for Gratuity	32.81	21.32	31.07
<b>Total</b>	<b>32.81</b>	<b>21.32</b>	<b>31.07</b>

**Annexure X**  
**STATEMENT OF SHORT TERM BORROWINGS, AS RESTATED**

(₹ in lakhs)

Particulars	As at March 31,		
	2019	2018	2017
<b>Secured working capital Loan</b>			
ING Vysya Bank LC	-	1,601.71	-
Kotak Mahindra LC	1,833.55	659.10	335.75
Kotak Mahindra Bank (WCDL)	300.00	-	-
SBI (e-DFS A/c) SAIL	907.73	970.95	981.54
SBI (e-DFS A/c) Jindal	1,300.40	1,446.88	1,403.54
Standard Chartered Bank	235.54	-	-
Standard Chartered Bank - LC	711.28	-	-
<b>TOTAL</b>	<b>5,288.50</b>	<b>4,678.64</b>	<b>2,720.83</b>

The above amounts in Annexure VIII and X include:

(₹ in lakhs)

Particulars	As at March 31,		
	2019	2018	2017
Secured Borrowings including current maturities of Long Term Debt	5,288.50	4,681.52	2,730.16
Unsecured Borrowings	2,398.25	1,632.41	1,252.68
<b>TOTAL</b>	<b>7,686.74</b>	<b>6,313.93</b>	<b>3,982.84</b>

Note: For details of the terms of sanction, maturity and other details of outstanding loans please refer the Schedule I – “Financial Indebtedness” forming part of this Restated Financial Statements.

**Annexure XI**  
**STATEMENT OF TRADE PAYABLE, AS RESTATED**

(₹ in lakhs)

Particulars	As at March 31,		
	2019	2018	2017
<b>Micro, Small, Medium Enterprises</b>			
<b>Others</b>			
Trade Payable	103.57	123.63	91.33
<b>TOTAL</b>	<b>103.57</b>	<b>123.63</b>	<b>91.33</b>

**Annexure XII**  
**STATEMENT OF OTHER CURRENT LIABILITIES, AS RESTATED**

(₹ in lakhs)

Particulars	As at March 31,		
	2019	2018	2017
(i) Current maturities of Long Term Debt (i.e. Term Liability classified as current)	-	2.88	6.46
(ii) Statutory Remittance	69.96	70.57	136.91
(iii) Expense Payable	45.36	25.05	94.19
(iv) Other Payables - Customer Advance	154.79	22.70	19.90
<b>TOTAL</b>	<b>270.12</b>	<b>121.19</b>	<b>257.45</b>

**Annexure XIII**  
**STATEMENT OF SHORT TERM PROVISIONS, AS RESTATED**

(₹ in lakhs)

Particulars	As at March 31,		
	2019	2018	2017
(i) Income Tax	305.55	257.91	107.54
(ii) Provision for Expense	-	-	4.81
<b>TOTAL</b>	<b>305.55</b>	<b>257.91</b>	<b>112.35</b>

**Annexure XIV**  
**STATEMENT OF FIXED ASSETS, AS RESTATED**

(₹ in lakhs)

Particulars	As at March 31,		
	2019	2018	2017
<b>LAND</b>			
Gross Block	127.55	127.55	127.55
Addition during the year	-	-	-
Reductions during the year	-	-	-
<b>Closing Balance</b>	<b>127.55</b>	<b>127.55</b>	<b>127.55</b>
<b>BUILDING</b>			
Gross Block	469.50	469.50	449.55
Addition during the year	26.33	-	19.95
Reductions during the year	-	-	-
Depreciation During the year	33.48	35.11	38.51
Accumulated Depreciation	171.20	137.73	102.61
<b>Closing Balance</b>	<b>324.63</b>	<b>331.78</b>	<b>366.89</b>
<b>PLANT AND MACHINERY</b>			
Gross Block	26.06	38.00	24.54
Addition during the year	-	-	13.46
Reductions during the year	-	11.94	-
Depreciation During the year	2.61	3.19	3.41
Accumulated Depreciation	14.24	11.63	17.72
Depreciation written off- asset disposal	-	(9.28)	-
<b>Closing Balance</b>	<b>11.82</b>	<b>14.43</b>	<b>20.29</b>
<b>OFFICE EQUIPMENT</b>			
Gross Block	23.10	23.10	23.10
Addition during the year	-	-	-
Reductions during the year	-	-	-
Depreciation During the year	1.02	1.87	3.44
Accumulated Depreciation	21.37	20.34	18.47
<b>Closing Balance</b>	<b>1.73</b>	<b>2.76</b>	<b>4.63</b>
<b>FURNITURE AND FIXTURES</b>			
Gross Block	59.22	58.97	58.97
Addition during the year	-	0.25	-
Reductions during the year	-	-	-
Depreciation During the year	8.17	11.01	14.78
Accumulated Depreciation	35.83	27.66	16.65
<b>Closing Balance</b>	<b>23.39</b>	<b>31.56</b>	<b>42.32</b>
<b>MOTOR CAR</b>			
Gross Block	97.73	103.07	101.04
Addition during the year	22.77	11.72	15.40
Reductions during the year	13.50	17.06	13.37
Depreciation During the year	16.65	14.63	10.91
Accumulated Depreciation	69.59	65.51	66.14
Depreciation written off- asset disposal	(12.56)	(15.27)	(11.79)
<b>Closing Balance</b>	<b>37.40</b>	<b>32.22</b>	<b>36.93</b>
<b>MOTOR BIKE</b>			
Gross Block	3.00	3.00	3.00
Addition during the year	-	-	-
Reductions during the year	-	-	-
Depreciation During the year	0.14	0.20	0.27

Particulars	As at March 31,		
	2019	2018	2017
Accumulated Depreciation	2.57	2.42	2.22
<b>Closing Balance</b>	<b>0.43</b>	<b>0.57</b>	<b>0.77</b>
<b>COMPUTER</b>			
Gross Block	10.73	10.19	8.91
Addition during the year	2.69	0.54	1.28
Reductions during the year	-	-	-
Depreciation During the year	1.73	2.09	4.62
Accumulated Depreciation	11.01	9.28	7.19
<b>Closing Balance</b>	<b>2.41</b>	<b>1.45</b>	<b>3.00</b>
<b>Gross Block</b>	<b>816.88</b>	<b>833.38</b>	<b>796.66</b>
<b>Addition</b>	<b>51.79</b>	<b>12.51</b>	<b>50.09</b>
<b>Deletion</b>	<b>13.50</b>	<b>29.00</b>	<b>13.37</b>
<b>Total Depreciation For the Year<sup>(1)</sup></b>	<b>63.81</b>	<b>68.10</b>	<b>75.94</b>
<b>Total Accumulated Depreciation</b>	<b>325.81</b>	<b>274.56</b>	<b>231.01</b>
<b>Net Block</b>	<b>529.36</b>	<b>542.32</b>	<b>602.37</b>

(1) The above amount does not include amortisation expenses of Rs. 0.69 lakhs & Rs. 0.08 lakhs for FY 2018-19 & 2017-18 respectively.

**Annexure XV**  
**STATEMENT OF OTHER NON-CURRENT INVESTMENTS AS RESTATED**

(₹ in lakhs)

Particulars	As at March 31,		
	2019	2018	2017
<b>Investment in Property</b>			
Farm House Plot at Panvel	1.05	1.05	1.05
New Flat at Panvel (India Bulls)	41.91	41.91	35.92
Resi Prem Flower Valley (Thane)	-	-	108.98
Shop at Kalamboli	2.49	2.49	2.49
Disma Office premises co op soc Ltd (4 Office)	12.79	12.79	12.79
Songbird Pune Flat	106.31	106.31	-
<b>TOTAL</b>	<b>164.55</b>	<b>164.55</b>	<b>161.23</b>

**Annexure XVI**  
**STATEMENT OF DEFERRED TAX ASSETS AS RESTAED**

(₹ in lakhs)

Particulars	As at March 31,		
	2019	2018	2017
Depreciation as per Books	63.81	68.10	75.94
Depreciation as per Income Tax	52.08	51.09	61.54
<b>Diff of Dep - (DTL) / DTA (A)</b>	<b>11.73</b>	<b>17.01</b>	<b>14.40</b>
<b>Timing difference on Gratuity Provisions (B)</b>	<b>(11.49)</b>	<b>9.74</b>	<b>2.82</b>
<b>Time Difference (Net)</b>	<b>0.24</b>	<b>26.76</b>	<b>17.22</b>
Tax Rate (%)	33.38%	33.38%	33.06%
(DTL) / DTA	0.08	8.93	5.69
<b>Opening Balance of Deferred Tax Account</b>	<b>18.64</b>	<b>9.71</b>	<b>4.01</b>
<b>Closing Balance of Deferred Tax Account</b>	<b>18.72</b>	<b>18.64</b>	<b>9.71</b>

**Annexure XVII**  
**STATEMENT OF LONG TERM LOANS AND ADVANCES AS RESTAED**

(₹ in lakhs)

Particulars	As at March 31,		
	2019	2018	2017
<b>Unsecured, considered good</b>			
Security Deposit	3.65	3.65	7.35
Deposit with suppliers	115.50	33.50	303.50
Other advances	0.02	1.02	-
<b>TOTAL</b>	<b>119.17</b>	<b>38.17</b>	<b>310.85</b>

**Annexure XVIII**  
**STATEMENT OF INVENTORIES, AS RESTATED**

(₹ in lakhs)

Particulars	As at March 31,		
	2019	2018	2017
Inventories	4,452.57	3,718.96	2,818.11
<b>TOTAL</b>	<b>4,452.57</b>	<b>3,718.96</b>	<b>2,818.11</b>

**Annexure XIX**  
**STATEMENT OF TRADE RECEIVABLES, AS RESTATED**

(₹ in lakhs)

Particulars	As at March 31,		
	2019	2018	2017
<b>unsecured, Considered good</b>			
<b>Trade Receivables</b>			
<b>a. From Directors/Promoters/ Promoter Group/Associates/ Relatives of Directors / Group Companies</b>	-	-	-
<b>b. From Others</b>			
O/s less than six months	6,101.39	5,604.51	3,444.90
O/s more than six months	538.31	127.51	549.51
Others	-	-	-
<b>TOTAL</b>	<b>6,639.69</b>	<b>5,732.02</b>	<b>3,994.41</b>

**Annexure XX**  
**STATEMENT OF CASH & CASH EQUIVALENTS, AS RESTATED**

(₹ in lakhs)

Particulars	As at March 31,		
	2019	2018	2017
Cash on hand	3.24	11.36	10.36
<b>Balance with Bank</b>			
Bank Balance In Current Accounts	29.50	3.73	8.28
Bank Balance In Deposit Accounts	234.95	148.34	4.50
<b>Total</b>	<b>264.45</b>	<b>152.07</b>	<b>12.78</b>
<b>TOTAL</b>	<b>267.69</b>	<b>163.43</b>	<b>23.14</b>

**Annexure XXI**  
**STATEMENT OF SHORT TERM LOANS AND ADVANCES AS RESTATED**
*(₹ in lakhs)*

Particulars	As at March 31,		
	2019	2018	2017
<b>Loans &amp; Advances (Unsecured, considered good)</b>			
Other Loans & Advances	5.26	5.40	1.09
Loans & Advances to Employees	12.60	18.68	13.50
Advances to Suppliers	497.84	-	-
Balances with statutory / Government Authorities	354.52	523.00	78.63
<b>TOTAL</b>	<b>870.22</b>	<b>547.09</b>	<b>93.22</b>

**Annexure XXII**  
**STATEMENT OF OTHER CURRENT ASSETS, AS RESTATED**
*(₹ in lakhs)*

Particulars	As at March 31,		
	2019	2018	2017
Misc Expenses Pending for W/off	-	0.69	0.76
<b>TOTAL</b>	<b>-</b>	<b>0.69</b>	<b>0.76</b>

**Annexure XXIII**  
**STATEMENT OF REVENUE FROM OPERATIONS, AS RESTATED**
*(₹ in lakhs)*

Particulars	As at March 31,		
	2019	2018	2017
Sale of products	37,173.02	27,253.74	24,227.34
<b>TOTAL</b>	<b>37,173.02</b>	<b>27,253.74</b>	<b>24,227.34</b>

**Annexure XXIV**
**STATEMENT OF OTHER INCOME AS RESTATED**
*(₹ in lakhs)*

Particulars	As at March 31,		
	2019	2018	2017
<b>Other Operating Income</b>			
Interest received from Client	4.52	24.63	40.83
Rebate (Rate Difference) received from Supplier	483.97	459.96	464.08
Loading, Unloading & Other Charges received from Customers	57.31	42.51	7.29
Interest accrued but not due	2.26	-	-
<b>Total</b>	<b>548.05</b>	<b>527.09</b>	<b>512.20</b>
<b>Other Non-operating Income</b>			
Interest received on Bank FD	5.95	3.32	14.01
Other Miscellaneous Income	-	0.38	1.69
Profit on Sale of Property	-	1.02	145.15
Profit on Sale of Assets	0.06	0.05	-
Rent Income	1.95	1.15	-
Income tax Refund	-	1.98	-
<b>Total</b>	<b>7.96</b>	<b>7.91</b>	<b>160.84</b>
<b>Grand Total</b>	<b>556.02</b>	<b>535.00</b>	<b>673.05</b>
Net Profit Before Tax as Restated	877.89	807.61	400.45
<b>Other Operative Income as % of Net Profit Before Tax</b>	<b>62.43%</b>	<b>65.27%</b>	<b>127.91%</b>
<b>Other Non Operating Income as % of Net Profit Before Tax</b>	<b>0.91%</b>	<b>0.98%</b>	<b>40.17%</b>

**Annexure XXV**  
**STATEMENT OF RELATED PARTY TRANSACTIONS, AS RESTATED**

As per Accounting Standard 18 on related party disclosure issue by the Institute of Chartered Accountants of India, the Company's related parties are disclosed below:

## (i) Key Managerial Personnel

For the year ended March 31,		
2019	2018	2017
Ajay Bansal	Ajay Bansal	Ajay Bansal
Jatin N Mehta	Jatin N Mehta	Jatin N Mehta
Krishna N Mehta	Krishna N Mehta	Krishna N Mehta
Rishabh J Mehta	Rishabh J Mehta	Rishabh J Mehta
Utsav S Bansal	Utsav S Bansal	Utsav S Bansal
Sanjay N Bansal	Sanjay N Bansal	Sanjay N Bansal

## (ii) Relatives of KMP

For the year ended March 31,		
2019	2018	2017
Ameesha R Mehta	Ameesha R Mehta	Ameesha R Mehta
Niyati J Mehta	Niyati J Mehta	Niyati J Mehta
Vanita S Bansal	Vanita S Bansal	Vanita S Bansal
Palak A Bansal	Palak A Bansal	Palak A Bansal
Ramdulari N Bansal	Ramdulari N Bansal	Ramdulari N Bansal
Rekha k Mehta	Rekha k Mehta	Rekha k Mehta
Renu S Mittal	Renu S Mittal	Renu S Mittal
Rutwik J Mehta	Rutwik J Mehta	Rutwik J Mehta
Sakshi A Bansal	Sakshi A Bansal	Sakshi A Bansal
Sanchi S Bansal	Sanchi S Bansal	Sanchi S Bansal
Sudha N Mehta	Sudha N Mehta	Sudha N Mehta
Usha A Bansal	Usha A Bansal	Usha A Bansal

## (iii) Associates / Enterprises over which directors and / or their relatives has significant influence

For The Year Ended March 31,		
2019	2018	2017
Ajay N Bansal(HUF)	Ajay N Bansal(HUF)	Ajay N Bansal(HUF)
Jatin Kishan and Co	Jatin Kishan and Co	Jatin Kishan and Co
Jatin N Mehta(HUF)	Jatin N Mehta(HUF)	Jatin N Mehta(HUF)
Krishna N Mehta(HUF)	Krishna N Mehta(HUF)	Krishna N Mehta(HUF)
Nagin J Mehta HUF	Nagin J Mehta HUF	Nagin J Mehta HUF
Rishabh J Mehta(HUF)	Rishabh J Mehta(HUF)	Rishabh J Mehta(HUF)
Sanjay S Bansal(HUF)	Sanjay S Bansal(HUF)	Sanjay S Bansal(HUF)
M/s Mobi Realtors Pvt. Ltd.	M/s Mobi Realtors Pvt. Ltd.	M/s Mobi Realtors Pvt. Ltd.

Transactions with Related Parties

**Key Management Personnel**

(₹ in lakhs)

Particulars	For the year ended March 31,		
	2019	2018	2017
<b>1) Finance</b>			
Loan Taken	1,184.15	462.55	198.85
Repayment of Loan taken	555.30	311.75	1,014.50
<b>2) Expenses</b>			



Particulars	For the year ended March 31,		
	2019	2018	2017
interest paid	65.63	57.65	55.83
Remuneration	237.00	242.00	117.40
<b>3) Outstanding</b>			
Unsecured Loans	-	-	-
Payables	1,122.45	493.60	342.80

**Relatives of KMPs**

(₹. in lakhs)

Particulars	For the year ended March 31,		
	2019	2018	2017
<b>1) Finance</b>			
Loan Taken	1,241.27	162.91	75.07
Repayment of Loan taken	660.63	20.97	50.00
<b>2) Expenses</b>			
interest paid	180.84	94.92	81.71
Remuneration	-	-	-
<b>3) Outstanding</b>			
Unsecured Loans	-	-	-
Payables	1,275.80	695.16	553.23

**Associate Companies / Entities / HUFs**

(₹. in lakhs)

Particulars	For the year ended March 31,		
	2019	2018	2017
<b>1) Purchase</b>			
Goods/Process Charges	-	-	-
Purchase Return	-	-	-
<b>2) Fixed Assets</b>			
Leasehold Land Purchase	-	-	-
<b>3) Sales</b>			
Job Work	-	-	-
<b>4) Interest Paid</b>			
<b>5) Investments</b>			
Opening Balance	-	-	-
Capital introduced	-	-	-
Capital Withdrawan	-	-	-
Share of Profit for the Year	-	-	-
Closing Balance	-	-	-
<b>6) Finance</b>			
Opening Balance	443.65	356.65	340.90
Loan Taken	57.00	201.00	225.45
Repayment of Loan taken	500.65	114.00	209.70
Closing Balance	-	443.65	356.65
Advance / Deposits given	-	-	-
Advance / Deposits Accepted	-	-	-
<b>7) Others</b>			
Received On Behalf of us	-	-	-
Paid On Behalf of us	-	-	-
Paid On Behalf their Behalf	-	-	-
Donation	-	-	-
Deposit	-	-	-
Advance for Land	-	-	-
<b>8) Expenses</b>			
Rent & Maintenance	-	-	-



Particulars	For the year ended March 31,		
	2019	2018	2017
Maintenance	-	-	-
Electricity	-	-	-
Interest Paid	67.50	62.62	53.60
<b>9) Outstanding</b>			
Receivables	-	-	-
Payables	-	-	-

**Annexure XXVI**  
**STATEMENT OF CONTINGENT LIABILITIES, AS RESTATED**

(₹ in lakhs)

Particulars	As at March 31,		
	2019	2018	2017
Income Tax	6.68	6.68	6.68
VAT / Sales Tax	-	283.66	-
<b>T O T A L</b>	<b>6.68</b>	<b>290.34</b>	<b>6.68</b>

**Annexure XXVII**  
**SCHEDULE OF DIVIDEND DECLARED, AS RESTATED**

Particulars	For the year ended March 31,		
	2019	2018	2017
<b>On Equity Shares</b>			
Fully Paid up Share Capital (₹ in lakhs)	1,000.04	1,000.04	1,000.04
Face Value (₹)	10	10	10
Paid up value per share (₹)	10	10	10
Rate of Dividend	-	-	-
Total Dividend	-	-	-
Corporate Dividend tax on above	-	-	-

**Annexure XXVIII**  
**STATEMENT OF TAX SHELTER, AS RESTATED**

(₹ in lakhs)

Particulars	For the year ended March 31,		
	2019	2018	2017
Profit before tax (A)	877.89	807.61	400.45
Tax Rate Applicable (%)	33.38%	33.06%	33.06%
Minimum Alternate Taxes (Rs.AT)	20.59%	20.39%	20.39%
Tax at notional rate on profits	293.08	267.02	132.40
<b>Adjustments :</b>			
Add: Depreciation as per Companies Act, 1956/2013	64.50	68.18	75.94
Add: Expenditure on Account of Interest on Delay payment of TDS and non Payment/Short payment of TDS	-	-	-
Add: Municipal taxes	2.07	-	-
Add: Donations	3.63	0.28	0.28
Add: Other Disallowance	11.30	(1.98)	-
Add: Prior Period Expenses	-	4.81	-
Add: Gratuity disallowed under 40A(7)	13.07	25.50	5.19
Add: Gratuity Paid to fund	(1.58)	-	-
Add- Loss on Sale of Fixed Assets	-	(1.07)	(145.15)
Less- Profit on Sale of Fixed Asset	(0.06)	-	-
Less:- Court fees - Revenue/ Business expenses	-	-	-
Less:- Rent Income	(1.95)	-	-
Less: Depreciation as per Income Tax Act, 1961	(52.08)	(51.09)	(61.54)



Particulars	For the year ended March 31,		
	2019	2018	2017
<b>Net Adjustments (B)</b>	38.89	44.63	(125.28)
<b>Business Income (A+B)</b>	916.79	852.24	275.17
Less: Unabsorbed Depreciation/Loss to be utilised for Set-Off	-	-	-
<b>Long term Capital Gain</b>	-	-	114.43
<b>House Property Income</b>			
Rent Receivable	1.95	-	-
Less : Standard Deduction us 24(a)	0.59	-	-
Less : Interest paid during the year	-	-	-
<b>Net Adjustments (c)</b>	1.37	-	114.43
	-	-	-
<b>Gross Total Income</b>	918.15	852.24	389.60
Less: Deduction under chapter VIA	2.90	-	-
<b>Total Income</b>	915.25	852.24	389.60
Tax Payable as per Normal Rate includes Surcharge and cess	305.55	281.77	116.20
Interest on tax	-	4.75	-
MAT Credit Set Off\Entitlement	-	-	-
Tax as per Income Tax (C )	305.55	286.52	116.20
<b>Computation of Book Profits</b>			
PBT as per P&L	877.89	807.61	400.45
Add: Interest on TDS	-	-	-
Add: Interest on Income tax debited to P&L before tax	-	-	-
Book Profits	877.89	807.61	400.45
Unaborbed depreciation as per books	-	-	-
Tax Payable as per Minimum Alternate Tax U/s 115 JB of the Income Tax Act, 1961 (D)	180.73	164.66	81.65
<b>Net Tax (Higher of C &amp; D)</b>	305.55	286.52	116.20
Current tax as per restated Statement of Profit & Loss	305.55	271.00	113.00

**Notes:**

1. The aforesaid Statement of tax Shelters has been prepared as per the 'Restated Profit and Loss Account.
2. Income tax return for the period ended March 31, 2019 is yet to be filed.

**CHANGES IN ACCOUNTING POLICIES IN THE LAST THREE YEARS**

There has been no change in the Accounting Policies in the last three (3) years.

**CHANGES IN ACCOUNTING PERIOD**

There has been no change in the accounting period of the Company.

**OTHER FINANCIAL INFORMATION**
**STATEMENT OF ACCOUNTING RATIOS**

(₹ in Lakhs)

Particulars	For the year ended March 31,		
	2019	2018	2017
Restated PAT as per P & L Account	572.43	545.54	293.15
Actual Number of Equity Shares outstanding at the end of the year	1,00,00,400	1,00,00,400	1,00,00,400
Equivalent Weighted Avg number of Equity Shares at the end of the year	1,00,00,400	1,00,00,400	1,00,00,400
Share Capital	1,000.04	1,000.04	1,000.04
Reserves & Surplus	3,663.15	3,090.72	2,545.18
Misc. Expenses not w/off	-	0.69	0.76
Net Worth	4,663.19	4,090.08	3,544.46
Basic & Diluted EPS	5.72	5.46	2.93
Return on Net Worth (%)	12.28%	13.34%	8.27%
Net Asset Value Per Share (Rs) - based on actual no. of equity shares at the end of the year	46.63	40.90	35.44
Nominal Value per Equity share (Rs.)	10.00	10.00	10.00

**Notes to Accounting Ratios:**

2.1 The Ratios have been computed as follows:

- a) Basic EPS (₹) = 
$$\frac{\text{Net profit/ (loss) as restated, attributable to Equity Shareholders}}{\text{Weighted average number of Equity Shares outstanding during the year/period}}$$
- b) Return on Net worth (%) = 
$$\frac{\text{Net profit/loss after tax,as restated}}{\text{Net worth excluding preference share capital and revaluation reserve}}$$
- c) NAV per Equity Share (₹) = 
$$\frac{\text{Net worth excluding preference share capital and revaluation reserve}}{\text{Outstanding number of Equity shares outstanding during the year/ period}}$$

2.2 Weighted average number of Equity Shares is the number of Equity Shares outstanding at the beginning of the period adjusted by the number of Equity Shares issued during period multiplied by the time weighting factor. The time weighting factor is the number of days for which the specific shares are outstanding as a proportion of total number of days during the period.

2.3 The Calculation of Earnings Per Share (EPS) as disclosed in the Profit and Loss Account has been made in accordance with Accounting Standard (AS - 20) on Earnings Per Share issued by the Institute of Chartered Accountants of India.

2.4 As there is no dilutive capital in the company, Basic and Diluted EPS are similar.

2.5 The above Ratios have been computed on the basis of the Restated Financial Information for the respective period. The above statements should be read with the Notes to Restated Financial Statements.

## MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATION

You should read the following discussion and analysis of financial condition and results of operations together with our financial statements included in this Prospectus. The following discussion relates to our Company and is based on our restated financial statements. Our financial statements have been prepared in accordance with Indian GAAP, the accounting standards and other applicable provisions of the Companies Act.

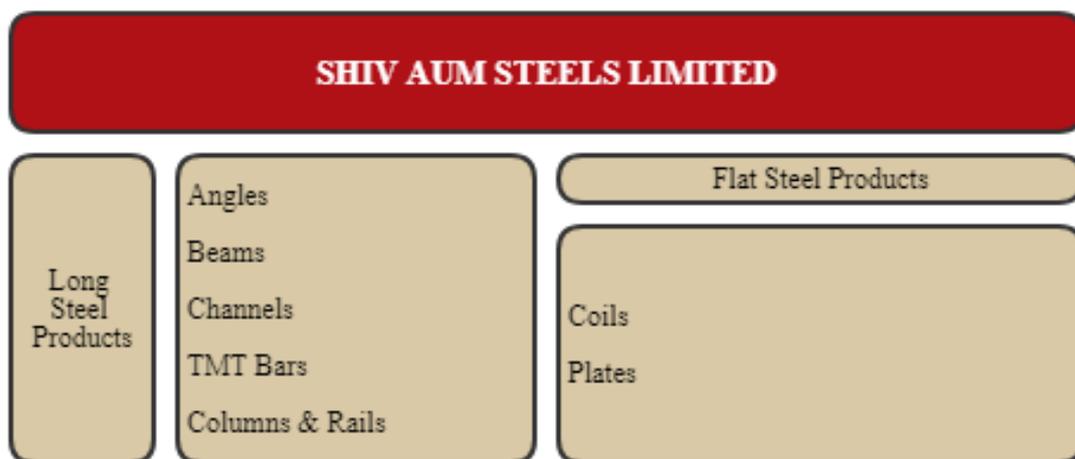
*Note: Statement in the Management Discussion and Analysis Report describing our objectives, outlook, estimates, expectations or prediction may be "Forward looking statement" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to our operations include, among others, economic conditions affecting demand/supply and price conditions in domestic and overseas market in which we operate, changes in Government Regulations, Tax Laws and other Statutes and incidental factors.*

### BUSINESS OVERVIEW

Our Company, Shiv Aum Steels Limited, is engaged in the trading of mild steel products such as beams, angles, plates, channels, coils and thermo mechanically treated (TMT) bars. Our Company operates as a trader, stockist and distributor of steel products. We are an authorised distributor for selling steel products of Jindal Steel & Power Limited (JSPL), have entered into MoUs with Steel Authority of India (SAIL) & Rashtriya Ispat Nigam Limited (RINL) and also procure steel products from various other steel manufacturers including Monnet Ispat & Energy Limited (MIEL) and Vandana Ispat Limited (VIL) to name a few, which gives us an exclusive market to trade in high quality and well established brands of steel products. We deal in various types of steel products like I – Beams, H – Beams, C Channels, Angles, T – Angles, Coils, Plates, etc., all in varied sizes as per the requirement of our customers.

We mainly play a connecting role and support the manufacturers' demand generation activities through trade marketing. Our Company's operating model represents the indirect sales model and we play the role of supply chain consolidator between several steel manufacturers and the end users of the steel products. The key deliverables here are logistics, inventory management, credit and delivery at cost effective prices to the customers. Thus our business require stocking of various steel products at our dedicated godown and is working capital intensive.

Our product range of steel traded by us consists of both flat and long products. Following is the classification of product offerings of our Company:



For further details refer section titled “Product Portfolio – Our Business” on page no. 87 of this Prospectus.

At present, we cater only to domestic markets and over the years we have build a strong and reliable customer base. We supply all kinds of steel products on a PAN India basis and our customers range from small steel processing units to large EPC companies and Real Estate & Infrastructure Developers. Some of our customers include Maharashtra Seamless, Kone Cranes, Dogus Soma JV, L&T STEC JV and IPCA to name a few. We have established cordial relations with dealers, traders and distributors who are well established in steel industry which help us gain long term benefits. We aim to expand our customer base by reaching out to new states and increasing the sales in existing states.

## COMPETITION

The steel trading industry in India, while fragmented and unorganised, is highly competitive. Competition is faced by our business from other existing traders and manufacturers of steel products dealt by us. We engage with our competitors on a regional or product line basis. Many of our competitors have substantially large capital base and resources than we do and may offer broader range of products. We believe that the principal factors affecting competition in our business include client relationships, reputation, market focus and the relative quality, price of the products and any ancillary service provided. We believe that we are able to distinguish ourselves from our competitors on the basis of our strong Pan India presence, our registered distributorship / MoUs with various steel manufacturers, our customer network and reputation and the availability & timeliness of specific product deliveries.

We also compete to acquire distributorship rights for major steel manufacturers, each of whom have expertise across different steel product verticals. However, we believe that our wide network Pan India and our established marketing set-up provides us with a competitive advantage when competing for such distributorships, as we believe that the steel manufacturers recognise the market reach and premium distribution that may be obtained by partnering with us.

We compete with various organised and unorganised players across the country and also with various regional traders and distributors. We compete against our competitors by establishing ourselves as a knowledge-based trading company with cordial relations with various suppliers, which enables us to provide our customers with the specified quantities at reasonable rates to meet their requirements.

### **Significant Developments after March 31, 2019 that may affect our Future Results of Operations**

The Directors confirm that no events or circumstances have taken place since the date of the last financial statements as disclosed in the Prospectus which materially or adversely affect or are likely to affect the profitability of our Company, or the value of our assets, or our ability to pay liabilities within next twelve months.

## FACTORS AFFECTING OUR RESULT OF OPERATION

Our business is subject to various risks and uncertainties, including those discussed in the section titled “*Risk Factors*” on page no. 15 of this Prospectus.

Among various other factors that affect our financial results and operations for a given financial year, some key factors are as follows:

### ***Revenue Generation***

We earn our revenue from trading and distribution of various steel products, offering a wide variety of products of different key players in Indian Steel Industry. Our team through their experience and good rapport with customers, owing to timely and quality delivery of service, plays an instrumental role in creating and expanding a work platform for our Company. We provide an extensive range of products ranging from Beams, Channels, Angles, TMT Bars, Steel Plates & Sheets to Steel Coil, etc.

Our Company has partnered with a various renowned brands of varied products throughout the Country and we play the role of supply chain consolidator between several major steel manufacturers and various users in different industry like engineering, infrastructure, construction, automobiles, etc. Our Company also endeavours to provide high quality branded steel products to our customers on a timely basis by obtaining distributorship/MOUs with major steel manufacturing companies in India. We aim at increasing in operational output through continuous process improvement, better brand associations and better customer service and consistent quality development.

### ***Our Financial Indebtedness and Financial Expenses***

As of March 31, 2019 and March 31, 2018, we have ₹ 7,686.74 lakhs and ₹ 6,313.93 lakhs respectively, of outstanding debt including current maturities of Long Term Debt on our balance sheet. Our level of indebtedness has important consequences to us, such as:

- 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, since almost all of our debt bears interest at floating rates.

If any of these risks were to materialise, our business and results of operations may be adversely affected. Our business requires funding for capital expenditure and working capital requirements. The actual amount and timing of future capital expenditure may depend on several factors, among others, new opportunities, availability of land, regulatory approvals, regulatory changes, economic conditions, technological changes and market developments in our industry. Our sources of additional funding, if required, to meet our capital expenditure may include the incurrence of debt or the issue of equity or debt securities or a combination of both. If we decide to raise additional funds through the incurrence of debt, our interest and debt repayment obligations will increase, and could have a significant effect on our profitability and cash flows and we may be subject to additional covenants, which could limit our ability to access cash flows from operations. In case there is insufficient cash flow to meet our working capital requirement or we are unable to arrange the same from other sources or there is delay in disbursement of arranged funds, or there is any increase in interest rate on our borrowings, it may adversely affect our operations and profitability. These factors may result in an increased amount of short-term borrowings. Continuous increase of our working capital requirements may have an adverse effect on our results of operations and financial condition.

Further our ability to arrange for additional funds on acceptable terms is subject to a variety of uncertainties, including future results of operations, financial condition and cash flows; economic, political conditions and market scenario for our products; costs of financing, liquidity and overall condition of financial and capital markets in India; issuance of necessary business/government licenses, approvals and other risks associated with our businesses; and limitations on our ability to raise capital in capital markets and conditions of the Indian and other capital markets in which we may seek to raise funds. Any such inability to raise sufficient funds could have a material adverse effect on our business and results of operations.

#### ***Our ability to successfully implement its strategy and its growth and expansion plans***

Our revenue and our business operations have grown in recent years. Although we plan to continue to expand our scale of operations, we may not be able to sustain these rates of growth in future periods due to a number of factors, including, among others, our execution capability, our ability to retain, maintain & enter into new distribution agreement, our ability to maintain customer satisfaction, our ability to mobilise sufficient working capital, macroeconomic factors beyond our control such as decline in global economic conditions, availability of cheaper imported / domestic products / brands, competition within each product category from players in the organized and unorganized segments, the greater difficulty of growing at sustained rates from a larger revenue base, our inability to control our expenses and the availability of resources for our growth. There can be no assurance that we will not suffer from capital constraints, operational difficulties or difficulties in expanding existing business operations.

Our development and expansion strategies will require substantial managerial efforts and skills and the incurrence of additional expenditures and may subject us to new or increased risks. We may not be able to efficiently or effectively implement our growth strategies or manage the growth of our operations, and any failure to do so may limit future growth and have an adverse effect on our business. Our strategy to augment our profit margins may not materialise in the manner we intend to, resulting in lower margins. Continued lower margins may affect our future growth and financial performance.

Further, if the estimates or assumptions used in developing our strategic plan vary significantly from actual conditions, our sales, margins and profitability could be impacted. For instance, sales of certain steel products may not grow as quickly as we currently expect, and we may be incorrect in our assumptions and expectations of industry preferences during our purchasing or entering / renewing into agreements with new / existing steel manufacturers. Also, the fund requirement and deployment for our strategies are based purely on management estimates and assumptions considering the current market scenario and are subject to revision in the light of changes in external circumstances or costs. If we are unsuccessful in executing our strategic plan, or if the underlying estimates or assumptions used to develop our strategic plan are materially inaccurate, our business and financial condition would have an adverse impact.

#### ***Market Conditions and Terms of our Distribution Agreements***

We are a multi steel products distribution and marketing Company and we enter into various distribution agreements / MOUs with top steel manufacturers in India. Accordingly, we are bound by the terms of the agreement in relation to supply of their products, selling targets and inventory management.



Above referred steel manufacturers are very particular about their terms and generally specify the terms in their agreements. These terms are based on the vendors' / manufacturers' perception and may or may not be viable in the market. This may lead to lower sales of that particular product eventually resulting in higher inventory and dead stock. Also, the terms of the agreement specify other parameters of trade like quantity, delivery terms, payment terms, all of which could affect our business process and in turn render us unable to dictate terms with our customers.

Furthermore, many of our vendors may not be proactive in renewing their agreements. Majority of our agreements are for a period of 1 year. There can be no assurance that there will not be a significant disruption in the supply of the particular product from such sources or, in the event of a disruption, that we would be able to locate alternative suppliers of such product on terms acceptable to us, or at all. Identifying and negotiating with a new steel manufacturer involves a process that requires us to become satisfied with their market demand, quality control, responsiveness and service. Non-availability or disruption in supply of any product may result in reducing our revenues by a considerable amount.

**RESULTS OF OUR STANDALONE OPERATIONS**
*(₹ in lakhs)*

Particulars	For the year ended March 31,					
	2019	% of Total Income	2018	% of Total Income	2017	% of Total Income
<b>REVENUE:</b>						
Revenue from Operations	37,173.02	98.53%	27,253.74	98.07%	24,227.34	97.30%
Other Income	556.02	1.47%	535.00	1.93%	673.05	2.70%
<b>Total revenue</b>	<b>37,729.04</b>	<b>100.00%</b>	<b>27,788.74</b>	<b>100.00%</b>	<b>24,900.39</b>	<b>100.00%</b>
<b>EXPENSES:</b>						
Purchases	35,236.28	93.39%	25,778.11	92.76%	22,653.31	90.98%
Changes in Inventory	(733.61)	-1.94%	(900.85)	-3.24%	(202.57)	-0.81%
Employee benefit expenses	361.42	0.96%	365.42	1.31%	208.30	0.84%
Finance costs	664.08	1.76%	473.43	1.70%	405.98	1.63%
Depreciation	64.50	0.17%	68.18	0.25%	75.94	0.30%
Other Expenses	1,258.47	3.34%	1,196.84	4.31%	1,358.98	5.46%
<b>Total expenses</b>	<b>36,851.14</b>	<b>97.67%</b>	<b>26,981.13</b>	<b>97.09%</b>	<b>24,499.94</b>	<b>98.39%</b>
<b>Net Profit / (Loss) before Tax</b>	<b>877.90</b>	<b>2.33%</b>	<b>807.61</b>	<b>2.91%</b>	<b>400.45</b>	<b>1.61%</b>
<b>Less: Provision for Tax</b>						
Current tax	305.55	0.81%	271.00	0.98%	113.00	0.45%
Deferred tax	(0.08)	0.00%	(8.93)	-0.03%	(5.69)	-0.02%
<b>Total</b>	<b>305.47</b>	<b>0.81%</b>	<b>262.07</b>	<b>0.94%</b>	<b>107.31</b>	<b>0.43%</b>
<b>Net Profit / ( Loss )</b>	<b>572.43</b>	<b>1.52%</b>	<b>545.54</b>	<b>1.96%</b>	<b>293.14</b>	<b>1.18%</b>

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## ***Main Components of our Profit and Loss Account***

### ***Income***

Our total income comprises of revenue from operations and other income.

#### ***Revenue from Operations***

Our revenue from operation as a percentage of total income were 98.53%, 98.07% and 97.30% respectively, for the fiscals 2019, 2018 & 2017. Our revenue from operations consists of revenue from trading of steel products.

#### ***Other Income***

Our other income comprises of rebate received from suppliers, loading, unloading & other charges recovered from customers and other miscellaneous incomes. Other income, as a percentage of total income was 1.47%, 1.93% and 2.70%, respectively, for the fiscals 2019, 2018 and 2017.

### ***Expenditure***

Our total expenditure primarily consists of purchases, changes in inventories, employee benefit expenses, finance costs, depreciation & amortization expenses and other expenses.

#### ***Purchases***

Purchase is primarily in relation to purchases of various steel products like Beams, Channels, Angles, TMT Bars, Steel Plates & Sheets, Steel Coil, etc

#### ***Employee Benefit Expenses***

Expenses in relation to employees' remuneration and benefits include gratuity, salaries and bonus, directors' remuneration, wages, staff welfare expenses etc.

#### ***Finance costs***

Finance cost primarily consists of interest payable on loans availed by our company from banks, bank charges, Interest on Cash Credit Facilities etc.

#### ***Depreciation Expenses***

Depreciation expenses consist of depreciation on the tangible and intangible assets of our Company which primarily includes plant & machinery, computer, furniture and fixtures, office building, vehicles, etc.

#### ***Other Expenses***

Other expenses primarily include crane charges, cutting charges, transport charges, brokerages, professional fees etc.

#### ***Provision for Tax***

Income tax has been provided on the basis of current income tax rate on taxable income. Advance tax and TDS deducted will be set off against provisions for taxation at the time of finalisation of Income tax assessment proceedings. The deferred tax assets is recognized and carried forward only to the extent that there is virtual certainty that the asset will be realised in future.

## **Fiscal 2019 compared with Fiscal 2018**

### ***Revenue from Operation***

Revenue from operations had increased by 36.40%, from ₹ 27,253.74 lakhs in Fiscal 2018 to ₹ 37,173.02 lakhs in Fiscal 2018. This increase in sales is mainly due to increase in the Company's scale of operations.

#### *Other Income*

Other income had increased by 3.93%, from ₹ 535.00 lakhs in Fiscal 2018 to ₹ 556.0 lakhs in Fiscal 2019 on account of profit on sale of investment.

#### *Purchases*

Purchases had increased by 36.69%, from ₹ 25,778.11 lakhs in Fiscal 2018 to ₹ 35,236.28 lakhs in Fiscal 2019. This increase in purchases is in line with the increase in the Company's scale of operations.

#### *Changes in inventories*

Changes in Inventories had a variance by 18.56% from negative ₹ 900.85 lakhs in Fiscal 2018 to negative ₹ 733.61 lakhs in Fiscal 2019.

#### *Employee Benefit Expenses*

Employee benefit expenses had been decreased by 1.09%, from ₹ 365.42 lakhs in Fiscal 2018 to ₹ 361.42 lakhs in Fiscal 2019 on account of reduction in directors' remuneration.

#### *Finance Cost*

Finance Cost had increased by 40.27% from ₹ 473.43 lakhs in Fiscal 2018 to ₹ 664.08 lakhs in Fiscal 2019. This is primarily on account of increase in borrowing cost on additional short term & long term borrowings to finance increased working capital & capital expenditure requirements.

#### *Depreciation and Amortization Expenses*

Depreciation had decreased by 5.40%, from ₹ 68.18 lakhs in Fiscal 2018 to ₹ 64.50 lakhs in Fiscal 2019 due to use of written down value method of computation of depreciation.

#### *Other Expenses*

Other expenses had decreased by 5.15% from ₹ 1,196.84 lakhs in Fiscal 2018 to ₹ 1,258.47 lakhs in Fiscal 2019. The increase in these expenses was majorly due to marginal increase in transport, brokerage & professional fees.

#### *Tax Expenses*

The Company's tax expenses had increased by 16.56% from ₹ 262.07 lakhs in the Fiscal 2018 to ₹ 305.47 lakhs in Fiscal 2019. This is primarily due to an increase in profit before tax as compare to last year.

#### *Profit after Tax*

After accounting for taxes at applicable rates, our profit after tax had increased by 4.93%, from ₹ 545.54 lakhs in Fiscal 2018 to ₹ 572.43 lakhs in Fiscal 2019 as a result of reasons stated above.

### **Fiscal 2018 compared with Fiscal 2017**

#### *Revenue from Operation*

Revenue from operations had increased by 12.49%, from ₹ 24,227.34 lakhs in Fiscal 2017 to ₹ 27,253.74 lakhs in Fiscal 2018. This increase in sales is mainly due to increase in the Company's scale of operations.

#### *Other Income*

Other income had decreased by 20.51%, from ₹ 673.05 lakhs in Fiscal 2017 to ₹ 535.00 lakhs in Fiscal 2018. Decrease is attributable to profit on sale of property in Fiscal 2017.

### *Purchase*

Purchase had increased by 13.79%, from ₹ 22,653.31 lakhs in Fiscal 2017 to ₹ 25,778.11 lakhs in Fiscal 2018. This increase in purchases is in line with the increase in the Company's scale of operations.

### *Changes in inventories*

Changes in Inventories have a variance by 344.71% from ₹ (202.57) lakhs in Fiscal 2017 to ₹ (900.85) lakhs in Fiscal 2018.

### *Employee Benefit Expenses*

Employee benefit expenses had increased by 75.43%, from ₹ 208.30 lakhs in Fiscal 2017 to ₹ 365.42 lakhs in Fiscal 2018. Increase is on account of increase in director's remuneration.

### *Finance Cost*

Finance Cost has increased by 16.61% from ₹ 405.98 lakhs in Fiscal 2017 to ₹ 473.43 lakhs in Fiscal 2018. This is primarily on account of borrowing cost on additional short term & long term borrowings to finance increased working capital & capital expenditure requirements.

### *Depreciation and Amortization Expenses*

Depreciation expenses had decreased by 10.22%, from ₹ 75.94 lakhs in Fiscal 2017 to ₹ 68.18 lakhs in Fiscal 2018 on account of sale of fixed assets.

### *Other Expenses*

Our Other expenses had decreased by 11.93%, from ₹ 1,358.98 lakhs in Fiscal 2017 to ₹ 1,196.84 lakhs in Fiscal 2018. This increase is mainly attributable to certain administrative expenses, selling & distribution expenses and rent during the year.

### *Tax Expenses*

Our total tax expenses had increased by 144.22%, from ₹ 107.31 lakhs in Fiscal 2017 to ₹ 262.07 lakhs in Fiscal 2018. This is primarily due to an increase in profit before tax as compare to last year

### *Profit after Tax*

After accounting for taxes at applicable rates, our profit after tax had increased by 86.10%, from ₹ 293.14 lakhs in Fiscal 2017 to ₹ 545.54 lakhs in Fiscal 2018.

## **CASH FLOWS**

The table below sets forth our net cash flows with respect to operating activities, investing activities and financing activities for the periods indicated

(₹ in lakhs)

Particulars	Year ended March 31,		
	2019	2018	2017
Net Cash (used)/from Operating Activities	(571.23)	(1,739.74)	(28.25)
Net Cash (used)/from Investing Activities	(122.73)	(125.05)	1,160.45
Net Cash (used)/from Financing Activities	711.61	1,861.24	(1,179.65)

### *Cash Flows from Operating Activities*

Net cash flow from operating activities for the Fiscal 2019 was ₹ (571.23) lakhs as compared to the PBT of ₹ 877.90 lakhs for the same period. The difference was primarily on account of adjustment in Interest & Finance Charges, Trade Receivable, loans & advances, Trade Payables & Inventories.



Net cash flow from operating activities for the Fiscal 2018 was ₹ (1,739.74) lakhs as compared to the PBT of ₹ 807.61 lakhs for the same period. The difference was primarily on account of adjustment in Interest & Finance Charges, Trade Receivable, loans & advances, Trade Payables & Inventories.

Net cash flow from operating activities for the Fiscal 2017 was ₹ (28.25) lakhs as compared to the PBT of ₹ 400.45 lakhs for the same period. The difference was primarily on account of adjustment in Interest & Finance Charges, Trade Receivable, loans & advances, Trade Payables, Inventories & Profit on sale of Fixed Assets.

### ***Cash Flows from Investment Activities***

In the Fiscal 2019, the net cash used for Investing Activities was ₹ 122.73 lakhs. A major part of the net cash used comprises of purchase of fixed assets of ₹ 51.79 lakhs.

In the Fiscal 2018, the net cash used for Investing Activities was ₹ 125.05 lakhs. Asset purchases were of ₹ 12.51 lakhs.

In the Fiscal 2017, the net cash released from Investing Activities was ₹ 1,160.45 lakhs. This was primarily on account of receipt of ₹ 90.70 lakhs for sale of investments & Rs. 145.15 lakhs for sale of assets.

### ***Cash Flows from Financing Activities***

Net cash inflow from financing activities in fiscal 2019 was ₹ 711.61 lakhs. This was majorly on account of increase in short term & long term borrowings.

Net cash inflow from financing activities in fiscal 2018 was ₹ 1,861.24 lakhs. This was majorly on account of increase in short term & long term borrowings.

Net cash outflow from financing activities in fiscal 2017 was ₹ 1,179.65 lakhs. This was majorly on account of payment of long term loans & interest & financial charges.

## **OTHER MATTERS**

### **1. Unusual or infrequent events or transactions**

Except as described in this Prospectus, during the periods under review there have been no transactions or events, which in our best judgment, would be considered unusual or infrequent.

### **2. Significant economic changes that materially affected or are likely to affect income from continuing Operations**

Other than as described in the Section titled “*Financial Information*” and chapter titled “*Management’s Discussion and Analysis of Financial Conditions and Results of Operations*”, beginning on page nos. 130 and 153 of this Prospectus respectively, to our knowledge, there are no significant economic changes that materially affected or are likely to affect income from continuing Operations.

### **3. Known trends or uncertainties that have had or are expected to have a material adverse impact on revenue or income from continuing operations**

Other than as described in the chapter titled “*Risk Factors*” and “*Management’s Discussion and Analysis of Financial Conditions and Result of Operations*”, beginning on page nos. 15 and 153 of this Prospectus respectively to our knowledge there are no known trends or uncertainties that have or had or are expected to have a material adverse impact on revenues or income of our company from continuing operations.

### **4. Future relationship between Costs and Income**

Other than as described in the chapter titled “*Risk Factors*” beginning on page no. 15 of this Prospectus, to our knowledge there are no factors, which will affect the future relationship between costs and income or which are expected to have a material adverse impact on our operations and finances.

**5. The extent to which material increases in revenue or income from operations are due to increased volume, introduction of new products or services or increased prices**

Increases in revenues are by and large linked to increases in introduction of new products and volume of business activity carried out by the Company.

**6. Total turnover of each major industry segment in which our Company operates.**

Our Company is engaged in the business of trading of steel products. Relevant industry data, as available, has been included in the chapter titled “*Industry Overview*” beginning on page no. 70 of this Prospectus.

**7. Status of any publicly announced new products or business segments**

Please refer to the chapter titled “*Our Business*” beginning on page no. 82 of this Prospectus.

**8. The extent to which the business is seasonal.**

Our business is not seasonal in nature.

**9. Any significant dependence on a single or few suppliers or customers**

The revenues from our top 10 customers constituted approximately 20% of total Revenue for fiscal 2019. For further details, please refer chapter “*Risk Factors*” beginning on page no. 15 of this Prospectus.

**10. Competitive Conditions**

Our Company faces competition from players in the global market as well as domestic market and from organized and unorganized players. We expect competition to intensify due to possible changes in government policies and further compliance standards for the products manufactured by us, existing competitors globally and locally further expanding their operations and further many small and medium-sized companies and entities engaged in manufacturing of chemicals. This we believe may impact our financial condition and operations.

**CAPITALIZATION STATEMENT**

To,

**The Board of Directors,**  
**Shiv Aum Steels Limited**  
 515, The Summit Business Bay,  
 Opp. Cinemax Western Express Way,  
 A. K. Road Andheri (East), Mumbai – 400 093

**Sub: Proposed Public Offer of Shiv Aum Steels Limited.**

Dear Sir,

We have prepared the Statement of Capitalization based on the information & documents provided & relied upon for the purpose of inclusion of the same in the Draft Prospectus / Prospectus being issued by you. Statement of Capitalization is as under:

**STATEMENT OF CAPITALIZATION, AS RESTATED**

(₹ in lakhs)

Particulars	Pre Issue (as at March 31, 2019)	Post Issue
<b>Borrowings</b>		
Long term debt (A)	2,398.25	888.00
Short Term Debt (B)	5,288.50	5,288.50
<b>Total debts (C=A+B)</b>	<b>7,686.74</b>	<b>6,176.50</b>
<b>Shareholders' funds</b>		
Equity share capital (D)	1,000.04	1,360.04
Reserve and surplus - as restated (E )	3,663.15	4887.15
<b>Total shareholders' funds (F=D+E)</b>	<b>4,663.19</b>	<b>6247.19</b>
<b>Long term debt / shareholders funds (A / F)</b>	0.51	0.14
<b>Total debt / shareholders funds (C / F)</b>	1.65	0.99

**Note:**

The above has been computed on the basis of Restated Financials of the Company.

**For M/s. Agrawal Jain & Gupta,**  
**Chartered Accountants**  
 (Firm Registration No. 013538C)

**Narayan Swami**  
**Partner**  
 Membership No: 409759  
 Place: Mumbai  
 Date: 7<sup>th</sup> June, 2019

**FINANCIAL INDEBTEDNESS**
**SCHEDULE I**

Set forth below, is a brief summary of our Company's borrowings as on March 31, 2019 together with a brief description of certain significant terms of such financing arrangements.

Nature of Borrowing	Amount (₹ in Lakhs)
Secured Borrowings including current maturities of Long Term Debt	5,288.50
Unsecured Borrowings	2,398.25
<b>Total</b>	<b>7,686.75</b>

**I. DETAILS OF SECURED LOANS**
**• Working Capital and Business Loans**
*(₹ in lakhs)*

Name of Lender	Type of Loan	Amount Sanctioned	Amount Outstanding as on March 31, 2019	Interest (in % p.a.)	Repayment Schedule	Security
Kotak Mahindra Bank	Cash Credit / Working Capital Facility <sup>(1)</sup>	2,300.00 <sup>(2)</sup>	2,133.55	6M MCLR+ 1.25% Effective Rate- 10.10%	12 Months	See Note 1
State Bank of India	Cash Credit (e-DFS : SAIL)	1,000.00	907.73	1Year MCLR Rate + 0.55% Effective Rate- 8.60%	Repayable on demand within one year	See Note 2
	Cash Credit (e-DFS : JSPL)	1,500.00	1,300.40	1Year MCLR Rate + 1.00% Effective Rate- 9.15%		
Standard Chartered Bank	Inland Letter of Credit Facility	2,000.00 <sup>(3)</sup>	946.82	Commission- 1.00% p.a. to be charged on the Letter of Credit Facility	Repayable on demand	See Note 3

**NOTE 1:**

Kotak Mahindra Bank Sanction Letter also includes other facility like WCDL and LCBD sales which is a sublimit of the Cash Credit facility.

**a) Primary Security (Applicable for all facilities except LCBD)**

Pari Passu charge with Standard Chartered Bank on all existing and future receivables/ current assets/ movable assets 1 moveable fixed assets of the Borrower, excluding charge on inventory 6: receivables pertaining to JSPL / SAIL under SCF facility.

**b) Collateral Security (Applicable for all facilities except LCBD)**

Pari-Passu charge with Standard Chartered Bank by way of Equitable/Registered Mortgage over following properties:

- Warehouse situated on Plot No. 1555C, Kalamboli Warehouse Complex, Kalamboli;
- Land at Taloja under Survey No. 99, Hissa No. 1A/2(1)/A and Survey No. 99, Hissa No.1A/2(2), Vavanje Village, Taluka Panvel;
- Flat 1602, 16th Floor, Building No 3C, Indiabulls, Green sector 02, Panvel;
- Office situated at 405, 4<sup>th</sup> Floor, Amore Commercial Premises CHSL, Khar (W), Mumbai- 400052;
- Unit no 0710/1010/1108 Songbird, A.P. Bhugaon, Tal- Mulashi, Dist- Pune.

**Note:** Property No 4 to be extended for the limits sanctioned for M/s Hari Om Carriers. Property no 5 to be mortgaged by Standard Chartered bank will also be under pari-passu charge with KMBL.

**NOTE 2:**

Cash Credit includes Ad-hoc Cash Credit limit taken of Rs. 300 lakhs which is available for a period of 90 days from the date of the ad-hoc limit approval sanction.

**a) Primary Security**

Hypothecation of Company's stocks & receivables pertaining to Steel Authority of India limited (SAIL) & Jindal Steel & Power limited (JSPL).

**b) Collateral Security**

Registered Mortgage of:

- Flat No. 7, 2nd Floor, Amber CHS Limited, Plot No.- 75, Road No.- 25, Behind SIES College, Sion, Next to Sion hi Colony, Sion (W), Mumbai - 400022, admeasuring 1114 sqft., owned by Shri Jatin Nagindas Mehta.
- Office No. 515, 5th Floor, The Summit Business Bay, Plot No. 266 & 266/1 to 172, Village - Gundavali, Andheri-Kurla Road, Near Cinemax and W.E. Highway Metro, Andheri (E) Mumbai - 400093, admeasuring 2200 sqft built-up area, owned by the Company.

**c) Personal / Firm / Corporate Guarantees**

In addition to the above security the aforementioned loans are also secured by way of guarantee, the details of which are as under:

- Mr. Jatin Nagindas Mehta
- Mr. Krishna Nagindas Mehta
- Mr. Sanjay Narendra Bansal
- Mr. Ajay Narendra Bansal
- Mr. Rishabh Jatin Mehta
- Mr. Utsav Sanjay Bansal

**NOTE 3:**

Inland Letter of Credit facility is the designated facility which can be used inter-changeably with designated sub-limits for Overdraft Facility (B 500 lakhs), Working Capital Demand Loan (B 400 lakhs), Bank Guarantees Facility (B 1,500 lakhs), Import invoice financing facility (B 2,000 lakhs)

Sr. No.	Description of Security	Maximum amount secured
1.	Hypothecation of current assets both present and future ranking pari-passu with Kotak Mallindra Bank. Ltd as per their bank share excluding charge on inventory & receivables pertaining to JSPL and SAIL under SCF facility.	Rs. 2,000.00 lakhs (Covering all limit except Bank Guarantee Facility)
2.	Cash margin of INR 15% on LC limits.	Rs. 2,000.00 lakhs (Covering limit of Inland Letter of Credit Facility)
3.	Industrial property located at Survey No. 99, Hissa No.1A/2(1)/A and Survey No. 99, Hissa No 1A/2(2), Vavanje Village. Panvel-410208.  Property is owned by the Company. Property is shared on pari-pasu basis with Kotak Mahindra Bank.	Rs. 2,000.00 lakhs (Covering all limit except Bank Guarantee Facility)
4.	Industrial property located at Plot No. 1555C, Kalamboli Warehouse Complex, Kalamboli, Panvel- 410218.  Property is owned by Hari Om Steels, Property is shared on pari-pasu basis with Kotak Mahindra Bank.	Rs. 2,000.00 lakhs (Covering all limit except Bank Guarantee Facility)
5.	Commercial property located at Office 405, 4th Floor. Amore Commercial Premises CHSL, Khar (W), Mumbai – 400052.	Rs. 2,000.00 lakhs (Covering all limit except Bank Guarantee Facility)



Sr. No.	Description of Security	Maximum amount secured
	Property is owned by Hari Om Carriers. Property is shared on pari pasu basis with Kotak Mahindra Bank.	
6.	Residential property located at Flat 1602, 16th Floor, Building No. 3C India bulls, Green Sector 02, Panvel - 410206.  Property is owned by the Company. Property is shared on pari pasu basis with Kotak Mahindra Bank.	Rs. 2,000.00 lakhs (Covering all limit except Bank Guarantee Facility)
7.	Residential property located at Flat 710, Skyi Songbirds Building No. 2, 2A, Bhugaon Mulshi, Pune- 4121 15.  Property is owned by the Company. Property is shared on pari-pasu I basis with Kotak Mahindra Bank	INR 2,000.00 lakhs (Covering all limit except Bank Guarantee Facility)
8.	Residential property located at Flat 1010, Skyi Songbirds, Building No 2, 2A, Bhllgaon, Mulshi, Pune-412115.  Property is owned by the Company. Property is shared on pari- pasu basis with Kotak Mahindra Bank.	Rs. 2,000.00 lakhs (Covering all limit except Bank Guarantee Facility)
9.	Residential property located at Flat 1108, Skyi Songbirds, Building No 2, 2A, Bhugaon Mulshi, Pune-412115.  Property is owned by the Company. Property is shared on pari- pasu basis with Kotak Mahindra Bank	Rs. 2,000.00 lakhs (Covering all limit except Bank Guarantee Facility)
10.	Personal guarantees of Mr. Sanjay Narendra Bansal, Mr. Ajay Narendra Bansal, Mr. Utsav Sanjay Bansal, Mr. Jatin Nagin Mehta, Mr. Krishna Nagin Mehta, and Rishabh Jatin Mehta.	Rs. 2,000.00 lakhs (Covering all limit)
11.	Corporate guarantee of Hari Om Steels, Hari Om Carriers, and Mobi Relators Pvt Ltd.	Rs. 2,000.00 lakhs (Covering all limit except Bank Guarantee Facility)

## II. DETAILS OF UNSECURED LOANS:

### Loan from Directors

(₹ in lakhs)

Detail of Lender	Amount outstanding as on March 31, 2019
Directors and Related Parties	2,398.25

**Note:** The above loans from Directors and Related Parties carry an interest rate of 15% pa and are repayable on demand.

## SECTION VIII- LEGAL AND OTHER INFORMATION

### OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

*Except as stated in this section, there are no: (i) criminal proceedings; (ii) actions by statutory or regulatory authorities; (iii) claims relating to direct and indirect taxes; or (iv) Material Litigation (as defined below); involving our Company, Directors, Promoters or Group Companies. Our Board, in its meeting held on May 24, 2019, determined that litigation involving the Company, Directors, its Promoters and Group Companies: (a) where the monetary liability quantified exceeds 5% of the net profit of our Company as per the restated financial statements for the last full Fiscal; and (b) all such pending litigation, where the monetary liability is not quantifiable, however, the outcome of any such pending proceeding may have a material bearing on the business, operations, performance, prospects or reputation of our Company will be considered as material litigation (“Material Litigation”).*

*As per the materiality policy adopted by the Board of our Company in its meeting held on May 24, 2019, creditors of our Company to whom an amount in excess of 5% of the Net Profit of the Company as per the last audited financial statements was outstanding, were considered ‘material’ creditors. Details of outstanding dues to creditors (including micro and small enterprises as defined under the Micro, Small and Medium Enterprises Development Act, 2006) as required under the SEBI Regulations have been disclosed on our website at [www.shivaumsteels.com](http://www.shivaumsteels.com).*

*Our Company, Directors, Promoter and Group Companies are not Wilful Defaulters and there have been no violations of securities laws in the past or pending against them.*

#### LITIGATION INVOLVING OUR COMPANY

##### **A. LITIGATION AGAINST OUR COMPANY**

###### **1. Criminal matters**

NIL

###### **2. Litigation Involving Actions by Statutory/Regulatory Authorities**

NIL

###### **3. Litigation involving Tax Liabilities**

###### **(i) Direct Tax Liabilities**

NIL

###### **(ii) Indirect Taxes Liabilities**

NIL

###### **4. Other Pending Litigations**

NIL

##### **B. LITIGATION FILED BY OUR COMPANY**

###### **1. Litigation Involving Criminal matters**

###### **(i) Complaint bearing No. 3111/SS/2015 filed by the Company against M/s. B.T. Industries and Mr. Baljeet Sohanpal (collectively “the Accused”) before the Metropolitan Magistrates, 16<sup>th</sup> Court, at Ballard Pier, Mumbai.**

The Company through its director Mr. Jatin Nagin Mehta filed a Complaint No. 3111/SS/2015 before the Metropolitan Magistrates, 16<sup>th</sup> Court, at Ballard Pier, Mumbai against the Accused under Section 138 read with Section 141 of Negotiable Instruments Act, 1881 for the dishonour of cheque bearing number 0001852 dated



April 3, 2014 amounting to Rs.17,46,871/-, issued by the Accused to the Company, inter alia praying, that the Accused be tried and dealt with in accordance with the law and be directed to pay appropriate compensation under Section 357 of the Code of Criminal Procedure, 1973.. The matter is currently pending before the Metropolitan Magistrates, 16<sup>th</sup> Court, at Ballard Pier, Mumbai.

- (ii) **Complaint bearing No. 3110/SS/2015 filed by the Company against M/s. Mahavir Metal and Mr. Rajnibhai Rawal (collectively “the Accused”) before the Additional Metropolitan Magistrate Ballardpier, Mumbai.**

The Company through its director Mr. Jatin Nagin Mehta filed a Complaint No. 3110/SS/2015 before the Additional Metropolitan Magistrate Ballardpier, Mumbai against the Accused under Section 138 read with Section 141 of Negotiable Instruments Act, 1881 for the dishonour of five cheques bearing numbers 000063, 000064, 000065, 000066 and 000067 dated April 3, 2014 collectively amounting to Rs.2,19,380/- issued by the Accused, inter alia praying that the Accused be tried and dealt with in accordance with the law and be directed to pay appropriate compensation under Section 357 of the Code of Criminal Procedure, 1973. The matter is currently pending before the Additional Metropolitan Magistrate, Ballard Pier, Mumbai.

- (iii) **Complaint bearing No. 5843/SS/2015 filed by the Company against (i) Mr. Ashwin Dodhia- Proprietor of M/s Jay Scale Mfg. Co. and (ii) M/s Jay Scale Mfg. Co. (collectively “the Accused”) before the Additional Chief Metropolitan Magistrate’s 33<sup>rd</sup> Court at Ballard Pier, Mumbai.**

The Company filed a Complaint No. 5843/SS/2015 dated September 8, 2015 before the Additional Chief Metropolitan Magistrate’s 33<sup>rd</sup> Court at Ballard Pier, Mumbai against the Accused under Section 138 read with Section 141 of Negotiable Instruments Act, 1881 for the dishonour of cheque bearing number 722995 dated June 30, 2015 amounting to Rs.11,50,000/- issued by the Accused to the Company, inter alia praying that the Accused be tried and dealt with in accordance with the law and be directed to pay appropriate compensation under Section 357 of the Code of Criminal Procedure. The matter is currently pending before the Additional Chief Metropolitan Magistrate’s 33<sup>rd</sup> Court at Ballard Pier, Mumbai.

- (iv) **Complaint bearing No. 1014/ SS /2017 filed by the Company against M/s Ratan Industries and Mr. Vishnu Mane- Proprietor of M/s Ratan Industries (collectively “the Accused”) before the Additional Chief Metropolitan Magistrate’s 33<sup>rd</sup> Court, Ballard Pier, Mumbai.**

The Company filed a Complaint No. 1014/SS/2017 dated February 17, 2017 before the Additional Chief Metropolitan Magistrate’s 33<sup>rd</sup> Court, Ballard Pier, Mumbai against the Accused under Section 138 read with Section 141 of Negotiable Instruments Act, 1881 for the dishonour of cheque bearing number 341474 dated November 21, 2016 amounting to Rs.28,32,156/- issued by the Accused to the Company, inter-alia praying that the Accused be tried and dealt with in accordance with the law and be directed to pay appropriate compensation under Section 357 of the Code of Criminal Procedure, 1973. The matter is currently pending before the Additional Chief Metropolitan Magistrate’s 33<sup>rd</sup> Court, Ballard Pier, Mumbai.

- (v) **Complaint bearing No. 1207/SS/2018 filed by the Company against Spacetech Equipments & Structural Pvt. Ltd., Ganeshchandra Kalipada Ghosh, Sudeep Ganeshchandra Ghosh and Aroti Ganeshchandra Ghosh (collectively “the Accused”) before the Additional Chief Metropolitan Magistrate’s 30<sup>th</sup> Court, Kurla, Mumbai.**

The Company filed a Complaint No. 1207/SS/2018 dated September 25, 2018 before the Additional Chief Metropolitan Magistrate’s 30<sup>th</sup> Court, Kurla, Mumbai against the Accused under Section 138 read with Section 141 of Negotiable Instruments Act, 1881 for the dishonour of cheque bearing number 201806 dated August 2, 2018 amounting to Rs. 5,03,632/- issued by the Accused to the Company, inter alia praying that the Accused be tried and dealt with in accordance with the law, be directed to pay appropriate compensation under Section 357 of the Code of Criminal Procedure, 1973 and to pay interim compensation to the Company to the extent of 20% of the cheque amount. The matter is currently pending before the Additional Chief Metropolitan Magistrate’s 30<sup>th</sup> Court, Kurla, Mumbai.



- (vi) **Complaint bearing No. 903/SS/2017 filed by the Company against M/s Yashashri Engineers & Sunil Basawant Bharale- Proprietor of M/s Yashashri Engineers (collectively “the Accused”) before the Additional Chief Metropolitan Magistrate’s 59<sup>th</sup> Court, Kurla, Mumbai.**

The Company filed a Complaint No. 903/SS/2017 dated August 19, 2017 before the Additional Chief Metropolitan Magistrate’s 7<sup>th</sup> Court, Bhoiwada, Dadar, Mumbai against the Accused under Section 138 read with Section 141 of Negotiable Instruments Act, 1881 for the dishonour of cheques bearing numbers 088681, 088682, 088683 all dated June 22, 2017 collectively amounting to Rs.5,28,184/- issued by the Accused to the Company, inter alia praying that the Accused be tried and dealt with in accordance with the law and be directed to pay appropriate compensation under Section 357 of the Code of Criminal Procedure, 1973. The matter is currently pending before the Additional Chief Metropolitan Magistrate’s 7<sup>th</sup> Court, Bhoiwada, Dadar, Mumbai.

- (vii) **Complaint bearing 174/ SS/2019 filed by the Company against M/s Energia Skyi Developers, Amit Anil Jagtap and Sushant Mohan Jadhav (collectively “the Accused”) before the Additional Chief Metropolitan Magistrate’s 59<sup>th</sup> Court, Kurla, Mumbai.**

The Company filed a Complaint No. 174/SS/2019 dated February 5, 2019 before the Additional Chief Metropolitan Magistrate’s 59<sup>th</sup> Court, Kurla, Mumbai against the Accused under Section 138 read with Section 141 of Negotiable Instruments Act, 1881 for the dishonour of cheques bearing numbers 192229, 192230 and 192231 dated September 12, 2018, September 25, 2018 and October 12, 2018, respectively collectively amounting to Rs.12,00,000/- issued by the Accused to the Company, inter alia praying that the Accused be tried and dealt with in accordance with the law, be directed to pay appropriate compensation under Section 357 of the Code of Criminal Procedure, 1973 and to pay interim compensation to the Company to the extent of 20% of the cheque amount. The matter is currently pending before the Additional Chief Metropolitan Magistrate’s 59<sup>th</sup> Court, Kurla, Mumbai.

- (viii) **Complaint bearing No. 3229/SS/2015 filed by the Company against M/s Krishna Fabricators and Engineers and Mr. Sudhish Srikumaran Nair - Proprietor of M/s Krishna Fabricators and Engineers (collectively “the Accused”) before the Additional Metropolitan Magistrates, Ballardpier, Mumbai.**

The Company filed a Complaint No. 3229/SS/2015 before the Additional Metropolitan Magistrates, Ballardpier, Mumbai against the Accused under Section 138 read with Section 141 of Negotiable Instruments Act, 1881 for the dishonour of cheques bearing numbers 060754, 060755, 060756, 060757, 060758 and 060759 dated April 21, 2014 amounting to Rs.30,79,590/- issued by the Accused to the Company, inter alia praying that the Accused be tried and dealt with in accordance with the law and be directed to pay appropriate compensation under Section 357 of the Code of Criminal Procedure. The matter is currently pending before the Additional Metropolitan Magistrates, Ballardpier, Mumbai.

- (ix) **Complaint bearing No. 9153/SS/2015 filed by the Company against M/s. Asmita Engineering Pvt. Ltd., Ms. Asmita Ashok More and Ms. Tejashree Ashok More (collectively “the Accused”) before the Additional Metropolitan Magistrates, Ballardpier, Mumbai.**

The Company through its director Mr. Jatin Nagin Mehta filed a Complaint No. 9153/SS/2015 before the Additional Metropolitan Magistrates, Ballardpier, Mumbai against the Accused under Section 138 read with Section 141 of Negotiable Instruments Act, 1881 for the dishonour of five cheques bearing numbers 859264, 859265, 859266, 859267 and 856268 dated September 28, 2013 collectively amounting to Rs.28,63,181/- issued by the Accused to the Company, inter alia praying that the Accused be tried and dealt with in accordance with the law and be directed to pay appropriate compensation under Section 357 of the Code of Criminal Procedure, 1973. The matter is currently pending before the Additional Metropolitan Magistrates, Ballardpier, Mumbai.

- (x) **Complaint bearing No. 3569/SS/2015 filed by the Company against Mr. Shailesh Sarode Proprietor of M/s. S.S. Engineering (“the Accused”) before the Additional Metropolitan Magistrates, Ballardpier, Mumbai.**

The Company through its director Mr. Sanjay Bansal filed a Complaint No. 3569/SS/2015 before Additional Metropolitan Magistrates, Ballardpier, Mumbai against the Accused under Section 138 read of Negotiable Instruments Act, 1881 for the dishonour of cheque bearing number 000174 dated September 7, 2014 amounting to Rs.18,63,792/- issued by the Accused to the Company, inter alia praying that the Accused be tried and dealt with in accordance with the law and be directed to pay appropriate compensation under Section 357 of the Code



of Criminal Procedure, 1973. The matter is currently pending before the Additional Metropolitan Magistrates, Ballardpier, Mumbai.

- (xi) **Complaint bearing No. 2870/SS/2012 filed by the Company against M/s. Krishna Structural Steel India Limited, Mr. Parag Vinodbhai Vora, Ms. Neha Parag Vora and Ms. Indumati Vinodrai Vora (collectively “the Accused”) before the Additional Chief Metropolitan Magistrate’s 7<sup>th</sup> Court, Bhoiwada, Dadar, Mumbai.**

The Company filed a Complaint No. 2870/SS/2012 dated November 8, 2012 before the Additional Chief Metropolitan Magistrate’s 7<sup>th</sup> Court, Bhoiwada, Dadar, Mumbai against the Accused under Section 138 read with Section 141 of Negotiable Instruments Act, 1881 for the dishonour of cheques bearing numbers 533417, 533421, 533422, 533423, 533424, 533425 and 533426 all dated August 24, 2012, collectively amounting to Rs.3,49,02,947/- issued by the Accused to the Company, inter alia praying that the Accused be tried and dealt with in accordance with the law and be directed to pay appropriate compensation under Section 357 of the Code of Criminal Procedure, 1973. The matter is currently pending before the Additional Chief Metropolitan Magistrate’s 7<sup>th</sup> Court, Bhoiwada, Dadar, Mumbai.

## 2. Litigation Involving Actions by Statutory/Regulatory Authorities

NIL

## 3. Litigation involving Tax Liabilities

### (i) Direct Tax Liabilities

Sr. No.	Type of Direct Tax	No. of Cases	Amount in dispute/ demanded (in ₹)
1.	Income Tax (A.Y. 2008-2009)	1	5,05,085 <sup>(1)</sup>
2.	Income Tax (A.Y. 2009-2010)	1	30,165 <sup>#</sup>
3.	Income Tax (A.Y. 2012-2013)	1	8,970 <sup>(2)</sup>
4.	Income Tax (A.Y. 2014-2015)	1	1,23,400 <sup>(3)</sup>
<b>Total</b>		<b>4</b>	<b>6,67,620</b>

*# The outstanding amount is as per the pending amounts reflected in the online records of the website of the Income-tax Department. As on date, no demand notices or other proceedings have been issued to/served upon the Company calling upon the Company to pay the above amount.*

1. Demand raised under Section 156 of the Income -tax Act, 1961 against the Company for the A.Y 2008-2009.
2. Demand raised under Section 156 of the Income -tax Act, 1961 against the Company for the A.Y 2012-2013.
3. Demand raised under Section 156 of the Income -tax Act, 1961 against the Company for the A.Y 2014-2015

### (ii) Indirect Taxes Liabilities

NIL

## 4. Other Pending Litigations

- (i) The Company vide letter dated October 12, 2017 had approached the Bombay Iron Merchants Association (“the Association”) with respect to complaint against Pragati Steel, Borivali through broker Mr. Sohail Gandhi for non payment of bill amounting to Rs. 23,65,772/- towards the materials supplied to Pragati Steels on April 11, 2017 and May 3, 2017. The Association then forwarded the said complaint to the Economic Offences Wing for necessary investigation and action against Pragati Steels. The matter is currently pending.

## LITIGATION INVOLVING OUR DIRECTORS

### A. LITIGATION AGAINST OUR DIRECTORS

#### 1. Criminal matters

NIL

**2. Litigation Involving Actions by Statutory/Regulatory Authorities**

NIL

**3. Litigation involving Tax Liabilities**
**(i) Direct Tax Liabilities**

NIL

**(ii) Indirect Taxes Liabilities**

NIL

**4. Other Pending Litigations**

NIL

**B. LITIGATION FILED BY OUR DIRECTORS**
**1. Litigation Involving Criminal matters**

NIL

**2. Litigation Involving Actions by Statutory/Regulatory Authorities**

NIL

**3. Litigation involving Tax Liabilities**
**(i) Direct Tax Liabilities**

Sr. No.	Type of Direct Tax	No. of Cases	Amount in dispute/ demanded (in Rs.)
<b>Sanjay Narendra Bansal</b>			
1.	Income Tax (A.Y. 2014-2015)	1	10,37,100 <sup>(1)</sup>
<b>Utsav Bansal</b>			
2.	Income Tax (A.Y. 2011-2013)	1	3,140 <sup>#</sup>
<b>Ajay Narendra Bansal</b>			
3.	Income Tax (A.Y. 2004-2005)	1	2,795 <sup>*</sup>
4.	Income Tax (A.Y. 2005-2006)	1	325 <sup>*</sup>
5.	Income Tax (A.Y. 2008-2009)	1	18,915 <sup>*</sup>
6.	Income Tax (A.Y. 2011-2012)	1	7,32,080 <sup>(2)</sup>
7.	Income Tax (A.Y. 2013-2014)	1	7,47,740 <sup>(3)</sup>
8.	Income Tax (A.Y. 2014-2015)	1	9,75,250 <sup>(4)</sup>
9.	Income Tax (A.Y. 2017-2018)	1	2,72,280 <sup>#</sup>
<b>Total</b>		<b>9</b>	<b>37,89,625</b>

*# The outstanding amount is as per the pending amounts reflected in the online records of the website of the Income-tax Department. As on date, no demand notices or other proceedings have been issued to/served upon the Company calling upon the Company to pay the above amount.*

*\* The outstanding amount is as per the pending amounts reflected in the online records of the website of the Income-tax Department. The copy of the said Orders/demand notices are not available in the records of the Company and are lost/misplaced by the Company*

*(1). Demand raised under Section 156 of the Income-tax Act, 1961 against the Sanjay Narendra Bansal for the A.Y. 2013-2014. Mr Sanjay Narendra Bansal has filed an appeal before the Commissioner of Income Tax (Appeals), Mumbai.*

*(2). Demand raised under Section 156 of the Income -tax Act, 1961 against Ajay Narendra Bansal for the A.Y. 2011-2012. Mr Ajay Narendra Bansal has filed an appeal before the Income Tax Appellate Tribunal. Assistant Commissioner of Income Tax has also initiated penalty proceedings under Section 271(1)(c) of the Income-tax Act, 1961 against Mr. Ajay Narendra Bansal.*

*(3). Demand raised under Section 156 of the Income -tax Act, 1961 against the Ajay Narendra Bansal for the A.Y. 2013-2014. Mr Ajay Narendra Bansal has filed an appeal before the Commissioner of Income Tax (Appeals), Mumbai. The Income Tax officer have also initiated penalty proceedings under Section 271(1)(c) of the Income Tax Act, 1961 against Mr. Ajay Narendra Bansal.*



(4). Demand raised under Section 156 of the Income -tax Act, 1961 against the Ajay Narendra Bansal for the A.Y. 2014-2015. The Deputy Commissioner of Income Tax have also initiated penalty proceedings under Section 271(1)(c) of the Income-tax Act, 1961 against Mr. Ajay Narendra Bansal.

**(ii) Indirect Taxes Liabilities**

NIL

**4. Other Pending Litigations**

NIL

**LITIGATION INVOLVING OUR PROMOTERS**

**A. LITIGATION AGAINST OUR PROMOTERS**

**1. Litigation Involving Criminal matters**

NIL

**2. Litigation Involving Actions by Statutory/Regulatory Authorities**

NIL

**3. Litigation involving Tax Liabilities**

**(i) Direct Tax Liabilities**

NIL

**(ii) Indirect Tax Liabilities**

NIL

**4. Other Pending Litigations**

NIL

**B. LITIGATION FILED BY OUR PROMOTERS**

**1. Litigation Involving Criminal matters**

NIL

**2. Litigation Involving Actions by Statutory/Regulatory Authorities**

NIL

**3. Litigation involving Tax Liabilities**

**(i) Direct Tax Liabilities**

Except as disclosed in the Section Litigation Involving Our Directors -Litigation involving Tax Liabilities - Direct Tax Liabilities, there are no other pending litigations against our Promoters involving Direct Tax Liabilities.

**(ii) Indirect Taxes Liabilities**

NIL

**4. Other Pending Litigations**

NIL

**LITIGATION INVOLVING GROUP COMPANIES**

**A. LITIGATION AGAINST OUR GROUP COMPANIES**

**1. Litigation involving Criminal matters**

NIL

**2. Litigation Involving Actions by Statutory/Regulatory Authorities**

NIL

**3. Litigation involving Tax Liabilities**

**(i) Direct Tax Liabilities**

NIL

**(ii) Indirect Taxes Liabilities**

NIL

**4. Other Pending Litigations**

NIL

**B. LITIGATION FILED BY OUR GROUP COMPANIES**

**1. Criminal matters**

NIL

**2. Litigation Involving Actions by Statutory/Regulatory Authorities**

NIL

**3. Litigation involving Tax Liabilities**

**(i) Direct Tax Liabilities**

Sr. No.	Type of Direct Tax	No. of Cases	Amount in dispute/ demanded (in ₹)
1.	Income Tax (A.Y. 2012-2013)	1	61,20,380 <sup>#</sup>
<b>Total</b>		<b>1</b>	<b>61,20,380</b>

*# Demand raised under Section 156 of the Income -tax Act, 1961 against the Mobi Relators Pvt. Ltd for the A.Y. 2012-2013. Mobi Relators Pvt. Ltd has filed an appeal before the Commissioner of Income Tax (Appeals), Mumbai.*

**(ii) Indirect Taxes Liabilities**

NIL

**4. Other Pending Litigations**

NIL

### Outstanding dues to creditors

The details of dues payable to micro and small enterprises as defined under the Micro, Small and Medium Enterprises Development, 2006 as of March 31, 2019 are as given below:

Particulars	Number of Creditors	Amount involved (₹ in lakhs)
Micro, Small and Medium Enterprise	-	-

As per the materiality policy, creditors of our Company to whom an amount exceeding 5% of the Net Profit of the Company for the period ending March 31, 2019 as per the last audited financial statements was outstanding, were considered 'material' creditors. Based on this criteria, our Company had the following creditors as on March 31, 2019:

Particulars	Number of Creditors	Amount involved (₹ in lakhs)
Micro, Small and Medium Enterprise	-	-
Material Creditors	-	-
Other Creditors	25	103.57

For further details, please see the website of the Company at [www.shivaumsteels.com](http://www.shivaumsteels.com).

*Information provided on the website of our Company is not a part of this Prospectus and should not be deemed to be incorporated by reference. Anyone placing reliance on any other source of information, including our Company's website, would be doing so at its own risk.*

### Disciplinary action including penalty imposed by SEBI or stock exchanges against the promoters in the last five financial years

There are no disciplinary actions including penalty imposed by SEBI or Stock Exchanges against the Promoters during the last 5 financial years including outstanding actions.

### Material developments occurring after last balance sheet date

Except as disclosed elsewhere in this Prospectus, there have been no material developments that have occurred after the Last Balance Sheet Date. For further details, please see the chapter titled "Management Discussions and Analysis of Financial Conditions and Result of Operations" beginning on page 153.

## GOVERNMENT AND OTHER KEY APPROVALS

*Our Company has received the necessary licenses, permissions and approvals from the Central and State Governments and other government agencies/regulatory authorities/certification bodies required to undertake the Issue or continue our business activities. In view of the approvals listed below, we can undertake the Issue and our current/ proposed business activities and no further major approvals from any governmental/regulatory authority or any other entity are required to be undertaken, in respect of the Issue or to continue our business activities. It must, however, be distinctly understood that in granting the above approvals, the Government of India and other authorities do not take any responsibility for the financial soundness of the Company or for the correctness of any of the statements or any commitments made or opinions expressed in this behalf.*

*The main objects clause of the Memorandum of Association of the Company and the other objects clause, enable our Company to carry out its activities.*

### I. APPROVALS FOR THE ISSUE

1. The Board of Directors have, pursuant to Section 62(1)(c) and other applicable provisions of the Companies Act, 2013, by a resolution passed at its meeting held on May 24, 2019 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 special resolution passed in the extra ordinary general meeting held on May 28, 2019 authorized the Issue.
3. In-principle approval dated July 26, 2019 from the NSE Emerge for listing of the Equity Shares issued by our Company pursuant to the Issue.
4. Our Company's International Securities Identification Number (“**ISIN**”) is INE719F01016.

### II. APPROVALS PERTAINING TO INCORPORATION, NAME AND CONSTITUTION OF OUR COMPANY

1. Certificate of Incorporation, dated March 11, 2002 issued by the Registrar of Companies, Maharashtra, in the name of “Shiv Aum Steels Private Limited”.
2. Fresh Certificate of Incorporation, dated September 25, 2009 issued by the Registrar of Companies, Mumbai upon the name change of “Shiv Aum Steels Private Limited” to “Shiv Jagannath Steel Private Limited”.
3. Further, Fresh Certificate of Incorporation, dated March 9, 2011 issued by the Registrar of Companies, Mumbai upon the name change of “Shiv Jagannath Steel Private Limited” to “Shiv Aum Steels Private Limited”.
4. Fresh Certificate of Incorporation Consequent upon Conversion from Private Company to Public Company dated April 26, 2019 issued to our Company by the Registrar of Companies, Mumbai consequent upon change of name of our Company from “Shiv Aum Steel Private Limited” to “Shiv Aum Steels Limited”.
5. The Corporate Identity Number of the Company is U27105MH2002PLC135117.

### III. TAX RELATED APPROVALS

Sr. No.	Description	Registration/ Approval/ Certificate Number	Issuing Authority	Date of Issue	Date of Expiry
1.	Permanent Account Number (PAN)	AAFCS9987G	Income Tax Department, Government of India	March 11, 2002	Valid until cancelled
2.	Tax Deduction Account Number (TAN)	MUMS30273F	Income Tax Department, Government of India	December 2, 2002	Valid until cancelled



3.	Certificate of Registration under the Maharashtra State Tax on Professions, Trades, Callings and Employments Act, 1975.	27090269025P	Maharashtra Sales Tax Department	June 23, 2014	Valid until cancelled
4.	Certificate of Enrolment under the Maharashtra State Tax on Professions, Trades, Callings and Employments Act, 1975.	PT/E/1/125/18/1295	Maharashtra Sales Tax Department	April 5, 2012	Valid Until Cancelled
5.	Certificate of Registration issued under the provisions of Central Goods and Service Tax Act, 2017 for premise at 5 <sup>th</sup> Floor, 515, The Summit Business Bay, Andheri-Kurla road, Andheri East, Mumbai Suburban, Maharashtra.	27AAFCS9987G1ZL	Government of India	May 28, 2018	Valid Until Cancelled
6.	Central Excise Registration Certificate under the Central Excise Rules, 2002 for premises at Plot No. 61 B/C, 2 <sup>nd</sup> Cross Street, Darukhana, Reay Road, Mumbai, Maharashtra.	AAFCS9987GXD002	Central Board of Excise and Customs	November 20, 2009	Valid Until Cancelled
7.	Central Excise Registration Certificate under the Central Excise Rules, 2002 for premises at Survey no. 99, Hissa No. 1A/2(1)/A, Vavanje, Panvel, Raigad, Maharashtra.	AAFCS9987GED002	Central Board of Excise and Customs	April 16, 2009	Valid Until Cancelled

#### IV. LABOUR RELATED APPROVALS

Sr. No.	Description	Registration/ Approval/ Certificate Number	Issuing Authority	Date of Issue	Date of Expiry
1.	Certificate of Registration under the Employee Provident Fund	MH/BAN/IC/126042/478	Regional Provident Fund Commissioner, Maharashtra	February 4, 2010	Valid Until cancelled
2.	Certificate of Registration under the Employee State Insurance Act, 1948.	35000434430001001	Sub-Regional Director, Employees' State Insurance Corporation.	September 12, 2018	Valid Until Cancelled
3.	Registration Certificate under Maharashtra Shops and Establishments (Regulation of Employment and Conditions of Service) Act, 2017 for premises at 5 <sup>th</sup> Floor, 515, The Summit Business Bay, Andheri-Kurla Road, Andheri East, Mumbai Suburban, Maharashtra.	820020219/KE Ward /COMMERCIAL II	Office of the Chief Facilitator	December 29, 2018	December 28, 2021

## SECTION IX- OTHER REGULATORY AND STAUTORY DISCLOSURES

### Authority for the Issue

Our Board of Directors have vide resolution dated May 24, 2019 authorized the Issue, subject to the approval by the shareholders of our Company under Section 62 (1) (C) of the Companies Act, 2013.

The shareholders have authorized the Issue, by passing a Special Resolution at the Extra-Ordinary General Meeting held with a shorter notice on May 28, 2019 in accordance with the provisions of Section 62 (1) (C) of the Companies Act, 2013.

The Company has obtained approval from NSE vide letter dated July 26, 2019 to use the name of NSE in this Issue Document for listing of equity shares on the SME platform of the NSE EMERGE. NSE is the designated stock exchange.

### Prohibition by SEBI or Governmental Authorities

We confirm that there is no prohibition on our Company, its Directors, Promoter and entities forming part of our Promoter Group, person in control of our Company from accessing the capital market or operating in the capital markets or debarred from buying, selling or dealing in securities under any order or direction passed by the SEBI or any securities market regulator in any other jurisdiction or any other authority / court as on the date of this Prospectus.

The listing of any securities of our Company has never been refused at any time by any of the stock exchanges in India.

### Prohibition by RBI

Neither our Company nor any of our Promoter or Directors has been declared as wilful defaulter(s) by the RBI or any other governmental authority.

### Compliance with the Companies (Significant Beneficial Ownership) Rules, 2018

Our Company is in compliance with the Companies (Significant Beneficial Ownership) Rules, 2018 (“SBO Rules”), to the extent applicable, as on the date of the Prospectus.

### Association with Securities Market

None of our Directors are associated with the Securities Market in any manner and no action has been initiated against these entities by SEBI at any time except as stated under the chapters titled “Risk factors”, “Our Promoter, Promoter Group”, “Group Companies” and “Outstanding Litigations and Material Developments” beginning on page nos. 15,122,127 and 167 respectively, of this Prospectus.

### Eligibility for the Issue

Our Company is eligible for the Issue in accordance with the Regulation 229 (2) of Chapter IX of the SEBI (ICDR) Regulations, 2018, whereby, an issuer whose post issue paid-up capital is more than ten crore rupees and upto twenty five crore rupees. Our Company shall issue shares to the public and has proposed to list the same on the Small and Medium Enterprise Exchange (“SME Exchange”, in this case being the SME Platform of National Stock Exchange of India Limited i.e. NSE EMERGE).

As per Regulation 229 (3) of the SEBI ICDR Regulations, our Company satisfies track record and/or other eligibility conditions of NSE EMERGE in accordance with the Restated Standalone Financial Statements, prepared in accordance with the Companies Act and restated in accordance with the SEBI ICDR Regulations as below:

- Our Company was incorporated on March 11, 2002, with the Registrar of Companies, Mumbai under the Companies Act, 1956 in India.
- The Post-Issue paid up capital of the Company shall not be more than ₹ 25 Crores. The post Issue capital of our Company is ₹ 136.00 lakhs.
- Our Company has a track record of three years as on date of filing of this Prospectus.



- Our Company has positive cash accruals (Earnings before depreciation and tax) from operations for at least 2 (two) financial years preceding the date of filing of this Prospectus and the net worth of our Company is positive as per the latest audited financial statements.
- Our Company has not been referred to Board for Industrial and Financial Reconstruction (BIFR).
- No petition for winding up is admitted by a Court of competent jurisdiction against our Company.
- No material regulatory or disciplinary action by a stock exchange or regulatory authority in the past three years against the applicant company.
- Our Company has a website: [www.shivaumsteels.com](http://www.shivaumsteels.com)

Our Company's net worth and cash accruals from operations (earnings before depreciation and tax), based on the Restated Financial Statements included in this Prospectus as at, and for the last two Fiscals ended March 31, 2019 and 2018 are set forth below:

(₹ in lakhs)

Particulars	FY 2018-19	FY 2017-18
Net Worth	4663.19	4090.08
Cash Accruals	942.39	875.79

<sup>(1)</sup> Net Worth has been computed as the aggregate of equity shares capital and reserves (excluding revaluation reserves) and after deducting miscellaneous expenditure not written off, if any.

<sup>(2)</sup> Cash accruals has been defined as the Earnings before depreciation and tax from operations.

#### Other Disclosures:

- We have Disclosed all material regulatory or disciplinary action by a stock exchange or regulatory authority in the past one year in respect of promoters/promoting company(ies), group companies, companies promoted by the promoters/promoting company(ies) of the applicant company in the Prospectus.
- There are no Defaults in respect of payment of interest and/or principal to the debenture/bond/fixed deposit holders, banks, FIs by the applicant, promoters/promoting company(ies), group companies, companies promoted by the promoters/promoting company(ies) during the past three years. Except as mentioned in the Prospectus.  
  
An auditor's certificate will be provided by the issuer to the exchange, in this regard.
- We have Disclosed the details of the applicant, promoters/promoting company(ies), group companies, companies promoted by the promoters/promoting company(ies) litigation record, the nature of litigation, and status of litigation. For details, please refer the chapter "Outstanding Litigation & Material Developments" on page no. 167 of this Prospectus.
- We have disclosed all details of the track record of the directors, the status of criminal cases filed or nature of the investigation being undertaken with regard to alleged commission of any offence by any of its directors and its effect on the business of the company, where all or any of the directors of issuer have or has been charge-sheeted with serious crimes like murder, rape, forgery, economic offences etc. For Details, refer the chapter "Outstanding Litigation & Material Developments" on page no. 167 of this Prospectus.

As per Regulation 230 (1) of the SEBI ICDR Regulations, our Company has ensured that:

- The Draft Prospectus has been filed with NSE and our Company has made an application to NSE for listing of its Equity Shares on the NSE EMERGE platform. NSE is the Designated Stock Exchange.
- Our Company has entered into an agreement dated September 9, 2016 with NSDL and agreement dated May 17, 2019 with CDSL for dematerialisation of its Equity Shares already issued and proposed to be issued.
- The entire pre-Issue capital of our Company has shares fully paid-up Equity Shares and the Equity Shares proposed to be issued pursuant to this IPO will be fully paid-up.

- The entire Equity Shares held by the Promoters are in dematerialised form.
- Our Company has made firm arrangements of finance through verifiable means towards seventy five per cent of the stated means of finance for funding from the issue proceeds, excluding the amount to be raised through the proposed public offer or through existing identifiable internal accruals. For details, please refer the chapter “*Objects of the Issue*” on page no. 60 of this Prospectus.

Our Company confirms that it will ensure compliance with the conditions specified in Regulation 230 (2) of the SEBI ICDR Regulations, to the extent applicable.

Further, our Company confirms that it is not ineligible to make the Issue in terms of Regulation 228 of the SEBI ICDR Regulations, to the extent applicable. The details of our compliance with Regulation 228 of the SEBI ICDR Regulations are as follows:

- (a) Neither our Company nor our Promoter, members of our Promoter Group or our Directors are debarred from accessing the capital markets by the SEBI.
- (b) None of our Promoter or Directors are promoters or directors of companies which are debarred from accessing the capital markets by the SEBI.
- (c) Neither our Company nor our Promoters or Directors is a wilful defaulter.
- (d) None of our Promoters or Directors is a fugitive economic offender.

We further confirm that we shall be complying with all other requirements as laid down for such offer under Chapter IX of SEBI (ICDR) Regulations, as amended from time to time and subsequent circulars and guidelines issued by SEBI and the Stock Exchange.

Further, in accordance with Regulation 268 (1) of the SEBI (ICDR) Regulations, we shall ensure that the total number of proposed allottees in the Issue shall be greater than or equal to fifty (50), otherwise, the entire application money will be unblocked forthwith. If such money is not repaid within eight (8) Working Days from the date our Company becomes liable to repay it, then our Company and every officer in default shall, on and from expiry of eight (8) Working Days, be liable to repay such application money, with an interest at the rate as prescribed under the Companies Act 2013. Further, in accordance with Section 40 of the Companies Act, 2013, the Company and each officer in default may be punishable with fine and/or imprisonment in such a case.

#### **DISCLAIMER CLAUSE OF SEBI**

**IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF PROSPECTUS TO SECURITIES AND EXCHANGE BOARD OF INDIA (SEBI) SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE OFFER IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE OFFER DOCUMENT. THE MARKETING LEAD MERCHANT BANKER, ARYAMAN FINANCIAL SERVICES LIMITED AND THE LEAD MERCHANT BANKER ARYAMAN FINANCIAL SERVICES LIMITED, HAVE CERTIFIED THAT THE DISCLOSURES MADE IN THE OFFER DOCUMENT ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018 IN FORCE FOR THE TIME BEING. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING AN INVESTMENT IN THE PROPOSED OFFER.**

**IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY ARE PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE PROSPECTUS, THE LEAD MERCHANT BANKER ARE EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE LEAD MERCHANT BANKER, ARYAMAN FINANCIAL SERVICES LIMITED HAVE FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED SEPTEMBER 12, 2019. THE FILING OF THE PROSPECTUS DOES NOT, HOWEVER, ABSOLVE OUR COMPANY FROM ANY LIABILITIES UNDER THE COMPANIES ACT,**



**2013 OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY AND OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE PROPOSED ISSUE. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP AT ANY POINT OF TIME, WITH THE LEAD MANAGER ANY IRREGULARITIES OR LAPSES IN THE PROSPECTUS.**

**Note:**

All legal requirements pertaining to the Issue will be complied with at the time of registration of the Prospectus with the RoC in terms of section 26 and 30 of the Companies Act, 2013.

**Disclaimer from our Company and the Lead Manager**

Our Company and the Lead Manager accept no responsibility for statements made otherwise than those contained in this Prospectus or, in case of the Company, in any advertisements or any other material issued by or at our Company's instance and anyone placing reliance on any other source of information would be doing so at his or her own risk.

**Disclaimer in respect of Jurisdiction**

This Issue is being made in India to persons resident in India including Indian nationals resident in India (who are not minors, except through their legal guardian), Hindu Undivided Families (HUFs), companies, corporate bodies and societies registered under the applicable laws in India and authorized to invest in shares, Mutual Funds, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), Trusts registered under the Societies Registration Act, 1860, as amended from time to time, or any other trust law and who are authorised under their constitution to hold and invest in shares, permitted insurance companies and pension funds and to non-residents including NRIs and FIIs. The Prospectus does not, however, constitute an offer to sell or an invitation to subscribe to Equity Shares offered hereby in any other jurisdiction to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession the 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 the jurisdiction of appropriate court(s) in Mumbai only.

No action has been or will be taken to permit a public offering in any jurisdiction where action would be required for that purpose. Accordingly, the Equity Shares represented thereby may not be offered or sold, directly or indirectly, and the Prospectus may not be distributed, in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of the Prospectus nor any sale hereunder shall, under any circumstances, create any implication that there has been any change in the affairs of our Company since the date hereof or that the information contained herein is correct as of any time subsequent to this date.

**Disclaimer Clause under Rule 144A of the U.S. Securities Act**

The Equity Shares have not been and will not be registered under the U.S. Securities Act 1933, as amended (the "Securities Act") or any state securities laws in the United States and may not be offered or sold within the United States or to, or for the account or benefit of, "U.S. persons" (as defined in Regulation S of the Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Equity Shares will be offered and sold (i) in the United States only to "qualified institutional buyers", as defined in Rule 144A of the Securities Act, and (ii) outside the United States in offshore transactions in reliance on Regulation S under the Securities Act and in compliance with the applicable laws of the jurisdiction where those offers and sales occur.

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

**Disclaimer Clause of the NSE**

**"As required, a copy of this Offer Document has been submitted to National Stock Exchange of India Limited (hereinafter referred to as NSE). NSE has given vide its letter Ref.: NSE/LIST/623 dated July 26, 2019 permission to the Issuer to use the Exchange's name in this Offer Document as one of the stock exchanges on which this Issuer's securities are proposed to be listed. The Exchange has scrutinized this draft offer document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Issuer. It is to be distinctly understood that the aforesaid permission given by NSE should not in any way be deemed or**



construed that the offer document has been cleared or approved by NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this offer document; nor does it warrant that this Issuer's securities will be listed or will continue to be listed on the Exchange; nor does it take any responsibility for the financial or other soundness of this Issuer, its promoters, its management or any scheme or project of this Issuer.

Every person who desires to apply for or otherwise acquire any securities of this Issuer may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription /acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever."

### **Listing**

Application have been made to Emerge Platform of National Stock Exchange of India Limited for obtaining permission for listing of the Equity Shares being offered and sold in the issue on its EMERGE Platform after the allotment in the Issue. National Stock Exchange of India Limited is 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 EMERGE Platform is not granted by National Stock Exchange of India Limited, our Company shall forthwith repay, without interest, all moneys received from the applicants in pursuance of the prospectus. The allotment letters shall be issued or application money shall be refunded / unblocked within fifteen days from the closure of the Issue or such lesser time as may be specified by Securities and Exchange Board or else the application money shall be refunded to the applicants forthwith, failing which interest shall be due to be paid to the applicants at the rate of fifteen per cent per annum for the delayed period as prescribed under Companies Act, 2013, the SEBI (ICDR) Regulations and other applicable law.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at the Emerge Platform of National Stock Exchange of India Limited mentioned above are taken within 6 Working Days of the Issue Closing Date.

The Company has obtained approval from NSE vide letter dated July 26, 2019 to use the name of NSE in this Offer document for listing of equity shares on Emerge Platform of National Stock Exchange of India Limited.

### **Consents**

Consents in writing of: (a) the Directors, the Chief Financial Officer, Company Secretary & Compliance Officer and the Statutory Auditor; and (b) the Lead Manager, Registrar to the Issue, the Legal Advisor to the Issue, Banker to the Company, Banker to the Issue, Market Maker and Underwriters to act in their respective capacities, have been obtained and shall be filed along with a copy of the Prospectus with the RoC, as required under Section 26 of the Companies Act, 2013 and such consents shall not be withdrawn up to the time of delivery of the Prospectus for registration with the RoC.

In accordance with the Companies Act, 2013 and the SEBI (ICDR) Regulations, M/s. Agarwal Jain & Gupta., Chartered Accountants, have provided their written consent to the inclusion of their reports dated June 07, 2019 on Restated Financial Statements and to the inclusion of their reports dated June 07, 2019 on Statement of Tax Benefits, which may be available to the Company and its shareholders, included in this Prospectus in the form and context in which they appear therein and such consents and reports have not been withdrawn up to the time of filing of this Prospectus.

### **Expert Opinion**

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

Our Company has received written consent from the Statutory Auditor namely, M/s. Agarwal Jain & Gupta., Chartered Accountants to include their name as required under Section 26(1)(a)(v) of the Companies Act, 2013 in this Prospectus and as "Expert" as defined under section 2(38) of the Companies Act, 2013 in respect of the reports on the Statement of Tax Benefits dated June 07, 2019, and on the Restated Financial Statements dated June 07, 2019 and issued by them, included in this Prospectus and such consent has not been withdrawn as on the date of this Prospectus.

However, the term “expert” shall not be construed to mean an “expert” as defined under the U.S. Securities Act.

## **CAPITAL ISSUE DURING THE LAST FIVE YEARS**

### **Previous Public and Rights Issues**

We have not made any rights and public issues in the past, and we are an “Unlisted Company” in terms of the SEBI (ICDR) Regulations and this Issue is an “Initial Public Offering” in terms of the SEBI (ICDR) Regulations.

### **Previous Issues of Equity Shares otherwise than for Cash**

Except as stated in the chapter titled “*Capital Structure*” beginning on page no. 48 of this Prospectus, we have not issued any Equity Shares for consideration other than for cash.

### **Commission and Brokerage Paid on Previous Issues of our Equity Shares**

Since this is an Initial Public Offer of the Company, no sum has been paid or has been payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of the Equity Shares since inception of the Company.

### **Capital Issues in the last three (3) years by Listed Group Companies / Subsidiaries / Associates**

None of our Group Companies / Subsidiaries / Associates that are listed on any Stock Exchange has made any Capital Issue in the last three (3) years.

## **PERFORMANCE VIS-À-VIS OBJECTS**

### **Issuer Company**

Our Company has not made any public issue (including any rights issue to the public) since its incorporation.

### **Listed Group Companies / Subsidiaries / Associate Companies**

None of our Group Companies / Subsidiaries / Associates is listed on any Stock Exchange and not made any rights and public issues in the past ten (10) years.

## **OUTSTANDING DEBENTURES, BONDS, REDEEMABLE PREFERENCE SHARES AND OTHER INSTRUMENTS ISSUED BY THE COMPANY**

The Company has no outstanding debentures or bonds. The Company has not issued any redeemable preference shares or other instruments in the past

**Price Information of past issues handled by the Lead Manager**

Sr. No.	Issue Name	Issue size (₹ Cr.)	Issue Price (₹)	Listing date	Opening price on listing date	+/- % change in Price on closing price, [+/- % change in closing benchmark]- 30 <sup>th</sup> calendar days from listing		+/- % change in Price on closing price, [+/- % change in closing benchmark]- 90 <sup>th</sup> calendar days from listing		+/- % change in Price on closing price, [+/- % change in closing benchmark]- 180 <sup>th</sup> calendar days from listing	
1.	Transpact Enterprises Limited	1.35	130.00	05/09/2019	132.50	N.A	N.A	N.A	N.A	N.A	N.A
2.	Meera Industries Limited <sup>(1)</sup>	11.75	225.00	26/06/2019	215.00	-6.04%	-4.32%	N.A	N.A	N.A	N.A
3.	Roopshri Resorts Limited	3.60	20.00	01/04/2019	20.25	1.25%	0.41%	1.25%	1.34%	N.A	N.A
4.	Gleam Fabmat Limited	3.12	10.00	05/03/2019	9.00	-36.50%	6.15%	-45.40%	10.50%	-67.50%	2.44%
5.	DRS Dilip Roadlines Limited	31.50	75.00	10/12/2018	75.15	1.33%	3.50%	0.33%	5.21%	0.67%	13.18%
6.	Roni Households Limited	3.00	20.00	03/12/2018	20.05	25.00%	-0.96%	25.00%	-0.49%	25.50%	9.58%
7.	Marine Electricals India Limited	42.87	66.00	11/10/2018	66.60	21.21%	3.43%	24.17%	6.06%	59.85%	14.04%
8.	Silgo Retail Limited	4.88	36.00	10/10/2018	36.45	0.00%	1.20%	0.00%	3.27%	1.39%	10.94%
9.	Sky Gold Limited	25.56	180	03/10/2018	180.45	2.22%	-2.68%	0.58%	0.78%	1.11%	8.05%
10.	Saketh Exim Limited	9.44	69.00	13/08/2018	69.30	0.00%	0.12%	3.48%	-6.79%	18.84%	-3.63%

1) Equity Shares of Meera Industries Limited was listed on May 15, 2017 on BSE Limited. Aryaman Financial Services Limited was appointed as lead manager for the Further Public Issue by the Company on BSE Limited pursuant to which its additional shares were listed on June 26, 2019.

**Summary Statement of Disclosure**

Financial Year	Total no. of IPOs	Total Funds Raised (₹ in Cr.)	Nos. of IPOs trading at discount - 30 <sup>th</sup> calendar day from listing day			Nos. of IPOs trading at premium - 30 <sup>th</sup> calendar day from listing day			Nos. of IPOs trading at discount - 180 <sup>th</sup> calendar day from listing day			Nos. of IPOs trading at premium - 180 <sup>th</sup> calendar day from listing day		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
2019-20	3 <sup>(1)</sup>	16.70	-	-	1	-	-	1	-	-	-	-	-	-
2018-19	14 <sup>(2)</sup>	327.66	-	1	1	-	1	9	1	-	2	1	1	9
2017-18	16	318.24	1	1	4	1	1	8	3	3	3	-	-	6

<sup>(1)</sup> Details indicated in 2019-20 are for the IPOs completed as on date.

<sup>(2)</sup> As on the 30th and 90th Calendar day from the listing day, the price of Silgo Retail Limited and 30th Calendar day from the listing day, the price of Saketh Exim Limited is exactly equal to its Issue Price and hence it is neither trading at Premium or Discount

**Notes:**

- a) Since the listing date of Transpact Enterprises Limited was September 05, 2019, information related to closing price and benchmark index as on the 30<sup>th</sup> Calendar day, 90<sup>th</sup> Calendar day and 180<sup>th</sup> Calendar day from the listing date is not available.
- b) Since the listing date of Meera Industries Limited was June 26, 2019, information related to closing price and benchmark index as on the 90<sup>th</sup> Calendar day and 180<sup>th</sup> Calendar day from the listing date is not available.
- c) Since the listing date of Roopshri Resorts Limited was April 01, 2019, information related to closing price and benchmark index as on the 180<sup>th</sup> Calendar day from the listing date is not available.
- d) The respective Designated Stock Exchange for each Issue has been considered as the Benchmark index for each of the above Issues.
- e) In the event any day falls on a holiday, the price/index of the immediate preceding working day has been considered. If the stock was not traded on the said calendar days from the date of listing, the share price is taken of the immediately preceding trading day.
- f) Source: [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) BSE Sensex and Nifty Fifty as the Benchmark Indices.

**Track record of past issues handled by the Lead Manager**

For details regarding the track record of the Lead Manager to the Issue as specified in Circular reference CIR/MIRSD/1/ 2012 dated January 10, 2012 issued by the SEBI, please see the website of Aryaman Financial Services Limited – [www.afsl.co.in](http://www.afsl.co.in)

**DISPOSAL OF INVESTOR GRIEVANCES**
**Mechanism for Redressal of Investor Grievances**

The Company has appointed Skyline Financial Services Private Limited as the Registrar to the Issue, to handle the investor grievances in co-ordination with the Company Secretary and Compliance Officer of the Company. All grievances relating to the present Issue may be addressed to the Registrar with a copy to the Compliance Officer, giving full details such as name, address of the applicant, number of Equity Shares applied for, amount paid on application and name of bank and branch. The Company would monitor the work of the Registrar to ensure that the investor grievances are settled expeditiously and satisfactorily.

The Registrar to the Issue will handle investor's grievances pertaining to the Issue. A fortnightly status report of the complaints received and redressed by them would be forwarded to the Company. The Company would also be co-coordinating with the Registrar to the Issue in attending to the grievances to the investor.

All grievances relating to the ASBA process may be addressed to the SCSBs, giving full details such as name, address of the applicant, number of Equity Shares applied for, amount paid on application and the Designated Branch of the SCSB where the Application Form was submitted by the ASBA Applicant. We estimate that the average time required by us or the Registrar to the Issue or the SCSBs for the redressal of routine investor grievances will be seven business days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, we will seek to redress these complaints as expeditiously as possible.

The Company shall obtain authentication on the SCORES and comply with the SEBI circular (CIR/OIAE/1/2013) dated April 17, 2013 in relation to redressal of investor grievances through SCORES

Our Board by a resolution on June 07, 2019 constituted a Stakeholders Relationship Committee. The composition of the Stakeholders Relationship Committee is as follows:

Name of the Member	Nature of Directorship	Designation in Committee
Mrs. Niyati Mehta	Non- Executive Director	Chairman
Mr. Suryakant Mehta	Non-Executive Independent Director	Member



Name of the Member	Nature of Directorship	Designation in Committee
Mr. Sunil Sharma	Non-Executive Independent Director	Member

For further details, please see the chapter titled “*Our Management*” beginning on page no. 106 of this Prospectus.

The Company has also appointed Dhvani Vora as the Company Secretary and Compliance Officer for this Issue and she may be contacted at the Registered Office of our Company. The contact details are as follows:

**Name:** Ms. Dhvani Vora

**Address:** 515, The Summit Business Bay,

Opp.Cinemax Western Express Way,

A.K.Road Andheri (East) Mumbai – 400 093

**Tel No:** +91 26827900 / 01/ 02/ 03/ 04

**Email:** [info@shivaumsteels.com](mailto:info@shivaumsteels.com) / [dhvani@shivaumsteels.com](mailto:dhvani@shivaumsteels.com)

Investors can contact the Compliance Officer or the Registrar to the Issue or the Lead Manager in case of any pre- Issue or post- Issue related problems, such as non-receipt of letters of Allotment, credit of Allotted Equity Shares in the respective beneficiary accounts and refund orders.

#### **Status of Investor Complaints**

We confirm that we have not received any investor complaint during the three years preceding the date of this Prospectus and hence there are no pending investor complaints as on the date of this Prospectus.

#### **DISPOSAL OF INVESTOR GRIEVANCES BY LISTED COMPANIES UNDER THE SAME MANAGEMENT**

For details of Investor Grievances by Listed Companies under the same Management, see the chapter “*Our Group Companies*” beginning on page no.127 of this Prospectus.

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## SECTION X- ISSUE INFORMATION

### TERMS OF THE ISSUE

*The Equity Shares being issued are subject to the provisions of the Companies Act, SEBI (ICDR) Regulations 2018, SEBI Listing Regulations, SCRA, SCRR, our Memorandum and Articles of Association, the terms of this Prospectus, the 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 or such other conditions as may be prescribed by SEBI, RBI, the Government of India, the Stock Exchanges, the RoC and/or any other authorities while granting its approval for the Issue.*

*Please note that, in terms of SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 and the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, 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 Application forms. Investors may visit the official websites of the concerned stock exchanges for any information on operationalization of this facility of form collection by Registrar to the Issue and DPs as and when the same is made available.*

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

The Equity Shares being issued shall be subject to the provisions of the Companies Act, our Memorandum and Articles of Association, SEBI ICDR Regulations, SCRA and shall rank pari-passu in all respects including dividend 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 see the section titled "*Main Provisions of the Articles of Association*" beginning on page no. 264 of this Prospectus.

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

Our Company shall pay dividends, if declared, to the Shareholders in accordance with the provisions of the Companies Act, the Memorandum and Articles of Association and provisions of the SEBI Listing Regulations and any other guidelines or directions which may be issued by the Government in this regard. Dividends, if any, declared by our Company after the date of Allotment (pursuant to the transfer of Equity Shares from the Offer for Sale), will be payable to the Applicants who have been Allotted Equity Shares in the Issue, for the entire year, in accordance with applicable laws. For further details, in relation to dividends, see "*Dividend Policy*" and "*Main Provisions of the Articles of Association*" beginning on page nos. 129 and 264 of this Prospectus.

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

The Equity Shares having a face value of ₹ 10 each are being issued in terms of this Prospectus at the price of ₹ 44 per Equity Share. The Issue Price is determined by our Company in consultation with the Lead Manager and is justified under the chapter titled "*Basis for Issue Price*" beginning on page no. 64 of this Prospectus. At any given point of time there shall be only one denomination of the Equity Shares of our Company, subject to applicable laws.

#### **Compliance with SEBI (ICDR) Regulations**

Our Company shall comply with all requirements of the SEBI (ICDR) Regulations, 2018. Our Company shall comply with all disclosure and accounting norms as specified by SEBI from time to time.

#### **Rights of the Equity Shareholders**

Subject to applicable laws, rules, regulations and guidelines and the Articles of Association, the equity shareholders shall have the following rights:

- ✓ Right to receive dividend, if declared;
- ✓ Right to attend general meetings and exercise voting rights, unless prohibited by law;
- ✓ Right to vote on a poll either in person or by proxy and e-voting, in accordance with the provisions of the Companies Act;
- ✓ Right to receive offer for rights shares and be allotted bonus shares, if announced;
- ✓ Right to receive surplus on liquidation, subject to any statutory and preferential claim being satisfied;
- ✓ Right of free transferability of the Equity Shares, subject to applicable laws including any RBI rules and regulations; and
- ✓ Such other rights, as may be available to a shareholder of a listed Public Limited Company under the Companies Act, terms of the listing agreements with the Stock Exchange and the Memorandum and Articles of Association of our Company.

For a detailed description of the main provision of the Articles of Association of our Company relating to voting rights, dividend, forfeiture and lien and / or consolidation / splitting, etc., please see the section titled "*Main Provisions of Articles of Association* " beginning on page no. 264 of this Prospectus.

#### **Allotment only in Dematerialised Form**

In terms of Section 29 of Companies Act, 2013, the Equity Shares shall be allotted only in dematerialised form. As per the SEBI Regulations, the trading of the Equity Shares shall only be in dematerialised form. In this context, two agreements have been signed among our Company, the respective Depositories and the Registrar and Share Transfer Agent to the Issue:

- 1) Tripartite agreement dated September 9, 2016 between our Company, NSDL and the Registrar and Share Transfer Agent to the Issue.
- 2) Tripartite agreement dated May 17, 2019 between our Company, CDSL and the Registrar and Share Transfer Agent to the Issue.

#### **Market Lot and Trading Lot**

Trading of the Equity Shares will happen in the minimum contract size of 3000 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 3000 Equity Share subject to a minimum allotment of 3000 Equity Shares to the successful Applicants.

#### **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 6 Working days of closure of issue.

#### **Jurisdiction**

Exclusive jurisdiction for the purpose of this Issue is with the competent courts/authorities in Mumbai.

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 Application may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

## Joint Holders

Where two or more persons are registered as the holders of any Equity Shares, they will be deemed to hold such Equity Shares as joint-holders with benefits of survivorship.

## Nomination Facility to Investor

In accordance with Section 72 of the Companies Act, 2013 and the rules made thereunder, the sole or first applicant, along with other joint applicant, may nominate any one person in whom, in the event of the death of sole applicant or in case of joint applicant, death of all the applicants, as the case may be, the Equity Shares allotted, if any, shall vest. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall in accordance with Section 72 (3) 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 accordance to Section 72 (4) of the Companies Act, 2013, 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 Articles of Association of the Company, 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.

In case 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.

## Withdrawal of the Issue

Our Company in consultation with the Lead Manager, reserves the right not to proceed with the Issue at any time after the Issue Opening Date but before the Board meeting for Allotment. In such an event our Company would issue a public notice in the newspapers, in which the pre-issue advertisements were published, within two days of the issue Closing Date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Issue. The Lead Manager, through the Registrar to the Issue, shall notify the SCSBs to unblock the bank accounts of the ASBA Applicants within one day of receipt of such notification. Our Company shall also promptly inform the Stock Exchange on which the Equity Shares were proposed to be listed. Notwithstanding the foregoing, the Issue is also subject to obtaining the final listing and trading approvals of the Stock Exchange, which our Company shall apply for after Allotment. If our Company withdraws the Issue after the Issue Closing Date and thereafter determines that it will proceed with an IPO, our Company shall be required to file a fresh Prospectus.

## ISSUE PROGRAMME

An indicative timetable in respect of the Issue is set out below:

Event	Indicative Date
Issue Opening Date	September 19, 2019
Issue Closing Date	September 23, 2019
Finalisation of Basis of Allotment with the Designated Stock Exchange	September 26, 2019
Initiation of Allotment / Refunds / Unblocking of Funds	On or before September 27, 2019

Event	Indicative Date
Credit of Equity Shares to demat accounts of Allottees	On or before September 30, 2019
Commencement of trading of the Equity Shares on the Stock Exchange	On or before October 1, 2019

The above timetable is indicative and does not constitute any obligation on our Company or the Lead Manager. Whilst our Company shall ensure that all steps for the completion of the necessary formalities for the listing and the commencement of trading of the Equity Shares on the Stock Exchange are taken within 6 Working Days of the Issue Closing Date, the timetable may change due to various factors, such as extension of the Issue Period by our Company, or any delays in receiving the final listing and trading approval from the Stock Exchange. The Commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchange and in accordance with the applicable laws.

Applications and any revision to the same shall be accepted **only between 10.00 a. m. and 5.00 p. m.** (IST) during the Issue Period (except for the Issue Closing Date). On the Issue Closing Date, the Applications and any revision to the same shall be accepted **only between 10.00 a. m. and 3.00 p. m.** (IST) or such extended time as permitted by the Stock Exchanges, in case of Applications by Retail Individual Applicants after taking into account the total number of applications received up to the closure of timings and reported by the Lead Manager to the Stock Exchanges. It is clarified that Applications not uploaded on the electronic system would be rejected. Applications will be accepted only on Working Days, i.e., Monday to Friday (excluding any public holiday).

Due to limitation of time available for uploading the Applications on the Issue Closing Date, the Applicants are advised to submit their Applications one day prior to the Issue Closing Date and, in any case, no later than 3.00 p.m. (IST) on the Issue Closing Date. All times mentioned in this Prospectus are Indian Standard Times. Applicants are cautioned that in the event a large number of Applications are received on the Issue Closing Date, as is typically experienced in public offerings, 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 the Issue. Applications will be accepted only on Business Days. Neither our Company nor the Lead Manager is liable for any failure in uploading the Applications due to faults in any software/hardware system or otherwise.

In accordance with the SEBI Regulations, QIBs and Non-Institutional Applicants are not allowed to withdraw or lower the size of their Applications (in terms of the quantity of the Equity Shares or the Applications Amount) at any stage. Retail Individual Applicants can revise or withdraw their Applications prior to the Issue Closing Date. Except Allocation to Retail Individual Investors, Allocation in the Issue will be on a proportionate basis.

In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical Application Form, for a particular Applicant, the details as per the file received from the Stock Exchange may be taken as the final data for the purpose of Allotment. In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical or electronic Application Form, for a particular ASBA Applicant, the Registrar to the Issue shall ask the relevant SCSBs / RTAs / DPs / Stock Brokers, as the case may be, for rectified data.

### Minimum Subscription

The requirement for 90% minimum subscription is not applicable to Issues under chapter IX of the SEBI ICDR Regulations.

In accordance with Regulation 260 (1) of the SEBI ICDR Regulations, our Issue shall be hundred percent underwritten. Thus, the underwriting obligations shall be for the entire hundred percent of the Issue through the Prospectus and shall not be restricted to the minimum subscription level. Further, in accordance with Regulation 267 (2) of the SEBI ICDR Regulations, our Company shall ensure that the minimum application size shall not be less than ₹ 1,00,000 (Rupees One Lakh) per application.

As per Section 39 (1) of the Companies Act, 2013, if the minimum stated amount has not been subscribed and the sum payable on application is not received within a period of 30 days from the date of the Prospectus, the application money has to be returned within such period as may be prescribed. If our Company does not receive the 100% subscription of the offer through the offer including devolvement of Underwriter, if any, our Company shall forthwith refund the entire subscription amount received. If there is a delay beyond eight (8) working 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 the SEBI ICDR Regulations, the Companies Act 2013 and applicable law.

## Arrangements for Disposal of Odd Lots

The trading of the Equity Shares will happen in the minimum contract size of 3000 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 contract size allowed for trading on the NSE EMERGE Platform.

## 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, Promoter' Contribution and the public lock-in as provided in "*Capital Structure*" beginning on page no. 48 of this Prospectus and except as provided in our Articles of Association there are no restrictions on transfer of Equity Shares. Further, there are no restrictions on the transmission of shares/debentures and on their consolidation/splitting, except as provided in the Articles of Association. For details, see "*Main Provisions of the Articles of Association*" beginning on page no. 264 of this Prospectus.

## New Financial Instruments

The Issuer Company is not issuing any new financial instruments through this Issue.

## Allotment of Securities in Dematerialised Form

In accordance with the SEBI ICDR Regulations, Allotment of Equity Shares to successful applicants will only be in the dematerialized form. Applicants will not have the option of Allotment of the Equity Shares in physical form. The Equity Shares on Allotment will be traded only on the dematerialized segment of the Stock Exchange.

## Migration to Main Board

NSE Circular dated March 10, 2014, our Company will have to be mandatorily listed and traded on the SME Platform of the NSE for a minimum period of two years from the date of listing and only after that it can migrate to the Main Board of the NSE as per the guidelines specified by SEBI and as per the procedures laid down under Chapter IX of the SEBI (ICDR) Regulations.

As per the provisions of the Chapter IX of the SEBI (ICDR) Regulation, 2018, our Company may migrate to the main board of NSE from the EMERGE Platform on a later date subject to the following:

- If the Paid up Capital of the company is likely to increase above ₹ 25 crores by virtue of any further issue of capital by way of rights, preferential issue, bonus issue etc. (which has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the promoter in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal and for which the company has obtained in-principal approval from the main board), we shall have to apply to NSE for listing our shares on its Main Board subject to the fulfilment of the eligibility criteria for listing of specified securities laid down by the Main Board.
- 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 promoter in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal.

## Market Making

The shares issued through this Issue are proposed to be listed on the SME Platform of NSE (SME Exchange), wherein the 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 EMERGE Platform of NSE.

For further details of the agreement entered into between our Company, the Lead Manager and the Market Maker, please see the chapter titled "*General Information - Details of the Market Making Arrangement for this Issue*" beginning on page no. 40 of this Prospectus.

## ISSUE STRUCTURE

This Issue is being made in terms of Regulation 229(1) of Chapter IX of the SEBI (ICDR) Regulations, 2018, as amended from time to time, whereby, an issuer whose post issue face value capital does not exceed more than ten crore rupees, shall issue shares to the public and propose to list the same on the Small and Medium Enterprise Exchange ("SME Exchange", in this case being the SME Platform of NSE). For further details regarding the salient features and terms of such this Issue, please see the chapters titled "Terms of the Issue" and "Issue Procedure" beginning on page nos. 186 and 194 respectively, of this Prospectus.

Following is the issue structure:

*Public Issue of 36,00,000 Equity Shares of ₹ 10 each (the "Equity Shares") for cash at a price of ₹ 44 per Equity Share (including a Share premium of ₹ 34 per Equity Share) aggregating to ₹ 1584.00 lakhs ("the Issue") by Shiv Aum Steels Limited . ("SASL" or the "Company").*

*The Issue comprises a reservation of 1,92,000 Equity Shares of ₹ 10 each for subscription by the designated Market Maker ("the Market Maker Reservation Portion") and Net Issue to Public of 34,08,000 Equity Shares of ₹ 10 each ("the Net Issue"). The Issue and the Net Issue will constitute 26.47% and 25.06%, respectively of the post issue paid up equity share capital of the company. The Issue is being made through the Fixed Price Process:*

Particulars of the Issue	Net Issue to Public	Market Maker Reservation Portion
Number of Equity Shares available for allocation	34,08,000 Equity Shares	1,92,000 Equity Shares
Percentage of Issue Size available for allocation	94.67% of the Issue Size	5.33% of the Issue Size
Basis of Allotment	Proportionate subject to minimum allotment of 3000 Equity Shares and further allotment in multiples of 3000 Equity Shares each.	Firm Allotment
Mode of Application	Through ASBA Process Only	Through ASBA Process Only
Minimum Application Size	<p><i>For QIB and NII:</i></p> <p>Such number of Equity Shares in multiples of 3000 Equity Shares such that the Application Value exceeds ₹ 2,00,000.</p> <p><i>For Retail Individuals:</i></p> <p>3000 Equity Shares</p>	1,92,000 Equity Shares
Maximum Application Size	<p><i>For QIB and NII:</i></p> <p>Such number of Equity Shares in multiples of 3000 Equity Shares such that the Application Size does not exceed 34,08,000 Equity Shares.</p> <p><i>For Retail Individuals:</i></p> <p>Such number of Equity Shares in multiples of 3000 Equity Shares such that the Application Value does not exceed ₹ 2,00,000.</p>	1,92,000 Equity Shares
Mode of Allotment	Dematerialized Form	Dematerialized Form
Trading Lot	3000 Equity Shares	3000 Equity Shares, However the Market Maker may buy odd lots if any in the market as required under the SEBI (ICDR) Regulations, 2018.

Particulars of the Issue	Net Issue to Public	Market Maker Reservation Portion
Terms of Payment	The entire Application Amount shall be blocked by the SCSBs in the bank account of the Applicants, or by the Sponsor Banks through UPI mechanism (for RIIs using the UPI Mechanism) at the time of the submission of the Application Form	
Application Lot Size	3000 Equity Share and in multiples of 3000 Equity Shares thereafter	

**Note:**

- 50% of the Equity Share offered are reserved for allocation to Applicants below or equal to ₹ 2.00 lakhs and the balance for higher amount Applications.
- In case of joint Applications, the Application Form should contain only the name of the First Applicant whose name should also appear as the first holder of the beneficiary account held in joint names. The signature of only such First Applicant would be required in the Application Form and such First Applicant would be deemed to have signed on behalf of the joint holders.
- Applicants will be required to confirm and will be deemed to have represented to our Company, the Lead Manager, their respective directors, officers, agents, affiliates and representatives that they are eligible under applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares in this Issue.
- SCSBs applying in the Issue must apply through an ASBA Account maintained with any other SCSB

**Lot Size**

SEBI vide circular CIR/MRD/DSA/06/2012 dated February 21, 2012 (the “Circular”) standardized the lot size for Initial Public Offer proposing to list on SME exchange/platform and for the secondary market trading on such exchange/platform, as under:

Issue Price(in ₹)	Lot Size (No. of shares)
Up to 14	10,000
More than 14 up to 18	8,000
More than 18 up to 25	6,000
More than 25 up to 35	4,000
More than 35 up to 50	3,000
More than 50 up to 70	2,000
More than 70 up to 90	1,600
More than 90 up to 120	1,200
More than 120 up to 150	1,000
More than 150 up to 180	800
More than 180 up to 250	600
More than 250 up to 350	400
More than 350 up to 500	300
More than 500 up to 600	240
More than 600 up to 750	200
More than 750 up to 1,000	160
Above 1,000	100

Further to the Circular, at the Initial Public Offer stage the Registrar to Issue in consultation with Lead Manager, our Company and BSE shall ensure to finalize the basis of allotment in minimum lots and in multiples of minimum lot size, as per the above given table. The secondary market trading lot size shall be the same, as shall be the IPO Lot Size at the application/allotment stage, facilitating secondary market trading.



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**Withdrawal of the Issue**

Our Company and the Selling Shareholder in consultation with the Lead Manager, reserves the right not to proceed with the Issue at any time after the Issue Opening Date but before the Board meeting for Allotment. In such an event our Company and the Selling Shareholder would issue a public notice in the newspapers, in which the pre-issue advertisements were published, within two days of the issue Closing Date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Issue. The Lead Manager, through the Registrar to the Issue, shall notify the SCSBs and Sponsor Banks, as applicable, to unblock the bank accounts of the ASBA Applicants within one day of receipt of such notification. Our Company and the Selling Shareholder shall also promptly inform the Stock Exchange on which the Equity Shares were proposed to be listed. Notwithstanding the foregoing, the Issue is also subject to obtaining the final listing and trading approvals of the Stock Exchange, which our Company shall apply for after Allotment. If our Company and the Selling Shareholder withdraws the Issue at any stage including after the Issue Closing Date and thereafter determines that it will proceed with an IPO, our Company shall be required to file a fresh Draft Prospectus



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## ISSUE PROCEDURE

All Applicants should review the General Information Document for Investing in Public Issue, prepared and issued in accordance with the circular (CIR/CFD/DIL/12/2013) dated October 23, 2013 notified by SEBI (the “General Information Documents”) and including SEBI Circular CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 and SEBI Circular SEBI/HO/CFD/DIL/CIR/P/2016/26 dated January 21, 2016 and (SEBI/HO/CFD/DIL2/CIR/P/2018/22) dated February 15, 2018, and (SEBI/HO/CFD/DIL2/CIR/P/2018/138) dated November 1, 2018, to be included in the prospectus under “*Part B – General Information Document*” of this section, highlighting the key rules, procedures applicable to public issues in general in accordance with the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957, and the SEBI Regulations.

The General Information Documents to be included will be updated to reflect the enactments and regulations including the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014, SEBI Listing Regulations and certain notified provisions of the Companies Act, 2013, to the extent applicable to a public issue. The General Information Document will also be available on the websites of the Stock Exchange and the Lead Manager. Please refer to the relevant provisions of the General Information Document which are applicable to the Issue.

All Designated Intermediaries in relation to the Issue should ensure compliance with the SEBI circular (CIR/CFD/POLICYCELL/11/2015) dated November 10, 2015, as amended and modified by the SEBI circular (SEBI/HO/CFD/DIL/CIR/P/2016/26) dated January 21, 2016 and SEBI circular (SEBI/HO/CFD/DIL2/CIR/P/2018/22) dated February 15, 2018 and (SEBI/HO/CFD/DIL2/CIR/P/2018/138) dated November 1, 2018, in relation to clarifications on streamlining the process of public issue of equity shares and convertibles.

With effect from July 1, 2019, with respect to Applications by RIIs through Designated Intermediaries (other than SCSBs), the existing process of physical movement of forms from such Designated Intermediaries to SCSBs for blocking of funds has been discontinued and only the UPI Mechanism for such Applications with existing timeline of T+6 days will continue for a period of three months or launch of five main board public issues, whichever is later (“UPI Phase II”). Subsequently, the final reduced timeline will be made effective using the UPI Mechanism for applications by RIBs (“UPI Phase III”), as may be prescribed by SEBI.

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 Lead Manager do not accept any responsibility for the completeness and accuracy of the information stated in this section and the General Information Document. Our Company and Lead Manager would not be able to include any amendment, modification or change in applicable law, which may occur after the date of Prospectus. Applicants are advised to make their independent investigations and ensure that their Application do not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or as specified in this Draft Prospectus and the Prospectus.

This section applies to all the Applicants, please note that all the Applicants are required to make payment of the full Application Amount along with the Application Form.

This Issue shall be one of the first initial public offerings through the UPI Mechanism under the UPI Phase II. Our Company and the Lead Manager are not liable for any adverse occurrences consequent to the implementation of the UPI Mechanism for application in this Issue

### ***Phased implementation of Unified Payments Interface***

SEBI has issued a circular bearing number SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018 and circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019 circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 June 28, 2019 and circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 (collectively the “UPI Circular”) in relation to streamlining the process of public issue of equity shares and convertibles. Pursuant to the UPI Circular, UPI will be introduced in a phased manner as a payment mechanism (in addition to mechanism of blocking funds in the account maintained with SCSBs under the ASBA) for applications by RIBs through intermediaries with the objective to reduce the time duration from public issue closure to listing from six working days to up to three working days. Considering the time required for making necessary changes to the systems and to ensure complete and smooth transition to the UPI



Mechanism, the UPI Circular proposes to introduce and implement the UPI Mechanism in three phases in the following manner:

**Phase I:** This phase has become applicable from January 1, 2019 and will continue till June 30, 2019. Under this phase, a Retail Individual Applicant would also have the option to submit the Application Form with any of the intermediary and use his / her UPI ID for the purpose of blocking of funds. The time duration from public issue closure to listing would continue to be six Working Days.

**Phase II:** This phase will commence upon completion of Phase I and will continue for a period of three months or floating of five main board public issues, whichever is later. Under this phase, submission of the Application Form by a Retail Individual Applicant through intermediaries to SCSBs for blocking of funds will be discontinued and will be replaced by the UPI Mechanism. However, the time duration from public issue closure to listing would continue to be six Working Days during this phase.

**Phase III:** Subsequently, the time duration from public issue closure to listing would be reduced to be three Working Days.

All SCSBs offering facility of making application in public issues shall also provide facility to make application using the UPI Mechanism. The Issuers are to appoint one of the SCSBs as a sponsor bank to act as a conduit between the Stock Exchanges and NPCI in order to facilitate collection of requests and / or payment instructions of the Retail Individual Applicants into the UPI mechanism.

For further details, refer to the General Information Document available on the websites of the Stock Exchanges and the Lead Manager.

## PART A

### FIXED PRICE ISSUE PROCEDURE

The Issue is being made in compliance with the provisions of Reg. 229(2) of Chapter IX of the SEBI (ICDR) Regulations, 2018 and through the Fixed Price Process wherein 50% of the Net Issue to Public is being offered to the Retail Individual Applicants and the balance shall be issued to Non Retail Category i.e. QIBs and Non-Institutional Applicants. However, if the aggregate demand from the Retail Individual Applicants is less than 50%, then the balance Equity Shares in that portion will be added to the non retail portion offered to the remaining investors including QIBs and NIIs and vice-versa subject to valid Applications being received from them at or above the Issue Price.

Subject to the valid Applications being received at or above the Issue Price, allocation to all categories in the Net Issue, shall be made on a proportionate basis, except for the Retail Portion where Allotment to each Retail Individual Applicants shall not be less than the minimum lot, subject to availability of Equity Shares in Retail Portion, and the remaining available Equity Shares, if any, shall be allotted on a proportionate basis. Under subscription, if any, in any category, would be allowed to be met with spill over from any other category or a combination of categories at the discretion of our Company in consultation with the Lead Manager and the Stock Exchange.

Investors should note that according to section 29(1) of the Companies Act, 2013, allotment of Equity Shares to all successful Applicants will only be in the dematerialised form. The Application Forms which do not have the details of the Applicant's depository account including DP ID, PAN and UPI ID (for RII Applicant Application using the UPI mechanism), shall be treated as incomplete and rejected. In case DP ID, Client ID and PAN mentioned in the Application Form and entered into the electronic system of the stock exchanges, do not match with the DP ID, Client ID and PAN available in the depository database, the application is liable to be rejected. Applicants will not have the option of getting allotment of the Equity Shares in physical form. The Equity Shares on allotment shall be traded only in the dematerialised segment of the Stock Exchanges.

### APPLICATION FORM

Copies of the Application Form and the abridged prospectus will be available at the offices of the Lead Manager, the Designated Intermediaries, and the Registered Office of our Company. An electronic copy of the Application Form will also be available for download on the websites of National Stock Exchange of India Limited ([www.nseindia.com](http://www.nseindia.com)), the SCSBs, the Registered Brokers, the RTAs and the CDPs at least one day prior to the Issue Opening Date



All Applicants (other than Retail Applicants using the UPI Mechanism) shall mandatorily participate in the Issue only through the ASBA process. ASBA Applicants must provide bank account details and authorisation to block funds in the relevant space provided in the Application Form and the Application Forms that do not contain such details are liable to be rejected. Further Retail Individual Applicants may participate in the Offer through UPI by providing details about the bank account in the relevant space provided in the Application Form and the Application Forms that do not contain the UPI ID are liable to be rejected.

ASBA Applicants shall ensure that the Applications are made on Application Forms bearing the stamp of the Designated Intermediary, submitted at the Collection Centres only (except in case of electronic Application Forms) and the Application Forms not bearing such specified stamp are liable to be rejected.

The prescribed colour of the Application Form for various categories is as follows:

Category	Colour <sup>(1)</sup>
Resident Indians and Eligible NRIs applying on a non-repatriation basis	White
Non-Residents and Eligible NRIs, FIIs, FVCIs, etc. applying on a repatriation basis	Blue

<sup>(1)</sup> excluding electronic Application Form

Designated Intermediaries shall submit Application Forms (except the Application Form for a Retail Applicant using the UPI Mechanism) to SCSBs and shall not submit it to any non-SCSB bank.

Applicants shall only use the specified Application Form for the purpose of making an application in terms of the Prospectus. The Application Form shall contain information about the Applicants and the price and the number of Equity Shares that the Applicants wish to apply for. The Application Form downloaded and printed from the websites of the Stock Exchange shall bear a system generated unique application number. ASBA Applicants are required to ensure that the ASBA Account has sufficient credit balance as an amount equivalent to the full Application Amount can be blocked by the SCSB at the time of submitting the Application

## METHOD OF APPLICATION

Applicants are required to submit their applications only through any of the following Application Collecting Intermediaries:

- i) an SCSB, with whom the bank account to be blocked, is maintained
- ii) a syndicate member (or sub-syndicate member)
- iii) 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')
- iv) a depository participant ('DP') (whose name is mentioned on the website of the stock exchange as eligible for this activity)
- v) a registrar to an issue and share transfer agent (RTA<sup>4</sup>) (whose name is mentioned on the website of the stock exchange as eligible for this activity)

The aforesaid intermediaries shall, at the time of receipt of application, give an acknowledgement to investor, by giving the counter foil or specifying the application number to the investor, as a proof of having accepted the application form, in physical or electronic mode, respectively.

The upload of the details in the electronic bidding system of stock exchange will be done by:

<b>For Applications submitted by investors to SCSB:</b>	After accepting the form, SCSB shall capture and upload the relevant details in the electronic bidding system as specified by the stock exchange(s) and may begin blocking funds available in the bank account specified in the form, to the extent of the application money specified.
<b>For Applications submitted by investors to intermediaries other than SCSBs:</b>	After accepting the application form, respective intermediary shall capture and upload the relevant details in the electronic bidding system of stock exchange(s). Post uploading they shall forward a schedule as per prescribed format along with the application forms to designated branches of the respective SCSBs for blocking of funds within one day of closure of Issue.



Upon completion and submission of the Application Form to Application Collecting intermediaries, the Applicants have deemed to have authorised our Company to make the necessary changes in the Prospectus, without prior or subsequent notice of such changes to the Applicants.

### **Who Can Apply?**

In addition to the category of Applicants set forth under the sub-section “Part B - General Information Document for Investing in Public Issues – Category of Investors Eligible to Participate in an Issue” on page of this Prospectus, any other persons eligible to apply in the Issue under the laws, rules, regulations, guidelines and policies applicable are also eligible to invest in the Equity Shares.

### **PARTICIPATION BY ASSOCIATES/AFFILIATES OF LEAD MANAGER, PROMOTERS, PROMOTER GROUP AND PERSONS RELATED TO PROMOTER/PROMOTER GROUP**

The Lead Manager shall not be entitled to subscribe to this Issue in any manner except towards fulfilling their underwriting obligations. However, associates and affiliates of the Lead Manager may subscribe to Equity Shares in the Issue, either in the QIB Portion and Non-Institutional Portion where the allotment is on a proportionate basis.

The Promoters, Promoter Group, Lead Manager and any persons related to the Lead Manager (except Mutual Funds sponsored by entities related to the Lead Manager) cannot apply in the Issue.

### **APPLICATION BY INDIAN PUBLIC INCLUDING ELIGIBLE NRIS APPLYING ON NON-REPATRIATION**

Application must be made only in the names of individuals, limited companies or statutory corporations / institutions and not in the names of minors (other than minor having valid depository accounts as per demographic details provided by the depository), foreign nationals, non-residents (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 (HUF), partnership firms or their nominees. In case of HUFs, application shall be made by the Karta of the HUF.

Eligible NRIs applying on a non-repatriation basis may make payments by inward remittance in foreign exchange through normal banking channels or by debits to NRE / FCNR accounts as well as NRO accounts.

An applicant in the Net Public Category cannot make an application for that number of Equity Shares exceeding the number of Equity Shares offered to the public.

### **APPLICATION 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.

The Applications made by the asset management companies or custodians of Mutual Funds shall specifically state the names of the concerned schemes for which the Applications are made.

With respect to Applications by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged with the Application Form. Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason thereof.

In case of a Mutual Fund, a separate Application can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Applications in respect of more than one scheme of the Mutual Fund will not be treated as multiple Applications provided that the Applications clearly indicate the scheme concerned for which the Application has been made.

## APPLICATIONS BY ELIGIBLE NRIS/FII'S ON REPATRIATION BASIS

Application Forms have been made available for Eligible NRIs at the Company's Registered Office and at the office of Lead Manager to the Issue.

Eligible NRI applicants may please note that only such applications as are accompanied by payment in free foreign exchange shall be considered for Allotment. The Eligible NRIs who intend to make payment through Non Resident Ordinary (NRO) accounts shall use the form meant for Resident Indians and should not use the form meant for the reserved category.

Under the Foreign Exchange Management Act, 1999 (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 declaration in the prescribed form to the concerned Regional Office of RBI within 30 days from the date of issue of shares for 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 permission of the RBI and subject to the Indian Tax Laws and regulations and any other applicable laws.

The Company does not require approvals from FIPB or RBI for the Transfer of Equity Shares in the issue to eligible NRI's, FII's, Foreign Venture Capital Investors registered with SEBI and multilateral and bilateral development financial institutions.

### ***As per the current regulations, the following restrictions are applicable for investments by FPIs:***

- 1) 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 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' (IFCs) 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.
- 2) Where a foreign institutional investor or a sub account, prior to commencement of these regulations, holds equity shares in a company whose shares are not listed on any recognized stock exchange, and continues to hold such shares after initial public offering and listing thereof, such shares shall be subject to lock-in for the same period, if any, as is applicable to shares held by a foreign direct investor placed in similar position, under the policy of the Government of India relating to foreign direct investment for the time being in force.
- 3) In respect of investments in the secondary market, the following additional conditions shall apply:
  - a) A foreign portfolio investor shall transact in the securities in India only on the basis of taking and giving delivery of securities purchased or sold;
  - b) Nothing contained in clause (a) shall apply to:
    - i) Any transactions in derivatives on a recognized stock exchange;
    - ii) Short selling transactions in accordance with the framework specified by the Board;
    - iii) Any transaction in securities pursuant to an agreement entered into with the merchant banker in the process of market making or subscribing to unsubscribed portion of the issue in accordance with Chapter IX of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
    - iv) Any other transaction specified by the Board.

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- c) No transaction on the stock exchange shall be carried forward;
- d) The transaction of business in securities by a foreign portfolio investor shall be only through stock brokers registered by the Board; provided nothing contained in this clause shall apply to:
- i) transactions in Government securities and such other securities falling under the purview of the Reserve Bank of India which shall be carried out in the manner specified by the Reserve Bank of India;
  - ii) sale of securities in response to a letter of offer sent by an acquirer in accordance with the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - iii) sale of securities in response to an offer made by any promoter or acquirer in accordance with the Securities and Exchange Board of India (Delisting of Equity shares) Regulations, 2009;
  - iv) Sale of securities, in accordance with the Securities and Exchange Board of India (Buy-back of securities) Regulations, 2018;
  - v) divestment of securities in response to an offer by Indian Companies in accordance with Operative Guidelines for Disinvestment of Shares by Indian Companies in the overseas market through issue of American Depository Receipts or Global Depository Receipts as notified by the Government of India and directions issued by Reserve Bank of India from time to time;
  - vi) Any bid for, or acquisition of, securities in response to an offer for disinvestment of shares made by the Central Government or any State Government;
  - vii) Any transaction in securities pursuant to an agreement entered into with merchant banker in the process of market making or subscribing to unsubscribed portion of the issue in accordance with Chapter IX of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
  - viii) Any other transaction specified by the Board.
- e) A foreign portfolio investor shall hold, deliver or cause to be delivered securities only in dematerialized form:
- Provided that any shares held in non-dematerialized form, before the commencement of these regulations, can be held in non-dematerialized form, if such shares cannot be dematerialized.
- 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.
- 4) 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.
- 5) 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.
- 6) 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 derivative 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.

- 7) 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.
- 8) Foreign portfolio investors shall fully disclose to the Board any information concerning the terms of and parties to off-shore derivative instruments such as participatory notes, equity linked notes or any other such instruments, by whatever names they are called, entered into by it relating to any securities listed or proposed to be listed in any stock exchange in India, as and when and in such form as the Board may specify.
- 9) Any offshore derivative instruments issued under the Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995 before commencement of SEBI (Foreign Portfolio Investors) Regulations, 2014 shall be deemed to have been issued under the corresponding provisions of SEBI (Foreign Portfolio Investors) Regulations, 2014.
- 10) A FII or its subaccount which holds a valid certificate of registration shall, subject to 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.
- 11) A qualified foreign investor may continue to buy, sell or otherwise deal in securities subject to the provisions of the SEBI (Foreign Portfolio Investors) Regulations, 2014, for a period of one year from the date of commencement of the aforesaid regulations, or until it obtains a certificate of registration as foreign portfolio investor, whichever is earlier.
- 12) The issue of Equity Shares to a single FII should not exceed 10% of our post Issue Paid up Capital of the Company. In respect of an FII investing in Equity Shares of our Company on behalf of its sub accounts, the investment on behalf of each sub account shall not exceed 10% of our total issued capital or 5% of our total issued capital in case such sub account is a foreign corporate or an individual.
- 13) In accordance with the foreign investment limits, the aggregate FII holding in our Company cannot exceed 24% of our total issued capital. However, this limit can be increased to the permitted sectoral cap/statutory limit, as applicable to our Company after obtaining approval of its board of Directors followed by the special resolution to that effect by its shareholders in their General Meeting. As on the date of filing the Prospectus, no such resolution has been recommended to the shareholders of the Company for adoption.
- 14) Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of regulation 15A(1) of the Securities Exchange Board of India (Foreign Institutional Investors) Regulations 1995, as amended, an FII may issue, deal or hold, off shore derivative instruments such as participatory notes, equity linked notes or any other similar instruments against underlying securities listed or proposed to be listed in any stock exchange in India only in favour of those entities which are regulated by any relevant regulatory authorities in the countries of their incorporation or establishment subject to compliance of "Know Your Client" requirements. An FII shall also ensure that no further downstream issue or transfer of any instrument referred to hereinabove is made to any person other than a regulated entity.
- 15) In case of FII's in NRI/FII Portion, number of Equity Shares applied shall not exceed issue size.

#### **APPLICATION BY SEBI REGISTERED ALTERNATIVE INVESTMENT FUND (AIF), VENTURE CAPITAL FUNDS AND FOREIGN VENTURE CAPITAL INVESTORS**

The SEBI (Venture Capital) Regulations, 1996 and the SEBI (Foreign Venture Capital Investor) Regulations, 2000 prescribe investment restrictions on venture capital funds and foreign venture capital investors registered



with SEBI. As per the current regulations, the following restrictions are applicable for SEBI registered venture capital funds and foreign venture capital investors:

Accordingly, the holding by any individual venture capital fund registered with SEBI in one Company should not exceed 25% of the corpus of the venture capital fund; a Foreign Venture Capital Investor can invest its entire funds committed for investments into India in one Company. Further, Venture Capital Funds and Foreign Venture Capital investor can invest only up to 33.33% of the funds available for investment by way of subscription to an Initial Public Offer.

The SEBI (Alternative Investment funds) Regulations, 2012 prescribes investment restrictions for various categories of AIF's.

The category I and II AIFs cannot invest more than 25% of the corpus in one investee Company. A category III AIF cannot invest more than 10% of the corpus in one Investee Company. A Venture capital fund registered as a category I AIF, as defined in the SEBI Regulations, cannot invest more than 1/3rd of its corpus by way of subscription to an initial public offering of a venture capital undertaking. Additionally, the VCFs which have not re-registered as an AIF under the SEBI Regulations shall continue to be regulated by the VCF Regulations.

#### **APPLICATIONS BY LIMITED LIABILITY PARTNERSHIPS**

In case of applications made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Application Form. Failing which, the Company reserves the right to reject any application, without assigning any reason thereof.

#### **APPLICATIONS BY INSURANCE COMPANIES**

In case of applications made by insurance companies registered with the IRDA, a certified copy of certificate of registration issued by IRDA must be attached to the Application Form. Failing this, the Company reserves the right to reject any application, without assigning any reason thereof.

The exposure norms for insurers, prescribed under the Insurance Regulatory and Development Authority (Investment) Regulations, 2000, as amended (The "IRDA Investment Regulations"), are broadly set forth below:

- a) Equity shares of a Company: the least 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: the least of 10% of the respective fund in case of a life insurer or general insurer or reinsurer or 10% of investment assets in case of a general insurer or reinsurer (25% in case of Unit Linked Insurance Plans); and
- c) The industry sector in which the investee Company operates: the least of 10% of the insurer's total investment exposure to the industry sector (25% in case of Unit Linked Insurance Plans).

In addition, the IRDA partially amended the exposure limits applicable to investments in public limited companies in infrastructure and housing sectors i.e. December 26, 2008, providing, among other things, that the exposure of an insurer to an infrastructure Company may be increased to not more than 20%, provided that in case of equity investment, a dividend of not less than 4% including bonus should have been declared for at least five preceding years. This limit of 20% would be combined for debt and equity taken together, without sub ceilings.

Further, investments in equity including preference shares and the convertible part of debentures shall not exceed 50% of the exposure norms specified under the IRDA Investment Regulations.

#### **APPLICATION BY PROVIDENT FUNDS / PENSION FUNDS**

In case of applications made by provident funds/pension funds, subject to applicable laws, with minimum corpus of ₹ 25 Crores, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/ pension fund must be attached to the Application Form. Failing this, the Company reserves the right to reject any application, without assigning any reason thereof.



## APPLICATION UNDER POWER OF ATTORNEY

In case of applications made pursuant to a power of attorney by limited companies, corporate bodies, registered societies, FPI's, Mutual Funds, insurance companies and provident funds with minimum corpus of ₹ 25 Crores (subject to applicable law) and pension funds with a minimum corpus of ₹ 25 Crores a certified copy of the power of attorney or the relevant Resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/or bye laws must be lodged with the Application Form. Failing this, the Company reserves the right to accept or reject any application in whole or in part, in either case, without assigning any reason therefore.

- a) In addition to the above, certain additional documents are required to be submitted by the following entities: With respect to applications by VCFs, FVCIs, FPIs and Mutual Funds, a certified copy of their SEBI registration certificate must be lodged along with the Application Form. Failing this, the Company reserves the right to accept or reject any application, in whole or in part, in either case without assigning any reasons thereof.
- b) With respect to applications by insurance companies registered with the Insurance Regulatory and Development Authority, in addition to the above, a certified copy of the certificate of registration issued by the Insurance Regulatory and Development Authority must be lodged with the Application Form as applicable. Failing this, the Company reserves the right to accept or reject any application, in whole or in part, in either case without assigning any reasons thereof.
- c) With respect to applications made by provident funds with minimum corpus of ₹ 25 Crores (subject to applicable law) and pension funds with a minimum corpus of ₹ 25 Crores, a certified copy of a certificate from a chartered accountant certifying the corpus of the provident fund/pension fund must be lodged along with the Application Form . Failing this, the Company reserves the right to accept or reject such application, in whole or in part, in either case without assigning any reasons thereof.

The Company in its absolute discretion, reserves the right to relax the above condition of simultaneous lodging of the power of attorney along with the Application Form , subject to such terms and conditions that the Company and the lead manager may deem fit.

The Company, in its absolute discretion, reserves the right to permit the holder of the power of attorney to request the Registrar to the Issue that, for the purpose of printing particulars on the refund order and mailing of the Allotment Advice / CANs / letters notifying the unblocking of the bank accounts of ASBA applicants, the Demographic Details given on the Application Form should be used (and not those obtained from the Depository of the application). In such cases, the Registrar to the Issue shall use Demographic Details as given on the Application Form instead of those obtained from the Depositories.

*The above information is given for the benefit of the Applicants. The Company and the LM are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of the Prospectus. Applicants are advised to make their independent investigations and ensure that the number of Equity Shares applied for do not exceed the applicable limits under laws or regulations.*

### Maximum and Minimum Application Size

The applications in this Issue, being a fixed price issue, will be categorized into two;

#### **a) For Retail Individual Applicants:**

The Application must be for a minimum of 3000 Equity Shares and in multiples of 3000 Equity Shares thereafter, so as to ensure that the Application Amount payable by the Applicant does not exceed ₹ 2,00,000. In case of revision of the Application, the Retail Individual Applicants have to ensure that the Application Amount does not exceed ₹ 2,00,000.

#### **b) For Other Applicants (Non-Institutional Applicants and 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 3000 Equity Shares thereafter. Application cannot be submitted for more than the Issue Size. However, the maximum application size by a QIB investor should not exceed the investment limits prescribed for them by applicable laws. **A QIB and a Non-Institutional Applicant cannot withdraw or**



**lower the size of their Application at any stage and are required to pay the entire Application Amount upon submission of the Application.**

The identity of QIBs applying in the Net Issue shall not be made public during the Issue Period. In case of revision in Application, the Non-Institutional Applicants, who are individuals, have to ensure that the Application Amount is greater than ₹ 2,00,000 for being considered for allocation in the Non-Institutional Portion.

#### **Information for the Applicants**

- a) Our Company shall file the Prospectus with the RoC at least three working days before the Issue Opening Date.
- b) Our Company shall, after registering the Prospectus with the RoC, make a pre-Issue advertisement, in the form prescribed under the ICDR Regulations, in English and Hindi national newspapers and one regional newspaper with wide circulation. In the pre- Issue advertisement, our Company and the Lead Manager shall advertise the Issue Opening Date, the Issue Closing Date. This advertisement, subject to the provisions of the Companies Act, shall be in the format prescribed in Part A of Schedule X of the ICDR Regulations.
- c) Copies of the Application Form and the abridged prospectus will be available at the offices of the Lead Manager, the Designated Intermediaries, and Registered Office of our Company. An electronic copy of the Application Form will also be available for download on the websites of the NSE ([www.nseindia.com](http://www.nseindia.com)), the SCSBs, the Registered Brokers, the RTAs and the CDPs at least one day prior to the Issue Opening Date.
- d) Applicants who are interested in subscribing to the Equity Shares should approach any of the Application Collecting Intermediaries or their authorized agent(s).
- e) Application should be submitted in the prescribed Application Form only. Application Forms submitted to the SCSBs should bear the stamp of the respective intermediary to whom the application form is submitted. Application Forms submitted directly to the SCSBs should bear the stamp of the SCSBs and / or the Designated Branch.
- f) The Application Form can be submitted either in physical or electronic mode, to the Application Collecting Intermediaries. Further Application Collecting Intermediary may provide the electronic mode of collecting either through an internet enabled collecting and banking facility or such other secured, electronically enabled mechanism for applying and blocking funds in the ASBA Account.

**The Applicants should note that in case the PAN, the DP ID and Client ID mentioned in the Application Form and entered into the electronic system of the Stock Exchanges does not match with the PAN, DP ID and Client ID available in the database of Depositories, the Application Form is liable to be rejected.**

#### **Availability of the Prospectus and the Application Forms:**

Copies of the Application Form and the abridged prospectus will be available at the offices of the Lead Manager, the Designated Intermediaries, and Registered Office of our Company. An electronic copy of the Application Form will also be available for download on the websites of the NSE ([www.nseindia.com](http://www.nseindia.com)), the SCSBs, the Registered Brokers, the RTAs and the CDPs at least one day prior to the Issue Opening Date.

#### **Participation by associates and affiliates of the Lead Manager**

The Lead Manager shall not be allowed to subscribe to this Issue in any manner except towards fulfilling their underwriting obligations. However, the associates and affiliates of the Lead Manager may subscribe to Equity Shares in the Issue in non Retail Portion, where the allocation is on a proportionate basis.

#### **Applications by Mutual Funds**

With respect to Applications by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged along with the Application Form. Failing this, our Company reserves the right to reject the Application without assigning any reason thereof.



Applications made by asset management companies or custodians of Mutual Funds shall specifically state names of the concerned schemes for which such Applications are made.

**In case of a Mutual Fund, a separate Application can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Applications in respect of more than one scheme of the Mutual Fund will not be treated as multiple Applications provided that the Applications clearly indicate the scheme concerned for which the Application has been made.**

**No Mutual Fund scheme shall invest more than 10% of its net asset value in equity shares or equity related instruments of any single company provided that the limit of 10% shall not be applicable for investments in case of index funds or sector or industry specific schemes. No Mutual Fund under all its schemes should own more than 10% of any company's paid-up share capital carrying voting rights.**

#### **Applications by Eligible NRIs**

NRIs may obtain copies of Application Form from the offices of the Lead Manager and the Designated Intermediaries. Eligible NRI Applicants applying on a repatriation basis by using the Non-Resident Forms should authorize their SCSB to block their Non-Resident External ("NRE") accounts, or Foreign Currency Non-Resident ("FCNR") ASBA Accounts, and eligible NRI Applicants applying on a non-repatriation basis by using Resident Forms should authorize their SCSB to block their Non-Resident Ordinary ("NRO") accounts for the full Application Amount, at the time of the submission of the Application Form.

Eligible NRIs applying on non-repatriation basis are advised to use the Application Form for residents (white in colour).

Eligible NRIs applying on a repatriation basis are advised to use the Application Form meant for Non-Residents (blue in colour).

#### **Applications by FPI and FIIs**

In terms of the SEBI FPI Regulations, any qualified foreign investor or FII who holds a valid certificate of registration from SEBI shall be deemed to be an FPI until the expiry of the block of three years for which fees have been paid as per the SEBI FII Regulations. An FII or a sub-account may participate in this Issue, in accordance with Schedule 2 of the FEMA Regulations, until the expiry of its registration with SEBI as an FII or a sub-account. An FII shall not be eligible to invest as an FII after registering as an FPI under the SEBI FPI Regulations. Further, a qualified foreign investor who had not obtained a certificate of registration as and FPI could only continue to buy, sell or otherwise deal in securities until January 6, 2015. Hence, such qualified foreign investors who have not registered as FPIS under the SEBI FPI Regulations shall not be eligible to participate in this Issue.

In case of Applications made by FPIs, a certified copy of the certificate of registration issued by the designated depository participant under the FPI Regulations is required to be attached to the Application Form, failing which our Company reserves the right to reject any application without assigning any reason. An FII or subaccount may, subject to payment of conversion fees under the SEBI FPI Regulations, participate in the Issue, until the expiry of its registration as a FII or sub-account, or until it obtains a certificate of registration as FPI, whichever is earlier. Further, in case of Applications made by SEBI-registered FIIs or sub-accounts, which are not registered as FPIs, a certified copy of the certificate of registration as an FII issued by SEBI is required to be attached to the Application Form, failing which our Company reserves the right to reject any Application without assigning any reason.

In terms of the SEBI FPI Regulations, the Issue of Equity Shares to a single FPI or an investor group (which means the same set of ultimate beneficial owner(s) investing through multiple entities) must be below 10.00% of our post-Issue Equity Share capital. Further, in terms of the FEMA Regulations, the total holding by each FPI shall be below 10.00% of the total paid-up Equity Share capital of our Company and the total holdings of all FPIs put together shall not exceed 24.00% of the paid-up Equity Share capital of our Company. The aggregate limit of 24.00% may be increased up to the sectorial cap by way of a resolution passed by the Board of Directors followed by a special resolution passed by the Shareholder of our Company and subject to prior intimation to RBI. In terms of the FEMA Regulations, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs as well as holding of FIIs (being deemed FPIs) shall be included. The existing individual and aggregate investment limits an FII or sub account in our Company is 10.00% and 24.00% of the total paid-up Equity Share capital of our Company, respectively.



FPIs are permitted to participate in the Issue subject to compliance with conditions and restrictions which may be specified by the Government from time to time.

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 22 of the SEBI FPI Regulations, an FPI, other than Category III foreign portfolio and unregulated broad based funds, which are classified as Category II foreign portfolio investor by virtue of their investment manager being appropriately regulated, may issue or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by an FPI against securities held by it that are listed or proposed to be listed on any recognized stock exchange in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only to persons who are regulated by an appropriate regulatory authority; and (ii) such offshore derivative instruments are issued after compliance with know your client' norms. An FPI is also required to ensure that no further issue or transfer of any offshore derivative instrument is made by or on behalf of it to any persons that are not regulated by an appropriate foreign regulatory authority.

FPIs who wish to participate in the Issue are advised to use the Application Form for Non-Residents (blue in color).

#### **Applications by SEBI registered VCFs, AIFs and FVCIs**

The SEBI FVCI Regulations and the SEBI AIF Regulations inter-alia prescribe the investment restrictions on the VCFs, FVCIs and AIFs registered with SEBI. Further, the SEBI AIF Regulations prescribe, among others, the investment restrictions on AIFs.

The holding by any individual VCF registered with SEBI in one venture capital undertaking should not exceed 25% of the corpus of the VCF. Further, VCFs and FVCIs can invest only up to 33.33% of the investible funds by way of subscription to an initial public offering.

The category I and II AIFs cannot invest more than 25% of the corpus in one Investee Company. A category III AIF cannot invest more than 10% of the corpus in one Investee Company. A venture capital fund registered as a category I AIF, as defined in the SEBI AIF Regulations, cannot invest more than 1/3rd of its corpus by way of subscription to an initial public offering of a venture capital undertaking. Additionally, the VCFs which have not re-registered as an AIF under the SEBI AIF Regulations shall continue to be regulated by the VCF Regulation until the existing fund or scheme managed by the fund is wound up and such funds shall not launch any new scheme after the notification of the SEBI AIF Regulations.

All FIIs and FVCIs should note that refunds, dividends and other distributions, if any, will be payable in Indian Rupees only and net of Bank charges and commission.

**Our Company or the Lead Manager will not be responsible for loss, if any, incurred by the Applicant on account of conversion of foreign currency.**

**There is no reservation for Eligible NRIs, FPIs and FVCIs and all Applicants will be treated on the same basis with other categories for the purpose of allocation.**

**All non-resident investors should note that refunds, dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and commission.**

#### **Applications by Limited Liability Partnerships**

In case of Applications made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Application Form. Failing this, our Company reserves the right to reject any Application without assigning any reason thereof.

#### **Applications by Insurance Companies**

In case of Applications made by insurance companies registered with the IRDA, a certified copy of certificate of registration issued by IRDA must be attached to the Application Form. Failing this, our Company reserves the right to reject any Application without assigning any reason thereof. The exposure norms for insurers,



prescribed under the Insurance Regulatory and Development Authority (Investment) Regulations, 2000, as amended, are broadly set forth below:

- 1) equity shares of a company: the least of 10.00% of the investee company's subscribed capital (face value) or 10.00% of the respective fund in case of life insurer or 10.00% of investment assets in case of general insurer or reinsurer;
- 2) the entire group of the investee company: not more than 15% of the respective fund in case of a life insurer or 15% of investment assets in case of a general insurer or reinsurer or 15% of the investment assets in all companies belonging to the group, whichever is lower; and
- 3) the industry sector in which the investee company belong to: not more than 15% of the fund of a life insurer or a general insurer or a reinsurer or 15% of the investment asset, whichever is lower.

The maximum exposure limit, in the case of an investment in equity shares, cannot exceed the lower of an amount of 10% of the investment assets of a life insurer or general insurer and the amount calculated under (1), (2) and (3) above, as the case may be.

Insurance companies participating in this Issue shall comply with all applicable regulations, guidelines and circulars issued by IRDAI from time to time.

#### **Applications by Provident Funds / Pension Funds**

In case of Applications made by provident funds/pension funds, subject to applicable laws, with minimum corpus of ₹ 250.00 million, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/ pension fund must be attached to the Application Form. Failing this, our Company reserves the right to reject any Application, without assigning any reason thereof.

#### **Applications by Banking Companies**

In case of Applications made by banking companies registered with RBI, certified copies of: (i) the certificate of registration issued by RBI, and (ii) the approval of such banking company's investment committee are required to be attached to the Application Form, failing which our Company reserve the right to reject any Application without assigning any reason.

Application Form, failing which our Company reserve the right to reject any Application by a banking company without assigning any reason.

The investment limit for banking companies in non-financial services companies as per the Banking Regulation Act, 1949, as amended ("Banking Regulation Act"), and the Reserve Bank of India ("Financial Services provided by Banks") Directions, 2016, is 10% of the paid-up share capital of the investee company not being its subsidiary engaged in non-financial services or 10% of the banks own paid-up share capital and reserves, whichever is lower. However, a banking company would be permitted to invest in excess of 10% but not exceeding 30% of the paid up share capital of such investee company if (i) the investee company is engaged in non-financial activities permitted for banks in terms of Section 6(1) of the Banking Regulation Act, or (ii) the additional acquisition is through restructuring of debt / corporate debt restructuring / strategic debt restructuring, or to protect the banks' interest on loans / investments made to a company. The bank is required to submit a time bound action plan for disposal of such shares within a specified period to RBI. A banking company would require a prior approval of RBI to make (i) investment in a subsidiary and a financial services company that is not a subsidiary (with certain exception prescribed), and (ii) investment in a nonfinancial services company in excess of 10% of such investee company's paid up share capital as stated in 5(a)(v)(c)(i) of the Reserve Bank of India (Financial Services provided by Banks) Directions, 2016.

#### **Applications by SCSBs**

SCSBs participating in the Issue are required to comply with the terms of the SEBI circulars dated September 13, 2012 and January 2, 2013. Such SCSBs are required to ensure that for making applications on their own account using ASBA, they should have a separate account in their own name with any other SEBI registered SCSBs. Further, such account shall be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account for such applications.

## Applications under Power of Attorney

In case of Applications made pursuant to a power of attorney or by limited companies, corporate bodies, registered societies, FIIs, Mutual Funds, insurance companies and provident funds with a minimum corpus of ₹ 250 million (subject to applicable law) and pension funds with a minimum corpus of ₹ 250 million, 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 along with the Application Form. Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reasons thereof. In addition to the above, certain additional documents are required to be submitted by the following entities:

- a) With respect to Applications by FIIs and Mutual Funds, a certified copy of their SEBI registration certificate must be lodged along with the Application Form.
- b) With respect to Applications by insurance companies registered with the Insurance Regulatory and Development Authority, in addition to the above, a certified copy of the certificate of registration issued by the Insurance Regulatory and Development Authority must be lodged along with the Application Form.
- c) With respect to Applications made by provident funds with a minimum corpus of ₹ 250 million (subject to applicable law) and pension funds with a minimum corpus of ₹ 250 million, a certified copy of a certificate from a chartered accountant certifying the corpus of the provident fund/pension fund must be lodged along with the Application Form.
- d) With respect to Applications made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Application Form.
- e) Our Company in its absolute discretion, reserves the right to relax the above condition of simultaneous lodging of the power of attorney along with the Application form, subject to such terms and conditions that our Company and the Lead Manager may deem fit.

**The above information is given for the benefit of the Applicants. Our Company and the Lead Manager are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Prospectus. Applicants are advised to make their independent investigations and Applicants are advised to ensure that any single Application from them does not exceed the applicable investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Prospectus.**

## ISSUE PROCEDURE FOR ASBA (APPLICATION SUPPORTED BY BLOCKED ACCOUNT) APPLICANTS

In accordance with the SEBI circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 all the Applicants has to compulsorily apply through the ASBA Process. Our Company and the Lead Manager are not liable for any amendments, modifications, or changes in applicable laws or regulations, which may occur after the date of the Prospectus. ASBA Applicants are advised to make their independent investigations and to ensure that the ASBA Application Form is correctly filled up, as described in this section.

Lists of banks that have been notified by SEBI to act as SCSB (Self Certified Syndicate Banks) for the ASBA Process are provided on [www.sebi.gov.in](http://www.sebi.gov.in). For details on designated branches of SCSB collecting the Application Form, please refer the below mentioned SEBI link.

<https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35> and  
<https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34>

## ASBA PROCESS

A Resident Retail Individual Investor shall submit his Application through an Application Form, either in physical or electronic mode, to the SCSB with whom the bank account of the ASBA Applicant or bank account utilized by the ASBA Applicant (“ASBA Account”) is maintained. The SCSB shall block an amount equal to the Application Amount in the bank account specified in the ASBA Application Form, physical or electronic, on the basis of an authorization to this effect given by the account holder at the time of submitting the Application.



The Application Amount shall remain blocked in the aforesaid ASBA Account until finalization of the Basis of Allotment in the Issue and consequent transfer of the Application Amount against the allocated shares to the ASBA Public Issue Account, or until withdrawal/failure of the Issue or until withdrawal/rejection of the ASBA Application, as the case may be.

The ASBA data shall thereafter be uploaded by the SCSB in the electronic IPO system of the Stock Exchange. 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 bank accounts and for transferring the amount allocable to the successful ASBA Applicants to the ASBA Public Issue Account. In case of withdrawal/failure of the Issue, the blocked amount shall be unblocked on receipt of such information from the Lead Manager.

ASBA Applicants are required to submit their Applications, either in physical or electronic mode. In case of application in physical mode, the ASBA Applicant shall submit the ASBA Application Form at the Designated Branch of the SCSB or Registered Brokers or Registered RTA's or DPs registered with SEBI. In case of application in electronic form, the ASBA Applicant shall submit the Application Form either through the internet banking facility available with the SCSB, or such other electronically enabled mechanism for applying and blocking funds in the ASBA account held with SCSB, and accordingly registering such Applications.

### **HOW TO APPLY?**

In accordance with the SEBI circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 all the Applicants has to compulsorily apply through the ASBA Process.

### **MODE OF PAYMENT**

Upon submission of an Application Form with the SCSB, whether in physical or electronic mode, each ASBA Applicant shall be deemed to have agreed to block the entire Application Amount and authorized the Designated Branch of the SCSB to block the Application Amount, in the bank account maintained with the SCSB.

Application Amount paid in cash, by money order or by postal order or by stock invest, or ASBA Application Form accompanied by cash, draft, money order, postal order or any mode of payment other than blocked amounts in the SCSB bank accounts, shall not be accepted.

After verifying that sufficient funds are available in the ASBA Account, the SCSB shall block an amount equivalent to the Application Amount mentioned in the ASBA Application Form till the Designated Date.

On the Designated Date, the SCSBs shall transfer the amounts allocable to the ASBA Applicants from the respective ASBA Account, in terms of the SEBI Regulations, into the ASBA Public Issue Account. The balance amount, if any against the said Application in the ASBA Accounts shall then be unblocked by the SCSBs on the basis of the instructions issued in this regard by the Registrar to the Issue.

The entire Application Amount, as per the Application Form submitted by the respective ASBA Applicants, would be required to be blocked in the respective ASBA Accounts until finalization of the Basis of Allotment in the Issue and consequent transfer of the Application Amount against allocated shares to the ASBA Public Issue Account, or until withdrawal/failure of the Issue or until rejection of the ASBA Application, as the case may be.

### **UNBLOCKING OF ASBA ACCOUNT**

On the basis of instructions from the Registrar to the Issue, the SCSBs shall transfer the requisite amount against each successful ASBA Applicant to the ASBA Public Issue Account as per section 40(3) of the Companies Act, 2013 and shall unblock excess amount, if any in the ASBA Account.

However, the Application Amount may be unblocked in the ASBA Account prior to receipt of intimation from the Registrar to the Issue by the Controlling Branch of the SCSB regarding finalization of the Basis of Allotment in the Issue, in the event of withdrawal/failure of the Issue or rejection of the ASBA Application, as the case may be.

## Payment instructions

The entire issue price of ₹ 20 per Equity Share is payable on Application. In case of allotment of lesser number of Equity Shares than the number applied, then the Registrar shall instruct the SCSBs to unblock the excess amount paid on Application to the Applicants.

SCSBs will transfer the amount as per the instruction received by the Registrar to the Public Issue Bank Account. The balance amount after transfer to the Public Issue Account shall be unblocked by the SCSBs.

The Applicants shall specify the bank account details in the Application Form and the SCSBs shall block an amount equivalent to the Application Amount in the bank account specified in the Application Form. The SCSB shall keep the Application Amount in the relevant bank account blocked until withdrawal / rejection of the application or receipt of instructions from the Registrar to unblock the Application Amount. However, Not Retails Applicants shall neither withdraw nor lower the size of their applications at any stage. In the event of withdrawal or rejection of the Application Form or for unsuccessful Application Forms, the Registrar to the Issue shall give instruction 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 finalisation 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, as the case may be.

Pursuant to the SEBI (Issue of Capital and Disclosure Requirements) (Fifth Amendment) Regulations, 2015, the ASBA process become mandatory for all investors w.e.f. January 1, 2016 and it allows the registrar, share transfer agents, depository participants and stock brokers to accept application forms.

## Electronic Registration of Applications

- 1) The Application Collecting Intermediary will register the applications using the on-line facilities of the Stock Exchange.
- 2) The Application Collecting Intermediary will undertake modification of selected fields in the application details already uploaded before 1.00 p.m. of the next Working day from the Issue Closing Date.
- 3) The Application Collecting Intermediary shall be responsible for any acts, mistakes or errors or omission and commissions in relation to, (i) the applications accepted by them, (ii) the applications uploaded by them, (iii) the applications accepted but not uploaded by them or (iv) In case the applications accepted and uploaded by any Application Collecting Intermediary other than SCSBs, the Application Form along with relevant schedules shall be sent to the SCSBs or the Designated Branch of the relevant SCSBs for blocking of funds and they will be responsible for blocking the necessary amounts in the ASBA Accounts. In case of Application accepted and uploaded by SCSBs, the SCSBs or the Designated Branch of the relevant SCSBs will be responsible for blocking the necessary amounts in the ASBA Accounts.
- 4) Neither the Lead Manager nor the Company, shall be responsible for any acts, mistakes or errors or omission and commissions in relation to, (i) the applications accepted by any Application Collecting Intermediaries, (ii) the applications uploaded by any Application Collecting Intermediaries or (iii) the applications accepted but not uploaded by the Application Collecting Intermediaries.
- 5) The Stock Exchange will Issue an electronic facility for registering applications for the Issue. This facility will be available at the terminals of the Application Collecting Intermediaries and their authorised agents during the Issue Period. On the Issue Closing Date, the Application Collecting Intermediaries shall upload the applications till such time as may be permitted by the Stock Exchange.
- 6) With respect to applications by Applicants, at the time of registering such applications, the Application Collecting Intermediaries shall enter the following information pertaining to the Applicants into the on-line system:
  - Name of the Applicant;
  - IPO Name;
  - Application Form Number;
  - Investor Category;

- PAN Number
  - DP ID & Client ID
  - Numbers of Equity Shares Applied for;
  - Amount;
  - Location of the Banker to the Issue or Designated Branch, as applicable;
  - Bank Account Number and
  - Such other information as may be required.
- 7) In case of submission of the Application by an Applicant through the Electronic Mode, the Applicant shall complete the above mentioned details and mentioned the bank account number, except the Electronic Application Form number which shall be system generated.
- 8) 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 or having accepted the application form, in physical or electronic mode, respectively. The registration of the Application by the Application Collecting Intermediaries does not guarantee that the Equity Shares shall be allocated / allotted either by our Company.
- 9) Such acknowledgment will be non-negotiable and by itself will not create any obligation of any kind.
- 10) The Application Collecting Intermediaries shall have no right to reject the applications, except on technical grounds.
- 11) The permission given by the Stock Exchanges to use their network and software of the Online IPO system should not in any way deemed or construed to mean the compliance with various statutory and other requirements by our Company and / or the Lead Manager are cleared or approved by the Stock Exchanges; nor does it in any manner warrant, certify or endorse the correctness or completeness or any of the compliance with the statutory and other requirements nor does it take any responsibility for the financial or other soundness of our Company, our Promoter, our management or any scheme or project of our Company; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Prospectus; not does it warrant that the Equity Shares will be listed or will continue to be listed on the Stock Exchange.
- 12) The Application Collecting Intermediaries will be given time till 1.00 p.m. on the next working day after the Issue Closing Date to verify the PAN No., 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 the 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.
- 13) The details uploaded in the online IPO system shall be considered as final and Allotment will be based on such details for ASBA Applicants.

#### **ALLOCATION OF EQUITY SHARES**

- 1) The Issue is being made through the Fixed Price Process wherein 1,82,400 Equity Shares shall be reserved for the Market Maker 34,17,600 Equity Shares will be allocated on a proportionate basis to Retail Individual Applicants, subject to valid applications being received from the Retail Individual Applicants at the Issue Price. The balance of the Net Issue will be available for allocation on a proportionate basis to Non Retail Applicants.
- 2) Under-subscription, if any, in any category, would be allowed to be met with spill-over from any other category or combination of categories at the discretion of our Company in consultation with the Lead Manager and the Stock Exchange.
- 3) Allocation to Non-Residents, including Eligible NRIs, FIIs and FVCIs registered with SEBI, applying on repatriation basis will be subject to applicable law, rules, regulations, guidelines and approvals.
- 4) In terms of SEBI Regulations, Non Retail Applicants shall not be allowed to either withdraw or lower the size of their application at any stage.

5) Allotment status details shall be available on the website of the Registrar to the Issue.

### **PRE-ISSUE ADVERTISEMENT**

Subject to Section 30 of the Companies Act, our Company shall, after registering the Prospectus with the RoC, publish a pre-issue advertisement, in the form prescribed by the SEBI Regulations, in one English language national daily newspaper, one Hindi language national daily newspaper and one regional language daily newspaper, each with wide circulation. In the pre- issue advertisement, we shall state the Issue Opening Date and the Issue Closing Date. This advertisement, subject to the provisions of Section 30 of the Companies Act, 2013, shall be in the format prescribed in Part A of Schedule XIII of the SEBI Regulations.

### **SIGNING OF THE UNDERWRITING AGREEMENT**

- a) Our Company, the Lead Manager and the Market Maker have entered into an Underwriting Agreement on June 10, 2019.
- b) For terms of the Underwriting Agreement please see chapter titled “*General Information*” beginning on page no. 40 of this Prospectus.
- c) We will file a copy of the Prospectus with the RoC in terms of Section 26 and all other provision applicable as per Companies Act.

### **FILING OF THE PROSPECTUS WITH THE ROC**

The Company will file a copy of the Prospectus with the RoC in terms of Section 26 of Companies Act, 2013.

- a) **Designated Date and Allotment of Equity Shares Designated Date:** On the Designated date, the SCSBs shall transfers the funds represented by allocations of the Equity Shares into 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 on its website. On the basis of approved basis of allotment, the Issuer shall pass necessary corporate action to facilitate the allotment and credit of equity shares. Applicants are advised to instruct their Depository Participants to accept the Equity Shares that may be allotted to them pursuant to the issue.
- c) Pursuant to confirmation of such corporate actions, the Registrar will dispatch Allotment Advice to the Applicants who have been allotted Equity Shares in the Issue. The dispatch of allotment advice shall be deemed a valid, binding and irrevocable contract.
- d) Issuer will make the allotment of the equity shares and initiate corporate action for credit of shares to the successful applicants Depository Account within 4 working days of the Issue Closing date. The Issuer also ensures the credit of shares to the successful Applicants Depository Account is completed within one working Day from the date of allotment, after the funds are transferred from ASBA Public Issue Account to Public Issue account of the issuer.

**Designated Date:** On the Designated date, the SCSBs shall transfers the funds represented by allocations of the Equity Shares into Public Issue Account with the Bankers to the Issue.

The Company will issue and dispatch letters of allotment/ or letters of regret along with refund order or credit the allotted securities to the respective beneficiary accounts, if any within a period of 4 working days of the Issue Closing Date. The Company will intimate the details of allotment of securities to Depository immediately on allotment of securities under Section 56 of the Companies Act, 2013 or other applicable provisions, if any.

### **INTEREST AND REFUNDS**

### **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 instruction for credit to Equity Shares the beneficiary account with DPs, and dispatch the allotment Advice within 6 Working Days of the Issue Closing Date.

## **GROUNDS FOR REFUND**

### **NON RECEIPT OF LISTING PERMISSION**

An Issuer makes an Application to the Stock Exchange(s) for permission to deal in/list and for an official quotation of the Equity Shares. All the Stock Exchanges from where such permission is sought are disclosed in Prospectus. The designated Stock Exchange may be as disclosed in the Prospectus with which the Basis of Allotment may be finalised.

If the permission to deal in and official quotation of the Equity Shares are not granted by any of the Stock Exchange(s), the Issuer may forthwith repay, without interest, all money received from the Applicants in pursuance of the Prospectus.

In the event that the listing of the Equity Shares does not occur in the manner described in this Prospectus, the Lead Manager and Registrar to the Issue shall intimate Public Issue bank/Bankers to the Issue and Public Issue Bank/Bankers to the Issue shall transfer the funds from Public Issue account to Refund Account as per the written instruction from lead Manager and the Registrar for further payment to the beneficiary Applicants.

If such money is not repaid within eight days after the Issuer becomes liable to repay it, then the Issuer and every director of the Issuer who is an officer in default may, on and from such expiry of eight days, be liable to repay the money, with interest at such rate as disclosed in the Prospectus.

### **MINIMUM NUMBER OF ALLOTTEES**

The Issuer may ensure that the number of proposed Allottees to whom Equity Shares may be allotted shall not be less than 50 (Fifty), failing which the entire application monies may be refunded forthwith.

## **MODE OF REFUND**

### **IN CASE OF ASBA APPLICATION**

Within 6 working days of the Issue Closing Date, the Registrar to the Issue may give instruction to SCSBs for unblocking the amount in ASBA Account on unsuccessful Application and also for any excess amount blocked on Application.

### **MODE OF MAKING REFUND FOR ASBA APPLICANTS**

In case of ASBA Application, the registrar of 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.

### **INTEREST IN CASE OF DELAY IN ALLOTMENT OR REFUND:**

The issuer shall allot securities offered to the public shall be made within the period prescribed by the Board. The issuer shall also pay interest at the rate of fifteen per cent. per annum if the allotment letters or refund orders have not been dispatched to the applicants or if, in a case where the refund or portion thereof is made in electronic manner, the refund instructions have not been given to the clearing system in the disclosed manner within eight days from the date of the closure of the issue. However applications received after the closure of issue in fulfilment of underwriting obligations to meet the minimum subscription requirement, shall not be entitled for the said interest.

1. **Issuance of Allotment Advice:** Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Lead Manager or the Registrar to the Issue shall send to the Bankers to the Issue a list of their Applicants who have been allocated/Allotted Equity Shares in this Issue.
2. Pursuant to confirmation of corporate actions with respect to Allotment of Equity Shares, the Registrar to the Issue will dispatch Allotment Advice to the Applicants who have been Allotted Equity Shares in the Issue.



3. Approval of the Basis of Allotment by the Designated Stock Exchange. As described above shall be deemed a valid, binding and irrevocable contract for the Applicant.

### General Instructions

#### Do's:

- 1) Check if you are eligible to apply as per the terms of this Prospectus and under applicable law, rules, regulations, guidelines and approvals;
- 2) Read all the instructions carefully and complete the Application Form in the prescribed form;
- 3) Ensure that the details about the PAN, DP ID and Client ID are correct and the Applicants depository account is active, as Allotment of the Equity Shares will be in the dematerialised form only;
- 4) Ensure that your Application Form bearing the stamp of a Designated Intermediary is submitted to the Designated Intermediary;
- 5) If the first applicant is not the account holder, ensure that the Application Form is signed by the account holder. Ensure that you have mentioned the correct bank account number in the Application Form;
- 6) Ensure that the signature of the First Applicant in case of joint Applications, is included in the Application Forms;
- 7) Ensure that the name(s) given in the Application Form is/are exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case of joint Applications, the Application Form should contain only the name of the First Applicant whose name should also appear as the first holder of the beneficiary account held in joint names;
- 8) Ensure that you request for and receive a stamped acknowledgement of your Application;
- 9) Retail Applicants using the UPI mechanism should ensure that the correct UPI ID is mentioned in the Application Form;
- 10) Retail Applicants shall ensure that the bank, with which such Retail Applicants has a bank account, where the funds equivalent to the application amount are available for blocking is UPI 2.0 certified by the NPCI;
- 11) Ensure that you have funds equal to the Application Amount in the ASBA Account maintained with the SCSB before submitting the Application Form under the ASBA process to the respective member of the SCSBs, the Registered Broker (at the Broker Centres), the RTA (at the Designated RTA Locations) or CDP (at the Designated CDP Locations);
- 12) Submit revised Applications to the same Designated Intermediary, through whom the original Application was placed and obtain a revised acknowledgment;
- 13) Except for Applications (i) on behalf of the Central or State Governments and the officials appointed by the courts, who, in terms of a SEBI circular dated June 30, 2008, may be exempt from specifying their PAN for transacting in the securities market, and (ii) Applications by persons resident in the state of Sikkim, who, in terms of a SEBI circular dated July 20, 2006, may be exempted from specifying their PAN for transacting in the securities market, all Applicants should mention their PAN allotted under the IT Act. The exemption for the Central or the State Government and officials appointed by the courts and for investors residing in the State of Sikkim is subject to (a) the Demographic Details received from the respective depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in "active status"; and (b) in the case of residents of Sikkim, the address as per the Demographic Details evidencing the same. All other applications in which PAN is not mentioned will be rejected;
- 14) Ensure that the Demographic Details are updated, true and correct in all respects;



- 15) Ensure that thumb impressions and signatures other than in the languages specified in the Eighth Schedule to the Constitution of India are attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal;
- 16) Ensure that the category and the investor status is indicated;
- 17) Ensure that in case of Applications under power of attorney or by limited companies, corporates, trust etc., relevant documents are submitted;
- 18) Ensure that Applications submitted by any person outside India should be in compliance with applicable foreign and Indian laws;
- 19) Applicants should note that in case the DP ID, Client ID and the PAN mentioned in their Application Form and entered into the online IPO system of the Stock Exchanges by the relevant Designated Intermediary, as the case may be, do not match with the DP ID, Client ID and PAN available in the Depository database, then such Applications are liable to be rejected. Where the Application Form is submitted in joint names, ensure that the beneficiary account is also held in the same joint names and such names are in the same sequence in which they appear in the Application Form;
- 20) Ensure that the Application Forms are delivered by the Applicants within the time prescribed as per the Application Form and the Prospectus;
- 21) For Retail Applicants using the UPI mechanism, ensure that you approve the request generated by the Sponsor Bank to authorise blocking of funds equivalent to application amount and subsequent debit of funds in case of allotment, in a timely manner;
- 22) Retail Applicants shall ensure that details of the Applications are reviewed and verified by opening the attachment in the UPI mandate request and then proceed to authorise the UPI request using his/her UPI PIN. Upon the authorization of the mandate using his/her UPI PIN, a Retail Applicant may be deemed to have verified the attachment containing the application details of the Retail Applicant in the UPI mandate request and have agreed to block the entire Application Amount and authorized the Sponsor Bank to block the Application Amount mentioned in the Application Form;
- 23) Retail Applicants using the UPI mechanism should mention valid UPI ID of only the Applicant (in case of single account) and of the first Applicant (in case of joint account) in the Application Form;
- 24) Retail Applicants using the UPI mechanism, who have revised their Application subsequent to making the initial Application, should also approve the revised request generated by the Sponsor Bank to authorise blocking of funds equivalent to the revised Application Amount and subsequent debit of funds in case of allotment in a timely manner;
- 25) Ensure that you have mentioned the correct ASBA Account number in the Application Form;
- 26) Ensure that you have correctly signed the authorisation/undertaking box in the Application Form, or have otherwise provided an authorisation to the SCSB via the electronic mode, for blocking funds in the ASBA Account equivalent to the Application Amount mentioned in the Application Form at the time of submission of the Application;
- 27) Ensure that you receive an acknowledgement from the concerned Designated Intermediary, for the submission of your Application Form; and
- 28) The Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

**Don'ts:**

- 1) Do not apply for lower than the minimum Application size;
- 2) Do not apply at a Price different from the Price mentioned herein or in the Application Form;
- 3) Do not pay the Application Amount in cash, by money order, cheques or demand drafts or by postal order or by stock invest;



- 4) Do not send Application Forms by post; instead submit the same to the Designated Intermediary only;
- 5) Do not submit the Application Forms to any non-SCSB bank or our Company;
- 6) Do not apply on a Application Form that does not have the stamp of the relevant Designated Intermediary;
- 7) Do not instruct your respective Banks to release the funds blocked in the ASBA Account under the ASBA process;
- 8) Do not apply for a Application Amount exceeding ₹ 200,000 (for Applications by Retail Individual Applicants);
- 9) Do not fill up the Application Form such that the Equity Shares applied for exceeds the Issue size and / or investment limit or maximum number of the Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations or under the terms of the Prospectus;
- 10) Do not submit the General Index Register number instead of the PAN;
- 11) Do not submit the Application without ensuring that funds equivalent to the entire Application Amount are blocked in the relevant ASBA Account;
- 12) Do not submit more than 1 Application Form for each UPI ID in case of Retail Applicants Applying through the Designated Intermediary using the UPI Mechanism;
- 13) Do not submit Applications on plain paper or on incomplete or illegible Application Forms or on Application Forms in a colour prescribed for another category of Applicant;
- 14) Do not submit a Application in case you are not eligible to acquire Equity Shares under applicable law or your relevant constitutional documents or otherwise;
- 15) Do not apply if you are not competent to contract under the Indian Contract Act, 1872 (other than minors having valid depository accounts as per Demographic Details provided by the depository);
- 16) Do not make applications using third party bank accounts or using third party linked bank account UPI IDs;
- 17) Do not link the UPI ID with a bank account maintained with a bank that is not UPI 2.0 certified by the NPCI in case of Applications submitted by Retail Applicants using the UPI mechanism;
- 18) Do not submit incorrect UPI ID details, if you are a Retail Applicants bidding through UPI Mechanism;
- 19) Do not submit more than five Application Forms per ASBA Account;

The Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

#### **INSTRUCTIONS FOR COMPLETING THE APPLICATION FORM**

The Applications should be submitted on the prescribed Application Form and in BLOCK LETTERS in ENGLISH only in accordance with the instructions contained herein and in the Application Form. Applications not so made are liable to be rejected. Application forms submitted to the SCSBs should bear the stamp of respective intermediaries to whom the application form submitted. Application form submitted directly to the SCSBs should bear the stamp of the SCSBs and/or the Designated Branch. Application forms submitted by Applicants whose beneficiary account is inactive shall be rejected. SEBI, vide Circular No. CIR/CFD/14/2012 dated October 4, 2012 has introduced an additional mechanism for investors to submit application forms in public issues using the stock broker (“broker”) network of Stock Exchanges, who may not be syndicate members in an issue with effect from January 01, 2013. The list of Broker’s Centre is available on the websites of NSE i.e. [www.nseindia.com](http://www.nseindia.com).



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**APPLICANT'S DEPOSITORY ACCOUNT AND BANK DETAILS**

*Please note that, providing bank account details in the space provided in the Application Form is mandatory and applications that do not contain such details are liable to be rejected.*

*Please note that, furnishing the details of depository account is mandatory and applications without depository account shall be treated as incomplete and rejected.*

Applicants should note that on the basis of name of the Applicants, Depository Participant's name, Depository Participant

Identification number and Beneficiary Account Number provided by them in the Application Form, the Registrar to the Issue will obtain from the Depository the demographic details including address, Applicants bank account details, MICR code and occupation (hereinafter referred to as 'Demographic Details'). These Bank Account details would be used for giving refunds to the Applicants. Hence, Applicants are advised to immediately update their Bank Account details as appearing on the records of the depository participant. Please note that failure to do so could result in delays in dispatch/ credit of refunds to Applicants at the Applicants' sole risk and neither the Lead Manager nor the Registrar to the Issue or the Escrow Collection Banks or the SCSB nor the Company shall have any responsibility and undertake any liability for the same. Hence, Applicants should carefully fill in their Depository Account details in the Application Form. These Demographic Details would be used for all correspondence with the Applicants including mailing of the CANs / Allocation Advice and printing of Bank particulars on the refund orders or for refunds through electronic transfer of funds, as applicable. The Demographic Details given by Applicants in the Application Form would not be used for any other purpose by the Registrar to the Issue. By signing the Application Form, the Applicant would be deemed to have authorized the depositories to provide, upon request, to the Registrar to the Issue, the required Demographic Details as available on its records.

**PAYMENT BY STOCK INVEST**

In terms of the Reserve Bank of India Circular No. DBOD No. FSC BC 42/ 24.47.00/ 2003-04 dated November 5, 2003; the option to use the stock invest instrument in lieu of cheques or bank drafts for payment of Application money has been withdrawn. Hence, payment through stock invest would not be accepted in this Issue.

**OTHER INSTRUCTIONS****Submission of Bids**

- a) During the Bid/ Issue Period, Bidders may approach any of the Designated Intermediaries to register their Bids.
- b) In case of Bidders (excluding Non-Retail Bidders) bidding at Cut-off Price, the ASBA Bidders may instruct the SCSBs to block Bid Amount based on the Cap Price less discount (if applicable).
- c) For Details of the timing on acceptance and upload of Bids in the Stock Exchanges Platform Bidders are requested to refer to the Red Herring Prospectus.

**JOINT APPLICATIONS IN THE CASE OF INDIVIDUALS**

Applications may be made in single or joint names (not more than three). In the case of joint Applications, all payments will be made out in favour of the Applicant whose name appears first in the Application Form or Revision Form. All communications will be addressed to the First Applicant and will be dispatched to his or her address as per the Demographic Details received from the Depository.

**MULTIPLE APPLICATIONS**

An Applicant should submit only one Application (and not more than one). Two or more Applications will be deemed to be multiple Applications if the sole or First Applicant is one and the same.

In this regard, the procedures which would be followed by the Registrar to the Issue to detect multiple applications are given below:



- All applications are electronically strung on first name, address (1st line) and applicant's status. Further, these applications are electronically matched for common first name and address and if matched, these are checked manually for age, signature and father/ husband's name to determine if they are multiple applications;
- 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.
- 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 (Twenty) 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 its 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 Applicant 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 Applicant may apply for Equity Shares using the same ASBA Account, provided that the SCSBs will not accept a total of more than five Application Forms with respect to any single ASBA Account.

Duplicate copies of Application Forms downloaded and printed from the website of the Stock Exchange bearing the same application number shall be treated as multiple applications and are liable to be rejected. The Company, in consultation with the 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 Applicants other than Mutual Funds and FII sub-accounts, 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 Applicants for whom submission of PAN is not mandatory such as the Central or State Government, an official liquidator or receiver appointed by a court and residents of Sikkim, the Application Forms will be checked for common DP ID and Client ID.

#### **PERMANENT ACCOUNT NUMBER OR PAN**

Pursuant to the circular MRD/DoP/Circ 05/2007 dated April 27, 2007, SEBI has mandated Permanent Account Number ("PAN") to be the sole identification number for all participants transacting in the securities market, irrespective of the amount of the transaction w.e.f. July 2, 2007. Each of the Applicants should mention his/her PAN allotted under the Income Tax Act, 1961. Applications without the PAN will be considered incomplete and are liable to be rejected. It is to be specifically noted that Applicants should not submit the General Index Registration ("GIR") number instead of the PAN, as the Application is liable to be rejected on this ground.

**Our Company/ Registrar to the Issue/ Lead Manager can, however, accept the Application(s) in which PAN is wrongly entered into by ASBA SCSB's in the ASBA system, without any fault on the part of Applicant.**

#### **Minimum Subscription**

The requirement for 90% minimum subscription is not applicable to Issues under chapter IX of the SEBI ICDR Regulations.



As per Section 39 (1) of the Companies Act, 2013, if the minimum stated amount has not been subscribed and the sum payable on application is not received within a period of 30 days from the date of the Prospectus, the application money has to be returned within such period as may be prescribed. If our Company does not receive the 100% subscription of the offer through the offer including devolvement of Underwriter, if any, our Company shall forthwith refund the entire subscription amount received. If there is a delay beyond eight (8) working 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 the SEBI ICDR Regulations, the Companies Act 2013 and applicable law.

In accordance with Regulation 260 (1) of the SEBI ICDR Regulations, our Issue shall be hundred percent underwritten. Thus, the underwriting obligations shall be for the entire hundred percent of the Issue through the Prospectus and shall not be restricted to the minimum subscription level. Further, in accordance with Regulation 267 (2) of the SEBI ICDR Regulations, our Company shall ensure that the minimum application size shall not be less than ₹ 1,00,000 (Rupees One Lakh) per application.

### **RIGHT TO REJECT APPLICATIONS**

In case of QIB Applicants, the Company in consultation with the Lead Manager may reject Applications provided that the reasons for rejecting the same shall be provided to such Applicant in writing. In case of Non Institutional Applicants, Retail Individual Applicants who applied, the Company has a right to reject Applications based on technical grounds.

### **GROUND FOR REJECTIONS**

Applicants are advised to note that Applications are liable to be rejected inter alia on the following technical grounds:

- Amount paid does not tally with the amount payable for the highest value of Equity Shares applied for;
- In case of partnership firms, Equity Shares may be registered in the names of the individual partners and no firm as such shall be entitled to apply;
- Application by persons not competent to contract under the Indian Contract Act, 1872 including minors, insane persons;
- PAN not mentioned in the Application Form;
- GIR number furnished instead of PAN;
- Applications for lower number of Equity Shares than specified for that category of investors;
- Applications at a price other than the Fixed Price of the Issue;
- Applications for number of Equity Shares which are not in multiples of 6,000;
- Category not ticked;
- Multiple Applications as defined in the Prospectus;
- ASBA Form by the Retail Individual Applicants by using third party bank accounts or using third party linked bank account UPI IDs;
- In case of Application under power of attorney or by limited companies, corporate, trust etc., where relevant documents are not submitted;
- Applications accompanied by Stock invest/ money order/ postal order/ cash;
- Signature of sole Applicant is missing;



- Application Forms are not delivered by the Applicant within the time prescribed as per the Application Forms, Issue Opening Date advertisement and the Prospectus and as per the instructions in the Prospectus and the Application Forms;
- In case no corresponding record is available with the Depositories that matches three parameters namely, names of the Applicants (including the order of names of joint holders), the Depository Participant's identity (DP ID) and the beneficiary's account number;
- Applications for amounts greater than the maximum permissible amounts prescribed by the regulations;
- Applications by OCBs;
- Applications by US persons other than in reliance on Regulations or "qualified institutional buyers" as defined in Rule 144A under the Securities Act;
- Applications not duly signed;
- Applications by any persons outside India if not in compliance with applicable foreign and Indian laws;
- Applications by any person that do not comply with the securities laws of their respective jurisdictions are liable to be rejected;
- Applications by persons prohibited from buying, selling or dealing in the shares directly or indirectly by SEBI or any other regulatory authority;
- Applications by persons who are not eligible to acquire Equity Shares of the Company in terms of all applicable laws, rules, regulations, guidelines, and approvals;
- Applications or revisions thereof by QIB Applicants, Non Institutional Applicants where the Application Amount is in excess of ₹ 2,00,000, received after 3.00 pm on the Issue Closing Date;
- Applications not containing the details of Bank Account and/or Depositories Account.

#### **EQUITY SHARES IN DEMATERIALIZED FORM WITH NSDL OR CDSL**

To enable all shareholders of the Company to have their shareholding in electronic form, the Company had signed the following tripartite agreements with the Depositories and the Registrar and Share Transfer Agent:

- Tripartite agreement dated September 9, 2016 with NSDL, our Company and Registrar to the Issue;
- Tripartite agreement dated May 17, 2019 with CDSL, our Company and Registrar to the Issue;
- The Company's shares bear an ISIN: INE719F01016

#### **BASIS OF ALLOTMENT**

Allotment will be made in consultation with NSE (The Designated Stock Exchange). In the event of oversubscription, the allotment will be made on a proportionate basis in marketable lots as set forth here:

1. The total number of Shares to be allocated to each category as a whole shall be arrived at on a proportionate basis i.e. the total number of Shares applied for in that category multiplied by the inverse of the over subscription ratio (number of applicants in the category x number of Shares applied for).
2. The number of Shares to be allocated to the successful applicants will be arrived at on a proportionate basis in marketable lots (i.e. Total number of Shares applied for into the inverse of the over subscription ratio).
3. For applications where the proportionate allotment works out to less than 3000 equity shares the allotment will be made as follows:
  - a) Each successful applicant shall be allotted 3000 equity shares; and

- b) The successful applicants out of the total applicants for that category shall be determined by the drawal of lots in such a manner that the total number of Shares allotted in that category is equal to the number of Shares worked out as per (2) above.
4. If the proportionate allotment to an applicant works out to a number that is not a multiple of 3000 equity shares, the applicant would be allotted Shares by rounding off to the lower nearest multiple of 3000 equity shares subject to a minimum allotment of 3000 equity shares.
5. If the Shares allocated on a proportionate basis to any category is more than the Shares allotted to the applicants in that category, the balance available Shares for allocation shall be first adjusted against any category, where the allotted Shares are not sufficient for proportionate allotment to the successful applicants in that category, the balance Shares, if any, remaining after such adjustment will be added to the category comprising of applicants applying for the minimum number of Shares.
6. Since present issue is a fixed price issue, the allocation in the net offer to the public category in terms of Regulation 253 of the SEBI (ICDR) Regulations, 2018 shall be made as follows:
  - a) The net offer of shares to the Public (i.e. 34,17,600 Equity Shares) shall be made available for allotment to retail individual investors; and
  - b) The balance net offer of shares to the public (i.e. 34,17,600 Equity Shares) shall be made available for allotment to Non-Institutional Investors, including Qualified Institution Buyers, Corporate Bodies/ Institutions.
  - c) The unsubscribed portion in either of the categories specified in (a) or (b) above may be allocated to the applicants in the other category.

Explanation: If the retails individual investor category is entitled to more than allocated portion on proportionate basis, the retails individual investors shall be allocated that higher percentage.

Our Company shall ensure that out of total allocated shares to the Category “Non-Institutional Investors, including Qualified Institution Buyers, Corporate Bodies/ Institutions”, at least 15% of net offer of shares to the public shall be allocated to Non-Institutional Investors and not more than 50% shall be allocated to Qualified Institution Buyers including allocation of 5% to Mutual Funds.

Please note that the Allotment to each Retail Individual Investor shall not be less than the minimum application lot, subject to availability of Equity Shares in the Retail portion. The remaining available Equity Shares, if any in Retail portion shall be allotted on a proportionate basis to Retail individual Investor in the manner in this para titled “*Basis of Allotment*” on page no. 219 of this Prospectus.

“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 the SME Platform of NSE.

#### **BASIS OF ALLOTMENT IN THE EVENT OF UNDER SUBSCRIPTION**

In the event of under subscription in the Issue, the obligations of the Underwriter shall get triggered in terms of the Underwriting Agreement. The Minimum subscription of 100% of the Issue size as specified in page no.40 shall be achieved before our company proceeds to get the basis of allotment approved by the Designated Stock Exchange.

The Executive Director/Managing Director of the SME Platform of NSE – the Designated Stock Exchange in addition to Lead Manager and Registrar to the Public Issue shall be responsible to ensure that the basis of allotment is finalized in a fair and proper manner in accordance with the SEBI (ICDR) Regulations, 2018.

#### **Issuance of a Confirmation of Allocation Note (“CAN”) and Allotment in the Issue**

1. Upon approval of the basis of allotment by the Designated Stock Exchange, the Lead Manager or Registrar to the Issue shall send to the SCSBs a list of their Applicants who have been allocated Equity Shares in the Issue.



2. The Registrar will then dispatch a CAN to their Applicants who have been allocated Equity Shares in the Issue. The dispatch of a CAN shall be deemed a valid, binding and irrevocable contract for the Applicant.

### **Communications**

All future communications in connection with Applications made in this Issue should be addressed to the Registrar quoting the full name of the sole or First Applicant, Application Form number, Applicants Depository Account Details, number of Equity Shares applied for, date of Application Form, name and address of the SCSB / Designated Intermediary, where the Application was submitted and bank account number in which the amount equivalent to the Application Amount was blocked.

Applicants 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, refund orders etc. In case of ASBA Applications submitted to the Designated Branches of the SCSBs, the Applicants can contact the Designated Branches of the SCSBs.

### **Impersonation**

**Attention of the Applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, which is reproduced below:**

**“Any person who:**

- a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or**
- b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or**
- c) Otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under Section 447”**

***Section 447 of the Companies Act, 2013, is reproduced as below:***

*Without prejudice to any liability including repayment of any debt under this Act or any other law for the time being in force, any person who is found to be guilty of fraud involving an amount of at least ten lakh rupees or one per cent. Of the turnover of the company, whichever is lower shall be punishable with imprisonment for a term which shall not be less than six months but which may extend to ten years and shall also be liable to fine which shall not be less than the amount involved in the fraud, but which may extend to three times the amount involved in the fraud:*

*Provided that where the fraud in question involves public interest, the term of imprisonment shall not be less than three years.*

*Provided further that where the fraud involves an amount less than ten lakh rupees or one per cent. of the turnover of the company, whichever is lower, and does not involve public interest, any person guilty of such fraud shall be punishable with imprisonment for a term which may extend to five years or with fine which may extend to twenty lakh rupees or with both.*

### **Names of entities responsible for finalising the basis of allotment in a fair and proper manner**

The authorised employees of the Stock Exchanges, along with the BRLM and the Registrar, shall ensure that the Basis of Allotment is finalised in a fair and proper manner in accordance with the procedure specified in SEBI ICDR Regulations.

### **Procedure and Time of Schedule for Allotment and Demat Credit**

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.



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**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.

Issuer will ensure that the Allotment of Equity Shares and corporate action for credit of shares to the successful Bidders Depository Account will be completed within 6 Working Days of the Issue Closing Date. The Issuer also ensures the credit of shares to the successful Bidder depository account is completed within one Working Day from the date of Allotment, after the funds are transferred from the Public Issue Account on the Designated Date.

**Method of allotment as may be prescribed by SEBI from time to time**

Our Company will not make any allotment in excess of the Equity Shares offered through the Issue through the offer document except in case of oversubscription for the purpose of rounding off to make allotment, in consultation with the Designated Stock Exchange. Further, upon oversubscription, an allotment of not more than 1% of the net Issue to public may be made for the purpose of making allotment in minimum lots.

The allotment of Equity Shares to applicants other than to the Retail Individual Investors shall be on a proportionate basis within the respective investor categories and the number of securities allotted shall be rounded off to the nearest integer, subject to minimum allotment being equal to the minimum application size as determined and disclosed.

The allotment of Equity Shares to each Retail Individual Investor shall not be less than the minimum bid lot, subject to the availability of shares in Retail Individual Investor category, and the remaining available shares, if any, shall be allotted on a proportionate basis.

**Letters of Allotment or Refund Orders or Instructions to the SCSBs**

The Registrar to the Issue shall give instructions for credit to the beneficiary account with depository participants within 6 Working Days from the Bid/ Issue Closing Date. the Registrar shall instruct the relevant SCSBs to, on the receipt of such instructions from the Registrar, unblock the funds in the relevant ASBA Account to the extent of the Bid Amount specified in the Bid cum Application Form or the relevant part thereof, for withdrawn, rejected or unsuccessful or partially successful ASBA Bids within 6 Working Days of the Bid/ Issue Closing Date.

**Mode of Refund**

Within 6 Working Days of the Bid/ Issue Closing Date, the Registrar to the Issue may give instructions to SCSBs for unblocking the amount in ASBA Account on unsuccessful Bid and also for any excess amount blocked on Bidding.

**Interest in Case of Delay in Allotment or Refund**

The Issuer shall allot the equity shares offered to the public within the period prescribed by the Board. The Issuer may pay interest at the rate of 15% per annum in case 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 Bid/ Offer Closing Date.

**Undertaking by our Company**

We undertake the following:

- 1) If our Company does not proceed with the Issue after the Issue Opening Date but before allotment, then the reason thereof shall be given as a public notice to be issued by our Company within two days of the Issue Closing Date. The public notice shall be issued in the same newspapers where the Pre-Issue advertisements were published. The stock exchanges on which the Equity Shares are proposed to be listed shall also be informed promptly;



- 2) If our Company withdraw the Issue after the Issue Closing Date, our Company shall be required to file a fresh offer document with the RoC/SEBI, in the event our Company subsequently decides to proceed with the Issue;
- 3) The complaints received in respect of the Issue shall be attended to by our Company expeditiously and satisfactorily;
- 4) 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 Issue Closing Date;
- 5) Where refunds (to the extent applicable) are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within 15 days from the Issue Closing Date, or such time period as specified by SEBI, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;
- 6) The funds required for making refunds to unsuccessful applicants as per the mode(s) disclosed shall be made available to the Registrar and Share Transfer Agent to the Issue by our Company;
- 7) Allotment is not made within the prescribed time period under applicable law, the entire subscription amount received will be refunded/unblocked within the time prescribed under applicable law. If there is delay beyond the prescribed time, our Company shall pay interest prescribed under the Companies Act, 2013, the SEBI Regulations and applicable law for the delayed period;
- 8) The certificates of the securities/refund orders to Eligible NRIs shall be dispatched within specified time;
- 9) No further Issue of Equity Shares shall be made till the Equity Shares offered through this Issue Document are listed or until the Application monies are refunded on account of non-listing, under-subscription etc;
- 10) Adequate arrangements shall be made to collect all Application Forms and
- 11) The certificates of the securities/refund orders to Eligible NRIs shall be dispatched within specified time.

#### **Utilization of Issue Proceeds**

The Board of Directors of our Company certifies that:

- 1) All monies received out of the Issue shall be credited/ transferred to a separate bank account other than the bank account referred to in sub section (3) of Section 40 of the Companies Act, 2013;
- 2) Details of all monies utilized out of the Issue shall be disclosed under an appropriate head in our balance sheet indicating the purpose for which such monies have been utilized under an appropriate separate head in the balance sheet of our Company indicating the purpose for which such monies have been utilised;
- 3) Details of all unutilized monies out of the Issue, if any shall be disclosed under the appropriate head in the balance sheet indicating the form in which such unutilized monies have been invested and
- 4) Our Company shall comply with the requirements of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 in relation to the disclosure and monitoring of the utilization of the proceeds of the Issue.

Our Company shall not have recourse to the Issue Proceeds until the approval for listing and trading of the Equity Shares from the Stock Exchange where listing is sought has been received.

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## PART B

### General Information Document for Investing in Public Issues

This General Information Document highlights certain key rules, processes and procedures applicable to public issues in accordance with the provisions of the Companies Act, the SCRA, the SCRR and the SEBI ICDR Regulations. Applicants should not construe the contents of this General Information Document as legal advice and should consult their own legal counsel and other advisors in relation to the legal matters concerning the issue. For taking an investment decision, the Applicants should rely on their own examination of the Issuer and the Issue, and should carefully read the Prospectus before investing in the Issue.

SEBI through its circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018 has proposed to introduce an alternate payment mechanism using Unified Payments Interface (“UPI”) and consequent reduction in timelines in a phased manner. From January 1, 2019, the UPI mechanism for RIIs applying through Designated Intermediaries will be made effective along with the existing process and existing timeline of T+6 days. The same will continue for a period of three months or launch of five main board public issues, whichever is later (“UPI Phase I”). Thereafter, for application by RIIs through Designated Intermediaries, the existing process of physical movement of forms from Designated Intermediaries to SCSBs for blocking of funds will be discontinued and only the UPI mechanism with existing timeline of T+6 days will continue for a period of three months or launch of five main board public issues, whichever is later (“UPI Phase II”). Subsequently, the final reduced timeline will be made effective using the UPI mechanism for applications by RIIs (“UPI Phase III”), as may be prescribed by SEBI.

### **SECTION 1: PURPOSE OF THE GENERAL INFORMATION DOCUMENT (GID)**

This document is applicable to the public issues undertaken through the Book-Building Process as well as to the Fixed Price Issues. The purpose of the “General Information Document for Investing in Public Issues” is to provide general guidance to potential Applicants in IPOs and FPOs, and on the processes and procedures governing IPOs and FPOs, undertaken in accordance with the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (“SEBI ICDR Regulations, 2009”).

Applicants should note that investment in equity and equity related securities involves risk and Applicant should not invest any funds in the Issue unless they can afford to take the risk of losing their investment. The specific terms relating to securities and/or for subscribing to securities in an Issue and the relevant information about the Issuer undertaking the Issue are set out in the Prospectus filed by the Issuer with the Registrar of Companies (“RoC”). Applicants should carefully read the entire Prospectus and the Bid cum Application Form/Application Form and the Abridged Prospectus of the Issuer in which they are proposing to invest through the Issue. In case of any difference in interpretation or conflict and/or overlap between the disclosure included in this document and the Prospectus, the disclosures in the Prospectus shall prevail. The Prospectus of the Issuer is available on the websites of stock exchanges, on the website(s) of the LM to the Issue and on the website of Securities and Exchange Board of India (“SEBI”) at [www.sebi.gov.in](http://www.sebi.gov.in).

For the definitions of capitalized terms and abbreviations used herein Applicants may see “Glossary and Abbreviations”.

### **SECTION 2: BRIEF INTRODUCTION TO IPOs/FPOs**

#### **2.1 Initial Public Offer (IPO)**

An IPO means an offer of specified securities by an unlisted Issuer to the public for subscription and may include an Offer for Sale of specified securities to the public by any existing holder of such securities in an unlisted Issuer.

For undertaking an IPO, an Issuer is inter-alia required to comply with the eligibility requirements of in terms of either Regulation 26(1) or Regulation 26(2) of the SEBI ICDR Regulations, 2018. For details of compliance with the eligibility requirements by the Issuer, Applicants may refer to the Prospectus.

## 2.2 Further Public Offer (FPO)

An FPO means an offer of specified securities by a listed Issuer to the public for subscription and may include Offer for Sale of specified securities to the public by any existing holder of such securities in a listed Issuer.

For undertaking an FPO, the Issuer is inter-alia required to comply with the eligibility requirements in terms of Regulation 26/ Regulation 27 of the SEBI ICDR Regulations, 2009. For details of compliance with the eligibility requirements by the Issuer, Applicants may refer to the Prospectus.

## 2.3 Other Eligibility Requirements:

In addition to the eligibility requirements specified in paragraphs 2.1 and 2.2, an Issuer proposing to undertake an IPO or an FPO is required to comply with various other requirements as specified in the SEBI ICDR Regulations, to the extent applicable, the SEBI ICDR Regulations 2018, the SEBI LODR Regulations, the Companies Act, 2013, the SCRR, industry-specific regulations, if any, and other applicable laws for the time being in force.

For details in relation to the above Applicants may refer to the Prospectus.

## 2.4 Types of Public Issues – Fixed Price Issues and Book Built Issues

In accordance with the provisions of the SEBI ICDR Regulations, an Issuer can either determine the Issue Price through the Book Building Process (“Book Built Issue”) or undertake a Fixed Price Issue (“Fixed Price Issue”). An Issuer may mention Floor Price or Price Band in the RHP (in case of a Book Built Issue) and a Price or Price Band in the Prospectus (in case of a fixed price Issue) and determine the price at a later date before registering the Prospectus with the Registrar of Companies.

The cap on the Price Band should be less than or equal to 120% of the Floor Price. The Issuer shall announce the Price or the Floor Price or the Price Band through advertisement in all newspapers in which the pre- Issue advertisement was given at least two Working Days before the Bid/ Issue Opening Date, in case of an IPO and at least one Working Day before the Bid/ Issue Opening Date, in case of an FPO and determine the Offer Price at a later date before registering the Prospectus with the Registrar of Companies.

The Floor Price or the Issue price cannot be lesser than the face value of the securities.

Applicants should refer to the Prospectus or Issue advertisements to check whether the Issue is a Book Built Issue or a Fixed Price Issue.

## 2.5 ISSUE PERIOD

The Issue may be kept open for a minimum of three Working Days (for all category of Applicants) and not more than ten Working Days. Applicants are advised to refer to the Bid cum Application Form and Abridged Prospectus or Prospectus for details of the Bid/ Issue Period. Details of Bid/ Issue Period are also available on the website of the Stock Exchange(s).

In case of a Book Built Issue, the Issuer may close the Issue Period for QIBs one Working Day prior to the Bid/ Issue Closing Date if disclosures to that effect are made in the Prospectus. In case of revision of the Floor Price or Price Band in Book Built Issues the Bid/ Issue Period may be extended by at least three Working Days, subject to the total Bid/ Issue Period not exceeding 10 Working Days. For details of any revision of the Floor Price or Price Band, Applicants may check the announcements made by the Issuer on the websites of the Stock Exchanges and the LM, and the advertisement in the newspaper(s) issued in this regard.

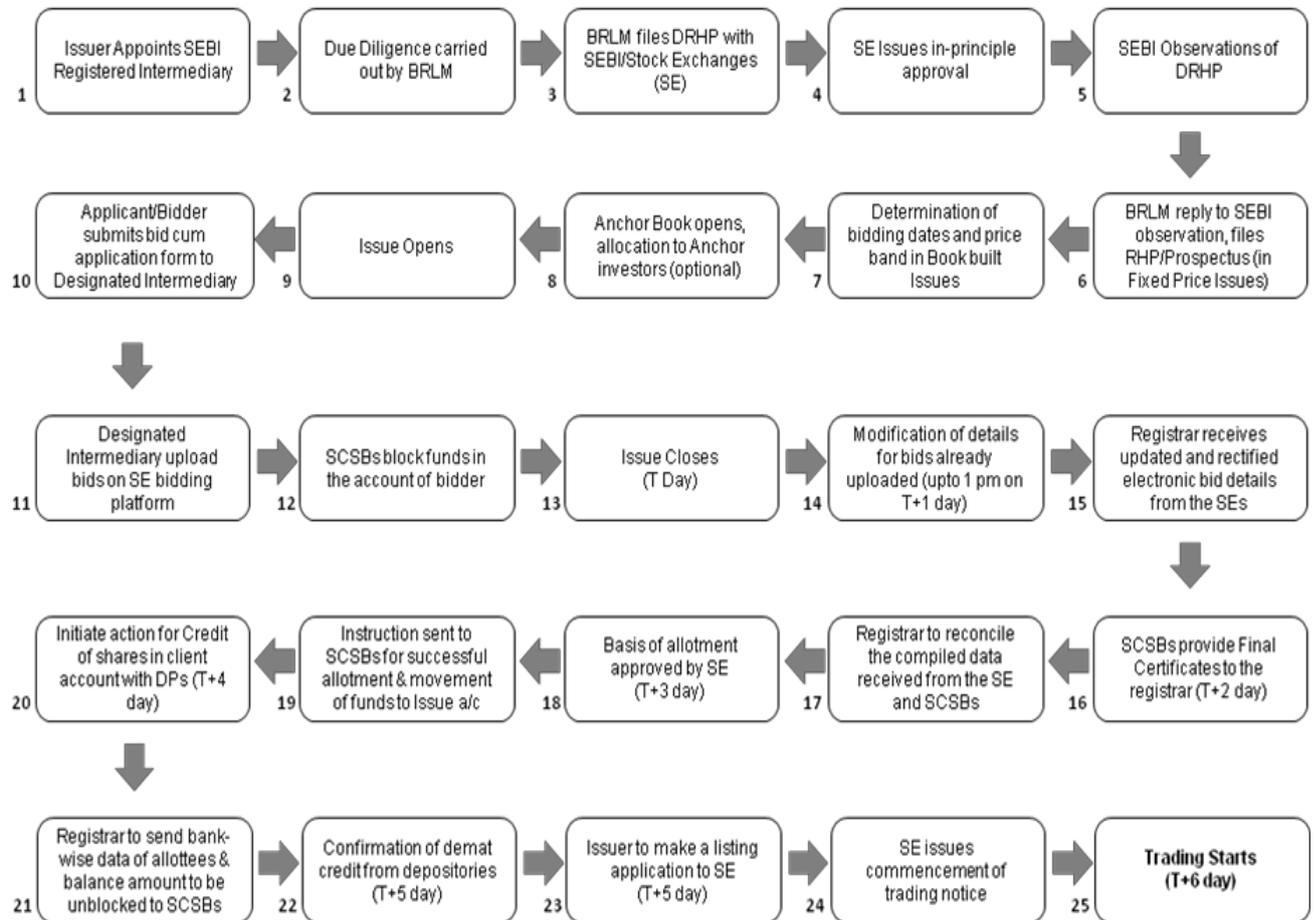
In case of force majeure, banking strike or similar circumstances, the Issuer may, for reasons to be recorded in writing, extend the Issue period for a minimum period of three working days, subject to the total Issue Period not exceeding 10 Working Days.

## 2.6 FLOWCHART OF TIMELINES

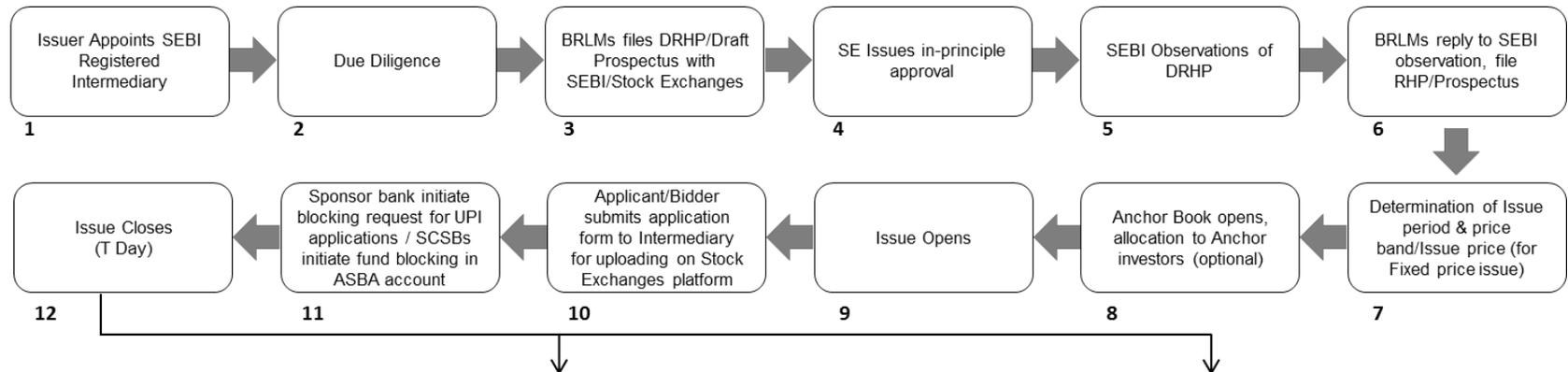
A flow chart of process flow in Fixed Price and Book Built Issues is as follows. Applicants may note that this is not applicable for Fast Track FPOs:



In case of Issue other than Book Built Issue (Fixed Price Issue) the process at the following of the below mentioned steps shall be read as:



## Flow chart of Timeline for Phase I



S.no	Day	Retail applications with UPI	Retail applications without UPI and QIB/NII applications
13	T+1	<ul style="list-style-type: none"> <li>Sponsor Bank to initiate request for blocking of funds to investor for any balance applications</li> <li>Sponsor Bank may not accept bid details from stock exchange post T+1</li> </ul>	<ul style="list-style-type: none"> <li>Intermediaries to forward a schedule as per requisite format and application forms to SCSBs for blocking of funds</li> <li>Designated branches of SCSBs may not accept schedule and application post T+1</li> </ul>
14	T+2	<ul style="list-style-type: none"> <li>Applicant to accept mandate request for blocking of funds prior to cut off-time of 12:00 p.m</li> <li>Sponsor Bank to send Final Certificate to the registrar through stock exchange by end of the day</li> </ul>	<ul style="list-style-type: none"> <li>SCSBs to send Final Certificate to the registrar by end of the day</li> </ul>
15	T+2	<ul style="list-style-type: none"> <li>Registrar to reconcile the compiled data received from the stock exchanges, all SCSBs and Sponsor Bank</li> <li>Registrar to undertake "Technical Rejection"</li> </ul>	
16	T+3	<ul style="list-style-type: none"> <li>Approval of Basis of allotment by designated stock exchange</li> <li>Registrar and merchant banker to issue funds transfer instructions to SCSBs and Sponsor Bank</li> </ul>	
17	T+4	<ul style="list-style-type: none"> <li>SCSBs and Sponsor Bank to credit the funds in public issue account of the issuer</li> <li>Registrar / Issuer to initiate corporate action for credit of shares to successful allottees</li> <li>Issuer and registrar to file allotment details with designated stock exchange(s)</li> <li>Registrar to send bank-wise data of allottees, amount due and balance amount to be unblocked to SCSBs / Sponsor Bank.</li> </ul>	
18	T+5	<ul style="list-style-type: none"> <li>Registrar to receive confirmation of demat credit from depositories</li> <li>Issuer to make a listing application to stock exchanges</li> <li>Stock exchanges to issue commencement of trading notice</li> </ul>	
19	T+6	<ul style="list-style-type: none"> <li><b>Trading commences</b></li> </ul>	

### SECTION 3: CATEGORY OF INVESTORS ELIGIBLE TO PARTICIPATE IN AN ISSUE

Each Applicant should check whether it is eligible to apply under applicable law. Furthermore, certain categories of Applicants, such as NRIs, FPIs and FVCIs may not be allowed to Bid/Apply in the Issue or to hold Equity Shares, in excess of certain limits specified under applicable law. Applicants are requested to refer to the Prospectus for more details.

Subject to the above, an illustrative list of Applicants is as follows:

- Indian nationals resident in India who are competent to contract under the Indian Contract Act, 1872, in single or joint names (not more than three);
- Bids/Applications belonging to an account for the benefit of a minor (under guardianship);
- Hindu Undivided Families or HUFs, in the individual name of the Karta. The Applicant should specify that the Bid is being made in the name of the HUF in the Bid cum Application Form/Application Form as follows: “Name of sole or first Applicant: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta”. Bids/Applications by HUFs may be considered at par with Bids/Applications from individuals;
- Companies, corporate bodies and societies registered under applicable law in India and authorised to invest in equity shares;
- QIBs;
- NRIs on a repatriation basis or on a non-repatriation basis, subject to applicable law;
- Indian Financial Institutions, regional rural banks, co-operative banks (subject to RBI regulations and the SEBI ICDR Regulations, 2009 and other laws, as applicable);
- FPIs other than Category III foreign portfolio investors, Bidding under the QIBs category;
- FPIs which are Category III foreign portfolio investors, Bidding under the NIIs category;
- Trusts/societies registered under the Societies Registration Act, 1860, or under any other law relating to trusts/societies and who are authorised under their respective constitutions to hold and invest in equity shares;
- National Investment Fund set up by resolution no. F. No. 2/3/2005-DD-II dated November 23, 2005 of the GoI published in the Gazette of India;
- Limited liability partnerships registered under the Limited Liability Partnership Act, 2008; and
- Any other person eligible to Bid/Apply in the Issue, under the laws, rules, regulations, guidelines and policies applicable to them and under Indian laws.
- As per the existing regulations, OCBs are not allowed to participate in an Issue.

### SECTION 4: APPLYING IN THE ISSUE

**Book Built Issue:** Bidders should only use the specified Bid cum Application Form bearing stamp of a Designated Intermediary as available or downloaded from the websites of the Stock Exchanges. Bid cum Application Forms are available with the Book Running Lead Manager, the Designated Intermediaries at the Bidding Centres and at the registered office of the Issuer. Electronic Bid cum Application Forms will be available on the websites of the Stock Exchanges at least one day prior to the Bid/ Issue Opening Date. For further details, regarding availability of Bid cum Application Forms, Bidders may refer to the Prospectus and advertisements in the newspaper(s).

**Fixed Price Issue:** Applicants should only use the specified Application Form bearing stamp of Designated Intermediary as available or downloaded from the websites of the Stock Exchanges. Application Forms will also be available with the Designated Branches of the SCSBs and at the Registered Office of the Issuer.



Applicants should ensure that they apply in the appropriate category. The prescribed color of the Bid cum Application Form for various categories of Applicants is as follows:

Category	Colour(1)
Resident Indians and Eligible NRIs applying on a non-repatriation basis	White
Non-Residents and Eligible NRIs, FIIs, FVCIs, etc. applying on a repatriation basis	Blue

(1) excluding electronic Application Form

Securities issued in an IPO can only be in dematerialized form in accordance with Section 29 of the Companies Act, 2013. Applicants will not have the option of getting the Allotment of specified securities in physical form.

#### 4.1 INSTRUCTIONS FOR FILLING THE BID CUM APPLICATION FORM/APPLICATION FORM

Applicants may note that forms not filled completely or correctly as per instructions provided in this GID, the Prospectus and the Bid cum Application Form/Application Form are liable to be rejected.

Instructions to fill each field of the Bid cum Application Form can be found on the reverse side of the Bid cum Application Form.

A sample Application Form for resident Applicants and the Application Form for non-resident Applicants are reproduced below:



Application Form – For Non Resident

TEAR HERE

PLEASE FILL IN BLOCK LETTERS

TEAR HERE

<b>COMMON BID CUM APPLICATION FORM</b>	<b>XYZ LIMITED - INITIAL PUBLIC OFFER - NR</b> <small>Registered Office: ..... Tel: ..... Fax: .....          Corporate Office: ..... Tel: ..... Fax: .....          Contact Person: ..... E-mail: ..... Website: .....          Corporate Identity Number: .....</small>	<small>FOR NON-RESIDENTS, INCLUDING ELIGIBLE NRI, FVCI, FPI AND REGISTERED BILATERAL AND MULTI LATERAL DEVELOPMENT FINANCIAL INSTITUTIONS APPLYING ON A REPATRIATION BASIS</small>
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LOGO	To, The Board of Directors XYZ LIMITED	100% BOOK BUILT OFFER ISIN : XXXXXXXXX	Bid cum Application Form No.
------	--	---	------------------------------

SYNDICATE MEMBER'S STAMP & CODE	REGISTERED BROKER/SCSB/CDP/RTA STAMP & CODE	1. NAME & CONTACT DETAILS OF SOLE / FIRST BIDDER
		Mr./Ms./M/s. _____
SUB-BROKER'S / SUB-AGENT'S STAMP & CODE	SCSB BRANCH STAMP & CODE	Address _____
		_____
BANK BRANCH SERIAL NO.	SCSB SERIAL NO.	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

4. BID OPTIONS (ONLY RETAIL INDIVIDUAL BIDDERS CAN BID AT "CUT-OFF")						5. CATEGORY		6. INVESTOR STATUS						
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 only)				"Cut-off" (Please ✓ tick)	<input type="checkbox"/> Retail Individual Bidder	<input type="checkbox"/> Non-Resident Indian(s) (Repatriation basis)
	8	7	6	5	4	3	2	1	Bid Price	Retail Discount	Net Price		<input type="checkbox"/> Non-Institutional Bidder	<input type="checkbox"/> Foreign Venture Capital Investor
Option 1											<input type="checkbox"/>	<input type="checkbox"/> FPI	<input type="checkbox"/> Foreign Portfolio Investor	
(OR) Option 2											<input type="checkbox"/>	<input type="checkbox"/> RBMI	<input type="checkbox"/> Registered Bilateral and Multi Lateral Development Financial Institutions	
(OR) Option 3											<input type="checkbox"/>	<input type="checkbox"/> OTH	<input type="checkbox"/> Others (Please Specify)	

7. PAYMENT DETAILS [IN CAPITAL LETTERS]		PAYMENT OPTION : <input type="checkbox"/> FULL PAYMENT <input type="checkbox"/> PART PAYMENT
Amount blocked (₹ in figures)	_____	(₹ in words) _____

ASBA Bank A/c No. _____	Bank Name & Branch _____
OR	
UPI (Maximum 45 characters) _____	

I/WE (ON BEHALF OF JOINT BIDDERS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ AND UNDERSTOOD THE TERMS AND CONDITIONS OF THIS BID CUM APPLICATION FORM AND THE ATTACHED ABRIDGED PROSPECTUS AND THE GENERAL INFORMATION DOCUMENT FOR INVESTING IN PUBLIC ISSUES ("GID") AND HEREBY AGREE AND CONFIRM THE BIDDER'S UNDERTAKING AS GIVEN OVERLEAF. I/WE (ON BEHALF OF JOINT BIDDERS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ THE INSTRUCTIONS FOR FILING UP THE BID CUM APPLICATION FORM GIVEN OVERLEAF.

8A. SIGNATURE OF SOLE/ FIRST BIDDER	8B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(S) (AS PER BANK RECORDS)	SYNDICATE MEMBER / REGISTERED BROKER / SCSB / CDP / RTA STAMP (Acknowledging upload of Bid in Stock Exchange system)
	I/We authorise the SCSB to do all acts as are necessary to make the application in the Offer.	
	1) _____	
	2) _____	
	3) _____	
Date : _____, 2018		

LOGO	<b>XYZ LIMITED</b> <b>INITIAL PUBLIC OFFER - NR</b>	Acknowledgement Slip for Syndicate Member/Registered Broker/SCSB/CDP/RTA	Bid cum Application Form No.
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DPID	_____	PAN of Sole / First Bidder	_____
CLID	_____		

Amount blocked (₹ in figures)	ASBA Bank A/c No./UPI	Stamp & Signature of SCSB Branch
Bank Name & Branch		
Received from Mr./Ms./M/s.		
Telephone / Mobile	Email	

<b>XYZ LIMITED - INITIAL PUBLIC OFFER - NR</b>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <th>Option 1</th> <th>Option 2</th> <th>Option 3</th> </tr> <tr> <td>No. of Equity Shares</td> <td> </td> <td> </td> </tr> <tr> <td>Bid Price</td> <td> </td> <td> </td> </tr> <tr> <td>Amount Blocked (₹)</td> <td> </td> <td> </td> </tr> </table>	Option 1	Option 2	Option 3	No. of Equity Shares			Bid Price			Amount Blocked (₹)			Stamp & Signature of Syndicate Member / Registered Broker / SCSB / CDP / RTA	Name of Sole / First Bidder _____ _____ _____ Acknowledgement Slip for Bidder
Option 1	Option 2	Option 3													
No. of Equity Shares															
Bid Price															
Amount Blocked (₹)															
ASBA Bank A/c No./UPI															
Bank Name & Branch															
Important Note : Application made using third party UPI Or ASBA Bank A/c are liable to be rejected.			<b>XYZ LIMITED</b> Bid cum Application Form No.												



Specific instructions for filling various fields of the Resident Application Form and Non-Resident Application Form and samples are provided below.

#### 4.1.1 **FIELD NUMBER 1: NAME AND CONTACT DETAILS OF THE SOLE / FIRST BIDDER / APPLICANT**

- a) Applicants should ensure that the name provided in this field is exactly the same as the name in which the Depository Account is held.
- b) **Mandatory Fields:** Applicants should note that the name and address fields are compulsory and e-mail and/or telephone number/mobile number fields are optional. Applicants should note that the contact details mentioned in the Bid cum Application Form/Application Form may be used to dispatch communications (including letters notifying the unblocking of the bank accounts of Applicants) in case the communication sent to the address available with the Depositories are returned undelivered or are not available. The contact details provided in the Bid cum Application Form may be used by the Issuer, 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/Applications:** In the case of Joint Applications, the Applications should be made in the name of the Applicant whose name appears first in the Depository account. The name so entered should be the same as it appears in the Depository records. The signature of only such first Applicant would be required in the Bid cum Application Form/Application Form and such first Applicant would be deemed to have signed on behalf of the joint holders. All communications may be addressed to such Applicant and may be dispatched to his or her address as per the Demographic Details received from the Depositories.
- d) **Impersonation:** Attention of the Applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:

“Any person who:

- makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or
- makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or
- otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under Section 447.”

The liability prescribed under Section 447 of the Companies Act, 2013 includes imprisonment for a term which shall not be less than six months extending up to 10 years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending up to three times of such amount.

- e) **Nomination Facility to Applicant:** Nomination facility is available in accordance with the provisions of Section 72 of the Companies Act, 2013. In case of Allotment of the Equity Shares in dematerialized form, there is no need to make a separate nomination as the nomination registered with the Depository may prevail. For changing nominations, the Applicants should inform their respective DP.

#### 4.1.2 **FIELD NUMBER 2: PAN NUMBER OF SOLE/FIRST APPLICANT**

- a) PAN (of the sole/first Applicant) provided in the Bid cum Application Form/Application Form should be exactly the same as the PAN of the person(s) in whose name the relevant beneficiary account is held as per the Depositories' records.
- b) PAN is the sole identification number for participants transacting in the securities market irrespective of the amount of transaction except for Bids/Applications on behalf of the Central or State Government, Bids/Applications by officials appointed by the courts and Bids/Applications by Applicants residing in Sikkim (“PAN Exempted Applicants”). Consequently, all Applicants, other than the PAN Exempted Applicants, are required to disclose their PAN in the Bid cum Application Form/Application Form, irrespective of the Bid/Application Amount. A Bid cum Application Form/Application Form without PAN, except in case of PAN



Exempted Bidders/Applicants, is liable to be rejected. Bids/Applications by the Applicants whose PAN is not available as per the Demographic Details available in their Depository records, are liable to be rejected.

- c) The exemption for the PAN Exempted Applicants is subject to (a) the Demographic Details received from the respective Depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in “active status”; and (b) in the case of residents of Sikkim, the address as per the Demographic Details evidencing the same.
- d) Bid cum Application Forms which provide the General Index Register Number instead of PAN may be rejected.
- e) Applications by Applicants whose demat accounts have been ‘suspended for credit’ are liable to be rejected pursuant to the circular issued by SEBI on July 29, 2010, bearing number CIR/MRD/DP/22/2010. Such accounts are classified as “Inactive demat accounts” and Demographic Details are not provided by depositories

#### 4.1.3 FIELD NUMBER 3: APPLICANTS DEPOSITORY ACCOUNT DETAILS

- a) Applicants should ensure that DP ID and the Client ID are correctly filled in the Bid cum Application Form/Application Form. The DP ID and Client ID provided in the Bid cum Application Form/Application Form should match with the DP ID and Client ID available in the Depository database, otherwise, the Bid cum Application Form/Application Form is liable to be rejected.
- b) Applicants should ensure that the beneficiary account provided in the Bid cum Application Form/Application Form is active.
- c) Applicants should note that on the basis of the PAN, DP ID and Client ID as provided in the Bid cum Application Form/Application Form, the Applicant may be deemed to have authorized the Depositories to provide to the Registrar to the Issue, any requested Demographic Details of the Applicant as available on the records of the depositories. These Demographic Details may be used, among other things, for unblocking of ASBA Account or for other correspondence(s) related to an Issue.
- d) Applicants are, advised to update any changes to their Demographic Details as available in the records of the Depository Participant to ensure accuracy of records. Any delay resulting from failure to update the Demographic Details would be at the Applicants’ sole risk.

#### 4.1.4 FIELD NUMBER 4: BID OPTIONS

- a) Price or Floor Price or Price Band, minimum Bid Lot and Discount (if applicable) may be disclosed in the Prospectus 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 the place where the Issuer’s registered office is situated, at least two Working Days before Bid/ Issue Opening Date in case of an IPO, and at least one Working Day before Bid/ Issue Opening Date in case of an FPO.
- b) The Bidders may Bid at or above Floor Price or within the Price Band for IPOs/FPOs undertaken through the Book Building Process. In the case of Alternate Book Building Process for an FPO, the Bidders may Bid at Floor Price or any price above the Floor Price (For further details Bidders may refer to (Section 5.6 (e))
- c) Cut-Off Price: Retail Individual Investors or Employees or Retail Individual Shareholders can Bid at the Cut-off Price indicating their agreement to Bid for and purchase the Equity Shares at the Issue Price as determined at the end of the Book Building Process. Bidding at the Cut-off Price is prohibited for QIBs and NIIs and such Bids from QIBs and NIIs are liable to be rejected.
- d) Minimum Application Value and Bid Lot: The Issuer in consultation with the LM may decide the minimum number of Equity Shares for each Bid to ensure that the minimum application value is within the range of ₹ 1,00,000 to ₹ 2,00,000. The minimum Bid Lot is accordingly determined by an Issuer on basis of such minimum application value.
- e) 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 minimum Bid Lot, Bidders may refer to the Prospectus or the advertisement regarding the Price Band published by the Issuer.

#### 4.1.4.1 MAXIMUM AND MINIMUM BID SIZE

- a) The Bidder may Bid for the desired number of Equity Shares at a specific price. Bids by Retail Individual Investors, Employees and Retail Individual Shareholders must be for such number of shares so as to ensure that the Bid Amount less Discount (as applicable), payable by the Bidder does not exceed ₹2,00,000.
- b) In case the Bid Amount exceeds ₹ 2,00,000 due to revision of the Bid or any other reason, the Bid may be considered for allocation under the Non-Institutional Category (with it not being eligible for Discount), then such Bid may be rejected if it is at the Cut-off Price.
- c) For NRIs, a Bid Amount of up to ₹ 2,00,000 may be considered under the Retail Category for the purposes of allocation and a Bid Amount exceeding ₹ 2,00,000 may be considered under the Non-Institutional Category for the purposes of allocation.
- d) Bids by QIBs and NIIs must be for such minimum number of shares such that the Bid Amount exceeds ₹ 2,00,000 and in multiples of such number of Equity Shares thereafter, as may be disclosed in the Bid cum Application Form and the Prospectus, or as advertised by the Issuer, as the case may be. Non-Institutional Investors and QIBs are not allowed to Bid at Cut off Price.
- e) RII may revise or withdraw their bids until Bid/ Issue Closing Date. QIBs and NII's cannot withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after Bidding and are required to pay the Bid Amount upon submission of the Bid.
- f) 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 Investors who are eligible for allocation in the Retail Category would be considered for allocation under the Retail Category.
- g) For Anchor Investors, if applicable, the Bid Amount shall be least ₹ 10 crores. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to other Anchor Investors. Bids by various schemes of a Mutual Fund shall be aggregated to determine the Bid Amount. A Bid cannot be submitted for more than 60% of the QIB Category under the Anchor Investor Portion. Anchor Investors cannot withdraw their Bids or lower the size of their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after the Anchor Investor Bid/ Issue Period and are required to pay the Bid Amount at the time of submission of the Bid. In case the Anchor Investor Issue Price is lower than the Issue Price, the balance amount shall be payable as per the pay-in-date mentioned in the revised CAN. In case the Issue Price is lower than the Anchor Investor Issue Price, the amount in excess of the Issue Price paid by the Anchor Investors shall not be refunded to them.
- h) A Bid cannot be submitted for more than the Issue size.
- i) The maximum Bid by any Bidder including QIB Bidder should not exceed the investment limits prescribed for them under the applicable laws.
- j) 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 (For details of Bidders may refer to (Section 5.6 (e)))

#### 4.1.4.2 MULTIPLE BIDS

- a) Bidder should submit only one Bid cum Application Form. Bidder shall have the option to make a maximum of three Bids at 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 Designated Intermediary and duplicate copies of Bid cum Application Forms bearing the same application number shall be treated as multiple Bids and are liable to be rejected.

- b) Bidders are requested to note the following procedures may be followed by the Registrar to the Issue to detect multiple Bids:
  - 1) All Bids may be checked for common PAN as per the records of the Depository. For Bidders other than Mutual Funds, Bids bearing the same PAN may be treated as multiple Bids by a Bidder and may be rejected.
  - 2) For Bids from Mutual Funds, submitted under the same PAN, as well as Bids on behalf of the PAN Exempted Bidders, the Bid cum Application Forms may be checked for common DP ID and Client ID. Such Bids which have the same DP ID and Client ID may be treated as multiple Bids and are liable to be rejected.
- c) The following Bids may not be treated as multiple Bids:
  - 1) Bids by Reserved Categories Bidding in their respective Reservation Portion as well as bids made by them in the Net Offer portion in public category.
  - 2) Separate Bids by Mutual Funds in respect of more than one scheme of the Mutual Fund provided that the Bids clearly indicate the scheme for which the Bid has been made.
  - 3) Bids by Mutual Funds, submitted with the same PAN but with different beneficiary account numbers, Client IDs and DP IDs.
  - 4) Bids by Anchor Investors under the Anchor Investor Portion and the QIB Category.

#### 4.1.5 FIELD NUMBER 5: CATEGORY OF BIDDERS

- a) The categories of Bidders identified as per the SEBI ICDR Regulations, for the purpose of Bidding, allocation and Allotment in the Issue are RIIs, NIIs and QIBs.
- b) Up to 60% of the QIB Category can be allocated by the Issuer, on a discretionary basis subject to the criteria of minimum and maximum number of Anchor Investors based on allocation size, to the Anchor Investors, in accordance with SEBI ICDR Regulations, with one-third of the Anchor Investor Portion reserved for domestic Mutual Funds subject to valid Bids being received at or above the Issue Price. For details regarding allocation to Anchor Investors, Bidders may refer to the Prospectus.
- c) An Issuer can make reservation for certain categories of Applicants as permitted under the SEBI ICDR Regulations. For details of any reservations made in the Issue, Applicants may refer to the Prospectus.
- d) The SEBI ICDR Regulations, specify the allocation or Allotment that may be made to various categories of Bidders in an Issue depending upon compliance with the eligibility conditions. Details pertaining to allocation are disclosed on reverse side of the Revision Form. For Issue specific details in relation to allocation Applicant may refer to the Prospectus.

#### 4.1.6 FIELD NUMBER 6: INVESTOR STATUS

- a) Each Applicant should check whether it is eligible to apply under applicable law and ensure that any prospective Allotment to it in the Issue is in compliance with the investment restrictions under applicable law.
- b) Certain categories of Applicants, such as NRIs, FPIs and FVCIs may not be allowed to Bid/Apply in the Issue or hold Equity Shares exceeding certain limits specified under applicable law. Applicants are requested to refer to the Prospectus for more details.
- c) Applicants should check whether they are eligible to apply on non -repatriation basis or repatriation basis and should accordingly provide the investor status. Details regarding investor status are different in the Resident Bid cum Application Form and Non-Resident Bid cum Application Form.

d) Applicants should ensure that their investor status is updated in the Depository records.

#### 4.1.7 FIELD NUMBER 7: PAYMENT DETAILS

- a) Applicants are required to enter either the ASBA Bank account details or the UPI ID in this field. In case the Applicants doesn't provide any of the ASBA Bank account details or the UPI ID then the application would be rejected. For application submitted to Designated Intermediaries (other than SCSBs), Applicants providing both, the ASBA Bank account details as well as the UPI ID, the UPI ID will be considered for processing of the application.
- b) The full Bid Amount (net of any Discount, as applicable) shall be blocked based on the authorisation provided in the Bid cum Application Form. If the Discount is applicable in the Issue, the RIIs should indicate the full Bid Amount in the Bid cum Application Form and the funds shall be blocked for Bid Amount net of Discount. Only in cases where the Prospectus indicates that part payment may be made, such an option can be exercised by the Bidder. In case of Bidders specifying more than one Bid Option in the Bid cum Application Form, the total Bid Amount may be calculated for the highest of three options at net price, i.e. Bid price less Discount offered, if any.
- c) RIIs applying at Cut-off Price shall deposit the Application Amount based on the Issue Price.
- d) RIIs submitting their applications through Designated Intermediaries (other than the SCSBs) can participate in the Issue through UPI mechanism, through their UPI ID linked with their bank account.
- e) All QIB and NII Bidders (except Anchor Investors) can participate in the Issue only through the ASBA mechanism.
- f) Bid Amount cannot be paid in cash, cheque, demand draft, through money order or through postal order.

##### 4.1.7.1 Instructions for Anchor Investors:

- a) Anchor Investors may submit their Bids with a Book Running Lead Manager.
- b) Payments should be made either by direct credit, RTGS, NACH or NEFT.
- c) The Anchor Escrow Bank(s) shall maintain the monies in the Anchor Escrow Account for and on behalf of the Anchor Investors until the Designated Date.

##### 4.1.7.2 Payment instructions for Bidders (other than Anchor Investors)

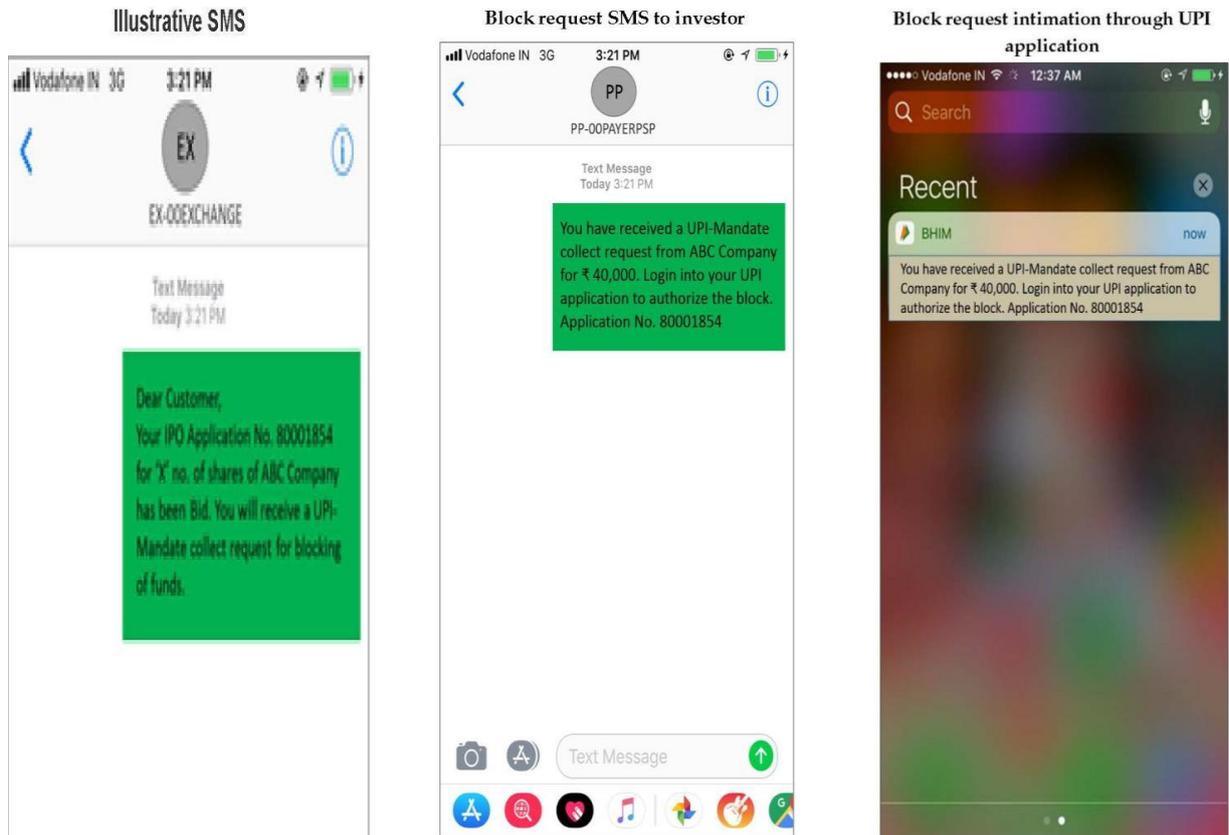
- a) RIIs bidding through Designated Intermediaries should note that with the introduction of UPI as a payment mechanism, there are four channels of making applications in public issues available to them in UPI Phase I (i.e. from January 1, 2019 for a period of three months or floating of five main board public issues, whichever is later). The four channels for making applications in public issues available to RIIs bidding through Designated Intermediaries are as follows:

Channel I	Channel II	Channel III	Channel IV
<p>RIIs may submit the Bid cum Application Form with ASBA as the sole mechanism for making payment either physically (at the branch of the SCSB) or online.</p> <p>For such applications the existing process of uploading the bid and blocking of funds in the RIIs account by the SCSB would continue.</p>	<p>RIIs may submit the Bid cum Application Form online using the facility of linked online trading, demat and bank account (3-in-1 type accounts) provided by Registered Brokers.</p>	<p>RIIs may submit the Bid cum Application Form with any of the Designated Intermediaries, along with details of his/her ASBA Account for blocking of funds.</p> <p>For such applications the Designated Intermediary will upload the bid in the stock exchange bidding platform and forward the application form to</p>	<p>RIIs may submit the Bid cum Application Form with any of the Designated Intermediaries (other than SCSBs) and use his/her UPI ID for the purpose of blocking of funds.</p>

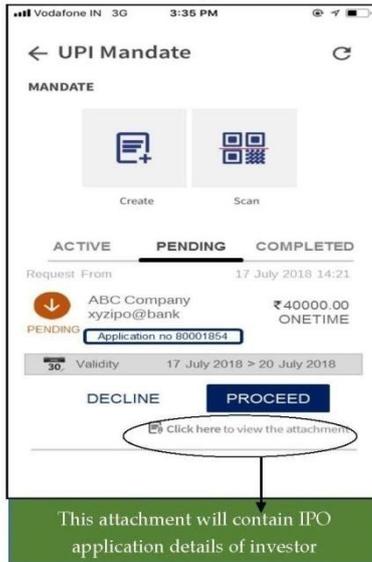
Channel I	Channel II	Channel III	Channel IV
		Designated Branch of the concerned SCSB for blocking of funds.	

For UPI Phase II and UPI Phase III, RIIs will have the option to use only Channel I, Channel II and Channel IV (as described above) for making applications in a public issue.

Please see below a graphical illustrative process of the investor receiving and approving the UPI Mandate Request.



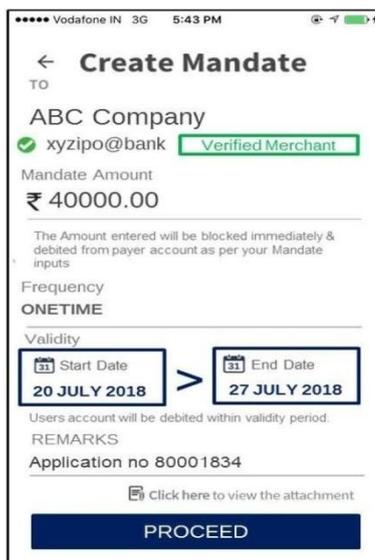
### 1. Investor UPI application screen



### 2. Sample of IPO details in attachment



### 3. Post verification of details above



### 4. Pre-confirmation page



b) QIB and NII Bidders may submit the Bid cum Application Form either

To SCSBs in physical or:

- 1) electronic mode through the internet banking facility offered by an SCSB authorizing blocking of funds that are available in the ASBA account specified in the Bid cum Application Form, or
  - 2) in physical mode to any Designated Intermediary.
- c) Bidders must specify the Bank Account number, or the UPI ID, as applicable, in the Bid cum Application Form. The Bid cum Application Form submitted by a Bidder and which is accompanied by cash, demand draft, cheque, money order, postal order or any mode of payment other than blocked amounts in the ASBA Account, may not be accepted.



- d) Bidders should note that application made using third party UPI ID or ASBA Bank Account are liable to be rejected;
- e) Bidders shall note that for the purpose of blocking funds under ASBA facility clearly demarcated funds shall be available in the ASBA account.
- f) Bidders should submit Bid cum Application Form only at the Bidding Centers, i.e. to the respective member of the Syndicate at the Specified Locations. The SCSBs, the Registered Broker, at the Broker Centres, the RTA at the Designated CRTA Locations or CDP at the Designated CDP Locations.
- g) Bidders bidding through Designated Intermediaries other than a SCSB, should note that ASBA Application Forms submitted to such Designated Intermediary may not be accepted, if the SCSB where the ASBA Account, as specified in the Bid cum Application Form, is maintained has not named at least one branch at that location for such Designated Intermediary, to deposit ASBA Forms.
- h) Bidders bidding directly through the SCSBs should ensure that the Bid cum Application Form is submitted to a Designated Branch of a SCSB where the ASBA Account is maintained.
- i) Upon receipt of the Bid cum Application Form, the Designated Branch of the SCSB may verify if sufficient funds equal to the Bid Amount are available in the ASBA Account, as mentioned in the Bid cum Application Form.
- j) If sufficient funds are available in the ASBA Account, the SCSB may block an amount equivalent to the Bid Amount mentioned in the Bid cum Application Form and for application directly submitted to SCSB by investor, may enter each Bid option into the electronic bidding system as a separate Bid.
- k) If sufficient funds are not available in the ASBA Account, the Designated Branch of the SCSB may not upload such Bids on the Stock Exchange platform and such bids are liable to be rejected.
- l) Upon submission of a completed Bid cum Application Form each Bidder (not being a RII who has opted for the UPI mechanism and provided a UPI ID with the Bid cum Application Form) may be deemed to have agreed to block the entire Bid Amount and authorized the Designated Branch of the SCSB to block the Bid Amount specified in the Bid cum Application Form in the ASBA Account maintained with the SCSBs. For details regarding blocking of Bid Amount for RIIs who have provided a UPI ID with the Application Form please refer to paragraph 4.1.7.4.
- m) The Bid Amount may remain blocked in the aforesaid ASBA Account until finalisation of the Basis of Allotment and consequent transfer of the Bid Amount against the Allotted Equity Shares to the Public Issue Account, or until withdrawal or failure of the Issue, or until withdrawal or rejection of the Bid, as the case may be.
- n) SCSBs bidding in the Issue must apply through an Account maintained with any other SCSB; else their Bids are liable to be rejected.

#### **4.1.7.3 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 or the Sponsor Bank, as the case may be, along with instructions to unblock the relevant ASBA accounts and for successful applications transfer the requisite money to the Public Issue Account designated for this purpose, within the specified timelines: (i) the number of Equity Shares to be Allotted against each Bid, (ii) the amount to be transferred from the relevant ASBA 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, (iv) the amount to be unblocked, if any in case of partial allotments and (v) details of rejected ASBA Bids, if any, along with reasons for rejection and details of withdrawn or unsuccessful Bids, if any, to enable the SCSBs or the Sponsor Bank, as the case may be, to unblock the respective ASBA accounts.
- b) On the basis of instructions from the Registrar to the Issue, the SCSBs or the Sponsor Bank, as the case may be may transfer the requisite amount against each successful Bidder to the Public Issue Account and may unblock the excess amount, if any, in the ASBA Account.



- c) In the event of withdrawal or rejection of the Bid cum Application Form and for unsuccessful Bids, the Registrar to the Issue may give instructions to the SCSB or to the Sponsor Bank to revoke the mandate and, as the case may be, to unblock the Bid Amount in the relevant Account within four Working Days of the Bid/ Issue Closing Date.

#### 4.1.7.4. Additional Payment Instructions for RIIs bidding through Designated Intermediaries (other than SCSBs) using the UPI mechanism

- a) Before submission of the application form with the Designated Intermediary (other than SCSBs), an RII shall download the mobile application, associated with the UPI ID linked bank account, for UPI and create a UPI ID (xyz@bankname) of not more than 45 characters with its bank and link it to his/ her bank account where the funds equivalent to the application amount is available.
- b) RIIs shall ensure that the bank, with which it has its bank account, where the funds equivalent to the application amount is available for blocking has been notified as Issuer Banks for UPI. A list of such banks is available at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40>.
- c) RIIs shall mention his / her UPI ID along with the bid details in the Bid cum Application Form in capital letters and submit the Bid cum Application Form to any of the Designated Intermediaries (other than SCSBs). It is clarified that if an RII submits a third party UPI ID instead of his/her own UPI ID in the Bid cum Application Form, the application is liable to be rejected.
- d) The Designated Intermediary (other than SCSB) upon receipt of the Bid cum Application Form will upload the bid details along with UPI ID in the stock exchange bidding platform.
- e) Once the bid has been entered into the Stock Exchange bidding platform, the stock exchange will validate the PAN and Demat Account details of the RII with the Depository. The Depository will validate the aforesaid details on a real time basis and send a response to the stock exchange which will be shared by the stock exchange with the respective Designated Intermediary through its bidding platform, for corrections, if any.
- f) Once the bid details have been validated by the Depository, the stock exchange will, on a continuous basis, electronically share the bid details along with the UPI ID of the concerned RII with the Sponsor Bank appointed by the Issuer.
- g) The Sponsor Bank will validate the UPI ID of the RII before initiating the Mandate request.
- h) The Sponsor Bank after validating the UPI ID will initiate a UPI Mandate Request for valid UPI ID on the RII which will be electronically received by the RII as an SMS / intimation on his / her mobile number / mobile app associated with the UPI ID linked account. The RII shall ensure that the details of the Bid are correct by opening the attachment in the UPI Mandate Request and then proceed to authorise the UPI Mandate Request using his/her UPI PIN. Upon the authorization of the mandate using his/her UPI PIN, an RII may be deemed to have verified the attachment containing the application details of the RII in the UPI Mandate Request and have agreed to block the entire Bid Amount and authorized the Sponsor Bank to block the Bid Amount mentioned in the Bid Cum Application Form and subsequent debit in case of allotment.
- i) Upon successful validation of the block request by the RII, the said information would be electronically received by the RII's bank, where the funds, equivalent to the application amount would get blocked in the ASBA Account of the RII. Intimation regarding confirmation of such blocking of funds in the ASBA Account of the RII would also be received by the RII. Information on the block status request would be shared with the Sponsor Bank which in turn would share it with the stock exchange which in turn would share it with the Registrar in the form of a file for the purpose of reconciliation and display it on the stock exchange bidding platform for the information of the Designated Intermediary.
- j) RIIs may continue to modify or withdraw the Bid till the closure of the Bidding Period. For each modification of the Bid, the RII will submit a revised Bid and will receive a UPI Mandate Request from the Sponsor Bank to be validated as per the process indicated above.
- k) Post closure of the Offer, the stock exchange will share the Bid details with the Registrar along with the final file received from the Sponsor Bank containing status of blocked funds or otherwise, along with the ASBA Account details with respect to applications made by RIIs using UPI ID.

#### 4.1.7.5 Discount (if applicable)

- a) The Discount is stated in absolute rupee terms.
- b) Bidders applying under RII category, Retail Individual Shareholder and employees are only eligible for discount. For Discounts offered in the Issue, Bidders may refer to the Prospectus.
- c) The Bidders entitled to the applicable Discount in the Issue may block their ASBA Account for an amount i.e. the Bid Amount less Discount (if applicable).

Bidder may note that in case the net amount blocked (post Discount) is more than two lakh Rupees, the Bidding system automatically considers such applications for allocation under Non-Institutional Category. These applications are neither eligible for Discount nor fall under RII category.

#### 4.1.8 FIELD NUMBER 8: SIGNATURES AND OTHER AUTHORISATIONS

- a) Only the First Applicant is required to sign the Bid cum Application Form/Application Form. Applicants should ensure that signatures are in one of the languages specified in the Eighth Schedule to the Constitution of India.
- b) The signature has to be correctly affixed in the authorisation/undertaking box in the Bid cum Application Form/Application Form, or an authorisation has to be provided to the SCSB or using the UPI to the Sponsor Bank, via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the Bid cum Application Form/Application Form.
- c) Applicants must note that Bid cum Application Form/Application Form without signature of Applicant and/or ASBA Account holder is liable to be rejected..

#### 4.1.9 ACKNOWLEDGEMENT AND FUTURE COMMUNICATION

- a) Bidders should ensure that they receive the Acknowledgement Slip or number duly signed and stamped by the Designated Intermediary, as applicable, for submission of the Bid cum Application Form.
- b) All communications in connection with Bids/Applications made in the Issue should be addressed as under:
  - 1) In case of queries related to Allotment, non-receipt of Allotment Advice, credit of Allotted Equity shares, unblocking of funds, the Applicants should contact the Registrar to the Issue.
  - 2) In case of Bids submitted to the Designated Branches of the SCSBs, the Applicants should contact the relevant Designated Branch of the SCSB.
  - 3) In case of queries relating to uploading of Syndicate Member ASBA Bids, the Applicants should contact the relevant Syndicate Member.
  - 4) In case of queries relating to uploading of Bids by a Designated Intermediary, the Applicants should contact the relevant Designated Intermediary.
  - 5) In case of queries relating to uploading of Bids through UPI mechanism, the Applicants should contact the Designated Intermediary.
  - 6) Applicant may contact the Company Secretary and Compliance Officer or LM in case of any other complaints in relation to the Issue.
- c) The following details (as applicable) should be quoted while making any queries –
  - 1) full name of the sole or First Applicant, Bid cum Application Form number, Applicants' DP ID, Client ID, PAN, number of Equity Shares applied for, amount paid on application;
  - 2) name and address of the Designated Intermediary, where the Bid was submitted along with the acknowledgment slip from Designated Intermediary; or

- 3) Bids, ASBA Account number or the UPI ID (for RIIs who make the payment of Bid Amount through the UPI mechanism) linked to the ASBA Account where the Bid Amount was blocked.

For further details, Applicant may refer to the Prospectus and the Bid cum Application Form.

#### 4.2 INSTRUCTIONS FOR FILING THE REVISION FORM

- a) During the Bid/ Issue Period, any Applicant (other than QIBs and NIIs, who can only revise their bid upwards) who has registered his or her interest in the Equity Shares at a particular price level is free to revise his or her Bid within the Price Band using the Revision Form, which is a part of the Bid cum Application Form.
- b) RII may revise their bids or withdraw their Bids till the Bid/ Issue Close Date.
- c) Revisions can be made in both the desired number of Equity Shares and the Bid Amount by using the Revision Form.
- d) The Applicant can make this revision any number of times during the Bid/ Issue Period. However, for any revision(s) in the Bid, the Applicants will have to use the services of the same Designated Intermediary through which such Applicant had placed the original Bid. It is clarified that RIIs whose original Bid is made using the UPI mechanism can make revision(s) to their Bid using the UPI mechanism only, whereby each time the Sponsor Bank will initiate a new UPI Mandate Request. Bidders /Applicants are advised to retain copies of the blank Revision Form and the Bid(s) must be made only in such Revision Form or copies thereof.

A sample revision form is reproduced below:



<b>COMMON BID REVISION FORM</b>	<b>XYZ LIMITED - INITIAL PUBLIC OFFER - R</b> <small>Registered Office: ..... Tel: ..... Fax: .....          Corporate Office: ..... Tel: ..... Fax: .....          Contact Person: ..... E-mail: ..... Website: .....          Corporate Identity Number: .....</small>	<small>FOR RESIDENT INDIAN INVESTORS, INCLUDING RESIDENT QIBS, NON-INSTITUTIONAL BIDDERS, RETAIL INDIVIDUAL BIDDERS AND ELIGIBLE NRIs APPLYING ON A NON-REPATRIATION BASIS</small>
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LOGO	<b>To, The Board of Directors</b> <b>XYZ LIMITED</b>	<b>100% BOOK BUILT OFFER</b> <b>ISIN : XXXXXXXXXX</b>	<b>Bid cum Application Form No.</b>
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<b>SYNDICATE MEMBER'S STAMP &amp; CODE</b>	<b>REGISTERED BROKER / SCSB / CDP / RTA STAMP &amp; CODE</b>	<b>1. NAME &amp; CONTACT DETAILS OF SOLE / FIRST BIDDER</b> Mr./Ms./M/s. _____ Address _____ _____ Email _____ Tel. No. (with STD code) / Mobile _____ <b>2. PAN OF SOLE / FIRST BIDDER</b> _____ <b>3. BIDDER'S DEPOSITORY ACCOUNT DETAILS</b> <input type="checkbox"/> NSDL <input type="checkbox"/> CDSL <small>For NSDL enter 8 digit DP ID followed by 8 digit Client ID / For CDSL enter 16 digit Client ID</small>
<b>SUB-BROKER'S / SUB-AGENT'S STAMP &amp; CODE</b>	<b>SCSB BRANCH STAMP &amp; CODE</b>	
<b>BANK BRANCH SERIAL NO.</b>	<b>SCSB SERIAL NO.</b>	

PLEASE CHANGE MY BID													
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 Only)				
	8	7	6	5	4	3	2	1	Bid Price	Retail Discount		Net Price	"Cut-off" (Please ✓ tick)
Option 1													<input type="checkbox"/>
(OR) Option 2													<input type="checkbox"/>
(OR) Option 3													<input type="checkbox"/>

5. TO (REVISED BID) (ONLY RETAIL INDIVIDUAL BIDDERS CAN BID AT "CUT-OFF")													
Bid Options	No. of Equity Shares Bid (Bids must be in multiples of Bid Lot as advertised)								Price per Equity Share (₹) / "Cut-off" (Price in multiples of ₹ 1/- only)				
	(In Figures)								(In Figures Only)				
	8	7	6	5	4	3	2	1	Bid Price	Retail Discount		Net Price	"Cut-off" (Please ✓ tick)
Option 1													<input type="checkbox"/>
(OR) Option 2													<input type="checkbox"/>
(OR) Option 3													<input type="checkbox"/>

<b>6. PAYMENT DETAILS [IN CAPITAL LETTERS]</b>												<b>PAYMENT OPTION : FULL PAYMENT</b> <input type="checkbox"/> <b>PART PAYMENT</b> <input type="checkbox"/>	
Additional Amount Blocked (₹ in figures) _____ (₹ in words) _____													
<b>ASBA</b>													
Bank A/c No. _____													
Bank Name & Branch _____													
OR													
UPI Id (Maximum 45 characters) _____													

I/WE (ON BEHALF OF JOINT BIDDERS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ AND UNDERSTOOD THE TERMS AND CONDITIONS OF THIS BID REVISION FORM AND THE ATTACHED ABRIDGED PROSPECTUS AND THE GENERAL INFORMATION DOCUMENT FOR INVESTING IN PUBLIC ISSUES ("GID") AND HEREBY AGREE AND CONFIRM THE BIDDERS UNDERTAKING AS GIVEN OVERLEAF. I/WE (ON BEHALF OF JOINT BIDDERS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ THE INSTRUCTIONS FOR FILING UP THE BID REVISION FORM GIVEN OVERLEAF.

<b>7A. SIGNATURE OF SOLE/ FIRST BIDDER</b>	<b>7B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(S) (AS PER BANK RECORDS)</b>	<b>SYNDICATE MEMBER / REGISTERED BROKER / SCSB / CDP / RTA STAMP</b> (Acknowledging upload of Bid in Stock Exchange system)
Date : _____, 2018	I/We authorise the SCSB to do all acts as are necessary to make the application in the Offer. 1) _____ 2) _____ 3) _____	

LOGO	<b>XYZ LIMITED</b>	<b>Acknowledgement Slip</b> <b>for Syndicate Member/ Registered Broker/SCSB/CDP/RTA</b>	<b>Bid cum Application Form No.</b>
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DPID / CLID		<b>PAN of Sole / First Bidder</b>
Additional Amount Blocked (₹)	ASBA Bank A/c No./UPI Id	<b>Stamp &amp; Signature of SCSB Branch</b>  _____ _____
Bank Name & Branch		
Received from Mr./Ms./M/s.		
Telephone / Mobile	Email	

<b>XYZ LIMITED- BID REVISION FORM - INITIAL PUBLIC OFFER - R</b>	No. of Equity Shares	Option 1	Option 2	Option 3	<b>Stamp &amp; Signature of Syndicate Member / Registered Broker / SCSB / CDP / RTA</b>  _____ _____	<b>Name of Sole / First Bidder</b>
	Bid Price					
	Additional Amount Blocked (₹)					
	ASBA Bank A/c No./UPI Id					
Bank Name & Branch					<b>Acknowledgement Slip for Bidder</b>	<b>Bid cum Application Form No.</b>

Important Note : Application made using third party UPI Id Or ASBA Bank A/c are liable to be rejected.

**XYZ LIMITED**



Instructions to fill each field of the Revision Form can be found on the reverse side of the Revision Form. Other than instructions already highlighted at paragraph 4.1 above, point wise instructions regarding filling up various fields of the Revision Form are provided below:

**4.2.1 FIELDS 1, 2 AND 3: NAME AND CONTACT DETAILS OF SOLE/FIRST BIDDER/APPLICANT, PAN OF SOLE/FIRST BIDDER/APPLICANT & DEPOSITORY ACCOUNT DETAILS OF THE BIDDER/APPLICANT**

Bidders/Applicants should refer to instructions contained in paragraphs 4.1.1, 4.1.2 and 4.1.3. 4.2.2

**4.2.2 FIELD 4 & 5: BID OPTIONS REVISION 'FROM' AND 'TO'**

- a) Apart from mentioning the revised options in the Revision Form, the Applicant must also mention the details of all the bid options given in his or her Bid cum Application Form or earlier Revision Form. For example, if a Applicant has Bid for three options in the Bid cum Application Form and such Applicant is changing only one of the options in the Revision Form, the Applicant must still fill the details of the other two options that are not being revised, in the Revision Form. The Designated Intermediaries may not accept incomplete or inaccurate Revision Forms.
- b) In case of revision, Bid options should be provided by Applicants 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 Applicants should ensure that the Bid Amount, subsequent to revision, does not exceed ₹ 200,000. In case the Bid Amount exceeds ₹ 200,000 due to revision of the Bid or for any other reason, the Bid may be considered, subject to eligibility, for allocation under the Non-Institutional Category, not being eligible for Discount (if applicable) and such Bid may be rejected if it is at the Cut-off Price. The Cut-off Price option is given only to the RIIs, Employees and Retail Individual Shareholders indicating their agreement to Bid for and purchase the Equity Shares at the Issue Price as determined at the end of the Book Building Process.
- d) In case of revision of Bids by Employees, such Bidders/Applicants should ensure that the total Bid subsequent to revision, does not exceed ₹ 200,000.
- e) If, however, the RII does not either revise the Bid or make additional payment and the Issue Price is higher than the cap of the Price Band prior to revision, the number of Equity Shares Bid for shall be adjusted downwards for the purpose of allocation, such that no additional payment would be required from the RII and the RII is deemed to have approved such revised Bid at Cut-off Price.
- f) 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 will be unblocked.

**4.2.3 FIELD 6: PAYMENT DETAILS**

- a) All Applicants are required to authorize blocking of the full Bid Amount (less Discount, if applicable) at the time of submitting the Bid Revision Form. In case of Applicants specifying more than one Bid Option in the Bid cum Application Form, the total Bid Amount may be calculated for the highest of three options at net price, i.e. Bid price less discount offered, if any.
- b) Applicant 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 Applicant had placed the original Bid to enable the relevant SCSB to block the additional Bid Amount, if any.
- c) 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.

**4.2.4 FIELDS 7: SIGNATURES AND ACKNOWLEDGEMENTS**

Bidders/Applicants may refer to instructions contained at paragraphs 4.1.8 and 4.1.9 for this purpose.



#### 4.3 INSTRUCTIONS FOR FILING APPLICATION FORM IN ISSUES MADE OTHER THAN THROUGH THE BOOK BUILDING PROCESS (FIXED PRICE ISSUE)

##### 4.3.1 FIELDS 1, 2, 3 NAME AND CONTACT DETAILS OF SOLE/FIRST BIDDER/APPLICANT, PAN OF SOLE/FIRST BIDDER/APPLICANT & DEPOSITORY ACCOUNT DETAILS OF THE BIDDER/APPLICANT

Applicants should refer to instructions contained in paragraphs 4.1.1, 4.1.2 and 4.1.3.

##### 4.3.2 FIELD 4: PRICE, APPLICATION QUANTITY & AMOUNT

- a) The Issuer may mention Price or Price Band in the Prospectus. However a Prospectus registered with RoC contains one price or coupon rate (as applicable).
- b) Minimum Application Value and Bid Lot: The Issuer in consultation with the Lead Manager to the Issue (LM) may decide the minimum number of Equity Shares for each Bid to ensure that the minimum application value is within the range of ₹ 1,00,000 to ₹ 2,00,000. The minimum Lot size is accordingly determined by an Issuer on basis of such minimum application value.
- c) Applications by RIIs, Employees and Retail Individual Shareholders, must be for such number of shares so as to ensure that the application amount payable does not exceed ₹ 200,000.
- d) Applications by other investors must be for such minimum number of shares such that the application amount exceeds ₹ 200,000 and in multiples of such number of Equity Shares thereafter, as may be disclosed in the application form and the Prospectus, or as advertised by the Issuer, as the case may be.
- e) An application cannot be submitted for more than the Issue size.
- f) The maximum application by any Applicant should not exceed the investment limits prescribed for them under the applicable laws.
- g) **Multiple Applications:** An Applicant should submit only one Application Form. Submission of a second Application Form to either the same or other SCSB and duplicate copies of Application Forms bearing the same application number shall be treated as multiple applications and are liable to be rejected.

For details regarding the procedures to be followed by the Registrar to detect multiple applications. Applicants should refer to paragraphs 4.1.4.2(b) and 4.1.4.2(c).

##### 4.3.3 FIELD NUMBER 5 : CATEGORY OF APPLICANTS

- a) The categories of applicants identified as per the SEBI ICDR Regulations for the purpose of Bidding, allocation and Allotment in the Issue are RIIs, individual applicants other than RII's and other investors (including corporate bodies or institutions, irrespective of the number of specified securities applied for).
- b) An Issuer can make reservation for certain categories of Applicants permitted under the SEBI ICDR Regulations. For details of any reservations made in the Issue, applicants may refer to the Prospectus.
- c) The SEBI ICDR Regulations specify the allocation or Allotment that may be made to various categories of applicants in an Issue depending upon compliance with the eligibility conditions. Details pertaining to allocation are disclosed on reverse side of the Revision Form. For Issue specific details in relation to allocation applicant may refer to the Prospectus.

##### 4.3.4 FIELD NUMBER 6: INVESTOR STATUS

Applicants should refer to instructions contained in paragraphs 4.1.6.

##### 4.3.5 FIELD 7: PAYMENT DETAILS

- a) Applicants are required to enter either the ASBA Bank account details or the UPI ID in this field. In case the Applicants doesn't provide any of the ASBA Bank account details or the UPI ID then the application would be



rejected. For application submitted to Designated Intermediaries (other than SCSBs), Bidder providing both the ASBA Bank account details as well as the UPI ID, the UPI ID will be considered for processing of the application.

- b) All Applicants (other than Anchor Investors) are required to make use ASBA for applying in the Issue
- c) RIIs applying through Designated Intermediaries (other than SCSBs) may make use of the UPI mechanism for applying in the Issue.
- d) Application Amount cannot be paid in cash, cheques or demand drafts through money order, cheque or through postal order or through stock invest.

#### 4.3.5.1 Payment instructions for Applicants

Applicants should refer to instructions contained in paragraphs 4.1.7.2

#### 4.3.5.2 Unblocking of ASBA Account

Applicants should refer to instructions contained in paragraph 4.1.7.3.

#### 4.3.5.1 Additional Payment Instructions for RIIs bidding through Designated Intermediaries (other than SCSBs) using the UPI mechanism

Applicants should refer to instructions contained in paragraph 4.1.7.4

#### 4.3.5.4 Discount (if applicable)

Applicants should refer to instructions contained in paragraph 4.1.7.5

#### 4.3.6 **FIELD NUMBER 8: SIGNATURES AND OTHER AUTHORISATIONS & ACKNOWLEDGEMENT AND FUTURE COMMUNICATION**

Applicants should refer to instructions contained in paragraphs 4.1.8 & 4.1.9.

#### 4.4 **SUBMISSION OF BID CUM APPLICATION FORM/REVISION FORM/APPLICATION FORM**

##### 4.4.1 Bidders/Applicants may submit completed Bid cum application form/Revision Form in the following manner:-

Mode of Application	Submission of Bid cum Application Form
Anchor Investors Application Form	<ul style="list-style-type: none"> <li>• To the Book Running Lead Manager at the Specified Locations mentioned in the Bid cum Application Form</li> </ul>
All Applications (other than Anchor Investors)	<ul style="list-style-type: none"> <li>• To members of the Syndicate in the Specified Locations or Registered Brokers at the Broker Centres or the CRTAs at the Designated RTA Location or the CDPs at the CDP Location</li> <li>• To the Designated Branches of the SCSBs where the ASBA Account is maintained</li> </ul>

- a) Applicants should submit the Revision Form to the same Designated Intermediary through which such Applicant had placed the original Bid.
- b) Upon submission of the Bid cum Application Form, the Applicant will be deemed to have authorized the Issuer to make the necessary changes in the Prospectus and the Bid cum Application Form as would be required for filing Prospectus with the RoC and as would be required by the RoC after such filing, without prior or subsequent notice of such changes to the relevant Applicant.
- c) Upon determination of the Issue Price and filing of the Prospectus with the RoC, the Bid cum Application Form will be considered as the application form.



## **SECTION 5: ISSUE PROCEDURE IN BOOK BUILT ISSUE**

Book Building, in the context of the Issue, refers to the process of collection of Bids within the Price Band or above the Floor Price and determining the Issue Price based on the Bids received as detailed in Schedule XIII of SEBI ICDR Regulations. The Issue Price is finalised after the Bid/ Issue Closing Date. Valid Bids received at or above the Issue Price are considered for allocation in the Issue, subject to applicable regulations and other terms and conditions.

### **5.1 SUBMISSION OF BIDS**

- a) During the Bid/ Issue Period, Applicants may approach any of the Designated Intermediaries to register their Bids. Anchor Investors who are interested in subscribing for the Equity Shares should approach the Book Running Lead Manager, to register their Bid.
- b) In case of Applicants (excluding NIIs and QIBs) Bidding at Cut-off Price, the Applicants may instruct the SCSBs or the Sponsor Bank, as applicable, 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 Applicants are requested to refer to the Prospectus.

### **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/ Issue Closing Date, the Designated Intermediaries may upload the Bids till such time as may be permitted by the Stock Exchanges.
- c) Only Bids that are uploaded on the Stock Exchanges Platform would be considered for allocation/Allotment. In UPI Phase I, the Designated Intermediaries are given till 1:00 pm on the day following the Bid/ Issue Closing Date to modify select fields uploaded in the Stock Exchange Platform during the Bid/ Issue Period after which the Stock Exchange(s) send the bid information to the Registrar to the Issue for further processing.

### **5.3 BUILD UP OF THE BOOK**

- a) Bids received from various 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 LM at the end of the Bid/ Issue Period.
- b) Based on the aggregate demand and price for Bids registered on the Stock Exchanges Platform, a graphical representation of consolidated demand and price as available on the websites of the Stock Exchanges may be made available at the Bidding centres during the Bid/ Issue Period.

### **5.4 WITHDRAWAL OF BIDS**

- a) RIIs can withdraw their Bids until Bid/ Issue Closing Date. In case a RII wishes to withdraw the Bid, the same can be done by submitting a request for the same to the concerned Designated Intermediary who shall do the requisite, including unblocking of the funds by the SCSB in the ASBA Account.
- b) The Registrar to the Issue shall give instruction to the SCSB or the Sponsor Bank, as applicable, for unblocking the ASBA Account upon or after the finalization of basis of Allotment. QIBs and NIIs 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:
  - 1) the Bids accepted by the Designated Intermediaries,

- 2) the Bids (including UP ID, as applicable) uploaded by the Designated Intermediaries, and
  - 3) the Bid cum application forms accepted but not uploaded by the Designated Intermediaries.
- b) The LM and their affiliate Syndicate Members, as the case may be, may reject Bids if all the information required is not provided and the Bid cum Application Form is incomplete in any respect.
  - c) The SCSBs or the Sponsor Banks, as applicable, shall have no right to reject Bids, except in case of unavailability of adequate funds in the ASBA account or on technical grounds.
  - d) In case of QIB Bidders, only the (i) SCSBs (for Bids other than the Bids by Anchor Investors); and (ii) LM and their affiliate Syndicate Members (only in the Specified Locations) have the right to reject bids. However, such rejection shall be made at the time of receiving the Bid and only after assigning a reason for such rejection in writing.
  - e) All bids by QIBs, NIIs & RIIs Bids can be rejected on technical grounds listed herein.

#### 5.5.1 GROUND FOR TECHNICAL REJECTIONS

Bid cum Application Forms/Application Form can be rejected on the below mentioned technical grounds either at the time of their submission to any of the Designated Intermediaries, or at the time of finalisation of the Basis of Allotment. Bidders/Applicants are advised to note that the Bids/Applications are liable to be rejected, inter-alia, on the following grounds, 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 of Bidders (other than Anchor Investors) accompanied by cash, draft, cheques, money order or any other mode of payment other than amounts blocked in the Bidders' ASBA Account;
- c) Bids/Applications by OCBs; and
- d) 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;
- e) In case of Bids/Applications under power of attorney or by limited companies, corporate, trust etc., relevant documents not being submitted along with the Bid cum application form/Application Form;
- f) Bids/Applications by persons prohibited from buying, selling or dealing in the shares directly or indirectly by SEBI or any other regulatory authority;
- g) Bids/Applications by any person outside India if not in compliance with applicable foreign and Indian laws;
- h) DP ID and Client ID not mentioned in the Bid cum Application Form/Application Form;
- i) ASBA Account number or UPI ID not mentioned or incorrectly mentioned in the Bid cum Application Form/Application Form;
- j) PAN not mentioned in the Bid cum Application Form/Application Form, 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;
- k) In case no corresponding record is available with the Depositories that matches the DP ID, the Client ID and the PAN;
- l) Bids/Applications for lower number of Equity Shares than the minimum specified for that category of investors;
- m) Bids/Applications at a price less than the Floor Price and Bids/Applications at a price more than the Cap Price;

- n) Bids/Applications at Cut-off Price by NIIs and QIBs;
- o) The amounts mentioned in the Bid cum Application Form/Application Form does not tally with the amount payable for the value of the Equity Shares Bid/Applied for;
- p) Bids/Applications for amounts greater than the maximum permissible amounts prescribed by the regulations;
- q) Submission of Bid cum Application Forms/Application Form using third party UPI ID or ASBA Bank Account;
- r) Submission of more than one Bid cum Application Form per UPI ID or ASBA Account mentioned in the Bid Cum Application Form by RIIs bidding through Designated Intermediaries (except for RIIs applying as Retail Individual Shareholder also)
- s) In case of joint Bids, submission of Bid cum Application Forms/Application Form using second or third party's UPI ID or ASBA Bank Account;
- t) Bids/Applications for number of Equity Shares which are not in multiples Equity Shares which are not in multiples as specified in the Prospectus;
- u) Multiple Bids/Applications as defined in this GID and the Prospectus;
- v) Bid cum Application Forms/Application Forms are not delivered by the Bidders/Applicants within the time prescribed as per the Bid cum Application Forms/Application Form, Bid/ Issue Opening Date advertisement and as per the instructions in the Prospectus and the Bid cum Application Forms;
- w) Bank account mentioned in the Bid cum Application Form (for Bidders applying through the non UPI mechanism) may not be an account maintained by SCSB. Inadequate funds in the ASBA account to block the Bid/Application Amount specified in the Bid cum Application Form/Application Form at the time of blocking such Bid/Application Amount in the ASBA account;
- x) In case of Bids by RIIs (applying through the UPI mechanism), the UPI ID mentioned in the Bid cum Application Form is linked to a third party bank account;
- y) In case of Bids by RIIs (applying through the UPI mechanism), the UPI ID is not mentioned in the Bid cum Application Form;
- z) In case of Anchor Investors, Bids/Applications where sufficient funds are not available in Escrow Accounts as per final certificate from the Escrow Collection Banks;
- aa) Where no confirmation is received from SCSB or the Sponsor Bank, as applicable, for blocking of funds;
- bb) Bids/Applications by Bidders (other than Anchor Investors) not submitted through ASBA process;
- cc) Bids/Applications submitted to Designated Intermediaries at locations other than the Bidding Centers or, submitted to the Escrow Collecting Banks (assuming that such bank is not a SCSB where the ASBA Account is maintained), to the issuer or the Registrar to the Issue;
- dd) Bids/Applications not uploaded on the terminals of the Stock Exchanges;
- ee) 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;
- ff) The UPI Mandate is not approved by Retail Individual Investor; and
- gg) The original Bid/Application is made using the UPI mechanism and revision(s) to the Bid/Application is made using ASBA either physically or online through the SCSB, and vice- versa.
- hh) Applicants are required to enter either the ASBA Bank account details or the UPI ID in the Bid cum Application Form. In case the Bidder doesn't provide any of the ASBA Bank account details or the UPI ID then the application would be rejected. For application submitted to Designated Intermediaries (other than SCSBs), Bidder providing



both the ASBA Bank account details as well as the UPI ID, the UPI ID will be considered for processing of the application.

- ii) RIIs shall ensure that the bank, with which it has its bank account, where the funds equivalent to the application amount is available for blocking has been notified as Issuer Banks for UPI. A list of such banks is available at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40>
- jj) In case of revision of Bids by RII Bidders, if UPI Mandate Request for the revised Bid is not approved, the Application is liable to be rejected.

## 5.6 BASIS OF ALLOCATION

- a) The SEBI ICDR Regulations specify the allocation or Allotment that may be made to various categories of Applicants in an Issue depending on compliance with the eligibility conditions. Certain details pertaining to the percentage of Issue size available for allocation to each category is disclosed overleaf of the Bid cum Application Form and in the Prospectus. For details in relation to allocation, the Applicant may refer to the Prospectus.
- b) Under-subscription in any category (except QIB Category) is allowed to be met with spillover from any other category or combination of categories at the discretion of the Issuer and in consultation with the LM and the Designated Stock Exchange and in accordance with the SEBI ICDR Regulations. Unsubscribed portion in QIB Category is not available for subscription to other categories.
- c) In case of under subscription in the Net Issue, spill-over to the extent of such under-subscription may be permitted from the Reserved Portion to the Net Issue. For allocation in the event of an under-subscription applicable to the Issuer, Applicants may refer to the Prospectus.
- d) Illustration of the Book Building and Price Discovery Process Bidders should note that this example is solely for illustrative purposes and is not specific to the Issue; it also excludes Bidding by Anchor Investors.

Bidders can bid at any price within the Price Band. For instance, assume a Price Band of ₹ 20 to ₹ 24 per share, Issue size of 3,000 Equity Shares and receipt of five Bids from Bidders, details of which are shown in the table below. The illustrative book given below shows the demand for the Equity Shares of the Issuer at various prices and is collated from Bids received from various investors.

Bid Quantity	Bid Amount (₹)	Cumulative Quantity	Subscription
500	24	500	16.67%
1,000	23	1,500	50.00%
1,500	22	3,000	100.00%
2,000	21	5,000	166.67%
2,500	20	7,500	250.00%

The price discovery is a function of demand at various prices. The highest price at which the Issuer is able to Issue the desired number of Equity Shares is the price at which the book cuts off, i.e., ₹ 22.00 in the above example. The Issuer in consultation with the LM, may finalise the Issue Price at or below such Cut-Off Price, i.e., at or below ₹ 22.00. All Bids at or above this Issue Price and cut-off Bids are valid Bids and are considered for allocation in the respective categories.

- 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 Prospectus or advertise the Floor Price at least one Working Day prior to the Bid/ Issue 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. RIIs, NIIs 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 FIXED PRICE ISSUE**

Applicants may note that there is no Bid cum Application Form in a Fixed Price Issue. As the Issue Price is mentioned in the Fixed Price Issue therefore on filing of the Prospectus with the RoC, the Application so submitted is considered as the Application Form.

Applicants may only use the specified Application Form for the purpose of making an Application in terms of the Prospectus which may be submitted through the Designated Intermediary.

ASBA Applicants may submit an Application Form either in physical form to the Designated Intermediaries or in the electronic form to the SCSB or the Designated Branches of the SCSBs authorising blocking of funds that are available in the ASBA account specified in the Application Form only. The Application Form is also made available on the websites of the Stock Exchanges at least one day prior to the Bid/Issue Opening Date.

In a fixed price Issue, allocation in the net issue to the public category is made as follows: minimum fifty per cent to Retail Individual Investors; and remaining to (i) individual investors other than Retail Individual Investors; and (ii) other Applicants including corporate bodies or institutions, irrespective of the number of specified securities applied for. The unsubscribed portion in either of the categories specified above may be allocated to the Applicants in the other category.

For details of instructions in relation to the Application Form, Applicants may refer to the relevant section of the GID.

## **SECTION 7: ALLOTMENT PROCEDURE AND BASIS OF ALLOTMENT**

The Allotment of Equity Shares to Applicants other than Retail Individual Investors and Anchor Investors may be on proportionate basis. For Basis of Allotment to Anchor Investors, Applicants may refer to Prospectus. No Retail Individual Investor will be Allotted less than the minimum Bid Lot subject to availability of shares in Retail Individual Investor Category and the remaining available shares, if any will be Allotted on a proportionate basis. The Issuer is required to receive a minimum subscription of 90% of the Issue (excluding any Offer for Sale of specified securities). However, in case the Issue is in the nature of Offer for Sale only, then minimum subscription may not be applicable.

### **7.1 ALLOTMENT TO RIIs**

Bids received from the RIIs at or above the Issue Price may be grouped together to determine the total demand under this category. If the aggregate demand in this category is less than or equal to the Retail Category at or above the Issue Price, full Allotment may be made to the RIIs to the extent of the valid Bids. If the aggregate demand in this category is greater than the allocation to in the Retail Category at or above the Issue Price, then the maximum number of RIIs who can be Allotted the minimum Bid Lot will be computed by dividing the total number of Equity Shares available for Allotment to RIIs by the minimum Bid Lot ("Maximum RII Allottees"). The Allotment to the RIIs will then be made in the following manner:

- a) In the event the number of RIIs who have submitted valid Bids in the Issue is equal to or less than Maximum RII Allottees, (i) all such RIIs shall be Allotted the minimum Bid Lot; and (ii) the balance available Equity Shares, if any, remaining in the Retail Category shall be Allotted on a proportionate basis to the RIIs who have received Allotment as per (i) above for the balance demand of the Equity Shares Bid by them (i.e. who have Bid for more than the minimum Bid Lot).
- b) In the event the number of RIIs who have submitted valid Bids in the Issue is more than Maximum RII Allottees, the RIIs (in that category) who will then be Allotted minimum Bid Lot shall be determined on the basis of draw of lots.

### **7.2 ALLOTMENT TO NIIs**

Bids received from NIIs at or above the Issue Price may be grouped together to determine the total demand under this category. The Allotment to all successful NIIs may be made at or above the Issue Price. If the aggregate demand in this category is less than or equal to the Non-Institutional Category at or above the Issue Price, full Allotment may be made to NIIs to the extent of their demand. In case the aggregate demand in this category is greater than the Non-Institutional



Category at or above the Issue Price, Allotment may be made on a proportionate basis up to a minimum of the Non-Institutional Category.

### 7.3 ALLOTMENT TO QIBs

For the Basis of Allotment to Anchor Investors, Applicants may refer to the SEBI ICDR Regulations, 2009 or Prospectus. Bids received from QIBs Bidding in the QIB Category (net of Anchor Portion) at or above the Issue Price may be grouped together to determine the total demand under this category. The QIB Category may be available for Allotment to QIBs who have Bid at a price that is equal to or greater than the Issue Price. Allotment may be undertaken in the following manner:

- a) In the first instance allocation to Mutual Funds for up to 5% of the QIB Category may be determined as follows: (i) In the event that Bids by Mutual Fund exceeds 5% of the QIB Category, allocation to Mutual Funds may be done on a proportionate basis for up to 5% of the QIB Category; (ii) In the event that the aggregate demand from Mutual Funds is less than 5% of the QIB Category then all Mutual Funds may get full Allotment to the extent of valid Bids received above the Issue Price; and (iii) Equity Shares remaining unsubscribed, if any and not allocated to Mutual Funds may be available for Allotment to all QIBs as set out at paragraph 7.4(b) below;

In the second instance, Allotment to all QIBs may be determined as follows: (i) In the event of oversubscription in the QIB Category, all QIBs who have submitted Bids above the Issue Price may be Allotted Equity Shares on a proportionate basis for up to 95% of the QIB Category; (ii) Mutual Funds, who have received allocation as per (a) above, for less than the number of Equity Shares Bid for by them, are eligible to receive Equity Shares on a proportionate basis along with other QIBs; and (iii) Under-subscription below 5% of the QIB Category, if any, from Mutual Funds, may be included for allocation to the remaining QIBs on a proportionate basis.

### 7.4 ALLOTMENT TO ANCHOR INVESTOR (IF APPLICABLE)

- a) Allocation of Equity Shares to Anchor Investors at the Anchor Investor Issue Price will be at the discretion of the issuer in consultation with the Investor and the LM, subject to compliance with the following requirements:
  - 1) not more than 60% of the QIB Category will be allocated to Anchor Investors;
  - 2) one-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to other Anchor Investors; and
  - 3) allocation to Anchor Investors shall be on a discretionary basis and subject to:
    - a maximum number of two Anchor Investors for allocation up to ₹ 10 crores;
    - a minimum number of two Anchor Investors and maximum number of 15 Anchor Investors for allocation of more than ₹ 10 crores and up to ₹250 crores subject to minimum Allotment of ₹ M 5 crores per such Anchor Investor; and
    - a minimum number of five Anchor Investors and maximum number of 15 Anchor Investors for allocation of more than ₹ 250 crores, and an additional 10 Anchor Investors for every additional ₹ 250 crores or part thereof, subject to minimum Allotment of M 5 crores per such Anchor Investor.
- b) A physical book is prepared by the Registrar on the basis of the Anchor Investor Application Forms received from Anchor Investors. Based on the physical book and at the discretion of the issuer in consultation with the LM, selected Anchor Investors will be sent a CAN and if required, a revised CAN.
- c) In the event that the Issue Price is higher than the Anchor Investor Issue Price: Anchor Investors will be sent a revised CAN within one day of the Pricing Date indicating the number of Equity Shares allocated to such Anchor Investor and the pay-in date for payment of the balance amount. Anchor Investors are then required to pay any additional amounts, being the difference between the Issue Price and the Anchor Investor Issue Price, as indicated in the revised CAN within the pay-in date referred to in the revised CAN. Thereafter, the Allotment Advice will be issued to such Anchor Investors.



- d) In the event the Issue Price is lower than the Anchor Investor Issue Price: Anchor Investors who have been Allotted Equity Shares will directly receive Allotment Advice.

#### 7.5 BASIS OF ALLOTMENT FOR QIBs (OTHER THAN ANCHOR INVESTORS), NIIs AND RESERVED CATEGORY IN CASE OF OVER-SUBSCRIBED ISSUE

In the event of the Issue being over-subscribed, the Issuer may finalise the Basis of Allotment in consultation with the Designated Stock Exchange in accordance with the SEBI ICDR Regulations, 2009.

The allocation may be made in marketable lots, on a proportionate basis as explained below:

- a) Bidders may be categorized according to the number of Equity Shares applied for;
- b) The total number of Equity Shares to be Allotted to each category as a whole may be arrived at on a proportionate basis, which is the total number of Equity Shares applied for in that category (number of Bidders in the category multiplied by the number of Equity Shares applied for) multiplied by the inverse of the over-subscription ratio;
- c) The number of Equity Shares to be Allotted to the successful Bidders may be arrived at on a proportionate basis, which is total number of Equity Shares applied for by each Bidder in that category multiplied by the inverse of the over-subscription ratio;
- d) In all Bids where the proportionate Allotment is less than the minimum Bid Lot decided per Bidder, the Allotment may be made as follows: the successful Bidders out of the total Bidders for a category may be determined by a draw of lots in a manner such that the total number of Equity Shares Allotted in that category is equal to the number of Equity Shares calculated in accordance with (b) above; and each successful Bidder may be Allotted a minimum of such Equity Shares equal to the minimum Bid Lot finalised by the Issuer;
- e) If the proportionate Allotment to a Bidder is a number that is more than the minimum Bid lot but is not a multiple of one (which is the marketable lot), the decimal may be rounded off to the higher whole number if that decimal is 0.5 or higher. If that number is lower than 0.5 it may be rounded off to the lower whole number. Allotment to all Bidders in such categories may be arrived at after such rounding off; and
- f) If the Equity Shares allocated on a proportionate basis to any category are more than the Equity Shares Allotted to the Bidders in that category, the remaining Equity Shares available for Allotment may be first adjusted against any other category, where the Allotted Equity Shares are not sufficient for proportionate Allotment to the successful Bidders in that category. The balance Equity Shares, if any, remaining after such adjustment may be added to the category comprising Bidders applying for minimum number of Equity Shares.

#### 7.6 DESIGNATED DATE AND ALLOTMENT OF EQUITY SHARES

- a) Designated Date: On the Designated Date, the Escrow Bank shall transfer the funds represented by allocation of Equity Shares to Anchor Investors from the Escrow Account, as per the terms of the Escrow Agreement, into the Public Issue Account with the Bankers to the Issue. The balance amount after transfer to the Public Issue Account shall be transferred to the Refund Account. Payments of refund to the Bidders applying in the Anchor Investor Portion shall be made from the Refund Account as per the terms of the Escrow Agreement and the Prospectus. On the Designated Date, the Registrar to the Issue shall instruct the SCSBs or the Sponsor Bank, as applicable, to transfer funds represented by allocation of Equity Shares from ASBA Accounts into the Public Issue Account.
- b) Issuance of Allotment Advice: Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Registrar shall upload the same on its website. On the basis of the approved Basis of Allotment, the Issuer shall pass necessary resolutions and undertake corporate action to facilitate the Allotment and credit of Equity Shares. Applicants are advised to instruct their Depository Participant to accept the Equity Shares that may be allotted to them pursuant to the Issue.  
Pursuant to confirmation of such corporate actions, the Registrar will dispatch Allotment Advice to the Applicants who have been Allotted Equity Shares in the Issue.
- c) The dispatch of Allotment Advice shall be deemed a valid, binding and irrevocable contract.
- d) Issuer will ensure that: (i) the Allotment of Equity Shares; and (ii) credit of shares to the successful Applicants Depository Account will be completed within six Working Days of the Bid/ 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 six Working Days of the Bid/ Issue Closing Date.

### **8.2 GROUNDS FOR REFUND**

#### **8.2.1 NON RECEIPT OF LISTING PERMISSION**

An Issuer makes an application to the Stock Exchange(s) for permission to deal in/list and for an official quotation of the Equity Shares. All the Stock Exchanges from where such permission is sought are disclosed in Prospectus. The Designated Stock Exchange may be as disclosed in the Prospectus with which the Basis of Allotment may be finalised.

If the Issuer fails to make application to the Stock Exchange(s) or obtain permission for listing of the Equity Shares, in accordance with the provisions of Section 40 of the Companies Act, 2013, the Issuer shall be punishable with a fine which shall not be less than ₹ 5 lakhs but which may extend to ₹50 lakhs and every officer of the Issuer who is in default shall be punishable with imprisonment for a term which may extend to one year or with fine which shall not be less than ₹ 50,000 but which may extend to ₹ 3 lakhs, or with both.

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 take steps to refund, without interest, all moneys received from Applicants.

If such money is not refunded to the Bidders within the prescribed time 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 such period, be liable to repay the money, with interest at such rate, as disclosed in the Prospectus.

#### **8.2.2 NON RECEIPT OF MINIMUM SUBSCRIPTION**

If the Issuer does not receive a minimum subscription of 90% of the Net Issue (excluding any Issue for sale of specified securities), including devolvement to the Underwriters, the Issuer may forthwith, take steps to unblock the entire subscription amount received within six Working Days of the Bid/ Issue Closing Date and repay, without interest, all moneys received from Anchor Investors. This is further subject to the compliance with Rule 19(2) (b) of the SCRR. In case the Issue is in the nature of Issue for Sale only, then minimum subscription may not be applicable. In case of under-subscription in the Issue, the Equity Shares in the Issue will be issued prior to the sale of Equity Shares in the Offer for Sale.

If there is a delay beyond the prescribed time after the Issuer becomes liable to pay or unblock the amount received from Bidders, then the Issuer and every director of the Issuer who is an officer in default may on and from expiry of prescribed time period under applicable laws, be jointly and severally liable to repay the money, with interest at the rate of 15% per annum in accordance with the Companies (Prospectus and Allotment of Securities) Rules, 2014, as amended

#### **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 1,000 failing which the entire application monies may be refunded forthwith.

#### **8.2.4 IN CASE OF ISSUES MADE UNDER COMPULSORY BOOK BUILDING**

In case an Issuer not eligible under Regulation 26(1) of the SEBI ICDR Regulations comes for an Issue under Regulation 26(2) of SEBI (ICDR) Regulations, but fails to Allot at least 75% of the Net Issue to QIBs, in such case full subscription money is to be refunded.

### **8.3 MODE OF REFUND**

- a) In case of ASBA Bids/Applications: Within six Working Days of the Bid/ Issue Closing Date, the Registrar to the Issue may give instructions to SCSBs or in case of Bids by RIIs applying through the UPI mechanism to the

Sponsor Bank to revoke the mandate and for unblocking the amount for unsuccessful Bid/Application and also for any excess amount blocked on Bidding/Application.

- b) In case of Anchor Investors: Within six Working Days of the Bid/ Issue Closing Date, the Registrar to the Issue may dispatch the refund orders for all amounts payable to unsuccessful Anchor Investors.
- c) In case of Anchor Investors, the Registrar to the Issue may obtain from the depositories, the Applicants' bank account details, including the MICR code, on the basis of the DP ID, Client ID and PAN provided by the Anchor Investors in their Anchor Investor Application Forms for refunds. Accordingly, Anchor Investors are advised to immediately update their details as appearing on the records of their depositories. Failure to do so may result in delays in dispatch of refund orders or refunds through electronic transfer of funds, as applicable, and any such delay may be at the Anchor Investors' sole risk and neither the Issuer, the Registrar to the Issue, the Escrow Collection Banks, or the Syndicate, may be liable to compensate the Anchor Investors for any losses caused to them due to any such delay, or liable to pay any interest for such delay. Please note that refunds shall be credited only to the bank account from which the Bid Amount was remitted to the Escrow Bank.
- d) In the case of Bids from Eligible NRI Bidders and FPIs, refunds, if any, may generally be payable in Indian Rupees only and net of bank charges and/or commission. If so desired, such payments in Indian Rupees may be converted into U.S. Dollars or any other freely convertible currency as may be permitted by the RBI at the rate of exchange prevailing at the time of remittance and may be dispatched by registered post. The Company may not be responsible for loss, if any, incurred by the Bidder/Applicant on account of conversion of foreign currency.

#### 8.3.1 Electronic mode of making refunds for Anchor Investors

The payment of refund, if any, may be done through various electronic modes as mentioned below:

- a) NACH — National Automated Clearing House is a consolidated system of ECS. Payment of refunds would be done through NACH for Anchor Investors having an account at one of the centres specified by the RBI, where such facility has been made available. This would be subject to availability of complete bank account details including Magnetic Ink Character Recognition (MICR) code wherever applicable from the depository. The payment of refunds through NACH is mandatory for Anchor Investors having a bank account at any of the centres where NACH facility has been made available by the RBI (subject to availability of all information for crediting the refund through NACH including the MICR code as appearing on a cheque leaf, from the depositories), except where applicant is otherwise disclosed as eligible to get refunds through NEFT or Direct Credit or RTGS;
- b) NEFT - Payment of refund may be undertaken through NEFT wherever the branch of the Anchor Investors' bank is NEFT enabled and has been assigned the Indian Financial System Code ("IFSC"), which can be linked to the MICR of that particular branch. The IFSC Code may be obtained from the website of RBI as at a date prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the Anchor Investors have registered their nine digit MICR number and their bank account number while opening and operating the demat account, the same may be duly mapped with the IFSC Code of that particular bank branch and the payment of refund may be made to the Anchor Investors through this method. In the event NEFT is not operationally feasible, the payment of refunds may be made through any one of the other modes as discussed in this section;
- c) Direct Credit - Anchor Investors having their bank account with the Refund Banker may be eligible to receive refunds, if any, through direct credit to such bank account;
- d) RTGS - Anchor Investors having a bank account with a bank branch which is RTGS enabled as per the information available on the website of RBI and whose refund amount exceeds ₹ 0.2 million, shall be eligible to receive refund through RTGS, provided the Demographic Details downloaded from the Depositories contain the nine digit MICR code of the Anchor Investor's bank which can be mapped with the RBI data to obtain the corresponding IFSC. Charges, if any, levied by the Anchor Escrow Bank for the same would be borne by our Company. Charges, if any, levied by the Anchor Investor's bank receiving the credit would be borne by the Anchor Investor.

Please note that refunds through the abovementioned modes shall be credited only to the bank account from which the Bid Amount was remitted to the Escrow Bank.

For details of levy of charges, if any, for any of the above methods, Bank charges, if any, for cashing such cheques, pay orders or demand drafts at other centers, etc. Anchor Investors may refer to Prospectus.

#### 8.4 INTEREST IN CASE OF DELAY IN ALLOTMENT OR REFUND

The Issuer may pay interest at the rate of 15% per annum if refund orders, as applicable, are not dispatched or if, in a case where the refund or portion thereof is made in electronic manner, the refund instructions have not been given to the clearing system in the disclosed manner and/or demat credits are not made to Applicants or instructions for unblocking of funds in the ASBA Account are not dispatched within the 6 working days of the Bid/ Issue Closing Date.

The Issuer may pay interest at 15% per annum for any delay beyond 15 days from the Bid/ Issue Closing Date, if Allotment is not made.

#### SECTION 9: GLOSSARY AND ABBREVIATIONS

*Unless the context otherwise indicates or implies, certain definitions and abbreviations used in this document may have the meaning as provided below. References to any legislation, act or regulation may be to such legislation, act or regulation as amended from time to time.*

<b>Term</b>	<b>Description</b>
Allotment/Allot/Allotted	The allotment of Equity Shares pursuant to the Issue to successful Applicants
Allotment Advice	Note or advice or intimation of Allotment sent to the Applicants who have been Allotted Equity Shares after the Basis of Allotment has been approved by the designated Stock Exchanges
Allottee	An Applicant to whom the Equity Shares are Allotted
Anchor Investor	A Qualified Institutional Buyer, applying under the Anchor Invest or Portion in accordance with the requirements specified in SEBI ICDR Regulations, 2009 and the Prospectus.
Anchor Investor Application Form	The form used by an Anchor Investor to make a Bid in the Anchor Investor Portion and which will be considered as an application for Allotment in terms of the Prospectus
Anchor Investor Portion	Up to 60% of the QIB Category which may be allocated by the Issuer in consultation with the LM, to Anchor Investors on a discretionary basis. One-third of the Anchor Investor Portion is reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to Anchor Investors
Application Form	The form in terms of which the Applicant should make an application for Allotment in case of issues other than Book Built Issues, includes Fixed Price Issue
Application Supported by Blocked Amount/ ASBA	An application, whether physical or electronic, used by Bidders/Applicants, other than Anchor Investors, to make a Bid and authorising an SCSB to block the Bid Amount in the specified bank account maintained with such SCSB and will include amounts blocked by RIIs using the UPI mechanism
ASBA Account	Account maintained with an SCSB which may be blocked by such SCSB or the account of the RII Bidder blocked upon acceptance of UPI Mandate Request by RIIs using the UPI Mechanism to the extent of the Bid Amount of the Bidder/Applicant
Banker(s) to the Issue / Escrow Collection Bank(s) / Collecting Banker	The banks which are clearing members and registered with SEBI as Banker to the Issue with whom the Escrow Account(s) for Anchor Investors may be opened ,and as disclosed in the Prospectus and Bid cum Application Form of the Issuer
Basis of Allotment	The basis on which the Equity Shares may be Allotted to successful Applicants under the Issue
Bid/Application	An indication to make an Issue during the Bid/ Issue Period by a prospective Bidder pursuant to submission of Bid cum Application Form or during the Anchor Investor Issue Period by the Anchor Investors, to subscribe for or purchase the Equity Shares of the Issuer at a price within the Price Band, including all revisions and modifications there to. In case of issues undertaken through the fixed price process, all references to a Bid should be construed to mean an Application
Bid Amount/ Application Amount	The highest value of the optional Bids indicated in the Bid cum Application



Term	Description
	Form and payable by the Applicant up on submission of the Bid(except for Anchor Investors), less discounts (if applicable). In case of issues undertaken through the fixed price process, all references to the Bid Amount should be construed to mean the Application Amount
Bid/ Issue Closing Date	Except in the case of Anchor Investors (if applicable), the date after which the Designated Intermediaries may not accept any Bids for the Issue, which may be notified in an English national daily, a Hindi national daily and a regional language news paper at the place where the registered office of the Issuer is situated, each with wide circulation. Applicants may refer to the Prospectus for the Bid/ Issue Closing Date
Bid/ Issue Opening Date	The date on which the Designated Intermediaries may start accepting Bids for the Issue, which may be the date notified in an English national daily, a Hindi national daily and a regional language newspaper at the place where the registered office of the Issuer is situated, each with wide circulation. Applicants may refer to the Prospectus for the Bid/ Issue Opening Date
Bid/ Issue Period	Except in the case of Anchor Investors (if applicable),the period between the Bid/ Issue Opening Date and the Issue Closing Date inclusive of both days and during which prospective Applicants (other than Anchor Investors) can submit their Bids, inclusive of any revisions thereof. The Issuer may consider closing the Bid/ Issue Period for QIBs one working day prior to the Bid/ Issue Closing Date in accordance with the SEBI ICDR Regulations, 2018. Applicants may refer to the Prospectus for the Issue Period
Bid cum Application Form/ Application Form	An application form, whether physical or electronic, used by Bidders/Applicants, other than Anchor Investors, to make a Bid/Application and which will be considered as the application for Allotment in terms of the Red Herring Prospectus and the Prospectus
Applicant	Any prospective investor who makes a Bid pursuant to the terms of the Prospectus and the Bid cum Application Form. In case of issues undertaken through the fixed price process, all references to a Applicant should be construed to mean an Applicant
Book Built Process / Book Building Process / Book Building Method	The book building process as provided under SEBI ICDR Regulations, 2009, in terms of which the Issue is being made
Broker Centres	Broker centres notified by the Stock Exchanges, where Applicants can submit the Bid cum Application Forms to a Registered Broker. The details of such broker centres, along with the names and contact details of the Registered Brokers are available on the websites of the Stock Exchanges.
Business Day	Monday to Saturday (except 2nd & 4th Saturday of a month and public holidays)
CAN / Confirmation of Allotment Note	The note or advice or intimation sent to each successful Applicant indicating the Equity Shares which may be Allotted, after approval of Basis of Allotment by the Designated Stock Exchange
Cap Price	The higher end of the Price Band, above which the Issue Price and the Anchor Investor Issue Price may not be finalised and above which no Bids may be accepted
Client ID	Client Identification Number maintained with one of the Depositories in relation to demat account
Collecting Depository Participant or CDPs	A depository participant as defined under the Depositories Act, 1996, registered with SEBI and who is eligible to procure Bids at the Designated CDP Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI
Cut-off Price	Issue Price, finalised by the Issuer in consultation with the Book Running Lead Manager, which can be any price within the Price Band. Only RIIs, Retail Individual Shareholders and employees are entitled to Bid at the Cut-off Price. No other category of Applicants are entitled to Bid at the Cut-off Price
DP	Depository Participant



Term	Description
DP ID	Depository Participant's Identification Number
Depositories	National Securities Depository Limited and Central Depository Services (India) Limited
Demographic Details	Details of the Applicants including the Applicant's address, name of the Applicant's father/husband, investor status, occupation and bank account details
Designated Branches	Such branches of the SCSBs which may collect the Bid cum Application Forms used by Applicants (exc Anchor Investor) and a list of which is available on <a href="http://www.sebi.gov.in/cms/sebi_data/attachdocs/1316087201341.html">http://www.sebi.gov.in/cms/sebi_data/attachdocs/1316087201341.html</a>
Designated CDP Locations	Such locations of the CDPs where Bidders can submit the Bid cum Application Forms to Collecting Depository Participants.  The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept Bid cum Application Forms are available on the respective websites of the Stock Exchanges ( <a href="http://www.bseindia.com">www.bseindia.com</a> and <a href="http://www.nseindia.com">www.nseindia.com</a> )
Designated Date	The date on which funds are transferred by the Escrow Collection Bank(s) from the Escrow Account and the amounts blocked by the SCSBs are transferred from the ASBA Accounts, as the case may be, to the Public Issue Account or the Refund Account, as appropriate, after the Prospectus is filed with the RoC, following which the board of directors may Allot Equity Shares to successful Applicants in the Fresh Issue may give delivery instructions for the transfer of the Equity Shares constituting the Offer for Sale
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
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 respective websites of the Stock Exchanges ( <a href="http://www.bseindia.com">www.bseindia.com</a> and <a href="http://www.nseindia.com">www.nseindia.com</a> )
Designated Stock Exchange	The designated stock exchange as disclosed in the Prospectus of the Issuer
Discount	Discount to the Issue Price that may be provided to Applicants in accordance with the SEBI ICDR Regulations, 2018.
Draft Prospectus	The draft prospectus filed with SEBI in case of Fixed Price Issues and which may mention a price or a Price Band
Employees	Employees of an Issuer as defined under SEBI ICDR Regulations, 2018 and including, in case of a new company, persons in the permanent and full time employment of the promoting companies excluding the promoters and immediate relatives of the promoters. For further details, Applicant may refer to the Draft Prospectus
Equity Shares	Equity Shares of the Issuer
Escrow Account	Account opened with the Escrow Collection Bank(s) and in whose favour the Anchor Investors may issue cheques or demand drafts or transfer money through NEFT or RTGS in respect of the Bid Amount when submitting a Bid
Escrow Agreement	Agreement to be entered into among the Issuer, the Registrar to the Issue, the Book Running Lead Manager, the Syndicate Member(s), the Escrow Collection Bank(s) and the Refund Bank(s) for collection of the Bid Amounts from Anchor Investors and where applicable, remitting refunds of the amounts collected to the Anchor Investors on the terms and conditions thereof
Escrow Collection Bank(s)	Refer to definition of Banker(s) to the Issue
FCNR Account	Foreign Currency Non-Resident Account

<b>Term</b>	<b>Description</b>
First Applicant	The Applicant whose name appears first in the Bid cum Application Form or Revision Form
Fixed Price Issue / Fixed Price Process / Fixed Price Method	The Fixed Price process as provided under SEBI ICDR Regulations, 2009, in terms of which the Issue is being made
Floor Price	The lower end of the Price Band, at or above which the Issue Price and the Anchor Investor Issue Price may be finalised and below which no Bids may be accepted, subject to any revision thereto
FPIs	Foreign Portfolio Investors as defined under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014
FPO	Further public offering
Foreign Venture Capital Investors or FVCIs	Foreign Venture Capital Investors as defined and registered with SEBI under the SEBI (Foreign Venture Capital Investors) Regulations, 2000
IPO	Initial public offering
Issuer/Company	The Issuer proposing the initial public offering/further public offering as applicable
Lead Manager / LM	The Lead Manager to the Issue as disclosed in the Prospectus and the Bid cum Application Form of the Issuer. In case of issues undertaken through the fixed price process, all references to the Book Running Lead Manager should be construed to mean the Lead Manager or LM
Maximum RII Allottees	The maximum number of RIIs who can be Allotted the minimum Bid Lot. This is computed by dividing the total number of Equity Shares available for Allotment to RIIs by the minimum Bid Lot.
MICR	Magnetic Ink Character Recognition - nine-digit code as appearing on a cheque leaf
Mutual Fund	A mutual fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996
Mutual Funds Portion	5% of the QIB Category (excluding the Anchor Investor Portion) available for allocation to Mutual Funds only, being such number of equity shares as disclosed in the Prospectus and Bid cum Application Form
NACH	National Automated Clearing House which is a consolidated system of ECS. Payment of refund would be done through NACH for Applicants having an account at one of the centres specified by the RBI, where such facility has been made available. This would be subject to availability of complete bank account details including Magnetic Ink Character Recognition (MICR) code wherever applicable from the depository. The payment of refund through NACH is mandatory for Applicants having a bank account at any of the centres where NACH facility has been made available by the RBI (subject to availability of all information for crediting the refund through NACH including the MICR code as appearing on a cheque leaf, from the depositories), except where applicant is otherwise disclosed as eligible to get refunds through NEFT or Direct Credit or RTGS
NEFT	National Electronic Fund Transfer
NRE Account	Non-Resident External Account
NRI	NRIs from such jurisdictions outside India where it is not unlawful to make an Issue or invitation under the Issue and in relation to whom the Prospectus constitutes an invitation to subscribe to or purchase the Equity Shares
NRO Account	Non-Resident Ordinary Account
Net Issue	The Issue less reservation portion
Non-Institutional Investors or NIIs	All Applicants, including sub accounts of FIIs registered with SEBI which are foreign corporates or foreign individuals and FPIs which are Category III foreign portfolio investors, that are not QIBs or RIBs and who have Bid for Equity Shares for an amount of more than M 200,000 (but not including NRIs other than Eligible NRIs)
Non-Institutional Category	The portion of the Issue being such number of Equity Shares available for allocation to NIIs on a proportionate basis and as disclosed in the RHP/Prospectus and the Bid cum Application Form



Term	Description
Non-Resident	A person resident outside India, as defined under FEMA and includes Eligible NRIs, FPIs and FVCIs registered with SEBI
OCB/Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date had taken benefits under the general permission granted to OCBs under FEMA
Offer	Public issue of Equity Shares of the Issuer including the Offer for Sale if applicable
Other Investors	Investors other than Retail Individual Investors in a Fixed Price Issue. These include individual applicants other than retail individual investors and other investors including corporate bodies or institutions irrespective of the number of specified securities applied for
Issue Price	The final price, less discount (if applicable) at which the Equity Shares may be Allotted to Bidders other than Anchor Investors, in terms of the Prospectus. Equity Shares will be Allotted to Anchor Investors at the Anchor Investor Issue Price The Issue Price may be decided by the Issuer in consultation with the Book Running Lead Manager
PAN	Permanent Account Number allotted under the Income Tax Act, 1961
Price Band	Price Band with a minimum price, being the Floor Price and the maximum price, being the Cap Price and includes revisions thereof. The Price Band and the minimum Bid lot size for the Issue may be decided by the Issuer in consultation with the Book Running Lead Manager and advertised, at least five working days in case of an IPO and one working day in case of FPO, prior to the Bid/ Issue Opening Date, in English national daily, Hindi national daily and regional language at the place where the registered office of the Issuer is situated, newspaper each with wide circulation
Pricing Date	The date on which the Issuer in consultation with the Book Running Lead Manager, finalise the Issue Price
Prospectus	The prospectus to be filed with the RoC in accordance with Section 26 of the Companies Act, 2013 after the Pricing Date, containing the Issue Price, the size of the Issue and certain other information
Public Issue Account	An account opened with the Banker to the Issue to receive monies from the Escrow Account and from the ASBA Accounts on the Designated Date
QIB Category	The portion of the Issue being such number of Equity Shares to be Allotted to QIBs on a proportionate basis
Qualified Institutional Buyers or QIBs	As defined under SEBI ICDR Regulations, 2018
RTGS	Real Time Gross Settlement
Refund Account(s)	The account opened with Refund Bank(s), from which refunds to Anchor Investors, if any, of the whole or part of the Bid Amount may be made
Refund Bank(s)	Refund bank(s) as disclosed in the Prospectus and Bid cum Application Form of the Issuer
Refunds through electronic transfer of funds	Refunds through Direct Credit, NEFT, RTGS or ASBA, as applicable
Registrar and Share Transfer Agents or RTAs	Registrar and share transfer agents registered with SEBI and eligible to procure Bids at the Designated RTA Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI
Registered Broker	Stock Brokers registered with the Stock Exchanges having nationwide terminals, other than the members of the Syndicate
Registrar to the Issue /RTO	The Registrar to the Issue as disclosed in the Prospectus and Bid cum Application Form
Reserved Category / Categories	Categories of persons eligible for making application/Bidding under reservation portion
Reservation Portion	The portion of the Issue reserved for such category of eligible



Term	Description
	Applicants as provided under the SEBI ICDR Regulations, 2009
Retail Individual Investors/RIIs	Investors who applies or bids for a value of not more than M 200,000 (including HUFs applying through their karta and eligible NRIs and does not include NRIs other than Eligible NRIs.
Retail Individual Shareholders	Shareholders of a listed Issuer who applies or bids for a value of not more than ₹ 200,000.
Retail Category	The portion of the Issue being such number of Equity Shares available for allocation to RIIs which shall not be less than the minimum Bid Lot, subject to availability in RII category and the remaining shares to be Allotted on proportionate basis.
Revision Form	The form used by the Bidders, including ASBA Bidders, in an issue through Book Building Process to modify the quantity of Equity Shares and/or bid price indicated therein in any of their Bid cum Application Forms or any previous Revision Form(s)
RoC	The Registrar of Companies
SEBI	The Securities and Exchange Board of India constituted under the Securities and Exchange Board of India Act, 1992
SEBI ICDR Regulations	The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009
SEBI ICDR Regulations, 2018	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018. This Prospectus has been prepared in accordance with provisions and disclosure requirements of the SEBI ICDR Regulations except that the issue procedure including in relation to Bid/Offer Period, submission of Application Forms, Payment of Application Amount, Allocation, Allotment, Refund of Application Amount, if any and listing of the Equity Shares as described in the section “Issue Procedure” Procedure 224 including “Part B- General Information Document for Investing in Public Issues B- General Information Document for Investing In the sect1) has been prepared in accordance with SEBI ICDR Regulations, 2018.
Self Certified Syndicate Bank(s) or SCSSB(s)	The banks registered with the SEBI which offers the facility of ASBA and the list of which is available on the website of the <a href="http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes">http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes</a>
Specified Locations	Bidding centres where the Syndicate shall accept Bid cum Application Forms, a list of which is available on the website of SEBI at <a href="http://www.sebi.gov.in/">http://www.sebi.gov.in/</a> and updated from time to time
Sponsor Bank	The Banker to the Offer registered with SEBI which is appointed by the Issuer/Offer or to act as a conduit between the Stock Exchanges and the National Payments Corporation of India in order to push the mandate collect requests and / or payment instructions of the RIIs into the UPI
Stock Exchanges / SE	The stock exchanges as disclosed in the Prospectus of the Issuer where the Equity Shares Allotted pursuant to the Issue are proposed to be listed
Syndicate	The Book Running Lead Manager and the Syndicate Member
Syndicate Agreement	The agreement to be entered into among the Issuer, and the Syndicate in relation to collection of Bid cum Application Forms by Syndicate Members
Syndicate Member(s) / SM	The Syndicate Member(s) as disclosed in the Prospectus
Underwriters	The Book Running Lead Manager and the Syndicate Member(s)
Underwriting Agreement	The agreement amongst the Issuer, and the Underwriters to be entered into on or after the Pricing Date
UPI ID	ID created on Unified Payment Interface (UPI) for single-window mobile payment system developed by the National Payments Corporation of India (NPCI).
UPI Mandate Request	A request (intimating the RII by way of a notification on the UPI application and by way of a SMS directing the RII to such UPI application) to the RII initiated by the Sponsor Bank to authorise blocking of funds on the UPI application equivalent to Bid Amount and subsequent debit of funds in case of Allotment
UPI PIN	Password to authenticate UPI transaction



Term	Description
Working Day	All days on which commercial banks in Mumbai are open for business. In respect of announcement of Price Band and Bid / Offer Period, Working Day shall mean all days, excluding Saturdays, Sundays and public holidays, on which commercial banks in Mumbai are open for business. In respect of the time period between the Bid/Offer Closing Date and the listing of the Equity Shares on the Stock Exchanges, Working Day shall mean all trading days of the Stock Exchanges, excluding Sundays and bank holidays, as per circulars issued by SEBI.

## RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of the Government, and FEMA. While the Industrial Policy, 1991 of the Government 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. The Union Cabinet, as provided in the Cabinet Press Release dated May 24, 2017, has given its approval for phasing out the FIPB. Accordingly, the process for foreign direct investment (“FDI”) and approval from the Government will now be handled by the concerned ministries or departments, in consultation with the Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government (“DPITT”), Ministry of Finance, Department of Economic Affairs, FIPB section, through a memorandum dated June 5, 2017 has notified the specific ministries handling relevant sectors.

The Government has from time to time made policy pronouncements on FDI through press notes and press releases. The DPITT issued the Consolidated Foreign Direct Investment Policy notified by the D/o IPP F. No. 5(1)/2017- FC-1 dated August 28, 2017, with effect from August 28, 2017 (the “FDI Policy”), which consolidates and supersedes all previous press notes, press releases and clarifications on FDI issued by the DPITT that were in force and effect prior to August 28, 2017.

The Government proposes to update the consolidated circular on FDI Policy once every year and therefore, the FDI Policy will be valid until the DPITT issues an updated circular. The transfer of shares between an Indian resident and a non-resident does not require the prior approval of the RBI, provided that (i) the activities of the investee company are under the automatic route under the foreign direct investment 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, OCBs cannot participate in this Issue.

The Equity Shares have not been and will not be registered under the Securities Act or the laws of any state of the United States, and may not be offered or sold in the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. Our Company is an “investment company” (as defined in the US Investment Company Act and the related rules and has not been and will not be registered under the US Investment Company Act. Accordingly, the Equity Shares are being offered and sold (a) to persons in the United States and to US Persons who are both (i) “qualified institutional buyers” (as defined in Rule 144A under the Securities Act) and (ii) “qualified purchasers” (as defined in Section 2(a)(51) of the US Investment Company Act and referred to herein as “Qualified Purchasers”) pursuant to Rule 144A under the Securities Act and Section 3(c)(7) of the US Investment Company and (b) to persons who are not US Persons outside the United States pursuant to Regulation S under the Securities Act. For further details, see “*Issue Procedure*” beginning on page no. 194 of this Prospectus.

The above information is given for the benefit of the applicants. Our Company and the LM are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Prospectus. Applicants are advised to make their independent investigations and ensure that the number of Equity Shares application for do not exceed the applicable limits under laws or regulations.

## SECTION XI- MAIN PROVISIONS OF ARTICLES OF ASSOCIATION

Subject as hereinafter provided, the regulations contained in Table 'F' in the Schedule I to the Companies Act, 2013 shall apply to the Company as so far as they are not inconsistent with any of the provisions contained in these regulations or modifications thereof and only to the extent that there is no specific provisions in these regulations. In case of any conflict between the express provisions herein contained and the incorporated Regulations of 'Table F', the provisions herein shall prevail.

### INTERPRETATION

- I. (1) In these regulations—
- (a) "Act" means the (Indian) Companies Act, 1956 or the Companies Act, 2013, whichever is applicable, the rules made thereunder and any amendments thereto or re-enactments thereof from time to time.
  - (b) "the seal" means the common seal of the company.
  - (c) "These Articles" means these Articles of Association as originally framed or as altered from time to time.
  - (d) "The Company" means **SHIV AUM STEELS LIMITED**
  - (e) "Board of Directors" or "Board" means the collective body of Board of Directors of the Company and shall include a Committee thereof. "The Office" means the Registered Office of the Company for the time being.
  - (f) "The Office" means the Registered Office of the Company for the time being.
  - (g) "The Register" means the Register of Members to be kept pursuant to Section 88 of the Act.
  - (h) "Dividend" includes any interim dividend.
  - (i) "Year" means Financial Year shall have the meaning assigned thereto by Section 2(41) of the Act.
  - (j) "In Writing" and "Written" shall include printing, lithography and other mode of representing or reproducing words in a visible form.
  - (k) Words importing the singular number also include the plural number and vice-versa.
  - (l) Words importing the masculine gender also include the feminine gender.
  - (m) Words importing the Company include corporations.
  - (n) "Electronic Mode" means any communication by way of electronic media like tele-conferencing, video conferencing and any other electronic media.

*\*Articles of Association under Companies Act, 2013 as applicable to a public company consequent to the change in the status of the company to a public limited company adopted vide Special Resolution passed in the Extra Ordinary General Meeting of the members of the Company held on 22<sup>th</sup> April, 2019*

- (o) Member” means a member as defined under the Act and the duly registered holder of the shares of the Company from time to time.
  - (p) “The Managing Director” means the managing director for the time being of the Company.
  - (q) “The Whole-Time Director” means the Whole time director for the time being of the Company.
  - (r) “Independent Director” means a Director as defined under section 149(6) of the Companies Act, 2013.
  - (s) “Depository” means a depository as defined in section 2(1)(e) of the Depositories Act, 1996.
  - (t) “SEBI” means the Securities and Exchange Board of India.
  - (u) “Security” means such security as may be defined by SEBI from time to time.
  - (v) “Beneficial Owner” means a person whose name is recorded as such with a Depository.
  - (w) “Rules” means the applicable rules for the time being in force as prescribed under relevant sections of the Act.
  - (x) “The Registrar” means the Registrar of Companies having jurisdiction over the area in which the registered office of the Company is for the time being situated.
  - (y) The Key Managerial Personnel(KMP) shall the same meaning as assigned to it under section 203 of the Act.
- (2) Unless the context otherwise requires, words or expressions contained in these regulations shall bear the same meaning as in the Act or any statutory modification thereof in force at the date at which these regulations become binding on the company.
- (3) INTENTIONALLY LEFT BLANK

#### SHARE CAPITAL AND VARIATION OF RIGHTS

1. (a) The Authorized Share Capital of the Company is same as mentioned in Clause V of the Memorandum of Association, provided further that the said Authorised Share Capital shall be capable of being divided into several classes with any preferential, qualified or other rights, privileges, conditions or restrictions attached thereto whether in regard to dividend, voting, return of capital or otherwise.
  - (b) Subject to the provisions of the Act and these Articles, the shares in the capital of the company shall be under the control of the Directors who may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par and at such time as they may from time to time think fit.
  - (c) Subject to the provisions of the Act and these Articles, the Board may issue and allot shares in the capital of the Company on payment or part payment for any property or assets of any kind whatsoever sold or transferred, goods or machinery supplied or for services rendered to the Company in the conduct of its business and any shares which may be so allotted may be issued as fully paid-up or partly paid-up otherwise than for cash, and if so issued, shall be deemed to be fully paid-up or partly paid-up shares, as the case may be.
  - (d) The Company may issue the following kinds of shares in accordance with these Articles, the Act, the Rules and other applicable laws:
    - (a) Equity Share Capital:
      - (i) with voting rights; and/or
      - (ii) with differential rights as to dividend, voting or otherwise in accordance with the Rules; and
    - (b) Preference Share Capital
2. (i) Every person whose name is entered as a member in the register of members shall be entitled to receive within two months after incorporation, in case of subscribers to the memorandum or after allotment or within one month after the application for the registration of transfer or transmission or within such other period as the conditions of issue shall be provided,—
    - (a) one certificate for all his shares without payment of any charges; or
    - (b) several certificates, each for one or more of his shares, upon payment of twenty rupees for each certificate after the first.
  - (ii) Every certificate shall be under the seal and shall specify the shares to which it relates and the amount paid-up if any, provided that in case a Company does not have a common seal, the authorization under this regulation shall be made by two directors or by a director and the Company Secretary, wherever the Company has appointed a Company Secretary thereon.

- (iii) In respect of any share or shares held jointly by several persons, the company shall not be bound to issue more than one certificate, and delivery of a certificate for a share to one of several joint holders shall be sufficient delivery to all such holders.
  - (iv) A person subscribing to shares offered by the Company shall have the option either to receive certificates for such shares or hold the shares in a dematerialized state with a depository. Where a person opts to hold any share with the depository, the Company shall intimate such depository the details of allotment of the share to enable the depository to enter in its records the name of such person as the beneficial owner of that share.
3. (i) If any share certificate be worn out, defaced, mutilated or torn or if there be no further space on the back for endorsement of transfer, then upon production and surrender thereof to the company, a new certificate may be issued in lieu thereof, and if any certificate is lost or destroyed then upon proof thereof to the satisfaction of the company and on execution of such indemnity as the company deem adequate, a new certificate in lieu thereof shall be given. Every certificate under this Article shall be issued on payment of twenty rupees for each certificate.
- (ii) The provisions of Articles (2) and (3) shall mutatis mutandis apply to debentures of the company.
  - (iii) The Board, may, subject to the provisions of the Act, accept a surrender of any share from or by any Member desirous of surrendering the same on such terms as it may think fit.
4. Except as required by law, no person shall be recognised by the company as holding any share upon any trust, and the company shall not be bound by, or be compelled in any way to recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any share, or any interest in any fractional part of a share, or (except only as by these regulations or by law otherwise provided) any other rights in respect of any share except an absolute right to the entirety thereof in the registered holder.
5. On receipt of a request from shareholder, the Board of Directors may authorize for sub-division/consolidation of share certificates.
6. (i) The company may exercise the powers of paying commissions conferred by sub-section (6) of section 40, provided that the rate per cent. or the amount of the commission paid or agreed to be paid shall be disclosed in the manner required by that section and rules made thereunder.
- (ii) The rate or amount of the commission shall not exceed the rate or amount prescribed in rules made under sub-section (6) of section 40.
  - (iii) The commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in the one way and partly in the other.
7. (i) If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, subject to the provisions of section 48, and whether or not the company is being wound up, be varied with the consent in writing of the holders of three-fourths of the issued shares of that class, or with the sanction of a special resolution passed at a separate meeting of the holders of the shares of that class.
- (ii) To every such separate meeting, the provisions of these regulations relating to general meetings shall mutatis mutandis apply, but so that the necessary quorum shall be at least two persons holding at least one-third of the issued shares of the class in question.
8. The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking pari-passu therewith.
9. (i) Subject to the provisions of section 55, any preference shares may, with the sanction of an ordinary resolution, be issued on the terms that they are to be redeemed on such terms and in such manner as the company before the issue of the shares may, by special resolution, determine.
- (ii) The Board or the Company, as the case may be, may, in accordance with the Act and the Rules, issue further shares to-
    - (a) persons who, at the date of offer, are holders of equity shares of the Company; such offer shall be deemed to include a right exercisable by the person concerned to renounce the shares offered to him or any of them in favour of any other person; or
    - (b) employees under any scheme of employees' stock option; or
    - (c) any persons, whether or not those persons include the persons referred to in clause (a) or clause (b)

above.

- (iii) A further issue of shares may be made in any manner whatsoever as the Board may determine including by way of preferential offer or private placement, subject to and in accordance with the Act and the Rules.

#### 8A. SWEAT EQUITY SHARES

- (i) Subject to the provisions of the Act and other applicable provisions, if any, the Company may with the approval of the shareholders by resolution as prescribed under the Act in general meeting issue sweat equity shares in accordance with such rules and guidelines issued by the Securities and Exchange Board of India and /or other competent authorities for the time being and further subject to such conditions as may be prescribed in that behalf.
- (ii) The rights, limitations, restrictions and provisions as are for the time being applicable to equity shares shall be applicable to the sweat equity shares issued under this section and the holders of such shares shall rank pari-passu with other equity shareholders.

#### 8B. ISSUE OF DEBENTURES

Any debentures, debenture-stock or other securities may be issued subject to the provisions of the Act and these Articles, at a discount, premium or otherwise or may be issued on the condition that they shall be convertible into shares of any denomination or with any special privileges or conditions as to redemption, surrender, drawing, allotment of shares, attending (but not voting) at the general meeting, appointment of directors and otherwise.

#### LIEN

10. (i) The company shall have a first and paramount lien—
- (a) on every share (not being a fully paid share), for all monies (whether presently payable or not) called, or payable at a fixed time, in respect of that share; and
  - (b) on all shares (not being fully paid shares) standing registered in the name of a single person, for all monies presently payable by him or his estate to the company:  
Provided that the Board of directors may at any time declare any share to be wholly or in part exempt from the provisions of this clause.
- (ii) The company's lien, if any, on a share shall extend to all dividends payable and bonuses declared from time to time in respect of such shares.
- (iii) The fully paid shares shall be free from all lien, and that in partly paid shares the Issuer's lien shall be restricted to moneys called or payable at a fixed time in respect of such shares.
11. The company may sell, in such manner as the Board thinks fit, any shares on which the company has alien: Provided that no sale shall be made—
- (a) unless a sum in respect of which the lien exists is presently payable; or
  - (b) until the expiration of fourteen days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the share or the person entitled thereto by reason of his death or insolvency.
12. (i) To give effect to any such sale, the Board may authorise some person to transfer the shares sold to the purchaser thereof.
- (ii) The purchaser shall be registered as the holder of the shares comprised in any such transfer.
  - (iii) The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.
13. (i) The proceeds of the sale shall be received by the company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable.
- (ii) The residue, if any, shall, subject to a like lien for sums not presently payable as existed upon the shares before the sale, be paid to the person entitled to the shares at the date of the sale.
  - (iii) In exercising its lien, the Company shall be entitled to treat the registered holder of any share as the absolute owner thereof and accordingly shall not (except as ordered by a court of competent jurisdiction or unless required by any statute) be bound to recognize any equitable or other claim to, or interest in, such share on the part of any other person, whether a creditor of the registered holder or otherwise. The Company's lien shall prevail notwithstanding that it has received notice of any such

- claim.
- (iv) The provisions of these Articles relating to lien shall mutatis mutandis apply to any other securities including debentures of the Company.

## CALLS ON SHARES

14. (i) The Board may, from time to time, make calls upon the members in respect of any monies unpaid on their shares (whether on account of the nominal value of the shares or by way of premium) and not by the conditions of allotment thereof made payable at fixed times:  
Provided that no call shall exceed one-fourth of the nominal value of the share or be payable at less than one month from the date fixed for the payment of the last preceding call.
- (ii) Each member shall, subject to receiving at least fourteen days' notice specifying the time or times and place of payment, pay to the company, at the time or times and place so specified, the amount called on his shares.
- (iii) A call may be revoked or postponed at the discretion of the Board.
- (iv) Any amount of paid up in advance of calls on any shares may carry interest but shall not in respect thereof confer a right to dividend or to participate in profits
- (v) The option or right to call on shares shall not be given to any person except with the sanction of the Issuer in general
15. A call shall be deemed to have been made at the time when the resolution of the Board authorising the call was passed and may be required to be paid by installments.
16. The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.
17. (i) If a sum called in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest thereon from the day appointed for payment thereof to the time of actual payment at ten per cent. per annum or at such lower rate, if any, as the Board may determine.
- (ii) The Board shall be at liberty to waive payment of any such interest wholly or in part.
18. (i) Any sum which by the terms of issue of a share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the share or by way of premium, shall, for the purposes of these regulations, be deemed to be a call duly made and payable on the date on which by the terms of issue such sum becomes payable.
- (ii) In case of non-payment of such sum, all the relevant provisions of these regulations as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.
19. The Board—
- (a) may, if it thinks fit, receive from any member willing to advance the same, all or any part of the monies uncalled and unpaid upon any shares held by him; and
- (b) upon all or any of the monies so advanced, may (until the same would, but for such advance, become presently payable) pay interest at such rate not exceeding, unless the company in general meeting shall otherwise direct, twelve per cent. per annum, as may be agreed upon between the Board and the member paying the sum in advance.
- (c) Neither a judgment nor a decree in favour of the Company for calls or other moneys due in respect of any shares nor any part payment or satisfaction thereof nor the receipt by the Company of a portion of any money which shall from time to time be due from any member in respect of any shares either by way of principal or interest nor any indulgence granted by the Company in respect of payment of any such money shall preclude the forfeiture of such shares as herein provided.
- (d) The provisions of these Articles relating to calls shall mutatis mutandis apply to any other securities including debentures of the Company.

## TRANSFER OF SHARES

20. (i) The instrument of transfer of any share in the company shall be executed by or on behalf of both the transferor and transferee.
- (ii) The transferor shall be deemed to remain a holder of the share until the name of the transferee is entered in the register of members in respect thereof.
- (iii) A common form of transfer shall be used
- (iv) The registration of transfer shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Issuer on any account whatsoever

21. The Board may, subject to the right of appeal conferred by section 58 decline to register-
  - (a) the transfer of a share, not being a fully paid share, to a person of whom they do not approve;
  - (b) any transfer of shares on which the company has alien.
22. The Board may decline to recognize any instrument of transfer unless:
  - (a) the instrument of transfer is in the form as prescribed in rules made under sub- section (1) of section 56;
  - (b) the instrument of transfer is accompanied by the certificate of the shares to which it relates, and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer; and
  - (c) the instrument of transfer is in respect of only one class of shares.
23.
  - (i) On giving not less than seven days' previous notice in accordance with section 91 and rules made thereunder, the registration of transfers may be suspended at such times and for such periods as the Board may from time to time determine: Provided that such registration shall not be suspended for more than thirty days at any one time or for more than forty-five days in the aggregate in any year.
  - (ii) The provisions of these Articles relating to transfer of shares shall mutatis mutandis apply to any other securities including debentures of the Company.

#### **TRANSMISSION OF SHARES**

24.
  - (i) On the death of a member, the survivor or survivors where the member was a joint holder, and his nominee or nominees or legal representatives where he was a sole holder, shall be the only persons recognized by the company as having any title to his interest in the shares.
  - (ii) Nothing in clause (i) shall release the estate of a deceased joint holder from any liability in respect of any share which had been jointly held by him with other persons.
25. Any person becoming entitled to a share in consequence of the death or insolvency of a member may, upon such evidence being produced as may from time to time properly be required by the Board and subject as hereinafter provided, elect, either—
  - (a) to be registered himself as holder of the share; or
  - (b) to make such transfer of the share as the deceased or insolvent member could have made.
  - (ii) The Board shall, in either case, have the same right to decline or suspend registration as it would have had, if the deceased or insolvent member had transferred the share before his death or insolvency.
26.
  - (i) If the person so becoming entitled shall elect to be registered as holder of the share himself, he shall deliver or send to the company a notice in writing signed by him stating that he so elects.
  - (ii) If the person aforesaid shall elect to transfer the share, he shall testify his election by executing a transfer of the share.
  - (iii) All the limitations, restrictions and provisions of these regulations relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or insolvency of the member had not occurred and the notice or transfer were a transfer signed by that member.
27.
  - (i) A person becoming entitled to a share by reason of the death or insolvency of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share, except that he shall not, before being registered as a member in respect of the share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the company: Provided that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the share, and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the share, until the requirements of the notice have been complied with.
  - (ii) The provisions of these Regulations relating to transmission by operation of law shall mutatis mutandis apply to any other securities including debentures of the Company.

#### **26A. DEMATERIALIZATION OF SHARES**

- (i) Notwithstanding anything contained in these Articles, the Company shall be entitled to dematerialize its securities and to offer securities in a dematerialized form, pursuant to the Depositories Act.
- (ii) Every person subscribing to securities offered by the Company shall have the option to receive security certificates or to hold securities with a Depository. Such a person who is the beneficial owner of the securities can at any time opt out of a Depository in respect of any security, in the manner provided by the Depositories Act, and the Company shall in the manner and within the time prescribed, issue to the Beneficial Owner the required certificates of securities.

- (iii) Where a person opts to hold a security with a Depository, the Company shall intimate the Depository the details of allotment of the security, and on receipt of the information, the Depository shall enter in its record the name of the allottee as the beneficial owner of the security.
- (iv) All securities held by a Depository shall be dematerialized and shall be in a fungible form. Nothing contained in Section 89 of the Act shall apply to a Depository in respect of the securities held by it on behalf of the beneficial owners.
- (v) Notwithstanding anything to the contrary contained in the Act or these Articles, a Depository shall be deemed to be the registered owner for the purposes of effecting transfer of ownership of security on behalf of the beneficial owner.
- (vi) Save as otherwise provided in (a) above, the Depository as a registered owner of the securities shall not have any voting rights or any other rights in respect of the securities held by it.
- (vii) Every person holding shares of any class in the capital of the Company and whose name is entered as beneficial owner in the records of a Depository shall be deemed to be a member of the Company. The beneficial owner shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of his securities which are held by a Depository.
- (viii) Nothing contained in Section 56 of the Act or these Articles shall apply to a transfer of securities effected by a transferor and transferee both of whom are entered as beneficial owners in the records of a depository.
- (ix) Nothing contained in the Act or these Articles regarding the necessity of having distinctive numbers for securities issued by the Company shall apply to securities held with a Depository.
- (x) The register and index of beneficial owners maintained by a Depository under the Depositories Act, shall be deemed to be the register and index of members and security holders for the purposes of these Articles.
- (xi) Notwithstanding anything in the Act or these Articles to the contrary, where securities are held in a Depository, the records of the beneficial ownership may be served by such Depository on the Company by means of electronic mode or by delivery of floppies or discs.
- (xii) Every holder of securities of the Company shall be entitled to nominate in the prescribed manner, a person to whom his securities shall vest in the event of his death, in accordance with the provisions of the Act.

## **FORFEITURE OF SHARES**

- 28. If a member fails to pay any call, or installment of a call, on the day appointed for payment thereof, the Board may, at any time thereafter during such time as any part of the call or installment remains unpaid, serve a notice on him requiring payment of so much of the call or installment as is unpaid, together with any interest which may have accrued.
- 29. The notice aforesaid shall—
  - (a) name a further day (not being earlier than the expiry of fourteen days from the date of service of the notice) on or before which the payment required by the notice is to be made; and
  - (b) state that, in the event of non-payment on or before the day so named, the shares in respect of which the call was made shall be liable to be forfeited.
- 30. If the requirements of any such notice as aforesaid are not complied with, any share in respect of which the notice has been given may, at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect.
- 29A. (i) Neither the receipt by the Company of a portion of any money which may from time to time be due from any member in respect of his shares, nor any indulgence that may be granted by the Company in respect of payment of any such money, shall preclude the Company from thereafter proceeding to enforce a forfeiture in respect of such shares as herein provided. Such forfeiture shall include all dividends declared or any other moneys payable in respect of the forfeited shares and not actually paid before the forfeiture.

- (ii) When any share shall have been so forfeited, notice of the forfeiture shall be given to the defaulting member and an entry of the forfeiture with the date thereof, shall forthwith be made in the register of members but no forfeiture shall be invalidated by any omission or neglect or any failure to give such notice or make such entry as aforesaid.
  - (iii) The forfeiture of a share shall involve extinction at the time of forfeiture, of all interest in and all claims and demands against the Company, in respect of the share and all other rights incidental to the share.
  - (iv) A forfeited share shall be deemed to be the property of the Company.
31. (i) A forfeited share may be sold or otherwise disposed of on such terms and in such manner as the Board thinks fit.
- (ii) At any time before a sale or disposal as aforesaid, the Board may cancel the forfeiture on such terms as it thinks fit.
32. (i) A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares, but shall, notwithstanding the forfeiture, remain liable to pay to the company all monies which, at the date of forfeiture, were presently payable by him to the company in respect of the shares.
33. (ii) The liability of such person shall cease if and when the company shall have received payment in full of all such monies in respect of the shares.
- (iii) All such monies payable shall be paid together with interest thereon at such rate as the Board may determine, from the time of forfeiture until payment or realization. The Board may, if it thinks fit, but without being under any obligation to do so, enforce the payment of the whole or any portion of the monies due, without any allowance for the value of the shares at the time of forfeiture or waive payment in whole or in part.
34. (i) A duly verified declaration in writing that the declarant is a director, the manager or the secretary, of the company, and that a share in the company has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share;
- (ii) The company may receive the consideration, if any, given for the share on any sale or disposal thereof and may execute a transfer of the share in favour of the person to whom the share is sold or disposed of;
- (iii) The transferee shall thereupon be registered as the holder of the share; and
- (iv) The transferee shall not be bound to see to the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale or disposal of the share.
- 32A. (i) Upon any sale after forfeiture or for enforcing a lien in exercise of the powers hereinabove given, the Board may, if necessary, appoint some person to execute an instrument for transfer of the shares sold and cause the purchaser's name to be entered in the register of members in respect of the shares sold and after his name has been entered in the register of members in respect of such shares the validity of the sale shall not be impeached by any person.
- (ii) Upon any sale, re-allotment or other disposal under the provisions of the preceding Articles, the certificate(s), if any, originally issued in respect of the relative shares shall (unless the same shall on demand by the Company has been previously surrendered to it by the defaulting member) stand cancelled and become null and void and be of no effect, and the Board shall be entitled to issue a duplicate certificate(s) in respect of the said shares to the person(s) entitled thereto.
35. (i) The provisions of these regulations as to forfeiture shall apply in the case of nonpayment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the nominal value of the share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.
- (ii) The provisions of these Articles relating to forfeiture of shares shall mutatis mutandis apply to any other securities including debentures of the Company.

#### **ALTERATION OF CAPITAL**

36. The company may, from time to time, by ordinary resolution increase the share capital by such sum, to be divided into shares of such amount, as may be specified in the resolution.

37. Subject to the provisions of section 61, the company may, by ordinary resolution,—
- (a) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;
  - (b) convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of any denomination;
  - (c) sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the memorandum;
  - (d) cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person.
38. Where shares are converted into stock,—
- (a) the holders of stock may transfer the same or any part thereof in the same manner as, and subject to the same regulations under which, the shares from which the stock arose might before the conversion have been transferred, or as near thereto as circumstances admit:  
Provided that the Board may, from time to time, fix the minimum amount of stock transferable, so, however, that such minimum shall not exceed the nominal amount of the shares from which the stock arose.
  - (b) the holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, voting at meetings of the company, and other matters, as if they held the shares from which the stock arose; but no such privilege or advantage (except participation in the dividends and profits of the company and in the assets on winding up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage.
  - (c) such of the regulations of the company as are applicable to paid-up shares shall apply to stock and the words “share” and “shareholder” in those regulations shall include “stock” and “stock-holder” respectively.
39. The company may, by special resolution, reduce in any manner and with, and subject to, any incident authorised and consent required bylaw,—
- (a) its share capital;
  - (b) any capital redemption reserve account; or
  - (c) any share premium account.
  - (d) Any other reserve in the nature of share capital.

#### 37A. JOINT HOLDERS

- (i) Where two or more persons are registered as joint holders (not more than three) of any share, they shall be deemed (so far as the Company is concerned) to hold the same as joint tenants with benefits of survivorship, subject to the following and other provisions contained in these Articles.
- (ii) The joint-holders of any share shall be liable severally as well as jointly for and in respect of all calls or installments and other payments which ought to be made in respect of such share.
- (iii) On the death of any one or more of such joint-holders, the survivor or survivors shall be the only person or persons recognised by the Company as having any title to the share but the directors may require such evidence of death as they may deem fit, and nothing herein contained shall be taken to release the estate of a deceased joint-holder from any liability on shares held by him jointly with any other person.
- (iv) Any one of such joint holders may give effectual receipts of any dividends, interests or other moneys payable in respect of such share.
- (v) Only the person whose name stands first in the register of members as one of the joint-holders of any share shall be entitled to the delivery of certificate, if any, relating to such share or to receive notice (which term shall be deemed to include all relevant documents) and any notice served on or sent to such person shall be deemed service on all the joint-holders.
- (vi) Any one of two or more joint-holders may vote at any meeting either personally or by attorney or by proxy in respect of such shares as if he were solely entitled thereto and if more than one of such joint holders be present

at any meeting personally or by proxy or by attorney then one of such persons so present whose name stands first or higher (as the case may be) on the register in respect of such shares shall alone be entitled to vote in respect thereof.

- (vii) Several executors or administrators of a deceased member in whose (deceased member) sole name any share stands, shall for the purpose of this clause be deemed joint-holders.
- (viii) The provisions of these Articles relating to joint holders of shares shall mutatis mutandis apply to any other securities including debentures of the Company registered in joint names.

## CAPITALISATION OF PROFITS

- 40. (i) The company in general meeting may, upon the recommendation of the Board, resolve—
  - (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
  - (b) that such sum be accordingly set free for distribution in the manner specified in clause (ii) amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.
- (ii) The sum aforesaid shall not be paid in cash but shall be applied, subject to the provision contained in clause (iii), either in or towards—
  - (A) paying up any amounts for the time being unpaid on any shares held by such members respectively;
  - (B) paying up in full, unissued shares of the company to be allotted and distributed, credited as fully paid-up, to and amongst such members in the proportions aforesaid;
  - (C) partly in the way specified in sub-clause (A) and partly in that specified in sub-clause(B);
  - (D) A securities premium account and a capital redemption reserve account may, for the purposes of this regulation, be applied in the paying up of unissued shares to be issued to members of the company as fully paid bonus shares;
  - (E) The Board shall give effect to the resolution passed by the company in pursuance of this regulation.
- 41. (i) Whenever such a resolution as aforesaid shall have been passed, the Board shall—
  - (a) make all appropriations and applications of the undivided profits resolved to be capitalized thereby, and all allotments and issues of fully paid shares if any; and
  - (b) generally do all acts and things required to give effect thereto.
- (ii) The Board shall have power—
  - (a) to make such provisions, by the issue of fractional certificates or by payment in cash or otherwise as it thinks fit, for the case of shares becoming distributable in fractions; and
  - (b) to authorize 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 profits resolved to be capitalized, of the amount or any part of the amounts remaining unpaid on their existing shares;
- (iii) Any agreement made under such authority shall be effective and binding on such members.

## BUY-BACK OF SHARES

- 42. Notwithstanding anything contained in these articles but subject to the provisions of sections 68 to 70 and any other applicable provision of the Act or any other law for the time being in force, the company may purchase its own shares or other specified securities.

## GENERAL MEETINGS

- 43. (i) All general meetings other than annual general meeting shall be called extraordinary general meeting.
- (ii) Notice of the General Meeting shall be in accordance with the provisions of the Companies Act, 2013 read with rules prescribed under the Act.

44. (i) The Board may, whenever it thinks fit, call an extraordinary general meeting.  
(ii) If at any time directors capable of acting who are sufficient in number to form a quorum are not within India, any director or any two members of the company may call an extraordinary general meeting in the same manner, as nearly as possible, as that in which such a meeting may be called by the Board.

#### PROCEEDINGS AT GENERAL MEETINGS

45. (i) No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business.  
(ii) Save as otherwise provided herein, the quorum for the general meetings shall be as provided in section 103.
46. The chairperson, if any, of the Board shall preside as Chairperson at every general meeting of the company.
47. If there is no such Chairperson, or if he is not present within fifteen minutes after the time appointed for holding the meeting, or is unwilling to act as chairperson of the meeting, the directors present shall elect one of their members to be Chairperson of the meeting.
48. If at any meeting no director is willing to act as Chairperson or if no director is present within fifteen minutes after the time appointed for holding the meeting, the members present shall choose one of their members to be Chairperson of the meeting.
- 46A. (i) On any business at any general meeting, in case of an equality of votes, whether on a show of hands or electronically or on a poll, the Chairperson shall have a second or casting vote.  
(ii) The Company shall cause minutes of the proceedings of every general meeting of any class of members or creditors and every resolution passed by postal ballot to be prepared and signed in such manner as may be prescribed by the Act/Rules and kept by making within thirty days of the conclusion of every such meeting concerned or passing of resolution by postal ballot entries thereof in books kept for that purpose with their pages consecutively numbered.  
(iii) There shall not be included in the minutes any matter which, in the opinion of the Chairperson of the meeting –  
(a) is, or could reasonably be regarded, as defamatory of any person; or  
(b) is irrelevant or immaterial to the proceedings; or  
(c) is detrimental to the interests of the Company.
- (iv) The Chairperson shall exercise an absolute discretion in regard to the inclusion or non-inclusion of any matter in the minutes on the grounds specified in the aforesaid clause.
- (v) The minutes of the meeting kept in accordance with the provisions of the Act shall be evidence of the proceedings recorded therein.
- (vi) The books containing the minutes of the proceedings of any general meeting of the Company or of a resolution passed by postal ballot, shall:  
(a) be kept at the registered office of the Company; and  
(b) be open to inspection by any member without charge, during 11:00 a.m. to 1:00 p.m. on all working days other than Saturdays.
- (vii) Any member shall be entitled to be furnished, within the time prescribed by the Act, after he has made a request in writing in that behalf to the Company and on payment of such fees as may be fixed by the Board, with a copy of any minutes referred to in clause (1) above.  
Provided that a member who has made a request for provision of a soft copy of the minutes of any previous general meeting held during the period immediately preceding three financial years, shall be entitled to be furnished with the same free of cost.
- (viii) The Board and also any person(s) authorised by it, may take any action before the commencement of any general meeting, or any meeting of a class of members of the Company, which they may think fit to ensure the security of the meeting, the safety of people attending the meeting, and the future orderly conduct of the meeting. Any decision made in good faith under this Article shall be final, and rights to attend and participate in the meeting concerned shall be subject to such decision.

#### ADJOURNMENT OF MEETING

49. (i) The Chairperson may, with the consent of any meeting at which a quorum is present, and shall, if so directed by the meeting, adjourn the meeting from time to time and from place to place. The Chairman may also suo-moto adjourn the Meeting in the event of disorder or other like causes, where it becomes impossible to conduct the meeting and complete its business.  
(ii) No business shall be transacted at any adjourned meeting other than the business left unfinished at the

- meeting from which the adjournment took place.
- (iii) When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting.
  - (iv) Save as aforesaid, and as provided in section 103 of the Act, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

## VOTING RIGHTS

- 50. Subject to any rights or restrictions for the time being attached to any class or classes of shares,—
  - (a) on a show of hands, every member present in person shall have one vote;and
  - (b) on a poll, the voting rights of members shall be in proportion to his share in the paid-up equity share capital of the company.
- 51. A member may exercise his vote at a meeting by electronic means in accordance with section 108 and shall vote only once.
- 52. (i) In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders.  
(ii) For this purpose, seniority shall be determined by the order in which the names stand in the register of members.
- 53. A member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee or other legal guardian, and any such committee or guardian may, on a poll, vote by proxy.
- 54. Any business other than that upon which a poll has been demanded may be proceeded with, pending the taking of the poll.
- 55. No member shall be entitled to vote at any general meeting unless all calls or other sums presently payable by him in respect of shares in the company have been paid.
- 56. (i) No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes.  
(ii) Any such objection made in due time shall be referred to the Chair person of the meeting, whose decision shall be final and conclusive.

## PROXY

- 57. (i) The instrument appointing a proxy and the power-of-attorney or other authority, if any, under which it is signed or a notarised copy of that power or authority, shall be deposited at the registered office of the company not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, or, in the case of a poll, not less than 24 hours before the time appointed for the taking of the poll; and in default the instrument of proxy shall not be treated as valid.  
(ii) Any member entitled to attend and vote at a general meeting may do so either personally or through his constituted attorney or through another person as a proxy on his behalf, for that meeting.
- 58. An instrument appointing a proxy shall be in the form as prescribed in the rules made under section 105.
- 59. A vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the previous death or insanity of the principal or the revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the shares in respect of which the proxy is given: Provided that no intimation in writing of such death, insanity, revocation or transfer shall have been received by the company at its office before the commencement of the meeting or adjourned meeting at which the proxy issued.

## BOARD OF DIRECTORS

- 60. i) The number of the Directors and the names of the first Directors shall be determined in writing by the subscribers of the memorandum or a majority of them.  
ii) The minimum number of Directors shall be two and maximum number of Directors shall be fifteen Provided that the company may appoint more than fifteen Directors after passing a special resolution in the General Body.

- iii) The first Directors of the Company shall be:
  - a) Sanjay N.Bansal
  - b) Ajay N.Bansal
  - c) Jatin N.Mehta
- 61. (i) The remuneration of the Directors shall, in so far as it consists of a monthly payment, be deemed to accrue from day-to-day.
- (ii) In addition to the remuneration payable to them in pursuance of the Act, the Directors may be paid all travelling, hotel and other expenses properly incurred by them—
  - (a) in attending and returning from meetings of the Board of Directors or any committee thereof or general meetings of the company; or
  - (b) in connection with the business of the company.
- 62. The Board may pay all expenses incurred in getting up and registering the company.
- 63. The company may exercise the powers conferred on it by section 88 with regard to the keeping of a foreign register; and the Board may (subject to the provisions of that section) make and vary such regulations as it may think fit respecting the keeping of any such register.
- 64. All cheques, promissory notes, drafts, hundis, bills of exchange and other negotiable instruments, and all receipts for monies paid to the company, shall be signed, drawn, accepted, endorsed, or otherwise executed, as the case may be, by such person and in such manner as the Board shall from time to time by resolution determine.
- 65. Every Director present at any meeting of the Board or of a committee thereof shall sign his name in a book to be kept for that purpose.
- 66. (i) Subject to the provisions of section 149, the Board shall have power at any time, and from time to time, to appoint a person as an additional Director, provided the number of the Directors and additional Directors together shall not at any time exceed the maximum strength fixed for the Board by the articles.
- (ii) Such person shall hold office only up to the date of the next annual general meeting of the company but shall be eligible for appointment by the company as a Director at that meeting subject to the provisions of the Act.
- (iii) The Board of Directors may appoint any alternate director in accordance with section 161 of the Act.
- 64A (i) The same individual may, at the same time, be appointed as the Chairperson of the Company as well as the Managing Director or Chief Executive Officer of the Company.
- (ii) The directors may receive remuneration by way of fee for attending meetings of the Board or Committee thereof or for any other purpose whatsoever as may be decided by the Board: Provided that the amount of such fee shall not exceed the amount as may be prescribed by the Act or Central Government from time to time.
- (iii) The directors shall not be required to hold any qualification shares in the Company.
- (iv) If the office of any director appointed by the Company in general meeting is vacated before his term of office expires in the normal course, the resulting casual vacancy may, be filled by the Board of Directors at a meeting of the Board.
- (v) Whenever the Company/Board enter into a contract with any Government, Central, State or Local, any bank or financial institution or any person or persons (hereinafter referred to as “the appointer”) for borrowing any money or for providing any guarantee or security or for technical collaboration or assistance or for underwriting or enter into any other arrangement whatsoever, the directors shall have, subject to the provisions of the Act, the power to agree that such appointer shall have the right to appoint or nominate by a notice in writing addressed to the Company one or more persons, who are acceptable to the Board, as directors on the Board for such period and upon such conditions as may be mentioned in the agreement and that such director or directors may not be liable to retire by rotation and nor be required to hold any qualification Shares. The directors may also agree that any such director or directors may be removed from time to time by the appointer entitled to appoint or nominate them and the appointer may appoint another or others in his or their place and also fill in vacancy, which may occur as a result of any such director or directors ceasing to hold that office for any reason whatsoever. The directors appointed or nominated under this Article shall be entitled to exercise and enjoy all or any of the rights and privileges exercised and enjoyed by the directors of the Company including payment of remuneration and traveling expenses to such director or directors as may be agreed by the Company with the appointer.

#### **64B. POWERS OF THE BOARD**

- (i) The Board of Directors shall exercise the following powers on behalf of the Company and it shall do so only by means of resolution passed by the Board at its meetings, subject to the modifications/changes if any, made under the provisions of the Act and the rules made there under:

- (a) to make calls on shareholders in respect of money unpaid on their shares;
- (b) to authorize buy-back of securities under the Act;
- (c) to issue securities, including debentures, whether in or outside India;
- (d) to borrow moneys;
- (e) to invest the funds of the Company;
- (f) to grant loans or give guarantee or provide security in respect of loans;
- (g) to approve financial statement and the Board's Report;
- (h) to diversify the business of the Company;
- (i) to approve amalgamation, merger or reconstruction;
- (j) to take over a company or acquire a controlling or substantial stake in another company;
- (k) to make political contributions;
- (l) to appoint or remove key managerial personnel (KMP);
- (m) to take note of appointment(s) or removal(s) of one level below the KMP;
- (n) to appoint internal auditors and secretarial auditor;
- (o) to take note of the disclosure of director's interest and shareholding;
- (p) to buy, sell investments held by the Company (other than trade investments), constituting five percent or more of the paid up share capital or free reserves of the investee company;
- (q) to invite or accept or renew public deposits and related matters;
- (r) to review or change the terms and conditions of public deposits;
- (s) to approve quarterly, half yearly and annual financial statements or financial results as the case may be; and
- (t) any other matter which may be prescribed from time to time.

Provided that the Board may, by a resolution passed at a meeting, delegate to any committee of directors, the Managing Director, the Manager or any other principal officer of the Company, the powers specified in (d), (e) and (f) or such other powers as may be permitted from time to time on such conditions as the Board may prescribe, subject to the Act.

- (ii) The management of the business of the Company shall be vested in the Board and the Board may exercise all such powers, and do all such acts and things, as the Company is by the Memorandum of Association or otherwise authorized to exercise and do, and, not hereby or by the statute or otherwise directed or required to be exercised or done by the Company in general meeting but subject nevertheless to the provisions of the Act and other laws and of the Memorandum of Association and these Articles and to any regulations, not being inconsistent with the Memorandum of Association and these Articles or the Act, from time to time made by the Company in general meeting provided that no such regulation shall invalidate any prior act of the Board which would have been valid if such regulation had not been made.

## ROTATION OF DIRECTORS

- 67. All the Directors on the Board shall be liable to retire by rotation in accordance with the provisions of the Act. At every Annual General Meeting of the Company, one third of such of the Directors shall retire by rotation or if their number is not three or a multiple of three, the number nearest to one third shall retire from office.

## PROCEEDINGS OF THE BOARD

- 68. (i) The Board of Directors may meet for the conduct of business, adjourn and otherwise regulate its meetings, as it thinks fit.
- (ii) A Director may, and the manager or secretary on the requisition of a Director shall, at any time, summon a meeting of the Board.
- 69. (i) Save as otherwise expressly provided in the Act, questions arising at any meeting of the Board shall be decided by a majority of votes.
- (ii) In case of an equality of votes, the Chairperson of the Board, if any, shall have a second or casting vote.
- 70. The continuing Directors may act notwithstanding any vacancy in the Board; but, if and so long as their number is reduced below the quorum fixed by the Act for a meeting of the Board, the continuing Directors or Director may act for the purpose of increasing the number of Directors to that fixed for the quorum, or of summoning a general meeting of the company, but for no other purpose.
- 71. (i) The Board may elect a Chairperson of its meetings and determine the period for which he is to hold office.
- (ii) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the Directors present may choose one of their number

to be Chairperson of the meeting.

- (iii) The quorum for a Board meeting shall be as provided in the Act.
- (iv) The participation of directors in a meeting of the Board may be either in person or through video conferencing or audio visual means or teleconferencing, as may be prescribed by the Rules or permitted under law.
- 72. (i) The Board may, subject to the provisions of the Act, delegate any of its powers to committees consisting of such member or members of its body as it thinks fit.  
(ii) Any committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may be imposed on it by the Board.
- 73. (i) A committee may meet and adjourn as it thinks fit.  
(ii) Questions arising at any meeting of a committee shall be determined by a majority of votes of the members present, and in case of an equality of votes, the Chairperson shall have a second or casting vote.  
(iii) In case of an equality of votes, the Chairperson of the Committee shall have a second or casting vote.
- 74. All acts done in any meeting of the Board or of a committee thereof or by any person acting as a Director, shall, notwithstanding that it may be afterwards discovered that there was some defect in the appointment of any one or more of such Directors or of any person acting as aforesaid, or that they or any of them were disqualified, be as valid as if every such Director or such person had been duly appointed and was qualified to be a Director.
- 75. Save as otherwise expressly provided in the Act, a resolution in writing, signed by all the members of the Board or of a committee thereof, for the time being entitled to receive notice of a meeting of the Board or committee, shall be valid and effective as if it had been passed at a meeting of the Board or committee, duly convened and held.
- 73A. No resolution shall be deemed to have been duly passed by the Board or by a Committee thereof by circulation unless the resolution has been circulated in draft, by the Company Secretary of the Company, if any, or by any person or persons nominated by the Chairman/Managing Director/Manager, together with the necessary papers, if any, to all the directors or to all the members of the Committee, then in India (not being less in number than the quorum fixed for a meeting of the Board or Committee, as the case may be), and to all other directors or members of the Committee at their usual address in India and has been approved by such of the directors or members of the Committee as are then in India, or by a majority of such of them, as are entitled to vote on the resolution.

#### **CHIEF EXECUTIVE OFFICER, MANAGER, COMPANY SECRETARY OR CHIEF FINANCIAL OFFICER**

- 76. Subject to the provisions of the Act,—
  - (i) A chief executive officer, manager, company secretary or chief financial officer may be appointed by the Board for such term, at such remuneration and upon such conditions as it may think fit; and any chief executive officer, manager, company secretary or chief financial officer so appointed may be removed by means of a resolution of the Board;
  - (ii) A Director may be appointed as chief executive officer, manager, company secretary or chief financial officer.
- 77. 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.

#### **75A. MANAGING DIRECTOR**

- (i) Subject to the provisions of the Act and of these Articles, the Board shall have power to appoint, from time to time, any of its Board member as a Managing Director or Joint Managing Director, Whole Time Director, Manager of the Company, either for a fixed term, or without any limitation as to the period for which he or they is or are to hold such office but in any case not exceeding 5 (Five) years at a time and upon such terms and conditions as the Board thinks fit, and subject to the provisions of these Articles, the Board may, by

resolution, vest in such Managing Director or Joint Managing Director, Whole Time Director, Manager or Chief Executive Officer of the Company such of the powers hereby vested in the Board generally, as it thinks fit, and such powers may be made exercisable for such period or periods; and upon such conditions and subject to such restrictions, as it may determine. The remuneration of a Managing Director, Joint Managing Director Whole Time Director, Manager or Chief Executive Officer may be by way of salary and/or allowances, commission or participation in profits or perquisites of any kind, nature or description, or by any or all of these modes, or by any other mode(s) not expressly prohibited by the Act or the Rules made thereunder, or any notification or circular issued under the Act.

No person shall be appointed as Managing Director and a Manager at the same time.

(ii) The Board of Directors may from time to time entrust to and upon a Managing Director or Joint Managing Director for the time being such of the powers exercisable under these Articles by the Directors as they may think fit, and may confer such powers for such time and to be exercised for such objects and purposes and upon such terms and conditions and with such restrictions as they think expedient, and they may 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 of such powers, unless and until otherwise determined that a Managing Director may exercise all the powers exercisable by the Directors, save such powers as by the Act or by these Articles shall be exercisable by the Directors themselves.

#### 75B. REGISTERS

- (i) The statutory registers (as prescribed under the Act and the Rules, which are required to be open for inspection) and copies of annual return shall be open for inspection during 11:00 a.m. to 1:00 p.m. on all working days, other than Saturdays, at the registered office of the Company by the persons entitled thereto on payment, where required, of such fees as may be fixed by the Board but not exceeding the limits prescribed by the Rules.
- (ii) The Company may exercise the powers conferred on it by the Act with regard to the keeping of a foreign register; and the Board may (subject to the provisions of the Act) make and vary such regulations as it may think fit respecting the keeping of any such register.
- (iii) The foreign register shall be open for inspection and may be closed, and extracts may be taken therefrom and copies thereof may be required, in the same manner, mutatis mutandis, as is applicable to the register of members.

#### THE SEAL

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- (i) The Board shall provide for the safe custody of the seal.
  - (ii) The seal of the company shall not be affixed to any instrument except by the authority of a resolution of the Board or of a committee of the Board authorised by it in that behalf, and except in the presence of at least two Directors and of the secretary or such other person as the Board may appoint for the purpose; and those two Directors and the secretary or other person aforesaid shall sign every instrument to which the seal of the company is so affixed in their presence.

#### DIVIDENDS AND RESERVE

77. The company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board.
78. 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.
- 79.
- (i) The Board may, before recommending any dividend, set aside out of the profits of the company such sums as it thinks fit as a reserve or reserves which shall, at the discretion of the Board, be applicable for any purpose to which the profits of the company may be properly applied, including provision for meeting contingencies or for equalizing dividends; and pending such application, may, at the like discretion, either be employed in the business of the company or be invested in such investments (other than shares of the company) as the Board may, from time to time, think fit.
  - (ii) The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.

80. (i) Subject to the rights of persons, if any, entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid, but if and so long as nothing is paid upon any of the shares in the company, dividends may be declared and paid according to the amounts of the shares.
- (ii) No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this regulation as paid on the share.
- (iii) All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid; but if any share is issued on terms providing that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly.
81. The Board may deduct from any dividend payable to any member all sums of money, if any, presently payable by him to the company on account of calls or otherwise in relation to the shares of the company.
82. (i) Any dividend, interest or other monies payable in cash in respect of shares may be paid by cheque or warrant sent through the post directed to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint holders who is first named on the register of members, or to such person and to such address as the holder or joint holders may in writing direct.
- (ii) Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.
83. Any one of two or more joint holders of a share may give effective receipts for any dividends, bonuses or other monies payable in respect of such share.
84. (i) 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.
- (ii) The waiver in whole or in part of any dividend on any share by any document (whether or not under seal) shall be effective only if such document is signed by the member (or the person entitled to the share in consequence of the death or bankruptcy of the holder) and delivered to the Company and if or to the extent that the same is accepted as such or acted upon by the Board.
- (iii) No unclaimed or unpaid dividend shall be forfeited by the Board. Unless becomes barred by the law.
85. No dividend shall bear interest against the company.

## ACCOUNTS

86. (i) The Board shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations, the accounts and books of the company, or any of them, shall be open to the inspection of members not being Directors.
- (ii) No member (not being a director) shall have any right of inspecting any account or book or document of the company except as conferred by law or authorised by the Board or by the company in general meeting.

## 86A. NOTICE AND SERVICE OF DOCUMENTS

- (i) (a) It shall be imperative on every member to notify to the Company for registration of his place of address in India and if he has no registered address within India to supply to the Company an address within India for giving of notices to him.
- (b) A member may notify his email address if any, to which the notices and other documents of the company shall be served on him by electronic mode.
- (c) The Company's obligation shall be satisfied when it transmits the email and the company shall not be responsible for failure in transmission beyond its control.
- (ii) Subject to Section 20 of the Act, a document may be served by the Company on any member thereof by sending it to him by post or by registered post or by speed post or by courier or by delivering at his address (within India) supplied by him to the company for the service of notices to him or by such electronic or other mode as may be specified in the Act and the relevant Rules. The term courier means person or agency who or which delivers the document and provides proof of its delivery.
- (iii) Every person, who by operation of law, transfer or other means whatsoever, shall become entitled to any share, shall be bound by any and every notice and other document in respect of such share which previous to his name and address being entered upon the register shall have been duly given to the person from whom he derives his title to such share.
- (iv) Any notice required to be given by the Company to the members or any of them and not expressly

provided for by these presents shall be sufficiently given, if given by advertisement, once in English and once in a vernacular daily newspaper circulating in the city, town or village in which the registered office of the Company is situate.

Provided, however, that such notice shall not be in contravention with any provisions of the Act or rules thereunder.

- (v) Any notice or document served in the manner hereinbefore provided shall notwithstanding such member be then dead and whether or not the Company has notice of his death, be deemed to have been duly served in respect of any share, whether held solely or jointly with other persons by such member, until some other person be registered in his stead as the holder or joint-holder thereof and such service, for all purposes of these presents be deemed a sufficient service of such notice or documents on his heirs, executors, administrators and all person (if any) jointly interested with him in any such shares.
- (vi) Any notice given by the Company shall be signed (digitally or electronically) by a Director or by the Secretary or some other officer appointed by the Directors and the signature thereto may be written, facsimile, printed, lithographed, Photostat.
- (vii) A document may be served on the Company or on an officer thereof by sending it to the Company or officer at the Registered Office of the Company by post or by Registered Post or by leaving it at its Registered Office, or by means of such electronic mode or other mode as may be specified in the Act and the relevant Rules.

### **BORROWING POWERS**

87. (i) Subject to section 73, 179 & 180 and Regulations made there under and directions issued by the RBI the directors may, from time to time, raise or borrow any sums of money for and on behalf of the Company including unsecured loans. The Directors may secure the repayment of such money in such manner and upon such terms and conditions in all respects as they think fit by issue of debenture and debenture stock of the Company charged upon all or any part of the property of the Company (both present and future) including its uncalled capital for the time being.
- (ii) The Board shall cause a proper Register to be kept in accordance with the provisions of the Act, of all mortgages, Debentures and charges specifically Register of mortgage etc., to affecting the property of the Company including all floating charges on current assets of the Company and fixed charges on the undertaking or any property of the Company, and shall cause the requirements of the Act in that behalf to be duly complied with so far as they fall to be complied with by the Board.

### **BOARD TO APPOINT ATTORNEYS**

88. The Board of Directors may at any time and from time to time by Power of Attorney, appoint any person or persons to be the Attorney or Attorneys of the company for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the directors under these presents) and for such periods and subject to such conditions as the directors may from time to time think fit and any such appointment (if the directors think fit) be made in favour of any company or the members, directors, nominees or managers of any company or firm or otherwise in favour of any fluctuating body of persons whether nominated directly or indirectly by the directors and any such power of attorney may contain any such powers for the protection or convenience of persons dealing with such attorneys as the directors may think fit, and may contain powers enabling such delegates or attorneys as aforesaid to sub-delegate all or any of the powers, authorities and discretions for the time being vested in them.

### **SECRECY**

89. (i) Every Director, Manager, Auditor, Trustee, Member of a committee, Officer, Servant and Accountant or other persons employed in the business of the Company shall before entering upon his duty sign a declaration, pledging himself to observe a strict secrecy respecting all transactions of the Company with the customers and the state of accounts with the individual and in matter relating thereto and shall by such declaration pledge himself not to release any of the matters may come to his knowledge in the course of his duties except when required so to do by the Directors or by any meeting or a court of law or by the persons to whom such matters relate and except so far as may be necessary in order to comply with any of the provisions in these presents contained or by the Act or any other law.
- (ii) No shareholder or other person (not being a Director) shall be entitled to enter upon the property of the Company or to inspect or examine the premises or information respecting any detail of the trading of the Company or any matter which is or may be in the nature of a 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 communicate.

## WINDING UP

90. Subject to the provisions of Chapter XX of the Act and rules made thereunder—
- (i) If the company shall be wound up, the liquidator may, with the sanction of a special resolution of the company and any other sanction required by the Act, divide amongst the members, in specie or kind, the whole or any part of the assets of the company, whether they shall consist of property of the same kind or not.
  - (ii) For the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members.
  - (iii) The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories if he considers necessary, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability.

## INDEMNITY

91. (i) Every officer of the company shall be indemnified out of the assets of the company against any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or in which relief is granted to him by the court or the Tribunal.
- (ii) Subject to the provisions of the Act, every director, Managing Director, Manager, Company Secretary and other officer of the Company shall be indemnified by the Company out of the funds of the Company, to pay all costs, losses and expenses (including travelling expense) which such director, Managing Director, Manager, Company Secretary and officer may incur or become liable for by reason of any contract entered into or act or deed done by him in his capacity as such director, Managing Director, Manager, Company Secretary or officer or in any way in the discharge of his duties in such capacity including expenses.

## GENERAL AUTHORITY

92. Wherever in the Companies Act, 2013, it has been provided that any company shall have any right, privilege or authority or that any company cannot carry out any transaction unless it is so authorised by its Articles, then and in that case this Article hereby authorizes and empowers this Company to have such right, privilege or authority and to carry out such transaction as have been permitted by the Companies Act, 2013, without there being any other specific Article in that behalf herein provided.

## SECTION XII- OTHER INFORMATION

### MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The copies of the following contracts which have been entered or are to be entered into by the Company (not being contracts entered into in the ordinary course of business carried on by the Company or contracts entered into more than two years before the date of this Prospectus) which are or may be deemed material have been attached to the copy of the Prospectus delivered to the RoC for registration. Copies of the abovementioned contracts and also the documents for inspection referred to hereunder, may be inspected at the Registered Office between 10 a.m. and 5 p.m. on all Working Days from Application/Issue Opening Date until the Application/Issue Closing Date.

#### A. Material Contracts

1. Memorandum of Understanding dated June 10, 2019 and addendum dated September 09, 2019 between our Company and the Lead Manager.
2. Memorandum of Understanding dated June 14, 2019 between our Company and the Registrar to the Issue.
3. Escrow Agreement dated September 9, 2019 between our Company, the Lead Manager, Escrow Collection Bank(s) and the Registrar to the Issue.
4. Market Making Agreement dated June 10, 2019 and addendum dated September 09, 2019 between our Company, the Lead Manager and Market Maker.
5. Underwriting Agreement dated June 10, 2019 and addendum dated September 09, 2019 between our Company, the Lead Manager and Underwriter.
6. Tripartite agreement between the NSDL, our Company and the Registrar dated September 9, 2016.
7. Tripartite agreement between the CDSL, our Company and the Registrar dated May 17, 2019.

#### B. Material Documents

1. Certified true copies of the Memorandum and Articles of Association of our Company, as amended from time to time.
2. Copy of Certificates of Incorporation of Shiv Aum Steels Limited
3. Resolution of the Board of Directors meeting dated May 24, 2019 authorizing the Issue.
4. Shareholders' resolution passed at the EGM dated May 28, 2019 authorizing the Issue.
5. Auditor's report for Restated Financials dated June 07, 2019 included in this Prospectus.
6. The Statement of Tax Benefits dated June 07, 2019 from our Statutory Auditors.
7. Consent of our Directors, Chief Financial Officer, Statutory Auditor, Lead Manager, Bankers to the Issue / Sponsor Bank, Bankers to the Company, Legal Advisor to the Issue, Registrar to the Issue, Market Maker and Underwriters as referred to in their specific capacities.
8. Due Diligence Certificate(s) dated September 12, 2019 of the Lead Manager to be submitted to SEBI along with the filing of the Prospectus.
9. Approval from NSE vide letter dated July 26, 2019 to use the name of NSE in this Issue Document for listing of Equity Shares on the EMERGE Platform of the NSE.

Any of the contracts or documents mentioned in this Prospectus may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, without reference to the shareholders subject to compliance of the provisions contained in the Companies Act and other relevant statutes

## DECLARATION

We, hereby declare that, all the relevant provisions of the Companies Act, 1956, Companies Act, 2013 (to the extent notified) and the Guidelines issued by the Government of India or the Regulations or Guidelines issued by the Securities and Exchange Board of India, as the case may be, have been complied with and no statement made in the Prospectus is contrary to the provisions of the Companies Act, 1956, Companies Act, 2013 (to the extent notified), the Securities Contract (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957 and the Securities and Exchange Board of India Act, 1992, each as Amended or Rules made there under or Guidelines / Regulations issued, as the case may be. We further certify that all the disclosures and statements made in the Prospectus are true and correct.

### SIGNED BY THE DIRECTORS OF OUR COMPANY:

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**Mr. Jatin Mehta**  
Whole-Time Director

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**Mr. Sanjay Bansal**  
Whole-time Director

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**Mr. Ajay Bansal**  
Whole-time Director

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**Mr. Utsav Bansal**  
Whole-Time Director

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**Mr. Rishabh Mehta**  
Whole-Time Director

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**Mr. Krishna Mehta**  
Whole-Time Director

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**Mrs. Niyati Mehta**  
Non-Executive Director

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**Mr. Vanita Bansal**  
Non-Executive Director

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**Mr. Govind Aggarwal**  
Non-Executive Independent Director

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**Mr. Mahendra Pandhi**  
Non-Executive Independent Director

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**Mr. Suryakant Mehta**  
Non-Executive Independent Director

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**Mr. Sunil Sharma**  
Non-Executive Independent Director

### SIGNED BY THE CHIEF FINANCIAL OFFICER & COMPANY SECRETARY AND COMPLIANCE OFFICER

\_\_\_\_\_  
**Mr. Vinayak Kokane**  
Chief Financial Officer

\_\_\_\_\_  
**Ms. Dhvani Vora**  
Company Secretary and Compliance Officer

**Date:** September 12, 2019

**Place:** Mumbai