



## HARIOM PIPE INDUSTRIES LIMITED

**CIN: U27100TG2007PLC054564**

Our Company was incorporated as Hari Om Concast And Steels Private Limited on June 21, 2007 under the Companies Act, 1956 with the Registrar of Companies, Hyderabad bearing Registration No. 054564. The name of our Company was changed to Hariom Pipe Industries Private Limited vide Special Resolution dated December 12, 2017. A Certificate of Incorporation consequent to name change was issued on December 27, 2017. The status of our Company was changed to a public limited company and the name of our Company was changed to Hariom Pipe Industries Limited by a special resolution passed on January 08, 2018. A fresh Certificate of Incorporation consequent upon conversion was issued on January 17, 2018 by the Registrar of Companies, Hyderabad. The Company's Corporate Identity Number is U27100TG2007PLC054564. For further details, please refer to the chapter titled "History and Certain Corporate Matters" beginning on page no.104 of this Draft Prospectus.

**Registered Office:** Plot 3-4-174/12/2, 1st Floor, Samarpan lane beside Spencer's Pillar No. 125, Attapur, Hyderabad, Telangana – 500 048

**Tel No.:** +91- 40 - 2401 6101; **Fax No.:** Not Available; **Email:** info@hariompipes.com; **Website:** www.hariompipes.com

**Contact Person:** Mr. Chirag Partani, Company Secretary and Compliance Officer

**Our Promoters:** Mr. Rupesh Kumar Gupta and Mr. Sailesh Gupta

### THE ISSUE

**PUBLIC ISSUE OF 42,00,000 EQUITY SHARES OF ₹ 10 EACH ("EQUITY SHARES") OF HARIOM PIPE INDUSTRIES LIMITED ("HPIL" OR THE "COMPANY") FOR CASH AT A PRICE OF ₹ [•] PER SHARE (THE "ISSUE PRICE"), AGGREGATING TO ₹ [•] LAKHS ("THE ISSUE"), OF WHICH 2,40,000 EQUITY SHARES OF ₹ 10 EACH WILL BE RESERVED FOR SUBSCRIPTION BY MARKET MAKER TO THE ISSUE (THE "MARKET MAKER RESERVATION PORTION"). THE ISSUE LESS THE MARKET MAKER RESERVATION PORTION I.E. ISSUE OF 39,60,000 EQUITY SHARES OF ₹ 10 EACH IS HEREINAFTER REFERRED TO AS THE "NET ISSUE". THE ISSUE AND THE NET ISSUE WILL CONSTITUTE 27.81% AND 26.23% 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 [•] OF THE FACE VALUE**

**THIS ISSUE IS BEING MADE IN TERMS OF CHAPTER XB OF THE SEBI (ICDR) REGULATIONS, 2009 AS AMENDED FROM TIME TO TIME.**  
*For further details see "Issue Related Information" beginning on page no. 189 of this Draft Prospectus.*

In terms of the SEBI Circular No. CIR/CFD/POLICYCELL/11/2015, all potential investors shall participate in the Issue only through an Application Supported by Blocked Amount ("ASBA") process providing details about the bank account which will be blocked by the Self Certified Syndicate Banks ("SCSBs") for the same. For details in this regard, specific attention is invited to "Issue Procedure" on page no.195 of this Draft Prospectus.

### RISK IN RELATION TO THE FIRST ISSUE

This being the first public issue of the Company, there has been no formal market for the securities of the company. The face value of the shares is ₹ 10 per Equity Share and the Issue Price is [•] of the face value. The Issue Price (as determined by Company in consultation with the Lead Manager) as stated under the paragraph on "Basis for Issue Price" on page no. 66 of this Draft Prospectus should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active or sustained trading in the equity shares of our company or regarding the price at which the 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 this issue unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in this Issue. For taking an investment decision investors must rely on their own examination of our Company and the Issue including the risks involved. The securities have not been recommended or approved by Securities and Exchange Board of India nor does Securities and Exchange Board of India guarantee the accuracy or adequacy of this document. **Specific attention of the Investors is invited to the statement of Risk Factors given on page no. 12 of this Draft Prospectus under the Section "Risk Factors".**

### ISSUER'S ABSOLUTE RESPONSIBILITY

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft 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 Draft Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Draft 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 issued through this Draft Prospectus are proposed to be listed on Emerge Platform of National Stock Exchange of India Limited. In terms of the Chapter XB of the SEBI (ICDR) Regulations, 2009, as amended from time to time. Our Company has received an In-Principle letter dated [•] from National Stock Exchange of India Limited for using its name in this Offer document for listing our shares on the Emerge Platform of National Stock Exchange of India Limited ("SME Platform of NSE"). 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

#### REGISTRAR 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  
**Investor Grievance Email:** feedback@afsl.co.in  
**Website:** www.afsl.co.in  
**Contact Person:** Ms. Namrata Ravasia / Mr. Swapnil Ukirde  
**SEBI Registration No.:** INM000011344

**BIGSHARE SERVICES PRIVATE LIMITED**  
 1st Floor, Bharat Tin Works Building, Opp. Vasant Oasis  
 Makwana Road, Marol, Andheri East, Mumbai - 400 059  
**Tel. No.:** +91 22 6263 8200  
**Fax No.:** +91 22 6263 8299  
**Email:** ipo@bigshareonline.com  
**Investor Grievance Email:** investor@bigshareonline.com  
**Website:** www.bigshareonline.com  
**Contact Person:** Mr. Srinivas Dornala  
**SEBI Registration No.:** INR000001385

#### ISSUE OPENS ON

#### ISSUE CLOSES ON

[•]

[•]

## Table of Contents

SECTION I – GENERAL .....	1
DEFINITIONS AND ABBREVIATIONS .....	1
CERTAIN CONVENTIONS; PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA .....	9
FORWARD-LOOKING STATEMENTS .....	10
SECTION II - RISK FACTORS .....	12
SECTION III - INTRODUCTION.....	26
SUMMARY OF OUR INDUSTRY .....	26
SUMMARY OF OUR BUSINESS.....	32
SUMMARY OF OUR FINANCIALS .....	35
THE ISSUE.....	39
GENERAL INFORMATION .....	40
CAPITAL STRUCTURE .....	47
SECTION IV – PARTICULARS OF THE ISSUE.....	58
OBJECTS OF THE ISSUE.....	58
BASIC TERMS OF THE ISSUE.....	65
BASIS FOR ISSUE PRICE .....	66
STATEMENT OF TAX BENEFITS .....	68
SECTION V - ABOUT THE COMPANY.....	70
INDUSTRY OVERVIEW .....	70
OUR BUSINESS .....	82
KEY REGULATIONS AND POLICIES .....	95
HISTORY AND CERTAIN CORPORATE MATTERS .....	104
OUR MANAGEMENT .....	109
OUR PROMOTERS AND PROMOTER GROUP .....	121
OUR GROUP COMPANIES.....	125
CURRENCY, UNITS OF PRESENTATION AND EXCHANGE RATES .....	129
DIVIDEND POLICY.....	130
SECTION VI – FINANCIAL INFORMATION.....	131
FINANCIAL STATEMENTS .....	131
MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATION.....	156
FINANCIAL INDEBTEDNESS .....	166
SECTION VII – LEGAL AND OTHER INFORMATION.....	168
OUTSTANDING LITIGATIONS AND MATERIAL DEVELOPMENTS .....	168
GOVERNMENT AND OTHER KEY APPROVALS .....	176
SECTION VIII - OTHER REGULATORY AND STATUTORY DISCLOSURES.....	179
SECTION IX – ISSUE RELATED INFORMATION .....	189
TERMS OF THE ISSUE .....	189
ISSUE STRUCTURE .....	193
ISSUE PROCEDURE.....	195
RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES.....	240
SECTION X – MAIN PROVISIONS OF ARTICLES OF ASSOCIATION.....	241
SECTION XI – OTHER INFORMATION.....	255
MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION.....	255
DECLARATION .....	256

## SECTION I – GENERAL

### DEFINITIONS AND ABBREVIATIONS

#### General Terms

Term	Description
Hariom Pipe Industries Limited / HPIL / The Company / Company / We / Us / Our Company	Unless the context otherwise indicates or implies refers to Hariom Pipe Industries Limited, a public limited company incorporated under the provisions of the Companies Act, 1956 with its registered office in the Hyderabad.
Promoter(s) / Core Promoter	Mr. Rupesh Kumar Gupta and Mr. Sailesh Gupta
Promoter Group	Such persons, entities and companies constituting our promoter group pursuant to Regulation 2(1)(zb) of the SEBI (ICDR) Regulations as disclosed in the Chapter titled “Our Promoter and Promoter Group” on page no. 121 of this Draft Prospectus

#### Company related Terms

Term	Description
Articles / Articles of Association	Unless the context otherwise requires, refers to the Articles of Association of Hariom Pipe Industries Limited.
Auditor of the Company (Statutory Auditor)	M/s Rakesh S. Jain & Associates, Chartered Accountants, 14-6-191, Nagar Khana, Begum Bazar, Hyderabad - 500 012
Auditor of the Company (Peer Review Auditor)	M/s. PPKG & Co., Chartered Accountants,
Audit Committee	The committee of the Board of Directors constituted on January 17, 2017 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 Hariom Pipe Industries Limited, including all duly constituted Committees thereof.
Company Secretary and Compliance Officer	Chirag Partani
Director(s)	Director(s) of Hariom Pipe Industries 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
Key Management Personnel / KMP	Individuals described in the chapter titled “Our Management” on page no. 109 of this Draft Prospectus
MOA / Memorandum of Association	Memorandum of Association of Hariom Pipe Industries Limited.
Nomination and Remuneration Committee	The committee of the Board of Directors constituted on January 17, 2018 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 located at: 3-4-174/12/2, 1st Floor, Samarpan, lane beside Spencer’s Pillar No. 125, Attapur, Hyderabad – 500 048
Registrar of Companies / RoC	Registrar of Companies, Hyderabad situated at 2nd Floor, Corporate Bhawan, GSI Post, Tattiannaram Nagole, Bandlaguda, Hyderabad - 500 068.
Stakeholders’ Relationship Committee	The committee of the Board of Directors constituted on January 17, 2018 as our Company’s Stakeholders’ Relationship Committee.
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 58 of SEBI ICDR Regulations and appended to the Application Form
Allotment	Unless the context otherwise requires, the allotment of the Equity Shares pursuant to the

Term	Description
	Issue to the successful applicants, including transfer of the Equity Shares pursuant to the Issue to the successful applicants
Allottees	The successful applicant to whom the Equity Shares are being / have been allotted.
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
Applicant	Any prospective investor who makes an application for Equity Shares in terms of this Draft 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 Draft Prospectus and the Application Form.
ASBA Application / Application	An indication to make an offer during the Issue Period by an Applicant pursuant to submission of the Application Form, to subscribe to the Equity Shares at a price as mentioned in the Prospectus, including all revisions and modifications thereto as permitted under the SEBI ICDR Regulations in terms of the Prospectus and Application Form
Banker(s) to the Company	Canara Bank
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 [●].
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. 195 of this Draft Prospectus.
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.
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 and Bank Account details.
Depositories	A depository registered with SEBI under the SEBI (Depositories and Participant) 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 SCSB 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 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

Term	Description
	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	CDP 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 Locations	RTA 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 Exchange	Stock SME Platform of National Stock Exchange of India Limited i.e. NSE EMERGE
Draft Prospectus	This Draft Prospectus dated [•] issued in accordance with the SEBI ICDR Regulations
Eligible NRIs	An NRI 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 Draft Prospectus constitutes an invitation to purchase the equity shares.
Escrow Agreement	Agreement dated [•] entered into amongst the Company, Lead Manager, the Registrar to the Issue 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. 58 of this Draft Prospectus
Issue/ Issue Size / Public Issue/ IPO	This Initial Public Issue of upto 42,00,000 Equity Shares of ₹10 each for cash at a price of ₹[•] per equity share aggregating to ₹[•] lakhs by our Company.
Issue Closing date	The date on which the Issue closes for subscription being [•]
Issue Opening date	The date on which the Issue opens for subscription being [•]
Issue Price	The price at which the Equity Shares are being issued by our Company in consultation with the Lead Manager under this Draft Prospectus being ₹ [•] per share.
LM / Lead Manager	Lead Manager to the Issue, in this case being Aryaman Financial Services Limited.
Listing Agreement	Unless the context specifies otherwise, this means the Equity Listing Agreement to be signed between our Company and the SME Platform of National Stock Exchange of India Limited i.e. "NSE EMERGE".
Market Reservation Portion	Maker The Reserved portion of upto 2,40,000 Equity shares of ₹10 each at an Issue Price of ₹ [•] aggregating to ₹ [•] lakhs for Designated Market Maker in the Public Issue of our Company.
Market Agreement	Making The Agreement among the Market Maker, the Lead Manager and our Company dated March 15, 2018.
Mutual Fund	A Mutual Fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996, as amended
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)
Net Issue	The Issue of upto 39,60,000 Equity Shares of ₹ 10 each at ₹ [•] per Equity Share aggregating to ₹ [•] lakhs by our Company.
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
NSE Emerge Platform	SME Platform of NSE, approved by SEBI as an SME Exchange for listing of equity shares Offered under Chapter XB of the SEBI ICDR Regulations.
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.

Term	Description
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 ₹ 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.
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 Bigshare 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
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 March 15,2018.
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

Term	Description
AGR	Adjusted Gross Revenue
BIS	Bureau of Indian Standard
CAD	Current Account Deficit
CAGR	Compound Annual Growth Rate
CIL	Coal India Limited
CIS	Commonwealth of Independent States
CPSE	Central Public Sector Enterprises
CR	Cold Rolled
CRGO	Cold-Rolled Grain-Oriented
DC	Direct Current
EDP	Electronic Data Processing
EOT	Electric Overhead Traveling
ERW	Electric Resistance Welding
EU	European Union
FDI	Foreign direct investment
FE	Ferrous
GDP	Gross Domestic Product
GHG	Greenhouse gas
GST	Goods and Services Tax
HR	Hot Roll
HRC	Hot Rolled Coil
IIP	Index of Industrial Production

Term	Description
IMF	International Monetary Fund
IMG	Inter-Ministerial Group
INR	Indian Rupee Rates
IS	Information System
ISO	International Organization for Standardization
JPC	Joint Plant Committee
JSW	Jindal South West
KCAL	Kilocalories
KG	Kilogram or Kilogramme
KVA	Kilovolt Amps
LRF	Ladle Refining Furnace
MIP	Minimum Import Price
MM	Millimeter
MS	Mild Steel
MSME	Micro, Small & Medium Enterprises
MSTC	Metal Scrap Trade Corporation
MT	Metric Tonnes
MTPA	Metric Tonnes Per Annum
NAFTA	North American Free Trade Agreement
NMDC	National Mineral Development Corporation
NSP	National Steel Policy
OD	Optical Density
OECD	Organisation for Economic Co-operation and Development
OMC	Odisha Mining Corporation
PCB	Printed Circuit Board
QA	Quality Assurance
QC	Quality Control
R – LNG	Regasification Liquefied Natural Gas
SAIL	Steel Authority of India Limited
SCCL	Singareni Collieries Company Limited
SMP	Symmetric Multiprocessing
SOP	Standard Operating Procedure
SO <sub>2</sub>	Sulfur Dioxide
SPM	Suspended Particulate Matter
SPV	Special Purpose Vehicles
SRRM	Steel Re-Rolling Mill
SRTMI	Steel Research and Technology Mission of India
TMT	Thermo Mechanically Treated
TSSPDCL	Telangana Southern Power Distribution Company Limited,
US	United States
WPI	Wholesale Price Index

#### Conventional Terms / General Terms / Abbreviations

Term	Description
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
NSE	NSE Limited
CAGR	Compounded Annual Growth Rate
Category II foreign portfolio investor(s) /	FPIs who are registered as “Category II foreign portfolio investors” under the SEBI FPI Regulations

Term	Description
Category II FPIs	
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
DIN	Director Identification Number
DP	Depository Participant as defined under the Depositories Act
DP ID	Depository Participant’s identification
ECS	Electronic Clearing System
EOGM	Extraordinary General Meeting
EMDEs	Emerging Market and Developing Economies
EPS	Earnings Per Share
FCNR Account	Foreign Currency Non Resident Account
FDI	Foreign Direct Investment
FEMA	Foreign Exchange Management Act, 1999, as amended from time to time, and the regulations framed there under
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
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
HNI	High Networth Individuals
HUF	Hindu Undivided Family
IAS Rules	Indian Accounting Standards, Rules 2015
IFRS	International Financial Reporting Standards
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
ICSI	Institute of Company Secretaries Of India
IPO	Initial Public Offering
ISIN	International Securities Identification Number
KM / Km / km	Kilo Meter
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



Term	Description
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
NRI	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	The Reserve Bank of India
RoC	Registrar of Companies
ROE	Return on Equity
RONW	Return on Net Worth
Rupees / Rs. / ₹	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, 2009
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
Sec.	Section
Securities Act	U.S. Securities Act of 1933, as amended
SICA	Sick Industrial Companies (Special Provisions) Act, 1985
STT	Securities Transaction Tax
TIN	Taxpayers Identification Number
TDS	Tax Deducted at Source
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

Term	Description
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.

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

### Certain Conventions

All references to “India” contained in this Draft Prospectus are to the Republic of India. In this Draft Prospectus, our Company has presented numerical information in “lakhs” units. One lakh represents 1,00,000.

### Financial Data

Unless stated otherwise, the financial data in this Draft Prospectus is derived from our audited financial statements as on and for the Fiscal Year ended March 31, 2017, 2016, 2015, 2014 and 2013 and for nine months period ended December 31, 2017 prepared in accordance with Indian GAAP and the Companies Act and restated in accordance with the SEBI Regulations and included in this Draft Prospectus. Our Fiscal Year commences on April 1 and ends on March 31 of the following year. In this Draft Prospectus, any discrepancies in any table, graphs or charts between the total and the sums of the amounts listed are due to rounding-off.

There are significant differences between Indian GAAP, U.S. GAAP and IFRS. Accordingly, the degree to which the Indian GAAP financial statements included in this Draft Prospectus will provide meaningful information is entirely dependent on the reader’s level of familiarity with Indian accounting practices. Any reliance by persons not familiar with Indian accounting practices, Indian GAAP, the Companies Act and the SEBI Regulations on the financial disclosures presented in this Draft Prospectus should accordingly be limited. We have not attempted to explain the differences between Indian GAAP, U.S. GAAP and IFRS or quantify their impact on the financial data included herein, and we urge you to consult your own advisors regarding such differences and their impact on our financial data.

Any percentage amounts, as set forth in 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. , and 12, 82 and 156 of this Draft Prospectus, respectively, and elsewhere in this Draft Prospectus, unless otherwise indicated, have been calculated on the basis of our audited financial statements prepared in accordance with Indian GAAP and the Companies Act and restated in accordance with the SEBI Regulations.

### 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 Draft 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 Draft Prospectus. In the Section titled “*Main Provisions of Articles of Association*” beginning on page no. 241 of this Draft 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 Draft 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 Draft 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 Draft 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 Draft 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 Steel 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 failure to keep pace with rapid changes in technology;
- 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;
- Changes in political and social conditions in India, the monetary and interest rate policies of India and other countries;
- General economic and business conditions in the markets in which we operate and in the local, regional, national and international economies;
- Our ability to manage risks that arise from above factors;
- Changes in government policies and regulatory actions that apply to or affect our business;
- Inflation, deflation, unanticipated turbulence in interest rates, equity prices or other rates or prices;
- The performance of the financial markets in India and globally;
- The occurrence of natural disasters or calamities;
- Our inability to maintain or enhance our brand recognition;
- Inability to adequately protect our trademarks;
- Changes in consumer demand;
- Failure to successfully upgrade our product portfolio, from time to time; and

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. 12, 82 and 156 of this Draft 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 Draft 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 - RISK FACTORS

An investment in Equity Shares involves a high degree of financial risk. You should carefully consider all information in this Draft 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 Draft 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 Draft 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 156 of this Draft Prospectus respectively as well as other financial and statistical information contained in this Draft 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 Draft 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 Draft 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 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 is party to certain legal proceedings. Any adverse decision in such proceedings may have a material adverse effect on our business, results of operations and financial condition.

Our Company is party to certain legal proceedings. These legal proceedings are pending at different levels of adjudication before various courts, tribunals and forums. Mentioned below are the details of the proceedings pending against our Company as on the date of this Draft 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 :

Sr. No.	Nature of Case	No. of Outstanding cases	Amount to the extent quantifiable (in ₹) <sup>(1)</sup>
1.	<b>Litigation Against our Company</b>		
a)	Indirect Tax	1	Rs. 31,73,871/-
2.	<b>Litigations By our Company</b>		
a)	Civil Matters	3	Rs. 67,34,014/-
3.	<b>Litigations Against our Directors</b>		
a)	Income Tax	3	Rs. 30,54,000/-

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

There can be no assurance that these litigations will be decided in our favour 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, please refer the chapter titled “*Outstanding Litigations and Material Developments*” on page no. 168 of this Draft Prospectus.

2. ***We have not entered into any agreement with the suppliers or with any architect for our proposed expansion as specified in the objects of the Issue. Any delay in entering into such agreements may delay the implementation schedule, which may also lead to increase in prices of these equipments in future affecting our costs, revenue and profitability.***

We are yet to place orders for our plant & machinery required for our proposed expansion, as specified in the section titled “Objects of the Issue” on page 58 of this Draft Prospectus. Any delay in procurement of plant & machinery, equipment etc may delay the implementation schedule. We may also be subject to risks on account of inflation in the price of plant & machinery and other equipments that we require. Hence our project could face time and cost over-run which could have an adverse effect on our operations.

Further, we have not entered into any agreement with any architect for civil related work for our proposed expansion. Any delay in appointing these parties could adversely affect our business operations. Negotiations in respect of specifications with suppliers or architect for civil work have been commenced and the agreements will be entered in due course once the negotiations are completed and Issue proceeds are procured

3. ***The steel industry is highly cyclical and a decrease in steel prices may have an adverse effect on the Company’s results of operations and financial condition.***

The industry in which we operate is highly cyclical. Steel prices fluctuate based on macroeconomic factors, including, amongst others, consumer confidence, employment rates, interest rates and inflation rates, in the economies in which the steel producers sell their products. We had similar experience in the fiscal 2015-16, where the prices of H.R. Coils (which is an alternate to our product i.e. H.R. Strip) fell drastically, shifting the demand of our product to the alternate product. However to retain our existing customers, we had offered H.R. Coils through trading which had lower margins. This had an adverse effect on the Company’s results of operations and financial condition. We aim to grow our business verticals in a sustainable manner with a vision to create quality conscious customers and give them value for their money accompanied by technological drive, continued government support, experience of our Promoters, dedication of our employees, However, considering the nature of the industry, we cannot ascertain the consistency of our profitability and decrease in steel prices may have an adverse effect on the Company’s results of operations and financial condition.

4. ***If we are not able to obtain, renew or maintain the statutory and regulatory permits and approvals required to operate our business it may have a material adverse effect on our business.***

We require certain statutory and regulatory permits and approvals to operate our existing and proposed business. For more information on the status of our material statutory and regulatory permits, kindly refer to the Chapter titled “Government and Other Key Approvals” beginning on page 176 of this Draft Prospectus for further details. We are required to renew certain permits and approvals.

While we believe that we will be able to renew or obtain the required permits and approvals as and when required; there can be no assurance that the relevant authorities will issue any or all requisite permits or approvals in the timeframe anticipated by us, or at all. Failure by us to renew, maintain or obtain the required permits or approvals may result in the interruption of our operations or delay or prevent our expansion plans and may have a material adverse effect on our business, financial condition and results of operations.

5. ***Our products are being manufactured from our manufacturing facilities located in the State of Telangana at Sheriguda Village, Peddaiahpally G. P., Balanagar Mandal, Mahabubnagar.***

We manufacture our products from our manufacturing facilities in the State of Telangana at Sheriguda Village, Peddaiahpally G. P., Balanagar Mandal, Mahabubnagar which caters to our product demand. Any disruption in the operations due to supply of power, fire outages or industrial accidents at this unit could hamper or delay our ability to continue production and servicing. Any disruption or suspension in the production process in this facility can

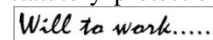

significantly impact our ability to service customer needs and relation with our customers and have a material adverse effect on our business, revenues, reputation, results of operation and financial condition

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

Our customers include Indian Railways, large corporate houses, trust & also individuals. For the period ending December 31, 2017, our top ten clients accounted for approximately 93.39% of our revenue from operations. The loss of any significant client would have a material effect on our financial results. We cannot assure you that we can maintain the historical levels of business from these clients/distributors or that we will be able to replace these clients/distributors in case we lose any of them. Furthermore, major events affecting our clients, such as changes in government policies and bankruptcy, change of management, mergers and acquisitions in other cases could impact our business. If any of our major clients becomes bankrupt or insolvent, we may lose some or all of our business from that client and our receivable from that client would increase and may have to be written off, impacting our income and financial condition.

**7. Since our business is based on trust and identity and using the same for maintain, acquiring and servicing our clients, it is very important for us to ensure confidentiality of our intellectual property rights. We may be unable to protect them from being infringed by others, including our current and / or future competitors / employees.**

Our trademarks and patents are our material assets and are crucial to our business operations. As on the date of this Draft Prospectus, we have not obtained registration for our corporate logo “”and hence we do not enjoy the statutory protection accorded to a registered trademark. Though, we have made registration of our other logo

 If we are unable to obtain a registration for our corporate logo i.e. , we may still continue to use the above mentioned logo but remain vulnerable to infringement and passing-off by third parties and will not be able to enforce any rights against them. We may also need to change our logo which may adversely affect our reputation, existing brand market and business and could require us to incur additional costs.

Our efforts to protect our intellectual property may not be adequate and any third party claim on any of our unprotected name logo 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 a favourable 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. We cannot assure that any unauthorized use by third parties of the trademarks will not similarly cause damage to our business prospects, reputation and goodwill.

For further details, see “Our Business — Intellectual Property” on page no. 82 of this Prospectus.

**8. We are dependent on third party transportation providers for the delivery of our raw material and products. Accordingly, continuing increases in transportation costs or unavailability of transportation services for them, as well the extent and reliability of Indian infrastructure may have an adverse effect on our business, financial condition, results of operations and prospects**

We use third party transportation providers for the delivery of our raw material and products. Transportation strikes could have an adverse effect on our receipt of raw materials and our ability to deliver our products to our customers. In addition, transportation costs in India have been steadily increasing over the past several years. 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 road networks, electricity grid, communication systems or any other public facility could disrupt our normal business activity, including our supply of raw materials and the 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.



**9. Our Company has reported certain negative cash flows from its investing and financing activities, details of which are given below. Sustained negative cash flow could impact our growth and business in the future.**

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

(₹ in lakhs)

Particulars	Dec 31, 2017	For the year ended March 31,				
		2017	2016	2015	2014	2013
Cash flow from Operating Activities	336.57	370.46	(193.00)	(10.10)	(195.37)	25.35
Cash flow from Investing Activities	(208.68)	(36.93)	(45.73)	(138.57)	(160.72)	(341.53)
Cash flow from Financing Activities	(141.51)	(364.33)	284.60	128.29	388.96	286.89

For details, please refer “*Management’s Discussion and Analysis of Financial Conditions and Results of Operations of our Company*” on page no. 156 of this Draft Prospectus.

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.

**10. Our success depends heavily upon our Promoters and Senior Management for their continuing services, strategic guidance and financial support.**

Our managing director & promoter, Mr. Rupesh Kumar Gupta has been the main guiding force behind the growth and business strategy of our Company. He has almost a decade of steel industry experience and has been instrumental in the consistent growth of our Company’s performance. Our whole time director, Mr. Sailesh Gupta has a total experience of more than 7 years in the manufacturing of steel products. He is actively involved in day to day business administration and marketing of the Company. Our success depends heavily upon our Promoters and Senior Management for their continuing services, strategic guidance and financial support.

**11. Our registered office is not owned by us, we have entered into rental agreement for the same. If we are unable to renew existing rental agreement or relocate operations on commercially reasonable terms, there may be an effect on our business, results of operations and prospects.**

We do not own our registered office at 1st Floor, Samarpan, Door No. 3-4-174/12/2, Lane beside Spencer’s, Pillar No. 125, Attapur, Rajendranagar, Hyderabad – 500 048. We have entered into a rental agreement for the same with our promoter Mr. Rupesh Kumar Gupta. The rental agreement is renewable based on the terms of the agreement. Periodic renewals of short-term rental agreement may increase our costs, since they are subject to rent escalation. Further, if we are required to relocate our registered office as a result of any termination or non-renewal of our rental, we may incur additional cost as a result of such relocation. If we are unable to renew the agreements pursuant to which we occupy the premises on terms and conditions acceptable to us, or at all, we may have to relocate to other places.

Any failure or difficulty faced by us in renewing the rental agreement may affect our business and its prospects. For further details of our Properties, please refer to section titled “Our Business” beginning on Page No. 82 of this Prospectus.

**12. Our Company has availed ₹568.18 lakhs as unsecured loan which are repayable on demand. Any demand from the lenders for repayment of such unsecured loan may affect our cash flow and financial condition.**

Our Company, as per the restated financial statement, has availed total sum of ₹ 568.18 lakhs as unsecured loan as on December 31, 2017, which may be recalled at any time. 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 the chapter “*Financial Indebtedness*” on page no. 166 of this Draft Prospectus. Any demand for the repayment of such unsecured loan, may adversely affect our cash flow and financial condition.

- 13. *We employee Our Company's manufacturing activities are labour intensive and depend on availability of skilled and unskilled labourers in large numbers. In case of unavailability of such labourers and / or inability to retain such personnel, our business operations could be affected.***

Our Company has employed 44 employees as on December 31, 2017 employees on our payroll. The above includes employees in the Top and middle management (including Executive Directors), and also employees who are part of manufacturing unit and office staff. We also engage contract labourers to facilitate our processing operations. Our operations and performance are labour intensive and depends on our ability to identify, attract and retain both skilled and unskilled labour. In case such labour is unavailable or we are unable to identify and retain such labourers, our business could be adversely affected.

Further, there are instances where we need to hire additional contract labour, either for specialized jobs or during periods of high customer orders. We have not entered into any agreement for hiring additional labourers and thus availability of appropriately skilled labour cannot be guaranteed. Any failure to hire the appropriate labour may impact the operations and impair our client relations.

- 14. *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 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, since we do not execute contracts 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 we may be able to deliver the orders placed. 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.

- 15. *Our funding requirements and deployment of the issue proceeds are based on management estimates and actual cost may vary compared with the estimated amount.***

Our funding requirement and deployment of the proceeds of the issue are based on management estimates and our current business plan. The fund requirements and intended use of proceeds have not been appraised by banks or financial institutions and are based on our estimates. In view of the highly competitive nature of the industry in which we operate, we may have to revise our management estimates from time to time and, consequently, our funding requirements may also change as a result of various factors which may not be within the control of our management. This may entail rescheduling, revising or cancelling the planned expenditure and fund requirement and increasing or decreasing the working capital limits maintained from time to time at the discretion of our board. In addition, schedule of implementation as described herein are based on management's current expectations and our subject to change due to various factors some of which may not be in our control. The deployment of the funds towards the objects of the issue is entirely at the discretion of the Board of Directors and is not subject to monitoring by external independent agency. However, the deployment of funds is subject to monitoring by our Audit Committee.

- 16. *The deployment of the Net Proceeds from the Fresh Issue 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 Net Proceeds from the Fresh Issue.***

Our Company intends to primarily use the Net Proceeds from the Fresh Issue towards financing Furnace shed and Rolling mill shed extension & other civil works; repayment of unsecured loans, working capital as described in "Objects of the Issue" on page no. 58 of this Draft Prospectus. In terms of Regulation 16 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 Fresh Issue, and investors will be relying on the judgment of our Company's management regarding the application of the Net Proceeds from the Fresh Issue. Our Company may have to revise its management estimates from time to time and consequently its requirements may change. 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 Fresh 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 Chapter VI-A of the SEBI ICDR Regulations pursuant to the SEBI ICDR (Second Amendment) Regulations, 2016 dated February 17, 2016. 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.

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

Our business and assets could suffer damage from fire, natural calamities, misappropriation or other causes, resulting in losses, which may not be fully compensated by insurance. There can be no assurance that the terms of our insurance policies will be adequate to cover any damage or loss suffered by our Company or that such coverage will continue to be available on reasonable terms or will be available in sufficient amounts to cover one or more large claims, or that the insurer will not disclaim coverage as to any future claim.

Further, our Company is required to renew these insurance policies from time to time and in the event, we fail to renew the insurance policies within the time period prescribed in the respective insurance policies or not obtain at all, our Company may face significant uninsured losses. If our Company suffers a large uninsured loss or if any insured loss suffered, significantly exceeds our insurance coverage, our business, financial condition and results of operations may be adversely affected.

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

We may have to confront pressures in respect of pricing; product quality etc. from the clients and such pressures may put strain on our profit margins which may consequently affect the financial position of our Company. Competition emerges not only from the organized sector but also from the unorganized sector and from both small and big players. Our Competitiveness is also measured by the technology we adopt as the our industry is rapidly growing in India. Our inability to compete with this intense competition; will have material adverse impact on our Company's financial position.

**19. *Our Company has entered into certain related party transactions in the past and may continue to do so in the future, which may potentially involve conflicts of interest with the equity shareholders.***

Our Company has entered into certain transactions with our related parties including our Promoter, Promoter Group, Directors and their relatives. While we believe that all such transactions have been conducted on the arm's length basis, we cannot assure you that we might have obtained more favourable terms had such transactions been entered into with unrelated parties.

Furthermore, it is likely that we may enter into related party transactions in the future. We cannot assure you that such transactions, individually or in the aggregate, will always be in the best interests of our minority shareholders and will not have an adverse effect on our business, results of operations, cash flows and financial condition. For details, please refer "*Financial Statements – Related Party Transactions*" on page no.151 of this Draft Prospectus.

**20. Our success largely depends on our ability to attract and retain our Key Managerial Personnel. Any loss of our Key Managerial Personnel could adversely affect our business, operations and financial condition.**

Our Company is depending significantly on the expertise, experience, and continued efforts of our Key Managerial Personnel. If one or more members of our Key Managerial Personnel are unable or unwilling to continue in his/her present position, it may be difficult to find a replacement, and business might thereby be adversely affected. Our industry requires personnel with specific technical knowledge and experience.

Competition for Key Managerial Personnel in our industry is intense and it is possible that our Company may not be able to retain existing Key Managerial Personnel or may fail to attract/ retain new employees at equivalent positions in the future. As such, loss of Key Managerial Personnel could adversely affect our business, results of operations and financial condition. For further details on the key managerial personnel of our Company, please refer to the chapter titled “Our Management” beginning on page no.109 of this Draft Prospectus.

**21. In addition to normal remuneration, other benefits and reimbursement of expenses our Directors (including our Promoters) 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 are 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 Directors will continue to exercise significant control over our Company, including being able to control the composition of our board of directors and determine decisions requiring simple or special majority voting, and our other Shareholders may be unable to affect the outcome of such voting. Our Directors may take or block actions with respect to our business, which may conflict with our best interests or the interests of other minority Shareholders, such as actions with respect to future capital raising or acquisitions. We cannot assure you that our Directors will always act to resolve any conflicts of interest in our favour, thereby adversely affecting our business and results of operations and prospects.

**22. Our Group entity Reo Solutions Private Limited has incurred losses in 2 out of the last three (3) financial years .**

Our Group Entity has incurred losses during the financial years preceeding the current financial year, details of which are as under:

(₹ in lakhs)

Name of Company	For the year ended March 31,		
	2017	2016	2015
Reo Solutions Private Limited	8.29	(0.17)	(0.03)

**23. Our Company if not able to manage our growth or to successfully implement our business plan could have an effect on our business, results of operations and financial condition.**

The success of our business will depend greatly on our ability to effectively implement our business and growth strategy. Our growth strategy involves focusing on Optimal Utilization of Resources and to develop relationships with customer and suppliers. For further details, see the section titled “Our Business – Our Strategies” on page no.84 of this Draft Prospectus. Our success in implementing our growth strategies may be affected by:

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

If our Company is not able to execute our strategy on time and within our estimated budget, or that our expansion and development plans will increase our profitability. Any of these factors could impact our results of operations. Further, we expect our growth strategy to place significant demands on our management, financial and other resources and require us to continue developing and improving our operational, financial and other internal controls. Our inability to manage our business and implement our growth strategy could have an effect on our business, financial condition and profitability.

24. ***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.***

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 cargo. 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.

25. ***Our Promoters and Promoter Group has extended personal guarantees in connection with certain of our debt facilities. There can be no assurance that such personal guarantees will be continued to be provided by our Promoters in the future or can be called at any time, affecting the financial.***

Our Promoters have provided personal guarantees for our borrowings to secure our loans. If any of these 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 in connection with our Company's borrowings.

26. ***Our Promoters and Promoter Group will continue to retain majority shareholding in us after the Issue, which will allow them to exercise significant influence over us and potentially create conflicts of interest.***

Our Promoter and Promoter Group may beneficially own approximately 72.11% of our post-Issue equity share capital. As a result, the Promoter Group may have the ability to control our business including matters relating to any sale of all or substantially all of our assets, the timing and distribution of dividends and the election or termination of appointment of our officers and directors. This control could delay, defer or prevent a change in control of the Company, impede a merger, consolidation, takeover or other business combination involving the Company, or discourage a potential acquirer from making a tender offer or otherwise attempting to obtain control of the Company even if it is in the Company's best interest. In addition, for so long as the Promoter Group continues to exercise significant control over the Company, they may influence the material policies of the Company in a manner that could conflict with the interests of our other shareholders. The Promoter Group may have interests that are adverse to the interests of our other shareholders and may take positions with which our other shareholders do not agree.

27. ***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 stringent 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.

28. ***We may not be able to sustain effective implementation of our business and growth strategies.***

The success of our business will depend greatly on our ability to effectively implement our business and growth strategies. We may not be able to execute our strategies in the future. Further, our growth strategies could place

significant demand on our management team and other resources and would require us to continuously develop and improve our operational, financial and other controls, none of which can be assured. Any failure on our part to scale up our infrastructure and management could cause disruptions to our business and could be detrimental to our long term business outlook. Further, we operate in a highly dynamic industry, and on account of changes in market conditions, industry dynamics, technological improvements or changes and any other relevant factors, our growth strategy and plans may undergo changes or modifications, and such changes or modifications may be substantial, and may even include limiting or foregoing growth opportunities if the situation so demands. Our inability to implement our business strategies and sustain our growth may impair our financial growth and thus result in an adverse impact on our Company's share price.

**29. *Any disproportionate increase in labour costs including increase in wage/salary demand, labour unrest or labour claims arising from accidents may adversely affect our business operations and financial conditions.***

Our increasing business operations may require our employee strength to increase in future. In the past our Company has not experienced any labour unrest, but there is no assurance that it will not experience the same at any time in the future. Also, there is a possibility that the labour costs increase disproportionately due to increase in wage/salary demand. In this event, if our Company is unable to pass on the increased costs to our customers, our business operations and financial conditions may be adversely affected.

**30. *In the event there is any delay in the completion of the Issue, there would be a corresponding delay in the completion of the objects / schedule of implementation of this Issue which would in turn affect our revenues and results of operations.***

The funds that we receive would be utilized for the Objects of the Fresh Issue as has been stated in the Chapter "Objects of the Issue" on page no. 58 of the Draft Prospectus. The proposed schedule of implementation of the objects of the Issue is based on our management's estimates. If the schedule of implementation is delayed for any other reason whatsoever, including any delay in the completion of the Issue, we may have to revise our business, development and working capital plans resulting in unprecedented financial mismatch and this may adversely affect our revenues and results of operations.

**31. *The rate of interest for the loans obtained by us from the banks is variable and any increase in interest rates may adversely affect our results of operations and financial condition.***

Our Company is susceptible to changes in interest rates and the risks arising there from. Our sanction letters provide for interest at variable rates with a provision for the periodic resetting of interest rates. Further the lenders are entitled to change the applicable rate of interest, which is a combination of a base rate that depends upon the policies of the RBI and a contractually agreed spread, and in the event of an adverse change in our Company's credit risk rating. For further details of interest payable on our borrowings, please refer to the chapter titled "Financial Indebtedness" on page no.166 of this Draft Prospectus Further, in recent years, the Government of India has taken measures to control inflation, which have included tightening the monetary policy by raising interest rates. As such, any increase in interest rates may have an adverse effect on our business, results of operations, cash flows and financial condition.

**32. *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 Exchanges which require us to file unaudited financial results on a quarterly 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

33. ***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.

34. ***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 Draft 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 quarterly 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 transport sector companies generally;
- Performance of our competitors in the our industry and the perception in the market about investments in the our sector;
- Significant developments in the regulation of the industry in our key locations;
- Changes in the estimates of our performance or recommendations by financial analysts;
- Significant developments in India's economic liberalisation 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.

35. ***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.

**36. *Our ability to pay dividends in the future may be affected by any material adverse effect on our future earnings, financial condition or cash flows.***

Our ability to pay dividends in future will depend on our earnings, financial condition and capital requirements, and that of our Subsidiary and the dividends they distribute to us. In the past, we have not made dividend payments to the Shareholders of our Company. The Company may decide to retain all future earnings, if any, for use in the operations and expansion of the business. In such situation, the Company may not declare dividends in the foreseeable future. Any future determination as to the declaration and payment of dividends will be at the discretion of our Board and will depend on factors that our Board deems relevant, including among others, our future earnings, financial condition, cash requirements, business prospects and any other financing arrangements. We cannot state with any certainty whether we will be able to pay dividends in the future. Accordingly, realization of a gain on Shareholders' investments will depend on the appreciation of the price of the Equity Shares. There is no guarantee that our Equity Shares will appreciate in value.

**37. *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 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 recognised 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.

## **EXTERNAL RISK FACTORS**

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

A majority of the provisions and rules under the Companies Act, 2013 have recently been notified and have come into effect from the date of their respective notification, resulting in the corresponding provisions of the Companies Act, 1956 ceasing to have effect. The Companies Act, 2013 has brought into effect significant changes to the Indian company law framework, such as in the provisions related to issue of capital, disclosures in prospectus, corporate governance norms, audit matters, related party transactions, introduction of a provision allowing the initiation of class action suits in India against companies by shareholders or depositors, a restriction on investment by an Indian company through more than two layers of subsidiary investment companies (subject to certain permitted exceptions), prohibitions on loans to directors and insider trading and restrictions on directors and key managerial personnel from engaging in forward dealing. Further, companies meeting certain financial thresholds are also required to constitute a committee of the board of directors for corporate social responsibility activities and ensure that at least 2% of the average net profits of the company during three immediately preceding financial years are utilized for corporate social responsibility activities. Penalties for instances of non-compliance have been prescribed under the Companies Act, 2013, which may result in inter alia, our Company, Directors and key managerial employees being subject to such penalties and formal actions as prescribed under the Companies Act, 2013, should we not be able to comply with the provisions of the New Companies Act within the prescribed timelines, and this could also affect our reputation.

To ensure compliance with the requirements of the Companies Act, 2013 within the prescribed timelines, we may need to allocate additional resources, which may increase our regulatory compliance costs and divert management attention. While we shall endeavour to comply with the prescribed framework and procedures, we may not be in a position to do so in a timely manner.



The Companies Act, 2013 introduced certain additional requirements which do not have corresponding equivalents under the Companies Act, 1956. Accordingly, we may face challenges in interpreting and complying with such provisions due to limited jurisprudence on them. In the event, our interpretation of such provisions of the Companies Act, 2013 differs from, or contradicts with, any judicial pronouncements or clarifications issued by the Government in the future, we may face regulatory actions or we may be required to undertake remedial steps. Additionally, some of the provisions of the Companies Act, 2013 overlap with other existing laws and regulations (such as the corporate governance norms and insider trading regulations). We may face difficulties in complying with any such overlapping requirements. Further, we cannot currently determine the impact of provisions of the Companies Act, 2013, which are yet to come in force. Any increase in our compliance requirements or in our compliance costs may have an adverse effect on our business and results of operations.

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

Our Company is subject to various regulations and policies. For details see section titled “Key Industry Regulations and Policies” beginning on page no. 95 of this Draft Prospectus. Our business and prospects could be materially adversely affected by changes in any of these regulations and policies, including the introduction of new laws, policies or regulations or changes in the interpretation or application of existing laws, policies and regulations. There can be no assurance that our Company will succeed in obtaining all requisite regulatory approvals in the future for our operations or that compliance issues will not be raised in respect of our operations, either of which could have a material adverse affect on our business, financial condition and results of operations.

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

The regulatory and policy environment in which we operate is evolving and subject to change. Such changes, including the instances mentioned below, may adversely affect our business, results of operations, financial condition and prospects, to the extent that we are unable to suitably respond to and comply with any such changes in applicable law and policy.

**41. 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 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.

**42. 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 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 has also 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 India could have a negative impact on the value of share prices generally as well as 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.

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

The Indian economy and financial markets are significantly influenced by worldwide economic, financial and market conditions. Any financial turmoil, especially in the United States of America or Europe, may have a negative impact on the Indian economy. Although economic conditions differ in each country, investors’

reactions to any significant developments in one country can have adverse effects on the financial and market conditions in other countries. A loss in investor confidence in the financial systems, particularly in other emerging markets, may cause increased volatility in Indian financial markets.

The global financial turmoil, an outcome of the sub-prime mortgage crisis which originated in the United States of America, led to a loss of investor confidence in worldwide financial markets. Indian financial markets have also experienced the contagion effect of the global financial turmoil, evident from the sharp decline in SENSEX, BSE's benchmark index. Any prolonged financial crisis may have an adverse impact on the Indian economy and us, thereby resulting in a material and adverse effect on our business, operations, financial condition, profitability and price of our Equity Shares.

**44. *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.

**45. *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.

**46. *We will prepare our financial statements from April 1, 2018 onwards under the Indian Accounting Standards ("Ind AS"). As Ind AS is different in many respects from Indian GAAP, our financial statements from April 1, 2018 may not be comparable to our historical financial statements and our financial statements for the year ending March 31, 2017 prepared under Indian GAAP may not be comparable to our financial statements for the year ending March 31, 2017 prepared under Ind AS for comparison purposes. In addition, our transition to Ind AS reporting could have an adverse effect on our business and results of operations.***

We currently prepare our financial statements under Indian GAAP. The Companies (Indian Accounting Standards) Rules, 2015 ("IAS Rules"), as amended by the Companies (Indian Accounting Standards) (Amendment) Rules, 2016, enacted changes to Indian GAAP that are intended to align Indian GAAP further with IFRS. The IAS Rules provide that the financial statements of the companies to which they apply shall be prepared and audited in accordance with Ind AS. Ind AS is different in many respects from Indian GAAP. All NBFCs and HFCs having a net worth of more than ₹ 5,000.00 million are required to mandatorily adopt Ind AS for the accounting period beginning from April 1, 2018, with comparatives for the period ending on March 31, 2017. Although any company may voluntarily implement Ind AS for the accounting period beginning from April 1, 2015, we intend to implement Ind AS for the accounting period beginning from April 1, 2018. As there is not yet a significant body of established practice, such as interpretations of Ind AS, on which to draw in forming judgments regarding the Ind AS implementation and application, we have not determined with any degree of certainty the impact the adoption of Ind AS will have on our financial statements. However, we know that the Ind AS will change our methodology for estimating allowances for doubtful debt losses. Ind AS will require us to value our NPAs by reference to their market value (if a ready market for such loans exists) or to calculate the present value of the expected future cash flows realisable from our loans, including the possible liquidation of collateral (discounted at the loan's effective interest rate) in estimating allowances for doubtful debt losses. This may result in us recognising higher allowances for doubtful debt losses in the future, which will adversely affect our results of our operations. Accordingly, our financial statements for the period commencing from April 1, 2018 may not be comparable to our historical financial statements and our financial statements for the year

ending March 31, 2017 prepared under Indian GAAP may not be comparable to our financial statements for the year ending March 31, 2017 prepared under Ind AS for comparison purposes.

In our transition to Ind AS reporting, we may encounter difficulties in the on-going process of implementing and enhancing our management information systems. Our management may also have to divert significant time and additional resources in order to implement Ind AS on a timely and successful basis. Moreover, there is increasing competition for the small number of Ind AS experienced accounting personnel available as more Indian companies begin to prepare Ind AS financial statements. Therefore, our transition to Ind AS reporting could have an adverse effect on our business and results of operations.

## PROMINENT NOTES

1. Investors are free to contact the Lead Manager for any clarification, complaint or information pertaining to the Issue. The Lead Manager and our Company shall make all information available to the public and investors at large and no selective or additional information would be made available for a section of the investors in any manner, whatsoever.
2. The Net Worth of our Company (net of revaluation reserves) is ₹ 2,238.71 lakhs and ₹ 1,679.50 lakhs, and the book value of each Equity Share was ₹ 20.54 and ₹ 100.68 as of December 31, 2017 and March 31, 2017 as per our Restated Financial Statements. For more information, please refer the Section titled “*Financial Information*” beginning on page no. 131 of this Draft Prospectus.
3. Public Issue of up to 42,00,000 Equity Shares for cash at price of ₹ [●] per share including a premium of ₹ [●] aggregating to ₹ [●] lakhs. The Issue will constitute 27.81% of the post-Issue paid-up Equity Share capital of our Company.
4. The average cost of acquisition of Equity Shares by our Promoter is.

Promoter	Average cost (₹)
Rupesh Kumar Gupta	3.21
Shailesh Kumar Gupta	9.29

5. Investors are advised to refer to the chapter titled “*Basis for Issue Price*” beginning on page no. 66 of this Draft Prospectus.
6. The details of transactions by our Company with our Group Companies or associates during the last year are disclosed under “*Annexure XXVII - Statement of Related Party Transactions*” on page no.151 of this Draft Prospectus.
7. 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 the Draft Prospectus.
8. Our Company was incorporated as Hari Om Concast And Steels Private Limited on June 21, 2007 under the Companies Act, 1956 with the Registrar of Companies, Hyderabad bearing Registration No. 054564. The name of our Company was changed to Hari Om Pipe Industries Private Limited vide Special Resolution dated December 12, 2017. A Certificate of Incorporation consequent to name change was issued on December 27, 2017. The status of our Company was changed to a public limited company and the name of our Company was changed to Hariom Pipe Industries Limited by a special resolution passed on January 08, 2018. A fresh Certificate of Incorporation consequent upon conversion was issued on January 17, 2018 by the Registrar of Companies, Hyderabad. The Company’s Corporate Identity Number is U27100TG2007PLC054564.

## SECTION III - INTRODUCTION

### SUMMARY OF OUR INDUSTRY

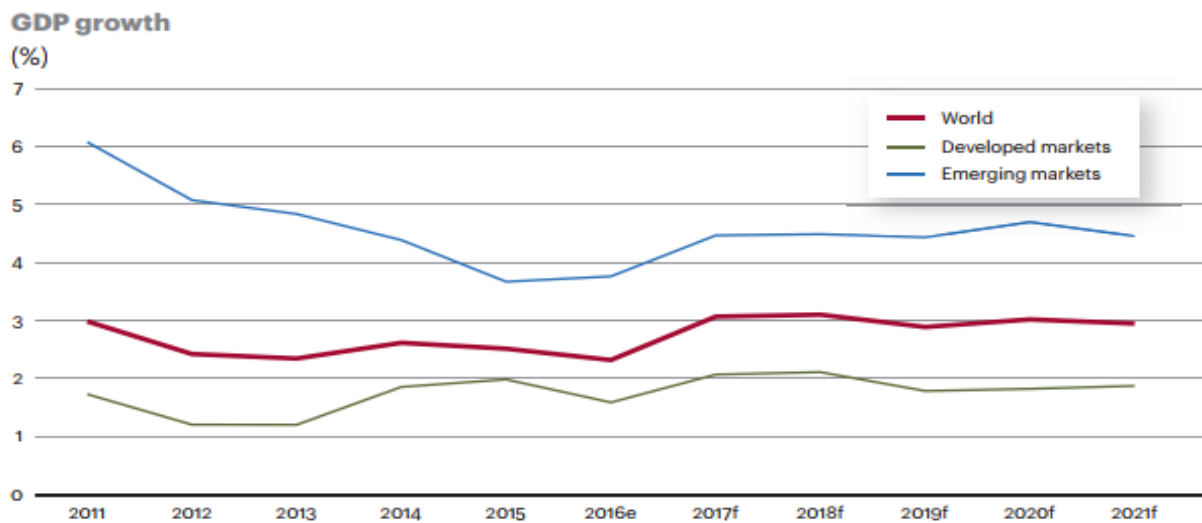
The information in this chapter has been extracted from the websites and publicly available documents from various sources. The data may have been re-classified by us for the purpose of presentation. Neither we nor any other person connected with this Offer has independently verified the information 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 THE GLOBAL AND INDIAN ECONOMY

#### Global Scenario

The global economy remains sluggish in 2018, but the growth outlook is nevertheless somewhat stronger than in recent years. On the positive side, we anticipate a few bright spots in the global economy, such as the US and Indian economies, and the marginal recovery of the Brazilian and Russian economies in 2017. Much of this boost will only be short term, however, so the base case forecast is flat over the next five years, with average annual growth rate of 3% projected through 2021. This very modest recovery will be uneven. South Asia, Sub-Saharan Africa and East Asia will see the highest level of dynamism over the next five years. On the negative side, growth in the developed market regions will continue to be weak, and Latin America will underperform relative to other emerging market regions.

#### Global economic growth will strengthen marginally this year



Notes: GDP is measured at market exchange rates. Developed markets are those that the IMF characterizes as "advanced economies" and emerging markets are those that the IMF characterizes as "emerging market and developing economies."

Sources: International Monetary Fund, Oxford Economics, Economist Intelligence Unit; A.T. Kearney analysis

(Source: [https://www.atkearney.com/web/the\\_purchasingchessboard/article/asset\\_publisher/9AutfSOJm6Y/content/global-economic-outlook-2017-2021-the-all-too-visible-hand/236833](https://www.atkearney.com/web/the_purchasingchessboard/article/asset_publisher/9AutfSOJm6Y/content/global-economic-outlook-2017-2021-the-all-too-visible-hand/236833))

Four economic elements in particular help explain why projected growth is flat: the growing strength of the US Dollar, continuation of the global resource slump cycle, the ongoing hiatus in globalization and sustained weak productivity gains. As important as these and other economic fundamentals are political, policy, regulatory, and geopolitical risks will largely determine economic outcomes. This creates an even more uncertain global operating environment for businesses, as national politics is becoming even more unpredictable in key markets around the world. Five of these political risks in particular represent a substantial drag on the global economic outlook- monetary policy, fiscal policy, regulation of new economy, protectionism, and geopolitical and domestic political shocks.

(Source: [https://www. Kearney.com/web/the\\_purchasingchessboard/article/asset\\_publisher/9AutfSOJm6Y/content/global-economic-outlook-2017-2021-the-all-too-visible-hand/236833](https://www. Kearney.com/web/the_purchasingchessboard/article/asset_publisher/9AutfSOJm6Y/content/global-economic-outlook-2017-2021-the-all-too-visible-hand/236833))

## INDIAN ECONOMY OVERVIEW

Economic growth is projected to strengthen to above 7%, gradually recovering from the transitory adverse impact of rolling out the Goods and Services Tax (GST) and measures to choke off the black economy, including demonetization. In the longer run, the GST will boost corporate investment, productivity and growth by creating a single market and reducing the cost of capital equipment. Investment will be further supported by the plan to recapitalize public banks and by the new road plan.

Recent measures to digitize the economy and improve tax compliance should boost tax revenue in the medium term. They are accompanied by an increase in public pensions and wages, as well as debt write-offs in some states, resulting in a broadly neutral fiscal stance over the projection period. Given the high public debt-to-GDP ratio, increasing social infrastructure, such as health and education, will require raising more property and income tax revenue. With inflation expectations adjusting down, there could be room for further cuts in interest rates if inflation durably remains below 4%. Non-performing loans have increased, largely reflecting recognition efforts, and are particularly high in public banks. Steps have been taken to clean up banks' balance sheets, giving creditors more control over the stressed entities. A new bankruptcy law is also being implemented. The large recapitalization plan for public banks should be accompanied by governance reform. External debt remains low and foreign exchange reserves have increased, reducing vulnerabilities.

### India: Demand, output and prices

	2014	2015	2016	2017	2018	2019
	Current prices INR trillion	Percentage changes, volume (2012/2013 prices)				
<b>GDP at market prices</b>	124.5	8.0	7.1	6.7	7.0	7.4
Private consumption	72.3	6.1	8.7	7.4	7.4	7.4
Government consumption	13.0	3.3	20.8	10.4	7.3	9.4
Gross fixed capital formation	37.8	6.5	2.4	2.8	4.6	6.8
Final domestic demand	123.2	5.9	8.1	6.5	6.6	7.5
Stockbuilding <sup>1</sup>	5.0	0.0	0.0	0.0	0.0	0.0
Total domestic demand	128.2	7.7	6.6	7.7	6.5	7.4
Exports of goods and services	28.6	-5.3	4.5	2.0	4.4	4.8
Imports of goods and services	32.4	-5.9	2.3	7.2	2.4	5.1
Net exports <sup>1</sup>	-3.7	0.2	0.4	-1.1	0.4	-0.1
<b>Memorandum items</b>						
GDP deflator	-	1.8	3.6	4.0	4.2	4.0
Consumer price index	-	4.9	4.5	3.2	4.6	4.2
Wholesale price index <sup>2</sup>	-	-3.6	1.7	3.1	4.0	4.1
General government financial balance <sup>3</sup> (% of GDP)	-	-6.4	-6.4	-6.1	-5.9	-5.7
Current account balance (% of GDP)	-	-1.0	-0.8	-1.6	-1.7	-1.5

Note: Data refer to fiscal years starting in April.

1. Contributions to changes in real GDP, actual amount in the first column.

2. WPI, all commodities index.

3. Gross fiscal balance for central and state governments.

Source: OECD Economic Outlook 102 database.

(Source: <http://www.oecd.org/eco/outlook/economic-forecast-summary-india-oecd-economic-outlook.pdf>)

Recent reform efforts will gradually pay off and economic growth will strengthen. Measures recently introduced to ease tax compliance requirements for small enterprises, refund taxes faster to exporters and streamline GST rates will ease the adjustment to the new tax regime. Private consumption will remain solid as public wages and rural incomes are growing steadily. Investment should recover gradually, as capacity utilisation increases. The GST, by lowering the price of capital goods and creating a single market, will spur investment demand. The recent increase in imports of capital goods is encouraging. Large infrastructure projects, such as the initiative to add 35000 km of new highways over the next five years (at a cost equivalent to about 3.4% of GDP) and freight rail corridors, will also boost investment. The availability of credit will become a key factor.

(Source: <http://www.oecd.org/eco/outlook/economic-forecast-summary-india-oecd-economic-outlook.pdf>)

### **Facts about Indian Industry:**

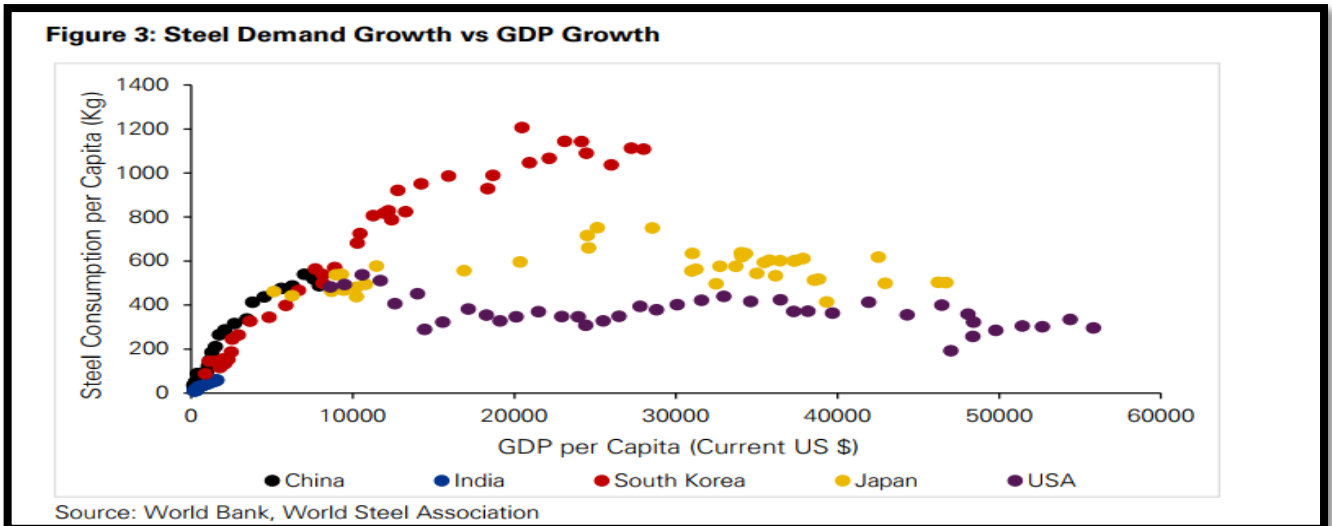
- ✓ The Indian economy is expected to grow at 7.2 per cent in FY 2017-18, as per the forecast by International Monetary Fund (IMF).
- ✓ Foreign direct investment (FDI) inflows stood at US\$ 33.75 billion during April-September 2017.
- ✓ India's foreign exchange reserves were US\$ 399.53 billion in the week up to November 17, 2017, as compared to US\$ 399.29 billion over the past week.
- ✓ Mutual Funds asset base stood at Rs 21.41 trillion (US\$ 332.28 billion) at the end of October 2017, as against Rs 20.40 trillion (US\$ 314.16 billion) at the end of September 2017.
- ✓ India's Index of Industrial Production (IIP) advanced by 3.8 per cent in September 2017, as against a rise of 4.5 per cent in August 2017. The cumulative IIP growth for April-September 2017 was 2.5 per cent over the same period in 2015-16.
- ✓ The eight key infrastructure sectors rose 4.7 per cent in October 2017 as against 5.2 per cent in September 2017, with steel exhibiting the maximum growth of 8.4 per cent. The cumulative growth during April-October 2017 increased by 3.5 per cent.
- ✓ Passenger vehicle sales declined 0.30 per cent year-on-year to 279,837 units in October 2017, as compared to 11.59 per cent year-on-year increase to 303,882 units in September 2017.
- ✓ India's current account deficit (CAD) expanded marginally to 2.4 per cent of gross domestic product (GDP) during April-June 2017, as against a deficit of 0.1 per cent during the same period of 2016-17. The current account deficit (CAD) for the financial year 2016-17 narrowed to 0.7 per cent of GDP, as against a deficit of 1.1 per cent in 2015-16.
- ✓ India's Wholesale Price Index (WPI) inflation index rose by 1.0 per cent to 115.5 in October 2017 as against 114.3 in September 2017.

(Source: <https://www.ibef.org/economy/indiasnapshot/facts-about-indian-economy>)

### **OVERVIEW OF GLOBAL STEEL INDUSTRY**

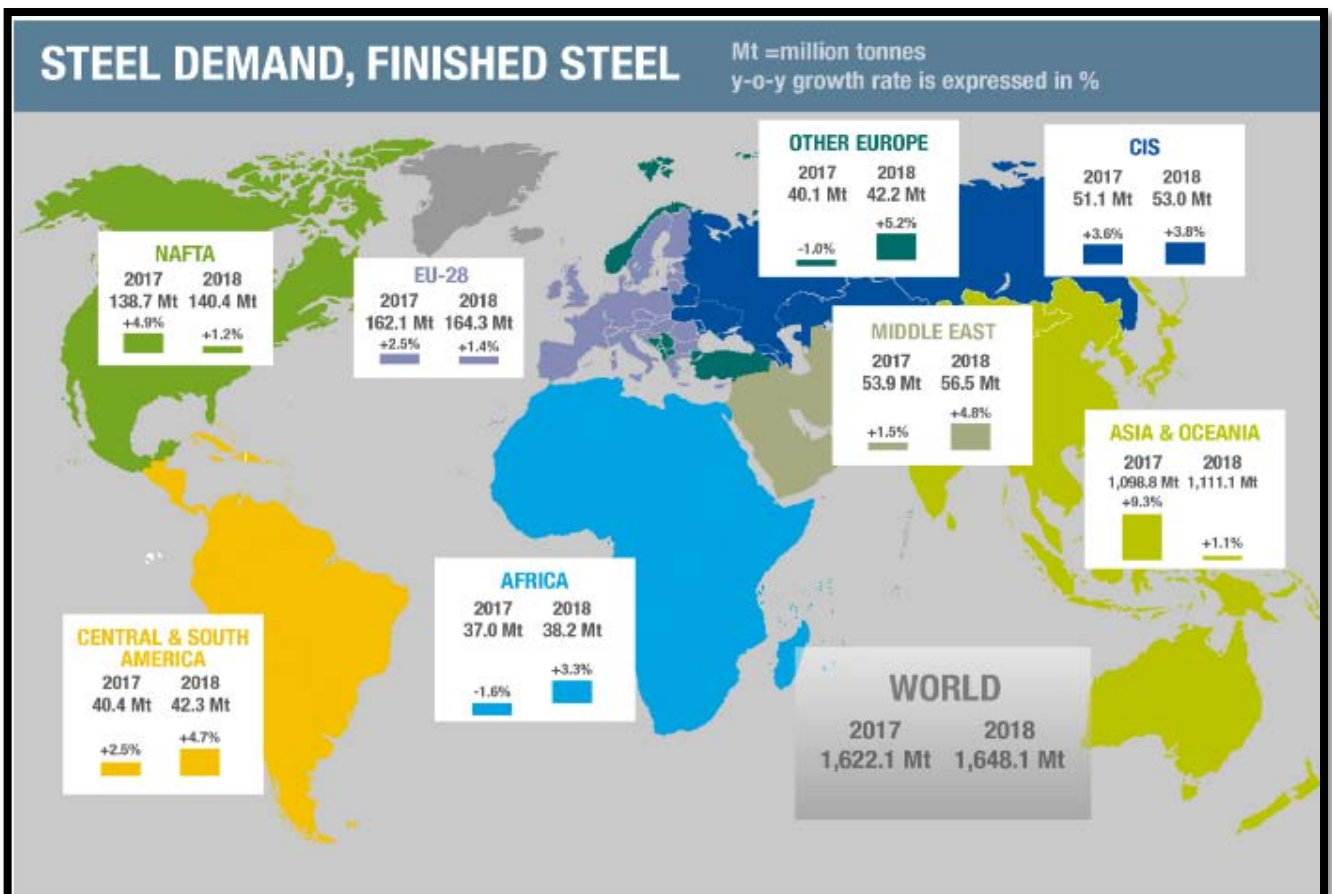
Steel is one of the world's most essential materials. It is fundamental to every aspect of our lives, from infrastructure and transport to the tinplated steel can that preserves food. It is one of the most important products of the modern world and is of strategic importance to any industrial nation. From construction, industrial machinery and transportation to consumer products, steel finds a wide variety of applications. It is also an industry with diverse technologies based on the nature and extent of use of raw materials.

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



(Source: <http://ficci.in/spdocument/20888/Steel-Report-2017.pdf>)

Steel as a product is so versatile and fundamental to our lives that it is considered essential to economic growth. Consequently, for most of the past 50 years, the world has been producing increasingly more steel and sometimes more than was actually required – while at the same time, making the product universally affordable and promoting intense competition between its producers.



(Source: <https://www.worldsteel.org/media-centre/press-releases/2017/world-steel-in-figures-2017.html>)

The risks to the global economy, such as rising populism/protectionism, US policy shifts, EU election uncertainties and China deceleration, although remaining, have to some extent abated. This leads us to conclude that we now see the best balance of risks since the 2008 economic crisis. However, escalating geopolitical tension in the Korean peninsula, China's debt problem and rising protectionism in many locations continue to remain risk factors. So, world steel demand is recovering well, driven largely by cyclical factors rather than structural. The lack of a strong growth engine

to replace China and a long term decline in steel intensity due to technological and environmental factors will continue to weigh on steel demand in the future. Global economic momentum bodes well for steel demand growth in the short term Both advanced and developing economies are exhibiting stronger economic momentum this year. Confidence and investment sentiments are improving in a large part of the world despite some financial market volatility and growing concern of stock market overvaluation. Also on a positive note, global trade is gaining momentum despite worries about rising protectionism and talks of rearranging existing free trade agreements. Developed economies gain strong foothold for recovery.

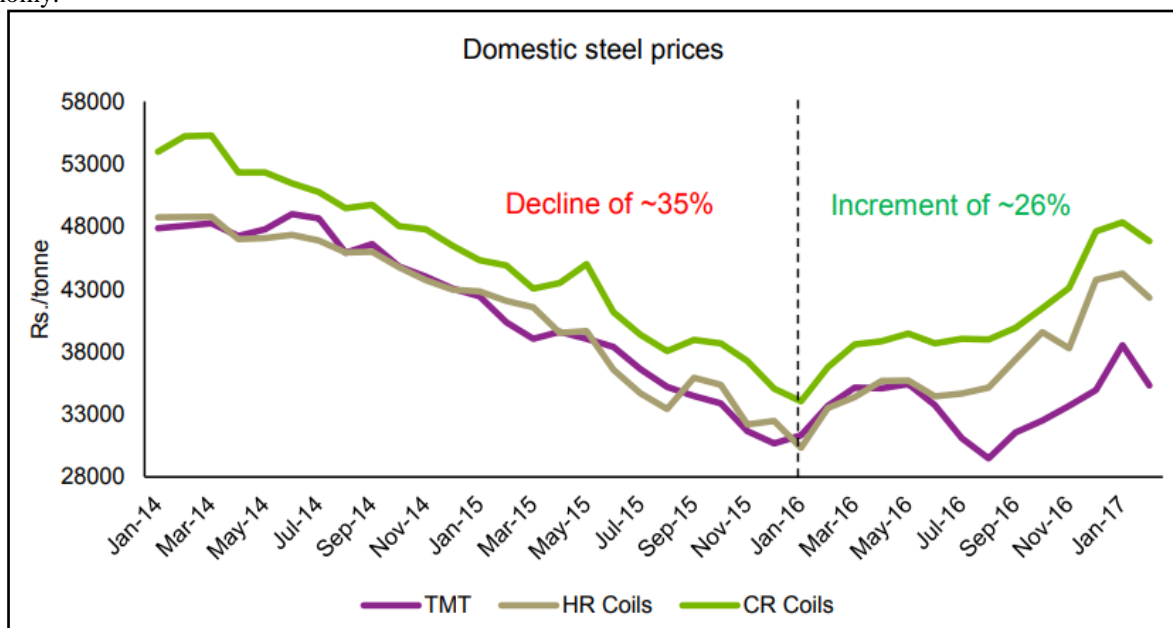
The US economy continues to exhibit robust fundamentals supported by strong consumer spending and rising business confidence. Concern about tensions within the EU particularly over migration policies is receding and the EU economic recovery is broadening. Japanese steel demand is showing better than expected performance benefitting from the government stimulus package, improving exports and preparations for the 2020 Olympic games. South Korea's steel demand is suffering from high consumer debts, weakening construction and a depressed shipbuilding sector, while escalated tension around the North Korean nuclear weapons threat poses a serious and highly unpredictable risk. With these generally favourable developments steel demand in the developed economies is expected to increase by 2.3% in 2017 and 0.9% in 2018.

This statistic represents the average annual market price for HRC (hot rolled coil) steel from 2017 through 2020, by major market. In 2017, the price for hot rolled steel coils is expected to come to about 434 U.S. dollars per metric ton in China.

(Source: <https://www.statista.com/statistics/214246/world-steel-prices/>)

### OVERVIEW OF INDIAN STEEL INDUSTRY

Post liberalization of the steel sector in 1991-92, the Indian steel industry has witnessed unprecedented growth. The steel sector in India, like any major steel producing country, shows a strong co-relation with growth in domestic economy.



As per Draft National Steel Policy 2017, at the current rate of GDP growth, the steel demand will grow threefold in next 15 years to reach a demand of 230 - 240 MT by 2030-31. However, stimulation of domestic demand will require adequate policy measures by the government and active participation by the steel industry. Overall economic growth, and more specifically accelerated spend in infrastructure sector including roads, railways and ship building, anticipated growth in defence sector and the automobile sector are expected to create significant demand for steel in the country. In addition to this, favourable demographics, improvement in various socio-economic indicators, increasing penetration of steel in rural areas, and increased usage of steel in bridges, crash barriers are also expected to contribute positively to steel demand. The focus on the Make in India initiative is overall expected to give a fresh boost to steel consumption through defence and Structureship building.

India was the world's third-largest steel producer in 2016. 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.

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

## SUMMARY OF 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’, ‘Financial Information’ and the chapter titled ‘Management Discussion and Analysis of Financial Condition and Results of Operations’ beginning on page nos. 12,131 and 156 respectively, of this Draft Prospectus.*

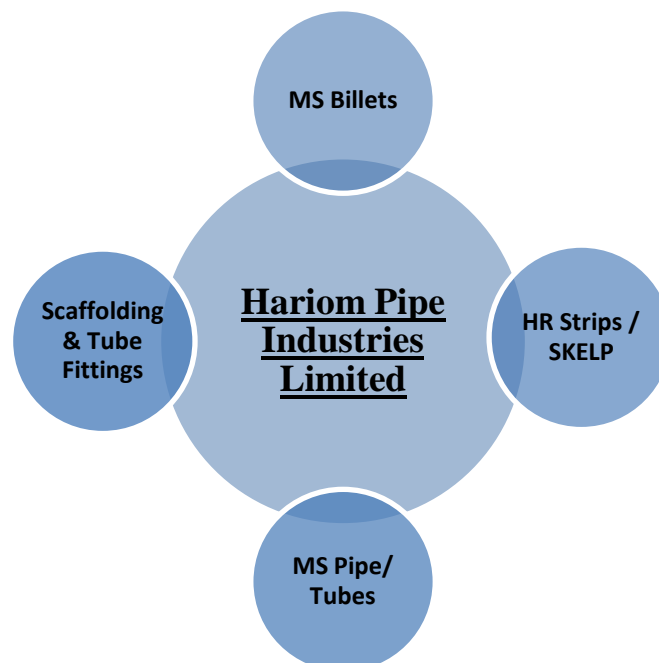
*Unless otherwise indicated, the financial information included herein is based on our Restated Financial Statements for Financial Year 2013, 2014, 2015, 2016 and 2017 and as of and for the nine months period ended December 31, 2017 included in this Draft Prospectus. For further information, see “Financial Statements” on page no.131 of this Draft Prospectus. Unless the context otherwise requires, in this section, reference to “we”, “us”, “our”, “Company” or “Our Company” refers to Hariom Pipe Industries Limited.*

### OVERVIEW

Our company forms part of Hariom Group which was named after industrialist Shri Hariom Golas who laid the foundation stone for the group in the year 1962. Today, Hariom Group has carved itself into a well defined entity. Our specialized and dedicated team of professionals and engineers constantly keep abreast with the latest technology and trends as per the requirement of the industry.

Our company was incorporated on June 21, 2007 as ‘Hari Om Concast and Steels Private Limited’ with an objective of delivering quality steel products that exceed customer expectation. We have successfully established our brand in iron and steel products and mild steel tubes market (especially in Southern India). The company is a source for variety of products such as M.S. Billets, HR. Skelps, MS pipes in Square, Rectangular, Round, D-Shape pipes & Scaffolding Systems.

Our company manufacturing facility has an existing capacity of 28,000 MT of Induction Furnace, 18,000 MT of Rolling mill, 20,000 MT of piping mill and 500 MT under Scaffolding. Our manufacturing facility is located at Survey. No.58/62/63, Sheriguda Village, Peddaiahpally G. P., Balanagar Mandal, Mahabubnagar, Dist., Telangana. which is spread over to 2.39 hectares. Our manufacturing facility provides for accommodation, medical, canteen and other necessary facilities to harbour our employees. Our product portfolio is illustrated as below:



We are ISO 9001: 2015 and IS 2830: 2012 certified company. It is our goal to maintain high standards in terms of quality and service and to educate the customers about importance of using good quality branded construction steel. Currently, our company has at its disposal, a dynamic team of qualified professionals. These professionals are assisted by administration and finance professionals who work in unison in order to meet specific client requirements and attain organizational goals and targets within the set time frame

## Our Strengths

Following are our major strengths:

### ***1. Experienced & Qualified Team:***

Our senior management team is well experienced in this industry and in the application of marketing and distribution initiatives in this sector. The Promoter and the senior management team of our Company have significant industry experience and have been instrumental in the growth of our Company's sustainability. Our managing director & promoter, Mr. Rupesh Kumar Gupta has been the main guiding force behind the growth and business strategy of our Company. He has almost a decade of steel industry experience and has been instrumental in the consistent growth of our Company's performance. Our whole time director, Mr. Sailesh Gupta has a total experience of more than 7 years in the manufacturing of steel products. He is actively involved in day to day business administration and marketing of the Company. We believe that our management team's experience and their understanding of the Steel business will enable us to continue to take advantage of both current and future opportunities. It is also expected to help us on addressing and mitigating various risks inherent in our business, including significant competition. For further details on education, experience and other details of our Management and our Key Managerial Personnel, kindly refer to the Chapter titled "Our Management" beginning on page no. 109 of this Draft Prospectus.

### ***2. Complimentary product mix***

As an integrated steel manufacturer, we believe that our operations is sufficiently flexible to enable us to alter our product mix and position in order to minimize any adverse effect on our business in the highly cyclical steel industry, as prices and gross margins for each product in our production line vary and fluctuate. For e.g. Our Induction Furnace plant output i.e. M.S. Billets can be segregated and may be sold or may be provided as input for the Rolling Mills. and the output of rolling mill i.e. HR Skelps can also be sold as well as used as input for Manufacturing M.S. Tubes and further M. S. Tubes can be sold as well as used as an input for scaffolding unit. We believe that our ability to change the product mix as and when required will give us the flexibility to serve a wide spectrum of clients, across various sectors.

### ***3. Expected High Operating Efficiency***

We believe in 'Will To Work', i.e. bringing development in the society, with the sole mission to make our nation a better place to live and help towards building a robust economy coupled with strong infrastructure. The Company's manufacturing plant is fully integrated. Every units finished product will be acting as a raw material for the next unit. Due to total integration, the company as a whole can reduce its cost of production and achieve better profitability. The company can sustain/absorb adverse market situation during cyclical recession. The steel industry is highly power-intensive and captive power plant, which has low cost per unit will lead to significant cost saving.

### ***4. Location of the Manufacturing Unit***

Our Company has manufacturing unit for the manufacture of its products located in the State of Telangana at Sheriguda Village, Peddaiahpally G. P., Balanagar Mandal, Mahabubnagar which is nearer to Hyderabad Market.

- Well-developed industrial area having basic infrastructure facilities like power & water available locally
- Availability of cheap labour from nearby villages and surrounding areas
- Availability of skilled personnel from the nearby cities such as Hyderabad
- Proximity to Hyderabad, which is one of the major market hubs in India

### ***5. Product diversification & Wide Product Offering***

Our company enjoys a wide product range with diverse applications across downstream sectors. It possesses multiple manufacturing facilities with the ability to address customer orders with shrinking turnaround time. The Company has widest range of products enabling it to cater to wide spectrum of applications across the industries and balancing it out from market volatilities.

## **Our Strategy**

The key elements of our strategy are as follows:

### **1. *Expand Our Geographical network***

Our company has a prominent presence in Hyderabad and nearby markets. Our historically developed distribution in domestic market has been critical to our growth. We intend to continue developing and nurturing existing market, and create new distribution channels in under and non-penetrated geographies. We aim to further develop our domestic sales networks in those territories where there are lower transportation costs and those which have a significant demand of our products, where we can sell at price-points that can effectively offset higher transportation costs. Such expansion plans are intended to be effected by in-house examination of the market potential of various territories and our available distribution network in such geographies.

### **2. *Enhancing our production capacity and optimal utilisation of resources***

Our company will be utilising part of the proceeds of the issue for extension of our Furnace Division, Rolling Mill and Pipe Unit. Through these expansion plans, we will be enhancing our production capacity. After, completion of the expansion mentioned under *Chapter – “ Object of the Issue”*, we are also planning to undertake further expansion in a phased manner. Our Company constantly endeavors to improve its productivity levels by optimum resource utilization, improvement in manufacturing process, skill up-gradation of our workers, modernization of machineries to achieve better asset turnover. We will continue to further improve our manufacturing processes to identify the areas of bottlenecks and correct them. This would help us in improving efficiency and putting resources to optimal use.

### **3. *Increasing Operational efficiency***

We continue to invest in increasing our operational efficiency throughout the organization. We are addressing the increase in operational output through continuous process improvement, QC / QA activities, customer service, consistent quality and technology 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

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

As an organization, we believe in transparency and commitment in our work and with our customers. We have an experienced team for taking care of our day to day operations. 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.

**SUMMARY OF OUR FINANCIALS**

**Annexure I**  
**STATEMENT OF ASSETS AND LIABILITIES, AS RESTATED**

*(₹ in lakhs)*

Particulars	As at December 31, 2017	As at March 31,				
		2017	2016	2015	2014	2013
<b>EQUITY AND LIABILITIES</b>						
<b>1.Shareholder's fund</b>						
a) Equity Share Capital	1,421.63	707.19	707.19	375.57	375.57	375.57
b)Reserves and surplus	822.08	972.31	814.38	971.60	959.96	955.28
c) Share Application Money Pending Allotment		-	-	-	-	-
<b>Total Shareholders Fund (Net of revaluation reserve) (1)</b>	<b>2,243.71</b>	<b>1679.50</b>	<b>1521.57</b>	<b>1347.17</b>	<b>1335.53</b>	<b>1330.85</b>
<b>2.Non-current liabilities</b>						
a) Long Term Borrowings	695.14	630.01	832.13	752.67	643.16	447.71
b) Deferred Tax Liabilities	25.60	39.84	-	63.60	59.58	69.91
c) Other long term liabilities	-	-	-	-	-	-
d) Long Term Provisions	26.31	12.26	9.84	7.41	4.98	2.55
<b>Total(2)</b>	<b>747.05</b>	<b>682.11</b>	<b>841.97</b>	<b>823.68</b>	<b>707.72</b>	<b>520.17</b>
<b>3.Current liabilities</b>						
a) Short-term borrowings	1641.06	1,642.51	1,532.75	1,413.35	1,168.70	813.70
b) Trade payables	945.44	449.44	962.08	325.24	226.31	159.57
c) Other Current Liabilities	314.02	219.38	165.50	154.32	141.79	284.52
d) Short-term provisions	275.82	55.56	3.96	6.10	2.64	21.70
<b>Total(3)</b>	<b>3,176.34</b>	<b>2,366.89</b>	<b>2,664.29</b>	<b>1,899.01</b>	<b>1,539.44</b>	<b>1,279.49</b>
<b>TOTAL(1+2+3)</b>	<b>6,167.10</b>	<b>4,728.51</b>	<b>5,027.83</b>	<b>4,069.86</b>	<b>3,582.69</b>	<b>3,130.51</b>
<b>ASSETS</b>						
<b>1.Non - Current Assets</b>						
a) Fixed Assets						
i.) Tangible assets	1,205.51	1,171.06	1,322.15	1,502.89	1,222.05	1,395.75
ii) Intangible assets						
b) Capital Work in Progress	-	-	-	-	416.10	249.82
c) Non Current Investment	-	-	-	-	-	-
d)Deposits	8.81	1.83	0.70	0.27	0.48	0.48
e)Deferred tax assets (Net)	-	-	4.53	-	-	-
<b>Total (1)</b>	<b>1,214.32</b>	<b>1,172.89</b>	<b>1,327.38</b>	<b>1,503.16</b>	<b>1,638.63</b>	<b>1,646.05</b>
<b>2.Current Assets</b>						
a) Inventories	3,649.14	2,653.36	2,142.07	1,828.03	1,117.94	749.60
b) Trade Receivables	950.07	558.68	957.30	575.82	553.22	432.61
c) Cash and Cash equivalents	19.31	32.95	63.76	17.88	38.27	5.39
d) Short-term loans and advances	292.23	185.20	435.13	40.88	166.29	232.82
e) Other current assets	42.02	125.43	102.21	104.09	68.34	64.03
<b>Total(2)</b>	<b>4,952.77</b>	<b>3,555.62</b>	<b>3,700.47</b>	<b>2,566.70</b>	<b>1,944.07</b>	<b>1,484.45</b>
<b>TOTAL(1+2)</b>	<b>6,167.10</b>	<b>4,728.51</b>	<b>5,027.83</b>	<b>4,069.86</b>	<b>3,582.69</b>	<b>3,130.51</b>

**Annexure II**  
**STATEMENT OF PROFIT AND LOSS ACCOUNT, AS RESTATED**

(₹ in lakhs)

Particulars	For the period ended December 31, 2017	For the year ended March 31,				
		2017	2016	2015	2014	2013
<b>INCOME:</b>						
Revenue from Operations(Net)	7,473.62	8,716.27	7,380.51	6,943.70	8,434.55	7,804.44
Other Income	3.70	52.94	29.76	23.98	26.30	20.33
<b>Total income</b>	<b>7,477.32</b>	<b>8,769.21</b>	<b>7,410.27</b>	<b>6,967.69</b>	<b>8,460.85</b>	<b>7,824.78</b>
<b>EXPENSES:</b>						
Cost Of Material Consumed	4,149.84	5,253.09	3,981.33	4,084.35	4,747.27	4,693.98
Trading Purchases	56.81	714.32	2,215.66	477.93	1,077.25	1,202.35
Changes in Inventory	(156.86)	(112.03)	(252.20)	(215.89)	168.41	(257.16)
Employee Benefit Expenses	247.10	208.94	157.00	144.57	79.39	102.75
Financial Cost	205.20	271.96	245.88	225.88	161.48	211.33
Depreciation & Amortisation cost	184.96	219.14	258.23	299.74	196.82	224.16
Other Expenses	1,941.51	1,980.13	1,029.93	1,932.02	2,026.52	1,544.95
<b>Total expenses</b>	<b>6,628.55</b>	<b>8,532.54</b>	<b>7,635.82</b>	<b>6,948.61</b>	<b>8,457.14</b>	<b>7,722.35</b>
<b>Exceptional and prior period items</b>	-	2.19	1.86	-	-	-
<b>Net Profit / (Loss) before Tax</b>	<b>848.77</b>	<b>235.85</b>	<b>(223.70)</b>	<b>19.07</b>	<b>3.71</b>	<b>102.42</b>
<b>Less: Tax expense</b>						
(a) Current Tax	298.80	33.35	1.65	2.94	9.36	37.99
(b) Deferred Tax	(14.25)	44.37	(68.13)	4.02	(10.33)	(1.06)
(c) MAT Credit entitlement	-	-	-	-	-	-
<b>Total</b>	<b>564.21</b>	<b>157.93</b>	<b>(157.22)</b>	<b>12.11</b>	<b>4.69</b>	<b>65.49</b>
<b>Net Profit / ( Loss ) for the period after tax but before extra ordinary items</b>	<b>564.21</b>	<b>157.93</b>	<b>(157.22)</b>	<b>12.11</b>	<b>4.69</b>	<b>65.49</b>
Extraordinary Items						
<b>Net Profit / ( Loss ) for the period after tax and after extra ordinary items available for appropriation</b>	<b>564.21</b>	<b>157.93</b>	<b>(157.22)</b>	<b>12.11</b>	<b>4.69</b>	<b>65.49</b>
Less : Proposed Dividend	-	-	-	-	-	-
Dividend Distribution Tax	-	-	-	-	-	-
<b>Net Profit transferred to Reserves</b>	<b>564.21</b>	<b>157.93</b>	<b>(157.22)</b>	<b>12.11</b>	<b>4.69</b>	<b>65.49</b>

**Annexure III**  
**CASH FLOW STATEMENT, AS RESTATED**

(₹ in lakhs)

Particulars	For the period ended December 31, 2017	For the year ended March 31,				
		2017	2016	2015	2014	2013
<b>Cash Flow From Operating Activities</b>						
Net Profit Before Tax	848.77	235.85	(223.70)	19.07	3.71	102.42
Adjustments for :						
Depreciation/Amortisation	184.96	219.14	258.23	299.74	196.82	224.16
Dividend Received	-	-	-	-	-	-
Opening Gratuity						(0.15)
Interest Paid	205.20	271.96	245.88	225.88	161.48	211.33
<b>Operating Profit Before Working Capital Adjustments</b>	<b>1,238.93</b>	<b>726.95</b>	<b>280.41</b>	<b>544.70</b>	<b>362.02</b>	<b>537.76</b>
<b>Adjustment for Changes in Working Capital</b>						
Trade and other payable	496.00	(512.65)	636.85	98.93	66.74	70.45
Inventories	(995.79)	(511.29)	(314.04)	(710.09)	(368.34)	(163.28)
Trade and other Recievables	(391.38)	398.62	(381.48)	(22.61)	(120.60)	(73.86)
Short Term Loans and Advances	(107.03)	249.93	(394.24)	125.41	66.53	(66.54)
Other Current Assets	83.42	(23.22)	1.88	(35.75)	(4.31)	(62.36)
Short Term Provisions	220.26	51.60	(2.14)	3.46	(19.07)	(14.67)
Other Current Liabilities	94.64	53.89	11.18	12.53	(142.73)	(143.83)
<b>Cash Flow Generated from Operations</b>	<b>635.37</b>	<b>404.01</b>	<b>(191.35)</b>	<b>(7.16)</b>	<b>(186.01)</b>	<b>63.34</b>
Income Tax and Fringe Benefit Tax Paid	298.80	33.55	1.65	2.94	9.36	37.99
<b>Net Cash flow from Operating activities (A)</b>	<b>336.57</b>	<b>370.46</b>	<b>(193.00)</b>	<b>(10.10)</b>	<b>(195.37)</b>	<b>25.35</b>
<b>Cash Flow From Investing Activities</b>						
(Purchase)/Sale of Fixed Assets	(219.41)	(68.05)	(77.49)	(164.96)	(189.41)	(364.40)
Purchase / (Sale) of Investments	-	-	-	-	-	-
Other Non-Current Assets	-	-	-	-	-	-
Long Term Loans & Advances	(6.99)	(1.13)	(0.43)	0.21		-
Long term provision	14.05	2.43	2.43	2.43	2.43	2.55
Other Long Term Liabilities						
Capital Work In progress	-	-	-	-	-	-
<b>Net Cash Flow from Investing Activities (B)</b>	<b>(208.68)</b>	<b>(36.93)</b>	<b>(45.73)</b>	<b>(138.57)</b>	<b>(160.72)</b>	<b>(341.53)</b>
<b>Cash Flow From Financing Activities</b>						
Proceeds from/ ( Repayment of ) Borrowing	65.13	(202.13)	79.46	109.51	195.45	218.55
Short term borrowings from banks	(1.45)	109.75	119.40	244.66	355.00	268.36
Proceeds from Share Capital (including Share Premium)	-	-	331.62	-	-	11.30
Interest Paid	(205.20)	(271.96)	(245.88)	(225.88)	(161.48)	(211.33)

<b>Net Cash Flow from Financing Activities (C)</b>	<b>(141.51)</b>	<b>(364.33)</b>	<b>284.60</b>	<b>128.29</b>	<b>388.96</b>	<b>286.89</b>
Net Increase/ ( Decrease) in Cash and Cash Equivalents ( A + B + C )	(13.64)	(30.81)	45.88	(20.38)	32.88	(29.30)
Cash & Cash equivalent at the beginning of the year	32.95	63.76	17.88	38.27	5.39	34.69
<b>Cash &amp; Cash Equivalent at the end of the year</b>	<b>19.31</b>	<b>32.95</b>	<b>63.76</b>	<b>17.88</b>	<b>38.27</b>	<b>5.39</b>



## THE ISSUE

### PRESENT ISSUE IN TERMS OF THIS DRAFT PROSPECTUS

<b>Equity Shares Offered<sup>(1)</sup>:</b> Present Issue of Equity Shares by our Company <sup>(2)</sup> :	42,00,000 Equity Shares of ₹ 10 each for cash at a price of ₹ [•] per share aggregating ₹ [•] lakhs.
<b>Of which:</b>	
<b>Issue Reserved for the Market Makers</b>	2,40,000 Equity Shares of ₹ 10 each for cash at a price of ₹ [•] per share aggregating ₹ [•] lakhs
<b>Net Issue to the Public</b>	39,60,000 Equity Shares of ₹ 10 each for cash at a price of ₹ [•] per share aggregating ₹ [•] lakhs
	<b>Of Which<sup>(3)</sup>:</b>
	19,80,000 Equity Shares of ₹ 10 each at a price of ₹ [•] per Equity Share will be available for allocation for Investors of up to ₹ 2.00 lakhs
	19,80,000 Equity Shares of ₹ 10 each at a price of ₹ [•] per Equity Share will be available for allocation for Investors of above ₹ 2.00 lakhs
<b>Equity Shares outstanding prior to the Issue</b>	1,09,00,092 Equity Shares
<b>Equity Shares outstanding after the Issue</b>	15,10,092 Equity Shares
<b>Objects of the Issue</b>	Please see the chapter titled “ <i>Objects of the Issue</i> ” beginning on page no. 58 of this Draft Prospectus

<sup>(1)</sup> This issue is being made in terms of Chapter XB of the SEBI (ICDR) Regulations, 2009, as amended from time to time. For further details, please see the section titled “Issue Related Information” beginning on page no. 189 of this Draft Prospectus.

<sup>(2)</sup> The present Issue has been authorized pursuant to a resolution of our Board dated January 17, 2018 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 on February 09, 2018.

<sup>(3)</sup> This Issue is being made in terms of Chapter XB of the SEBI (ICDR) Regulations, 2009, as amended from time to time. The allocation’ is the net issue to the public category shall be made as follows:

a) Minimum fifty percent to retail individual investors; and

b) Remaining to

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

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

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

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

For further details please refer to the chapter titled “Issue Structure” beginning on page no. 193 of this Draft Prospectus.

## GENERAL INFORMATION

Our Company was incorporated as Hariom Concast And Steels Private Limited on June 21, 2007 under the Companies Act, 1956 with the Registrar of Companies, Hyderabad bearing Registration No. 054564. The name of our Company was changed to Hariom Pipe Industries Private Limited vide Special Resolution dated December 12, 2017. A fresh Certificate of Incorporation consequent to name change was issued on December 27, 2017. Subsequently, the status of our Company was changed to a public limited company and the name of our Company was changed to Hariom Pipe Industries Limited vide Special Resolution dated January 08, 2018. A fresh Certificate of Incorporation consequent upon change of name was issued on January 17, 2018 by the Registrar of Companies, Hyderabad. The Company's Corporate Identity Number is U27100TG2007PLC054564.

For further details, please refer to the chapter titled "History and Certain Corporate Affairs" beginning on page no. 104 of this Draft Prospectus.

### Brief Company and Issue Information

<b>Registered Office</b>	<b>Address:</b> 3-4-174/12/2, 1st Floor, Samarpan, lane beside Spencer's Pillar No. 125, Attapur, Hyderabad, Telangana – 500 048 <b>Tel No:</b> +91 – 40 – 2401 6101 <b>Fax No:</b> Not Available <b>Email:</b> info@hariompipes.com <b>Website:</b> www.hariompipes.com
<b>Date of Incorporation</b>	June 21, 2007
<b>Company Registration No.</b>	054564
<b>Company Identification No.</b>	U27100TG2007PLC054564
<b>Address of Registrar of Companies</b>	<b>Address:</b> Corporate Bhawan, GSI Post, Tattiannaram Nagole, Bandlaguda, Hyderabad - 500 068. <b>Tel No.:</b> +91 – 40 - 2980 5427/ 2980 3827/ 2980 1927 <b>Fax No.:</b> +91 – 40 - 2980 3727
<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>	Mr. Chirag Partani <b>Address:</b> 3-4-174/12/2, 1st Floor, Samarpan, lane beside Spencer's Pillar No. 125, Attapur, Hyderabad, Telangana – 500 048 <b>Tel No:</b> +91 – 40 – 2401 6101 <b>Fax No:</b> Not Available <b>Email:</b> smehariom@hariompipes.com

### Board of Directors of our Company

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

Name	Designation	Director's Identification No.
Rupesh Kumar Gupta	Managing Director	00540787
Sailesh Gupta	Whole Time Director	00540862
Sunita Gupta	Non - Executive Director	02981707
Pramod Kumar Kapoor	Non-Executive Independent Chairman	03557358
Santosh Kumar Rathi	Non- Executive Independent Director	06478349

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. 109 of this Draft Prospectus.

*Note: 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/ Designated Intermediary, where the Application Form was submitted by the Applicants.*

## Details of Key Intermediaries pertaining to this Issue and Our Company

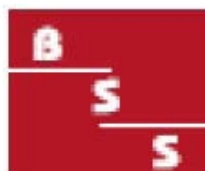
### LEAD MANAGER TO THE ISSUE



#### 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  
Fax No.: +91 – 22 – 2263 0434  
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: Ms. Namrata Ravasia / Mr. Swapnil Ukirde  
SEBI Registration No.: INM000011344

### REGISTRAR TO THE ISSUE



#### BIGSHARE SERVICES PRIVATE LIMITED

1st Floor, Bharat Tin Works Building,  
Opp. Vasant Oasis, Makwana Road,  
Marol, Andheri East, Mumbai – 400 059  
Tel: +91 – 22 – 6263 8200;  
Fax: +91 – 22 – 6263 8299  
Email: [ipo@bigshareonline.com](mailto:ipo@bigshareonline.com)  
Website: [www.bigshareonline.com](http://www.bigshareonline.com)  
Investor Grievance Email: [investor@bigshareonline.com](mailto:investor@bigshareonline.com)  
Contact Person: Mr. Srinivas Dornala  
SEBI Registration No.: INR000001385

### LEGAL COUNSEL TO THE ISSUE

#### Y. SURYANARAYANA (ADVOCATE)

Nirmal Towers 200, Flat No. 106,  
Dwarkapuri Colony, Punjagutta,  
Hyderabad- 500 082  
Tel No.: +91- 40 - 2335 0486  
Email: [suryacorporatelawyer@gmail.com](mailto:suryacorporatelawyer@gmail.com)  
Contact Person: Mr. Y. Suryanarayana

### STATUTORY AUDITOR OF THE COMPANY

#### RAKESH S JAIN & ASSOCIATES, CHARTERED ACCOUNTANTS

14-6-191, Nagar Khana, Hyderabad – 500 012  
Tel No.: +91 – 9849025641  
Contact Person: B. Ramesh Kumar  
Email: [rsjainassociates@rediffmail.com](mailto:rsjainassociates@rediffmail.com)

### PEER REVIEW AUDITOR OF THE COMPANY

#### PPKG & Co., CHARTERED ACCOUNTANTS

5-8-352, 701, 7<sup>th</sup> Floor, Raghav Ratna Towers,  
Chirag Ali Lane, Abids, Hyderabad – 500 001  
Tel No. - +91-40-2320 5049 / 6613 2176 / 4851 7622  
Fax No. 040-23205049  
Email: [giri@ppkg.com](mailto:giri@ppkg.com)  
Website: [www.ppkg.com](http://www.ppkg.com)  
Contact Person: Girdhari Toshniwal

## BANKERS TO THE COMPANY



### CANARA BANK

Specialised Mid Corporate Branch, 5-9-22/1/4C&4D,  
1<sup>st</sup> Floor, Damayanthi Chambers,  
Opposite to New MLA Quarters,  
Adarshnagar, Hyderabad – 500 063  
**Tel No.** - +91-40-2343 6954/ 2343 6961  
**Email:** cb4926@canarabank.com  
**Website:** www.canarabank.com  
**Contact Person:** Mr. Sanjay Kumar H

## BANKERS TO THE ISSUE

[•](To be appointed later)

## SELF CERTIFIED SYNDICATE BANKS

The lists of Banks that have been notified by SEBI to act as SCSBs for the ASBA process are provided on <http://www.sebi.gov.in>. For details on designated branches of SCSBs collecting the ASBA Application Forms, please see the above mentioned SEBI link.

## BROKERS TO THIS ISSUE

The list of the Registered Brokers, including details such as postal address, telephone number and e-mail address, is provided on the website of the Stock Exchange, at NSE Limited, as updated from time to time.

## REGISTRAR TO ISSUE AND SHARE TRANSFER AGENTS

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

## COLLECTING DEPOSITORY PARTICIPANTS

The list of the CDPs eligible to accept Application Forms at the Designated CDP Locations, including details such as name and contact details, are provided on the website of Stock Exchange at NSE Limited, as updated from time to time.

The list of branches of the SCSBs named by the respective SCSBs to receive deposits of the Application Forms from the Designated Intermediaries will be available on the website of the SEBI ([www.sebi.gov.in](http://www.sebi.gov.in)) and updated from time to time.

## 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 16(1) of the SEBI (ICDR) Regulations, 2009 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.

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

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

## **IPO GRADING**

No credit rating agency registered with SEBI has been appointed for grading the Issue.

## **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 of sale of Equity Shares, no credit rating is required.

## **EXPERT OPINION**

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

Our Company has received written consent from the Auditors namely, M/s. PPKG & Co., Chartered Accountants, (Peer Review Auditors) and to include their name in respect of the report on the Restated Financial Statements dated February 22, 2018 and the Statement of Tax Benefits dated February 22, 2018 respectively issued by them and included in this Draft Prospectus, as required under section 26(1)(a)(v) of the Companies Act, 2013 in this Draft 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 Draft Prospectus.

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

## **ISSUE PROGRAMME**

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

<b>Event</b>	<b>Indicative Date</b>
Issue Opening Date	[•]
Issue Closing Date	[•]
Finalisation of Basis of Allotment with the Designated Stock Exchange	[•]
Initiation of Allotment / Refunds / Unblocking of Funds	[•]
Credit of Equity Shares to demat accounts of Allottees	[•]
Commencement of trading of the Equity Shares on the Stock Exchange	[•]

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 between **10.00 a.m. and 5.00 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 Offer Closing Date. Except Allocation to Retail Individual Investors, Allocation in the Offer 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 Offer 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 March 15, 2018 with the Underwriters for the Equity Shares proposed to be offered through the Issue. Pursuant to the terms of the Underwriting Agreement, the obligations of the Underwriters are several and are subject to certain conditions specified therein. The Underwriters have given their consent for inclusion of their name in the Draft Prospectus as Underwriters and have indicated their intention to underwrite the following number of specified securities being offered through this Issue:

Details of the Underwriter	No. of Shares Underwritten	Amount 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>	39,60,000	[•]	94.29%
<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>	2,40,000	[•]	5.71%
<b>Total</b>	<b>42,00,000</b>	[•]	<b>100.00%</b>

As per Regulation 106 P (2) of SEBI (ICDR) Regulations, 2009, the LM 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 March 15, 2018 with Aryaman Capital Markets Limited (“ACML”), a Market Maker registered with the SME Platform of NSE in order to fulfil the obligations of Market Making and ACML has given its consent for inclusion of its name in the Draft Prospectus as Market Maker.

The Market Maker shall fulfill 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 M 1,00,000 shall be allowed to issue 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 NSE EMERGE Platform 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 NSE EMERGE Platform 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 Market Maker shall have the right to terminate said arrangement by giving a three months notice or on mutually acceptable terms to the Lead Manager, who shall then be responsible to appoint a replacement Market Maker.

In case of termination of the above mentioned Market Making Agreement prior to the completion of the compulsory Market Making period, it shall be the responsibility of the Lead Manager to arrange for another Market Maker in replacement during the term of the notice period being served by the Market Maker but prior to the date of releasing the existing Market Maker from its duties in order to ensure compliance with the requirements of regulation 106V of the SEBI (ICDR) Regulations, 2009. Further 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 particular point of time.

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

9. **Risk containment measures and monitoring for Market Maker:** NSE EMERGE Platform will have all margins which are applicable on the NSE Main Board viz., Mark-to-Market, Value-At-Risk (VAR) Margin, Extreme Loss Margin, Special Margins and Base Minimum Capital etc. NSE can impose any other margins as deemed necessary from time-to-time.
10. **Punitive Action in case of default by Market Maker:** NSE EMERGE will monitor the obligations on a real time basis and punitive action will be initiated for any exceptions and/or non-compliances. Penalties / fines may be imposed by the Exchange on the Market Maker, in case he is not able to provide the desired liquidity in a particular security as per the specified guidelines. These penalties / fines will be set by the Exchange from time to time. The Exchange will impose a penalty on the Market Maker 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.

11. 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.
12. **Price Band and Spreads:** SEBI Circular bearing reference no: CIR/MRD/DP/ 02/2012 dated January 20, 2012, has laid down that for Issue size up to ₹25,000 lakhs, the applicable price bands for the first day shall be:
  - a) In case equilibrium price is discovered in the Call Auction, the price band in the normal trading session shall be 5% of the equilibrium price.
  - b) In case equilibrium price is not discovered in the Call Auction, the price band in the normal trading session shall be 5% of the offer price.
  - c) Additionally, the trading shall take place in TFT segment for first 10 days from commencement of trading.

**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.**



## CAPITAL STRUCTURE

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

Sr. No.	Particulars	Aggregate Value at Nominal Value	Aggregate Value at Issue Price
<b>A</b>	<b>Authorised Share Capital</b>		
	1,56,83,800 Equity Shares of face value of ₹ 10 each	1568.38	-
	33,16,200 0% Series A Redeemable Non Cumulative Preference Shares of Face Value of ₹10 each	331.62	-
<b>B</b>	<b>Issued, Subscribed and Paid-up Share Capital before the Issue</b>		
	1,09,00,092 Equity Shares of Face Value of ₹10 each	1090.00	-
	33,16,200 0% Series A Redeemable Non Cumulative Preference Shares of Face Value of ₹10 each	331.62	-
	<b>Present Issue in terms of this Prospectus<sup>(1)</sup></b>		
<b>C</b>	Issue of 42,00,000 Equity Shares of ₹ 10 each at a price of ₹[•] per equity Share	42.00	[•]
	<b>Which comprises:</b>		
	2,40,000 Equity Shares of ₹10 each at a price of ₹[•]per Equity Share reserved as Market Maker Portion	20.40	[•]
	Net Issue to Public of 39,60,000 Equity Shares of ₹10 each at a price of ₹[•] per Equity Share to the Public	396.00	[•]
	<b>Of which<sup>(2)</sup>:</b>		
	19,80,000 Equity Shares of ₹10 each at a price of ₹[•] per Equity Share will be available for allocation for Investors of up to ₹ 2.00 lakhs	198.00	[•]
	19,80,000 Equity Shares of ₹10 each at a price of ₹[•] per Equity Share will be available for allocation for Investors of above ₹2.00 lakhs	198.00	[•]
	<b>Equity Share Capital after the Issue</b>		
<b>D</b>	1,51,00,092 Equity Shares of ₹10 each	1510.01	
	<b>Securities Premium Account</b>		
<b>E</b>	Before the Issue (as on date of this Draft Prospectus)	19.29	
	After the Issue		[•]

<sup>(1)</sup>The present Issue has been authorized pursuant to a resolution of our Board dated January 17, 2018 and by Special Resolution passed under Section 62(1)(C) of the Companies Act, 2013 at an Extra-Ordinary General Meeting of our shareholders dated February 09, 2018.

<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 Draft 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 ₹10,00,000 divided into 1,00,000 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 December 08,2007.
2. Reclassification of Authorised Capital from ₹3,50,00,000 divided into 35,00,000 Equity Shares to ₹ 1,70,00,000 divided into 17,00,000 Equity Shares of ₹10 each and ₹1,80,00,000 divided into 1,80,000 Preference Shares of ₹100 each pursuant to resolution of shareholders passed at the EGM held on February 28,2011.
3. Increase in authorised capital from ₹3,50,00,000 divided into 17,00,000 Equity Shares of ₹10 each and 1,80,000 Preference Shares of Rs. 100 each to ₹3,81,00,000 divided into ₹17,00,000 Equity shares of ₹10 each divided into 2,11,000 Preference shares of ₹100 each, pursuant to resolution of shareholders passed at the EGM held on March 09,2012.
4. Increase in authorised capital from ₹3,81,00,000 divided into 17,00,000 Equity shares of ₹10 each and 2,11,000 Preference shares of Rs.100 each to ₹8,31,00,000 divided into 17,00,000 Equity shares of ₹10 each and 2,11,000 0% Redeemable Optionally Convertible Preference shares of ₹100 each and 45,00,000 0% Series A Redeemable Non Cumulative Preference Shares of ₹10 each pursuant to resolution of shareholders passed at the EGM held on February 15,2016.
5. Reclassification of Authorised Capital from ₹8,31,00,000 divided into 17,00,000 Equity shares of ₹10 each, 2,11,000 0% Redeemable Optionally Convertible Preference shares of ₹100 each and 45,00,000 0% Series A Redeemable Non Cumulative Preference Shares of ₹10 to 29,06,200 Equity Shares of ₹10/- each, 2,08,760 0% Redeemable Optionally Convertible Preference Shares of Rs. 100/- each and 33,16,200 Series A Redeemable Non Cumulative Preference Shares of Rs. 10/- each pursuant to resolution of shareholders passed at the EGM held on July 01,2017.
6. Reclassification of Authorised Capital from ₹8,31,00,000 divided into 29,06,200 Equity Shares of ₹10/- each, 2,08,760 0% Redeemable Optionally Convertible Preference Shares of Rs. 100/- each and 33,16,200 Series A Redeemable Non Cumulative Preference Shares of Rs. 10/- each to 49,93,800 Equity Shares of ₹10/- each, and 33,16,200 Series A redeemable Non Cumulative Preference Shares of Rs. 10/- pursuant to resolution of shareholders passed at the EGM held on December 12,2017.
7. Increase in Authorised Capital from ₹8,31,00,000 divided into 49,93,800 Equity Shares of ₹10/- each, and 33,16,200 Series A redeemable Non Cumulative Preference Shares of Rs. 10/- to ₹16,00,00,000 divided into 1,26,83,800 Equity Shares of Rs. 10/- each and 33,16,200 0% Series A redeemable Non Cumulative Preference Shares of Rs. 10/- each pursuant to resolution of shareholders passed at the EGM held on December 12,2017.
8. Increase in Authorised Capital from ₹16,00,00,000 divided into 1,26,83,800 Equity Shares of Rs. 10/- each and 33,16,200 0% Series A redeemable Non Cumulative Preference Shares of Rs. 10/- to ₹19,00,00,000 divided into 1,56,83,800 Equity Shares of Rs. 10/- each and 33,16,200 0% Series A redeemable Non Cumulative Preference Shares of Rs. 10/- each pursuant to resolution of shareholders passed at the EGM held on February 09,2018.

## 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 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 (₹)	Cumulative Share Premium (₹)
Upon Incorporation	10,000 <sup>(1)</sup>	10	10	Subscription to MoA	Cash	10,000	1,00,000	Nil
March 14, 2008	11,70,000 <sup>(2)</sup>	10	10	Further Allotment	Cash	11,80,000	1,18,00,000	Nil
March 31, 2008	1,20,750 <sup>(3)</sup>	10	200	Further Allotment	Cash	13,00,750	1,30,07,500	2,29,42,500
March 31, 2009	1,60,000 <sup>(4)</sup>	10	10	Further Allotment	Cash	14,60,750	1,46,07,500	2,29,42,500
March 31, 2009	1,15,000 <sup>(5)</sup>	10	200	Further Allotment	Cash	15,75,750	1,57,57,500	4,47,92,500
March 31, 2010	86,000 <sup>(6)</sup>	10	200	Further Allotment	Cash	16,61,750	1,66,17,500	6,11,32,500

Date of Allotment of 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 (₹)	Cumulative Share Premium (₹)
March 31, 2011	1350 <sup>(7)</sup>	10	200	Further Allotment	Cash	16,63,100	1,66,31,000	6,13,89,000
March 25, 2013	5,000 <sup>(8)</sup>	10	10	Further Allotment	Cash	16,68,100	1,66,81,000	6,13,89,000
July 10, 2017	2,78,345 <sup>(9)</sup>	10	75	Conversion of Preference Shares to Equity	Other Than Cash	19,46,445	1,94,64,450	7,94,81,425
December 23, 2017	89,53,647 <sup>(10)</sup>	10	Nil	Bonus Allotment	Other Than Cash	1,09,00,092	10,90,00,920	Nil

- <sup>(1)</sup> Allotment of 5000 shares each to Rupesh Kumar Gupta and Mukesh Kumar Gupta.
- <sup>(2)</sup> Allotment of 2,70,000 shares to Rupesh Kumar Gupta, 70,000 shares to Sailesh Gupta, 1,60,000 shares to Mukesh Kumar Gupta, 7,500 shares to Roopesh Kumar HUF, 1,32,500 shares to Mukesh Kumar HUF, 20,000 shares to Deepesh Kumar Golas, 10,000 shares to Hariom Gupta HUF, 15,000 shares to Isha Gupta, 30,000 shares to Nitesh Kumar Golas, 25,000 shares to Parul Gupta, 50,000 shares to Praveen Gupta, 50,000 shares to Rakesh Kumar HUF, 1,70,000 shares to Rakesh Kumar Gupta, 80,000 Shanti Devi Gupta, 80,000 Sunita Gupta.
- <sup>(3)</sup> Allotment of 5,000 shares to Anmol Commers Private Limited, 7,500 shares to Billbody Vypar Private Limited, 22,500 shares to Darmaraju Jaganath, 750 shares to Jaichand Jain, 7,500 shares to Jodhani Management Private Limited, 7,500 shares to Kamna Credits & Promoters Private Limited, 7,500 shares to Negu Distributors Private. Limited, 7,500 shares to Novas Commercial Private Limited, 7,500 shares to Ornametal Fabrications Private Limited, 7,500 shares to Procal Dealcomm Private Limited, 7,500 shares to Ramshila Enterprises Private Limited, 7,500 shares to Rosemary Mercantile Private Limited, 10,000 Equity shares to Sahuwan Moter Finance Private Limited, 7,500 shares to Shivam Hire Purchase & Finvest Private Limited, Summex Mercantile Private Limited.
- <sup>(4)</sup> Allotment of 70,000 shares to Mukesh Kumar Gupta, 10,000 shares to Roopesh Kumar HUF, 5,000 shares to Mukesh Kumar HUF, 10,000 shares to Deepesh Kumar Golas, 20,000 shares to Praveen Gupta, 25,000 shares to Rakesh Kumar HUF, 20,000 shares to Rakesh Kumar Gupta.
- <sup>(5)</sup> Allotment of 7,500 shares to Procal Dealcomm Private Limited, 7500 shares to Sahuwan Moter Finance Private Limited, 10,000 shares to Dashmesh Fincap Private Limited, 5,000 shares to Eastern Credit Cap Limited, 20,000 shares to Essen Marketing Private. Limited, 10,000 shares to Nanchi Marketing Private Limited, 27,500 shares to Virgo Textiles Private Limited, 17,500 shares to Inex Infotech Private Limited, 10,000 shares to Aasma Merchantile Private Limited.
- <sup>(6)</sup> Allotment of 20,000 shares to Surip Dealers Priavte Limited, 5,000 shares to Procheta Consultants Private Limited, 10,000 shares to Divya Secfin Private Limited, 5,000 shares Bright Finance Private Limited, 5,000 shares to Amazing Vinimay Private Limited, 22,500 shares to V. L. Narsimha Rao and 13,500 shares to Nafisa T. Sachak.
- <sup>(7)</sup> Allotment of 1,350 shares was made to Reo Solutions Private Limited.
- <sup>(8)</sup> Allotment of 5,000 shares to Shailesh Kumar Gupta HUF.
- <sup>(9)</sup> Pursuant to Board Meeting held on July 10, 2017, our Company has issued 78,345 Equity shares to Rupesh Kumar Gupta against 58,760 0% Redeemable Optionally Convertible Preference Shares and 2,00,000 Equity Shares against 1,50,000 0% Redeemable Optionally Convertible Preference Shares to Sailesh Gupta pursuant to conversion of 0% Redeemable Optionally Convertible Preference Shares
- <sup>(10)</sup> Pursuant to Board Meeting held on December 23, 2017, our Company has issued 89,53,647 Bonus shares in the ratio of 23:5 i.e. 23 Equity shares for every 5 shares held to the shareholders, by way of capitalization of Securities Premium Account.

## **b) History of Preference Share Capital of Our Company**

- i) History of 0% Series A Redeemable Non Cumulative Preference Shares

Date of Allotment	No. of Preference Shares	Face Value (₹)	Issue Price per Preference share (₹)	Consideration	Reason For Allotment	Cumulative Number of Preference Shares	Cumulative Paid - Up of Preference Share Capital (₹)
March 31, 2016	33,16,200 <sup>(1)</sup>	10	10	Cash	Preferential Allotment	33,16,200	3,31,62,000

(1) Allotment of 24,80,000 shares to Emergence Reality Private Limited, 4,70,000 shares to Panorama Landmark Private Limited and 3,66,200 shares to Sailesh Gupta.

ii) History of 0% Redeemable Optionally Convertible Preference Shares

Date of Allotment	No. of Preference Shares	Face Value (₹)	Issue Price per Preference share (₹)	Consideration	Reason For Allotment	Cumulative Number of Preference Shares	Cumulative Paid - Up of Preference Share Capital (₹)	Cumulative Share Premium (₹)
March 31, 2011	29,960 <sup>(1)</sup>	100	500	Cash	Preferential Allotment	29,960	29,96,000	1,19,84,000
March 28, 2012	1,68,000 <sup>(2)</sup>	100	100	Cash	Preferential Allotment	197,960	19,796,000	1,19,84,000
March 25, 2013	10,800 <sup>(3)</sup>	100	100	Cash	Preferential Allotment	208,760	20,876,000	19,29,080 <sup>#</sup>

<sup>(1)</sup> Allotment of 29,960 shares to Ansh Commerce Private Limited.

<sup>(2)</sup> Allotment of 1,68,000 shares to Ansh Commerce Private Limited.

<sup>(3)</sup> Allotment of 10,800 shares to Ansh Commerce Private Limited.

# Pursuant to Board Meeting held on December 23, 2017, our Company has allotted 89,53,647 Bonus shares in the ratio of 23:5 i.e. 23 Equity shares for every 5 shares held to the shareholders, by way of capitalization of Securities Premium Account. Out of total ₹ 9,14,65,425 securities premium available with the company, ₹ 7,94,81,425 securities premium on Equity Shares was utilized first towards issuing bonus shares and ₹ 1,00,54,920 was utilized from premium on Preference Shares.

**Note :** Pursuant to Board Meeting held on July 10, 2017, our Company has issued 78,345 Equity shares to Rupesh Kumar Gupta against 58,760 0% Redeemable Optionally Convertible Preference Shares and 2,00,000 Equity Shares against 1,50,000 0% Redeemable Optionally Convertible Preference Shares to Sailesh Gupta pursuant to conversion of 0% Redeemable Optionally Convertible Preference Shares.

(1) Our Company has not issued any Equity Shares for consideration other than cash except for the Equity Shares as mentioned under:

Date of Allotment	No. of Equity Shares	Face Value (₹)	Issue Price (₹)	Nature of Allotment	Allotted Person	Benefits Accrued to the Company
December 23, 2017	89,53,647	10	Nil	Bonus Allotment	Allotted to all the Shareholders of the Company as on the date of allotment	-

(2) No shares have been allotted in terms of any scheme approved under sections 391-394 of the Companies Act, 1956.

(3) No bonus shares have been issued out of Revaluation Reserves.

(4) No shares have been issued at a price lower than the Issue Price within the last one year from the date of the Draft Prospectus except as mentioned below:

Date of Allotment	Name of the Allottees	Number of Shares	Face Value (₹)	Issue Price (₹)	Reasons
December 23, 2017	Rupesh Kumar Gupta	2,988,597	10	Nil	Bonus Allotment <sup>(1)</sup>
	Sailesh Kumar Gupta	2,024,000			
	Rupesh Kumar Gupta (HUF)	80,500			
	Isha Gupta	529,000			
	Parul Gupta	744,188			
	Rakesh Kumar Gupta (HUF)	345,000			
	Rakesh Kumar Gupta	15,52,500			
	Shailesh Kumar Gupta (HUF)	23,000			
July 10, 2017	Sunita Gupta	666,862	10	75	Conversion of 0% Redeemable Optionally Convertible Preference Shares to Equity Shares. <sup>(2)</sup>
	Rupesh Kumar Gupta	78,345			
	Sailesh Gupta	1,50,000			

<sup>(1)</sup> Pursuant to Board Meeting held on December 23, 2017, our Company has issued 89,53,647 Bonus shares in the ratio of 23:5 i.e. 23 Equity shares for every 5 shares held. to the shareholders, by way of capitalization of Securities Premium Account.

<sup>(2)</sup> Pursuant to Board Meeting held on July 10, 2017, our Company has issued 78,345 Equity shares to Rupesh Kumar Gupta against 58,760 0% Redeemable Optionally Convertible Preference Shares and 2,00,000 Equity Shares against 1,50,000 0% Redeemable Optionally Convertible Preference Shares to Sailesh Gupta pursuant to conversion of 0% Redeemable Optionally Convertible Preference Shares.

## 5. Shareholding of our Promoters

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

Date of Allotment / Transfer	Nature of Transaction	Consideration	No. of Shares	F.V (₹)	Issue / Transfer Price (₹)	Cumulative no. of Shares	% of Pre-Issue Paid Up Capital	% of Post-Issue Paid Up Capital	Lock in Period
<b>Rupesh Kumar Gupta</b>									
On Incorporation	Subscription to MOA	Cash	5,000	10	10	5,000	0.05%	0.03%	1 Year
March 14, 2008	Further Allotment	Cash	2,70,000	10	10	2,75,000	2.48%	1.79%	1 Year
March 30, 2012	Transfer	Cash	2,95,000	10	10	5,70,000	2.71%	1.95%	1 Year
May 6, 2017	Transfer	Cash	1,350	10	10	5,71,350	0.01%	0.01%	1 Year
July 10, 2017	Conversion of Preference Shares to Equity Shares	Other Than Cash	78,345	10	75	6,49,695	0.72%	0.52%	1 Year
December 12, 2017	Bonus Allotment	Other than Cash	24,45,000	10	Nil	36,38,292	22.43%	16.20%	3 Year
			5,43,597				4.94%	3.60%	1 Year
<b>Sailesh Gupta</b>									
March 14, 2008	Allotment	Cash	70,000	10	10	70,000	0.64%	0.47%	1 Year
March 31, 2012	Allotment	Cash	70,000	10	10	1,40,000	0.64%	0.47%	1 Year
May 6, 2017	Transfer	Cash	1,00,000	10	10	2,40,000	0.92%	0.67%	1 Year
July 10, 2017	Conversion of Preference Shares to Equity Shares	Other Than Cash	2,00,000	10	75	4,40,000	1.83%	1.35%	1 Year
December	Bonus	Other	20,24,000	10	Nil	24,64,000	5.42%	3.98%	3 Years

Date of Allotment / Transfer	Nature of Transaction	Consideration	No. of Shares	F.V (₹)	Issue / Transfer Price (₹)	Cumulative no. of Shares	% of Pre-Issue Paid Up Capital	% of Post-Issue Paid Up Capital	Lock in Period
12,2017(2)	Allotment	Than Cash	24,64,600				17.18%	12.40%	1 Year

(1) Pursuant to Board Meeting held on July 10, 2017, our Company has issued 78,345 Equity shares to Rupesh Gupta against 58,760 0% Redeemable Optionally Convertible Preference Shares and 2,00,000 Equity Shares against 1,50,000 0% Redeemable Optionally Convertible Preference Shares to Sailesh Gupta pursuant to conversion of 0% Redeemable Optionally Convertible Preference Shares.

(2) Pursuant to EGM held on December 23, 2017, our Company has issued 89,53,647 Bonus Shares in the ratio of 23:5 i.e. 23 equity shares for every 5 equity shares held to the shareholders, by way of capitalization of Securities Premium Account.

Notes:

- None of the shares belonging to our Promoters have been pledged till date.
  - The entire Promoters' shares shall be subject to lock-in from the date of allotment of the equity shares issued through this Draft Prospectus for periods as per applicable Regulations of the SEBI (ICDR) Regulations. For details please see Note no. 5 of "Capital Structure" on page no. 48 of this Draft 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.
- (5) None of the members of the Promoters, Promoters 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 Draft Prospectus;
- (6) None of the members of the Promoter 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 the Draft Prospectus.

**2) Promoters' Contribution and other Lock-In details:**

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

Pursuant to the Regulation 32(1) and 36(a) of the SEBI (ICDR) Regulations, an aggregate of 20% of the Post-Issue Equity Share Capital held by our Promoter shall be considered as promoters' contribution ("**Promoters' Contribution**") and locked-in for a period of three years from the date of Allotment. The lock-in of the Promoters' 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 <sup>(1)</sup>	As a % of Post Issue Share Capital
Rupesh Kumar Gupta	24,45,000	16.20%
Sailesh Gupta	5,91,000	3.98%
<b>Total</b>	<b>30,36,000</b>	<b>20.18%</b>

<sup>(1)</sup>For details on the date of Allotment of the above Equity Shares, the nature of Allotment, face value and the price at which they were acquired, please refer Note no. 1(a) under "Notes to Capital Structure" on page no.48 of this Draft Prospectus.

We confirm that in compliance with regulation 33 of SEBI ICDR Regulations, the minimum Promoter 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 Promoter 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 Promoter and offered for minimum 20% Promoters' 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 Promoters' Contribution subject to lock-in.

The minimum Promoters' Contribution has been brought to the extent of not less than the specified minimum lot and from the persons defined as Promoters under the SEBI (ICDR) Regulations, 2009. The Promoters' Contribution constituting 20% of the post-Issue capital shall be locked-in for a period of three years from the date of Allotment of the Equity Shares in the Issue.

**We further confirm that our Promoters' 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 37 of the SEBI (ICDR) Regulations, in addition to the Promoters' 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, other than the Equity Shares allotted and subscribed pursuant to the Offer for Sale.
- Pursuant to Regulation 39 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 Draft Prospectus, none of the Equity Shares held by our Promoters have been pledged to any person, including banks and financial institutions.
- Pursuant to Regulation 40 of the SEBI (ICDR) Regulations, Equity Shares held by our Promoters, which are locked in as per Regulation 36 of the SEBI (ICDR) Regulations, may be transferred to and amongst our Promoters/Promoter 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.
- Pursuant to Regulation 40 of the SEBI (ICDR) Regulations, Equity Shares held by shareholders other than our Promoters, which are locked-in as per Regulation 37 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.

**1) Pre-Issue and Post Issue Equity Shareholding of our Promoter and Promoters' Group**

Set forth is the shareholding of our Promoters and Promoter Group before and after the proposed Issue:

Category of Promoters	Pre Issue		Post Issue	
	No. of Equity Shares	As a % of Pre-Issued Equity	No. of Equity Shares	As a % of Issued Equity
<b>1. Promoter</b>				
Rupesh Kumar Gupta	36,38,292	33.38%	36,38,292	24.09%
Sailesh Gupta	24,64,000	22.61%	24,64,000	16.32%
<b>2. Promoters Group (as defined by SEBI (ICDR) Regulations)</b>				

Category of Promoters	Pre Issue		Post Issue	
	No. of Equity Shares	As a % of Pre-Issued Equity	No. of Equity Shares	As a % of Issued Equity
Roopesh Kumar HUF	98,000	0.90%	98,000	0.65%
Isha Gupta	6,44,000	5.91%	6,44,000	4.26%
Parul Gupta	9,05,968	8.31%	9,05,968	6.00%
Rakesh Kumar HUF	4,20,000	3.85%	4,20,000	2.78%
Rakesh Kumar Gupta	18,90,000	17.34%	18,90,000	12.52%
Sailesh Kumar Gupta HUF	28,000	0.26%	28,000	0.19%
Sunita Gupta	8,11,832	7.45%	8,11,832	5.38%
<b>3. 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 &amp; Promoter Group Holding</b>	<b>1,09,00,092</b>	<b>100.00%</b>	<b>1,09,00,092</b>	<b>72.19%</b>
<b>Total Paid up Capital</b>	<b>1,09,00,092</b>	<b>100.00%</b>	<b>1,51,00,92</b>	<b>100.00%</b>

2) The top ten shareholders of our Company and their Equity Shareholding is as set forth below:

a) The top ten Shareholders of our Company as on the date of this Draft Prospectus are:

Sr. No.	Particulars	No. of Shares	% of Shares to Pre – Equity Issue Share Capital
1	Rupesh Kumar Gupta	36,38,292	33.38%
2	Sailesh Gupta	24,64,000	22.61%
3	Rakesh Kumar Gupta	18,90,000	17.34%
4	Parul Gupta	9,05,968	8.31%
5	Sunita Gupta	8,11,832	7.45%
6	Isha Gupta	6,44,000	5.91%
7	Rakesh Kumar HUF	4,20,000	3.85%
8	Roopesh Kumar HUF	98,000	0.89%
9	Shailesh Kumar Gupta HUF	28,000	0.26%
<b>Total</b>		<b>1,09,00,092</b>	<b>100.00%</b>

Note: There are only 9 Shareholders as on this date.

b) The top ten Equity Shareholders of our Company ten days prior to date of this Draft Prospectus are:

Sr. No.	Particulars	No. of Shares	% of Shares to Pre – Issue Equity Share Capital
1	Rupesh Kumar Gupta	36,38,292	33.38%
2	Sailesh Gupta	24,64,000	22.61%
3	Rakesh Kumar Gupta	18,90,000	17.34%
4	Parul Gupta	9,05,968	8.31%
5	Sunita Gupta	8,11,832	7.45%
6	Isha Gupta	6,44,000	5.91%
7	Rakesh Kumar HUF	4,20,000	3.85%
8	Roopesh Kumar HUF	98,000	0.89%
9	Shailesh Kumar Gupta HUF	28,000	0.26%
<b>Total</b>		<b>1,09,00,092</b>	<b>100.00%</b>

Note: There are only 9 Shareholders as on this date.

c) The top ten Equity Shareholders of our Company two years prior to date of this Draft Prospectus are:

Sr. No.	Particulars	No. of Shares	% of Shares of then Paid-up Equity Capital
1	Rupesh Kumar Gupta	5,70,000	34.17%
2	Ansh Commerce Private Limited	3,21,750	19.29%



3	Rakesh Kumar Gupta	1,90,000	11.39%
4	Sunita Gupta	1,44,970	8.78%
5	Sailesh Gupta	1,40,000	8.39%
6	Mukesh Kumar HUF	1,37,500	8.24%
7	Rakesh Kumar HUF	75,000	4.50%
8	Parul Gupta	40,300	2.42%
9	Roopesh Kumar HUF	17,500	1.05%
10	Isha Gupta	15,000	0.90%
<b>Total</b>		<b>16,52,020</b>	<b>99.13%</b>

- 3) Neither the Company, nor its Promoters, Directors or the Lead Manager have entered into any buyback and/or stand by arrangements for purchase of Equity Shares of the Company from any person.
- 4) 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. 109 of this Draft Prospectus.
- 5) 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. 195 of this Draft Prospectus. In case of over-subscription in all categories the allocation in the Issue shall be as per the requirements of Regulation 43 (4) of SEBI (ICDR) Regulations, as amended from time to time.
- 6) 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.
- 7) An over-subscription to the extent of 10% of the Fresh Issue can be retained for the purpose of rounding off to the nearest integer during finalizing the allotment, subject to minimum allotment, which is the minimum application size in this Issue. Consequently, the actual allotment may go up by a maximum of 10% of the Issue, as a result of which, the post-Issue paid up capital after the Issue would also increase by the excess amount of allotment so made. In such an event, the Equity Shares held by the Promoter and subject to lock- in shall be suitably increased; so as to ensure that 20% of the post Issue paid-up capital is locked in.
- 8) 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
- 9) 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.
- 10) As on date of this Draft 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.
- 11) 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.
- 12) Since the entire application money is being called on application, all successful applications, shall be issued fully paid up shares only. Also, as on the date of this Draft Prospectus the entire pre-Issue share capital of the Company has been made fully paid up.
- 13) Except as disclosed in the Draft 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.
- 14) We have not issued any Equity Shares out of revaluation reserves. We have not issued any Equity Shares for consideration other than cash except as stated in this Draft Prospectus.
- 15) As on date of this Draft Prospectus, there are no outstanding ESOP’s, warrants, options or rights to convert debentures, loans or other instruments convertible into the Equity Shares, nor has the company ever allotted any equity shares pursuant to conversion of ESOP’s till date.

- 
- 16) Our Company shall ensure that transactions in the Equity Shares by our Promoters and our Promoter 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.
  - 17) The Lead Manager and its associates do not directly or indirectly hold any shares of the Company.
  - 18) Our Company has Nine (9) shareholders, as on the date of this Draft Prospectus.
  - 19) Our Company has not revalued its assets and we do not have any revaluation reserves till date.
  - 20) Our Company has not made any public issue (including any rights issue to the public) since its incorporation.

## 21) Shareholding pattern of our Company

The following is the shareholding pattern of the Company as on the date of this Draft 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	9	1,09,00,092	-	-	1,09,00,092	100.00%	1,09,00,092	-	1,09,00,092	100.00%	-	100.00%	-	-	-	-	Nil
(B)	Public	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C)	Non Promoter Non Public	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C1)	Shares Underlying DRs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C2)	Shares held by Employee Trusts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	<b>Total</b>	<b>9</b>	<b>1,09,00,092</b>	<b>-</b>	<b>-</b>	<b>1,09,00,092</b>	<b>100.00%</b>	<b>1,09,00,092</b>	<b>-</b>	<b>1,09,00,092</b>	<b>100.00%</b>	<b>-</b>	<b>100.00%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>Nil</b>

Statement showing holding of securities (including shares, warrants, convertible securities) of persons belonging to the category “ Public” and holding more than 1% of the total number of shares. - NIL

## SECTION IV – PARTICULARS OF THE ISSUE

### OBJECTS OF THE ISSUE

The Objects of the Issue is to raise funds to:

- (a) Capital Expenditure in relation to expansion of manufacturing facility at Mahabubnagar, Dist., Telangana;
- (b) Repayment of unsecured loans;
- (c) Finance Working Capital Requirements
- (d) General Corporate Purposes and;
- (e) Issue Related Expenses

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.

### 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 <sup>(1)</sup>
1	Gross Proceeds from the Issue	[•]
2	Issue related Expenses	[•]
	Net Proceeds from the Issue	[•]

<sup>(1)</sup> To be finalised upon determination of the Issue Price and updated in the Prospectus prior to filing with the RoC.

### Requirement of Funds and Means of Finance

The fund requirements described below are based on internal management estimates and our Company's current business plan and have not been appraised by any bank, financial institution.

We intend to utilise the Net Proceeds of the Issue ("Net Proceeds") of ₹ [•] lakhs for financing the objects as set forth below:

(₹ in lakhs)

Sr. No.	Particulars	Amount
1	Capital Expenditure in relation to expansion of manufacturing facility at Mahabubnagar, Dist., Telangana	1,578.36
2	Repayment of unsecured loans	568.18
3	Working Capital Requirement	[•]
4	General Corporate Purposes <sup>(1)</sup>	[•]
	<b>Net Proceeds from the Issue</b>	[•]

<sup>(1)</sup> To be finalised upon determination of the Issue Price and updated in the Prospectus prior to filing with the RoC.

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 4(2)(g) 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.

In case of variations in the actual utilization of funds earmarked for the purposes set forth above, increased fund requirements for a particular purpose may be financed by surplus funds, if any, available in respect of the other purposes for which funds are being raised in this Issue. If surplus funds are unavailable or in case of cost overruns, we expect that the shortfall will be met from internal accruals and/or entering into funding arrangements as required. Any

variation in the objects of the Issue shall be undertaken in accordance with the terms of the Companies Act and the rules framed there under.

In case of delays in raising funds from the Issue, our company may deploy certain amounts towards any of the above mentioned Objects through a combination of Internal Accruals or Unsecured / Bridge Loans and in such case the Funds raised shall be utilized towards repayment of Unsecured Loans or recouping of Internal Accruals. However, we confirm that except as mentioned below no unsecured / bridge financing has been availed as on date for the above mentioned objects, which is subject to being repaid from the Issue Proceeds.

For further details on the risks involved in our proposed fund utilization as well as executing our business strategies, please see the section titled “Risk Factors” beginning on page no. 12 of this Draft Prospectus.

## DETAILS OF THE FUND REQUIREMENTS

### 1. Capital Expenditure in relation to expansion of manufacturing facility at Mahabubnagar, Dist., Telangana

Our manufacturing unit is located at Survey. No.58/62/63 total admeasuring Acres 5-36 or equivalent to 2-39 Hectors, Sheriguda Village, Peddaiahpally G. P., Balanagar Mandal, Mahabubnagar, Dist., Telangana having existing capacity of 28,000 MT of Induction Furnace, 18,000 MT of Rolling mill, 20,000 MT of piping mill and 500 MT under Scaffoldings unit. We further propose to expand our capacity as 63,000 MT of Induction Furnace, 63,000 MT of Rolling mill and 84,000 MT of piping mill. For that we propose to utilize the proceeds from the issue. Also, we propose to repair our labour quarters thereby providing better facilities to them. The break-up of the capital expenditure is illustrated below

(₹ in lakhs)

Sr. No.	Particulars	Amount
1	Acquisition of land	Nil
2	Civil Construction Works	515.00
3	Plant & Machinery	1063.36
<b>Total</b>		<b>1,578.36</b>

The total cost towards Construction Work is based on the estimates received from Sunil Kumar (Architect, Civil & Structural Engineers). The breakdown of the estimated expenses related to construction of building is as follows:

(₹ in lakhs)

Sr. No.	Particulars	Amount
1	Furnace Shed Extension	245.15
2	Furnace Slab	44.87
3	Miscellaneous Civil Foundation Works Stands	33.99
4	Rolling Mill Shed Extension	65.95
5	Machinery Foundation Work (Rolling Mill)	46.50
6	Other Miscellaneous Civil Expenses	35.12
7	Labour Quarters Repair expenses	43.42
<b>Total</b>		<b>515.00</b>

### Plant and Machinery

We propose to utilise ₹ 1,063.34 lakhs towards purchase of plant and machinery which primarily includes DC Motor, Solid State HF Welder, KVA Transformer among others. We are yet to place orders for plant and machinery. We have received a quotation from Divya Electricals, Hammond Power Solutions, Bhavani Power controls, Electromag Devices Pvt Limited among others, the summary of which is as follows:

(₹ in lakhs)

Sr. No.	Particulars	Amount
1.	33 KV Sub Station Electrification Work (For Furnace)	39.11
2.	33 KV Sub Station Electrification Work (For Rolling Mill)	39.11
3.	Electrical Panel (For Furnace Unit)	10.25
4.	Electrical Panel (For Pipe Unit & Rolling Mill)	43.47
5.	500 KVA Transformer (For Furnace Unit)	12.51

6.	5500 KVA Transformer (For Furnace & Rolling Unit)	89.68
7.	Tundish Car electrical panel with junction box (For Furnace Unit)	0.50
8.	Tundish Car Motor (For Furnace Unit)	0.45
9.	Tundish Car fesoona trolley (For Furnace Unit)	0.17
10.	Tundish Car complete assembly (For Furnace)	7.88
11.	Tundish Car Gear Box (For Furnace Unit)	0.85
12.	Tundish for 3 Ton molten metal working level (For Furnace Unit)	2.20
13.	Control And Relay Panel (For Furnace Unit)	6.66
14.	VCB With CRP - CG Make 33KV 1600A (For Furnace Unit)	2.55
15.	Electrical Magnet 18KW (For Furnace Unit)	29.50
16.	Electrical Magnet 20KW (For Furnace Unit)	52.57
17.	Crompton DC Motor 75 KW (For Pipe Unit)	6.42
18.	Crompton DC Motor 115 KW (For Pipe Unit)	8.06
19.	DC Drives (For PipeUnit)	9.91
20.	200 kW Solid State HF Welder (For Pipe Unit)	134.52
21.	750KW DC Motor (For Rolling Mill Unit)	179.66
22.	DC Drives (For Rolling Mill Unit)	84.96
23.	PCC & MCC Panels	54.58
24.	Electricals Cables & Other Misc. Items	94.40
25.	Electrical Components of 4500 KW Solid State	153.40
	<b>Total</b>	<b>1063.36</b>

The above mentioned costs are based on various quotations from various suppliers and internal estimates of our management based on past experiences.

## 2. Repayment of Unsecured Loans

Due to expansion in our operating activities in the recent past, the company has incurred certain indebtedness in the form of unsecured loans.. As on December 31, 2017, the amount outstanding of these unsecured loans were ₹ 568.18 lakhs. For further details, see – “Financial Statements” beginning on page no. 131 of this Draft Prospectus.

As on December 31, 2017 with respect to the loan proposed to be repaid from Net Proceeds of the Offer, our Company had total outstanding unsecured loans amounting to ₹ 568.18 lakhs as confirmed by the Peer reviewed auditors M/s. PPKG & Co., vide Certificate dated February 22, 2018. We have availed these loans for business working capital purpose.

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.

Our Company proposes to utilize an amount of ₹ 568.18 lakhs out of the Net Proceeds towards repayment/ prepayment in part of certain borrowings/loans listed in the table below.

(₹ in lakhs)

Sr. No.	Particulars	Amount (₹ in lakhs)
1	Rupesh Gupta	20.00
2	Sailesh Gupta	20.00
3	Sunita Gupta	92.78
4	Ansh Commerce Private Limited	428.40
5	Reo Solutions Private Limited	7.00
	<b>Total</b>	<b>568.18</b>

## 3. Working capital requirement

We propose to utilize ₹ 1,413.83 lakhs from the Net Proceeds to fund the working capital requirements of our Company. Our business is working capital intensive and we fund the majority of our working capital requirements in the ordinary course of our business from our internal accruals, share capital and financing from banks and financial institutions including non-banking finance companies by way of working capital facilities including short term loans.

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

Our Company's existing working capital requirement and funding on the basis of our Restated Financial Statements as of March 31, 2017 are as set out in the table below:

(₹ in lakhs)

Particulars	Fiscal 2016	Fiscal 2017
<b>Current Assets</b>		
Inventories	2,142.07	2,653.36
Trade Receivables	957.30	558.68
Short Term Loans and Advances	435.13	185.20
Other Current Assets	102.21	125.43
<b>Total (A)</b>	<b>3,636.71</b>	<b>3,522.67</b>
<b>Current Liabilities</b>		
Trade Payables	962.08	449.44
Other Current Liabilities	165.50	219.38
Short Term Provisions	3.96	48.77
<b>Total (B)</b>	<b>1,131.54</b>	<b>2,798.29</b>
<b>Net working capital requirement (A - B)</b>	<b>2,505.17</b>	<b>2,798.29</b>
<b>Funding Pattern</b>		
Working Capital Facilities from Banks	1,532.75	1,642.51
Internal Accruals / Owned Funds	900.00	900.00
Unsecured Loans	72.42	255.78
<b>Total</b>	<b>2,505.17</b>	<b>2,798.29</b>

The details of our Company's expected working capital requirements for the Fiscal 2019 and funding of the same are as set out in the table below:

(₹ in lakhs)

Particulars	Fiscal 2019 (E)
<b>Current Assets</b>	
Inventories	1,051.73
Trade Receivables	2,342.00
Short Term Loans and Advances	663.47
Other Current Assets	1,590.17
<b>Total (A)</b>	<b>5,647.37</b>
<b>Current Liabilities</b>	
Trade Payables	968.00
Other Current Liabilities	202.07
Short Term Provisions	363.47
<b>Total (B)</b>	<b>1,533.54</b>
<b>Net working capital requirement (A - B)</b>	<b>4,113.83</b>
<b>Funding Pattern</b>	
Working Capital Facilities from Banks & Others Financial Institutions	1800.00
Internal Accruals / Owned Funds	[•]
Amount proposed to be utilized from Net Proceeds	[•]
<b>Total</b>	<b>4,113.83</b>

Our Statutory Auditor has, pursuant to a certificate dated February 22, 2018 certified the working capital requirements of our Company for the Financial Year 2019.

## Assumptions for Working Capital requirements

### Holding levels

Provided below are details of the holding levels (days, rounded-off) considered.

Particulars	For the year ended March 31, 2017(Actuals)	For the year ended March 31, 2019 (Assumed)
<b>Current Assets</b>		
Inventories	110days	32days
Trade Receivables	20days	60 days
<b>Current Liabilities</b>		
Trade Payables	27days	47days

### Justification for holding period levels

Particulars	Details
<b>Current Assets</b>	
Inventories	Inventories days are computed from the historic Restated Standalone Summary Statements and are adjusted for future expected. We are expecting reduction through better inventory management and automation of our systems Hence, we estimated decrease in projected Inventories days as 32 days of Net sales for the Financial Year 2019
Trade Receivables	Trade Receivables days are computed from the historic Restated Standalone Summary Statements and are adjusted for future expected, our Company has assumed the holding level for Trade Receivable as 60 days of gross sales for Financial Year 2019, considering higher credit period for faster turnover growth as well as for adding new clients.
<b>Current Liabilities</b>	
Trade Payables	Trade Payables are computed from the historic Restated Standalone Summary Statements and are adjusted for future expected. We have assumed trade payable days of 47 days of purchases for Financial Year 2019. Since we have availed a non fund based borrowing from bank in fiscal 2017, we have estimated a high trade payable days.

## 4. General Corporate Purposes

We propose to deploy ₹ [•] lakhs, aggregating to [•]% of the Net Proceeds of the Issue towards general corporate purposes, including but not restricted to for our working capital requirements, bank deposits, deposits for renting or otherwise acquiring business premises, margin money, acquiring business assets, to renovate and refurbish certain of our existing Company owned/leased and operated facilities or premises, general/ routine requirement of the Company, starting new products or services, obtaining new or enabling accreditations and licenses, investment in business venture, strategic alignment, strategic initiatives as per the objects of the Company, expansion into new geographies, investment in securities, brand building exercises, strengthening of our marketing capabilities, implementing enterprise resource planning tools and methodology, in our operations and other project related investments and commitments and execution capabilities in order to strengthen our operations.

Our management, in accordance with the policies of our Board, will have flexibility in utilizing the proceeds earmarked for general corporate purposes.

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



## ISSUE RELATED EXPENSES

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

Sr. No.	Particulars	Amount (₹ in lakhs)	% of Total Expenses	% of Total Issue size
1	Issue Management fees including fees and reimbursements of Market Making fees, selling commissions, and payment to other intermediaries such as Legal Advisors, Registrars and other out of pocket expenses.	[•]	[•]	[•]
2	Issue Brokerage	[•]	[•]	[•]
3	Printing & Stationery, Distribution, Postage, etc.	[•]	[•]	[•]
4	Advertisement and Marketing Expenses	[•]	[•]	[•]
5	Stock Exchange Fees, Regulatory and other Expenses	[•]	[•]	[•]
<b>Total</b>		[•]	[•]	[•]

- 1) The SCSBs and other intermediaries will be entitled to a commission of ₹ [•] per every valid Application Form submitted to them and uploaded on the electronic system of the Stock Exchange by them
- 2) The SCSBs would be entitled to processing fees of ₹ [•] per Application Form, for processing the Application Forms procured by other intermediaries and submitted to the SCSBs.
- 3) Further the SCSBs and other intermediaries will be entitled to selling commission of 0.05% 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.
- 4) The payment towards commission and processing fees will be completed within 30 days from the date of receipt of final invoice from the respective entities.

### Appraisal and Bridge Loans

The Objects have not been appraised by any banks, financial institutions or agency. Further, our Company has not raised any bridge loans (except as taken in normal course of business) from any bank or financial institution as on the date of this Draft Prospectus, which are proposed to be repaid from the Net Proceeds.

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

The entire Issue Proceeds of the Fresh Issue are proposed to be deployed in the Financial Year 2018 – 19. The unutilised monies if any would be kept in deposits with scheduled commercial banks included in schedule II of the RBI Act as per requirements.

### Monitoring of Utilization of Funds

There is no requirement for a monitoring agency as the Issue size is less than ₹ 10,000 lakhs. Pursuant to Regulation 32(3) of the SEBI (LODR) Regulations, 2015, our Company shall on a half yearly basis disclose to the Audit Committee the uses and application of the Net Proceeds. Until such time as any part of the Net Proceeds remains unutilized, our Company will disclose the utilization of the Net Proceeds under separate heads in our Company's balance sheet(s) clearly specifying the amount of and purpose for which Net Proceeds have been utilized so far, and details of amounts out of the Net Proceeds that have not been utilized so far, also indicating interim investments, if any, of such unutilized Net Proceeds. In the event that our Company is unable to utilize the entire amount that we have currently estimated for use out of the Net Proceeds in a fiscal, we will utilize such unutilized amount in the next fiscal.

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

---

### **Interim Use of Funds**

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

### **Variation in Objects**

In accordance with Section 27 of the Companies Act, 2013, our Company shall not vary the objects of the Fresh 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**

No part of the Net Proceeds of the Fresh Issue will be paid by our Company as consideration to our Promoters, our board of Directors, our Key Management Personnel or Group Companies except in the normal course of business and in compliance with applicable law.

## BASIC TERMS OF THE ISSUE

### Terms of the Issue

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

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

### Approval for the Issue

The present Issue has been authorized pursuant to a resolution of our Board dated January 17, 2018 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 on February 09, 2018.

### Other Details

<b>Face Value</b>	The Equity Shares having a face value of ₹10 each are being issued in terms of this Draft Prospectus. At any given point of time there shall be only one denomination of the Equity Shares of our Company, subject to applicable laws.
<b>Issue Price</b>	The Equity Shares pursuant to this Draft Prospectus are being issued at a price of ₹ [•] each.
<b>Market Lot and Trading Lot</b>	The Market lot and Trading lot for the Equity Share is [•] and in multiples of [•] thereafter; subject to a minimum allotment of [•] Equity Shares to the successful applicants.
<b>Terms of Payment</b>	Applications should be for a minimum of [•] Equity Shares and in multiples of [•] Equity Shares thereafter. The entire price of the equity shares of ₹ [•] per share (₹10 face value + ₹ [•] premium) is payable on application.  In case of allotment of lesser number of equity shares than the number applied, the excess amount paid on application shall be refunded / unblocked to the applicants.
<b>Ranking of the Equity Shares</b>	The Equity Shares shall be subject to the Memorandum of Association and Articles of Association of our Company and shall rank <i>pari – passu</i> in all respects including dividends with the existing Equity Shares of our Company. The allottees will be entitled to dividend, voting rights or any other corporate benefits, if any, declared by us after the date of Allotment.

### Minimum Subscription

The requirement for 90% minimum subscription in terms of Regulation 14 of the ICDR Regulations is not applicable to the Issue. In terms of Regulation 106P(1) of the ICDR Regulations, this Issue is not restricted to any minimum subscription level and is 100% underwritten. Further, pursuant to Regulation 106R of the ICDR Regulations, our Company shall ensure that the number of prospective allottees to whom Equity Shares will be allotted shall not be less than 50.

If the Issuer does not receive the subscription of 100% of the Issue through this offer document including devolvement of Underwriters within sixty days from the date of closure of the Issue, the Issuer shall forthwith refund the entire subscription amount received. If there is a delay beyond eight days after the Issuer becomes liable to pay the amount, the Issuer shall pay interest prescribed under Section 40 of the Companies Act, 2013.

## 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 ₹ [•] per Equity Shares and is [•] times of the face value. Investors should read the following basis with the sections titled “Risk Factors”, “Financial Information” and the chapter titled “Our Business” beginning on page nos. 12, 131 and 82 respectively, of this Draft Prospectus to get a more informed view before making any investment decisions. The trading price of the Equity Shares of Our Company could decline due to these risk factors and you may lose all or part of your investments.

### Qualitative Factors

We believe that the following strengths differentiate us from our competitors and enable us to compete successfully in our industry:

- ✓ Experienced & Qualified Team
- ✓ Complimentary product mix
- ✓ Expected High Operating Efficiency
- ✓ Location of the Manufacturing Unit
- ✓ Product diversification & Wide Product Offering

For further details regarding some of the qualitative factors, which form the basis for computing the Issue Price, please see “Our Business – Our Strengths” on page no. 83 of this Draft Prospectus.

### Quantitative Factors

Information presented in this chapter is derived from restated financial statements prepared in accordance with Indian GAAP.

#### 1) Earnings per Share (EPS)

Year ended March 31,	Basic & Diluted EPS (in ₹)	Weight
2017	1.69	3
2016	(1.68)	2
2015	0.13	1
<b>Weighted Average</b>	<b>0.31</b>	

Basic and diluted EPS for the nine months ended December 31, 2017 was ₹ 5.22

#### 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:

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

- c. Earnings per share calculations are in accordance with Accounting Standard 20 “Earnings per Share” prescribed by the Companies (Accounting Standard) Rules, 2006
- d. The face value of each Equity Share is ₹ 10.

#### 2) Price Earnings Ratio (P/E) in relation to the Issue price of ₹ [•] per share of M 10 each

Particulars	P/E Ratios
P/E ratio based on basic and diluted EPS as at March 31, 2017	[•]
P/E ratio based on basic and diluted weighted average EPS as at March 31, 2016	[•]

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

Year ended March 31	RoNW (%)	Weight
2017	9.40%	3
2016	(10.33)%	2
2015	0.90%	1
<b>Weighted Average</b>	<b>1.41%</b>	

RoNW for the nine months period ended December 31, 2017 was 25.20%

**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 (RoNW) after Issue needed to maintain the Pre-Issue Basic & diluted EPS for the FY 2016-17 (based on Restated Financials) at the Issue Price of ₹[•] is [•].

### 5) Net Asset Value (NAV)

Financial Year	NAV (in ₹)
NAV as at December 31, 2017	20.54
NAV as at March 31, 2017	100.68
NAV after Issue	[•]
Issue Price	[•]

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

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

### 6) Comparison with Industry peers

Particulars	Face Value (₹)	EPS (₹)	P/E Ratio <sup>(2)</sup>	RONW (%)	NAV (₹)
Gallantt Metal Limited	10.00	3.33	13.41	7.74%	43.06
Mahamaya Steel Industries Limited	10.00	2.45	32.49	2.95%	83.12
Rama Steel Tubes Limited	5.00	5.14	40.09	15.22%	31.48
<i>Source: Company Annual Reports for the F. Y. 2016-17</i>					
<b>Hariom Pipe Industries Limited</b>	10.00	1.69	[•]	9.40%	100.68
<i>Source: Restated Financials as on March 31, 2017</i>					

<sup>(1)</sup> All Peer Comparisons are for Financials on Standalone basis

<sup>(2)</sup> Based on closing price of the stock as on 28<sup>th</sup> February, 2018.

7) The Company in consultation with the Lead Manager believes that the issue price of ₹ [•] per share for the Public Issue is justified in view of the above parameters. The investors may also want to peruse the Risk Factors and Financials of the company including important profitability and return ratios, as set out in the Financial Statements included in this Draft 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 [•]times of the face value i.e. ₹[•] per share.

## STATEMENT OF TAX BENEFITS

To  
The Board of Directors  
**HARIOM PIPE INDUSTRIES LIMITED**  
3-4-174/12/2, 1st Floor, Samarpan,  
lane beside Spencer's Pillar No. 125,  
Attapur, Hyderabad-500048,  
Telangana.

Dear Sirs,

**Sub: Statement of Possible Special Tax Benefits available to Hariom Pipe Industries Limited and its shareholders prepared in accordance with the requirements under Schedule VIII – Clause (VII) (L) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended (the ‘Regulations’)**

We hereby report that the enclosed annexure prepared by Hariom Pipe Industries Limited, states the possible special tax benefits available to Hariom Pipe Industries Limited (‘the Company’) and the shareholders of the Company under the Income Tax Act, 1961 (‘Act’), presently in force in India. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the Act. Hence, the ability of the Company or its shareholders to derive the special tax benefits is dependent upon fulfilling such conditions, which based on the business imperatives, the company may or may not choose to fulfill.

The benefits discussed in the enclosed Annexure cover only special tax benefits available to the Company and do not cover any general tax benefits available to the Company. Further, the preparation of enclosed statement and the contents stated therein is the responsibility of the Company’s management. We are informed that, this Statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the proposed initial public offering of equity shares (“the Issue”) by the Company.

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

- a) The Company or its Equity Shareholders will continue to obtain these benefits in future; or
- b) The conditions prescribed for availing the benefits have been / would be met with.

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

Our views are based on facts and assumptions indicated to us and the existing provisions of tax law and its interpretations, which are subject to change or modification from time to time by subsequent legislative, regulatory, administrative, or judicial decisions. Any such changes, which could also be retrospective, could have an effect on the validity of our views stated herein. We assume no obligation to update this statement on any events subsequent to its Issue, which may have a material effect on the discussions herein.

This report including enclosed annexure are intended solely for your information and for the inclusion in the Draft Prospectus/ Prospectus or any other Issue related material in connection with the proposed initial public issue of the Company and is not to be used, referred to or distributed for any other purpose without our prior written consent.

**FOR M/s. PPKG & Co**  
**Chartered Accountants**  
(Firm Registration No.: 009655S)

**MR. Girdhari Toshniwal**  
Partner  
Membership No – 205140  
Place: Hyderabad  
Date : February 22, 2018

## ANNEXURE TO THE STATEMENT OF TAX BENEFITS

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

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

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

NIL

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

NIL

#### **Note:**

1. All the above statements are as per the current tax laws and will be available only to the sole / first name holder where the shares are held by joint holders.
2. The above statement covers only certain relevant direct tax law benefits and does not cover any indirect tax law benefits or benefit under any other law.
3. This statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences, the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the Issue.
4. We have not commented on the taxation aspect under any law for the time being in force, as applicable, of any country other than India. Each investor is advised to consult its own tax consultant for taxation in any country other than India.

## SECTION V - ABOUT THE COMPANY

### INDUSTRY OVERVIEW

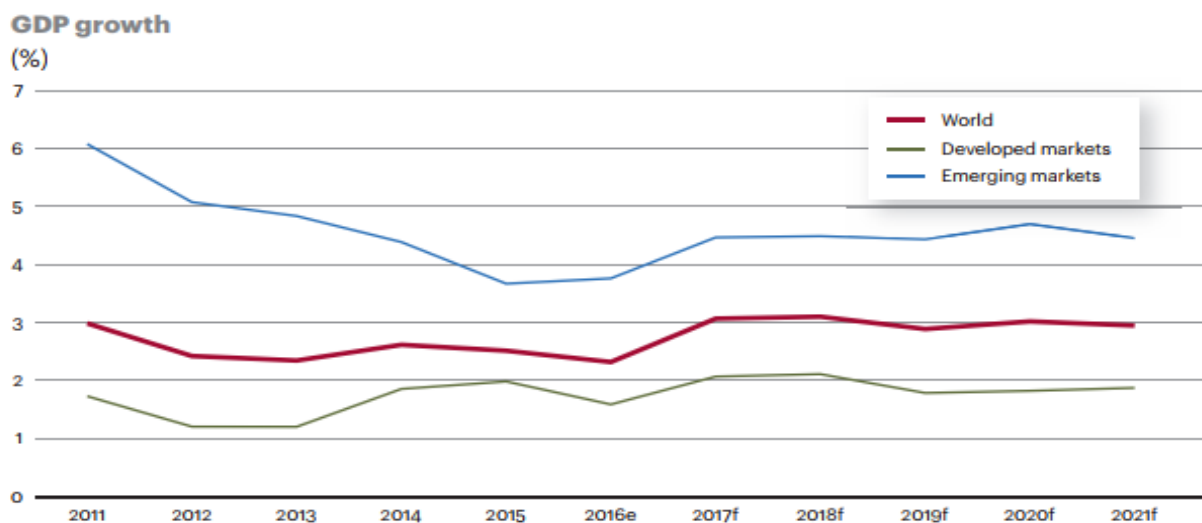
The information in this chapter has been extracted from the websites and publicly available documents from various sources. The data may have been re-classified by us for the purpose of presentation. Neither we nor any other person connected with this Offer has independently verified the information 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 THE GLOBAL AND INDIAN ECONOMY

#### Global Scenario

The global economy remains sluggish in 2018, but the growth outlook is nevertheless somewhat stronger than in recent years. On the positive side, we anticipate a few bright spots in the global economy, such as the US and Indian economies, and the marginal recovery of the Brazilian and Russian economies in 2017. Much of this boost will only be short term, however, so the base case forecast is flat over the next five years, with average annual growth rate of 3% projected through 2021. This very modest recovery will be uneven. South Asia, Sub-Saharan Africa and East Asia will see the highest level of dynamism over the next five years. On the negative side, growth in the developed market regions will continue to be weak, and Latin America will underperform relative to other emerging market regions.

#### Global economic growth will strengthen marginally this year



Notes: GDP is measured at market exchange rates. Developed markets are those that the IMF characterizes as "advanced economies" and emerging markets are those that the IMF characterizes as "emerging market and developing economies."  
Sources: International Monetary Fund, Oxford Economics, Economist Intelligence Unit; A.T. Kearney analysis

(Source: [https://www.atkearney.com/web/the\\_purchasingchessboard/article/asset\\_publisher/9AutfSQfJm6Y/content/global-economic-outlook-2017-2021-the-all-too-visible-hand/236833](https://www.atkearney.com/web/the_purchasingchessboard/article/asset_publisher/9AutfSQfJm6Y/content/global-economic-outlook-2017-2021-the-all-too-visible-hand/236833))

Four economic elements in particular help explain why projected growth is flat: the growing strength of the US Dollar, continuation of the global resource slump cycle, the ongoing hiatus in globalization and sustained weak productivity gains. As important as these and other economic fundamentals are political, policy, regulatory, and geopolitical risks will largely determine economic outcomes. This creates an even more uncertain global operating environment for businesses, as national politics is becoming even more unpredictable in key markets around the world. Five of these political risks in particular represent a substantial drag on the global economic outlook- monetary policy, fiscal policy, regulation of new economy, protectionism, and geopolitical and domestic political shocks.



(Source: [https://www.atearney.com/web/the\\_purchasingchessboard/article/asset\\_publisher/9AutfSOjM6Y/content/global-economic-outlook-2017-2021-the-all-too-visible-hand/236833](https://www.atearney.com/web/the_purchasingchessboard/article/asset_publisher/9AutfSOjM6Y/content/global-economic-outlook-2017-2021-the-all-too-visible-hand/236833))

## INDIAN ECONOMY OVERVIEW

Economic growth is projected to strengthen to above 7%, gradually recovering from the transitory adverse impact of rolling out the Goods and Services Tax (GST) and measures to choke off the black economy, including demonetization. In the longer run, the GST will boost corporate investment, productivity and growth by creating a single market and reducing the cost of capital equipment. Investment will be further supported by the plan to recapitalize public banks and by the new road plan.

Recent measures to digitize the economy and improve tax compliance should boost tax revenue in the medium term. They are accompanied by an increase in public pensions and wages, as well as debt write-offs in some states, resulting in a broadly neutral fiscal stance over the projection period. Given the high public debt-to-GDP ratio, increasing social infrastructure, such as health and education, will require raising more property and income tax revenue. With inflation expectations adjusting down, there could be room for further cuts in interest rates if inflation durably remains below 4%. Non-performing loans have increased, largely reflecting recognition efforts, and are particularly high in public banks. Steps have been taken to clean up banks' balance sheets, giving creditors more control over the stressed entities. A new bankruptcy law is also being implemented. The large recapitalization plan for public banks should be accompanied by governance reform. External debt remains low and foreign exchange reserves have increased, reducing vulnerabilities.

### India: Demand, output and prices

	2014	2015	2016	2017	2018	2019
	Current prices INR trillion	Percentage changes, volume (2012/2013 prices)				
<b>GDP at market prices</b>	124.5	8.0	7.1	6.7	7.0	7.4
Private consumption	72.3	6.1	8.7	7.4	7.4	7.4
Government consumption	13.0	3.3	20.8	10.4	7.3	9.4
Gross fixed capital formation	37.8	6.5	2.4	2.8	4.6	6.8
Final domestic demand	123.2	5.9	8.1	6.5	6.6	7.5
Stockbuilding <sup>1</sup>	5.0	0.0	0.0	0.0	0.0	0.0
Total domestic demand	128.2	7.7	6.6	7.7	6.5	7.4
Exports of goods and services	28.6	-5.3	4.5	2.0	4.4	4.8
Imports of goods and services	32.4	-5.9	2.3	7.2	2.4	5.1
Net exports <sup>1</sup>	-3.7	0.2	0.4	-1.1	0.4	-0.1
<b>Memorandum items</b>						
GDP deflator	-	1.8	3.6	4.0	4.2	4.0
Consumer price index	-	4.9	4.5	3.2	4.6	4.2
Wholesale price index <sup>2</sup>	-	-3.6	1.7	3.1	4.0	4.1
General government financial balance <sup>3</sup> (% of GDP)	-	-6.4	-6.4	-6.1	-5.9	-5.7
Current account balance (% of GDP)	-	-1.0	-0.8	-1.6	-1.7	-1.5

Note: Data refer to fiscal years starting in April.

1. Contributions to changes in real GDP, actual amount in the first column.

2. WPI, all commodities index.

3. Gross fiscal balance for central and state governments.

Source: OECD Economic Outlook 102 database.

(Source: <http://www.oecd.org/eco/outlook/economic-forecast-summary-india-oecd-economic-outlook.pdf>)

Recent reform efforts will gradually pay off and economic growth will strengthen. Measures recently introduced to ease tax compliance requirements for small enterprises, refund taxes faster to exporters and streamline GST rates will ease the adjustment to the new tax regime. Private consumption will remain solid as public wages and rural incomes are growing steadily. Investment should recover gradually, as capacity utilisation increases. The GST, by lowering the price of capital goods and creating a single market, will spur investment demand. The recent increase in imports of capital goods is encouraging. Large infrastructure projects, such as the initiative to add 35000 km of new highways over the next five years (at a cost equivalent to about 3.4% of GDP) and freight rail corridors, will also boost investment. The availability of credit will become a key factor.

(Source: <http://www.oecd.org/eco/outlook/economic-forecast-summary-india-oecd-economic-outlook.pdf>)

### **Facts about Indian Industry:**

- ✓ The Indian economy is expected to grow at 7.2 per cent in FY 2017-18, as per the forecast by International Monetary Fund (IMF).
- ✓ Foreign direct investment (FDI) inflows stood at US\$ 33.75 billion during April-September 2017.
- ✓ India's foreign exchange reserves were US\$ 399.53 billion in the week up to November 17, 2017, as compared to US\$ 399.29 billion over the past week.
- ✓ Mutual Funds asset base stood at Rs 21.41 trillion (US\$ 332.28 billion) at the end of October 2017, as against Rs 20.40 trillion (US\$ 314.16 billion) at the end of September 2017.
- ✓ India's Index of Industrial Production (IIP) advanced by 3.8 per cent in September 2017, as against a rise of 4.5 per cent in August 2017. The cumulative IIP growth for April-September 2017 was 2.5 per cent over the same period in 2015-16.
- ✓ The eight key infrastructure sectors rose 4.7 per cent in October 2017 as against 5.2 per cent in September 2017, with steel exhibiting the maximum growth of 8.4 per cent. The cumulative growth during April-October 2017 increased by 3.5 per cent.
- ✓ Passenger vehicle sales declined 0.30 per cent year-on-year to 279,837 units in October 2017, as compared to 11.59 per cent year-on-year increase to 303,882 units in September 2017.
- ✓ India's current account deficit (CAD) expanded marginally to 2.4 per cent of gross domestic product (GDP) during April-June 2017, as against a deficit of 0.1 per cent during the same period of 2016-17. The current account deficit (CAD) for the financial year 2016-17 narrowed to 0.7 per cent of GDP, as against a deficit of 1.1 per cent in 2015-16.
- ✓ India's Wholesale Price Index (WPI) inflation index rose by 1.0 per cent to 115.5 in October 2017 as against 114.3 in September 2017.

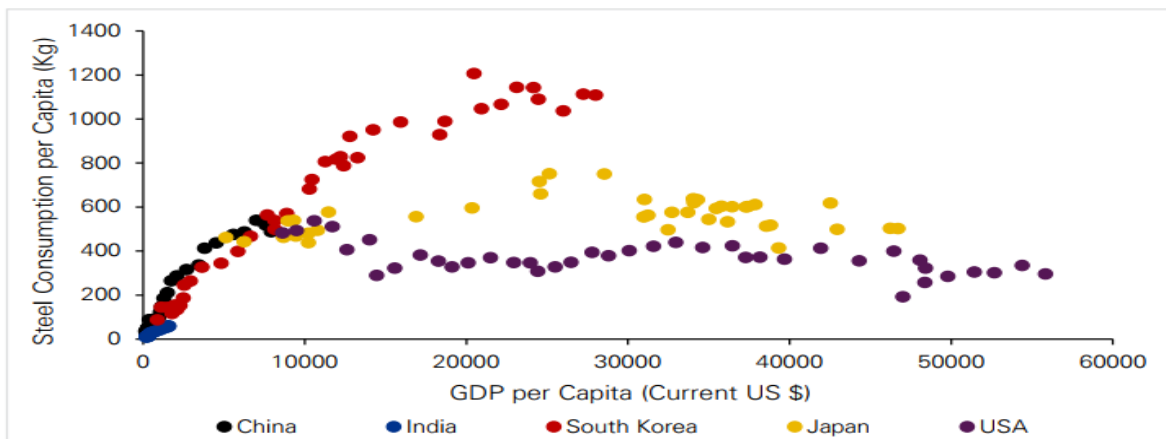
(Source: <https://www.ibef.org/economy/indiasnapshot/facts-about-indian-economy>)

### **OVERVIEW OF GLOBAL STEEL INDUSTRY**

Steel is one of the world's most essential materials. It is fundamental to every aspect of our lives, from infrastructure and transport to the tinplated steel can that preserves food. It is one of the most important products of the modern world and is of strategic importance to any industrial nation. From construction, industrial machinery and transportation to consumer products, steel finds a wide variety of applications. It is also an industry with diverse technologies based on the nature and extent of use of raw materials.

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

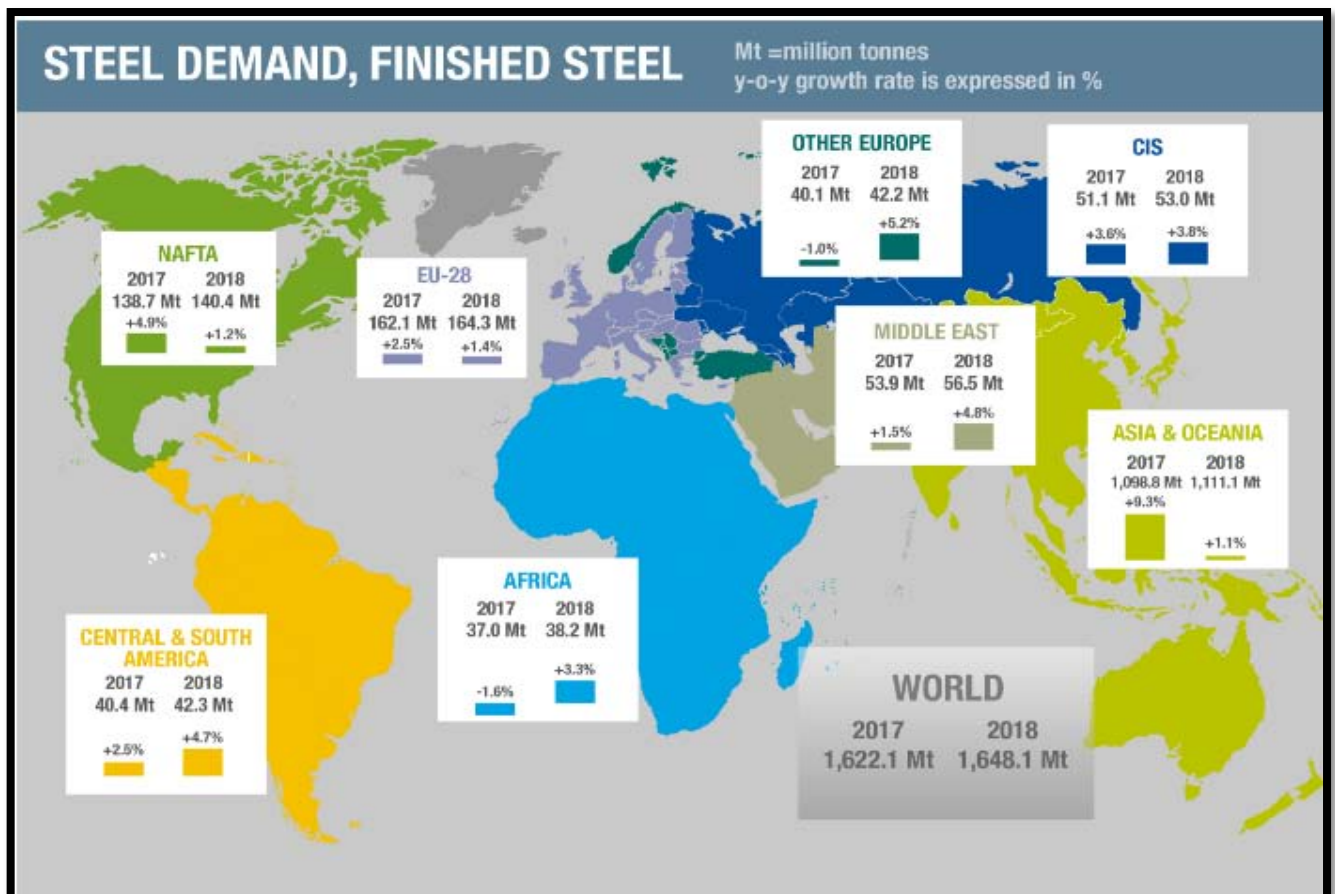
**Figure 3: Steel Demand Growth vs GDP Growth**



Source: World Bank, World Steel Association

(Source: <http://ficci.in/spdocument/20888/Steel-Report-2017.pdf>)

Steel as a product is so versatile and fundamental to our lives that it is considered essential to economic growth. Consequently, for most of the past 50 years, the world has been producing increasingly more steel and sometimes more than was actually required – while at the same time, making the product universally affordable and promoting intense competition between its producers.



(Source: <https://www.worldsteel.org/media-centre/press-releases/2017/world-steel-in-figures-2017.html>)

The risks to the global economy, such as rising populism/protectionism, US policy shifts, EU election uncertainties and China deceleration, although remaining, have to some extent abated. This leads us to conclude that we now see the best balance of risks since the 2008 economic crisis. However, escalating geopolitical tension in the Korean peninsula, China's debt problem and rising protectionism in many locations continue to remain risk factors. So, world steel demand is recovering well, driven largely by cyclical factors rather than structural. The lack of a strong growth engine

to replace China and a long term decline in steel intensity due to technological and environmental factors will continue to weigh on steel demand in the future. Global economic momentum bodes well for steel demand growth in the short term Both advanced and developing economies are exhibiting stronger economic momentum this year. Confidence and investment sentiments are improving in a large part of the world despite some financial market volatility and growing concern of stock market overvaluation. Also on a positive note, global trade is gaining momentum despite worries about rising protectionism and talks of rearranging existing free trade agreements. Developed economies gain strong foothold for recovery.

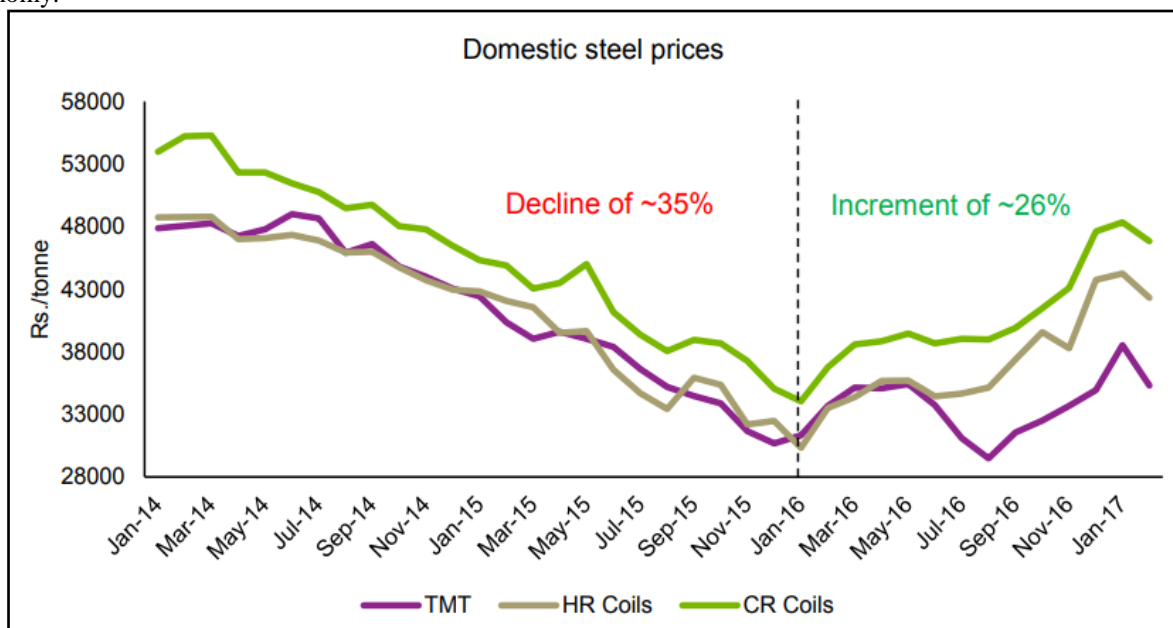
The US economy continues to exhibit robust fundamentals supported by strong consumer spending and rising business confidence. Concern about tensions within the EU particularly over migration policies is receding and the EU economic recovery is broadening. Japanese steel demand is showing better than expected performance benefitting from the government stimulus package, improving exports and preparations for the 2020 Olympic games. South Korea's steel demand is suffering from high consumer debts, weakening construction and a depressed shipbuilding sector, while escalated tension around the North Korean nuclear weapons threat poses a serious and highly unpredictable risk. With these generally favourable developments steel demand in the developed economies is expected to increase by 2.3% in 2017 and 0.9% in 2018.

This statistic represents the average annual market price for HRC (hot rolled coil) steel from 2017 through 2020, by major market. In 2017, the price for hot rolled steel coils is expected to come to about 434 U.S. dollars per metric ton in China.

(Source: <https://www.statista.com/statistics/214246/world-steel-prices/>)

### OVERVIEW OF INDIAN STEEL INDUSTRY

Post liberalization of the steel sector in 1991-92, the Indian steel industry has witnessed unprecedented growth. The steel sector in India, like any major steel producing country, shows a strong co-relation with growth in domestic economy.



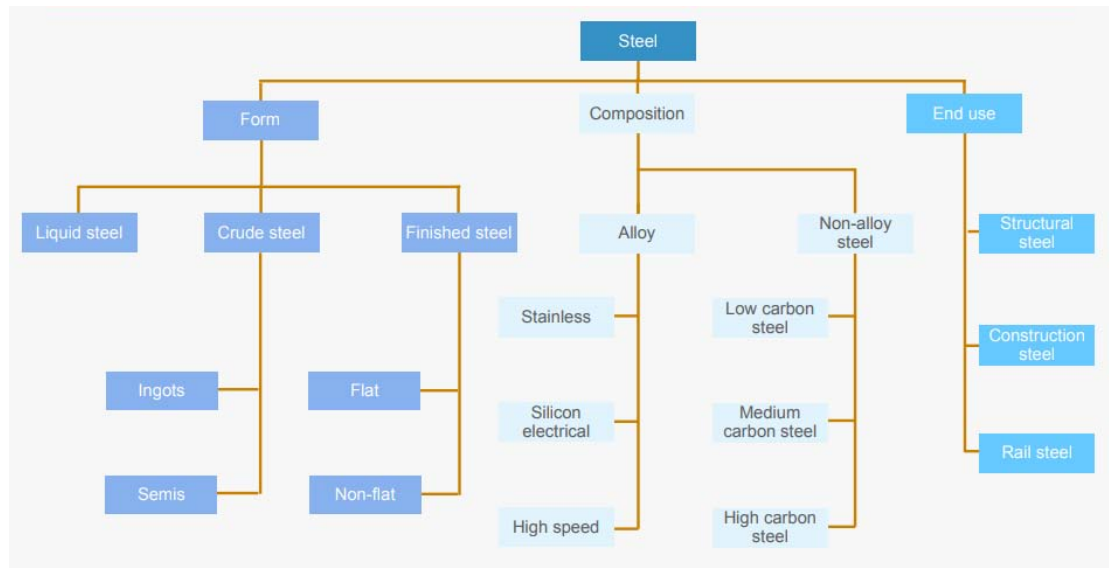
As per Draft National Steel Policy 2017, at the current rate of GDP growth, the steel demand will grow threefold in next 15 years to reach a demand of 230 - 240 MT by 2030-31. However, stimulation of domestic demand will require adequate policy measures by the government and active participation by the steel industry. Overall economic growth, and more specifically accelerated spend in infrastructure sector including roads, railways and ship building, anticipated growth in defence sector and the automobile sector are expected to create significant demand for steel in the country. In addition to this, favourable demographics, improvement in various socio-economic indicators, increasing penetration of steel in rural areas, and increased usage of steel in bridges, crash barriers are also expected to contribute positively to steel demand. The focus on the Make in India initiative is overall expected to give a fresh boost to steel consumption through defence and Structureship building.

India was the world's third-largest steel producer in 2016. 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.

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

### Structure of Steel Industry:



(Source: <https://www.ibef.org/download/Steel-January-2017.pdf>)

### Opportunities for growth of Iron and Steel in Private Sector

#### *The New Industrial Policy Regime*

The New Industrial policy opened up the Indian iron and steel industry for private investment by (a) removing it from the list of industries reserved for public sector and (b) exempting it from compulsory licensing. Imports of foreign technology as well as foreign direct investment are now freely permitted up to certain limits under an automatic route. Ministry of Steel plays the role of a facilitator, providing broad directions and assistance to new and existing steel plants, in the liberalized scenario.

#### *The Growth Profile*

(i) Steel : The liberalization of industrial policy and other initiatives taken by the Government have given a definite impetus for entry, participation and growth of the private sector in the steel industry. While the existing units are being modernized /expanded, a large number of new steel plants have also come up in different parts of the country based on modern, cost effective, state-of-the-art technologies. In the last few years, the rapid and stable growth of the demand side has also prompted domestic entrepreneurs to set up fresh Greenfield projects in different states of the country. Crude steel capacity was 126.33 mt in 2016-17 (prov.), up by 3.6% over 2015-16 and India, which emerged as the 3rd largest producer of crude steel in the world in 2016 as per provisional ranking released by the World Steel Association, has to its credit, the capability to produce a variety of grades and that too, of international quality standards. The country is expected to become the 2nd largest producer of crude steel in the world soon.

(ii) Pig Iron: India is also an important producer of pig iron. Post-liberalization, with setting up several units in the private sector, not only imports have drastically reduced but also India has turned out to be a net exporter of pig iron. The private sector accounted for 92% of total production for sale of pig iron in the country in 2016-17 (prov.). The production for sale of pig iron has increased from 1.6 mt in 1991-92 to 9.39 mt in 2016-17 (prov.). JPC: updated in July 2017 5

(iii) Sponge Iron: India, world's 2nd largest producer of sponge iron (2016, prov.), has a host of coal based units located in the mineral-rich states of the country. Over the years, the coal based route has emerged as a key contributor and accounted for 79% of total sponge iron production in the country. Capacity in sponge iron making too has increased over the years and stood at around 43 mt (2015-16).

## Steel Prices

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

## Imports

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

<b>Indian steel industry : Imports (in million tonnes)</b>						
Category	2012-13	2013-14	2014-15	2015-16	2016-17*	April-May 2017*
Total Finished Steel (alloy/stainless + non alloy)	7.93	5.45	9.32	11.71	7.23	1.06
Source: Joint Plant Committee; *prov.						

(Source: <http://steel.gov.in/overview-steel-sector> )

## Exports

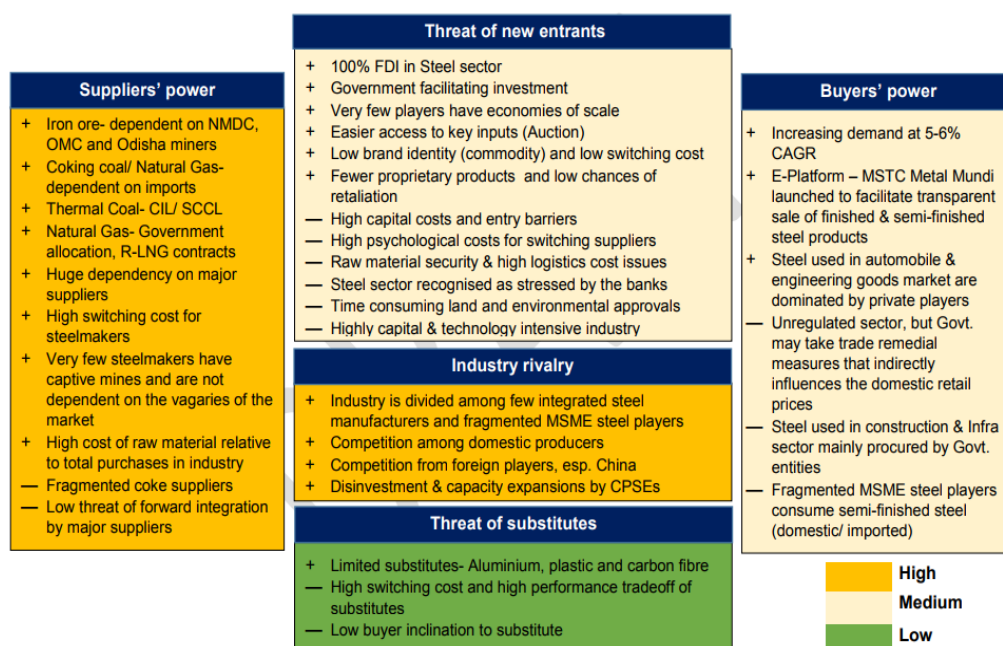
- Iron & steel are freely exportable.
- India emerged as a net exporter of total finished steel in 2016-17 (prov.)
- Data on export of total finished steel (alloy/stainless + non alloy) is given below for last five years and April-May 2017:

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

Source: Joint Plant Committee; \*prov

(Source: <http://steel.gov.in/overview-steel-sector> )

### Indian Steel Sector – Industry Analysis



(Source: <http://steel.gov.in/sites/default/files/draft-national-steel-policy-2017.pdf>)

### Market Size

- India's crude steel output grew 10.7 per cent year-on-year to 25.76 million tonnes (MT) during January-March 2017. India's crude steel output during April 2017 grew by 5.4 per cent year-on-year to 8.107 MT.
- India's finished steel exports rose 102.1 per cent to 8.24 MT, while imports fell by 36.6 per cent to 7.42 MT in 2016-17. India's steel exports rose 142 per cent in April 2017 to 747,000 tonnes over April 2016, while imports fell by 23 per cent to 504,000 tonnes in April 2017 over April 2016.
- Total consumption of finished steel grew by 3.4 per cent year-on-year at 6.015 MT during April 2017.

### Investments in Steel Sector:

Some of the major investments in the Indian steel industry are as follows:

- Public sector mining giant National Mineral Development Corporation (NMDC) is setting up up a greenfield 3-million tonne per annum steel mill in Karnataka at an estimated investment of Rs 15,525 crore (US\$ 2.8 billion). Further investments have also been planned by NMDC in coming years in view of requirement of Iron Ore for production of 300 MT steel by 2030.
- SAIL is currently expanding its hot metal capacity from 13 MTPA to 23 MTPA, at an investment of around Rs. 72,000 crore.

- Government has planned Special Purpose Vehicles (SPVs) with four iron ore rich states i.e., Karnataka, Jharkhand, Orissa, and Chhattisgarh to set up steel plants having capacity between 3 to 6 MTPA.
- Posco Korea, the multinational Korean steel company, has signed an agreement with Shree Uttam Steel and Power (part of Uttam Galva Group) to set up a steel plant at Satarda in Maharashtra.
- ArcelorMittal, world's leading steel maker, has agreed a joint venture with Steel Authority of India Ltd (SAIL) to set up an automotive steel manufacturing facility in India.
- JSW Steel has announced to add capacity to make its plant in Karnataka the largest at 20 MT by 2022.  
(Source: <http://steel.gov.in/make-india> )

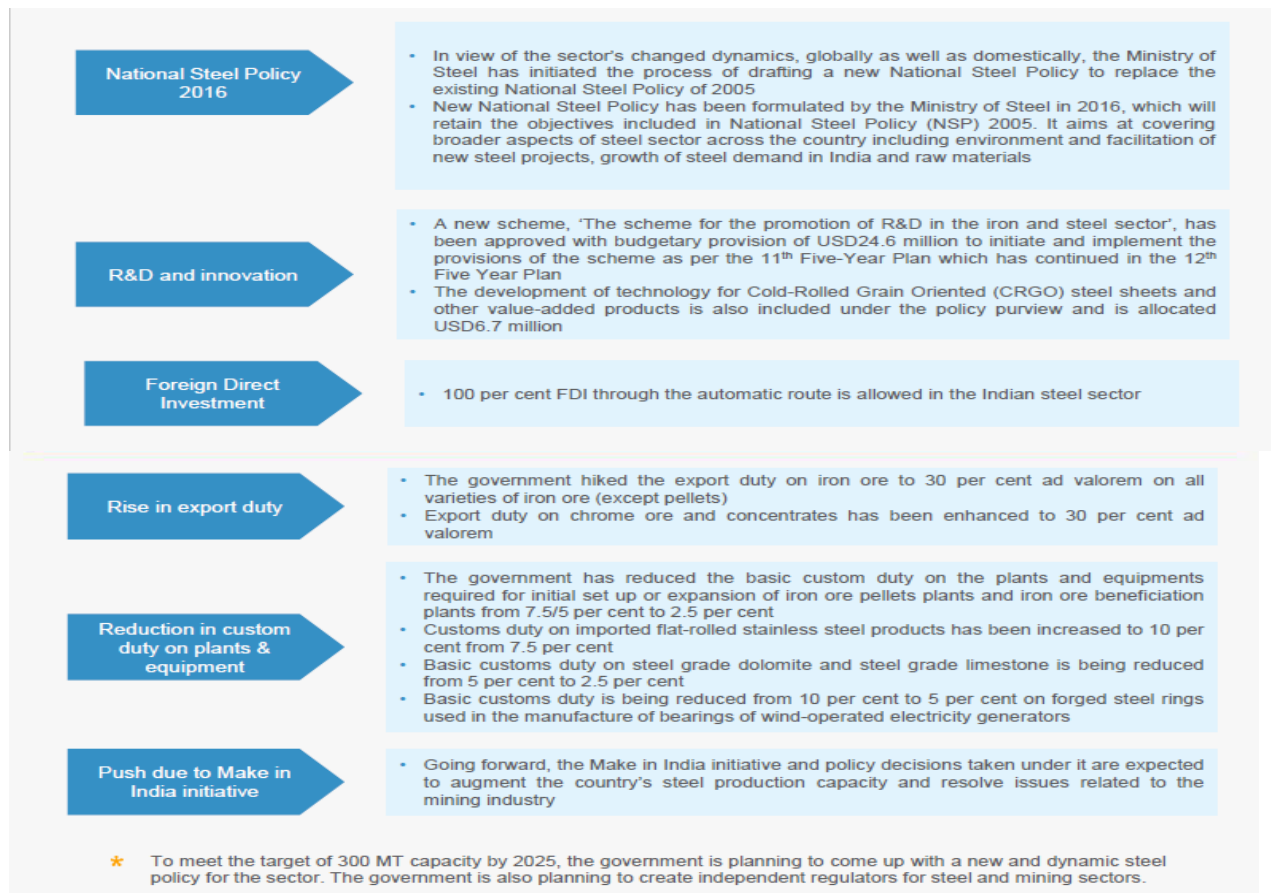
### **Infrastructure & Logistics**

- Since bulk of the capacity additions are likely to come up in the three eastern states of Odisha, Chhattisgarh and Jharkhand, Ministry of Steel will pursue for the adequate and timely infrastructure growth in these regions to address the increased industry requirement in areas such as railways, roadways, power generation and distribution etc.
- With the increase in steel demand and production, the requirement of adequate infrastructure will further increase. Government will need to invest heavily in development of evacuation infrastructure to minimize turn-around-time as well as to build the necessary linkages to reduce the length of haulage. Ministry of Steel will also encourage steel players to promote better plant layout design, engineering, technologies and optimum use of economic capacity.
- With plans to have large number of blast furnaces in future, the use of pellets shall also increase, requiring grinding of ores/fines to ultra-fine size, hence increased investment in slurry pipelines. This will be encouraged through suitable policy support from the government.
- Alternative modes for transportation of raw materials such as slurry pipelines and conveyors will go a long way in reducing the problems of pollution and congested transportation network in the mining areas. To encourage environment friendly transportation of raw material, efforts will be made to accord all the benefits available to the infrastructure industries, to slurry pipelines also.
- To exploit export opportunities and be competitive on account of low cost of ocean freight, the Government of India is contemplating port-led development of steel clusters under the aegis of Sagarmala program. Establishment of coast based steel plants will suitably be undertaken in conjunction with Ministry of Shipping.
- Given the expected growth in demand in steel production and the corresponding requirement for raw materials, the port infrastructure in the country, especially at coking coal importing ports needs to be significantly strengthened. Such ports will be identified in conjunction with the steel industry and would be taken up with Ministry of Shipping to ensure uninterrupted supply of coking coal to steel industry.

(Source: <http://steel.gov.in/sites/default/files/draft-national-steel-policy-2017.pdf>)



## Government Initiatives



(Source: <https://www.ibef.org/download/Steel-January-2017.pdf>)

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

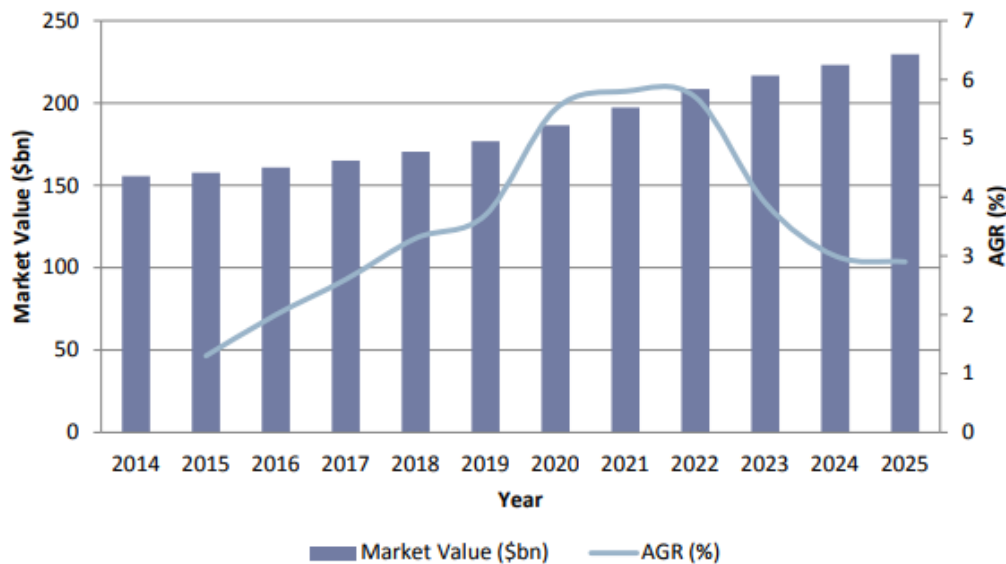
- Steel demand is set to rise in the coming period owing to increased public sector spending by the Government of India.
- The Union Cabinet, Government of India has approved the National Steel Policy (NSP) 2017, as it seeks to create a globally competitive steel industry in India. NSP 2017 targets 300 million tonnes (MT) steel-making capacity and 160 kgs per capita steel consumption by 2030.
- Metal Scrap Trade Corporation (MSTC) Limited and the Ministry of Steel have jointly launched an e-platform called 'MSTC Metal Mandi' under the 'Digital India' initiative, which will facilitate sale of finished and semi-finished steel products.
- 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).

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

## Road ahead

India is expected to overtake Japan to become the world's second largest steel producer soon, and aims to achieve 300 million tonnes of annual steel production by 2025-30. India is expected to become the second largest steel producer in the world by 2018, based on increased capacity addition in anticipation of upcoming demand, and the new steel policy, that has been approved by the Union Cabinet in May 2017, is expected to boost India's steel production. Huge scope for growth is offered by India's comparatively low per capita steel consumption and the expected rise in consumption due to increased infrastructure construction and the thriving automobile and railways sectors.

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



(Source: <https://www.marketresearch.com/product/sample-9101739.pdf>)

## Challenges

Among the Globe India is a 4th largest position of crude steel producer and is expected to attain 2nd position in next 3 to 4 years and contribution of the secondary steel sector in total steel production of India is quite important, basically in the long steel products. But the cost of the steel produced by SRRM sector is very high. It has been noted that major cost involved is cost of the energy, which is approx. 30% of the overall production cost. The direct energy consumed in the re-rolling mill sector is through the heating fuels (Oil, Gas or Coal) as well as in mill and the auxiliaries. However, this sector is unorganized sector and many problems are encountered by this industry. The major challenges / problems facing the re-rolling sector are given below:

### Raw Material issue :

These industry mostly uses pencil ingots, re-rollable scrap and billets as raw material. As these ingots/billets are mainly produced through induction furnaces, they face severe quality problems. Often there occur surface defects like deep ripple marks, cracks etc, internal defects like piping, network of localized porosity along with high gas contents and composition problems like high percentage of sulphur, phosphorous, lead, copper and tin. The aforesaid shortcomings in raw materials / feedstock cause quality problems in rolled product, increase rejection rate and decrease the overall yield. Because of shortage of skilled manpower pre-inspection of feedstock cannot always be carried out successfully, thus the problems are carried up to product stage causing rejection and increase in overall cost.

### Reheating furnace :

The most important cost centres in re-rolling mill industry are reheating furnace. The reheating furnaces have normally been observed by lower productivity, higher range of temperature variation both in product & hearth resulting in energy consumption. There is a lot of gap between the theoretical energy (180 Kcal/Kg) required and practical energy input levels (400 Kcal/Kg). A part from energy efficiency, second major problem is of high burning/scale losses to the tune of 2-3%. The scale losses not only cause appreciable financial losses but also sometime cause surface quality problems in the product. It is also a national loss. The emission levels in term of SPM, SO<sub>2</sub> & GHG are also very high. The main

reasons behind poor performances of the furnaces are. Unscientific designs-mainly designed by furnace manufactures. No automation & control systems. Non availability of skilled manpower for operation of furnace The above problems need to be addressed for better results and cost control in reheating furnaces.

#### *Rolling Mill :*

The rolling mill industry is the main section where the material is rolled. The rolling mills of rerolling sector range from very small size of 6” to 18”. The rolling mills of rerolling sector are known for their higher energy consumption, low mill utilization, unscientifically designed mill equipments, unscientific mill layouts, inefficient power transmission systems, lower productivities, lower bearing life, lower roll lives and higher breakdowns. There is an urgent need to attend to these problems. Most of the mills do not follow standard operating and maintenance practices. Many of the mills do not follow appropriate rolling process parameters viz no. of passes / average reduction per pass, temperature of material, soaking, de scaling, Roll diameter and roll speed. Due to the absence of appropriate rolling and predictive maintenances, the formation of cobbles/misrolls is high and thus yield is lower. Most of the mills have manual operation and mechanization /automations is very less. The motors used by the mills are of low efficiency and their capacity resulting in poor performance. The motors used by the mills are of low efficiency and their maintenance practices are also not appropriate. Most of these mills are operated by uneducated but experienced foremen. There is acute dearth of educated / trained manpower to run the mills.

#### *Laboratories for testing :*

In the many rolling mills there are no laboratories for testing of material. Though some TMT / alloy steel manufacturing units have small laboratories, these are either not properly equipped or suitable trained manpower is not available to operate the testing equipments.

#### *Energy Consumption :*

The consumption levels of Energy of the rerolling mills are very high as compared to bigger plants the main reason behind this are inefficient reheating furnaces, severe design problems in reheating furnaces as well as rolling mills. Non adoption of SOP and SMP inappropriate rolling process parameters. Low efficiency of transmission equipments, inappropriate roll pass design. Low level of mill mechanization / automation, inappropriate rolling mill layout and use of low efficiency motors.

#### *Pollution Problems :*

Basically the rerolling industry is considered as polluting industry. The major reason is use of high amount of fossil fuels for heating steel in reheating furnaces. Because of cost consideration this sector is now mainly using coal as fuel. Because of lower efficiency of burning of solid fuels and high ash contents, high SPM and GHG levels are generated. The pollution control devices installed in the mills are not properly designed. Because of this the mills are facing continuous pressure from PCBs for pollution abatement.

#### *Manpower restraints :*

Generally the rerolling mills are mainly run by undereducated but experienced foremen and completely illiterate/unskilled firemen. The availability of adequately educated / trained manpower is very less. Due to this, efficiency of operation is deteriorated. There is an urgent need to improve the situation by conducting specific training programs / courses for the sector.

#### *Management problems :*

The rerolling mills are mainly managed by entrepreneurs themselves and presence of professionals is almost nil. Because of this many a times the unit suffers due to differently focused it is felt that decision making. It is felt there is a need the existing entrepreneurs through EDP programs in professional management practices.

(Source: <http://srma.co.in/pdf/SRMA-Steel-Newsletter-23rd-issue.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’, ‘Financial Information’ and the chapter titled ‘Management Discussion and Analysis of Financial Condition and Results of Operations’ beginning on page nos. 12, 131 and 156 respectively, of this Draft Prospectus.*

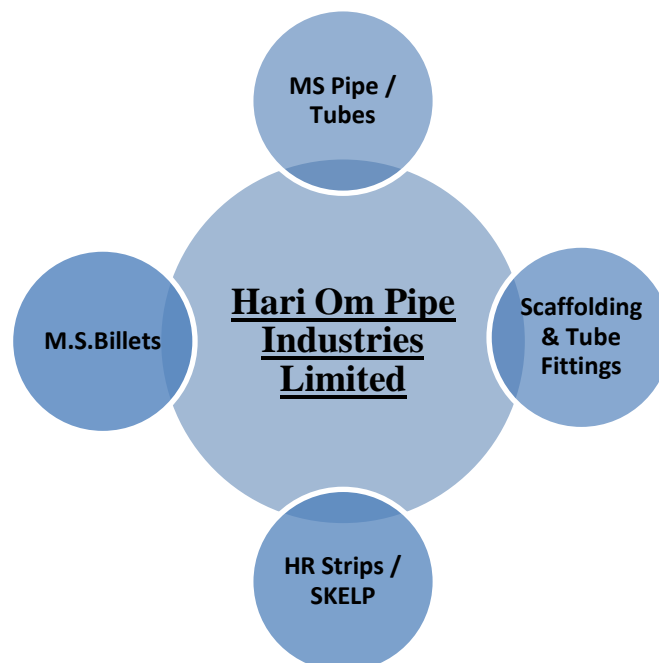
*Unless otherwise indicated, the financial information included herein is based on our Restated Financial Statements for Financial Year 2013, 2014, 2015, 2016 and 2017 and as of and for the nine months period ended December 31, 2017 included in this Draft Prospectus. For further information, see “Financial Statements” on page no. 131 of this Draft Prospectus. Unless the context otherwise requires, in this section, reference to “we”, “us”, “our”, “Company” or “Our Company” refers to Hariom Pipe Industries Limited.*

### OVERVIEW

Our company forms part of Hariom Group which was named after industrialist Shri Hariom Golas who laid the foundation stone for the group in the year 1962. Today, Hariom Group has carved itself into a well defined entity. Our specialized and dedicated team of professionals and engineers constantly keep abreast with the latest technology and trends as per the requirement of the industry.

Our company was incorporated on June 21, 2007 as ‘Hari Om Concast and Steels Private Limited’ with an objective of delivering quality steel products that exceed customer expectation. We have successfully established our brand in iron and steel products and mild steel tubes market (especially in Southern India). The company is a source for variety of products such as M.S. Billets, HR. Skelps, MS pipes in Square, Rectangular, Round, D-Shape pipes & Scaffolding Systems.

Our company manufacturing facility has an existing capacity of 28,000 MT of Induction Furnace, 18,000 MT of Rolling mill, 20,000 MT of piping mill and 500 MT under Scaffoldings. Our manufacturing facility is located at Survey. No.58/62/63, Sheriguda Village, Peddaiahpally G. P., Balanagar Mandal, Mahabubnagar, Dist., Telangana. which is spread over to 2.39 hectares. Our manufacturing facility provides for accommodation, medical, canteen and other necessary facilities to harbour our employees. Our product portfolio is illustrated as below:



We are ISO 9001: 2015 and IS 2830: 2012 certified company. It is our goal to maintain high standards in terms of quality and service and to educate the customers about importance of using good quality branded construction steel. Currently, our company has at its disposal, a dynamic team of qualified professionals. These professionals are assisted by administration and finance professionals who work in unison in order to meet specific client requirements and attain organizational goals and targets within the set time frame

## Our Strengths

Following are our major strengths:

### ***1. Experienced & Qualified Team:***

Our senior management team is well experienced in this industry and in the application of marketing and distribution initiatives in this sector. The Promoter and the senior management team of our Company have significant industry experience and have been instrumental in the growth of our Company's sustainability. Our managing director & promoter, Mr. Rupesh Kumar Gupta has been the main guiding force behind the growth and business strategy of our Company. He has almost a decade of steel industry experience and has been instrumental in the consistent growth of our Company's performance. Our whole time director, Mr. Sailesh Gupta has a total experience of more than 7 years in the manufacturing of steel products. He is actively involved in day to day business administration and marketing of the Company. We believe that our management team's experience and their understanding of the Steel business will enable us to continue to take advantage of both current and future opportunities. It is also expected to help us on addressing and mitigating various risks inherent in our business, including significant competition. For further details on education, experience and other details of our Management and our Key Managerial Personnel, kindly refer to the Chapter titled "Our Management" beginning on page no. 109 of this Draft Prospectus.

### ***2. Complimentary product mix***

As an integrated steel manufacturer, we believe that our operations is sufficiently flexible to enable us to alter our product mix and position in order to minimize any adverse effect on our business in the highly cyclical steel industry, as prices and gross margins for each product in our production line vary and fluctuate. For e.g. Our Induction Furnace plant output i.e. M.S. Billets can be segregated and may be sold or may be provided as input for the Rolling Mills. and the output of rolling mill i.e. HR Skelps can also be sold as well as used as input for M.S. Tubes and further the same is used as input for scaffolding unit. We believe that our ability to change the product mix as and when required will give us the flexibility to serve a wide spectrum of clients, across various sectors.

### ***3. Expected High Operating Efficiency***

We believe in 'Will To Work', i.e. bringing development in the society, with the sole mission to make our nation a better place to live and help towards building a robust economy coupled with strong infrastructure. The Company's manufacturing plant is fully integrated. Every units finished product will be acting as a raw material for the next unit. Due to total integration, the company as a whole can reduce its cost of production and achieve better profitability. The company can sustain/absorb adverse market situation during cyclical recession. The steel industry is highly power-intensive and captive power plant, which has low cost per unit will lead to significant cost saving.

### ***4. Location of the Manufacturing Unit***

Our Company has manufacturing unit for the manufacture of its products located in the State of Telangana at Sheriguda Village, Peddaiahpally G. P., Balanagar Mandal, Mahabubnagar which is nearer to Hyderabad Market.

- Well-developed industrial area having basic infrastructure facilities like power & water available locally
- Availability of cheap labour from nearby villages and surrounding areas
- Availability of skilled personnel from the nearby cities such as Hyderabad
- Proximity to Hyderabad, which is one of the major market hubs in India

### ***5. Product diversification & Wide Product Offering***

Our company enjoys a wide product range with diverse applications across downstream sectors. It possesses multiple manufacturing facilities with the ability to address customer orders with shrinking turnaround time. The Company has widest range of products enabling it to cater to wide spectrum of applications across the industries and balancing it out from market volatilities.

## Our Strategies

The key elements of our strategy are as follows:

### **1. Expand Our Geographical network**

Our company has a prominent presence in Hyderabad and nearby markets. Our historically developed distribution in domestic market has been critical to our growth. We intend to continue developing and nurturing existing market, and create new distribution channels in under and non-penetrated geographies. We aim to further develop our domestic sales networks in those territories where there are lower transportation costs and those which have a significant demand of our products, where we can sell at price-points that can effectively offset higher transportation costs. Such expansion plans are intended to be effected by in-house examination of the market potential of various territories and our available distribution network in such geographies.

### **2. Enhancing our production capacity and optimal utilisation of resources**

Our company will be utilising part of the proceeds of the issue for extension of our Furnace Division, Rolling Mill and Pipe Unit. Through these expansion plans, we will be enhancing our production capacity. After, completion of the expansion mentioned under *Chapter – “ Object of the Issue”*, we are also planning to undertake further expansion in a phased manner. Our Company constantly endeavors to improve its productivity levels by optimum resource utilization, improvement in manufacturing process, skill up-gradation of our workers, modernization of machineries to achieve better asset turnover. We will continue to further improve our manufacturing processes to identify the areas of bottlenecks and correct them. This would help us in improving efficiency and putting resources to optimal use.

### **3. Increasing Operational efficiency**

We continue to invest in increasing our operational efficiency throughout the organization. We are addressing the increase in operational output through continuous process improvement, QC / QA activities, customer service, consistent quality and technology 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

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

As an organization, we believe in transparency and commitment in our work and with our customers. We have an experienced team for taking care of our day to day operations. 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**

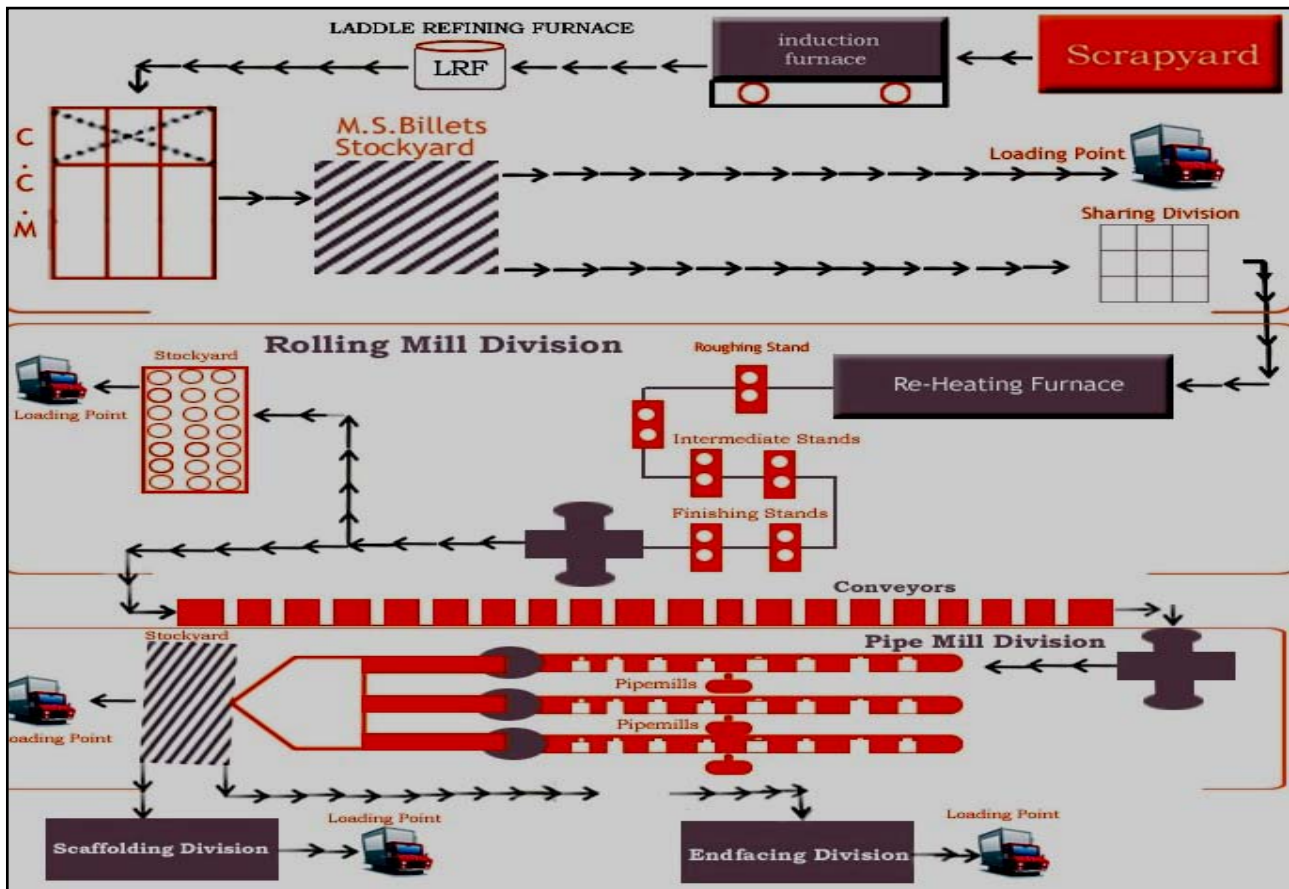
#### **Registered Office:**

Our Registered office is located at 1st Floor, Samarpan, Door No. 3-4-174/12/2, Lane beside Spencer’s, Pillar No. 125, Attapur, Rajendranagar, Hyderabad - 500030

#### **Manufacturing unit:**

Our manufacturing unit is located at Survey. No.58/62/63 total admeasuring 2.39 Hectors, Sheriguda Village, Peddaiahpally G. P., Balanagar Mandal, Mahabubnagar, Dist., Telangana.

## Business Processes



### The Process Melting in Induction Furnace (Core-less) :

This process starts can be divided broadly into the following phases:

- Procurement of raw materials
- Melting in an induction furnace
- Chemical testing and matching to industrial standards
- Casting

Our major raw material for this process comprises of MS scrap, sponge iron and pig iron. The raw material procured is first inspected and chemically analysed and is then melted in an induction furnace in the desired ratio. The shape of furnace is like a vertical cylindrical crucible made of refractory rumming mass. It is fitted in a steel shell suitably insulated between the shell and refractory crucible. A circular winding of copper tubing are placed at the bottom of the shell and space between steel former and coil is rammed with fine grains of acidic or basic refractory material. The steel former melts during the melting of charge in the crucible.

When the electrical current is switched on the eddy current developed between primary copper coil and heavier secondary current is this metallic charge, thus melting the charge to the desired temperature. The entire process of melting is taking place silently without any noise pollution.

During melting, a small portion of the mixture is tested 3-4 times for the chemical composition of the mixture. Testing process enables us to check the content of various chemicals such as carbon, sulphur, phosphorous, manganese, etc.in the melted raw material. No serious refining for adjustment of chemistry or removing the non metallic inclusion is carried out as the scrap of good quality is used for steel melting. However, to get the desired chemistry of both some additions are made. In case sulphar and phosphorous contents. Since exposed surface to atmosphere is much less comparing Arc furnace, the molten metal does not get oxidized due to large areas being exposed to atmosphere and high heat developed between electrode and metal when Arc is struck. Oxygen lancing in EAF while oxidizing silicon,

sulphur and phosphorous also forms iron oxide. To remove the slag lime is added. Some slag dissolves in molten metal. But in case of induction furnace in the bath do not pose much problem. This also helps in keeping clean environment.

### **The Process Melting in Hot Re-Rolling :**

When a hot rolling stock passes through set of rotating rolls place one above the other and rotating in opposite directions takes the shape of roll passes provided in the rolls due to compression of hot/reheated pieces.

On receipt of raw material i.e., Billets are cut into desired length depending on the section/sizes to be rolled. These cut pieces are then charges in to oil fired two zone furnace having cast iron shield inside. The temperature is monitored and controlled. The normal travel time/heating time depends on the section/size of raw material as well as finished section/size to be rolled.

After the cut pieces of billets attain rolling temp of around 1200°C and soaked for uniform heating, the hot stock is discharged from the furnace and taken to Re-Rolling stands through rolled conveyors. Hot rolling stock passes through various rolls. Desired shape/ size of the rolls pass is achieved through compression. Throughout the process, dimensions are constantly checked and monitored. The finished pieces are cut into desired length on line with the help of end length cutting machine and taken goods yards for section/size wise stacking.

### **The Process ERW Steel Tubes/ M.S.Tubes :**

The Steel Tubes /Pipes are manufactured by using the process called Electric Resistance Welding (E.R.W). This process is well established and adopted by steel tubes manufacturers in India. The Electric Resistance Welding (E.R.W) is also known as high frequency contact welding. The H.R.Steel Strip are cut to specified width with a very close tolerance and with edges that are in the ideal condition for perfect welding. The welded edges are joint together under forcing pressure by roles . The result is a strong welded pipe /tube like any other metal but without change in it's chemical composition. Soon after welding the special cutting tool completely removes the weld flash on the outer surface of all welded tubes. At this stage an arrangement of roles size and straighten to the tube to the close tolerance as required. Once this is done the tube automatically cut into specific pre determined lengths. When specification or application demand grater dimensional accuracy, enhanced physical properties and a super fine finished is performed without any trace of the inner and outer weld flash.

The tubes are then finally checked thoroughly for dimensional accuracy and surface quality as required by various specifications.

### **The same process is described in phases here under:**

- a) Strips are available in 60/80 feet folded lengths. The folded raw materials are available in bundles. Those bundles are opened and straightened to facilitate welding for joining the strips to have a continuous feeding to the machine.
- b) The joined strip is feeded to machine in the first stage. Bends will be removed by the machine and Further, it straighten the strip for the correct formation of pipe. The pipe making mill is connected to a slipping motor to have movement to the various rolls. The speed of the movement depends upon the feeded raw material's width the thickness. Because of this movement there is a friction between the rolls and strip which heats up the rolls and some parts of the machine. The mill is connected by an efficient and continuous water circulation system to cool the rolls and machine parts in case of excessive friction heat.
- c) The next phase is the passage of raw materials through slitting zone to remove the excess and uneven edges and passages of raw materials through various rolls to convert into open seem pipe.
- e) The next phase is the passage of open seem pipe through welding rolls where the mill is connected to an automatic electrical welding unit which releases required heat to melt the edges of the open seem pipe.
- f) The welded pipe/tube is made to pass through cooling zone where there is a continuous cool water supply to control the heat caused by automatic electrical welding. The manufacturing process requires continuous cool water supply to control the heat arises due to manufacturing process.
- g) The final step is straightening, .sizing and cutting of pipes.



## Description and manufacturing process of Scaffolding

Scaffold is an auxiliary structure in the form of a wooden deck placed on supports; it provides a platform from which workmen can perform certain types of construction work, such as putting up walls or finishing room interiors. Scaffolds are usually set up on floors. Modular scaffolds are widely used in modern construction work; they are made of steel and lightweight alloys and are equipped with mechanical and hydraulic jacks for height adjustments.

**Steel Scaffolding Manufacturing Process :** Steel scaffolding long hollow tubes that are used for a variety of purposes. They are produced by two distinct methods, which result in either a welded or seamless pipe. In both methods, raw steel is first cast into a more workable starting form. By stretching the steel out into a seamless tube, or forcing the edges together & sealing them with a weld, it is then made into a pipe.

Maintaining the quality of the ERW pipes is of utmost importance too. The product must pass through stringent quality tests, before they are finally supplied. Raw Material shall be tested for Chemical Composition, Tensile Strength, Elongation and Thickness & Tolerance. Pipes shall be hydraulically tested to ensure no leakage in the pipe. Galvanized pipes must be tested for uniformity of the zinc coating.

Steel scaffolding finds various applications in Commercial, Industrial, Residential & Agricultural areas. These pipes are used in Staircase Hand railings, Door Frames, Oil & Gas Industry, Structural & Scaffolding purposes, Green Houses, Shed for ware houses, Sanitary use of households, Sewage, Construction activities, Hand Pumps, Tube Wells, Boring, Water Distribution System & several other applications.

Following accessories are required with MS Tubes for manufacturing of Scaffolding:



The above mentioned accessories are use for manufacturing of Scaffolding with MS Tubes. Basically the accessories are manufactured by cast iron. In India specially in northern side so may manufacturer are manufacturing scaffolding accessories and they have sold their product to the pipe mill manufacturer or scaffolding assembled companies.

## Plant & Machinery

Our manufacturing units at Sheriguda Village, Peddaiahpally G. P., Balanagar Mandal, Mahabubnagar is equipped with state-of-the-art machines, installed to provide the best quality with latest technology and accurately tested products. Some of the key plant and machineries are listed below:

Sr. No	Unit	Name Of Machine
1.	Furnace Division	EOT Crane
		Concast Machine
		Solid State Furnace
		Weighing Equipments
2.	Rolling and Pipe Unit	EOT Crane
		Pipe Mill
		Rolling Mill
		Weighing Equipments
3.	Pipe and slitting Unit	EOT Crane
		Pipe Mill
		Slitting Mill

## Utilities

### Raw Material

#### 1. Induction Furnace:

Induction furnace is using steel melting scrap, Sponge Iron & Pig Irons/ Cast Irons. On an average the ratio of these items are 40% Scrap Iron + 60% Sponge Iron + 10% Pig Iron. The technology of melting these input materials varies according to the availability of raw material and location of the plants and inputs of the sponge iron is consumed is as high as 85% as charge mix on bigger furnaces. All the raw material is available in the open market



#### 2. Rolling Mill:

Availability of Raw Material and Rate variable are not affected in production as raw material required by rolling mill is M.S.Billets. The requirement of M.S.Billets by rolling is fulfilled by us internally through our existing capacity.



### 3. Pipe Mill :

Pipe Mill is using H.R.Strips as raw material & the requirement of raw material is fulfilled by us internally



#### **Water**

Water is required both for manufacturing process and domestic purposes, which will be met from the present bore wells.

#### **Power**

Our manufacturing plant and registered office have adequate power supply position from the public supply utilities. We have a sanction of 6,750 KVA from TSSPDCL for our manufacturing facility.

#### **Effluent treatment**

The company is having effluent treatment plant. The company is having Consent for Establishment and Consent for Operation Certificate from Telangana State Pollution Control Board through consent order no-TSPCB/115/CFO/RO-HYD/HO/2016 which is valid till Dec 31, 2021.

#### **Collaboration**

The company has so far not entered into any technical or financial collaboration agreement with any third party.

### **Our Products & Services**

#### **1. MS pipes:**

The Pipe is made from strips of hot-rolled steel which are passed through forming rolls and welded. We manufacture pipes ranging from 19mm OD to 89mm OD are manufactured in thickness from 1.0mm to 3.5mm in round, square, rectangle and railing sections. We are committed to achieve maximum satisfaction of our clients by providing them the superior quality products.

We are committed to achieve maximum satisfaction of our clients by providing them with the superior quality of products. We have attained mastery in designing and developing a series of premium quality steel structures and components for all residential and commercial applications.



#### **2. M.S.Billets**

These are used for rolling of TMT Re-Bars of Fe415 and Fe500 Grade and various other structural steel products. We generate wide range billets of best quality for all the plant manufacturers of quality products to rolling mills which are situated in & around Andhra Pradesh, Karnataka, Tamilnadu with a specific length and size according to the client requirement



### 3. HR. Skelps

The product is processed after hot rolling operation on MS Billets in the rolling mill. Our coiling operation facilitates better handling and packaging capabilities', ensuring the best quality product is delivered to the customer.

Our Hot Rolled Skelps are manufactured in different shapes and sizes as suitable to meet the needs of customers. We have a huge demands for our HR Skelps from different industrial set ups. Our hot rolled steel skepls are made by latest technology and are highly durable. The customer feels the product worth their money. We are considered as faithful suppliers for HR Skelps from India as we meet the demands in time.



### 4. Scaffolding Systems

These are majorly used in construction activities which allows the worker to perform tasks above the ground level. Scaffolding systems are series of temporary work platforms erected on a construction site. The jobs include several kinds of scaffolds which can reduce the human efforts and our quality products have a huge demand in the market for scaffolding and structural purpose.

The most common is the supported platform system, which features elevated metal platforms supported by poles and frames connected to the ground. Next, there is the suspended scaffold, which is a platform suspended from the top of a building using ropes. Finally, there is the adjustable scaffolding system, which can be raised and lowered using pulleys or mechanical methods.

It is usually a modular system of metal pipes or tubes. Our clients have all the possibilities to choose a best scaffolding system for their project. We manufacture the top quality of scaffolding system which can match any of your existing inventories. We make sure that the products offered by us are admired for their longer life, perfect shape and accurate dimensions. Our engineering formula is based on the techniques that are recently invented in the industry, hence our products conform to the standard parameters of the industry.



### Competition

Steel being a vast and global industry, we face competition from various domestic and international players. Though being dominated by the large conglomerates, the industry is also unorganized and fragmented with many small and medium-sized companies and entities.

We intend to continue competing vigorously to capture more market share and adding more management personnel to manage our growth in an optimal way.

## Capacity Utilization

Product	Particulars	for the Financial Year			For the period ended Dec 31, 2017	Proposed capacity for the Financial Year 2018-19
		2014-15	2015-16	2016-17		
Induction Furnace	Installed Capacity Per Annum (In M.Ton)	18,000	28,000	28,000	28,000	63,000
	Capacity Utilised In M.Ton	10,000	23,000	27,000	21,669	
	Utilised Capacity (%)	55.55%	82.14%	96.43%	77.39%	
Rolling Mill	Installed Capacity Per Annum (In M.Ton)	10,000	18,000	18,000	18,000	63,000
	Capacity Utilised In M.Ton	6,000	9,000	15,000	14,258	
	Utilised Capacity (%)	60.00%	50.00%	83.33%	79.21%	
Piping Mill	Installed Capacity Per Annum (In M.Ton)	20,000	20,000	20,000	20,000	84,000
	Capacity Utilised In M.Ton	12,000	14,000	16,000	11,605	
	Utilised Capacity (%)	60.00%	70.00%	80.00%	58.03%	
Scaffolding	Installed Capacity Per Annum (In M.Ton)	500	500	500	500	500
	Capacity Utilised In M.Ton	292	209	260	389	
	Utilised Capacity (%)	58.40%	41.80%	52.00%	77.80%	

## Marketing

We have our in-house marketing team. Our marketing team through their vast experience and good networking with clients owing to timely and quality delivery of service plays an instrumental role in creating and expanding a work platform for our Company. To retain our customers, our team, which comprises of people with vast experience regularly interacts with them and focuses on gaining an insight into the additional needs of customers.

Since the target industries and customers are known to us, the sales teams approach them and solicit business for various verticals. We believe that the quality of service we offer is one of our most effective marketing tools.

## Collaborations

We have not entered into any technical collaboration agreements with any party

## Seasonality

Our business is not seasonable in nature.

## Export and Export Obligations

Our Company doesn't have any export obligations as of September 30, 2017.

## Client Base

The following table illustrates the concentration of our revenues among our top customers

(₹ in lakhs)

Particulars	For the period ended December 31, 2017		For the year ended March 31, 2017		For the year ended March 31, 2016		For the year ended March 31, 2015	
	Revenue	% of Total Revenue	Revenue	% of Total Revenue	Revenue	% of Total Revenue	Revenue	% of Total Revenue
Top 10 Customers	2,095.65	27.96%	3,368.52	38.64%	3,288.98	44.56%	2,696.88	38.84%

## HUMAN RESOURCES

Our company believes that our ability to maintain growth depends on our strength in attracting, training, motivating and retaining employees. As on December 31, 2017, we have 44 employees on our payroll. Apart from this, we also engage contract labourers to facilitate our processing operations.

## PROPERTIES / LAND DETAILS

We owned the following premise:

Premises Owned	Name of Vendor	Purchase Consideration	Purpose
Survey. No.58/62/63 total admeasuring Ac. 5-36 or equivalent to 2-39 Hectors, Sheriguda Village, Peddaiahpally G. P., Balanagar Mandal, Mahabubnagar, Dist., Telangana.	1. Mr. Kakireddy Goverdhan Reddy 2. Mr. Maddi Krishna Reddy 3. Mr. Venkat Laxma Reddy 4. Mr. K. Venkat Reddy 5. Mr. G. Sai Baba	Rs. 2,05,000 paid on on 20 <sup>th</sup> July, 2007	Manufacturing Plant

Further, we have leased following premise:

Premises Leased	Name of Lessor	Lease Rentals	Purpose
1st Floor, Samarpan, Door No. 3-4-174/12/2, Lane beside Spencer's, Pillar No. 125, Attapur, Rajendranagar, Hyderabad - 500030	Roopesh Kumar Gupta	From 1st December, 2017 – rent of ₹ 55,000 per month	Registered office

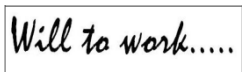
## INSURANCE

Details of our Insurances taken are given below:

Sr. No.	Name of the Insurance Company	Details of Assets /Goods covered under the policy	Policy No.	Validity Period	Sum Insured	Premium p.a.
1.	United India Assurance Co. Ltd (Electric Equipment Insurance Policy)	Equipment Details: Static frequency converter including DC Choke, thyristors (invertor/convector) manual change over switch, pcbs, etc...	5005004417 P118022840	From 16.03.2018 to 15.03.2019	₹ 20,00,000	₹ 30,200
2.	United India Assurance Co. Ltd (Fire and Special Peril Policy)	On Structural steel fabricators, metal sheet fabricators, hot/cold rolling, pipe extruding, stamping, pressing, forging, mills, metal smelting, foundries, galvanising works, metal extraction, ore processing (other aluminium, copper, zinc)	5005001117 P118022278	From 11.03.2018 to 10.03.2019	₹ 25,00,00,000	₹1,71,000
3.	United India Assurance Co. Ltd (Fire and Special Peril Policy)	On Structural steel fabricators, metal sheet fabricators, hot/cold rolling, pipe extruding, stamping, pressing, forging, mills, metal smelting, foundries, galvanising works, metal extraction, ore processing (other aluminium, copper, zinc)	5005001117 P118022582	From 11.03.2018 to 10.03.2019	A) Building ₹ 2,00,00,000 B) Stocks/Contents ₹ 10,00,00,000	A) ₹ 14,706 B) ₹ 73,530
4.	The New India Assurance Co. Ltd (Machinery Insurance Policy)	Various Machineries	6122004416 5100000053	1 year From 19.05.2017	₹ 2,23,09,911	₹ 17,478

## INTELLECTUAL PROPERTY

We have registered following mark with the Trade Mark Registry, Hyderabad:

Sr. No.	Particulars of Mark	Mark Type	Proprietor's Name	Valid Upto	Application Number	Class
1.		Device	Hariom Concast and Steel Pvt. Ltd.	23.01.2027	3465133	6

**Licences**

Sr. No.	Particulars of Licence	Issuing Authority	Licensee	Validity	Licence No
1.	<b><u>ISO 9001: 2015</u></b> For the scope of activities: Manufacturers and Suppliers of Billets, Slabs, Hot Rolled Sheets, Tubes, Pipes & Scaffoldings.	Global Management Certification Services Pvt. Ltd.	Hariom Concast and Steel Pvt. Ltd	From January 04, 2017 to January 03, 2020	170103-Q
2.	IS 2830: 2012	Bureau Of Indian Standards	Hariom Concast and Steel Pvt. Ltd	From February 1, 2018 to January 31, 2019	4682981
3	IS 3601 : 2006 Steel tubes for mechanical and general engineering purposes.	Bureau Of Indian Standards	Hariom Concast and Steel Pvt. Ltd	From November 16, 2017 to January 31, 2019	6300029905



## KEY REGULATIONS AND POLICIES

The following description is a summary of certain sector specific laws and regulations in India, which are applicable to the Company. 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. The statements below are based on the current provisions of Indian law, and the judicial and administrative interpretations thereof, which are subject to change or modification by subsequent legislative, regulatory, administrative or judicial decisions.

### A. Industry Related Regulations

#### Legal Metrology Act, 2009

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

#### Legal Metrology (Packaged Commodities) Rules, 2011 (“Packaged Commodities Rules”)

The Packaged Commodities Rules was framed under section 52(2) (j) and (q) of the L.M. Act and lays down specific provisions applicable to packages intended for retail sale, whole sale and for export and import. A “pre-packaged commodity” means a commodity which without the purchaser being present is placed in a package of a pre-determined quantity.

The key provisions of the Packaged Commodities Rules are:

- (a) It is illegal to manufacture, pack, sell, import, distribute, deliver, offer, expose or possess for sale any pre-packaged commodity unless the package is in such standard quantities or number and bears thereon such declarations and particulars as prescribed;
- (b) all pre-packaged commodities must conform to the declarations provided thereon as per the requirement of section 18(1) of the L.M. Act; and
- (c) no pre-packaged commodity shall be packed with error in net quantity beyond the limit prescribed in the first schedule of the Packaged Commodity Rules.

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

The government formulated this act in 1974 to prevent the pollution of water by industrial, agricultural and household wastewater that can contaminate our water sources. Wastewaters with high levels of pollutants that enter wetlands, rivers, lakes, wells as well as the sea are serious health hazards. The Water Act, 1974 with certain amendments in 1978 is an extensive legislation with more than sixty sections for the prevention and control of water pollution. Among other things, the Act provides for constitution of central and State Boards for preventing water pollution, power to take water samples and their analysis, discharge of sewage or trade effluents, appeals, revision, minimum and maximum penalties, publication of names of offenders, offences by companies and Government departments, cognizance of offences, water laboratories, analysis etc. Prevention and control of water pollution is achieved through a permit or ‘consent administration’ procedure. Discharge of effluents is permitted by obtaining the consent of the State Water Board, subject to any condition they specify. Any person who fails to comply with a directive of the State cannot, however, entertain in suit under this Act unless the suit is brought by, or with the sanction of the State Board.

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

The Act specifically empowers State Government to designate air pollution areas and to prescribe the type of fuel to be used in these designated areas. The Government passed this Act in 1981 to clean up our air by controlling pollution. It states that sources of air pollution such as industry, vehicles, power plants, etc., are not permitted to release particulate

matter, lead, carbon monoxide, sulfur dioxide, nitrogen oxide, volatile organic compounds (VOCs) or other toxic substances beyond a prescribed level. This Act is created to take appropriate steps for the preservation of the natural resources of the Earth which among other things includes the preservation of high quality air and ensures controlling the level of air pollution.

### **Hazardous and other Wastes (Management and Transboundary) Rules, 2016**

The Ministry of Environment, Forests and Climate Change, Government of India has prescribed the Hazardous and other Wastes (Management and Transboundary Movement) Rules 2016 which, superseding the earlier Hazardous Waste (Management, Handling & Transboundary Movement) Rules, 2008 made in this regards, provide for the management of hazardous and other wastes as provided in the schedule to the rules. The provisions of these rules are not applicable to waste water and exhaust gases covered under the Water (Prevention and Control of Pollution) Act 1974 and the Air (Prevention and Control of Pollution) Act 1981, wastes arising out of operation of ships beyond 05 Kms of the relevant baseline under the provisions of the Merchant shipping Act, 1958, radioactive wastes covered under the Atomic Energy Act 1962 and Biomedical Wastes and Municipal Solid Wastes as defined in the concerned rules.

**The Consent order from the Telangana State Pollution Control Board is obtained for the manufacture of the following products with the quantities indicated below.**

Sr. No.	Product	Quantity in Tons Per Annum
1	TMT Bars/ Angles/ Channels/ Girders/ HR Strips (Rolling Mill)	63,000
2	MS Ingots/ Billets (Furnace)	63,000

\* The Existing Quantity of Production under Furnace and Rolling Mill is 29,000 Tons and 20,000 Tons Per Annum. Whereas after Expansion the proposed Quantity of Production under Furnace and Rolling Mill may be 34,000 Tons and 43,000 Tons Per Annum, hence additional permission for the manufacture of the above said products from the Telangana State Pollution Control Board is not required.

### **The Micro, Small and Medium Enterprises Development Act, 2006 and Industries (Development and Regulation) Act, 1951**

The Micro, Small and Medium Enterprises Development Act, 2006 and Industries (Development and Regulation) Act, 1951 (“MSMED Act”) inter-alia seeks to provide for facilitating the promotion and development and enhancing the competitiveness of micro, small and medium enterprises. The MSMED Act inter-alia empowers the Central Government to classify by notification, any class of enterprises including inter-alia, a company, a partnership, firm or undertaking by whatever name called, engaged in the manufacture or production of goods pertaining to any industry specified in the First Schedule to the Industries (Development and Regulation) Act, 1951 as: (i) a micro enterprise, where the investment in plant and machinery does not exceed Rs. 25,00,000/- (Rupees Twenty Five Lakhs Only); (ii) a small enterprise, where the investment in plant and machinery is more than Rs. 25,00,000/- (Rupees Twenty Five Lakh Only) but does not exceed Rs. 5,00,00,000/- (Rupees Five Crores Only); or (iii) a medium enterprise, where the investment in plant and machinery is more than Rs. 5,00,00,000/- (Rupees Five Crores Only) but does not exceed Rs. 10,00,00,000/- (Rupees Ten Crores Only). In case of enterprises engaged in providing or rendering of services, the enterprise may be classified as: (i) a micro enterprise, where the investment in equipment does not exceed Rs. 10,00,000/- (Rupees Ten Lakhs Only); (ii) a small enterprise, where the investment in equipment is more than Rs. 10,00,000/- (Rupees Ten Lakhs Only) but does not exceed Rs. 2,00,00,000/- (Rupees Two Crores Only); or (iii) a medium enterprise, where the investment in equipment is more than Rs. 2,00,00,000/- (Rupees Two Crores Only) but does not exceed Rs. 5,00,00,000/- (Rupees Five Crores Only). The MSMED Act also inter-alia stipulates that any person who intends to establish, a micro or small enterprise or a medium enterprise engaged in rendering of services, may at his discretion and a medium enterprise engaged in the manufacture or production of goods as specified hereinabove, file a memorandum of micro, small or medium enterprise, as the case may be, with the prescribed authority.

## **B. LAWS REGULATING LABOUR AND EMPLOYMENT**

### **(i) Payment of Bonus Act, 1965**

Pursuant to the Payment of Bonus Act, 1965, as amended (the “Bonus Act”), an employee in a factory or in any

establishment where twenty or more persons are employed on any day during an accounting year, who has worked for at least 30 working days in a year is eligible to be paid a bonus. Contravention of the provisions of the Bonus Act by a company is punishable by imprisonment for up to six months or a fine of up to Rs.1,000 or both, against persons in charge of, and responsible to the company for, the conduct of the business of the company at the time of contravention.

#### **(ii) 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.

The Act contains an enabling provision under which Appropriate Government is empowered to extend the provision of the ESI Act, 1948 to other classes of establishments:

- Industrial
- Commercial
- Agricultural or otherwise

The Act applies to all factories (including Government factories but excluding seasonal factories) employing ten or more persons and carrying on a manufacturing process with the aid of power or employing 20 or more persons and carrying on a manufacturing process without the aid of power and such other establishments as the Government may specify. Shops employing 20 or more persons. Every employee (including casual and temporary employees), whether employed directly or through a contractor, who is in receipt of wages up to Rs. 7,500 p.m. is entitled to be insured under the E.S.I. Act.

#### **(iii) The Employees Provident Fund and Miscellaneous Provisions Act, 1952**

The Employees Provident Funds and Miscellaneous Provisions Act, 1952 ("EPF Act") was introduced with the object to institute compulsory provident fund for the benefit of employees in factories and other establishments. The EPF Act provides for the institution of provident funds and pension funds for employees in establishments where more than 20 (twenty) persons are employed and factories specified in Schedule I of the EPF Act. Under the EPF Act, the Central Government has framed the "Employees Provident Fund Scheme", "Employees Deposit-linked Insurance Scheme" and the "Employees Family Pension Scheme". Liability is imposed on the employer and the employee to contribute to the funds mentioned above, in the manner specified in the statute. 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.

All establishments employing 20 or more persons (5(or) more for Cinema Theaters) are brought under preview of the Employee provident fund act from the very first date of setup are subjected to fulfillment of other conditions. The provisions of the Act are applicable on its own force independently. If the establishments don't have the prescribed number of employees and are willing to obtain the benefits of this act, then they can register voluntarily with regional Provident Fund office.

#### **(iv) Payment of Gratuity Act, 1972**

Under the Payment of Gratuity Act, 1972, as amended (the "Gratuity Act"), an employee who has been in continuous service for a period of five years will be eligible for gratuity upon his retirement or resignation, superannuation or death or disablement due to accident or disease. However, the entitlement to gratuity in the event of death or disablement will not be contingent on an employee having completed five years of continuous service. An employee in a factory is said to be in 'continuous service' for a certain period notwithstanding that his service has been interrupted during that period by sickness, accident, leave, absence without leave, lay-off, strike, lock-out or cessation of work not due to the fault of the employee. The employee is also deemed to be in continuous service if the employee has worked (in an establishment that works for at least six days in a week) for at least 240 days in a period of 12 months or 120 days in a period of six months immediately preceding the date of reckoning.

**(v) The Employees' Compensation Act, 1923**

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

**(vi) Equal Remuneration Act, 1976**

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

**(vii) 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 leaves 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.

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

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

**(ix) The Minimum Wages Act, 1948**

An Act to provide for fixing minimum rates of wages in certain employments. The appropriate government shall fix the minimum rates of wages payable to employees employed in an employment specified in Part I or Part II of the Schedule and in an employment added to either Party by notification.

Provided that the appropriate government may in respect of employees employed in an employment specified in Part II of the Schedule instead of fixing minimum rates of wages under this clause for the whole State fix such rates for a part of the State or for any specified class or classes of such employment in the whole State.

**(x) The Child Labour (Prohibition and Regulation) Act, 1986**

It outlines where and how children can work and where they cannot. The provisions of the act are meant to be acted upon immediately after the publication of the act, except for part III that discusses the conditions in which a child may work.

The Act defines a child as any person who has not completed his fourteen year of age. Part II of the act prohibits children from working in any occupation listed in Part A of the Schedule; for example: Catering at railway establishments, construction work on the railway or anywhere near the tracks, plastics factories, automobile garages, etc. The act also prohibits children from working in places where certain processes are being undertaken, as listed in Part B of the Schedule; for example: beedi making, tanning, soap manufacture, etc.

## **C. INTELLECTUAL PROPERTY LEGISLATIONS**

### **(I) INTELLECTUAL PROPERTY:**

The Trademarks Act, 1999, The Patents Act 1970 and the Copyright Act, 1957 inter alia govern the law in relation to intellectual property, including patents, copyrights, trademarks, service marks, brand names, trade names and research works.

“Intellectual Property Rights” or “IPR” means all trade secrets, patents and patent applications, trade marks (whether registered or unregistered and including any goodwill acquired in such trade marks), services marks, trade names, internet domain names, copyrights, moral rights, database rights, design rights, rights in know-how, rights in Confidential Information, rights in inventions (whether patentable or not) including, but not limited to, any and all renewals or extensions thereof, and all other proprietary rights (whether registered or unregistered, and any application for the foregoing), and all other equivalent or similar rights which may subsist anywhere in the world, including, but not limited to, any and all renewals or extensions thereof.

### **TRADEMARK**

A Trade Mark is any representation, which might be a word, phrase, symbol, design, sound, smell, and color, adopted and used by a company to identify its products or services, and to distinguish them from products and services of others. Trademark registration is one of the strongest ways to protect one’s trademark. Registration makes it a lot easier to protect the trademark against would-be infringers and could end up saving a lot of time and money, in proving that, one is the legitimate owner of the trademark. Registering and maintaining registration of the Trademarks grants many advantages like protection against infringement of trademark, exclusive use of the mark and the right to prevent others from using, applying the said trade mark without proper authority.

## **D. Tax Related Legislations**

### **(i) Income Tax Act 1951**

The 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 Company assessable to income tax under the IT Act is required to comply with the provisions thereof, including those relating to Tax Deduction at Source, Advance Tax, and Minimum Alternative Tax and like. Every such Company is also required to file its returns by 30th September of each assessment year.

### **(ii) The Customs Act, 1962 and the Customs Tariff Act, 1975**

The provisions of the Customs Act, 1962 and Rules made there under are applicable at the time of import of goods into India from a place outside India or at the time of export of goods out of India to a place outside India. The Customs Tariff Act, 1975 provides the rates at which duties of customs will be levied under the Customs Act, 1962.

### **(iv) Goods and Service Tax (GST)**

GST is one indirect tax, on the supply of goods and services, right from the manufacturer to the consumer. Credits of input taxes paid at each stage will be available in the subsequent stage of value addition, which makes GST essentially a tax only on value addition at each stage. The final consumer will thus bear only the GST charged by the last dealer in the supply chain, with set-off benefits at all the previous stages.

GST proposes to abolish the varying levels of taxation between States, and consider as a single whole organism when it comes to taxes on goods and services instead of as a segmented creature. All the sundry taxes will be clubbed into just 2 levels – Central GST and State GST. The consumer who buys the product will have to pay only the GST charged by the last dealer in the supply chain, as everyone else would have the opportunity to set-off the taxes paid at the previous stages.

GST will also prevent the multiple taxation occurring on certain goods, and ensure transparency with regards to the rate of taxation and the total amount that goes to the government as taxes on a product.

### **(v) 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. The Telangana Tax on Professions, Trades, Callings and Employments Act, 1987 is applicable to the Company.

## **E.OTHER LEGISLATIONS**

### **(i) 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. Further it may be noted that the First Floor of Present Registered office Premises of M/s. Hariom Pipe Industries Limited is a Leased Property taken from the Lessor Mr. Roopesh Kumar Guptaby entering into lease agreement on 04.12.2017 for a period of 24 Months/ Renewal after 11 Months commencing from 1<sup>st</sup> December, 2017. The Schedule of the Property is as follows:

North: 30' Wide Road & Kamala Residence.  
South: 40' Wide Road.  
East: Property of Gurucharanam.  
West: Ambience Fort Bunglow No. 67 & 68.

Further it may be noted that the land on which the Factory was constructed at Peddaiahpally, Balanagar Mandal, Mehabubnagar District, was purchased in the name of M/s. Hariom Pipe Industries Limited Represented by Mr. Rupesh Gupta in the year 2007 from the vendors i.e. Mr. K. Goverdhan Reddy, Mr. Krishna Reddy, Mr. Venkat Laxma Reddy, Mr. Venkat Reddy and Mr. G. Sai Baba. The Schedule of the Property is as follows:

North: Sy. No. 64, 39 & Neighbour Land  
South: Road & Sy. No. 61 Land  
East: Railway Track  
West: Neighbour Land & Sy. No. 61

### **(ii) The Indian Stamp Act, 1899**

Stamp duty in relation to certain specified categories of instruments as specified under Entry 91 of the list, is governed by the provisions of the Indian Stamp Act, 1899 (“Stamp Act”) which is enacted by the Central Government. All other instruments are required to be stamped, as per the rates prescribed by the respective State Governments. Stamp duty is required to be paid on all the documents that are registered and as stated above the percentage of stamp duty payable varies from one state to another. Certain states in India have enacted their own legislation in relation to stamp duty while the other states have adopted and amended the Stamp Act, as per the rates applicable in the state. On such instruments stamp duty is payable at the rates specified in Schedule I of the Stamp Act.

Instruments chargeable to duty under the Stamp Act which are not duly stamped are incapable of being admitted in court as evidence of the transaction contained therein. The Stamp Act also provides for impounding of instruments which are not sufficiently stamped or not stamped at all. Unstamped and deficiently stamped instruments can be impounded by the authority and validated by payment of penalty. The amount of penalty payable on such instruments may vary from state to state.

### **(v) 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.

### **(vi) The Registration Act, 1908**

The Registration Act, 1908 was passed to consolidate the enactments relating to the registration of documents. The main purpose for which the Act was designed was to ensure information about all deals concerning land so that correct land records could be maintained. The Act is used for proper recording of transactions relating to other immovable property also. The 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.

### **(vii) The Specific Relief Act, 1963**

The Specific Relief Act is complimentary to the provisions of the Contract Act and the T.P. Act, as the Act applies both to movable property and immovable property. The 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.

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

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

### **(ix) Foreign Exchange Management Act, 1999**

The Foreign Exchange Management Act, 1999 was enacted to consolidate and amend the law relating to foreign exchange with the objective of facilitating external trade and for promoting the orderly development and maintenance

of foreign exchange market in India. It extends to the whole of India. The Act also applies to all branches, offices and agencies outside India owned or controlled by a person resident in India and also to any contravention committed there under outside India by any person to whom this Act is applies. Broadly, the objectives of FEMA are to facilitate external trade and payments and to promote the orderly development and maintenance of foreign exchange market. The Act has assigned an important role to the Reserve Bank of India(RBI) in the administration of FEMA. The rules, regulations and norms pertaining to several sections of the Act are laid down by the Reserve Bank of India, in consultation with the Central Government. Section 7 of Foreign Exchange Management Act, 1999 deals with export of goods and services. Section 7 (3) lays down that every exporter of services shall furnish to the Reserve Bank or to such other authorities a declaration in such form and in such manner as may be specified, containing the true and correct material particulars in relation to payment for such services. Section 8 casts the responsibility on the person's resident in India who have any amount of foreign exchange due or accrued in their favour to get the same realised and repatriated to India within the specific period and the manner specified by RBI.

The Reserve Bank of India made 'Foreign Exchange (Export of Goods & Services) Regulations, 2015 by virtue of the powers conferred by Section 7(3)(1)(a) and Section 47 (2) of the Foreign Exchange Management Act, 1999 and in supersession of its Notification No. FEMA.23/2000-RB, dated 03.05.2000 as amended from time to time, which came into effect from 12.01.2016. The Regulations dealt with the exports, the declaration to be filed, the realization of export value etc. The Regulation 2(iv) defines the term 'export' as including the taking or sending out of goods by land, sea or air, on consignment or by way of sale, lease, hire purchase or under any other arrangement by whatever name called and in the case of software, also includes transmission through any electronic media.

The Export of Goods and Services Regulations 2015 clarify that in case for the export of services where no Form has been prescribed, the exporter may be permitted to export such services without furnishing any declarations, provided the exporter realizes the full value of the services exported within the prescribed time and the payments for the services are made in the specified manner. Further in relation to project exports, in cases where a guarantee is required to be given prior to post award approval, the same will be required to be issued by an authorised dealer bank/ Indian resident being an exporting company, for the performance of a project outside India or for availing credit facilities, whether fund – based/non – fund based from a bank or a financial institution outside India, in connection with the execution of such project, provided that the contract/letter of award stipulates such requirements. The changes proposed by the Export of Goods and Services Regulations 2015 are to ease the processes for export of goods and services and clarify compliances to be followed in case of export of services.

Direct investments by residents in Joint Venture (JV) and Wholly Owned Subsidiary (WOS) abroad are being allowed, in terms of clause (a) of sub-section (3) of section 6 of the Foreign Exchange Management Act, 1999, (42 of 1999) read with Notification No. FEMA.120/RB-2004 dated July 7, 2004, (GSR 757 (E) dated November 19, 2004), viz. Foreign Exchange Management (Transfer or Issue of Any Foreign Security) Regulations, 2004. These Regulations are amended from time to time to incorporate the changes in the regulatory framework and published through amendment notifications.

#### **(x) 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.

#### **(xi) The Companies Act, 1956**

The Companies Act, 1956 deals with laws relating to companies and certain other associations. It was enacted by the parliament in 1956. The Act primarily regulates the formation, financing, functioning and winding up of companies. The Companies Act, 1956 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. In the functioning of the corporate sector, although freedom



of companies is important, protection of the investors and shareholders, on whose funds they flourish, is equally important. The Companies Act, 1956 plays the balancing role between these two competing factors, namely, management autonomy and investor protection.

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

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

**(xiii) The Companies Act, 2013**

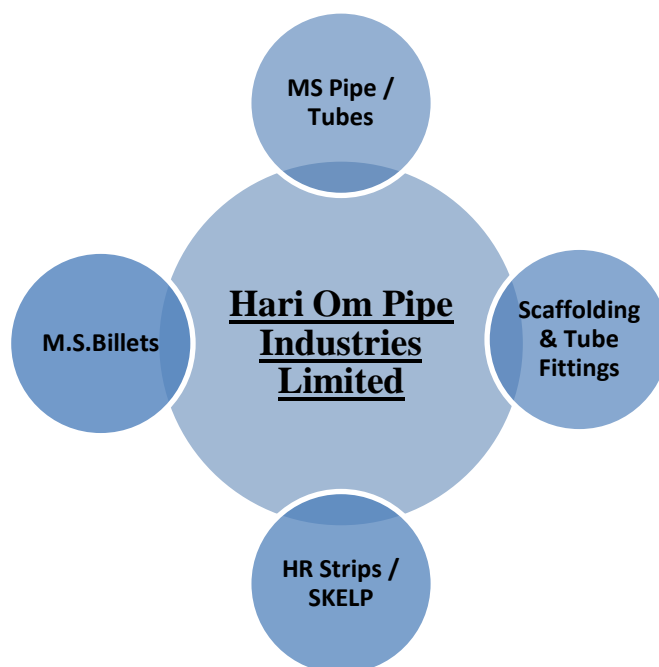
The Companies Act, 2013, has been introduced to replace the existing Companies Act, 1956 in a phased manner. Barring a few sections, the entire enactment has been notified by the Ministry of Corporate Affairs from time to time by specifying the effective dates from which the notified provisions along with the rules made thereunder shall come into force. Although substantial changes have been incorporated in the new Act, several key provisions remain unchanged. The new Act can help deal with the complexities that the current procedure faces that were contemplated under the old Act. The New Act has incorporated various provisions to tackle the problems actually faced in the due process and certain rules were also incorporated under the new Act. One salient feature of the New Companies Act, 2013 is that from a statute which was a substantive cum procedural law in the earlier avatar, in the current form it has been made more rule based making it vulnerable to frequent amendments.

## HISTORY AND CERTAIN CORPORATE MATTERS

Our company forms part of Hariom Group which was named after industrialist Shri Hariom Golas who laid the foundation stone for the group in the year 1962. Today, Hariom Group has carved itself into a well defined entity. Our specialized and dedicated team of professionals and engineers constantly keep abreast with the latest technology and trends as per the requirement of the industry.

Our company was incorporated on June 21, 2007 as 'Hari Om Concast and Steels Private Limited' with an objective of delivering quality steel products that exceed customer expectation. We have successfully established our brand in iron and steel products and mild steel tubes market (especially in Southern India). The company is a source for variety of products such as M.S. Billets, HR. Skelps, MS pipes in Square, Rectangular, Round, D-Shape pipes & Scaffolding Systems.

Our company manufacturing facility has an existing capacity of 28,000 MT of Induction Furnace, 18,000 MT of Rolling mill, 20,000 MT of piping mill and 500 MT under Scaffoldings. Our manufacturing facility is located at Survey. No.58/62/63, Sheriguda Village, Peddaiahpally G. P., Balanagar Mandal, Mahabubnagar, Dist., Telangana. which is spread over to 2.39 hectares. Our manufacturing facility provides for accommodation, medical, canteen and other necessary facilities to harbour our employees. Our product portfolio is illustrated as below:



We are ISO 9001: 2015 and IS 2830: 2012 certified company. It is our goal to maintain high standards in terms of quality and service and to educate the customers about importance of using good quality branded construction steel. Currently, our company has at its disposal, a dynamic team of qualified professionals. These professionals are assisted by administration and finance professionals who work in unison in order to meet specific client requirements and attain organizational goals and targets within the set time frame.

Year	Event
June 2007	Our Company was incorporated as Hari Om Concast and Steels Private Limited on 21 <sup>st</sup> June'2007.
July 2007	Acquired the land at Balanagar Mandal, Mahabubnagar for the Manufacturing facility
May 2010	Started Production of HR Strips (Rolling Mill Unit) from 30 <sup>th</sup> May'2010
July 2010	Started Production of MS Tubes (Pipe Mill Unit "I") from 15 <sup>th</sup> July'2010
September 2011	Started Production of Scaffolding (Scaffolding Unit) from 16 <sup>th</sup> Sep'2011
March 2013	Achieved Turnover of more than 75 crores for the Financial Year 2012-13
April 2013	Started Production of HR Slit Coil & M.S. Tubes (Slitting Mill Unit/ Pipe Mill Unit "II") from 18 <sup>th</sup> Apr'2013

March 2017	Achieved Turnover of more than 85 crores for the Financial Year 2016-17
December 2017	Shifted our register office to Samarpan, Attapur, Hyderabad -500048
January 2018	We got converted from a private Limited to Public Limited

## MAIN OBJECTS AS PER MEMORANDUM OF ASSOCIATION

Our Company's main objects as per the Memorandum of Association are as follows:

1. To manufacture, produce, roll, re-roll, buy, sell, import, export, or otherwise deal in all kinds of steel tubes, strips, ingots, rods, joints, channels, chimneys, rails, wire ropes, furniture's, plates and windows of every kind and descriptions, flats, angles, channels, square, rounds, sheets, wires, plates, pipes, deformed bars, plain and cold twisted bars, shafting, structural's whether rolles, forget or drawn and their by-products.
2. To carry on the business as iron-masters, iron and steel makers, steel founders, steel convertors, steel fabricators, extruders, iron ore miners, steel re-processors, metallurgists, smelters and as manufacturers of and dealers in ferrous castings and forgings of all types.
3. To carry on the business of manufacturers, fabricators and dealers, exporters and importers of all varieties of steel, strips, special steel, carbon steel, tool, alloy, steel, mild steel, MS Tubes, HR Strips, GI Strips, CR Strips, Skelps, Tube Fittings and any other kind and grades of steel and to carry on and execute the work of steel engineers including manufacturing and dealing in steel billets, steel rods, steel ingots, steel sheets, steel wires and in all kinds of steel products whether forged, rolled or down and consequently to manufacture, sell and deal in all or any of the by-products which will be obtained in the process of manufacturing these steel products.
4. To carry on the business of manufacturers, processors, fabricators, drawers, rollers and re-rollers of ferrous and non-ferrous metals, steels, bimetal product, copper and copper alloys, alloy steel, sponge iron, Pig Iron, prestressed pillars, billets including manufacturing, processing and fabricating of pipes, utensils, wires, nails, wire ropes, wire products, screws, expanded metal hinges, plates, hoops, angles and to manufacture any other engineering products including hospital appliances and surgical instruments and to act as exporters and importers and dealers in all such and allied merchandise.
5. To carry on, manage, supervise and control the business of transmitting, manufacturing, supplying, generating, distributing and dealing in electricity and all forms of energy and power generated by any source whether nuclear, steam, hydro or tidal, water, wind, solar, hydrocarbon fuel or any other form, kind or description and commissioning, setting up, operating and maintaining electric power transmission systems/networks, power systems, generating stations based on conventional/ non-conventional resources for evacuation, transmission, distribution, trading or supply of power through establishing or using stations, tie-lines, sub-stations and transmission or distribution lines in any manner including build, own and transfer (BOT), and/or build, own and operate (BOO) and/or build, own, lease and transfer (BOLT) and/or build, own, operate and transfer (BOOT) basis or otherwise ,and to acquire in any manner power transmission systems/networks, power systems, generation stations, tie-lines, sub-stations and transmission or distribution systems from State Electricity Boards, Vidyut Boards, Power Utilities, Generating Companies, Transmission Companies, Distribution Companies, Central or State Government Undertakings, Licensees, other local authorities or statutory bodies, other captive or independent power producers and distributors and to do all the ancillary , related or connected activities as may be considered necessary or beneficial or desirable for or along with any or all of the aforesaid purposes which can be conveniently carried on these systems, networks or platforms.

## CHANGES IN REGISTERED OFFICE OF OUR COMPANY

Date of Change of Registered Office	Registered Address Changed From	Changed to
	The Registered Office of our Company at the time of incorporation was at 15-8-511/1/12, Feelkhana Hyderabad, Telangana- 500 012	
December 04, 2017	15-8-511/1/12, Feelkhana Hyderabad, Telangana- 500 012	3-4-174/12/2, 1 <sup>st</sup> Floor, Samarpan, lane beside Spencer's Pillar No. 125, Attapur, Hyderabad-500048, Telangana

## 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
December 08, 2007	Increase in Authorised Capital from ₹10,00,000 divided into 1,00,000 Equity Shares of ₹10 each to ₹3,50,00,000 divided into 35,00,000 Equity Shares of ₹10 each.
February 28, 2011	Reclassification of Authorised Capital from ₹3,50,00,000 divided into 35,00,000 Equity Shares to ₹1,70,00,000 divided into 17,00,000 Equity Shares of ₹10 each and ₹1,80,00,000 divided into 1,80,000 Preference Shares of ₹100 each
March 09, 2012	Increase in authorised capital from ₹3,50,00,000 divided into 17,00,000 Equity Shares of ₹10 each and 1,80,000 Preference Shares of Rs. 100 each to ₹3,81,00,000 divided into ₹17,00,000 Equity shares of ₹10 each divided into 2,11,000 Preference shares of ₹100 each.
February 15, 2016	Increase in authorised capital from ₹ 3,81,00,000 divided into 17,00,000 Equity shares of ₹10 each and 2,11,000 Preference shares of Rs.100 each to ₹ 8,31,00,000 divided into 17,00,000 Equity shares of ₹ 10 each and 2,11,000 0% Redeemable Optionally Convertible Preference shares of ₹ 100 each and 45,00,000 0% Series A Redeemable Non Cumulative Preference Shares of ₹ 10 each.
July 01, 2017	Reclassification of Authorised Capital from ₹ 8,31,00,000 divided into 17,00,000 Equity shares of ₹ 10 each, 2,11,000 0% Redeemable Optionally Convertible Preference shares of ₹ 100 each and 45,00,000 0% Series A Redeemable Non Cumulative Preference Shares of ₹10 to 29,06,200 Equity Shares of ₹ 10/- each, 2,08,760 0% Redeemable Optionally Convertible Preference Shares of ₹ 100/- each .
December 12, 2017	Reclassification of Authorised Capital from ₹8,31,00,000 divided into 29,06,200 Equity Shares of ₹10/- each, 2,08,760 0% Redeemable Optionally Convertible Preference Shares of Rs. 100/- each and 33,16,200 Series A Redeemable Non Cumulative Preference Shares of Rs. 10/- each to 49,93,800 Equity Shares of ₹10/- each, and 33,16,200 Series A redeemable Non Cumulative Preference Shares of Rs. 10/-
	Increase in Authorised Capital from ₹8,31,00,000 divided into 49,93,800 Equity Shares of ₹10/- each, and 33,16,200 Series A redeemable Non Cumulative Preference Shares of Rs. 10/- to ₹16,00,00,000 divided into 1,26,83,800 Equity Shares of Rs. 10/- each and 33,16,200 0% Series A redeemable Non Cumulative Preference Shares of Rs. 10/- each
	Alteration of Name Clause by changing name from Hari om Concast Private Limited to Hariom Pipe Industries Private Limited.
January 08, 2018	Alteration of Name Clause by changing name from Hariom Pipe Industries Private Limited to Hariom Pipe Industries Limited
	Alteration of Clause III of the Company titled as The Object Clause of the Company for which it is established are by replacing with new Object Clause.
February 09,2018	Increase in Authorised Capital from ₹16,00,00,000 divided into 1,26,83,800 Equity Shares of Rs. 10/- each and 33,16,200 0% Series A redeemable Non Cumulative Preference Shares of Rs. 10/- to ₹19,00,00,000 divided into 1,56,83,800 Equity Shares of Rs. 10/- each and 33,16,200 0% Series A redeemable Non Cumulative Preference Shares of Rs. 10/- each

## SUBSIDIARY

As on the date of this Draft Prospectus we have only one subsidiary.

## OTHER DETAILS REGARDING OUR COMPANY

Details regarding the description of our activities, the growth of our Company, technology, the standing of our Company with reference to the prominent competitors with reference to its products, management, major suppliers and customers, segment, capacity/facility creation, marketing, competition and foreign operations, please see “*Our Business*”, “*Our Management*” and “*Industry Overview*” beginning on page nos. 82, 109 and 70 respectively of this Draft Prospectus.

## ADOPTION OF NEW ARTICLES OF ASSOCIATION

Our Company has adopted a new set of Articles of Association of our Company, in the Extra-Ordinary General Meeting of our Company held on February 09, 2018.

## CAPITAL RAISING THROUGH EQUITY AND DEBT

Except, as mentioned in the chapter titled “*Capital Structure*” beginning on page no. 47 of this Draft Prospectus, our Company has not raised any capital by way of equity or convertible debentures.

Further, as on the date of this Draft Prospectus our Company has not availed loan facilities from any banks and financial institutions.

#### **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 Draft Prospectus, there is no Holding Company of our Company.

#### **JOINT VENTURES**

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

#### **SHAREHOLDERS’ AGREEMENT**

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

#### **DETAILS REGARDING ACQUISITION OF BUSINESS / UNDERTAKINGS, MERGERS, AMALGAMATION, REVALUATION OF ASSETS ETC.**

There are no acquisition of Business / Undertakings, Mergers, Amalgamation, Revaluation of Assets etc.. as on date of this Draft Prospectus.

#### **FINANCIAL PARTNERS**

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

#### **STRATEGIC PARTNERS**

We do not have any strategic partners as on the date of this Draft 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 Draft Prospectus. Also, there are no material agreements entered into more than 2 years before the date of this Draft Prospectus.

#### **INJUNCTIONS OR RESTRAINING ORDERS**

There are no injunctions / restraining orders that have been passed against our Company since incorporation.

#### **DEFAULTS OR RESCHEDULING OF BORROWINGS**

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

#### **NUMBER OF SHAREHOLDERS / MEMBERS**

Our Company has 9 (nine) shareholders as on the date of this Draft Prospectus.

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

There has been no change in the business activities of our Company since its inception till the date of this Draft Prospectus.

---

## **COLLABORATIONS**

Our Company has not entered into any collaboration with any third party as per Item (VIII) (B) (1) (c) of Part A of Schedule VIII of the ICDR Regulations.

## **NON COMPETE AGREEMENT**

Our Company has not entered into any non-compete agreement as on the date of this Draft Prospectus.

## **JOINT VENTURE/ PARTNERSHIP AGREEMENT**

Except the agreements entered in the ordinary course of business carried on or intended to be carried on by us, we have not entered into any other joint venture agreement or partnership agreement as on the date of this Draft Prospectus.

## **TIME AND COST OVERRUNS**

As on the date of this Draft Prospectus, there has been time and cost overruns in any of the projects undertaken by our Company.

## **LOCK-OUT OR STRIKES**

There has been no lock-out or strikes in our Company since inception.

## **CHANGES IN THE MANAGEMENT**

There has been no change in management of our Company.

## **COMPETITION**

For details on the competition faced by our Company, please see “*Our Business*” beginning on page no. 82 of this Draft Prospectus.

## **TECHNOLOGY AND MARKET COMPETENCE**

For details on the technology and market competence of our Company, please see “*Our Business*” beginning on page no. 82 of this Draft Prospectus.

## OUR MANAGEMENT

### Board of Directors:

Our Company has 5 (five) Directors consisting of 2 (two) Executive Directors and 1 (one) Non-Executive Director and 2 (two) Non Executive Independent Director. The following table sets forth the details of our Board of Directors as on the date of this Draft Prospectus:

Name, Current Designation, Address, Occupation, Term and DIN	Nationality	Age	Other Directorships
<p><b>Pramod Kumar Kapoor</b> (<i>Non-Executive Independent Chairman</i>)</p> <p><b>Address:</b> Plot No.37, Kakateeya Hills, Road No-1, Madhapur – 500 081</p> <p><b>Date of appointment as Director:</b> January 08, 2018</p> <p><b>Date of appointment as Chairman:</b> January 08, 2018</p> <p><b>Term:</b> Appointed for a period of Five years i.e. upto January 07, 2023</p> <p><b>Occupation:</b> Technical and Marketing</p> <p><b>DIN:</b> 03557358</p>	Indian	66 Years	Nil
<p><b>Rupesh Kumar Gupta</b> (<i>Managing Director</i>)</p> <p><b>Address:</b> Bungalow no. 70, Golas Kunj, Ambience Fort, Pillar No. 125 Hyderguda; Hyderabad -500 048</p> <p><b>Date of appointment as Non-Executive Director:</b> June 21, 2007</p> <p><b>Date of appointment as Managing Director :</b> January 08, 2018</p> <p><b>Term:</b> Appointed as Managing Director for a period of 3 years from January 08, 2018 till January 07, 2021.</p> <p><b>Occupation:</b> Business</p> <p><b>DIN:</b> 00540787</p>	Indian	41 Years	Reo Solutions Private Limited
<p><b>Sailesh Gupta</b> (<i>Whole Time Director</i>)</p> <p><b>Address:</b> Bungalow no. 70, Golas Kunj, Ambience Fort, Pillar No. 125 Hyderguda; Hyderabad -500 048</p> <p><b>Date of appointment as Additional Non - Executive Director:</b> 09.01.2010</p> <p><b>Date of appointment as Whole Time Director:</b> January 08, 2018</p>	Indian	36 Years	Nil

Name, Current Designation, Address, Occupation, Term and DIN	Nationality	Age	Other Directorships
<p><b>Term:</b> Appointed as Whole Time Director for a period of 3 years from January 08, 2018 till January 07, 2021</p> <p><b>Occupation:</b> Business</p> <p><b>DIN:</b> 00540862</p>			
<p><b>Sunita Gupta</b> (Non-Executive Director)</p> <p><b>Address:</b> Plot No.70, Ambience Fort, Pillar 125, Attapur, Hyderabad, Rangareddi, Andhra Pradesh 500 048.</p> <p><b>Date of appointment as Additional Non - Executive Director:</b> October 01, 2014</p> <p><b>Date of Appointment as Non Executive Director:</b> October 01, 2017</p> <p><b>Term:</b> Liable to retire by rotation</p> <p><b>Occupation:</b> Business</p> <p><b>DIN:</b> 02981707</p>	Indian	61 Years	Ansh Commerce Private Limited
<p><b>Santosh Kumar Rathi</b> (Non-Executive Independent Director)</p> <p><b>Address:</b> H.No-6-3-661, F.No-8 Sai Ramkrishna Enclave, Sangeet Nagar, Somajiguda; Hyderabad – 500 082</p> <p><b>Date of Appointment as Non Executive Independent Director:</b> January 08, 2018</p> <p><b>Term:</b> Appointed for a period of Five years i.e. upto January 07, 2023</p> <p><b>Occupation:</b> Business</p> <p><b>DIN:</b> 06478349</p>	Indian	65 Years	Prima Urbanscapes Private Limited;  ENR Infraprojects Private Limited

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

#### RELATIONSHIP BETWEEN DIRECTORS

None of the Directors on our Board are related to each other, except as mentioned below:

- Mrs. Sunita Gupta is the mother of Mr. Rupesh Kumar Gupta and Mr. Sailesh Gupta.
- Mr. Rupesh Kumar Gupta and Mr. Sailesh Gupta are brothers.

#### OTHER DISCLOSURES:

1. There are no arrangements or understanding with major shareholders, customers, suppliers or others, pursuant to which any of the Directors were selected as a Director.



2. There is no service contracts entered into by the Directors with our Company providing for benefits upon termination of employment.
3. None of the Directors is or was a director of any listed company during the last five years preceding the date of the Draft Prospectus, whose shares have been or were suspended from being traded on the BSE or the NSE, during the term of their directorship in such company.
4. None of the Directors is or was a director of any listed company which has been or was delisted from any recognized stock exchange in India during the term of their directorship in such company.
5. None of the Directors is categorized as a wilful defaulter, as defined under SEBI (ICDR) Regulations.

## **BRIEF BIOGRAPHIES OF OUR DIRECTORS**

### **Pramod Kumar Kapoor**

Mr. Pramod Kumar Kapoor, aged 66 years is the Chairman and Non Executive Independent Director of our Company. He has obtained his Bachelor's degree in Textile Technology from Birendra Narayan Chakrabarty University, Kurukshetra. He has 42 years of experience in Production, Quality Control, R&D and Marketing in textile industry. He has traveled to Europe and Asian countries for developing export markets till 1995. He has worked as President - Marketing in Visaka Industries Limited for 22 years. Currently he is working as advisor for Visaka Industries Limited.

### **Rupesh Kumar Gupta**

Mr. Rupesh Kumar Gupta, aged 41 years is the Managing Director and the founder of the Company. He is an undergraduate. He has been the main guiding force behind the growth and business strategy of our Company. He has almost a decade of steel industry experience and has been instrumental in the consistent growth of our Company's performance.

### **Sailesh Gupta**

Mr. Sailesh, aged 36 years is the Whole Time Director of our Company. He has experience of more than 7 years in Marketing. He is Graduate from Pragati Pragati Mahavidyalaya Degree College. He has been a real backbone of the Company for identifying, negotiating and implementing new business opportunities. Also, he has played crucial role in team building and clients addition.

### **Sunita Gupta**

Mrs. Sunita Gupta aged 61 years is the Non Executive Director of our Company. She is an undergraduate. She has more than 3 years of experience in steel industry. As a Non Executive Director she is responsible for providing her expertise for growth and expansion of the Company.

### **Santosh Kumar Rathi**

Mr. Santosh Kumar Rathi, aged 65 years is the Non Executive Independent Director of the Company. He has completed his Masters in Commerce from University of Indore. He has a vide experience of over 47 years in the field of banking and finance and has in past worked for State Bank of Indore for more than 23 years. As Independent Director of the Company he is responsible for handling finance and marketing department. He is also member of various committees formed by the Company.

## **Borrowing Powers of our Board of Directors**

Our Company at its Extra-Ordinary General Meeting held on January 08, 2018 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 ₹200 Crores Only.

## Remuneration of Executive Directors

### 1) Mr. Rupesh Kumar Gupta (Managing Director)

The compensation package payable to him as resolved in the shareholders meeting held on January 08, 2018 is stated hereunder:

**Basic Salary:** Upto Rs. 1,20,000/- Per Month (Rs. One Twenty Thousand per month)

**Benefits, Perquisites, Allowances:** NIL

The remuneration paid to Mr. Rupesh Kumar Gupta for FY 2016-17 was ₹14.40 lakhs.

### 2) Mr. Shailesh Gupta (Whole Time Director)

The compensation package payable to him as resolved in the shareholders meeting held on January 08, 2018 is stated hereunder:

**Basic Salary:** Upto Rs. 1,20,000/- Per Month (Rs. One Twenty Thousand per month)

**Benefits, Perquisites, Allowances:** NIL

The remuneration paid to Mr. Shailesh Gupta for FY 2016-17 was ₹14.40 lakhs.

### Compensation of Non-Executive Directors by way of Sitting fees:

Pursuant to a resolution passed at the meeting of the Board of the Company on January 17, 2018 the Non-Executive Directors will be paid ₹ 2500/- as sitting fee for attending per Board meetings held.

Remuneration paid to our Non-Executive Directors in Fiscal 2017: Nil

## Shareholding of Directors

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

Name of Directors	No. of Equity Shares held	% of Pre-Issue Paid Up Capital
Sailesh Gupta	24,64,000	22.61%
Rupesh Kumar Gupta	36,38,292	33.38%
Sunita Gupta	811,832	7.45%
<b>Total Holding of Directors</b>	<b>69,14,124</b>	<b>63.43%</b>
<b>Total Paid up Capital</b>	<b>10,900,092</b>	<b>100.00%</b>

The following table sets forth the shareholding 0% Series A Redeemable Non Cumulative Preference Shares of our Directors as on the date of this Draft Prospectus:

Name of Directors	No. of 0% Series A Redeemable Non Cumulative Preference Shares held	% of Capital Held
Sailesh Gupta	3,66,200	11.04%
<b>Total Holding of Directors</b>	<b>3,66,200</b>	<b>11.04%</b>
<b>Total Paid up Capital</b>	<b>33,16,200</b>	<b>100.00%</b>

### Appointment of Relatives of our Directors to any office or place of profit

None of the relatives of our Directors are appointed to any office or place of profit.

## Interest of the Directors

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 Promoter, 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 the chapter titled “*Annexure XXVII - Related Party Transactions*” under section titled “*Financial Statements*” beginning on page no. 151 and page no.131 respectively of this Draft Prospectus, our Directors do not have any other interest in our business.

Except as disclosed in “*Properties*” within the section titled “*Our Business*” beginning on page no.92 of this Draft Prospectus, our Directors have no interest in any property acquired by our Company within two years of the date of this Draft 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)	Parul Gupta	30.09.2015	Change in Designation as Executive Director
2)	Isha Gupta	30.09.2015	Change in Designation as Executive Director
3)	Sunita Gupta	30.09.2015	Change in Designation as Executive Director
4)	Rakesh Kumar Gupta	01.10.2017	Resignation
5)	Isha Gupta	01.10.2017	Resignation
6)	Parul Gupta	01.10.2017	Resignation
7)	Sunita Gupta	01.10.2017	Change in Designation as Non – Executive Director
8)	Pramod Kumar Kapoor	08.01.2018	Appointment as Chairman and Non-Executive Independent Director.
9)	Santosh Kumar Rathi	08.01.2018	Appointment as Non-Executive Independent Director
10)	Rupesh Kumar Gupta	08.01.2018	Appointed as Managing Director
11)	Sailesh Gupta	08.01.2018	Appointed as Whole Time 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 SEBI (LODR) Regulations, 2015. The Board functions either as a full board or through various committees constituted to oversee specific functions. Our executive management provides our Board detailed reports on its performance periodically.

Currently, our Board has five (5) Directors out of which two (1) is woman director. In compliance with the requirements of the Companies Act, we have two (2) Executive Directors (1) one Non-Executive Director and (2) two Non-Executive Independent Directors on our Board of which one is the Chairman of the Company.

## Committees of our Board

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

- a) Audit Committee
- b) Stakeholder's Relationship Committee
- c) Nomination and Remuneration Committee

## 1. Audit Committee

The Audit Committee of our Board was constituted by our Board of Directors vide resolution dated January 17, 2018 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.Santosh Kumar Rathi	Non-Executive Independent Director	Chairman
Mr.Pramod Kumar Kapoor	Chairman and Non-Executive Independent Director	Member
Mr. Rupesh Kumar Gupta	Managing Director	Member

The Company Secretary of the Company will act as the Secretary of the Committee.

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

- 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.
- 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.
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
- Reviewing, with the management, the annual financial statements before submission to the board for approval, with particular reference to:
  1. 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.
  2. Changes, if any, in accounting policies and practices and reasons for the same.
  3. Major accounting entries involving estimates based on the exercise of judgment by management.
  4. Significant adjustments made in the financial statements arising out of audit findings.
  5. Compliance with listing and other legal requirements relating to financial statements.
  6. Disclosure of any related party transactions.
  7. Qualifications in the draft audit report..
- Reviewing, with the management, the half yearly financial statements before submission to the board for approval
- Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document draft 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.
- Review and monitor the auditor's independence and performance, and effectiveness of audit process;
- Approval or any subsequent modification of transactions of the company with related parties;
- Scrutiny of inter-corporate loans and investments;
- Valuation of undertakings or assets of the company, wherever it is necessary;
- Evaluation of internal financial controls and risk management systems;
- Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems.

- 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.
- Discussion with internal auditors any significant findings and follow up there on.
- 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.
- 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.
- 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.
- To review the functioning of the Whistle Blower mechanism.
- 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.
- 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:*

1. To investigate any activity within its terms of reference;
2. To seek information from any employee;
3. To obtain outside legal or other professional advice;
4. To secure attendance of outsiders with relevant expertise if it considers necessary;
5. 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.

#### *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 Stakeholder's Relationship Committee of our Board was constituted by our Board of Directors pursuant to section 178 (5) of the Companies Act, 2013 vide resolution dated January 17, 2018. The Stakeholder's Relationship Committee comprises of:

<b>Name of the Member</b>	<b>Nature of Directorship</b>	<b>Designation in Committee</b>
Mrs.Sunita Gupta	Non-Executive- Director	Chairman
Mr.Santosh Kumar Rathi	Non-Executive Independent Director	Member
Mr.Pramod Kumar Kapoor	Chairman and Non-Executive Independent Director	Member

The Company Secretary of the Company will act as the Secretary of the Committee.

This committee will address all grievances of Shareholders/Investors and its terms of reference include the following:

- a) Allotment and listing of our shares in future.
- b) Redressing of shareholders and investor complaints such as non-receipt of declared dividend, annual report, transfer of Equity Shares and issue of duplicate/split/consolidated share certificates;
- c) Monitoring transfers, transmissions, dematerialization, re-materialization, splitting and consolidation of Equity Shares and other securities issued by our Company, including review of cases for refusal of transfer/ transmission of shares and debentures;
- d) Reference to statutory and regulatory authorities regarding investor grievances;
- e) To otherwise ensure proper and timely attendance and redressal of investor queries and grievances;
- f) And to do all such acts, things or deeds as may be necessary or incidental to the exercise of the above powers.

#### ***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. Since the formation of the committee, no Stakeholders Relationship Committee meetings have taken place.

## **3. Nomination and Remuneration Committee**

The Nomination and Remuneration Committee of our Board was constituted by our Board of Directors pursuant to section 178 of the Companies Act, 2013 vide resolution dated January 17, 2018

The Nomination and Remuneration Committee currently comprises of:

<b>Name of the Member</b>	<b>Nature of Directorship</b>	<b>Designation in Committee</b>
Mr. Pramod Kumar Kapoor	Chairman and Non-Executive Independent Director	Chairman
Mr. Santosh Kumar Rathi	Non-Executive Independent Director	Member
Mrs. Sunita Gupta	Non-Executive- Director	Member

The Company Secretary of the Company will act as the Secretary of the Committee.

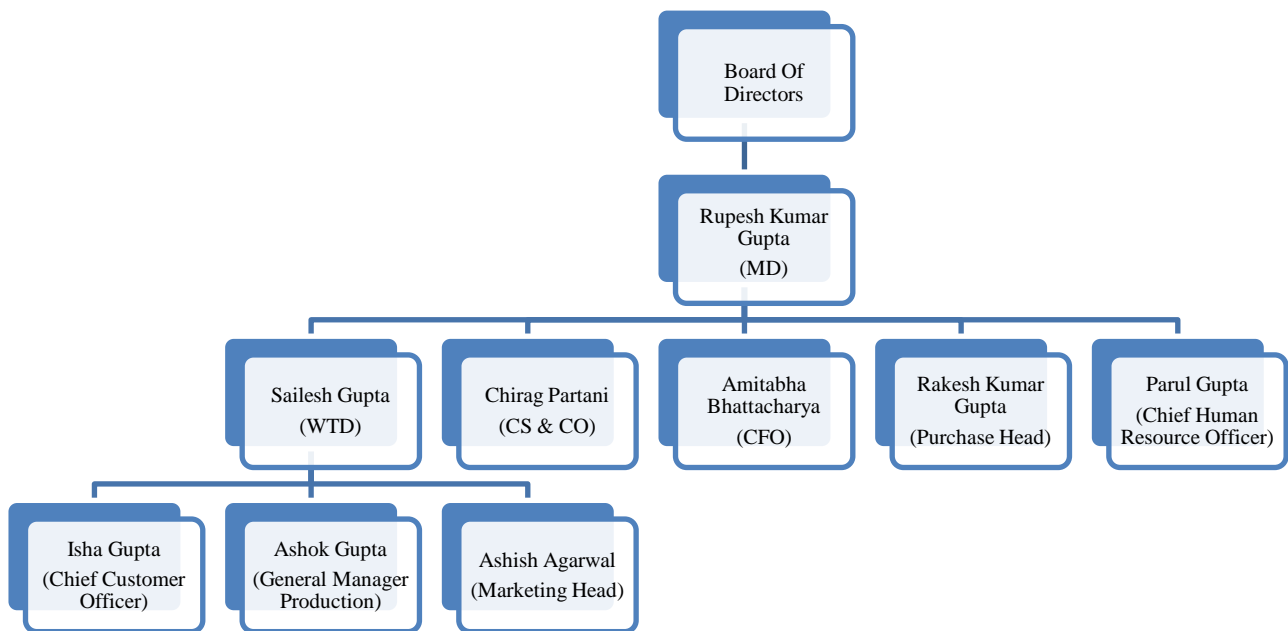
The scope of Nomination and Remuneration Committee shall include but shall not be restricted to the following:

- a) 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;
- b) Formulation of criteria for evaluation of Independent Directors and the Board;
- c) Devising a policy on Board diversity;
- d) 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.

### 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.

### Organization Chart



### Abbreviations and Keywords:

MD- Managing Director

WTD- Whole Time Director

CS & CO- Company Secretary and Compliance Officer

CFO- Chief Financial 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 Year (₹ in lakhs)	Qualification	Name of Previous Employer(s)	Total years of Experience
Amitabha Bhattacharya	Chief Financial Officer	June 21, 2007	4.8	B.Com (H), MCA	1) Jit Polycraft 2) Avro Impex (P) Limited 3) Tm Tyres & Tubes (P) Limited 4) Gati Limited 5) Chimanlal Suresh Kumar Textile (P) Limited 6) Hariom Metal Tubes (P) Limited	19 Years
Chirag Partani	Company Secretary and Compliance Officer	October 06, 2017	-	B.com CS	1) Aarv Infratel Limited	4 Years (including internship)
Rakesh Kumar Gupta	Purchase Head	October 01, 2017	14.40	Undergraduate	1) Director – Hariom Pipe Industries Limited	6 Years
Isha Gupta	Chief Customer Officer	October 01, 2017	14.40	Undergraduate	1) Director – Hariom Pipe Industries Limited	3 Years
Parul Gupta	Chief Human Resource Officer	October 01, 2017	14.40	B.Sc.	1) Director – Hariom Pipe Industries Limited	3 Years
Mr. Ashish Agarwal	Marketing Head	September 01, 2012	1.95	M.B.A from Osmania University	1) Class teacher Learning Systems.	20 Years
Mr. Ashok Gupta	General Manager Production	November 01, 2016	2.00	M.A. – Economics	1) M/s Rohini Strips Limited 2) M/s Rohini Fibre Limited 3) M/s Magnum Steel Limited 4) M/s Devashree Ispat Private Limited	26 Years

- a) Mr. Rakesh Gupta was appointed as an Executive Director on June 01, 2012 however, he resigned on October 01, 2017 and was appointed as Purchase head on the same date itself.
- b) Mrs. Isha Gupta was appointed as an Executive Director on June 01, 2012 however, she resigned on October 01, 2017 and was appointed as Chief Customer Officer on the same date itself.
- c) Mrs. Parul Gupta was appointed as an Executive Director on June 01, 2012 however, she resigned on October 01, 2017 and was appointed as Chief Human Resource Officer on the same date itself.

### Other Notes

The aforementioned KMPs are on the payrolls of our Company as permanent employees.

None of the KMPs is related parties as per the Accounting Standard 18 except as stated below:

- Rakesh Kumar Gupta is the Father – In – Law of Isha Gupta and Parul Gupta.
- Isha Gupta and Parul Gupta are Sister – In – Law.



### **Relationship amongst the Key Managerial Personnel**

Mr. Rakesh Kumar Gupta, Isha Gupta and Parul Gupta are related to each other. However, none of them have been selected pursuant to any arrangement / understanding with major shareholders / customers / suppliers.

### **Relationship amongst the Key Managerial Personnel and Directors**

- Rakesh Kumar Gupta is the father of Rupesh Kumar Gupta and Sailesh Gupta;
- Rakesh Kumar Gupta is husband of Sunita Gupta;
- Sunita Gupta is the mother of Rupesh Kumar Gupta and Sailesh Gupta;
- Sunita Gupta is the mother - in- law of Parul Gupta and Isha Gupta;
- Rupesh Kumar Gupta is the Husband of Parul Gupta;
- Sailesh Gupta is the Husband of Isha Gupta and
- Parul Gupta and Isha Gupta are sister – in – law.

except that none of the aforementioned KMP's are related to any of our Directors.

### **Shareholding of Key Managerial Personnel**

None of the KMP in our Company holds any shares of our Company as on the date of this Draft Prospectus except as mentioned below:

Rakesh Gupta holds 18,90,000 shares;  
Mrs. Isha Gupta holds 6,44,000 shares;  
Mrs. Parul Gupta holds 9,05,968 shares.

### **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**

Our Company does not have fixed bonus / profit sharing plan for any of the employees or key managerial personnel.

### **Loans taken by Key Management Personnel**

None of our Key Managerial Personnel have taken any loan from our Company as on the date of the Draft Prospectus.

### **Employee Share Purchase and Employee Stock Option Scheme**

Presently, we do not have ESOP / ESPS scheme for employees.

### **Payment or Benefit to our Officers of our Company.**

Except for the payment of salaries and yearly bonus, if any, we do not provide any other benefits to our employees.

### **Details of Service Contracts of the Key Managerial Personnel**

Except for the terms set forth in the appointment letters, the Key Managerial Personnel have not entered into any other contractual arrangements with our Company for provision of benefits or payments of any amount upon termination of employment.

### **Contingent or Deferred Compensation**

None of our KMPs has received or is entitled to any contingent or deferred compensation.

**Changes in the Key Managerial Personnel in the three years preceding the date of filing this Draft Prospectus**

Except as disclosed below, there has been no change in KMPs in past three years from the date of this Draft Prospectus:



<b>Sr. No.</b>	<b>Name of KMP's</b>	<b>Date of Change</b>	<b>Reason for change</b>
1	Isha Gupta	October 01,2017	Resigned as Director and was been appointed as KMP
2	Parul Gupta	October 01,2017	Resigned as Director and was been appointed as KMP
3	Rakesh Gupta	October 01,2017	Resigned as Director and was been appointed as KMP
4	Ashok Gupta	November 01, 2016	Appointed as GM Production
5	Chirag Partani	October 06, 2017	Appointed as CS and CO
6	Amitabha Bhattacharya	October 06, 2017	Appointment as CFO
7	Ashish Agarwal	November 01, 2016	Appointed as Marketing Head

## OUR PROMOTERS AND PROMOTER GROUP

### THE PROMOTERS OF OUR COMPANY ARE:

1. Mr. Rupesh Gupta and
2. Mr. Sailesh Gupta

Details of our Promoter are provided below:-

Mr. Rupesh Kumar Gupta	
	<b>PAN:</b> ACAPG4228Q
	<b>Passport No.:</b> H2251618
	<b>Driver's License No.:</b> 8533019920D
	<b>Voter's ID No.:</b> MXR5277751
	<b>Name of Bank &amp; Branch:</b> Canara Bank, Hyderabad.
	<b>Bank A/c No.:</b> 1076101040264
Mr. Sailesh Gupta	
	<b>PAN:</b> AEJPG0808B
	<b>Passport No.:</b> H4745583
	<b>Driver's License No.:</b> DLFAP009221722002
	<b>Voter's ID No.:</b> MXR5276803
	<b>Name of Bank &amp; Branch:</b> Canara Bank, Hyderabad.
	<b>Bank A/c No.:</b> 1076101041321

*For additional details on the age, background, personal address, educational qualifications, experience, positions / posts, other ventures and Directorships held in the past, please see "Our Management" beginning on page no. 109 of this Draft Prospectus.*

*For details of the build-up of our Promoters' shareholding in our Company, please see "Capital Structure – Shareholding of our Promoters" beginning on page no. 51 of this Draft Prospectus.*

### **Other Undertakings and Confirmations**

We confirm that the Permanent Account Number, Bank Account number and Passport number of our Promoters shall be 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 Promoters 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 Promoters or members of our Promoters Group or any Group Companies in the past or are currently pending against them. None of (i) our Promoters and members of our Promoters 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 Promoters 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.

### **Interests of Promoters**

None of our Promoters have any interest in our Company except to the extent of compensation payable / paid, 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 please see "Capital Structure",

“Financial Information” and “Our Management” beginning on page nos. 47, 131 and 109 respectively of this Draft Prospectus.

Except as stated otherwise in this Draft Prospectus, we have not entered into any contract, agreements or arrangements in which our Promoters are 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.

### **Change in the management and control of our Company**

Our Company was promoted by Mr. Rupesh Kumar Gupta and Mr. Rakesh Kumar Gupta.

### **Common Pursuits of Promoters**

Some of our Promoter Group entities, as mentioned below, have been undertaking business similar to ours and this may result in potential conflicts of interest with our Company in the future.

- Hariom Scaffolding and Form Works (Partnership Firm)
- Ultra Pipes (Partnership Firm)

### **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 Draft Prospectus.

### **Payment of Amounts or Benefits to the Promoters or Promoters Group during the last two years**

Except as stated in “Annexure XXVII – Statement of Related Party Transactions” beginning on page no. 151 of this Draft Prospectus, there has been no payment of benefits to our Promoters during the two years preceding the date of the Draft Prospectus.

### **Interest of Promoters in the Promotion of our Company**

Our Company is currently promoted by the Promoters in order to carry on its present business. Our Promoters are interested in our Company to the extent of their shareholding and directorship of our Individual Promoter in our Company and the dividend declared, if any, by our Company.

### **Interest of Promoters in the Property of our Company**

Our Promoters have confirmed that they do not have any interest in any property acquired by our Company within two years preceding the date of this Draft Prospectus or proposed to be acquired by our Company as on the date of this Draft Prospectus. For details, please see “Our Business” beginning on page no. 82 of this Draft Prospectus.

Further, other than as mentioned in the chapter titled “Our Business”, our Promoters do not have any interest in any transactions in the acquisition of land or construction of any building.

### **Interest of Promoters in our Company other than as Promoters**

Except as mentioned in this section and the chapters titled “Capital Structure”, “Our Business”, “History and Certain Corporate matters” and “Annexure XXVII – Statement of Related Party Transactions” beginning on page nos. 47,82,104 and 151 of this Draft Prospectus, respectively, our Promoters do not have any interest in our Company other than as Promoters.

### **Related Party Transactions**

Our Promoters may deem to be interested in our Company to the extent of their shareholding / interest in group companies/ ventures promoted by them with which our Company transacts during the course of its operations. Except as stated in the “Annexure XXVII – Statement of Related Party Transactions” beginning on page no. 151 of this Draft Prospectus, our Company has not entered into related party transactions with our Promoters or our Group Companies.

## Shareholding of the Promoter Group in our Company

For details of shareholding of members of our Promoter Group as on the date of this Draft Prospectus, please see “*Capital Structure – Shareholding of our Promoters*” beginning on page no. 51 of this Draft Prospectus.

## Other Confirmations

Our Company has neither made any payments in cash or otherwise to our Promoters or to firms or companies in which our Promoters are interested as members, directors or Promoters nor have our Promoters 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 XXVII – Statement of Related Party Transactions*” on page no. 151 of this Draft Prospectus.

## Outstanding Litigation

There is no outstanding litigation against our Promoters except as disclosed in the section titled “*Risk Factors*” and chapter titled “*Outstanding Litigation and Material Developments*” beginning on page nos. 12 and 168 respectively of this Draft Prospectus.

## OUR PROMOTER GROUP

In addition to the Promoters named above, the following natural persons and entities form part of our Promoter Group in terms of Regulation 2 (1) (zb) (ii) of the SEBI (ICDR) Regulation, 2009.

### A. Natural Persons who are Part of the Promoter Group

Name of the Promoters	Name of the Relative	Relationship with the Promoter
Mr. Rupesh Kumar Gupta	Rakesh Kumar Gupta	Father
	Sunita Gupta	Mother
	Parul Gupta	Wife
	Sailesh Gupta	Brothers
	NA	Sister
	Ansh Golas	Son
	Anushka Golas	Daughters
	Ram Nivas Gupta	Wife`s Father
	Usha Gupta	Wife`s Mother
	Sachin Gupta	Wife`s Brother
	Vishal Gupta	
	Rashmi Gupta	Wife`s Sister

Name of the Promoters	Name of the Relative	Relationship with the Promoter
Mr. Sailesh Gupta	Rakesh Kumar Gupta	Father
	Sunita Gupta	Mother
	Isha Gupta	Wife
	Rupesh Kumar Gupta	Brothers
	NA	Sister
	Lakshit Gupta	Son
	Anvesha Gupta	Daughters
	Yuvika Gupta	
	Prakash Gupta	Wife`s Father
	Jyoti Gupta	Wife`s Mother
	Varun Gupta	Wife`s Brother
	Trisha Gupta	Wife`s Sister

### B. Companies / Corporate Entities forming part of the Promoter Group

As per Regulation 2(1)(ZB)(IV) of the SEBI (ICDR) Regulations, 2009, the following Company / Trust / Partnership firm / HUF or Sole Proprietorship shall form part of our Promoter Group.

---

<b>Sr. No.</b>	<b>Name of Promoter Group Entity / Company</b>
1.	Hariom Scaffolding and Form Works
2.	Ultra Pipes
3.	Rupesh Kumar HUF
4.	Shailesh Kumar HUF
5.	Rakesh Gupta HUF

## OUR GROUP COMPANIES

The definition of ‘Group Companies’ was amended pursuant to the SEBI (Issue of Capital and Disclosure Requirements) (Fourth Amendment) Regulations, 2015, to include companies covered under applicable accounting standards and such other companies as are considered material by the Board.

Pursuant to a Board resolution dated January 17, 2018 the Board formulated a policy with respect to companies which it considered material to be identified as group companies. Our Board has approved that all companies which are identified as related parties in accordance with Accounting Standards 18 as per the Restated Financial Statements and Companies considered by the board as material, are identified as group entities. Accordingly, in addition to our Promoter Group, as specified under the section “*Our Promoter and Promoter Group*” on page no. 121 of this Draft Prospectus, the following company has been identified as a Group Company.

- I. Ansh Commerce Private Limited.
- II. Reo Solutions Private Limited.

## FINANCIAL INFORMATION OF GROUP ENTITIES

As per Schedule VIII (IX) (C) (2) of the SEBI (ICDR) Regulations 2009, the financial information of our group companies on the basis of Turnover, are given below:

### I. ANSH COMMERCE PRIVATE LIMITED(ACPL)

#### *Corporate Information:*

Ansh Commerce Private Limited is a private company and was incorporated on April 30, 2010 under the Companies Act, 1956. The Corporate Identification Number of the Company is U74900TG2010PTC068195. Registered Office of the Company is located at 19, Jade Arcade, Paradise Circle MG Road Secunderabad; Telangana – 500 003.

The main objects of the company ACPL are ‘To carry on in India or elsewhere the business to act as consultant, advisor, representative, signatory, liaisoner, agent, serviceman, middleman, arbitrator, conciliator, auctioneer, liquidator, secretary and solicitor in areas such as legal, commercial, industrial, manufacturing, production, engineering, personnel, marketing, advertising, publicity, sales promotion, public welfare, corporate management, business management, investment, portfolio management, agriculture, animal husbandry, poultry, fisheries, power generation, energy savings, insurance, banking, loan syndication, imports and exports, research and development, software developments, computer applications, quality control, technical knowhow, geology and mining, medicine and surgery, merchant banking, underwriting, secretarial services, financial management, construction, transport, team lease services, providing contract labour, human resources for various employers and on other similar subjects and to make evaluations, feasibility studies, techno-economic feasibility studies, project reports, forecasts, surveys and rehabilitation packages and for the purpose to run, establish, maintain, provide, operate, manage, supervise, arrange and take on hire all necessary services, facilities, conveniences, equipments and to supply turnkey projects in all industries, utilities, commercial and welfare fields’.

#### *Board of Directors:*

- Mrs. Sunita Gupta;
- Mr. Rakesh Kumar Gupta

#### *Interest of our promoters:*

Our promoters and promoters group hold 100.00 % Equity Shares of this company.

#### *Capital Structure:*

Particulars	No. of Equity Shares	Amount in Rs.
<b>Authorised Capital</b>		
Equity Share Capital (Face Value of ₹10 each/-)	2,50,000	25,00,000
Preference Share Capital (Face Value of ₹100 each/-)	4,09,770	40,977,000
<b>Total</b>	<b>6,59,770</b>	<b>4,34,77,000</b>
<b>Subscribed, Issued, Paid Up Capital</b>		

Equity Share Capital (Face Value of ₹10 each/-)	2,38,670	23,86,700
Preference Share Capital (Face Value of ₹100 each/-)	3,31,453	3,31,45,300
<b>Total</b>	<b>5,70,123</b>	<b>3,55,32,000</b>

**Shareholding Pattern of Equity Shares:**

Shareholder name	No. of shares	% of total holding
Rakesh Kumar Gupta	30,800	12.90%
Sunita Gupta	207,870	87.10%
<b>Total</b>	<b>238,670</b>	<b>100.00%</b>

**Shareholding Pattern of Preference Shares:**

Shareholder name	No. of shares	% of total holding
H S Marbles Private Limited	3,31,453	100.00%
<b>Total</b>	<b>3,31,453</b>	<b>100.00%</b>

**Financial Information:**

The brief financial details of Ansh Commerce Private Limited derived from its audited financial statements, for Fiscals 2017, 2016 and 2015 are set forth below:

(₹ in lakhs)

Particulars	As at March 31,		
	2017	2016	2015
Equity Capital	23.87	23.87	23.87
Redeemable Optionally Convertible Preference Shares	331.45	331.45	331.45
Reserves and Surplus	4.20	3.25	2.91
Networth	359.52	358.57	358.23
Income including other income	8.60	1.72	5.69
Profit/ (Loss) after tax	0.95	0.34	0.73
Earnings per share (EPS) <sup>#</sup>	0.40	0.14	0.30
Net asset value per share	11.76	11.36	11.22

<sup>#</sup>Earning Per Share is basic EPS, Diluted EPS is 0.17 for the Financial Year 2017, 0.06 for the Financial Year 2016 and 0.13 for the Financial Year 2015.

**Other disclosures:**

- The equity shares of ACPL are not listed on any stock exchange;
- ACPL is neither a sick company within the meaning of the Sick Industrial Companies (Special Provisions) Act, 1995 nor is under winding up. Further, ACPL does not have a negative net-worth in the immediately preceding year.
- No application has been made to RoC for striking off the name of ACPL;
- ACPL is not prohibited from accessing the capital markets for any reasons by the SEBI or any other authorities.

There are no defaults in meeting any statutory /bank/institutional dues. No proceedings have been initialled for economic offences against the Company.

**II. Reo Solutions Private Limited (RSPL)**

**Corporate Information:**

Reo Solutions Private Limited is a private company and was incorporated on June 22, 2010 under the Companies Act, 1956. The Corporate Identification Number of the Company is U72200TG2007PTC054577. Registered Office of our Company is located at 16-11-19/9/A-D, 5th floor, Shanta Heights Saleem Nagar, Malakpet Hyderabad – 500 036

Main Objects of RSPL are to carry on the business of developing, maintaining, organizing, undertaking, managing, operating, conducting and to run in India and abroad computer training centres, data processing centres, call centres, software consultancy and other allied activities for all sorts of services relating to computer, its maintenance, repairs, programmes and operations for industrial, commercial, domestic, public utility, defence, government and other general customers.



To carry on the business of or relating to information technology, internet, networking, e commerce, computers, development of software and hardware, data systems, including research and development of software and hardware, data systems, including research and development, designing or otherwise developing new processes and systems and providing solutions of any kind including Business Outsourcing Services.

**Board of Directors:**

- Rupesh Kumar Gupta
- Rakesh Kumar Gupta

For additional details on the age, background, personal address, educational qualifications, experience, positions / posts held in the past and Directorship held by the abovementioned Directors, please see the chapter titled “Our Management” beginning on page no. 109 of this Draft Prospectus.

**Interest of our promoters:**

Our promoters and promoters group hold 100.00 % Equity Shares of this company.

**Capital Structure:**

Particulars	No. of Equity Shares	Amount (Rs. In Lakhs)
<b>Authorised Capital</b>		
Equity Share Capital (Face Value of ₹10 each/-)	10,000	1,00,000
<b>Subscribed, Issued, Paid Up Capital</b>		
Equity Share Capital (Face Value of ₹10 each/-)	10,000	1,00,000

**Shareholding Pattern:**

Shareholder name	No. of shares	% of total holding
Mr. Rakesh Kumar Gupta	5,000	50.00%
Mr. Rupesh Kumar Gupta	5,000	50.00%
<b>Total</b>	<b>10,000</b>	<b>100.00%</b>

**Financial Information:**

The brief financial details of Reo Solutions Private Limited derived from its audited financial statements, for Fiscals 2017, 2016 and 2015 are set forth below:

(₹ in lakhs)

Particulars	As at March 31,		
	2017	2016	2015
Equity Capital	1.00	1.00	1.00
Reserves and Surplus	(5.32)	(13.61)	(13.45)
Networth	(4.32)	(12.61)	(12.45)
Income including other income	8.40	0.00	(0.08)
Profit/ (Loss) after tax	8.29	(0.17)	(0.03)
Earnings per share (EPS)	82.90	(1.65)	(0.33)
Net asset value per share	(43.21)	(126.11)	(124.45)

**Other disclosures:**

- The equity shares of RSPL are not listed on any stock exchange;
- RSPL is neither a sick company within the meaning of the Sick Industrial Companies (Special Provisions) Act, 1995 nor is under winding up.
- No application has been made to ROC for striking off the name of RSPL;
- RSPL is not prohibited from accessing the capital markets for any reasons by the SEBI or any other authorities.

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 THE INTEREST OF THE GROUP COMPANIES IN OUR COMPANY**

### **In the promotion of our Company**

None of the Group Companies have any interest in the promotion of our Company.

### **In the properties acquired by our Company**

None of the Group Companies have any interest in the properties acquired by our Company within the two years of the date of filing this Draft Prospectus or proposed to be acquired by our Company.

### **In transactions for acquisition of land, construction of building and supply of machinery**

None of the Group Companies have any interest in our Company in relation to transactions for acquisition of land, construction of building and supply of machinery.

### **Payment of amount or benefits to our Group Companies during the last two years**

Except as disclosed in the section “*Financial Information – Annexure XXVII- Related Party Transactions*” beginning on page no. 151 of this Draft Prospectus, no amount or benefits were paid or were intended to be paid to our Group Companies since the incorporation of our Company.

### **Common pursuits between the Group Companies and our Company**

None of our Group Companies are engaged in the same line of business or have any common pursuits as our Company.

### **Related business transactions within the Group Companies and its significance on the financial performance of our Company**

For details, please see the chapter titled “*Financial Statements- Annexure XXVII - Related Party Transactions*” on page no. 151 of this Draft Prospectus.

### **Sale/purchase between Group Companies (exceeding 10% in aggregate of the total sales or purchases of our Company)**

For details, please see the chapter titled “*Financial Statements- Annexure XXVII - Related Party Transactions*” on page no. 151 of this Draft Prospectus.

### **Defunct Group Companies**

None of the Group Companies are defunct and no application has been made to the registrar of companies for striking off the name of any of the Group Companies during the five years preceding the date of this Draft Prospectus.

### **Outstanding Litigations**

For details relating to the material legal proceedings involving our Group Companies, see the chapter titled “*Outstanding Litigations and Material Developments*” on page no. 168 of this Draft Prospectus.

### **Other Confirmations**

Our Group Companies have further confirmed that they have not been declared as wilful defaulters by the RBI or any other governmental authority and there have been no violations of securities laws committed by them in the past and no proceedings pertaining to such penalties are pending against them except as stated under chapters “*Risk Factors*”, “*Our Group Companies*” and “*Outstanding Litigations and Material Developments*” on page nos. 12, 125 and 168 of this Draft Prospectus, respectively. Additionally, none of our Group Companies have been restrained from accessing the capital markets for any reasons by the SEBI or any other authorities except as stated under chapters “*Risk Factors*”, “*Our Group Companies*” and “*Outstanding Litigations and Material Developments*” on page nos. 12, 125 and 168 of this Draft Prospectus, respectively.

## **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 Draft 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.

---

## **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 VI – FINANCIAL INFORMATION

### FINANCIAL STATEMENTS

#### REPORT OF THE INDEPENDENT AUDITORS ON RESTATED FINANCIAL STATEMENTS

To,  
The Board of Directors,  
**Hariom Pipe Industries Limited**  
3-4-174/12/2, 1st Floor, Samarpan,  
Lane beside Spencer's Pillar No. 125,  
Attapur, Hyderabad,  
Telangana 500048

We have examined Financial Statements and Other Financial Information of Hariom Pipe Industries Limited (the 'Company') taking into consideration the terms of reference and terms of our engagement agreed upon with you in connection with the proposed IPO of Equity Shares in SME Platform of NSE ("IPO") of the Company and the Guidance Note on Reports in Company Prospectuses (Revised 2016) issued by the Institute of Chartered Accountants of India.

The said Restated Financial Statements and other Financial Information have been prepared for the purposes of inclusion in the Draft Prospectus / Prospectus (collectively hereinafter referred to as "Offer Document") in connection with the proposed Initial Public Offer ("IPO") of the Company in accordance with the requirements of:

- i. Sub-clauses (i) and (iii) of clause (b) of sub-section (1) of section 26 of the Companies Act, 2013 read with applicable provisions within Rule 4 to 6 of Companies (Prospectus and Allotment of Securities) Rules, 2014, as amended (hereinafter referred to as the "Act");
- ii. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (the 'SEBI Regulations') and the related clarifications issued by the Securities and Exchange Board of India ('SEBI'); as amended to date;
- iii. We have examined the accompanied 'Restated Statement of Profit and Loss' (**Annexure – II**) for the period ended 31<sup>st</sup> December, 2017 and years ended on 31st March 2017, 2016, 2015, 2014 and 2013 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 have been extracted from the financial statements for the period ended on 31<sup>st</sup> December 2017 and for financial year ended on 31st March 2017, 2016, 2015, 2014, 2013, audited by Rakesh S Jain & Associates, being the Statutory Auditors of the Company for the respective years and is re-audited by us for the period ended December 31<sup>st</sup> 2017 and financial year ended 31st March 2017, approved by the Board of Directors.
  1. In terms of Schedule VIII, Clause IX (9) of the SEBI (ICDR) Regulations, 2009 and other provisions relating to accounts of Hariom Pipe Industries Limited, we, M/s PPKG & Co Chartered Accountants, have been subjected to the peer review process of the Institute of Chartered Accountants of India (ICAI) and hold a valid certificate issued by the Peer Review Board of the ICAI.
  2. Based on our examination, we further report that:
    - a. The Restated Statement of Assets and Liabilities of the Company as at December 31, 2017, March 31, 2017, 2016, 2015, 2014 and 2013 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 period ended December 31 2017 and financial years ended on March 31, 2017, 2016, 2015, 2014 and 2013 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 period ended December 31, 2017 and the financial years ended March 31, 2017, 2016, 2015, 2014 and 2013 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 amounts 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, 2016 ("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 as at and for the period ended December 31, 2017 and for the financial years ended March 31, 2017, 2016, 2015, 2014, and 2013
  - ii. Extra-ordinary items that need to be disclosed separately in the accounts requiring adjustments.
3. 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) Restated Statement of Share Capital (Annexure - VI)
  - ii) Restated Statement of Reserves & Surplus (Annexure - VII)
  - iii) Restated Statement of Long Term Borrowings (Annexure - VIII)
  - iv) Restated Statement of Long Term Provisions (Annexure- IX)
  - v) Restated Statement of Deferred Tax Liabilities (Annexure- X)
  - vi) Restated Statement of Short Term Borrowings (Annexure- XI)
  - vii) Restated Statement of Trade Payable (Annexure- XII)
  - viii) Restated Statement of Other Current Liabilities (Annexure- XIII)
  - ix) Restated Statement of Short Term Provisions (Annexure- XIV)
  - x) Restated Statement of Fixed Assets (Annexure- XV)
  - xi) Restated Statement of Deposits (Annexure – XVI)
  - xii) Restated Statement of Inventories (Annexure – XVII)
  - xiii) Restated Statement of Trade Receivables (Annexure - XVIII)
  - xiv) Restated Statement of Cash and Cash Equivalents (Annexure - XIX)
  - xv) Restated Statement of Short Term Loans and Advances (Annexure - XX)
  - xvi) Restated Statement of Other Current Assets (Annexure - XXI)
  - xvii) Restated Statement of Revenue from Operations (Annexure – XXII)
  - xviii) Restated Statement of Other Income (Annexure – XXIII)
  - xix) Restated Statement of Contingent Liabilities (Annexure – XXIV)
  - xx) Restated Statement of Capitalization (Annexure – XXV)
  - xxi) Statement of Accounting Ratios (Annexure – XXVI)
  - xxii) Statement of Related Party Transactions (Annexure – XXVII)
  - xxiii) Statement of Tax Shelter (Annexure – XXVIII)

4. 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 read with applicable provisions within Rule 4 to 6 of Companies (Prospectus and Allotment of Securities) Rules, 2014 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.

5. This report should not in any way construed as a reissuance or redrafting of any of the previous audit report issued by us nor should this report be construed as new opinion on any of the financial statement referred to therein.
6. We have no responsibility to update our report for events and circumstances occurring after the date of the report.
7. This report is intended solely for your information and for inclusion in the Offer document in connection with the Company's proposed IPO-SME 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. PPKG & Co**  
**Chartered Accountants**  
(Firm Registration No.: 009655S)

**Mr. Girdhari Toshniwal**  
Partner  
Membership No – 205140  
Place: Hyderabad  
Date : February 22, 2018

**Annexure I**  
**STATEMENT OF ASSETS AND LIABILITIES, AS RESTATED**

(₹ in lakhs)

Particulars	As at December 31, 2017	As at March 31,				
		2017	2016	2015	2014	2013
<b>EQUITY AND LIABILITIES</b>						
<b>1.Shareholder's fund</b>						
a) Equity Share Capital	1,421.63	707.19	707.19	375.57	375.57	375.57
b)Reserves and surplus	822.08	972.31	814.38	971.60	959.96	955.28
c) Share Application Money Pending Allotment		-	-	-	-	-
<b>Total Shareholders Fund (Net of revaluation reserve) (1)</b>	<b>2,243.71</b>	<b>1679.50</b>	<b>1521.57</b>	<b>1347.17</b>	<b>1335.53</b>	<b>1330.85</b>
<b>2.Non-current liabilities</b>						
a) Long Term Borrowings	695.14	630.01	832.13	752.67	643.16	447.71
b) Deferred Tax Liabilities	25.60	39.84	-	63.60	59.58	69.91
c) Other long term liabilities	-	-	-	-	-	-
d) Long Term Provisions	26.31	12.26	9.84	7.41	4.98	2.55
<b>Total(2)</b>	<b>747.05</b>	<b>682.11</b>	<b>841.97</b>	<b>823.68</b>	<b>707.72</b>	<b>520.17</b>
<b>3.Current liabilities</b>						
a) Short-term borrowings	1641.06	1,642.51	1,532.75	1,413.35	1,168.70	813.70
b) Trade payables	945.44	449.44	962.08	325.24	226.31	159.57
c) Other Current Liabilities	314.02	219.38	165.50	154.32	141.79	284.52
d) Short-term provisions	275.82	55.56	3.96	6.10	2.64	21.70
<b>Total(3)</b>	<b>3,176.34</b>	<b>2,366.89</b>	<b>2,664.29</b>	<b>1,899.01</b>	<b>1,539.44</b>	<b>1,279.49</b>
<b>TOTAL(1+2+3)</b>	<b>6,167.10</b>	<b>4,728.51</b>	<b>5,027.83</b>	<b>4,069.86</b>	<b>3,582.69</b>	<b>3,130.51</b>
<b>ASSETS</b>						
<b>1.Non - Current Assets</b>						
a) Fixed Assets						
i.) Tangible assets	1,205.51	1,171.06	1,322.15	1,502.89	1,222.05	1,395.75
ii) Intangible assets						
b) Capital Work in Progress	-	-	-	-	416.10	249.82
c) Non Current Investment	-	-	-	-	-	-
d)Deposits	8.81	1.83	0.70	0.27	0.48	0.48
e)Deferred tax assets (Net)	-	-	4.53	-	-	-
<b>Total (1)</b>	<b>1,214.32</b>	<b>1,172.89</b>	<b>1,327.38</b>	<b>1,503.16</b>	<b>1,638.63</b>	<b>1,646.05</b>
<b>2.Current Assets</b>						
a) Inventories	3,649.14	2,653.36	2,142.07	1,828.03	1,117.94	749.60
b) Trade Receivables	950.07	558.68	957.30	575.82	553.22	432.61
c) Cash and Cash equivalents	19.31	32.95	63.76	17.88	38.27	5.39
d) Short-term loans and advances	292.23	185.20	435.13	40.88	166.29	232.82
e) Other current assets	42.02	125.43	102.21	104.09	68.34	64.03
<b>Total(2)</b>	<b>4,952.77</b>	<b>3,555.62</b>	<b>3,700.47</b>	<b>2,566.70</b>	<b>1,944.07</b>	<b>1,484.45</b>
<b>TOTAL(1+2)</b>	<b>6,167.10</b>	<b>4,728.51</b>	<b>5,027.83</b>	<b>4,069.86</b>	<b>3,582.69</b>	<b>3,130.51</b>



**Annexure II**  
**STATEMENT OF PROFIT AND LOSS ACCOUNT, AS RESTATED**

(₹inlakhs)

Particulars	For the period ended December 31, 2017	For the year ended March 31,				
		2017	2016	2015	2014	2013
<b>INCOME:</b>						
Revenue from Operations(Net)	7473.62	8716.27	7,380.51	6,943.70	8,434.55	7,804.44
Other Income	3.70	52.94	29.76	23.98	26.30	20.33
<b>Total income</b>	<b>7477.32</b>	<b>8769.21</b>	<b>7410.27</b>	<b>6,967.69</b>	<b>8,460.85</b>	<b>7,824.78</b>
<b>EXPENSES:</b>						
Cost Of Material Consumed	4149.84	5253.09	3981.33	4084.35	4747.27	4693.98
Trading Purchases	56.81	714.32	2215.66	477.93	1077.25	1202.35
Changes in Inventory	(156.86)	(112.03)	(252.20)	(215.89)	168.41	(257.16)
Employee Benefit Expenses	247.10	208.94	157.00	144.57	79.39	102.75
Financial Cost	205.20	271.96	245.88	225.88	161.48	211.33
Depreciation & Amortisation cost	184.96	219.14	258.23	299.74	196.82	224.16
Other Expenses	1941.51	1980.13	1029.93	1,932.02	2,026.52	1544.95
<b>Total expenses</b>	<b>6628.55</b>	<b>8532.54</b>	<b>7635.82</b>	<b>6948.61</b>	<b>8457.14</b>	<b>7,722.35</b>
<b>Exceptional and prior period items</b>	-	2.19	1.86	-	-	-
<b>Net Profit / (Loss) before Tax</b>	<b>848.77</b>	<b>235.85</b>	<b>(223.70)</b>	<b>19.07</b>	<b>3.71</b>	<b>102.42</b>
<b>Less: Tax expense</b>						
(a) Current Tax	298.80	33.35	1.65	2.94	9.36	37.99
(b) Deferred Tax	(14.25)	44.37	(68.13)	4.02	(10.33)	(1.06)
(c) MAT Credit entitlement	-	-	-	-	-	-
<b>Total</b>	<b>564.21</b>	<b>157.93</b>	<b>(157.22)</b>	<b>12.11</b>	<b>4.69</b>	<b>65.49</b>
<b>Net Profit / ( Loss ) for the period after tax but before extra ordinary items</b>	<b>564.21</b>	<b>157.93</b>	<b>(157.22)</b>	<b>12.11</b>	<b>4.69</b>	<b>65.49</b>
Extraordinary Items						
<b>Net Profit / ( Loss ) for the period after tax and after extra ordinary items available for appropriation</b>	<b>564.21</b>	<b>157.93</b>	<b>(157.22)</b>	<b>12.11</b>	<b>4.69</b>	<b>65.49</b>
Less : Proposed Dividend	-	-	-	-	-	-
Dividend Distribution Tax	-	-	-	-	-	-
<b>Net Profit transferred to Reserves</b>	<b>564.21</b>	<b>157.93</b>	<b>(157.22)</b>	<b>12.11</b>	<b>4.69</b>	<b>65.49</b>

**Annexure III**  
**CASH FLOW STATEMENT, AS RESTATED**

(₹inlakhs)

Particulars	For the period ended December 31, 2017	For the year ended March 31,				
		2017	2016	2015	2014	2013
<b>Cash Flow From Operating Activities</b>						
Net Profit Before Tax	848.77	235.85	(223.70)	19.07	3.71	102.42
Adjustments for :						
Depreciation/Amortisation	184.96	219.14	258.23	299.74	196.82	224.16
Dividend Received	-	-	-	-	-	-
Opening Gratuity						(0.15)
Interest Paid	205.20	271.96	245.88	225.88	161.48	211.33
<b>Operating Profit Before Working Capital Adjustments</b>	<b>1,238.93</b>	<b>726.95</b>	<b>280.41</b>	<b>544.70</b>	<b>362.02</b>	<b>537.76</b>
<b>Adjustment for Changes in Working Capital</b>						
Trade and other payable	496.00	(512.65)	636.85	98.93	66.74	70.45
Inventories	(995.79)	(511.29)	(314.04)	(710.09)	(368.34)	(163.28)
Trade and other Recievables	(391.38)	398.62	(381.48)	(22.61)	(120.60)	(73.86)
Short Term Loans and Advances	(107.03)	249.93	(394.24)	125.41	66.53	(66.54)
Other Current Assets	83.42	(23.22)	1.88	(35.75)	(4.31)	(62.36)
Short Term Provisions	220.26	51.60	(2.14)	3.46	(19.07)	(14.67)
Other Current Liabilities	94.64	53.89	11.18	12.53	(142.73)	(143.83)
<b>Cash Flow Generated from Operations</b>	<b>635.37</b>	<b>404.01</b>	<b>(191.35)</b>	<b>(7.16)</b>	<b>(186.01)</b>	<b>63.34</b>
Income Tax and Fringe Benefit Tax Paid	298.80	33.55	1.65	2.94	9.36	37.99
<b>Net Cash flow from Operating activities (A)</b>	<b>336.57</b>	<b>370.46</b>	<b>(193.00)</b>	<b>(10.10)</b>	<b>(195.37)</b>	<b>25.35</b>
<b>Cash Flow From Investing Activities</b>						
(Purchase)/Sale of Fixed Assets	(219.41)	(68.05)	(77.49)	(164.96)	(189.41)	(364.40)
Purchase / (Sale) of Investments	-	-	-	-	-	-
Other Non-Current Assets	-	-	-	-	-	-
Long Term Loans & Advances	(6.99)	(1.13)	(0.43)	0.21		-
Long term provision	14.05	2.43	2.43	2.43	2.43	2.55
Other Long Term Liabilities						
Capital Work In progress	-	-	-	-	-	-
<b>Net Cash Flow from Investing Activities (B)</b>	<b>(208.68)</b>	<b>(36.93)</b>	<b>(45.73)</b>	<b>(138.57)</b>	<b>(160.72)</b>	<b>(341.53)</b>
<b>Cash Flow From Financing Activities</b>						
Proceeds from/ ( Repayment of ) Borrowing	65.13	(202.13)	79.46	109.51	195.45	218.55
Short term borrowings from banks	(1.45)	109.75	119.40	244.66	355.00	268.36
Proceeds from Share Capital (including Share Premium)	-	-	331.62	-	-	11.30
Interest Paid	(205.20)	(271.96)	(245.88)	(225.88)	(161.48)	(211.33)

<b>Net Cash Flow from Financing Activities (C)</b>	<b>(141.51)</b>	<b>(364.33)</b>	<b>284.60</b>	<b>128.29</b>	<b>388.96</b>	<b>286.89</b>
Net Increase/ ( Decrease) in Cash and Cash Equivalents ( A + B + C )	(13.64)	(30.81)	45.88	(20.38)	32.88	(29.30)
Cash & Cash equivalent at the beginning of the year	32.95	63.76	17.88	38.27	5.39	34.69
<b>Cash &amp; Cash Equivalent at the end of the year</b>	<b>19.31</b>	<b>32.95</b>	<b>63.76</b>	<b>17.88</b>	<b>38.27</b>	<b>5.39</b>

#### ANNEXURE IV

#### SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

##### A. Corporate Information

Hariom Pipes Industries Limited (the company) is a limited company domiciled in India and incorporated under the companies Act 1956 as Hariom Concast & Steels Private Limited. The company is engaged in business of manufacturing of M.S. Billets, HR. Skelps, MS pipes in Square, Rectangular, Round, D-Shape pipes & Scaffolding Systems.

##### B. Summary of Significant Accounting Policies

###### (a) Basis for preparation of financial statement

- i) These financial statements have been prepared to comply with the Accounting Standards referred to in the Companies (Accounting Standards) Rules, 2006 notified by the Central Government in exercise of the power conferred under sub-section (1) (a) of section 642 and the relevant provisions of the Companies Act, 1956 read with the Rule 7 of Companies (Accounts) Rules, 2014 in respect of section 133 of the Companies Act, 2013 (the "Act").
- ii) The financial statements have been prepared on a going concern basis under the historical cost convention on accrual basis. The accounting policies have been consistently applied by the Company unless otherwise stated.
- iii) All the assets and liabilities have been classified as current and non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III of the Companies Act 2013.

###### (b) Use of Estimates

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimate are recognised in the period in which the results are known / materialized.

###### (c) Revenue Recognition

Revenue is recognized on accrual basis and there is no Transaction Involving Sale of Goods not recognized as revenue during the previous year due lack of reasonable certainty of its ultimate collection.

###### (d) Inventories

Inventories are valued at the lower of cost and net realizable value. Cost of inventories comprises all cost of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. Cost is arrived on the basis of weighted average method.

(e) **Fixed Assets:**

**Fixed Assets:** Fixed Assets are stated at cost less depreciation and inclusive of expenses up to Commissioning/putting the assets to use.

**Depreciation :** Depreciation is systematically allocated over the useful life of the asset as specified in Schedule II of Companies Act,2013.

(f) **Impairment of Fixed Assets**

At each balance sheet date the company review whether there is any indication of impairment of the carrying amount of the company's fixed assets. If any indication exists, an asset's recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of assets exceeds its recoverable amount and charged to profit & loss account in the year in which assets is identified as impaired. The recoverable is greater of the net selling price and value in use. In assessing value in use, the estimate future cash flows are discounted to their present value based on an appropriate discount factor. The impairment loss recognized in prior accounting periods is reversed if there has been changed in the estimate of recoverable amount.

(g) **Employee Benefits**

Short term benefit payable to employees wholly within twelve months of rendering services such as salaries, wages etc. are recognised in the period in which the employee renders the related service.

Defined Contribution Plan: The Company's contribution to the state governed employees provident fund scheme is a defined contribution plan. The contribution paid/ payable under the scheme is recognized during the period in which the employee renders the related service.

Defined Benefit Plan: The Company's employee's gratuity is accounted on accrual basis based on actuarial valuation.

(h) **Taxation**

i. Tax expense for the period, comprising current tax and deferred tax, are included in the determination of the net profit or loss for the period. Current tax is measured at the amount expected to be paid to the tax authorities in accordance with the taxation laws prevailing in the respective jurisdictions.

ii. Deferred tax is recognized for all the timing differences, subject to the consideration of prudence in respect of deferred tax assets. Deferred tax assets are recognized and carried forward only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date. At each Balance Sheet date, the company reassesses unrecognized deferred tax assets, if any.

iii. Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognized amounts and there is an intention to settle the asset and the liability on a net basis. Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set off assets against liabilities representing current tax and where the deferred tax assets and the deferred tax liabilities relate to taxes on income levied by the same governing taxation laws.

(i) **Cash And Cash Equivalents**

Cash comprises cash on hand and demand deposit with banks. Cash equivalent are short term deposit , highly liquid investments that are readily convertible into known amount of cash and which are subject to significant rise of change in value.

### Cash Flow Statement:

Cash flow are reported using the indirect method, whereby profit is adjusted for effect of transactions on non-cash of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing are segregated based on the available information.

#### (j) Provision, Contingent Liabilities and Contingent Assets

Provision are recognized for when the company has at present, legal or contractual obligation as a result of past events, only if it is probable that an outflow of resources embodying economic outgo or loss will be required and if the amount involved can be measured reliably.

Contingent liabilities being a possible obligation as a result of past events, the existence of which will be confirmed only by the occurrence or non occurrence of one or more future events not wholly in control of the company are not recognised in the accounts. The nature of such liabilities and an estimate of its financial effect are disclosed in notes to the Financial Statements.

Contingent assets are neither recognised nor disclosed in the financial statements.

#### (k) Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares that have changed the number of equity shares outstanding, without a corresponding change in resources. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

### ANNEXURE V NOTES TO ACCOUNTS

#### ADJUSTMENTS MADE IN RESTATED FINANCIAL STATEMENTS / REGROUPING NOTES

(₹ in Lakhs)

Particulars	For the period ended December 31, 2017	For the year ended March 31,				
		2017	2016	2015	2014	2013
<b>PAT As per Audited Financial Statement</b>	<b>561.23</b>	<b>163.19</b>	<b>(152.65)</b>	<b>15.20</b>	<b>7.59</b>	<b>67.66</b>
Less: Income Tax of Current financial year accounted in the following Year	-	(3.91)	(1.65)	(0.09)	-	-
Add: Income Tax of Previous financial year accounted in the current Year	3.91	1.65	0.09	-	-	-
Add/(Less): Gratuity reversed/(paid)	-	(3.00)	(3.00)	(3.00)	(3.00)	(3.00)
Add/(Less): Effect of change in method of Depreciation accounted in respective years	-	-	-	-	-	-
Add/(Less): Changes in Deferred Tax	(0.93)	-	-	-	-	-
<b>PAT as per restated Financial Statement</b>	<b>564.21</b>	<b>157.93</b>	<b>(157.22)</b>	<b>12.11</b>	<b>4.59</b>	<b>65.49</b>

Appropriate adjustments have been made in the restated summary statements, wherever required, by a reclassification of the corresponding items of income, expenses, assets, liabilities and cash flows in order to bring them in line with the groupings as per the audited financial statements of the Company, prepared in accordance with Schedule III and the requirements of the Securities and Exchange Board of India (Issue of Capital & Disclosure Requirements) Regulations, 2009 (as amended).

## RESTATEMENT OF EMPLOYEE EXPENSES

(Min Lakhs)

Particulars	For the period ended December 31, 2017	For the year ended March 31,				
		2017	2016	2015	2014	2013
<b>Employee Expenses as per Audited Financials</b>	<b>247.10</b>	<b>205.94</b>	<b>154.00</b>	<b>141.57</b>	<b>76.39</b>	<b>99.75</b>
Add: Gratuity expenses included in employee cost	-	3.00	3.00	3.00	3.00	3.00
<b>Employee Expenses as per Restated Financials Financial Statements</b>	<b>247.10</b>	<b>208.94</b>	<b>157.00</b>	<b>144.57</b>	<b>79.39</b>	<b>102.75</b>

## RESTATEMENT OF LONG TERM PROVISIONS

(₹in Lakhs)

Particulars	As at December 31, 2017	As at March 31,				
		2017	2016	2015	2014	2013
Long Term Provisions as per Audited Financials			-	-	-	-
Add: Gratuity Provision restated	6.19	2.89	2.31	1.74	1.17	0.60
<b>Long term provision as per Restated Financials</b>	<b>6.19</b>	<b>2.89</b>	<b>2.31</b>	<b>1.74</b>	<b>1.17</b>	<b>0.60</b>

## RESTATEMENT OF SHORT TERM PROVISIONS

(₹in Lakhs)

Particulars	As at December 31, 2017	As at March 31,				
		2017	2016	2015	2014	2013
<b>Long Term Provisions as per Audited Financials</b>			-	-	-	-
Add: Gratuity Provision restated	26.31	12.26	9.84	7.41	4.98	2.55
<b>Total</b>	<b>26.31</b>	<b>12.26</b>	<b>9.84</b>	<b>7.41</b>	<b>4.98</b>	<b>2.55</b>

### Notes:

#### A. Gratuity Provision

During the period ended December 31, 2017 the company has recorded the Gratuity as per the Accounting Standard - 15 'Employee Benefit' The gratuity for the year ended March 31, 2013, March 31, 2014, March 31, 2015, March 31, 2016 and March 31, 2017 have been recognized to reflect the consistent accounting policy across all years.

#### B. Income tax expense/(refund)

Consequent to completion of income tax assessment for certain years, the Company paid the additional taxes which was recorded in the year of completion of such assessment. As these were related to earlier years, the same has been accounted for in the financial year to which the amount relates to.

#### C. Deferred Tax

Deferred Tax for the respective years have been restated on account of Gratuity Provision.

### 2) Material Regrouping:

Appropriate adjustments have been made in the respective years of Restated Summary Statement of Assets and Liabilities, Restated Summary Statement of Profits and Losses and Restated Summary Statement of Cash Flows, wherever required, by reclassification of the corresponding items of income, expenses, assets and liabilities, in order to bring them in line with the regroupings as per the Audited financials of the Company for the period ended December 31, 2017, prepared in accordance with Schedule III, and the requirements of the Securities and Exchange Board of India (Issue of Capital & Disclosure Requirements) Regulations, 2009 (as amended).

### 3) Application of Revised Schedule VI:

During the year ended 31 March 2012, the Revised Schedule VI notified under the Companies Act, 1956, had become applicable to the Company, for preparation and presentation of its financial statements. Further Schedule III of the Companies Act, 2013, was notified by Ministry of Corporate Affairs effective April 01, 2014. Accordingly, the Company had prepared the financial statements in accordance with Revised Schedule VI / Schedule III (as applicable) of the Act. The adoption of Revised Schedule VI / Schedule III (as applicable) of the Act did not impact recognition and measurement principles followed for preparation of financial statements.

4) There are no audit qualifications, disclaimer of opinion, adverse opinion or emphasis of matter para in respect of financials of last five years of the Company.

### 5) Changes in Accounting Policies in the Last Five Years:

There is no change in accounting policy in the last five years.

### 6) Dividend Payment:

The Company has not paid any dividend in the last five years.

### 7) Changes in Accounting Period:

There has been no change in the accounting period of the Company.

### 8) Segment Reporting:

Segment Reporting is not applicable to the company.

### 9) Managerial Remuneration:

(₹ in Lakhs)

Particulars	For the period ended December 31, 2017	For the year ended March 31,				
		2017	2016	2015	2014	2013
Remuneration	50.40	86.40	86.40	40.50	18.00	18.00
Other Fees	-	-	-	-	-	-
Sitting Fees	-	-	-	-	-	-
Non Whole Time Directors Remuneration	-	-	-	-	-	-
<b>Total</b>	<b>50.40</b>	<b>86.40</b>	<b>86.40</b>	<b>40.50</b>	<b>18.00</b>	<b>18.00</b>

### 10) Remuneration to Statutory Auditors:

(₹ in Lakhs)

Particulars	For the period ended December 31, 2017	For the year ended March 31,				
		2017	2016	2015	2014	2013
Statutory Audit Fees	-	0.55	0.55	0.55	0.55	0.55
Tax Audit Fees	-	0.10	0.20	0.10	0.10	0.10
Other Certification	0.50	0.10	0.20	0.10	0.10	0.10
<b>Total</b>	<b>0.50</b>	<b>0.65</b>	<b>0.75</b>	<b>0.65</b>	<b>0.65</b>	<b>0.65</b>

**11) Information Regarding Foreign Exchange earnings:**

(₹ in Lakhs)

Particulars	For the Period ended December 31, 2017	For the year ended March 31,				
		2017	2016	2015	2014	2013
Earning in Foreign Exchange	-	-	-	-	-	-
Expenditure in Foreign Exchange	6.12	7.59	4.76	5.37	2.17	4.19
<b>Total</b>	<b>6.12</b>	<b>7.59</b>	<b>4.76</b>	<b>5.37</b>	<b>2.17</b>	<b>4.19</b>

**Annexure VI**

**RESTATED STATEMENT OF SHARE CAPITAL, AS RESTATED**

(₹ in lakhs)

Particulars	As at December 31, 2017	As at March 31,				
		2017	2016	2015	2014	2013
<b>Authorised Share Capital :</b>						
17,00,000 Equity Shares of Rs.10/- each (Previous year 17,00,000 shares of Rs 10 each)	1090.01	170.00	170.00	170.00	170.00	170.00
2,11,000 0% Redeemable Optionally Convertible Preference Share Rs. 100/- each (Previous year 1,80,000 shares of Rs.100/- each)	-	211.00	211.00	211.00	211.00	211.00
33,16,200 (0 % Series A Redeemable Non Cumulative Preference Shares of Rs 10/-)	331.62					
45,00,000 (0 % Series A Redeemable Non Cumulative Preference Shares of Rs 10/-)	-	450.00	450.00			
<b>Total</b>	<b>1,421.63</b>	<b>831.00</b>	<b>831.00</b>	<b>381.00</b>	<b>381.00</b>	<b>381.00</b>
<b>Issued Subscribed and Paid Up Capital :</b>						
1,09,00,092 Equity Shares of Rs.10/- each	1090.01					
16,68,100 Equity Shares of Rs.10/- each (Previous year 16,63,100 shares of Rs 10 each)		166.81	166.81	166.81	166.81	166.81
2,08,760 0% Redeemable Optionally Convertible Preference Share of Rs. 100/- each (Previous year 1,97,960 shares of Rs.100/- each)		208.76	208.76	208.76	208.76	208.76
33,16,200 0 % Series A Redeemable Non Cumulative Preference Shares of Rs 10/- each (Previous year Nil)	331.62	331.62	331.62			
<b>Total</b>	<b>1,421.63</b>	<b>707.19</b>	<b>707.19</b>	<b>375.57</b>	<b>375.57</b>	<b>375.57</b>



**Reconciliation of number of shares outstanding:**

Particulars	As at December 31, 2017	As at March 31,				
		2017	2016	2015	2014	2013
<b>Equity Shares</b>						
At the beginning of the period	1,668,100	1,668,100	1,668,100	1,668,100	1,668,100	1,663,100
Addition during the period	9,231,992					5000
Shares bought back during the year	-	-	-	-	-	-
<b>Outstanding at the end of the period</b>	<b>10,900,092</b>	<b>1,668,100</b>	<b>1,668,100</b>	<b>1,668,100</b>	<b>1,668,100</b>	<b>1,668,100</b>

**Redeemable Optionally Convertible Preference Share**

Particulars	As at December 31, 2017	As at March 31,				
		2017	2016	2015	2014	2013
At the beginning of the period	208,760	208,760	208,760	208,760	208,760	197,960
Addition during the period	-	-	-	-	-	10800
Shares bought back during the year	208,760	-	-	-	-	-
<b>Outstanding at the end of the period</b>	<b>-</b>	<b>208,760</b>	<b>208,760</b>	<b>208,760</b>	<b>208,760</b>	<b>208,760</b>

**0 % Series A Redeemable Non Cumulative Preference Shares Preference Share**

Particulars	As at December 31, 2017	As at March 31,				
		2017	2016	2015	2014	2013
At the beginning of the period						
Addition during the period	3,316,200	3,316,200	3,316,200	-	-	-
Shares bought back during the year	-	-	-	-	-	-
<b>Outstanding at the end of the period</b>	<b>3,316,200</b>	<b>3,316,200</b>	<b>3,316,200</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Annexure VII STATEMENT OF RESERVES AND SURPLUS**

(₹ in lakhs)

Particulars	As at December 31, 2017	As at March 31,				
		2017	2016	2015	2014	2013
<b>Security Premium</b>						
Opening Balance	733.73	733.73	733.73	733.73	733.73	733.73
<b>Add:</b> Issued during the year	180.92					
<b>Less:</b> Bonus issued	895.36					
Closing balance	-	-	-	-	-	-
<b>Balance as at the end of the year (a)</b>	<b>19.29</b>	<b>733.73</b>	<b>733.73</b>	<b>733.73</b>	<b>733.73</b>	<b>733.73</b>
<b>Surplus</b>						
Balance as at the beginning of the year	238.58	80.65	237.87	226.23	221.55	156.21
<b>Add:</b> Profit / (Loss) for the year transferred to reserves	564.21	157.93	(157.22)	12.11	4.69	65.49
Less: Provision of gratuity of earlier years						(0.15)
Less: Depreciation of Assets whose life is over				0.47		

Less: Deductions/ Adjustments						
<b>Balance as at the end of the year (b)</b>	<b>802.79</b>	<b>238.58</b>	<b>80.65</b>	<b>237.87</b>	<b>226.23</b>	<b>221.55</b>
<b>General Reserve</b>						-
Opening Balance						-
<b>Add: Addition during the year</b>						-
<b>Balance as at the end of the year (c)</b>	-	-	-	-	-	-
<b>Total (a+b+c)</b>	<b>822.08</b>	<b>972.31</b>	<b>814.38</b>	<b>971.60</b>	<b>959.96</b>	<b>955.28</b>

**Annexure VIII**  
**STATEMENT OF LONG TERM BORROWINGS, AS RESTATED**

(₹ in lakhs)

Particulars	As at December 31, 2017	As at March 31,				
		2017	2016	2015	2014	2013
<b>A. SECURED LOANS</b>						
Term Loan From Bank	78.65	139.92	107.27	171.02	234.77	159.47
Vehicle Loan	48.31	4.18	-	0.24	7.36	16.34
<b>Total (A)</b>	<b>126.96</b>	<b>144.10</b>	<b>107.27</b>	<b>171.26</b>	<b>242.13</b>	<b>175.81</b>
<b>B. UNSECURED LOANS</b>						
Unsecured Loans from Directors & their relatives	132.78	483.48	719.55	578.50	373.14	234.98
Unsecured Loans others	435.4	2.41	5.31	2.91	27.90	21.43
<b>Total (B)</b>	<b>568.18</b>	<b>485.91</b>	<b>724.86</b>	<b>581.41</b>	<b>401.03</b>	<b>271.90</b>
<b>Total (A+B)</b>	<b>695.14</b>	<b>630.01</b>	<b>832.13</b>	<b>752.67</b>	<b>643.16</b>	<b>447.71</b>

**Annexure IX**  
**STATEMENT OF LONG TERM PROVISIONS, AS RESTATED**

(₹ in lakhs)

Particulars	As at December 31, 2017	As at March 31,				
		2017	2016	2015	2014	2013
Gratuity	26.31	12.26	9.84	7.41	4.98	2.55
<b>Total</b>	<b>26.31</b>	<b>12.26</b>	<b>9.84</b>	<b>7.41</b>	<b>4.98</b>	<b>2.55</b>

**Annexure X**  
**DEFERRED TAX LIABILITIES (NET)**

(₹ in lakhs)

Particulars	As at December 31, 2017	As at March 31,				
		2017	2016	2015	2014	2013
Opening balance	39.84	(4.53)	63.60	59.58	69.91	70.97
Provision for the year	(14.25)	44.37	(68.13)	4.02	(10.33)	(1.06)
<b>Total</b>	<b>25.60</b>	<b>39.84</b>	<b>(4.53)</b>	<b>63.60</b>	<b>59.58</b>	<b>69.91</b>

**Annexure XI**  
**STATEMENT OF SHORT TERM BORROWINGS, AS RESTATED**

(₹ in lakhs)

Particulars	As at December 31, 2017	As at March 31,				
		2017	2016	2015	2014	2013
Secured						
Working capital borrowings from Bank	1,641.06	1,642.51	1,532.75	1,413.35	1,168.70	813.70
	-	-	-	-	-	-

<b>Total</b>	<b>1,641.06</b>	<b>1,642.51</b>	<b>1,532.75</b>	<b>1,413.35</b>	<b>1,168.70</b>	<b>813.70</b>
--------------	-----------------	-----------------	-----------------	-----------------	-----------------	---------------

**Annexure XII**  
**STATEMENT OF TRADE PAYABLE, AS RESTATED**

(₹ in lakhs)

Particulars	As at December 31, 2017	As at March 31,				
		2017	2016	2015	2014	2013
Trade payables	676.70	370.38	962.08	325.24	226.31	159.57
Payment Due Against LC	268.74	79.06				
<b>Total</b>	<b>945.44</b>	<b>449.44</b>	<b>962.08</b>	<b>325.24</b>	<b>226.31</b>	<b>159.57</b>

**Annexure XIII**  
**STATEMENT OF OTHER CURRENT LIABILITIES, AS RESTATED**

(₹ in lakhs)

Particulars	As at December 31, 2017	As at March 31,				
		2017	2016	2015	2014	2013
Current Maturities of long term loans	104.90	100.74	68.28	75.16	79.81	174.61
Other Liabilities	209.12	118.64	97.22	79.16	61.98	66.60
Capital Goods Suppliers						43.31
<b>Total</b>	<b>314.02</b>	<b>219.38</b>	<b>165.50</b>	<b>154.32</b>	<b>141.79</b>	<b>284.52</b>

**Annexure XIV**  
**STATEMENT OF SHORT TERM PROVISIONS, AS RESTATED**

(₹ in lakhs)

Particulars	As at December 31, 2017	As at March 31,				
		2017	2016	2015	2014	2013
Provisions for Income Tax	269.63	52.68	1.65	4.36	1.47	21.10
Provision for Gratuity	6.19	2.89	2.31	1.74	1.17	0.60
<b>Total</b>	<b>275.82</b>	<b>55.56</b>	<b>3.96</b>	<b>6.10</b>	<b>2.64</b>	<b>21.70</b>

**Annexure XV**  
**STATEMENT OF FIXED ASSETS, AS RESTATED**

(₹ in lakhs)

Particulars	As at December 31, 2017	As at March 31,				
		2017	2016	2015	2014	2013
<b>Land</b>						
Opening Balance	2.24	2.24	2.24	2.24	2.24	2.24
Addition during the year						-
Depreciation during the year						-
Reduction during the year						-
Opening Accumulated Depreciation						-
<b>Closing Balance</b>	<b>2.24</b>	<b>2.24</b>	<b>2.24</b>	<b>2.24</b>	<b>2.24</b>	<b>2.24</b>
<b>Building</b>						
Opening Balance	462.09	462.09	462.09	305.87	305.87	305.87
Addition during the year			-	156.23	-	
Depreciation during the year	23.79	26.30	29.08	32.14	20.04	22.26
Reduction during the year						
Opening Accumulated Depreciation	213.06	186.76	157.68	125.54	105.50	83.24
<b>Closing Balance</b>	<b>225.24</b>	<b>249.03</b>	<b>275.33</b>	<b>304.42</b>	<b>180.33</b>	<b>200.36</b>

Particulars	As at December 31, 2017	As at March 31,				
		2017	2016	2015	2014	2013
<b>Plant &amp; Machinery</b>						
Opening Balance	795.35	795.35	795.35	608.22	608.22	608.22
Addition during the year				187.13	-	-
Depreciation during the year	43.48	50.66	59.03	42.59	48.01	55.77
Reduction during the year						
Opening Accumulated Depreciation	488.30	437.64	378.61	336.03	288.01	232.24
<b>Closing Balance</b>	<b>263.56</b>	<b>307.04</b>	<b>357.71</b>	<b>416.74</b>	<b>272.19</b>	<b>320.21</b>
<b>Electrical Equipment</b>						
Opening Balance	550.55	533.73	503.99	421.56	421.56	414.51
Addition during the year	1.25	16.82	29.73	82.43	-	7.05
Depreciation during the year	30.20	50.60	70.95	96.23	33.09	38.09
Reduction during the year						
Opening Accumulated Depreciation	431.52	380.92	309.97	213.74	180.65	142.56
<b>Closing Balance</b>	<b>90.08</b>	<b>119.02</b>	<b>152.80</b>	<b>194.02</b>	<b>207.81</b>	<b>240.90</b>
<b>Air Conditioner</b>						
Opening Balance	3.52	2.33	1.93	0.39	0.39	0.39
Addition during the year		1.19	0.41	1.54		
Depreciation during the year	0.34	0.37	0.24	0.21	0.03	0.03
Reduction during the year						
Opening Accumulated Depreciation	1.06	0.68	0.44	0.23	0.20	0.17
<b>Closing Balance</b>	<b>2.12</b>	<b>2.47</b>	<b>1.65</b>	<b>1.49</b>	<b>0.17</b>	<b>0.20</b>
<b>Motor Vehicle</b>						
Opening Balance	71.96	74.25	80.48	80.48	75.57	40.07
Addition during the year	52.69	18.27			4.91	35.50
Depreciation during the year	7.05	8.35	9.20	14.31	13.83	11.66
Reduction during the year		(20.56)	(6.24)			
Opening Accumulated Depreciation	49.19	40.84	49.86	40.65	26.82	15.16
<b>Closing Balance</b>	<b>68.41</b>	<b>63.88</b>	<b>21.42</b>	<b>25.53</b>	<b>39.84</b>	<b>48.75</b>
<b>Office Equipments</b>						
Opening Balance	2.34	1.83	1.64	2.02	1.51	1.47
Addition during the year	1.15	0.52	0.19	0.34	0.50	0.04
Depreciation during the year	0.32	0.40	0.31	0.71	0.19	0.15
Reduction during the year				(0.72)		
Opening Accumulated Depreciation	1.80	1.40	1.09	0.38	0.58	0.43
<b>Closing Balance</b>	<b>1.38</b>	<b>0.54</b>	<b>0.43</b>	<b>0.55</b>	<b>1.25</b>	<b>0.93</b>
<b>Rolls</b>						
Opening Balance	98.13	80.16	67.49	36.72	34.94	25.77
Addition during the year		17.97	12.67	30.77	1.78	9.17
Depreciation during the year	10.41	11.03	10.54	6.91	3.47	10.66
Reduction during the year						
Opening Accumulated Depreciation	63.89	52.87	42.33	35.42	31.95	21.29
<b>Closing Balance</b>	<b>23.82</b>	<b>34.24</b>	<b>27.30</b>	<b>25.16</b>	<b>1.30</b>	<b>2.99</b>
<b>Computers</b>						
Opening Balance	3.13	1.65	1.09	1.53	1.53	0.95
Addition during the year	0.11	1.49	0.55	0.52		0.57

Particulars	As at December 31, 2017	As at March 31,				
		2017	2016	2015	2014	2013
Depreciation during the year	0.59	0.86	0.48	0.46	0.30	0.22
Reduction during the year				(0.95)		
Opening Accumulated Depreciation	2.07	1.21	0.72	0.26	0.78	0.56
<b>Closing Balance</b>	<b>0.58</b>	<b>1.06</b>	<b>0.44</b>	<b>0.37</b>	<b>0.45</b>	<b>0.75</b>
<b>Pollution Equipments</b>						
Opening Balance	22.64	22.64	20.52	20.52	20.52	20.52
Addition during the year			2.12			
Depreciation during the year	1.08	1.26	1.41	1.37	1.53	1.77
Reduction during the year						
Opening Accumulated Depreciation	15.14	13.88	12.47	11.11	9.58	7.81
<b>Closing Balance</b>	<b>6.42</b>	<b>7.50</b>	<b>8.75</b>	<b>8.05</b>	<b>9.41</b>	<b>10.94</b>
<b>Tools Components , Spare parts &amp; Structural Steel</b>						
Opening Balance	1,054.86	1,040.72	1,007.76	885.66	869.73	807.48
Addition during the year	164.21	14.13	32.96	122.10	15.93	62.25
Depreciation during the year	67.71	69.30	76.99	104.82	76.34	83.53
Reduction during the year						
Opening Accumulated Depreciation	629.70	560.41	483.42	378.59	302.25	218.72
<b>Closing Balance</b>	<b>521.66</b>	<b>425.15</b>	<b>480.32</b>	<b>524.35</b>	<b>507.07</b>	<b>567.48</b>
<b>Closing Balance</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Total Tangible Asstes	3,286.22	3,066.81	3,016.98	2,944.58	2,365.20	2,342.08
Capital Work in Progress					416.10	249.82
<b>Total Depreciation Charged during the year</b>	<b>184.96</b>	<b>219.14</b>	<b>258.23</b>	<b>299.74</b>	<b>196.82</b>	<b>224.16</b>
<b>Total accumulated Depreciation on Tangible Assets</b>	<b>1,895.75</b>	<b>1,676.61</b>	<b>1,436.60</b>	<b>1,141.95</b>	<b>946.33</b>	<b>722.17</b>
<b>WDV Tangible Asset</b>	<b>1,205.51</b>	<b>1,171.06</b>	<b>1,322.15</b>	<b>1,502.90</b>	<b>1,222.05</b>	<b>1,395.75</b>
<b>Work In Progress</b>	<b>-</b>	<b>-</b>			<b>416.10</b>	<b>249.82</b>

**Annexure XVI**  
**STATEMENT OF DEPOSITS, AS RESTATED**

(₹ in lakhs)

Particulars	As at December 31, 2017	As at March 31,				
		2017	2016	2015	2014	2013
Unsecured, considered good						
Deposits with Government Authorities	8.81	1.02	-	-	-	-
Rent deposit	-	0.81	0.70	0.27	0.48	0.48
<b>Total</b>	<b>8.81</b>	<b>1.83</b>	<b>0.70</b>	<b>0.27</b>	<b>0.48</b>	<b>0.48</b>

**Annexure XVII**  
**STATEMENT OF INVENTORIES, AS RESTATED**

(₹ in lakhs)

Particulars	As at December 31, 2017	As at March 31,				
		2017	2016	2015	2014	2013
Stock Of Goods (Including Raw Material, Finished Goods, WIP, Packing Material,	3,649.14	2,653.36	2,142.07	1,828.03	1,117.94	749.60

Stores and spares, Bought out Materials)						
<b>Total</b>	<b>3,649.14</b>	<b>2,653.36</b>	<b>2,142.07</b>	<b>1,828.03</b>	<b>1,117.94</b>	<b>749.60</b>

**Annexure XVIII**  
**STATEMENT OF TRADE RECEIVABLES, AS RESTATED**

(₹ in lakhs)

Particulars	As at December 31, 2017	As at March 31,				
		2017	2016	2015	2014	2013
Trade Receivables						
Unsecured, considered good						-
Outstanding for a period exceeding six months	77.48	86	82	23	40	40.10
Others	872.59	473	875	553	513	392.51
<b>Total</b>	<b>950.07</b>	<b>558.68</b>	<b>957.30</b>	<b>575.82</b>	<b>553.22</b>	<b>432.61</b>

**Annexure XIX**  
**STATEMENT OF CASH & CASH EQUIVALENTS, AS RESTATED**

(₹ in lakhs)

Particulars	As at December 31, 2017	As at March 31,				
		2017	2016	2015	2014	2013
<b>Cash and Cash equivalents</b>						
Balances with banks (Current Account)						
Cash in Hand	9.46	6	62	17	37	2.01
On Current Accounts	9.85	15	2	1	1.29	3.38
Term Deposit Accounts		12				
<b>Total</b>	<b>19.31</b>	<b>32.95</b>	<b>63.76</b>	<b>17.88</b>	<b>38.27</b>	<b>5.39</b>

**Annexure XX**

**STATEMENT OF SHORT TERM LOANS & ADVANCES, AS RESTATED**

(₹ in lakhs)

Particulars	As at December 31, 2017	As at March 31,				
		2017	2016	2015	2014	2013
<b>Short-term loans and advances</b> (Unsecured and considered good)						
Advance Income tax	18	2.00	2.00	1.33	8.60	17.88
Advance to suppliers	44.44	6.81	123.11	-	8.42	15.53
Balance with Central Excise	4.11	10.97	27.20	7.63	8.72	15.86
Excise Duty Receivable	-	16.49	16.49	16.49	16.49	16.49
Deposit with APCPDCL	191.01	146.68	265.38	15.44	81.84	109.90
Advance to Capital Goods Suppliers	34.67	2.26	0.95	-	42.23	57.17
<b>Total</b>	<b>292.23</b>	<b>185.20</b>	<b>435.13</b>	<b>40.88</b>	<b>166.29</b>	<b>232.82</b>

**Annexure XXI**  
**STATEMENT OF OTHER CURRENT ASSETS, AS RESTATED**

(₹ in lakhs)

Particulars	As at December 31, 2017	As at March 31,				
		2017	2016	2015	2014	2013
I.T. Refund Receivable	31.88	31.88	33.70	33.70	0.10	0.65
Income-tax Receivable	-	-	-	-	24.55	22.00
Insurance Claim Receivable	2.39	6.60	16.61	42.47	7.89	4.09
M.A.T. Entitlement	-	29.17	10.04	10.04	8.63	16.32

Other Receivable	0.97	42.15	4.77	1.33	0.96	0.65
Prepaid Exp.	0.46	11.35	8.15	11.27	11.15	7.35
Sales Tax Receivable	1.10	0.85	24.33	0.85	10.93	10.93
T.D.S. Receivable	0.22	3.43	4.61	4.44	4.13	2.05
Preliminary Expenses	5.00	-	-	-	-	-
<b>Total</b>	<b>42.02</b>	<b>125.43</b>	<b>102.21</b>	<b>104.09</b>	<b>68.34</b>	<b>64.03</b>

**Annexure XXII**  
**STATEMENT OF REVENUE FROM OPERATIONS, AS RESTATED**

(₹ in Lakhs)

Particulars	For the period ended December 31, 2017	For the year ended March 31,				
		2017	2016	2015	2014	2013
Sales of Manufacturing goods	8,699.92	9,358.87	5,985.01	7,603.20	8,025.44	7,072.66
Sales Trading	65.57	773.00	2,385.58	521.34	1,174.68	1,325.81
Sales Raw Material	53.95	58.83	27.51	2.76	143.48	183.05
Slag /Waste Sale	-	-	-	-	-	4.95
Gross Sales & Services	8,819.45	10,190.70	8,397.91	8,127.31	9,343.61	8,586.48
Less: Taxes & Duties	1,345.82	1,474.43	1,017.40	1,183.61	909.06	782.03
<b>Total</b>	<b>7,473.62</b>	<b>8,716.27</b>	<b>7,380.51</b>	<b>6,943.70</b>	<b>8,434.55</b>	<b>7,804.44</b>

**Annexure XXIII**

**STATEMENT OF OTHER INCOME, AS RESTATED**

(₹ in Lakhs)

Particulars	For the period ended December 31, 2017	For the year ended March 31,				
		2017	2016	2015	2014	2013
Interest Received	3.67	29.81	29.76	23.75	26.26	20.32
Exchange Fluctuation	0.02	0.14		0.23	0.04	0.01
Commission Received		8.10				
Interest Received from IT		2.39				
Job Work Charges received		12.50				
<b>Total</b>	<b>3.70</b>	<b>52.94</b>	<b>29.76</b>	<b>23.98</b>	<b>26.30</b>	<b>20.33</b>

**Annexure XXIV**  
**STATEMENT OF CONTINGENT LIABILITIES, AS RESTATED**

(₹ in lakhs)

Particulars	As at December 31, 2017	As at March 31,				
		2017	2016	2015	2014	2013
Bank Guarantees	-	-	-	-	-	-
Claims against the company not acknowledged as debts	-	126.32	241.32	206.86	361.21	663.02
<b>Total</b>	<b>-</b>	<b>126.32</b>	<b>241.32</b>	<b>206.86</b>	<b>361.21</b>	<b>663.02</b>

**Annexure XXV**  
**STATEMENT OF CAPITALIZATION, AS RESTATED**

(₹ in lakhs)

Particular	Pre Issue (as at December 31, 2017)	Post Issue
<b>Borrowing</b>		
Long Term Debt	695.14	695.14
Short Term Debt	1,641.06	1,641.06
<b>Total Debts (A)</b>	<b>2,336.20</b>	<b>2,336.20</b>

<b>Equity (Shareholder's funds)</b>		
Equity share capital	1,421.63	[•]
Reserve and Surplus	822.08	[•]
<b>Total Equity (B)</b>	<b>2,243.71</b>	[•]
<b>Long Term Debt / Equity Shareholder's funds</b>	<b>0.31</b>	[•]
<b>Total Debts / Equity Shareholder's funds</b>	<b>1.04</b>	[•]

**Note:**

1. The above has been computed on the basis of Restated Financials of the Company.



**Annexure XXVI**  
**STATEMENT OF ACCOUNTING RATIOS, AS RESTATED**

(₹ in Lakhs)

Particulars	For the period ended December 31, 2017	For the year ended March 31,				
		2017	2016	2015	2014	2013
Restated Net Profit as per P&L Account	564.21	157.93	(157.22)	12.11	4.69	65.49
Net Worth	2,238.71	1,679.50	1,521.57	1,347.17	1,335.53	1,330.85
No. of Equity Shares outstanding at the end of the year	1,09,00,092	16,68,100	16,68,100	16,68,100	16,68,100	16,68,100
Weighted Average No of Equity Shares outstanding during the year	1,07,98,876	93,41,360	93,41,360	93,41,360	93,41,360	93,41,360
Basic & Diluted Earnings Per Share	5.22*	1.69	(1.68)	0.13	0.05	0.70
Return on Net worth (%)	25.20%	9.40%	(10.33)%	0.90%	0.35%	4.92%
Net Assets Value per Equity Share	20.54	100.68	91.22	80.76	80.06	79.78

\* Not Annualised

Notes to Accounting Ratios:

1) The Ratios have been computed as follows:

$$\text{a) Basic Earnings Per Share (M)} = \frac{\text{Net Profit After Tax as restated}}{\text{Weighted Average Number of Equity Shares outstanding during the year}}$$

$$\text{b) Return on Net worth (\%)} = \frac{\text{Net Profit after Tax as restated}}{\text{Net Worth}} * 100$$

$$\text{c) Net Asset Value Per Equity Share (M)} = \frac{\text{Net Worth}}{\text{No. of Equity shares outstanding at the end of the year}}$$

2) Weighted average number of Equity Shares is the number of Equity Shares outstanding at the beginning of the year adjusted by the number of Equity Shares issued during year multiplied by the time weighting factor. The timeweight factor is the number of days for which the specific shares are outstanding as a proportion of total number of days during the year.

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.

4) As there is no dilutive capital in the company, Basic and Diluted EPS are similar.

5) The above Ratios have been computed on the basis of the Restated Financial Information for the respective year.

The above statements should be read with the Notes to Restated Financial Statements.

**Annexure XXVII**  
**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 & Relatives

For the period ended December 31, 2017	For the year ended March 31,				
	2017	2016	2015	2014	2013
Sunita Gupta	Isha Gupta	Isha Gupta	Isha Gupta	Isha Gupta	Shailesh Gupta
Rakesh Gupta	Sunita Gupta	Sunita Gupta	Sunita Gupta	Sunita Gupta	Rupesh Gupta
Shailesh Gupta	Parul Gupta	Parul Gupta	Parul Gupta	Parul Gupta	-
Rupesh Gupta	Rakesh Gupta	Rakesh Gupta	Rakesh Gupta	Rakesh Gupta	-
-	Shailesh Gupta	Shailesh Gupta	Shailesh Gupta	Shailesh Gupta	-
-	Rupesh Gupta	Rupesh Gupta	Rupesh Gupta	Rupesh Gupta	-

## (ii) Relatives of KMP

For the period ended December 31, 2017	For the year ended March 31,				
	2017	2016	2015	2014	2013
-	-	-	-	-	Isha Gupta
-	-	-	-	-	Sunita Gupta
-	-	-	-	-	Parul Gupta
-	-	-	-	-	Rakesh Gupta

## (iii) Associates / Enterprises over which directors and / or their relatives has significant influence

For the period ended December 31, 2017	For the year ended March 31,				
	2017	2016	2015	2014	2013
Reo Solutions Pvt Ltd	Reo Solutions Pvt Ltd	Reo Solutions Pvt Ltd	Reo Solutions Pvt Ltd	Reo Solutions Pvt Ltd	Reo Solutions Pvt Ltd
Ansh Commerce Pvt Ltd	Ansh Commerce Pvt Ltd	Ansh Commerce Pvt Ltd	Ansh Commerce Pvt Ltd	Ansh Commerce Pvt Ltd	Ansh Commerce Pvt Ltd
Hariom Scaffolding & Form Works	Hariom Scaffolding & Form Works	Hariom Scaffolding & Form Works	Hariom Scaffolding & Form Works	Hariom Scaffolding & Form Works	Hariom Scaffolding & Form Works
Ultra Pipes	Ultra Pipes	Ultra Pipes	Ultra Pipes	Ultra Pipes	Ultra Pipes
Rakesh Kumar HUF	Rakesh Kumar HUF	Rakesh Kumar HUF	Rakesh Kumar HUF	Rakesh Kumar HUF	Rakesh Kumar HUF
Rupesh Kumar HUF	Rupesh Kumar HUF	Rupesh Kumar HUF	Rupesh Kumar HUF	Rupesh Kumar HUF	Rupesh Kumar HUF
Shailesh Kumar HUF	Hariom Gupta HUF	Hariom Gupta HUF	Hariom Gupta HUF	Hariom Gupta HUF	Hariom Gupta HUF
-	Shailesh Kumar HUF	Shailesh Kumar HUF	Shailesh Kumar HUF	Shailesh Kumar HUF	Shailesh Kumar HUF

## Particulars of Transactions with Related Parties

## Key Management Personnel/ Board of Directors

(₹ in lakhs)

Particulars	As at December 31, 2017	For the year ended March 31,				
		2017	2016	2015	2014	2013
<b>1) Finance</b>						
<b>a) Loans Taken</b>						
Opening Balance	483.48	719.55	578.50	373.14	234.98	74.42
Loan taken during the year	260.03	285.54	367.53	357.10	196.62	220.86
Repaid during the year	610.75	521.60	226.48	151.74	58.46	60.30
Outstanding at the end of the year	132.77	483.48	719.55	578.50	373.14	234.98
<b>b) Loans given</b>						

Particulars	As at December 31, 2017	For the year ended March 31,				
		2017	2016	2015	2014	2013
Opening Balance	-	-	-	-	-	-
Loans given during the year	-	-	-	-	-	-
Received during the year	-	-	-	-	-	-
Outstanding at the end of the year	-	-	-	-	-	-
<b>2) Expenses</b>						
Rent	8.10	9.00	9.00	-	-	-
Interest Paid	-	-	-	-	-	-
Remuneration	61.20	86.40	86.40	44.10	25.20	18.00
<b>3) Out standing</b>						
Receivables	-	-	-	-	-	-
Payables	-	-	-	-	-	-

**Associates / Enterprises over which directors and / or their relatives has significant influence**

(₹ in lakhs)

Particulars	For the period ended December 31, 2017	For the year ended March 31,				
		2017	2016	2015	2014	2013
<b>1) Finance</b>						
<b>a) Loans Taken</b>						
Opening Balance	2.41	5.31	2.91	27.90	15.50	6.28
Loan taken during the year	433.00	-	2.90	59.00	12.40	9.69
Repaid during the year	0.01	2.90	0.50	83.99	-	0.48
Outstanding at the end of the year	435.40	2.41	5.31	2.91	27.90	15.50
<b>b) Loans given</b>						
Opening Balance	-	-	-	-	-	-
Loans given during the year	-	-	-	-	-	-
Received during the year	-	-	-	-	-	-
Outstanding at the end of the year	-	-	-	-	-	-
<b>2) Expenses</b>						
Rent						
Interest Paid	-	-	-	-	-	-
Purchases	-	-	-	-	-	-
Sales	-	-	-	-	-	-
<b>3) Outstanding</b>						
Receivables	-	-	-	-	-	-
Payables	-	-	-	-	-	-

**Annexure XXVIII**  
**STATEMENT OF TAX SHELTER, AS RESTATED**

(₹ in Lakhs)

Particulars	For the period ended December 31, 2017	For the year ended March 31,				
		2017	2016	2015	2014	2013
<b>Tax Rates</b>						
Income Tax Rate (%) (A)	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%
Surcharge (B)	7.00%	7.00%	0.00%	0.00%	0.00%	5.00%
<b>Total (A*B)</b>	32.10%	32.10%	30.00%	30.00%	30.00%	31.50%
Education Cess	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Income Tax Rate (%)	33.06%	33.06%	30.90%	30.90%	30.90%	32.45%
Minimum Alternate Tax Rate (%)	18.50%	18.50%	18.50%	18.50%	18.50%	18.50%
Surcharge	7.00%	7.00%	-	-	-	-
Education Cess	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Minimum Alternate Tax Rate (%)	20.39%	20.39%	19.06%	19.06%	19.06%	20.01%
Short Term Capital Gain Rate (%)						
<b>Income from Business or Profession</b>						
Restated Profit before tax as per books (A)	848.77	235.85	(223.70)	19.07	3.71	102.42
<b>Timing Differences</b>						
Book Depreciation	184.96	219.14	258.23	299.74	196.82	224.16
Income Tax Depreciation Allowance	147.80	182.68	214.48	313.24	174.16	212.94
Gratuity expense	17.35	3.00	3.00	3.00	3.00	3.00
<b>Total Timing Differences (B)</b>	54.51	39.46	46.75	(10.49)	25.67	14.21
<b>Permanent Differences (C)</b>	0.45	(0.28)	-1.65	0.65	0.25	-
<b>Deduction Under Chapter VI</b>	-	0.52	-	-	-	-
<b>Unabsorbed Depreciation</b>	-	178.60	-	-	-	-
<b>Income from Business or Profession (D) = (A+B+C)</b>	904.23	95.92	(178.60)	9.23	29.63	116.64
<b>Taxable Income/(Loss)</b>	903.73	95.92	(178.60)	9.23	29.63	116.64
<b>Income Tax on above</b>	298.80	31.71	(55.19)	2.85	9.16	37.84
<b>Book Profit for MAT</b>	848.77	239.20	(223.70)	19.07	3.71	102.42
<b>MAT on Book Profit</b>	173.05	48.77	-	3.63	0.71	19.52
Tax paid as per normal or MAT	NORMAL	MAT	NORMAL	NORMAL	NORMAL	NORMAL
Tax paid as per returns	-	48.77	-	2.85	9.16	37.98

**Notes:**

1. The aforesaid Statement of tax Shelters has been prepared as per the 'Restated Profit and Loss Account.

**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.

## 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 Draft 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.*

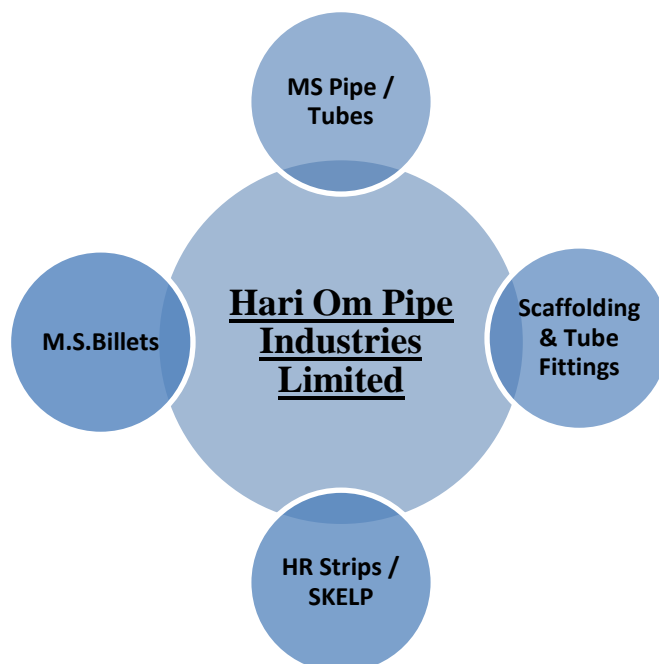
*Note: Statement in the Management Discussion and Analysis Report describing our objectives, outlook, estimates, expectations or prediction may be "Forward looking statement" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed 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 forms part of Hariom Group which was named after industrialist Shri Hariom Golas who laid the foundation stone for the group in the year 1962. Today, Hariom Group has carved itself into a well defined entity. Our specialized and dedicated team of professionals and engineers constantly keep abreast with the latest technology and trends as per the requirement of the industry.

Our company was incorporated on June 21, 2007 as 'Hari Om Concast and Steels Private Limited' with an objective of delivering quality steel products that exceed customer expectation. We have successfully established our brand in iron and steel products and mild steel tubes market (especially in Southern India). The company is a source for variety of products such as M.S. Billets, HR. Skelps, MS pipes in Square, Rectangular, Round, D-Shape pipes & Scaffolding Systems.

Our company manufacturing facility has an existing capacity of 28,000 MT of Induction Furnace, 18,000 MT of Rolling mill, 20,000 MT of piping mill and 500 MT under Scaffoldings. Our manufacturing facility is located at Survey. No.58/62/63, Sheriguda Village, Peddaiahpally G. P., Balanagar Mandal, Mahabubnagar, Dist., Telangana. which is spread over to 2.39 hectares. Our manufacturing facility provides for accommodation, medical, canteen and other necessary facilities to harbour our employees. Our product portfolio is illustrated as below:



We are ISO 9001: 2015 and IS 2830: 2012 certified company. It is our goal to maintain high standards in terms of quality and service and to educate the customers about importance of using good quality branded construction steel.

Currently, our company has at its disposal, a dynamic team of qualified professionals. These professionals are assisted by administration and finance professionals who work in unison in order to meet specific client requirements and attain organizational goals and targets within the set time frame

### **Our Strengths**

Following are our major strengths:

1. Experienced & Qualified Team
2. Complimentary product mix
3. Expected High Operating Efficiency
4. Location of the Manufacturing Unit
5. Product diversification & Wide Product Offering

### **FACTORS AFFECTING OUR RESULT OF OPERATIONS**

Except as otherwise stated in the prospectus and the Risk Factors given in the Draft Prospectus, the following important factors could cause actual results to differ materially from the expectations include, among others:

#### ***Revenue Generation***

We earn our entire revenue from sale of products. Since we continuously endeavour to provide quality products to our customers therefore, our revenues are impacted by such quality products.

#### ***Our ability to successfully implement its strategy and its growth and expansion plans***

Our growth plans are considerable and would put significant demands on our management team and other resources. Any delay in implementation of our strategy and growth and expansion plans could impact our Company's roll out schedules and cause cost and time over runs.

#### ***General economic and business conditions***

As a Company with its complete operations in India, we are affected by general economic conditions in the country and in particular economic factors that affect debt syndication industry in India. India's gross domestic product, or GDP, has been and will continue to be of importance in determining our operating results and future growth.

**RESULTS OF OUR OPERATIONS**

(₹ in lakhs)

Particulars	For the period ended December 31, 2017	% of Total Income	For the year ended March 31,							
			2017	% of Total Income	2016	% of Total Income	2015	% of Total Income	2014	% of Total Income
<b>INCOME:</b>										
Revenue from Operations(Net)	7,473.62	99.95%	8,716.27	99.40%	7,380.51	99.60%	6,943.70	99.66%	8,434.55	99.69%
Other Income	3.70	0.05%	52.94	0.60%	29.76	0.40%	23.98	0.34%	26.30	0.31%
<b>Total income</b>	<b>7,477.32</b>	<b>100%</b>	<b>8,769.21</b>	<b>100%</b>	<b>7,410.27</b>	<b>100%</b>	<b>6,967.69</b>	<b>100%</b>	<b>8,460.85</b>	<b>100%</b>
<b>EXPENSES:</b>										
Cost Of Material Consumed	4,149.84	55.50%	5,253.09	59.90%	3,981.33	53.73%	4,084.35	58.62%	4,747.27	56.11%
Trading Purchases	56.81	0.76%	714.32	8.15%	2,215.66	29.90%	477.93	6.86%	1,077.25	12.73%
Changes in Inventory	(156.86)	(2.10)%	(112.03)	(1.28)%	(252.20)	(3.40)%	(215.89)	(3.10)%	168.41	1.99%
Employee Benefit Expenses	247.10	3.30%	208.94	2.38%	157.00	2.12%	144.57	2.07%	79.39	0.94%
Financial Cost	205.20	2.74%	271.96	3.10%	245.88	3.32%	225.88	3.24%	161.48	1.91%
Depreciation & Amortisation cost	184.96	2.47%	219.14	2.50%	258.23	3.48%	299.74	4.30%	196.82	2.33%
Other Expenses	1,941.51	25.97%	1,980.13	22.58%	1,029.93	13.90%	1,932.02	27.73%	2,026.52	23.95%
<b>Total expenses</b>	<b>6,628.55</b>	<b>88.65%</b>	<b>8,535.54</b>	<b>97.34%</b>	<b>7,635.82</b>	<b>103.04%</b>	<b>6,948.61</b>	<b>99.73%</b>	<b>8,457.14</b>	<b>99.96%</b>
Exceptional and prior period items	-		2.19	0.02%	1.86	0.03%	-	-	-	-
<b>Net Profit / (Loss) before Tax</b>	<b>848.77</b>	<b>11.35%</b>	<b>235.85</b>	<b>2.69%</b>	<b>(223.70)</b>	<b>(3.02)%</b>	<b>19.07</b>	<b>0.27%</b>	<b>3.71</b>	<b>0.04%</b>
<b>Less: Tax expense</b>										
(a) Current Tax	298.80	4.00%	33.55	0.38%	1.65	0.02%	2.94	0.04%	9.36	0.11%
(b) Deferred Tax	(14.25)	(0.19)%	44.37	0.51%	(68.13)	(0.92)%	4.02	0.06%	(10.33)	(0.12)%
(c) MAT Credit entitlement	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>564.21</b>	<b>7.55%</b>	<b>157.93</b>	<b>1.80%</b>	<b>(157.22)</b>	<b>(2.12)%</b>	<b>12.11</b>	<b>0.17%</b>	<b>4.69</b>	<b>0.06%</b>
<b>Net Profit transferred to Reserves</b>	<b>564.21</b>	<b>7.55%</b>	<b>157.93</b>	<b>1.80%</b>	<b>(157.22)</b>	<b>(2.12)%</b>	<b>12.11</b>	<b>0.17%</b>	<b>4.69</b>	<b>0.06%</b>



## ***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 operations as a percentage of total income was 99.40%, 99.60%, 99.66% and 99.69% respectively, for the fiscals 2017, 2016, 2015 and 2014 and 99.95% for three months period ended December 31, 2017

#### *Other Income*

Our other income comprises of interest received, exchange fluctuation, commission received etc. Other income, as a percentage of total income was 0.60%, 0.40%, 0.34% and 0.31% respectively, for fiscals 2017, 2016, 2015 and 2014 and 0.05% for three months period ended December 31, 2017.

### **Expenditure**

Our total expenditure primarily consists of Purchases (cost of Materials), Trading Purchases, Employee Benefit Expenses, Finance costs, Depreciation & Amortization Expenses and Other Expenses.

#### *Cost Of Materials Consumed*

Costs of material consumed are primarily in relation to purchases of Raw Material and Consumable Consumed.

#### *Trading Purchases*

Trading purchases includes purchase of traded goods.

#### *Employee Benefit Expenses*

Expenses in relation to employees' remuneration and benefits include employees remuneration and benefits, Remuneration to Managerial personnel, contribution to PF& ESIC, Contribution to Gratuity, staff welfare expenses etc.

#### *Finance costs*

Finance cost primarily consists of Interest on Term Loans, Working Capital, Unsecured Loan and Vehicle Loan, LC Commission and also includes bank charges.

#### *Depreciation and Amortization Expenses*

Depreciation and Amortization Expenses primarily consist of depreciation on the fixed assets of our Company which primarily includes Machinery, Building, Electrical Equipment, Office equipment, Vehicles, Rolls, Pollution Equipments, Computer and Air Conditioner etc.

#### *Other Expenses*

Other expenses primarily include Job Work Charges, Other selling & Distribution expenses, Insurance, Rent, Rates & Taxes and Travelling & Conveyance.

#### *Provision for Tax*

The provision for current taxation is computed in accordance with relevant tax regulation. Deferred tax is recognized on timing differences between the accounting and the taxable income for the year and quantified using the tax rates and laws enacted or subsequently enacted as on balance sheet date. Deferred tax assets are recognized and carried forward to the extent that there is a virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized in future.

## Review for the nine months period ended December 31, 2017

### *Income*

Our total income for the nine months period ended December 31, 2017 was ₹ 7477.32 lakhs. In the current period, the revenue earned from operations is ₹ 7473.62 lakhs or 99.95% of the total income. Other income for said period was recorded at ₹ 3.7 lakhs or 0.05% of total income.

### *Cost of material consumed*

Our cost of material consumed for the nine months period ended December 31, 2017 were ₹ 4,149.84 lakhs which as a proportion of our total income was 55.50%.

### *Trading Purchases*

Our trading purchases for the nine months period ended December 31, 2017 were ₹ 56.81 lakhs which as a proportion of our total income was 0.76%.

### *Employee Benefit Expenses*

Our Employee Benefit Expenses for the nine months period ended December 31, 2017 were ₹ 247.1 lakhs. As a proportion of our total income they were 3.30%.

### *Financial Cost*

Our Financial Cost for the nine months period ended December 31, 2017 was ₹ 205.2 lakhs i.e. 2.74% of the total income for the period.

### *Depreciation and Amortization Expenses*

Our Depreciation and Amortization Expenses for the nine months period ended December 31, 2017 was ₹ 184.96 lakhs. As a proportion of total income they were 2.47%.

### *Other Expenses*

Our Other Expenses for the nine months period ended December 31, 2017 ₹ 1,941.51 lakhs. As a proportion of our total income they were 25.97%.

### *Profit before Tax*

Profit / (Loss) before Tax for the nine months period ended December 31, 2017 were ₹ 848.77 lakhs.

### *Profit after Tax*

Profit / (Loss) after Tax for the nine months period ended December 31, 2017 were ₹ 564.21 lakhs.

## **Fiscal 2017 compared with fiscal 2016**

### *Income*

In fiscal 2017, our total income increased by ₹ 1358.94 lakhs or 18.34%, from ₹ 7410.27 lakhs in fiscal 2016 to ₹ 8769.21 lakhs in fiscal 2017. The increase in the year 2017 was due to increase in the revenue from operations as compared to last year.

Revenue from Operations increased by ₹ 1335.76 lakhs or 18.09%, from ₹ 7380.51 lakhs in fiscal 2016 to ₹ 8716.27 lakhs in fiscal 2017. The major factor for such increase was due to rise in sale of manufacturing goods.

Other Income increased by ₹ 23.18 lakhs or 77.89%, from ₹ 29.76 lakhs in fiscal 2016 to ₹ 52.94 lakhs in fiscal 2017. The major factor for such increase was due to rise in job work charges and Commission received.

### *Cost of Material Consumed*

The cost of material consumed in fiscal 2017 were ₹ 5,253.09 lakhs, an increase in of ₹ 1,271.76 lakhs or 31.94% as compared to the previous year purchases of ₹ 3981.33 lakhs in fiscal 2016.

### *Trading Purchase*

The trading purchases in fiscal 2017 were ₹ 714.32 lakhs, an decrease in of ₹ 1,501.34 lakhs or 67.76% as compared to the previous year purchases of ₹ 2,215.66 lakhs in fiscal 2016.

### *Employee Benefit Expenses*

Our staff cost increased by ₹ 51.94 lakhs or 33.08%, from ₹ 157 lakhs in fiscal 2016 to ₹ 208.94 lakhs in fiscal 2017. This increase was mainly due to increase in salaries and wages.

### *Finance Cost*

Finance cost during the year increased by ₹ 26.08 lakhs or 10.61%, from ₹ 245.88 lakhs in fiscal 2016 to ₹ 271.96 lakhs in fiscal 2017. The increase was due to increase in interest cost.

### *Depreciation and Amortization Expenses*

Depreciation expenses decreased by ₹ 39.09 lakhs or 0.53% from ₹ 258.23 lakhs in fiscal 2016 to ₹ 219.14 lakhs in fiscal 2017. This decrease was on account of purchase of rolls, office equipments and Vehicles in FY 2016-17.

### *Other Expenses*

Other expenses increased by ₹ 950.20 lakhs or 92.26% from ₹ 1029.93 lakhs in fiscal 2016 to ₹ 1980.13 lakhs in fiscal 2017. The increase was due to increase in Power & fuel & Job Work Charges incurred in fiscal 2017.

### *Profit before Tax*

Our Profit before tax was negative ₹223.7 lakhs in fiscal 2016 and ₹ 235.85 lakhs in fiscal 2017. The increase was due to increase in Revenue and decrease in total expenses .

### *Profit after Tax*

After accounting for taxes at applicable rates, our Profit after Tax increased by ₹ 315.15 lakhs, from negative ₹ 157.22 lakhs in fiscal 2016 to ₹ 157.93 lakhs in fiscal 2017.

## **Fiscal 2016 compared with fiscal 2015**

### *Income*

In fiscal 2016, our total income increased by ₹ 442.58 lakhs or 6.35%, from ₹ 6,967.69 lakhs in fiscal 2015 to ₹ 7,410.27 lakhs in fiscal 2016. The increase in the year 2016 was due to increase in revenue from operations as compared to last year.

Revenue from Operations increased by ₹ 436.81 lakhs or 6.29%, from ₹ 6,943.70 lakhs in fiscal 2015 to ₹ 7,380.51 lakhs in fiscal 2016. The major factor for such increase was due to rise in sale of trading and raw material.

Other Income increased by ₹ 5.78 lakhs or 0.08%, from ₹ 24.10 lakhs in fiscal 2015 to ₹ 29.76 lakhs in fiscal 2016. The major factor for such increase was due to rise in interest received.

### *Cost Of Material Consumed*

The cost of material consumed in fiscal 2016 were ₹ 3,981.33 lakhs, an decrease in of ₹ 103.02 lakhs or 2.52% as compared to the previous year purchases of ₹ 4,084.35 lakhs in fiscal 2015.

### *Trading Purchases*

The Trading Purchases in fiscal 2016 were ₹ 2,215.66 lakhs, an decrease in of ₹ 1,737.73 lakhs or 363.59% as compared to the previous year purchases of ₹ 477.93 lakhs in fiscal 2015.

#### *Employee Benefit Expenses*

Our staff cost increased by ₹ 12.43 lakhs or 8.60%, from ₹ 144.57 lakhs in fiscal 2015 to ₹ 157 lakhs in fiscal 2016. This increase was mainly due to increase in remuneration to managerial personnel.

#### *Finance Cost*

Finance cost during the year increased by ₹ 20 lakhs or 0.29%, from ₹ 225.88 lakhs in fiscal 2015 to ₹ 245.88 lakhs in fiscal 2016. The increase was due to increase in interest on working capital.

#### *Depreciation and Amortization Expenses*

Depreciation expenses decreased by ₹ 41.51 lakhs or 0.60% from ₹ 299.74 lakhs in fiscal 2015 to ₹ 258.23 lakhs in fiscal 2016. This increase was on account of purchase of rolls, electrical equipments and tools.

#### *Other Expenses*

Other expenses decreased by ₹ 902.09 lakhs or 12.95% from ₹ 1,932.02 lakhs in fiscal 2015 to ₹ 1029.93 lakhs in fiscal 2016. The decrease was due to decrease in travelling & conveyance and rates & taxes.

#### *Profit before Tax*

Our Profit before tax decreased by ₹ 242.77 lakhs or 3.48% from ₹ 19.07 lakhs in fiscal 2015 to ₹ -223.7 lakhs in fiscal 2016. The decrease was due to decrease in purchase cost .

#### *Profit after Tax*

After accounting for taxes at applicable rates, our Profit after Tax decreased by ₹ 169.33 lakhs or 2.43 %, from ₹ 12.11 lakhs in fiscal 2015 to ₹ -157.22 lakhs in fiscal 2016.

### **Fiscal 2015 compared with fiscal 2014**

#### *Income*

In fiscal 2015, our total income decreased by ₹ 1493.16 lakhs or 17.65%, from ₹ 8,460.85 lakhs in fiscal 2014 to ₹ 6967.69 lakhs in fiscal 2015. The decrease in the year 2015 was due to decrease in revenue from operations as compared to last year.

Revenue from Operations decreased by ₹ 1,490.85 lakhs or 17.68%, from ₹ 8,434.55 lakhs in fiscal 2014 to ₹ 6,943.70 lakhs in fiscal 2015. The major factor for such decrease was due to decline in sale of trading and raw materials.

Other Income decreased by ₹ 2.32 lakhs or 8.82%, from ₹ 26.3 lakhs in fiscal 2014 to ₹ 23.98 lakhs in fiscal 2015. The major factor for such decrease was they received interest in 2014, but not in 2015.

#### *Cost of Material Consumed*

The cost of material consumed in fiscal 2015 were ₹ 4084.35 lakhs, an decrease in of ₹ 662.92 lakhs or 13.96% as compared to the previous year purchases of ₹ 4747.27 lakhs in fiscal 2014.

#### *Trading Purchases*

Our trading purchases decreased by ₹ 599.32 lakhs or 55.63%, from ₹ 1,077.25 lakhs in fiscal 2014 to ₹ 477.93 lakhs in fiscal 2015.

#### *Employee Benefit Expenses*

Our staff cost increased by ₹ 65.18 lakhs or 82.10%, from ₹79.39 lakhs in fiscal 2014 to ₹144.57 lakhs in fiscal 2015. This increase was mainly due to increase in salaries and wages and remuneration to managerial personnel.

#### Finance Cost

Finance cost during the year increased by ₹ 64.4 lakhs or 39.88%, from ₹ 161.48 lakhs in fiscal 2014 to ₹ 225.88 lakhs in fiscal 2015. The increase was due to increase in interest on term loans, working capital and other financial charges.

#### Depreciation and Amortization Expenses

Depreciation expenses increased by ₹ 102.92 lakhs or 52.29% from ₹ 196.82 lakhs in fiscal 2014 to ₹ 299.74 lakhs in fiscal 2015. This increase was on account of purchase of rolls, office equipment and Vehicles in FY 2014-15.

#### Other Expenses

Other expenses decreased by ₹ 94.50 lakhs or 4.66% from ₹ 2,026.52 lakhs in fiscal 2014 to ₹ 1932.02 lakhs in fiscal 2015. The decrease was due to decrease in rates & taxes, communication expenses and cost audit fee.

#### Profit before Tax

Our Profit before tax increased by ₹ 15.36 lakhs or 414.02% from ₹ 3.71 lakhs in fiscal 2014 to ₹ 19.07 lakhs in fiscal 2015.

#### Profit after Tax

After accounting for taxes at applicable rates, our Profit after Tax increased by ₹ 7.42 lakhs or 158.21 %, from ₹ 4.69 lakhs in fiscal 2014 to ₹ 12.11 lakhs in fiscal 2015.

#### Cash Flows

(₹ in lakhs)

Particulars	Period ended December 31, 2017	Year ended March 31,			
		2017	2016	2015	2014
Net Cash from Operating Activities	347.30	401.57	(161.24)	(16.29)	(166.68)
Net Cash from Investing Activities	(219.41)	(68.05)	(77.49)	(164.96)	(189.41)
Net Cash used in Financing Activities	(141.51)	(364.33)	284.60	128.29	388.96
Net Increase / (Decrease) in Cash and Cash equivalents	(13.64)	(30.81)	45.88	(20.38)	32.88

#### Cash Flows from Operating Activities

Net cash from operating activities in the period ended December 31, 2017 was ₹ 347.30 lakhs as compared to the PBT of ₹ 848.77 lakhs for the same period. This difference is primarily on account of changes in changes in inventories, trade receivables, short term loans and advances, long term loans and advances, other current assets, trade payables, other current liabilities, long term provisions and short term provisions.

Net cash from operating activities in fiscal 2017 was ₹ 401.57 lakhs as compared to the PBT of ₹ 235.85 lakhs for the same period. This difference is primarily on account of changes in inventories, trade receivables, short term loans and advances, long term loans and advances, other current assets, trade payables, long term provisions, other current liabilities and short term provisions.

Net cash from operating activities in fiscal 2016 was negative ₹ 161.24 lakhs as compared to the PBT of negative ₹ 223.70 lakhs for the same period. This difference is primarily on account of changes in inventories, trade receivables, short term loans and advances, long term loans and advances other current assets, trade payables, other current liabilities and short term provisions.

Net cash from operating activities in fiscal 2015 was negative ₹ 16.29 lakhs as compared to the PBT of ₹ 19.07 lakhs for the same period. This difference is primarily on account of changes in inventories, trade receivables, short term loans and advances, long term loans and advances, trade payables, other current liabilities and short term provisions.

### ***Cash Flows from Investment Activities***

In period ended December 31, 2017, the net cash invested in Investing Activities was negative ₹ 219.41 lakhs. This was on account of purchase of fixed assets.

In fiscal 2017, the net cash invested in Investing Activities was negative ₹ 68.05 lakhs. This was on account of purchase of fixed assets.

In fiscal 2016, the net cash invested in Investing Activities was negative ₹ 77.49 lakhs. This was on account of purchase of fixed assets.

In fiscal 2015, the net cash invested in Investing Activities was negative ₹ 164.96 lakhs. This was on account of purchase of fixed assets.

### ***Cash Flows from Financing Activities***

Net cash from financing activities in period ended December 31, 2017 was negative ₹ 141.51 lakhs. This was on account of increase in short term borrowings which is net off, by payment of interest and financial charges.

Net cash from financing activities in fiscal 2017 was negative ₹ 364.33 lakhs. This was on account of increase in payment of borrowings, increase in short term borrowings, and payment of interest and financial charges.

Net cash from financing activities in fiscal 2016 was ₹ 284.60 lakhs. This was on account of increase in long term borrowings, increase in short term borrowings, decrease in interest & financial charges.

Net cash from financing activities in fiscal 2015 was ₹ 128.29 lakhs. This was on account of increase in long term borrowings; increase in short term borrowings, proceeds from share capital and interest & financial charges.

### ***OTHER MATTERS***

#### **1. Unusual or infrequent events or transactions**

Except as described in this Draft 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 pages nos. 131 and 156 respectively of this Draft 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. 12 and 156 respectively of this Draft 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. 12 of this Draft 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 services and volume of business activity carried out by the Company.

**6. 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 Draft Prospectus.

**7. The extent to which the business is seasonal.**

Our business is not seasonal in nature.

**8. Any significant dependence on a single or few suppliers or customers**

There is no dependence on a single or few suppliers or customers.

## FINANCIAL INDEBTEDNESS

Set forth below, is a brief summary of our Company's borrowings as on December 31, 2017 together with a brief description of certain significant terms / material covenants of the relevant financing arrangements.

(₹ in lakhs)

Nature of Borrowing	Amount
Secured Borrowings*	1,932.97
Unsecured Borrowings*	568.18
<b>Total</b>	<b>2,441.09</b>

\* Includes current maturities of long term borrowing of ₹104.90 lakhs.

### SECURED BORROWINGS OF OUR COMPANY

(₹ in lakhs)

Name of Lender	Type of Loan	Sanctioned amount	Amount outstanding as on December 31, 2017	Rate of Interest (p.a.)	Security Provided
Canara Bank	Cash Credit Facility ("OCC")	1,800.00	1,641.06	One year MCLR+ 3.50% - Presently 11.80%	Stocks and Receivables (please refer note 1)
	Term Loan	340.00	63.75	Base rate +4.50%+ 1.00% (Term Premia)- Presently 16.00%	1. Plant & Machinery and other fixed assets, present and future (excluding vehicles)
	Demand Promisory Note Loan	135.00	108.05	One year MCLR+ 7.00% - Presently 16.35%	2. EMT on land admeasuring 5 acres 36 guntas situated at survey No. 58, 58A, 62 & 63 at Sheriguda Village, Peddiahpally Gram Panchayat, Balanagar Mandai, Mahaboobnagar District, Telangana. (please refer note 1)

#### Note 1:

#### Collateral Securities

1. Continuing EMT of acres 5.28 guntas of land along with under Sy No.60 and 64, Sheriguda Village, Peddiahpally, Gramapanchayat, Mahaboobnagar District.
2. Continuing EMT of acres 2.19 guntas of Land under Sy. No. 60 & 64, Sheriguda Village, Peddiahpally Grama Panchayat, Mahaboobnagar District.
3. Hypothecation of Plant & Machinery and other Fixed Assets of M/s. Ultra Pipes.

#### Guarantees

##### Personal:

1. Mr. Rupesh Kumar Gupta
2. Mr. Sailesh Gupta
3. Mr. Rakesh Kumar Gupta
4. Mrs. Sunita Gupta
5. Mrs. Parul Gupta
6. Mrs. Isha Gupta

##### Corporate:

M/s Ultra Pipes



## B. Details of Vehicle Loan

Name of Lender	Type of Loan	Sanctioned amount	Amount outstanding as on December 31, 2017	Rate of Interest (p.a.)	Security Provided
HDFC Bank Limited	Auto Loan	9.41	5.26	9.19%	Hypothecation of Motor Vehicle-
Kotak Mahindra Prime Limited	Auto Loan	54.80	54.80	8.00%	Hypothecation of Motor Vehicle

## Non Fund Based Borrowings

Apart from above borrowings we have been approved bank guarantee limits worth Rs 50.00 lakhs and letter of credit worth Rs. 400.00 lakhs from Canara Bank Limited.

## UNSECURED BORROWINGS OF OUR COMPANY:

(₹ in lakhs)

Name of the Lender	Amount outstanding as on December 31, 2018
Loan from Directors	132.78
Loan from Body Corporate	435.40
<b>Total</b>	<b>568.18</b>

## SECTION VII – LEGAL AND OTHER INFORMATION

### OUTSTANDING LITIGATIONS AND MATERIAL DEVELOPMENTS

*Except as described below, there are no outstanding litigations, suits, civil or criminal prosecutions, proceedings before any judicial, quasi-judicial, arbitral or administrative tribunals, including pending proceedings for violation of statutory regulations or, alleging criminal or economic offences or tax liabilities or any other offences (including past cases where penalties may or may not have been awarded and irrespective of whether they are specified under paragraph (i) of Part 1 of Schedule XIII of the Companies Act) against our Company, our Directors, our Promoter and our Group Entities that would have a material adverse effect on our business. There are no defaults, non-payments or overdue of statutory dues, institutional/bank dues and dues payable to holders of debentures or fixed deposits and arrears of cumulative preference shares that would have a material adverse effect on our business.*

*Further, except as disclosed in this section, our Board of Directors do not consider any other outstanding litigation or past penalties involving our Company, Subsidiaries, Promoter, Group Companies and Directors as material as on the date of this Draft Prospectus. Our Board of Directors considers dues owed by our Company to the small scale undertakings and other creditors exceeding ₹8.00 lakhs as material dues for our Company. This materiality threshold has been approved by our Board of Directors pursuant to the resolution passed at their board meeting held on 17<sup>th</sup> January, 2018*

#### CONTINGENT LIABILITIES OF OUR COMPANY

Particulars	Amount (₹ in lakhs)
NIL	NIL

#### LITIGATION INVOLVING OUR COMPANY

##### A. LITIGATION AGAINST OUR COMPANY

##### 1. Litigations involving Criminal matters

NIL

##### 2. Litigation Involving Actions by Statutory/Regulatory Authorities

NIL

##### 3. Litigation involving Indirect Tax Liabilities

##### A. The Commissioner of Central Tax v.s. M/S Hariom Concast & Steels (P) Limited

Case No. & Forum	Petitioner	Respondent	Brief Facts of the Case	Status
CEA 233/2017 before the Hon'ble High Court	The Commissioner of Central Tax	M/S Hariom Concast & Steels (P) Ltd.	The Respondent was engaged in the manufacture of MS inglots and MS Billets and availed a CENVAT credit. A SCN was issued by Central Excise Department to recover Rs. 31,73,871 with interest. The additional commissioner of Central Excise vide order dated 30.09.2011 confirmed the demands made in SCN. Aggrieved by the order, respondent filed an appeal before Commissioner (Appeals). The Commissioner (Appeals) vide order dated 6.12.2012 ordered for 50% amount as pre deposit and dismissed the Appeal. The respondent filed an appeal before the CESTAT. The Hon'ble CESTAT	The Case is Pending

			allowed the Appeal. The Petitioner filed the Appeal against the order of Commissioner (Appeals) before the Hon'ble High Court.	
--	--	--	--	--

**(i) Direct Tax Liabilities**

Sr. No.	Type of Direct Tax	No. of Cases	Amount in dispute/ demanded (₹ in lakhs)
1.	NIL	NIL	NIL
	<b>Total</b>	NIL	NIL

**Note:** Company has no litigations pertaining to direct tax liabilities. However, as per income tax website there are outstanding demand of ₹205, ₹580 and ₹41,350 for A.Y. 2009-10, A.Y. 2010-11 and A.Y. 2013-14 u/s 220(2) uploaded by CPC. The Company has regularly received refunds and has not received any demand notices for the above mentioned demands and is in process of getting the matter resolved and removing the same from income tax website.

**4. Other Pending Litigations**

NIL

**B. LITIGATIONS FILED BY OUR COMPANY**

**1. Litigation Involving Criminal matters**

NIL

**2. Litigation Involving Civil Matters**

**2010**

**M/s. Hari Om Concast & Steels Pvt. Ltd., Mahaboobnagar Dist v/s. A.P. Electricity Regulatory Comm, Hyd & 3 Others**

Case No. & Forum	Petitioner	Respondent	Brief Facts of the Case	Status
WP 22546/2010 Before the Hon'ble High Court	M/S. Hari Om Concast & Steel Pvt Ltd, Mahaboobnagar Dist.	<ol style="list-style-type: none"> <li>A P Regulatory Commission</li> <li>The Central Power Distribution Company of A P Ltd</li> <li>The Superintendent Engineer Operation Circle</li> </ol> <p>The Central Power Distribution Company of A P Ltd (APCPDCL) Mahaboobnagar</p> <ol style="list-style-type: none"> <li>The Senior Account Officer Operation</li> </ol> <p>The Central Power Distribution Company of A P Ltd (APCPDCL) Mahaboobnagar District</p>	The Petitioner filed the case before the Hon'ble High Court praying for the Issue a writ or order of direction in the nature of Writ of Mandamus declaring the action of the respondents (i) in not reducing the maximum demand charges for the non-supply period and (ii) in not calculating the load factor based on the actual hours of supply for the purpose of tariff incentive for which the petitioner is entitled as per the tariff order 2008-09 for the consumption months of February 2009 to March 2010 and consequently directing the respondents to refund the excess amounts collected from the petitioner together with interest at the rate of 24% per annum.	The status of the Case is Pending

2011

**M/s. Hari Om Concast & Steels Pvt. Ltd., (Re-Rolling Unit) v/s. A P Electricity Regulatory Commission & 3 Ors.**

Case No. & Forum	Petitioner	Respondent	Brief Facts of the Case	Status
WP 13173/2011 before the Hon'ble High Court	M/S. HARI OM CONCAST & STEEL PVT. LTD, MAHABOBNAGAR DIST	<ol style="list-style-type: none"> <li>1. A P Regulatory Commission</li> <li>2. The Central Power Distribution Company of A P Ltd</li> <li>3. The Superintendent Engineer Operation Circle the Central Power Distribution Company of A P Ltd (APCPDCL) Mahaboobnagar</li> <li>4. The Senior Account Officer Operation The Central Power Distribution Company of A P Ltd (APCPDCL) Mahaboobnagar District</li> </ol>	The Petitioner filed the case before the Hon'ble High Court praying for the Issue a writ or order of direction in the nature of Writ of Mandamus declaring the action of the respondents (i) in not reducing the maximum demand charges for the non-supply period and (ii) in not calculating the load factor based on the actual hours of supply for the purpose of tariff incentive for which the petitioner is entitled as per the tariff order 2008-09 for the consumption months of February 2009 to March 2010 and consequently directing the respondents to refund the excess amounts collected from the petitioner together with interest at the rate of 24% per annum	The case has been admitted and the same is pending disposal

2012

**A. M/s. Hariom Concast & Steels, Sy.No:62,63,V/S. The Telangana Electricity Regulatory Commission & 3 ors**

Case No. & Forum	Petitioner	Respondent	Brief Facts of the Case	Status
WP 18384/2016 before the Hon'ble High Court	Hariom Concast & Steels	<ol style="list-style-type: none"> <li>1. The Telangana Electricity Regulatory Commission</li> <li>2. The Southern Power Distribution Company Ltd Of Telangana State Mint Compound</li> <li>3. The Superintending Engineer (Operation Circle)</li> <li>4. The Senior Accounts Officer (Operation Circle)</li> </ol>	The Petitioner had filed the petition under Section. 151 of C.P.C praying the High Court to stay the collection of Open Access cross subsidy surcharge by the DISCOM pursuant to the orders dated 27-03-2015 in OP. No. 76 of 2015 by the Telangana Electricity Regulatory Commission imposing cross subsidy surcharge on open access power utilized by the Petitioner.	The case is pending

### 3. Litigation Involving Actions by Statutory/Regulatory Authorities

NIL

### 4. Litigation involving Tax Liabilities

#### (i) Direct Tax Liabilities

Sr. No.	Type of Direct Tax	No. of Cases	Amount in dispute / demanded (₹ in lakhs)
1.	NIL	NIL	NIL
<b>Total</b>		NIL	NIL

#### (ii) Indirect Taxes Liabilities

Sr. No.	Type of Indirect Tax	No. of Cases	Amount in dispute/ demanded (₹ in lakhs)
1.	NIL	NIL	NIL
<b>Total</b>		NIL	NIL

### 5. Other Pending Litigations

NIL

## LITIGATION INVOLVING OUR DIRECTORS

### A. LITIGATION AGAINST OUR DIRECTORS

#### 1. Litigation Involving Criminal Matters

NIL

#### 2. Litigation Involving Actions by Statutory/Regulatory Authorities

NIL

#### 3. Litigation involving Tax Liabilities

##### A. Income Tax

Case No. & Forum	Name of the Assessee	Section	Amount Payable	Status
ITO Ward 8 (2)	Sunita Gupta	Penalty u/s. 271 of Income Tax, 1961	11,16,040	The Case is Pending
ITO Ward 8 (2)	Rupesh Kumar Gupta	Penalty u/s. 271 of Income Tax, 1961	9,41,820	The Case is Pending
ITO Ward 8 (2)	Sailesh Gupta	Penalty u/s. 271 of Income Tax, 1961	9,96,140	The Case is Pending

#### 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 lakhs)
1.	NIL	NIL	NIL
<b>Total</b>		NIL	NIL

**(ii) Indirect Taxes Liabilities**

Sr. No.	Type of Indirect Tax	No. of Cases	Amount in dispute/ demanded (₹ in lakhs)
1.	NIL	NIL	NIL
<b>Total</b>		NIL	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**

Sr. No.	Type of Direct Tax	No. of Cases	Amount in dispute/ demanded (₹ in lakhs)
1.	NIL	NIL	NIL
<b>Total</b>		NIL	NIL

**(ii) Indirect Taxes Liabilities**

Sr. No.	Type of Indirect Tax	No. of Cases	Amount in dispute/ demanded (₹ in lakhs)
1.	NIL	NIL	NIL
<b>Total</b>		NIL	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

Sr. No.	Type of Direct Tax	No. of Cases	Amount in dispute/ demanded (₹ in lakhs)
1.	NIL	NIL	NIL
<b>Total</b>		NIL	NIL

#### (ii) Indirect Taxes Liabilities

Sr. No.	Type of Indirect Tax	No. of Cases	Amount in dispute/ demanded (₹ in lakhs)
1.	NIL	NIL	NIL
<b>Total</b>		NIL	NIL

### 4. Other Pending Litigations

NIL

### LITIGATION INVOLVING OUR 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

Sr. No.	Type of Direct Tax	No. of Cases	Amount in dispute/ demanded (₹ in lakhs)
1.	NIL	NIL	NIL
<b>Total</b>		NIL	NIL

**Note :** Our Group Companies have no litigations pertaining to direct tax liabilities. However, as per income tax website there is outstanding demand of ₹ 8270 A.Y. 2014 - 15 u/s 143(1)(a) uploaded by Assessing CPC against Reo Solutions Private Limited. The director has regularly received refunds and has not received any demand notices for the above mentioned demands and is in process of getting the matter resolved.

#### (ii) Indirect Taxes Liabilities

Sr. No.	Type of Indirect Tax	No. of Cases	Amount in dispute/ demanded (₹ in lakhs)
1.	NIL	NIL	NIL
<b>Total</b>		NIL	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 lakhs)
1.	NIL	NIL	NIL
<b>Total</b>		NIL	NIL

### (ii) Indirect Taxes Liabilities

Sr. No.	Type of Indirect Tax	No. of Cases	Amount in dispute/ demanded (₹ in lakhs)
1.	NIL	NIL	NIL
<b>Total</b>		NIL	NIL

## 4. Other Pending Litigations

NIL

**There are no litigations or legal actions, pending or taken, by any Ministry or Department of the Government or a statutory authority against our Promoters during the last 5 (five) years.**

There are no litigations or legal actions, pending or taken, by any Ministry or Department of the Government or a statutory authority against our Promoters during the last 5 (five) years.

### **Pending proceedings initiated against our Company for economic offences.**

There are no pending proceedings initiated against our Company for economic offences

### **Inquiries, investigations etc. instituted under the Companies Act, 2013 or any previous companies enactment in the last 5 (five) years against our Company.**

There are no inquiries, investigations etc. instituted under the Companies Act or any previous companies enactment in the last 5 (five) years against our Company.

### **Material Fraud against our Company in the last 5 (five) years**

There has been no material fraud committed against our Company in the last 5 (five) years.

### **Fines imposed or compounding of offences for default**

There are no fines imposed or compounding of offences done in the last 5 (five) years immediately preceding the year of the Draft Prospectus for the Company and its Subsidiaries for default or outstanding defaults.

### **Non-Payment of Statutory Dues**

There have been no defaults or outstanding defaults in the payment of statutory dues payable by the Company. For details of dues of income tax, Goods and service tax (GST), which have not been deposited as on December 31<sup>st</sup>, 2017 on account of disputes, see "Summary Financial Information" beginning on page no. 35 of this Draft Prospectus.

### **Amounts owed to small scale undertakings and other creditors**

The Board of Directors of our Company considers dues exceeding ₹ 98.00lakhs to small scale undertakings and other creditors as material dues for our Company. Our Company does not owe any small scale undertakings any amounts exceeding ₹ 98.00 Lakhs as of the date of this Draft Prospectus.



Our Company owes amounts aggregating to ₹ 9,45,43,786/- (Rupees Nine Crore Forty Five Lakh Forty Three Thousand Seven Hundred and Eighty Six only) or more to its creditors as on 31.12.2017. There are no disputes with such entities in relation to payments to be made to them. The details pertaining to amounts due towards such creditors are available on the website of our Company at the following link: [www.hariompipes.com](http://www.hariompipes.com)

The details in relation to other creditors and amount payable to each creditor is available on the website of our Company.

Note : Our Company has not received any intimation from suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 ("MSME Act") and hence amount unpaid, if any, as on December 31, 2017 to such suppliers has not been identified separately for disclosure herein.

**Material developments occurring after last balance sheet date**

Except as disclosed elsewhere in this Draft Prospectus, there have been no material developments that have occurred after the Last Balance Sheet Date.

## 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 objects incidental, enable our Company to carry out its activities.*

### Approvals for the Issue

1. The Board of Directors have, pursuant to Section 62(1)(c) of the Companies Act 2013, by a resolution passed at its meeting held on 17<sup>th</sup> January, 2018 authorized the Issue, subject to the approval of the shareholders and such other authorities as may be necessary.
2. The shareholders of our Company have, pursuant to Section 62(1) (c) of the Companies Act, 2013, by a special resolution passed in the extra ordinary general meeting held on 09<sup>th</sup> February, 2018 authorized the Issue.
3. In-principle approval dated [●] from the NSE for listing of the Equity Shares issued by our Company pursuant to the Issue.
4. Our Company's International Securities Identification Number ("ISIN") is [●].

### Approvals pertaining to Incorporation, name and constitution of our Company

1. Certificate of Incorporation dated 21<sup>st</sup> June, 2007 issued by the Registrar of Companies, Hyderabad ("ROC") in the name of "Hari Om Concast and Steels Private Limited".
2. A fresh Certificate of Incorporation consequent upon change of name from "Hari Om Concast and Steels Private Limited" to "Hariom Pipe Industries Private Limited" was issued on December 27<sup>th</sup>, 2017 by the Registrar of Companies, Hyderabad. The name of the Company is changed from Hariom Pipe Industries Private Limited to Hariom Pipe Industries Limited vide Special Resolution passed in Extraordinary General Meeting dated 08.01.2018.
3. The Corporate Identity Number (CIN) of the Company is U27100TG2007PLC054564.

### I. TAX RELATED APPROVALS

Sr. No.	Description	Authority	Registration Number	Date of Expiry
1.	Permanent Account Number (PAN)	Income Tax Department, Government of India	AABCH8825N	Valid until cancelled
2.	Tax Deduction Account Number (TAN)	Income Tax Department, Government of India	HYDH01982B	Valid until cancelled
3.	Goods and Services Tax Identification Number (GSTIN)	Government of India	36AABCH8825N1 Z3	Valid until cancelled
4.	Professional Tax Identification Number (PTIN)	Government of Andhra Pradesh, Commercial Taxes Department, Hyderabad	36409532872	Valid until cancelled

## II. BUSINESS RELATED APPROVALS

The Company has obtained the following approvals for the purposes of conducting its business activities:

Sr. No.	Description	Location	Authority	Registration Number	Date of Expiry
1.	Licence to work a factory	Peddyapally, Balanagar	Inspector of Factories, Mehaboobnagar	52333	Valid until duly cancelled
2	Attachment of License	Hyderabad	Global Management Certification Services Pvt. Ltd.	170103-Q IS No: 9001:2015	03, January, 2020
3	Attachment of License	Hyderabad	Bureau of Indian standards , Hyderabad	6300029905 IS No: 3601: 2006	31st January, 2019
4	Attachment of License	Hyderabad	Bureau of Indian standards , Hyderabad	4682981 IS No:2830:2012	31 <sup>st</sup> Januray,2019
6	Certificate of Import Export Code	Hyderabad	Government of India, Ministry of Commerce	0907020747	Valid until cancelled
7	Pollution Control Board Permissions	Peddiahpally, Balanagar, Mehaboob Nagar District	Telangana State Pollution Control Board	TSPCB/115/CFO/RO-HYD/HO/2015-498	Valid till 31.12.2021
8	Electronic Weighing Machines from the Office of Controller, Legal , Meterology, Government of Andhra Pradesh/ Telangana	Hyderabad	District Legal Metrology Officer	S/R No-950073404	
9	Udyog Adhaar Memorandum	3-45/1, survey no, 58,62 and 63 , Peddyapally(v) Balanagar(m)	Ministry of Micro, Small & Medium Enterprises	TS05B0001820	Valid until cancelled
10	Power Supply Permissions from Local Body	Hyderabad	Central Power Distribution Company of A.P Limited	Memo No. CGM/KZ/KNL/AE/COMML/D. NO.3321/09 DATED 27.11.2009	
11	Power Supply Permissions from Local Body	Hyderabad	Central Power Distribution Company of A.P Limited	Memo No. CGM/COML.SE/DE/ADE-III/D.NO:180 DATED 27.04.2010	
12	Export House (DGFT)	Hyderabad	Ministry of Commerce , Government of India	0907020747	Valid until cancelled

**Water Related Approvals** – The Company has no specific water related permissions, there is no requirement for obtaining water permissions as such as they are within the permissible limits. Further, The Company is having effluent treatment plant. The Company is having consent for Establishment and Consent for Operation Certificate from Telangana State Pollution Control Board through consent order No-TSPCB/115/CFO/RO-HYD/HO/2016 which is valid till Dec 31, 2021 as mentioned above.

## III. LABOUR / EMPLOYEES RELATED APPROVALS:

Sr. No.	Description	Authority	Registration Number	Date of Expiry
1.	Registration under Employees Provident Funds & Miscellaneous Provisions Act, 1952 issued on January 17, 2013	Regional Provident Fund Commissioner, Employees' Provident Fund Organization, Andhra Pradesh	APHYD0063442000	Valid until cancelled
2.	Registration under Employees' State Insurance Act, 1948	Asst. Director, Employees' State Insurance Corporation, Andhra Pradesh	52-00-035294-000-0599	Valid until cancelled
3.	Labour Department Registration in the name of Contractors i.e. 1. Sri Devnath Baburam Yadav 2. Sri Shiyaram Singh 3. Sri Parneet Singh	Government of Telangana, Labour Department	No.A/08/2011	Valid until cancelled

#### IV. APPROVALS RELATING TO INTELLECTUAL PROPERTY

##### TRADEMARKS

Sr. No.	Particulars of the mark	Word/La bel mark	Applicant	Trademark / Application Number	Issuing Authority	Certificate Detail	Class
1.	<i>will to work</i>	Word	Hariom Pipe Industries Limited	3465133	Registrar of Trademarks, Mumbai	Certificate bearing No. 1602486 23 <sup>rd</sup> January, 2017	6

#### V. Pending Approvals/ Filings/Renewals/Registration

##### The Company is in the process of obtaining renewals/registration of the following approvals:

- Certificate of membership from FAPCCI with Registration No. 6377 due for Renewal.

##### The following Approvals/ Sanctions from the concerned authorities are required for the proposed Expansion:-

- Approval from the Director of Factories
- Sanction from the Electricity Department for the increased load connection in view of the Expansion.
- Consent from the Telangana state Pollution Control Board.

Apart from the above said Approvals/ Sanctions, a consent order of Telangana State Pollution Control Board for the altered discharge of Sewage and/or trade effluents/outlet, if any, under Section 25/26 of the Water (Prevention & Control of Pollution) Act, 1974 and amendments thereof as also for Operation of the Plant under Section 21 of Air (Prevention & Control of Pollution) Act 1981 and amendments thereof and Authorisation under Rule 5 of the Hazardous wastes (Management, Handling & Transboundary, Movement) Rules 2008 & Amendments thereof shall also be required and the same are to be applied at appropriate time.

The Company has been operating in this line since 10 years and is confident of obtaining such approval in due course. Since the proposed expansion has not yet started no application for the above has been made.

## SECTION VIII - OTHER REGULATORY AND STATUTORY DISCLOSURES

### Authority for the Issue

Our Board of Directors have wide resolution dated January 17,2018 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 on February 09,2018, 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 [•] to use the name of NSE in this Offer Document for listing of equity shares on the SME Platform of National Stock Exchange of India Limited i.e. NSE EMERGE. NSE is the designated stock exchange.

### Prohibition by SEBI, the RBI or Governmental Authorities

We confirm that there is no prohibition on our Company, its Directors, Promoters and entities forming part of our Promoter Group from accessing the capital market or operating in the capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority.

We further confirm that none of our Company, it's Promoters, relatives of Promoters (as defined under Companies Act, 2013) its Directors and its Group Companies have been identified as wilful defaulters by the RBI or other authorities.

The listing of any securities of our Company has never been refused at any time by any of the stock exchanges in India.

### Association with Securities Market

We confirm that 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 Promoters, Promoter Group*", "*Our Group Companies*" and "*Outstanding Litigations and Material Developments*" beginning on page nos. 12, 121, 125 and 168 respectively, of this Draft Prospectus.

### Eligibility for the Issue

Our Company is an "Unlisted Issuer" in terms of the SEBI (ICDR) Regulation; and this Issue is an "Initial Public Issue" in terms of the SEBI (ICDR) Regulations.

This Issue is being made in terms of Regulation 106(M)(2) of Chapter XB of the SEBI (ICDR) Regulations, 2009, as amended from time to time, whereby, an issuer whose post issue face value capital does exceed ten crores rupees but does not exceed twenty five crores, shall issue shares to the public and propose to list the same on the Small and Medium Enterprise Exchange ("SME Exchange", in this case being the SME Platform of National Stock Exchange of India Limited i.e. NSE EMERGE).

We confirm that:

- a) In accordance with Regulation 106 (P) of the SEBI (ICDR) Regulations, this issue has been hundred percent underwritten and that the Lead Manager to the Issue has underwritten more than 15% of the total Issue Size. For further details pertaining to the said underwriting please see "*General Information - Underwriting*" on page no.44 of this Draft Prospectus.
- b) In accordance with Regulation 106(R) of the SEBI (ICDR) Regulations, we shall ensure that the total number of proposed allottees in the 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.

- c) In accordance with Regulation 106(O) the SEBI (ICDR) Regulation, we have not filed any Offer Document with SEBI nor has SEBI issued any observations on our Offer Document. Also, we shall ensure that our Lead Manager submits the copy of Prospectus along with a Due Diligence Certificate including additional confirmations as required to SEBI at the time of filing the Prospectus with Stock Exchange and the Registrar of Companies.
- d) In accordance with Regulation 106(V) of the SEBI (ICDR) Regulations, we have entered into an agreement with the Lead Manager and the Market Maker to ensure compulsory Market Making for a minimum period of three years from the date of listing of equity shares offered in this Issue. For further details of the arrangement of Market Making, please see “*General Information- Details of the Market Making Arrangements for this Issue*” on page no. 45 of this Draft Prospectus.

Our Company has been incorporated under the Companies Act 1956, in India.

- e) The Net worth (excluding revaluation reserves) of our Company is positive as per the latest audited financial results and we have a positive cash accruals (earnings before depreciation and tax) from operations for atleast 2 financial years.
- f) Our Company has track record of atleast 3 years.
- g) Our Company has not been referred to the Board for Industrial and Financial Reconstruction (BIFR)
- h) Our Company has not been in 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.
- i) There is no winding up petition against the company, which has been admitted by a Court of competent jurisdiction.
- j) There has been no material regulatory or disciplinary action by a stock exchange or regulatory authority in the past three years against our company.
- k) As on the date of this Draft Prospectus, our Company has a paid up capital of ₹ 109.00 lakhs, which is in excess of ₹3 crore, and the Post Issue Capital shall also be in excess of ₹3.00 crore.
- l) Our company shall mandatorily facilitate trading in demat securities and enter into an agreement with both the depositories.
- m) We have a website:[www.hariompipes.com](http://www.hariompipes.com)

We further confirm that we shall be complying with all other requirements as laid down for such Issue under Chapter XB of SEBI (ICDR) Regulations, as amended from time to time and subsequent circulars and guidelines issued by SEBI and the Stock Exchange.

#### **DISCLAIMER CLAUSE OF SEBI**

**IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF OFFER DOCUMENT 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 ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE OFFER DOCUMENT. THE LEAD MERCHANT BANKER, 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, 2009 IN FORCE FOR THE TIME BEING. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING AN INVESTMENT IN THE PROPOSED ISSUE.**

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY ARE PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE DRAFT 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 [•].

AS PER REGULATION 106(O) OF THE SEBI ICDR REGULATIONS, ONLY THE PROSPECTUS HAS TO BE FILED WITH SEBI ALONGWITH A DUE DILIGENCE CERTIFICATE AS PER FORM A OF SCHEDULE VI OF THE SEBI ICDR REGULATIONS BY THE LEAD MANAGER. ACCORDINGLY, THIS SECTION WILL BE UPDATED AT THE TIME OF FILING THE PROSPECTUS WITH STOCK EXCHANGE AND ROC AND PROSPECTUS AND DUE DILIGENCE CERTIFICATE AS PER FORM A OF SCHEDULE VI OF THE SEBI ICDR REGULATIONS WITH SEBI.

THE FILING OF THIS OFFER DOCUMENT DOES NOT, HOWEVER, ABSOLVE OUR COMPANY FROM ANY LIABILITIES UNDER SECTION 63 OR SECTION 68 OF THE COMPANIES ACT, 1956 (SECTION 34 OR SECTION 36 OF THE COMPANIES ACT, 2013) OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY AND/OR OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE PROPOSED OFFER. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP AT ANY POINT OF TIME, WITH THE LEAD MERCHANT BANKERS ANY IRREGULARITIES OR LAPSES IN THE OFFER DOCUMENT.

**Note:**

All legal requirements pertaining to the Issue will be complied with at the time of registration of the Draft Prospectus with the RoC in terms of section 26 and 30 of the Companies Act, 2013.

THE PROMOTER(S) / DIRECTOR(S) OF HARIOM PIPE INDUSTRIES LIMITED CONFIRM THAT NO INFORMATION / MATERIAL LIKELY TO HAVE A BEARING ON THE DECISION OF INVESTORS IN RESPECT OF THE SHARES ISSUED IN TERMS OF THIS OFFER DOCUMENT HAS BEEN SUPPRESSED WITHHELD AND / OR INCORPORATED IN THE MANNER THAT WOULD AMOUNT TO MIS-STATEMENT / MISREPRESENTATION AND IN THE EVENT OF ITS TRANSPILING AT ANY POINT IN TIME TILL ALLOTMENT / REFUND, AS THE CASE MAY BE, THAT ANY INFORMATION / MATERIAL HAS BEEN SUPPRESSED / WITHHELD AND / OR AMOUNTS TO A MIS-STATEMENT/ MISREPRESENTATION, THE PROMOTERS / DIRECTORS UNDERTAKE TO REFUND THE ENTIRE APPLICATION MONIES TO ALL SUBSCRIBERS WITHIN 7 DAYS THEREAFTER WITHOUT PREJUDICE TO THE PROVISIONS OF SECTION 34 OF THE COMPANIES ACT 2013.

**Disclaimer from our Company, Directors and the Lead Manager**

Our Company, the Directors and the Lead Manager accept no responsibility for statements made otherwise than those contained in this Draft 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.

**CAUTION**

The Lead Manager accepts no responsibility, save to the limited extent as provided in the MoU for Issue Management entered into among the Lead Manager and our Company dated March 13, 2018, the Underwriting Agreement dated March 13,2018 entered into among the Underwriters and our Company and the Market Making Agreement dated March 13,2018 entered into among the Market Maker, Lead Manager and our Company.

All information shall be made available by us and the Lead Manager to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever including at road show presentations, in research or sales reports or at collection centres or elsewhere.

**Note:**

Investors who apply in the Issue will be required to confirm and will be deemed to have represented to our Company, the Underwriter and their respective Directors, Officers, Agents, Affiliates and representatives that they are eligible

under all applicable Laws, Rules, Regulations, Guidelines and Approvals to acquire Equity Shares of our Company and will not offer, sell, pledge or transfer the Equity Shares of our Company to any person who is not eligible under applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of our Company. Our Company, the Selling Shareholders, the Underwriter and their respective Directors, Officers, Agents, Affiliates and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire Equity Shares of our Company.

#### **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 Draft 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 Draft 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 of the NSE Emerge Platform**

“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/29233 dated September 14, 2017 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 offer document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Issuer. It is to be distinctly understood that the aforesaid permission given by NSE should not in any way be deemed or construed that the offer document has been cleared or approved by NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this offer document; nor does it warrant that this Issuer’s securities will be listed or will continue to be listed on the Exchange; nor does it take any responsibility for the financial or other soundness of this Issuer, its promoters, its management or any scheme or project of this Issuer.

Every person who desires to apply for or otherwise acquire any securities of this Issuer may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription /acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever.”

#### **Disclaimer Clause under Rule 144A of the U.S. Securities Act**

The Equity Shares have not been and will not be registered under the U.S. Securities Act 1933, as amended (the “Securities Act”) or any state securities laws in the United States and may not be offered or sold within the United States or to, or for the account or benefit of, “U.S. persons” (as defined in Regulation S of the Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Equity Shares will be offered and sold (i) in the United States only to “qualified institutional buyers”, as defined in Rule 144A of the Securities Act, and (ii) outside the United States in offshore transactions in reliance on Regulation S under the Securities Act and in compliance with the applicable laws of the jurisdiction where those offers and sales occur.

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



## Filing

The Draft Prospectus shall not be filed with SEBI, nor will SEBI issue any observation on the offer document in term of Regulation 106 (O) (1). However, a copy of the Prospectus shall be filed with SEBI at Overseas Towers, 7<sup>th</sup> Floor, 756-L, Anna Salai, Chennai 600 002.

A copy of the Prospectus, along with the documents required to be filed under Section 26 of the Companies Act, 2013 will be delivered to the RoC situated at 2<sup>nd</sup> Floor, Corporate Bhawan, GSI Post, Tattianaram Nagole, Bandlaguda, Hyderabad - 500 068.

## Listing

An application shall be made to SME Platform of National Stock Exchange of India Limited i.e. NSE EMERGE for obtaining permission for listing of the Equity Shares being offered and sold in the Issue on its SME Platform after the allotment in the Issue. NSE 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 SME Platform is not granted by NSE, 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 eight 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 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 SME Platform of National Stock Exchange of India Limited i.e. NSE EMERGE mentioned above are taken within 6 Working Days of the Issue Closing Date.

The Company has obtained approval from NSE vide letter dated [•] to use the name of NSE in this Offer document for listing of equity shares on SME Platform of National Stock Exchange of India Limited i.e. NSE EMERGE.

## Price Information of past issues handled by the Lead Manager

Sr. No.	Issue Name	Issue size (M Cr.)	Issue Price (M)	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	CKP Leisure Ltd.	11.54	30.00	06/03/2018	27.00	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
2	Banka BioLoo Ltd.	12.63	115.00	27/02/2018	114.00	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
3	Medico Remedies Ltd.	10.99	100.00	08/02/2018	100.00	-3.00%	-3.21%	N.A.	N.A.	N.A.	N.A.
4	Ashoka Metcast Ltd.	12.00	20.00	05/02/2018	16.00	-61.10%	-4.96%	N.A.	N.A.	N.A.	N.A.
5	Apollo Micro Systems Ltd.	156.00	275.00	22/01/2018	478.00	1.95%	-5.46%	N.A.	N.A.	N.A.	N.A.
6	S K S Textile Ltd.	13.32	150.00	19/01/2018	149.90	-44.03%	-4.06%	N.A.	N.A.	N.A.	N.A.
7	Silly Monks Entertainment Ltd.	15.12	120.00	18/01/2018	144.00	28.71%	-3.37%	N.A.	N.A.	N.A.	N.A.
8	Shradha Infraprojects (Nagpur) Ltd.	18.93	70.00	11/12/2017	69.80	0.14%	3.00%	-18.57%	-0.92%	N.A.	N.A.
9	Shreeji Translogistics Ltd.	12.40	130.00	13/10/2017	156.00	2.69%	2.72%	34.62%	6.38%	N.A.	N.A.
10	AKM Lace &	4.76	25.00	29/09/2017	25.50	-7.80%	5.99%	-9.80%	8.20%	N.A.	N.A.

Embrotex Limited														
------------------	--	--	--	--	--	--	--	--	--	--	--	--	--	--

1. Summary statement of price information of past issues (during current financial year and two financial years preceding the current financial year) handled by Aryaman Financial Services Limited

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%
2017-18	13 <sup>(1)</sup>	293.53	1	1	2	-	1	6	-	-	-	-	-	3
2016-17	10	147.26	-	1	-	1	-	8	-	1	-	2	3	4
2015-16	3	15.90	-	-	-	-	-	3	-	-	-	1	1	1

<sup>(1)</sup> Details indicated in 2017-18 are for the IPOs completed as on date.

**Notes:**

- Since the listing date of CKP Leisure Limited and Banka BioLoo Limited, was March 06, 2018 and February 27, 2018 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.
- Since the listing date of Medico Remedies Limited, Ashoka Metcast Limited, Apollo Microsystems Limited, S K S Textile Limited and Silly Monks Entertainment Limited was February 08, 2018, February 05, 2018, January 22, 2018, January 19, 2018, January 18, 2018 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.
- Since the listing date of and Shradha Infraprojects (Nagpur) Limited, Shreeji Translogistics Limited and AKM Lace Embrotex Limited was December 11, 2017, October 13, 2017 and September 29, 2017 respectively, information related to closing price and benchmark index as on 180<sup>th</sup> calendar day from the listing date is not available.
- The respective Designated Stock Exchange for each Issue has been considered as the Benchmark index for each of the above Issues.
- 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.
- Source: www.bseindia.com and 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

**Consents**

Consents in writing of: (a) The Directors, the Chief Financial Officer, Company Secretary & Compliance Officer and the Statutory Auditors; and (b) the Lead Manager, Registrar to the Issue, the Legal Advisors 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.PPKG and Co., Chartered Accountants, have provided their written consent to the inclusion of their reports dated February 22,2018 on Restated Financial Statements and to the inclusion of their reports dated February 22,2018 on Statement of Tax Benefits, have provided their written consent to the inclusion of their reports which may be available to the Company and its shareholders, included in this Draft 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 Draft Prospectus.

\* This will be obtained at later stages.

### Expert Opinion

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

Our Company has received written consent from its Peer Review Auditor namely, M/s. PPKG & Co., Chartered Accountants, to include their name as required under section 26(1)(a)(v) of the Companies Act, 2013 in this Draft Prospectus and as “Expert” as defined under section 2(38) of the Companies Act, 2013 in respect of the reports on the Restated Financial Statements dated February 22, 2018 to include their name as required under section 26(1)(a)(v) of the Companies Act, 2013 in this Draft 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 February 22, 2018, issued by them, included in this Draft Prospectus and such consent has not been withdrawn as on the date of this Draft Prospectus. However, the term “expert” shall not be construed to mean an “expert” as defined under the U.S. Securities Act.

### ISSUE RELATED EXPENSES

Issue related expenses include underwriting and Issue management fees, selling commission, distribution expenses, market making charges, legal fees, fees to advisors, printing and stationery costs, advertising expenses, listing fees payable to the Stock Exchange, and all other incidental and miscellaneous expenses for listing the Equity Shares on the Stock Exchange, including fees payable to Depositories is given below: Same as object of the Issue

The details of estimated Issue expenses are set forth below:

Sr. No.	Particulars	Amount (₹ in lakhs)	% of Total Expenses	% of Total Issue size
1	Issue Management fees including fees and reimbursements of Market Making fees (1 <sup>st</sup> year), and payment to other intermediaries such as Legal Advisors, Registrars and other out of pocket expenses.	[•]	[•]	[•]
2	Brokerage and Selling Commission, Underwriting Commission, RTAs and CDPs	[•]	[•]	[•]
3	Advertisement, Printing & Stationery, Marketing Expenses, etc.	[•]	[•]	[•]
4	Listing Fees, Market Regulatory & Other Expenses	[•]	[•]	[•]
<b>Total</b>		[•]	[•]	[•]

- <sup>1)</sup> The SCSBs and other intermediaries will be entitled to a commission of ₹ [•] per every valid Application Form submitted to them and uploaded on the electronic system of the Stock Exchange by them.
- <sup>2)</sup> The SCSBs would be entitled to processing fees of ₹ [•] per Application Form, for processing the Application Forms procured by other intermediaries and submitted to the SCSBs.
- <sup>3)</sup> Further the SCSBs and other intermediaries will be entitled to selling commission of [•] 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.
- <sup>4)</sup> Except for the Listing Fees, ROC Charges & the Market Making Fees, which will be borne by our Company, all other expenses relating to the Issue as mentioned above will be borne by the Company and Selling Shareholders in proportion to the Equity Shares contributed to the Issue. The Issue expenses are estimated expenses and subject to change.

<sup>5)</sup> *The payment towards commission and processing fees will be completed within 30 days from the date of receipt of final invoice from the respective entities.*

#### **Fees, Brokerage and Selling Commission Payable to the Lead Manager**

The total fees payable to the Lead Manager (including underwriting commission and selling commission) is as stated in the MOUs dated March 15, 2018, the Underwriting Agreement dated March 15, 2018 and the Market Making Agreement dated March 15, 2018 among our Company and the Lead Manager and other parties, a copy of which will be made available for inspection at our Registered Office.

#### **Fees Payable to the Registrar to the Issue**

The fees payable to the Registrar to the Issue, for processing of application, data entry, printing of refund order, preparation of refund data on magnetic tape, printing of bulk mailing register will be as per the MoU between the Company, and the Registrar to the Issue dated March 12, 2018.

The Registrar to the Issue will be reimbursed for all out-of-pocket expenses including cost of stationery, postage, stamp duty and communication expenses. Adequate funds will be provided to the Registrar to the Issue to enable it to send refund orders or Allotment advice by registered post/speed post.

#### **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. 47 of this Draft 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.

## DISPOSAL OF INVESTOR GRIEVANCES

### Mechanism for Redressal of Investor Grievances

The Company has appointed Bigshare Services Private Limited as the Registrar to the Issue, to handle the investor grievances in co-ordination with the 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-ordinating 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.

Our Board by a resolution on January 17, 2018 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. Sunita Gupta	Non Executive Director	Chairman
Mr. Santosh Kumar Rathi	Non Executive Independent Director	Member
Mr. Pramod Kumar Kapoor	Chairman and Non – Executive Independent Director	Member

For further details, please see the chapter titled “*Our Management*” beginning on page no. 109 of this Draft Prospectus.

The Company has also appointed Mr. Chirag Partani as the Company Secretary and Compliance Officer for this Issue and he may be contacted at the Registered Office of our Company. The contact details are as follows:

#### Mr. Chirag Partani

**Address:** 3-4-174/12/2, 1st Floor, Samarpan, lane beside Spencer's Pillar No. 125, Attapur, Hyderabad, Telangana - 500048

**Tel No:** +91 – 40 – 2401 6101

**Fax No:** Not Available

**Email:** [info@hariompipes.com](mailto:info@hariompipes.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 Draft Prospectus and hence there are no pending investor complaints as on the date of this Draft 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. 125 of this Draft Prospectus.

**Change in Auditors**

There has been no change in auditors of our company in the last 3 years.

**Capitalisation of Reserves or Profits**

Except as stated in the chapter titled “*Capital Structure*” beginning on page no. 47 of this Draft Prospectus, our Company has not capitalised our reserves or profits during the last five years.

**Revaluation of Assets**

We have not revalued our assets since incorporation.

## SECTION IX – ISSUE RELATED INFORMATION

### TERMS OF THE ISSUE

*The Equity Shares being issued are subject to the provisions of the Companies Act, SEBI (ICDR) Regulations, 2009, our Memorandum and Articles of Association, the terms of this Draft Prospectus, the 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 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.*

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

This Issue of Equity Shares has been authorized by the Board of Directors of our Company at their meeting held on January 17, 2018 and was approved by the Shareholders of the Company by passing a Special Resolution at the Extra Ordinary General Meeting held on February 09, 2017 in accordance with the provisions of Section 62 (1) (C) of the Companies Act, 2013.

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

The Equity Shares being issued shall be subject to the provisions of the Companies Act, our Memorandum and Articles of Association 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. 241 of this Draft Prospectus.

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

The declaration and payment of dividend will be as per the provisions of Companies Act, 2013, the Memorandum and Articles of Association, and recommended by the Board of Directors and the Shareholders at their discretion and will depend on a number of factors, including but not limited to earnings, capital requirements and overall financial condition of our Company. Our Company shall pay dividend, if declared, to our Shareholders as per the provisions of the Companies Act, SEBI Listing Regulations and our Articles of Association. For further details, please refer the chapter titled "Dividend Policy" and "Main Provisions of Article of Association" beginning on page nos. 130 and 241 of this Draft Prospectus.

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

The Equity Shares having a face value of ₹ 10 each are being issued in terms of this Draft Prospectus at the price of ₹ [•] 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. 66 of this Draft Prospectus. At any given point of time there shall be only one denomination of the Equity Shares of our Company, subject to applicable laws.

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

Our Company shall comply with all requirements of the SEBI (ICDR) Regulations. Our Company shall also 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;
- ✓ Right to receive offer for rights shares and be allotted bonus shares, if announced;
- ✓ Right to receive surplus on liquidation;
- ✓ Right of free transferability; and
- ✓ Such other rights, as may be available to a shareholder of a listed Public 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. 241 of this Draft Prospectus.

## **Minimum Application Value; Market Lot and Trading Lot**

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 [•] between our Company, NSDL and the Registrar and Share Transfer Agent to the Issue.
- 2) Tripartite agreement dated [•] between our Company, CDSL and the Registrar and Share Transfer Agent to the Issue.

Trading of the Equity Shares will happen in the minimum contract size of [•] 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 [•] Equity Share subject to a minimum allotment of [•] 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.

## **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 (1) & 72 (2) of the Companies Act, 2013, the sole or first applicant, along with other joint applicant, may nominate any one person in whom, in the event of the death of sole applicant or in case of joint applicant, death of all the applicants, as the case may be, the Equity Shares allotted, if any, shall vest. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall in accordance with Section 72 (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 Draft Prospectus.

### ISSUE PROGRAMME

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

Event	Indicative Date
Issue Opening Date	[•]
Issue Closing Date	[•]
Finalisation of Basis of Allotment with the Designated Stock Exchange	[•]
Initiation of Allotment / Refunds / Unblocking of Funds	[•]
Credit of Equity Shares to demat accounts of Allottees	[•]
Commencement of trading of the Equity Shares on the Stock Exchange	[•]

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 in terms of Regulation 14 of the ICDR Regulations is not applicable to the Issue. In terms of Regulation 106P(1) of the ICDR Regulations, the Issue is not restricted to any minimum subscription level and is 100% underwritten. Further, pursuant to Regulation 106R of the ICDR Regulations, our Company shall ensure that the number of prospective allottees to whom Equity Shares will be allotted shall not be less than 50.

This Issue is not restricted to any minimum subscription level. This Issue is 100% underwritten. However, we shall ensure that the minimum subscription to be received shall be subject to allotment of minimum number of specified securities as prescribed in sub-clause (b) of clause (2) of rule 19 of Securities Contracts (Regulation) Rules, 1957 and also that the minimum number of allottees as prescribed in regulation 106R of the SEBI (ICDR) Regulations, 2009, as amended.

## ISSUE STRUCTURE

This Issue is being made in terms of Regulation 106 (M) (2) of Chapter XB of the SEBI (ICDR) Regulations, 2009, as amended from time to time, whereby, an issuer whose post issue face value capital exceeds more than ten crore rupees and upto twenty five crores, shall issue shares to the public and propose to list the same on the Small and Medium Enterprise Exchange ["SME Exchange", in this case being the SME Platform of National Stock Exchange of India Limited i.e. NSE EMERGE]. 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. 189 and 195 respectively, of this Draft Prospectus.

Following is the issue structure:

*Public issue of 42,00,000 Equity Shares of ₹ 10 each (the "Equity Shares") for cash at a price of ₹ [•] per Equity Share (including a Share premium of ₹ [•] per Equity Share) aggregating to ₹ [•] lakhs ("the Issue") by Hariom Pipe Industries Limited. ("HPIL" or the "Company" or the "Issuer").*

*The Issue comprises a reservation of 2,40,000 Equity Shares of ₹ 10 each for subscription by the designated Market Maker ("the Market Maker Reservation Portion") and Net Issue to Public of 39,60,000 Equity Shares of ₹ 10 each ("the Net Issue"). The Issue and the Net Issue will constitute 27.81% and 26.23%, 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	39,60,000 Equity Shares	2,40,000 Equity Shares
Percentage of Issue Size available for allocation	94.29% of the Issue Size	5.71% of the Issue Size
Basis of Allotment	Proportionate subject to minimum allotment of [•] Equity Shares and further allotment in multiples of [•] Equity Shares each.	Firm Allotment
Mode of Application	Through ASBA Process Only	Through ASBA Process Only
Minimum Application Size	<i>For QIB and NII:</i> Such number of Equity Shares in multiples of [•] Equity Shares such that the Application Value exceeds ₹ 2,00,000.  <i>For Retail Individuals:</i> [•] Equity Shares	Upto 2,40,000 Equity Shares
Maximum Application Size	<i>For QIB and NII:</i> Such number of Equity Shares in multiples of [•] Equity Shares such that the Application Size does not exceed 39,60,000 Equity Shares.  <i>For Retail Individuals:</i> Such number of Equity Shares in multiples of [•] Equity Shares such that the Application Value does not exceed ₹ 2,00,000.	Upto 2,40,000 Equity Shares
Mode of Allotment	Dematerialized Form	Dematerialized Form
Trading Lot	[•] Equity Shares	[•] Equity Shares, However the Market Maker may buy odd lots if any in the market as required under the SEBI (ICDR) Regulations, 2009.
Terms of Payment	The entire Application Amount will be payable at the time of submission of the Application Form	
Application Lot Size	[•] Equity Share and in multiples of [•] Equity Shares thereafter	

- 1) 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.
- 2) 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.
- 3) 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.
- 4) 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)
Upto 14	10000
More than 14 upto 18	8000
More than 18 upto 25	6000
More than 25 upto 35	4000
More than 35 upto 50	3000
More than 50 upto 70	2000
More than 70 upto 90	1600
More than 90 upto 120	1200
More than 120 upto 150	1000
More than 150 upto 180	800
More than 180 upto 250	600
More than 250 upto 350	400
More than 350 upto 500	300
More than 500 upto 600	240
More than 600 upto 750	200
More than 750 upto 1000	160
Above 1000	100

Further to the Circular, at the Initial Public Offer stage the Registrar to Issue in consultation with Lead Manager, our Company and NSE 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.

## ISSUE PROCEDURE

All Applicants should review the General Information Document for Investing in public issues prepared and issued in accordance with the circular (CIR/CFD/DIL/12/2013) dated October 23, 2013 notified by SEBI (“**General Information Document**”), included below under “**Part B – General Information Document**”, which highlights the key rules, processes and procedures applicable to public issues in general in accordance with the provisions of the Companies Act, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957 and the SEBI ICDR Regulations. The General Information Document has been updated to include reference to the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014 and certain notified provisions of the Companies Act 2013, to the extent applicable to a public issue. The General Information Document would be made available with the Lead Manager and would also be made available on the websites of the Stock Exchanges and the Lead Manager before opening of Issue. Please refer to the relevant provisions of the General Information Document which are applicable to the Issue.

Our Company and the Lead Manager do not accept any responsibility for the completeness and accuracy of the information stated in this section and shall not be liable for any amendment, modification or change in the applicable law which may occur after the date of this Draft Prospectus. Applicants are advised to make their independent investigations and ensure that their Applications are submitted in accordance with applicable laws and do not exceed the investment limits or maximum number of the Equity Shares that can be held by them under applicable law or as specified in this D Prospectus.

Please note that all the Applicants can participate in the Issue only through the ASBA process. All Applicants shall ensure that the ASBA Account has sufficient credit balance such that the full Application Amount can be blocked by the SCSB at the time of submitting the Application. Applicants applying through the ASBA process should carefully read the provisions applicable to such applications before making their application through the ASBA process. Please note that all Applicants are required to make payment of the full Application Amount along with the Application Form. In case of ASBA Applicants, an amount equivalent to the full Application Amount will be blocked by the SCSBs.

ASBA Applicants are required to submit ASBA Applications to the Selected Branches / Offices of the RTAs, DPs, Designated Bank Branches of SCSBs. The lists of banks that have been notified by SEBI to act as SCSB (Self Certified Syndicate Banks) for the ASBA Process are provided on <http://www.sebi.gov.in>. For details on designated branches of SCSB collecting the Application Form, please refer the above mentioned SEBI link. The list of Stock Brokers, Depository Participants (“DP”), Registrar to an Issue and Share Transfer Agent (“RTA”) that have been notified by NSE Ltd to act as intermediaries for submitting Application Forms are provided on <http://www.nseindia.com>. For details on their designated branches for submitting Application Forms, please see the above mentioned NSE website.

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.

### PART A

#### FIXED PRICE ISSUE PROCEDURE

The Issue is being made in compliance with the provisions of Reg. 106(M)(2) of Chapter XB of the SEBI (ICDR) Regulations, 2009 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 offered 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 Beneficiary Account Number 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 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), the SCSBs, the Registered Brokers, the RTAs and the CDPs at least one day prior to the Issue Opening Date.

All Applicants 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.

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 to SCSBs only.

## Who Can Apply?

1. Indian nationals resident in India, who are not minors (except through their Legal Guardians), in single or joint names (not more than three);
2. Hindu Undivided Families or HUFs, in the individual name of the Karta. The Applicant should specify that the Application is being made in the name of the HUF in the Application Form as follows: —Name of Sole or First Applicant: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta. Applications by HUFs would be considered at par with those from individuals;
3. Companies, Corporate Bodies and Societies registered under the applicable laws in India and authorised to invest in equity shares;
4. Mutual Funds registered with SEBI;
5. Eligible NRIs on a repatriation basis or on a non-repatriation basis subject to applicable laws. NRIs other than Eligible NRIs are not eligible to participate in this issue;
6. Indian financial institutions, scheduled commercial banks (excluding foreign banks), regional rural banks, co-operative banks (subject to RBI regulations and the SEBI Regulations and other laws, as applicable);
7. FIIs and sub-accounts registered with SEBI, other than a sub-account which is a foreign corporate or foreign individual under the QIB portion;
8. Sub-accounts of FIIs registered with SEBI, which are foreign corporates or foreign individuals only under the Non-Institutional Applications portion;
9. VCFs registered with SEBI;
10. FVCIs registered with SEBI;

11. Eligible QFIs;
12. Foreign Nationals and other non-residents (subject to eligibility norms specified in SEBI FPI Regulations, 2014 and other applicable provisions)
13. Multilateral and bilateral development financial institutions;
14. State Industrial Development Corporations;
15. Trusts/societies registered under the Societies Registration Act, 1860, as amended, or under any other law relating to trusts/societies and who are authorised under their respective constitutions to hold and invest in equity shares;
16. Scientific and/or industrial research organizations authorized in India to invest in equity shares;
17. Insurance companies registered with Insurance Regulatory and Development Authority;
18. Provident Funds with a minimum corpus of T250 million and who are authorised under their constitution to hold and invest in equity shares;
19. Pension Funds with a minimum corpus of T 250 million and who are authorised under their constitution to hold and invest in equity shares;
20. Limited liability partnerships;
21. National Investment Fund set up by resolution no. F.NO.2/3/2005-DDII dated November 23, 2005 of the GoI, published in the Gazette of India;
22. Nominated Investor and Market Maker;
23. Insurance funds set up and managed by the army, navy or air force of the Union of India and by the Department of Posts, India
24. Any other person eligible to Apply in this Issue, under the laws, rules, regulations, guidelines and policies applicable to them and under Indian laws.

***As per the existing policy of the Government of India, OCBs cannot participate in this Issue. Applicants are advised to ensure that any single Application from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law.***

**Applications not to be made by**

1. Minors (except through their Guardians)
2. Partnership firms or their nominations
3. Overseas Corporate Bodies

**Maximum and Minimum Application Size**

***a) For Retail Individual Applicants:***

The Application must be for a minimum of [•] Equity Shares and in multiples of [•] Equity Shares thereafter, so as to ensure that the Application Amount payable by the Applicant does not exceed [•]. In case of revision of the Application, the Retail Individual Applicants have to ensure that the Application Amount does not exceed [•].

***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 [•] and in multiples of [•] 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 [•] 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 XIII 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 an FPI could only continue to buy, sell or otherwise deal in securities until January 06, 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 Shareholders of our Company and subject to prior intimation to RBI. In terms of the FEMA Regulations, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs as well as holding of FIIs (being deemed FPIs) shall be included. The existing individual and aggregate investment limits an FII or sub account in our Company is 10.00% and 24.00% 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.**

#### **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 (a), (b) and (c) above, as the case may be.

Insurance companies participating in this Issue shall comply with all applicable regulations, guidelines and circulars issued by IRDAI from time to time.

- a) 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.
- b) With respect to Applications made by provident funds with a minimum corpus of T 250 million (subject to applicable law) and pension funds with a minimum corpus of T 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.
- c) 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.
- d) 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.**

## **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) 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);
- 10) Submit revised Applications to the same Designated Intermediary, through whom the original Application was placed and obtain a revised acknowledgment;
- 11) 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;
- 12) Ensure that the Demographic Details are updated, true and correct in all respects;
- 13) 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;
- 14) Ensure that the category and the investor status is indicated;
- 15) Ensure that in case of Applications under power of attorney or by limited companies, corporates, trust etc., relevant documents are submitted;
- 16) Ensure that Applications submitted by any person outside India should be in compliance with applicable foreign and Indian laws;
- 17) 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;
- 18) Ensure that the Application Forms are delivered by the Applicants within the time prescribed as per the Application Form and the Prospectus;
- 19) Ensure that you have mentioned the correct ASBA Account number in the Application Form;
- 20) 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;
- 21) Ensure that you receive an acknowledgement from the concerned Designated Intermediary, for the submission of your Application Form; and
- 22) 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 T 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 Applications on plain paper or on incomplete or illegible Application Forms or on Application Forms in a colour prescribed for another category of Applicant;
- 13) Do not submit an Application in case you are not eligible to acquire Equity Shares under applicable law or your relevant constitutional documents or otherwise;
- 14) 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);
- 15) 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.

**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.

**Payment instructions**

The entire issue price of ₹[•] 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 back 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 01, 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 2,40,000 Equity Shares shall be reserved for the Market Maker. 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, 2013, our Company shall, after registering the Prospectus with the RoC, publish a pre-Issue advertisement, in the form prescribed by the SEBI Regulations, in 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 and the RoC Filing

- a) Our Company, the Lead Manager and the Market Maker have entered into an Underwriting Agreement on March 15, 2018 and addendum dated [•]
- b) For terms of the Underwriting Agreement please see “*General Information*” beginning on page no. 40 of this Draft 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, 2013.

### 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”**

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.

### 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) 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;
- 6) Allotment will be made or the application money will be refunded within Six Working Days from the Issue Closing Date or such lesser time as specified by SEBI; If there is any delay beyond the prescribed time, Our Company, shall pay interest prescribed under Companies Act, 2013, the SEBI Regulations and the applicable law for the delayed period.
- 7) Where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within six Working Days from the Issue Closing Date, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;
- 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.

#### **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.
- 5) Our Company shall not have recourse to the Issue Proceeds until the approval for listing and trading of the Equity Shares from the Stock Exchange where listing is sought has been received.

## PART B

### General Information Document for Investing in Public Issues

This General Information Document highlights the key rules, processes and procedures applicable to public issues in accordance with the provisions of the Companies Act, 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.

#### 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 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 BRLM(s) to the Issue and on the website of Securities and Exchange Board of India (“SEBI”) at [www.sebi.gov.in](http://www.sebi.gov.in).

For the definitions of capitalized terms and abbreviations used herein Applicants may 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, 2009. 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, 2009, the Companies Act, 2013, the Companies Act, 1956 (to the extent applicable), the Securities Contracts (Regulation) Rules, 1957 (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, 2009, an Issuer can either determine the Issue Price through the Book Building Process (“Book Built Issue”) or undertake a Fixed Price Issue (“Fixed Price Issue”). An Issuer may mention Floor Price or Price Band in the RHP (in case of a Book Built Issue) and a Price or Price Band in 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 five Working Days before the Bid/ Issue Opening Date, in case of an IPO and at least one Working Day before the Bid/ Issue Opening Date, in case of an FPO.

The Floor Price or the Issue price cannot be lesser than the face value of the securities.

Applicants should refer to the Prospectus or Issue advertisements to check whether the Issue is a Book Built Issue or a Fixed Price Issue.

## **2.5 ISSUE PERIOD**

The Issue may be kept open for a minimum of three Working Days (for all category of Bidders/Applicants) and not more than ten Working Days. Applicants are advised to refer to the Application Form and Abridged Prospectus or Prospectus for details of the Issue Period. Details of Issue Period are also available on the website of the Stock Exchange(s).

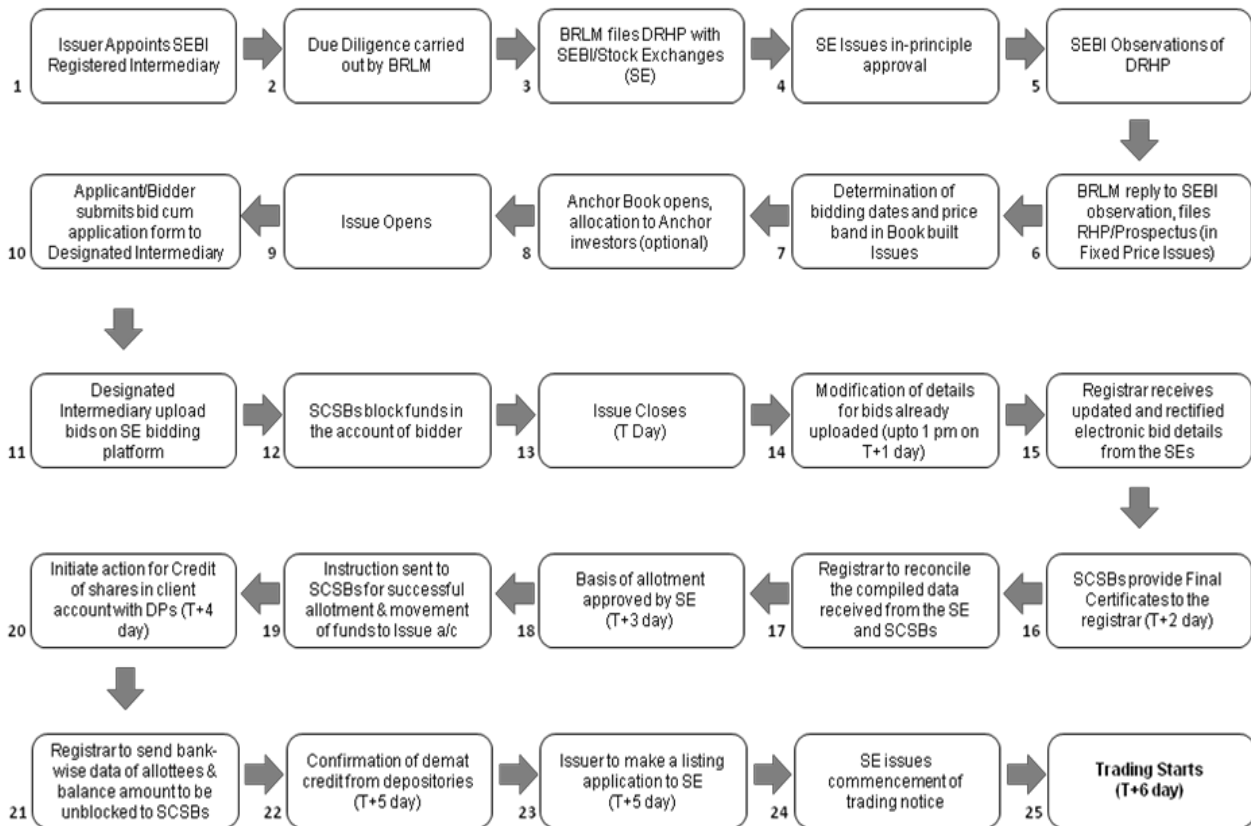
In case of a Book Built Issue, the Issuer may close the Issue Period for QIBs one Working Day prior to the Issue Closing Date if disclosures to that effect are made in the Prospectus. In case of revision of the Floor Price or Price Band in Book Built Issues the Bid/ Issue Period may be extended by at least three Working Days, subject to the total 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 BRLM(s), and the advertisement in the newspaper(s) issued in this regard.

## **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:

- i. Step 7 : Determination of Issue Date and Price
- ii. Step 10: Applicant submits Bid cum Application Form with Designated Branch of SCSB.



### 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, FIIs, FPIs and FVCIs may not be allowed to Apply in the Issue or to hold Equity Shares, in excess of certain limits specified under applicable law. Applicants are requested to refer to the Prospectus for more details.

Subject to the above, an illustrative list of Applicants is as follows:

- Indian nationals resident in India who are competent to contract under the Indian Contract Act, 1872, in single or joint names (not more than three);
- 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 Application is being made in the name of the HUF in the Application Form as follows: “Name of sole or first Applicant: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the *Karta*”. Applications by HUFs may be considered at par with 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);
- FIIs and sub-accounts registered with SEBI, other than a sub-account which is a foreign corporate or foreign individual, bidding under the QIBs category;

- Sub-accounts of FIIs registered with SEBI, which are foreign corporates or foreign individuals Bidding only under the Non Institutional Investors (“NIIs”) category;
- FPIs other than Category III foreign portfolio investors, Bidding under the QIBs category;
- FPIs which are Category III foreign portfolio investors, Bidding under the NIIs category;
- Trusts/societies registered under the Societies Registration Act, 1860, or under any other law relating to trusts/societies and who are authorised under their respective constitutions to hold and invest in equity shares;
- Limited liability partnerships registered under the Limited Liability Partnership Act, 2008; and
- Any other person eligible to Bid/Apply in the Issue, under the laws, rules, regulations, guidelines and policies applicable to them and under Indian laws.
- As per the existing regulations, OCBs are not allowed to participate in an Issue.

#### SECTION 4: APPLYING IN THE ISSUE

**Book Built Issue:** Bidders should only use the specified ASBA Form (or in case of Anchor Investors, the Anchor Investor Application Form) either bearing the stamp of a member of the Syndicate or any other Designated Intermediary, as available or downloaded from the websites of the Stock Exchanges. Bid cum Application Forms are available with the Book Running Lead Managers, 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 RHP/Prospectus.

**Fixed Price Issue:** Applicants should only use the specified cum Application Form bearing the stamp of an SCSB as available or downloaded from the websites of the Stock Exchanges. Application Forms are available with the Designated Branches of the SCSBs and at the Registered and Corporate Office of the Issuer. For further details, regarding availability of Application Forms, Applicants may refer to the Prospectus.

Applicants should ensure that they apply in the appropriate category. The prescribed color of the Bid cum Application Form for various categories of Applicants is as follows:

Category	Colour
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

Securities issued in an IPO can only be in dematerialized form in accordance with Section 29 of the Companies Act, 2013. Bidders/Applicants will not have the option of getting the Allotment of specified securities in physical form. However, they may get the specified securities rematerialised subsequent to Allotment.

#### 4.1 INSTRUCTIONS FOR FILING THE BID CUM APPLICATION FORM/APPLICATION FORM

Applicants may note that forms not filled completely or correctly as per instructions provided in this GID, the Prospectus and the Application Form are liable to be rejected.

Instructions to fill each field of the Bid cum Application Form can be found on the reverse side of the Bid cum Application Form. Specific instructions for filling various fields of the Bid cum Application Form and sample are provided below.

A sample Bid cum Application Form is reproduced below:

TEAR HERE

<b>COMMON BID CUM APPLICATION FORM</b>	<b>XYZ LIMITED - INITIAL PUBLIC ISSUE - R</b> Address : ..... Contact Detail: ..... CIN No .....	<b>FOR RESIDENT INDIANS, INCLUDING RESIDENT QIBs AND ELIGIBLE NRIs APPLYING ON A NON-REPATRIATION BASIS</b>																																
LOGO	TO, THE BOARD OF DIRECTORS XYZ LIMITED	<table border="1" style="width: 100%;"> <tr> <td style="width: 50%; text-align: center;">BOOK BUILT ISSUE</td> <td style="width: 50%; text-align: center;">Bid cum Application Form No. _____</td> </tr> <tr> <td style="text-align: center;">ISIN : .....</td> <td></td> </tr> </table>	BOOK BUILT ISSUE	Bid cum Application Form No. _____	ISIN : .....																													
BOOK BUILT ISSUE	Bid cum Application Form No. _____																																	
ISIN : .....																																		
<table border="1" style="width: 100%;"> <tr> <td style="width: 25%;">SYNDICATE MEMBER'S STAMP &amp; CODE</td> <td style="width: 25%;">BROKER/SCSB/DP/RTA STAMP &amp; CODE</td> <td colspan="2">1. NAME &amp; CONTACT DETAILS OF SOLE / FIRST BIDDER</td> </tr> <tr> <td></td> <td></td> <td colspan="2">Mr. /Ms. _____</td> </tr> <tr> <td></td> <td></td> <td colspan="2">Address _____</td> </tr> <tr> <td></td> <td></td> <td colspan="2">Email _____</td> </tr> <tr> <td></td> <td></td> <td colspan="2">Tel. No (with STD code) / Mobile _____</td> </tr> <tr> <td colspan="2">SUB-BROKER'S / SUB-AGENT'S STAMP &amp; CODE</td> <td colspan="2">2. PAN OF SOLE / FIRST BIDDER</td> </tr> <tr> <td colspan="2">ESCROW BANK/SCSB BRANCH STAMP &amp; CODE</td> <td colspan="2"></td> </tr> <tr> <td colspan="2">BANK BRANCH SERIAL NO.</td> <td colspan="2">SCSB SERIAL NO.</td> </tr> </table>		SYNDICATE MEMBER'S STAMP & CODE	BROKER/SCSB/DP/RTA STAMP & CODE	1. NAME & CONTACT DETAILS OF SOLE / FIRST BIDDER				Mr. /Ms. _____				Address _____				Email _____				Tel. No (with STD code) / Mobile _____		SUB-BROKER'S / SUB-AGENT'S STAMP & CODE		2. PAN OF SOLE / FIRST BIDDER		ESCROW BANK/SCSB BRANCH STAMP & CODE				BANK BRANCH SERIAL NO.		SCSB SERIAL NO.		
SYNDICATE MEMBER'S STAMP & CODE	BROKER/SCSB/DP/RTA STAMP & CODE	1. NAME & CONTACT DETAILS OF SOLE / FIRST BIDDER																																
		Mr. /Ms. _____																																
		Address _____																																
		Email _____																																
		Tel. No (with STD code) / Mobile _____																																
SUB-BROKER'S / SUB-AGENT'S STAMP & CODE		2. PAN OF SOLE / FIRST BIDDER																																
ESCROW BANK/SCSB BRANCH STAMP & CODE																																		
BANK BRANCH SERIAL NO.		SCSB SERIAL NO.																																
<b>3. BIDDER'S DEPOSITORY ACCOUNT DETAILS</b> <input type="checkbox"/> NSDL <input type="checkbox"/> CDSL For NSDL enter 8 digit DP ID followed by 8 digit Client ID / For CDSL enter 16 digit Client ID		<b>6. INVESTOR STATUS</b> <input type="checkbox"/> Individual(s) - IND <input type="checkbox"/> Hinds Undivided Family* - HUF <input type="checkbox"/> Bodies Corporate - CO <input type="checkbox"/> Banks & Financial Institutions - FI <input type="checkbox"/> Mutual Funds - M F <input type="checkbox"/> Non-Resident Indians - NRI (Non-Repatriation basis) <input type="checkbox"/> National Investment Fund - NIF <input type="checkbox"/> Insurance Funds - IF <input type="checkbox"/> Insurance Companies - IC <input type="checkbox"/> Venture Capital Funds - VCF <input type="checkbox"/> Alternative Investment Funds - AIF <input type="checkbox"/> Others (Please specify) - OTH <small>* HUF should apply only through Karva (Application by HUF would be treated on par with Individual)</small>																																
<b>4. BID OPTIONS (ONLY RETAIL INDIVIDUAL BIDDERS CAN BID AT "CUT-OFF")</b>																																		
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)								"Cut-off" (Please tick)	5. CATEGORY																
	8	7	6	5	4	3	2	1	3	2	1	3	2	1	3	2			1															
Option 1																		<input type="checkbox"/> Retail Individual Bidder																
(OR) Option 2																		<input type="checkbox"/> Non-Institutional Bidder																
(OR) Option 3																		<input type="checkbox"/> QIB																
<b>7. PAYMENT DETAILS</b> <b>PAYMENT OPTION : FULL PAYMENT</b> <input type="checkbox"/> <b>PART PAYMENT</b> <input type="checkbox"/>																																		
Amount paid (₹ in figures) _____ (₹ in words) _____																																		
ASBA Bank A/c No. _____																																		
Bank Name & Branch _____																																		
<b>8A. SIGNATURE OF SOLE/ FIRST BIDDER</b> _____ Date : _____	<b>8B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(S) (AS PER BANK RECORDS)</b> I/We authorize the SCSB to do all acts as are necessary to make the Application in the line 1) _____ 2) _____ 3) _____	<b>BROKER / SCSB / DP / RTA STAMP (Acknowledging upload of Bid in Stock Exchange system)</b> _____																																
LOGO	<b>XYZ LIMITED</b> INITIAL PUBLIC ISSUE - R	<b>Acknowledgement Slip for Broker/SCSB/DP/RTA</b>	Bid cum Application Form No. _____																															
DPID / CLID			PAN of Sole / First Bidder																															
Amount paid (₹ in figures)	Bank & Branch	Stamp & Signature of SCSB Branch																																
ASBA Bank A/c No.																																		
Received from Mr./Ms.																																		
Telephone / Mobile	Email																																	
<b>XYZ LIMITED - INITIAL PUBLIC ISSUE - R</b>	<table border="1" style="width: 100%;"> <tr> <th></th> <th>Option 1</th> <th>Option 2</th> <th>Option 3</th> </tr> <tr> <td>No. of Equity Shares</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Bid Price</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Amount Paid (₹)</td> <td></td> <td></td> <td></td> </tr> <tr> <td>ASBA Bank A/c No.</td> <td colspan="3">_____</td> </tr> <tr> <td>Bank &amp; Branch</td> <td colspan="3">_____</td> </tr> </table>		Option 1	Option 2	Option 3	No. of Equity Shares				Bid Price				Amount Paid (₹)				ASBA Bank A/c No.	_____			Bank & Branch	_____			Stamp & Signature of Broker / SCSB / DP / RTA _____ Name of Sole / First Bidder _____ <b>Acknowledgement Slip for Bidder</b> Bid cum Application Form No. _____								
	Option 1	Option 2	Option 3																															
No. of Equity Shares																																		
Bid Price																																		
Amount Paid (₹)																																		
ASBA Bank A/c No.	_____																																	
Bank & Branch	_____																																	

#### 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 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 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 Application Form should be exactly the same as the PAN of the person(s) in whose name the relevant beneficiary account is held as per the Depositories’ records.
- b) PAN is the sole identification number for participants transacting in the securities market irrespective of the amount of transaction except for Applications on behalf of the Central or State Government, Applications by officials appointed by the courts and Applications by Applicants residing in Sikkim (“PAN Exempted Applicants”). Consequently, all Applicants, other than the PAN Exempted Applicants, are required to disclose their PAN in the Application Form, irrespective of the Application Amount. 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 Application Form. The DP ID and Client ID provided in the Application Form should match with the DP ID and Client ID available in the Depository database, **otherwise, the Application Form is liable to be rejected.**
- b) Applicants should ensure that the beneficiary account provided in the Application Form is active.
- c) Applicants should note that on the basis of the DP ID and Client ID as provided in the Application Form, the Applicant may be deemed to have authorized the Depositories to provide to the Registrar to the Issue, any requested Demographic Details of the Applicant as available on the records of the depositories. These Demographic Details may be used, among other things, for unblocking of ASBA Account or for other correspondence(s) related to an Issue.
- d) Applicants are, advised to update any changes to their Demographic Details as available in the records of the Depository Participant to ensure accuracy of records. Any delay resulting from failure to update the Demographic Details would be at the Applicants' sole risk.

#### 4.1.4 FIELD NUMBER 4: 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 least five Working Days before Issue Opening Date in case of an IPO, and at least one Working Day before 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 may be rejected.
- d) **Minimum Application Value and Bid Lot:** The Issuer in consultation with the BRLMs may decide the minimum number of Equity Shares for each Bid to ensure that the minimum application value is within the range of ₹10,000 to ₹15,000. 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 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 and FII sub-accounts, Bids bearing the same PAN may be treated as multiple Bids by a Bidder and may be rejected.
  - 2) For Bids from Mutual Funds and FII sub-accounts, submitted under the same PAN, as well as Bids on behalf of the PAN Exempted Bidders, the Bid cum Application Forms may be checked for common DP ID and Client ID. Such Bids which have the same DP ID and Client ID may be treated as multiple Bids and are liable to be rejected.
- c) The following Bids may not be treated as multiple Bids:
  - 1) Bids by Reserved Categories Bidding in their respective Reservation Portion as well as bids made by them in the issue 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, and sub-accounts of FIIs (or FIIs and its sub-accounts) submitted with the same PAN but with different beneficiary account numbers, Client IDs and DP IDs.
- 4) 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, 2009 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, 2009, 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, 2009. For details of any reservations made in the Issue, Applicants may refer to the Prospectus.
- d) The SEBI ICDR Regulations, 2009, specify the allocation or Allotment that may be made to various categories of Bidders in an Issue depending upon compliance with the eligibility conditions. Details pertaining to allocation are disclosed on reverse side of the Revision Form. For Issue specific details in relation to allocation Applicant may refer to the Prospectus.

#### **1.1.6 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 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) 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.
- b) Bidders who Bid at Cut-off Price shall deposit the Bid Amount based on the Cap Price.
- c) All Bidders (except Anchor Investors) can participate in the Issue only through the ASBA mechanism.
- d) Bid Amount cannot be paid in cash, 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 RTGS, NEFT or cheque/ demand draft drawn on any bank (including a co-operative bank), which is situated at, and is a member of or sub-member of the bankers' clearing house located at the centre where the Anchor Investor Application Form is submitted. Cheques/bank drafts drawn on banks not participating in the clearing process may not be accepted and applications accompanied by such cheques or bank drafts are liable to be rejected.
- c) If the cheque or demand draft accompanying the Bid cum Application Form is not made favoring the Escrow Account, the Bid is liable to be rejected.
- d) The Escrow Collection Banks shall maintain the monies in the Escrow Account for and on behalf of the Anchor Investors until the Designated Date.

Anchor Investors are advised to provide the number of the Anchor Investor Application Form and PAN on the reverse of the cheque or bank draft to avoid any possible misuse of instruments submitted.

#### **4.1.7.2 Payment instructions for Bidders (other than Anchor Investors)**

- a) Bidders may submit the Bid cum Application Form either
  - 1) in physical mode to the Designated Branch of an SCSB where the Applicants have ASBA Account, or
  - 2) in electronic mode through the internet banking facility offered by an SCSB authorizing blocking of funds that are available in the ASBA account specified in the Bid cum Application Form, or
  - 3) in physical mode to any Designated Intermediary.
- b) Bidders must specify the Bank Account number in the Bid cum Application Form. The Bid cum Application Form submitted by Bidder and which is accompanied by cash, demand draft, money order, postal order or any mode of payment other than blocked amounts in the ASBA Account maintained with an SCSB, may not be accepted.
- c) Bidders should ensure that the Bid cum Application Form is also signed by the ASBA Account holder(s) if the Bidder is not the ASBA Account holder;
- d) Bidders shall note that for the purpose of blocking funds under ASBA facility clearly demarcated funds shall be available in the account.
- e) From one ASBA Account, a maximum of five Bids cum Application Forms can be submitted.
- f) Bidders bidding through a member of the Syndicate should ensure that the Bid cum Application Form is submitted to a member of the Syndicate only at the Specified Locations. Bidders should also note that Bid cum Application Forms submitted to the Syndicate at the Specified Locations may not be accepted by the member of the Syndicate if the SCSB where the ASBA Account, as specified in the Bid cum Application Form, is maintained has not named at least one branch at that location for the members of the Syndicate to deposit Bid cum Application Forms (a list of such branches is available on the website of SEBI at <http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries>).
- g) Bidders bidding through a Registered Broker, RTA or CDP should note that Bid cum Application Forms submitted to them may not be accepted, if the SCSB where the ASBA Account, as specified in the Bid cum Application Form, is maintained has not named at least one branch at that location for the Registered Brokers, RTA or CDP, as the case may be, to deposit Bid cum Application Forms.
- h) 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 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.
- 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.

#### **4.1.7.2.1 Unblocking of ASBA Account**

- a) Once the Basis of Allotment is approved by the Designated Stock Exchange, the Registrar to the Issue may provide the following details to the controlling branches of each SCSB, along with instructions to unblock the relevant bank accounts and for successful applications transfer the requisite money to the Public Issue Account designated for this purpose, within the specified timelines: (i) the number of Equity Shares to be Allotted against each Bid, (ii) the amount to be transferred from the relevant bank account to the Public Issue Account, for each Bid, (iii) the date by which funds referred to in (ii) above may be transferred to the Public Issue Account, and (iv) details of rejected Bids, if any, along with reasons for rejection and details of withdrawn or unsuccessful Bids, if any, to enable the SCSBs to unblock the respective bank accounts.
- b) On the basis of instructions from the Registrar to the Issue, the SCSBs may transfer the requisite amount against each successful Bidder to the Public Issue Account and may unblock the excess amount, if any, in the ASBA Account.
- c) In the event of withdrawal or rejection of the Bid cum Application Form and for unsuccessful Bids, the Registrar to the Issue may give instructions to the SCSB to unblock the Bid Amount in the relevant ASBA Account within six Working Days of the Bid/ Issue Closing Date.

#### **4.1.7.3 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 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 Application Form. Applicants should ensure that signatures are in one of the languages specified in the Eighth Schedule to the Constitution of India.
- b) If the ASBA Account is held by a person or persons other than the Applicant, then the Signature of the ASBA Account holder(s) is also required.

- c) 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 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.
- d) 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 duly signed and stamped by the Designated Intermediary, as applicable, for submission of the Bid cum Application Form.
- b) All communications in connection with 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, refund orders, 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 Bids by a Syndicate Member, the Applicants should contact the relevant Syndicate Member.
  - 4) In case of queries relating to uploading of Bids by a Registered Broker, the Applicants should contact the relevant Registered Broker
  - 5) In case of Bids submitted to the RTA, the Applicants should contact the relevant RTA.
  - 6) In case of Bids submitted to the DP, the Applicants should contact the relevant DP.
  - 7) Applicant may contact our Company Secretary and Compliance Officer or BRLM(s) 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; or
  - 3) In case of Bids other than from Anchor Investors, ASBA Account number in which the amount equivalent to the Bid Amount was blocked.
  - d) In case of Anchor Investor bids cheque or draft number and the name of the issuing bank thereof.

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 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 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 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. 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 ISSUE - R</b> Address : ..... Contact Details: ..... CIN No .....	<b>FOR RESIDENT INDIANS, INCLUDING RESIDENT QIBs, AND ELIGIBLE NRI APPLYING ON A NON-REPATRIATION BASIS</b>
---------------------------------	--	---

LOGO **TO, THE BOARD OF DIRECTORS XYZ LIMITED**

**BOOK BUILT ISSUE**  
ISIN : .....

Bid cum Application Form No. \_\_\_\_\_

SYNDICATE MEMBER'S STAMP & CODE	BROKER/SCSB/DP/RTA STAMP & CODE	1. NAME & CONTACT DETAILS OF SOLE / FIRST BIDDER
		Mr. / Ms. _____ Address _____ Tel. No (with STD code) / Mobile _____ Email _____
SUB-BROKER'S / SUB-AGENT'S STAMP & CODE	ESCROW BANK/SCSB BRANCH STAMP & CODE	2. PAN OF SOLE / FIRST BIDDER _____
BANK BRANCH SERIAL NO.	SCSB SERIAL NO.	3. BIDDER'S DEPOSITORY ACCOUNT DETAILS <input type="checkbox"/> NSDL <input type="checkbox"/> CDSL
For NSDL enter 8 digit DP ID followed by 8 digit Client ID / For CDSL enter 16 digit Client ID		

**PLEASE CHANGE MY BID**

**4. FROM (AS PER LAST BID OR REVISION)**

Bid Options:	No. of Equity Shares Bid (Bids must be in multiples of Bid Lot as advertised)									Price per Equity Share (₹) / "Cut-off" (Price in multiples of ₹ 1/- only)											
	(In Figures)									(In Figures)											
	8	7	6	5	4	3	2	1	Bid Price			Retail Discount			Net Price			"Cut-off"			
Option 1									3	2	1	3	2	1	3	2	1	(Please ✓/tick)			
(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)											
	8	7	6	5	4	3	2	1	Bid Price			Retail Discount			Net Price			"Cut-off"			
Option 1									3	2	1	3	2	1	3	2	1	(Please ✓/tick)			
(OR) Option 2																		<input type="checkbox"/>			
(OR) Option 3																		<input type="checkbox"/>			

**6. PAYMENT DETAILS**

Additional Amount Paid (₹ in figures) \_\_\_\_\_ (₹ in words) \_\_\_\_\_

PAYMENT OPTION : FULL PAYMENT  PART PAYMENT

ASBA Bank A/c No. \_\_\_\_\_

Bank Name & Branch \_\_\_\_\_

I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ AND UNDERSTOOD THE TERMS AND CONDITIONS OF THIS BID REVISION FORM AND THE ATTACHED ABBRIDGED PROSPECTUS AND THE GENERAL INFORMATION DOCUMENT FOR INVESTING IN PUBLIC ISSUES ("GID") AND HEREBY AGREE AND CONFIRM THE 'BIDDERS UNDERTAKING' AS GIVEN OVERLEAF. I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ THE INSTRUCTIONS FOR FILLING 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> I/We authorize the SCSB to do all acts as are necessary to make the Application in the name: 1) _____ 2) _____ 3) _____	<b>BROKER / SCSB / DP / RTA STAMP (Acknowledging upload of Bid in Stock Exchange system)</b>
Date : _____		

TEAR HERE

LOGO **XYZ LIMITED** **Acknowledgement Slip for Broker/SCSB/DP/RTA**

Bid cum Application Form No. \_\_\_\_\_

PAN of Sole / First Bidder \_\_\_\_\_

DPID / CLID \_\_\_\_\_

Additional Amount Paid (₹) \_\_\_\_\_ Bank & Branch \_\_\_\_\_ Stamp & Signature of SCSB Branch \_\_\_\_\_

ASBA Bank A/c No. \_\_\_\_\_

Received from Mr./Ms. \_\_\_\_\_

Telephone / Mobile \_\_\_\_\_ Email \_\_\_\_\_

TEAR HERE

<b>XYZ LIMITED - BID REVISION FORM - INITIAL PUBLIC ISSUE - R</b>	Option 1	Option 2	Option 3	Stamp & Signature of Broker / SCSB / DP / RTA	Name of Sole / First Bidder _____
	No. of Equity Shares				
	Bid Price				
	Additional Amount Paid (₹)				
ASBA Bank A/c No. _____					<b>Acknowledgement Slip for Bidder</b>
Bank & Branch _____					
					Bid cum Application Form No. _____

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 APPLICANT, PAN OF SOLE/FIRST APPLICANT & DEPOSITORY ACCOUNT DETAILS OF THE APPLICANT**

Applicants should refer to instructions contained in paragraphs 4.1.1, 4.1.2 and 4.1.3. 4.2.2

#### **FIELD 4 & 5: BID OPTIONS REVISION 'FROM' AND 'TO'**

- a) Apart from mentioning the revised options in the Revision Form, the Applicant must also mention the details of 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 members of the Syndicate, the Registered Brokers and the Designated Branches of the SCSBs may not accept incomplete or inaccurate Revision Forms.
- b) In case of revision, Bid options should be provided by 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 T 200,000. In case the Bid Amount exceeds T 200,000 due to revision of the Bid or for any other reason, the Bid may be considered, subject to eligibility, for allocation under the Non-Institutional Category, not being eligible for Discount (if applicable) and such Bid may be rejected if it is at the Cut-off Price. The Cut-off Price option is given only to the RIIs, Employees and Retail Individual Shareholders indicating their agreement to Bid for and purchase the Equity Shares at the Issue Price as determined at the end of the Book Building Process.
- d) In case the total amount (i.e., original Bid Amount plus additional payment) exceeds T 200,000, the Bid will be considered for allocation under the Non-Institutional Category in terms of the Prospectus. If, however, the RII does not either revise the Bid or make additional payment and the Issue Price is higher than the cap of the Price Band prior to revision, the number of Equity Shares Bid for shall be adjusted downwards for the purpose of allocation, such that no additional payment would be required from the RII and the RII is deemed to have approved such revised Bid at Cut-off Price.
- e) In case of a downward revision in the Price Band, RIIs and Bids by Employees under the Reservation Portion, who have bid at the Cut-off Price could either revise their Bid or the excess amount paid at the time of Bidding may be unblocked in case of Bidders.

#### **4.2.3 FIELD 6: PAYMENT DETAILS**

- a) All Applicants are required to make payment of the full Bid Amount (less Discount, if applicable) along with 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 the total amount (i.e., original Bid Amount less discount (if applicable) plus additional payment) exceeds T 200,000, the Bid may be considered for allocation under the Non-Institutional Category in terms of the Prospectus. If, however, the Applicant does not either revise the Bid or make additional payment and the Issue Price is higher than the cap of the Price Band prior to revision, the number of Equity Shares Bid for may be adjusted downwards for the purpose of Allotment, such that additional amount is required blocked and the Applicant is deemed to have approved such revised Bid at the Cut-off Price.
- d) In case of a downward revision in the Price Band, RIIs, Employees and Retail Individual Shareholders, who have bid at the Cut-off Price, could either revise their Bid or the excess amount paid at the time of Bidding may be unblocked.

#### **4.2.4 FIELDS 7: SIGNATURES AND ACKNOWLEDGEMENTS**

Applicants may refer to instructions contained at paragraphs 4.1.8 and 4.1.9 for this purpose.



### 4.3 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 APPLICANT, PAN OF SOLE/FIRST APPLICANT & DEPOSITORY ACCOUNT DETAILS OF THE APPLICANT

Applicants should refer to instructions contained in paragraphs 4.1.1, 4.1.2 and 4.1.3.

#### 4.3.2 FIELD 4: PRICE, APPLICATION QUANTITY & AMOUNT

- a) The Issuer may mention Price or Price Band in the Draft 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 ₹10,000 to ₹15,000. 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.
- h) Applicants are requested to note the following procedures may be followed by the Registrar to the Issue to detect multiple applications:
  - 1) All applications may be checked for common PAN as per the records of the Depository. For Applicants other than Mutual Funds and FII sub-accounts, Bids bearing the same PAN may be treated as multiple applications by a Applicant and may be rejected.
  - 2) For applications from Mutual Funds and FII sub-accounts, submitted under the same PAN, as well as Bids on behalf of the PAN Exempted Applicants, the Application Forms may be checked for common DP ID and Client ID. In any such applications which have the same DP ID and Client ID, these may be treated as multiple applications and may be rejected.
- i) The following applications may not be treated as multiple Bids:
  - 1) Applications by Reserved Categories in their respective reservation portion as well as that made by them in the Issue portion in public category.
  - 2) Separate applications by Mutual Funds in respect of more than one scheme of the Mutual Fund provided that the Applications clearly indicate the scheme for which the Bid has been made.
  - 3) Applications by Mutual Funds, and sub-accounts of FIIs (or FIIs and its subaccounts) submitted with the same PAN but with different beneficiary account numbers, Client IDs and DP IDs.

### **4.3.3 FIELD NUMBER 5: CATEGORY OF APPLICANTS**

- a) The categories of applicants identified as per the SEBI ICDR Regulations, 2009 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, 2009. For details of any reservations made in the Issue, applicants may refer to the Prospectus.
- c) The SEBI ICDR Regulations, 2009 specify the allocation or Allotment that may be made to various categories of applicants in an Issue depending upon compliance with the eligibility conditions. 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) All Applicants (other than Anchor Investors) are required to make use ASBA for applying in the Issue
- b) Application Amount cannot be paid in cash, through money order, cheque or through postal order or through stock invest.

#### **4.3.5.1 Payment instructions for Applicants**

- a) Applicants may submit the Application Form in physical mode to the Designated Intermediaries.
- b) Applicants must specify the Bank Account number in the Application Form. The Application Form submitted by an Applicant and which is accompanied by cash, demand draft, money order, postal order or any mode of payment other than blocked amounts in the ASBA Account maintained with an SCSB, will not be accepted.
- c) Applicants should ensure that the Application Form is also signed by the ASBA Account holder(s) if the Applicant is not the ASBA Account holder;
- d) Applicants shall note that for the purpose of blocking funds under ASBA facility clearly demarcated funds shall be available in the account.
- e) From one ASBA Account, a maximum of five Bids cum Application Forms can be submitted.
- f) Applicants bidding directly through the SCSBs should ensure that the Application Form is submitted to a Designated Branch of a SCSB where the ASBA Account is maintained.
- g) Upon receipt of the Application Form, the Designated Branch of the SCSB may verify if sufficient funds equal to the Application Amount are available in the ASBA Account, as mentioned in the Application Form.
- h) If sufficient funds are available in the ASBA Account, the SCSB may block an amount equivalent to the Application Amount mentioned in the Application Form and may upload the details on the Stock Exchange Platform.
- i) If sufficient funds are not available in the ASBA Account, the Designated Branch of the SCSB may not upload such Applications on the Stock Exchange platform and such Applications are liable to be rejected.
- j) Upon submission of a completed Application Form each Applicant may be deemed to have agreed to block the entire Application Amount and authorized the Designated Branch of the SCSB to block the Application Amount specified in the Application Form in the ASBA Account maintained with the SCSBs.
- k) The Application Amount may remain blocked in the aforesaid ASBA Account until finalisation of the Basis of Allotment and consequent transfer of the Application Amount against the Allotted Equity Shares to the Public

Issue Account, or until withdrawal or failure of the Issue, or until withdrawal or rejection of the Application, as the case may be.

- l) SCSBs applying in the Issue must apply through an ASBA Account maintained with any other SCSB; else their Applications are liable to be rejected.

#### 4.3.5.2 Unblocking of ASBA Account

- a) Once the Basis of Allotment is approved by the Designated Stock Exchange, the Registrar to the Issue may provide the following details to the controlling branches of each SCSB, along with instructions to unblock the relevant bank accounts and for successful applications transfer the requisite money to the Public Issue Account designated for this purpose, within the specified timelines: (i) the number of Equity Shares to be Allotted against each Application, (ii) the amount to be transferred from the relevant bank account to the Public Issue Account, for each Application, (iii) the date by which funds referred to in (ii) above may be transferred to the Public Issue Account, and (iv) details of rejected Applications, if any, along with reasons for rejection and details of withdrawn or unsuccessful Applications, if any, to enable the SCSBs to unblock the respective bank accounts.
- b) On the basis of instructions from the Registrar to the Issue, the SCSBs may transfer the requisite amount against each successful Application to the Public Issue Account and may unblock the excess amount, if any, in the ASBA Account.
- c) In the event of withdrawal or rejection of the Application Form and for unsuccessful Applications, the Registrar to the Issue may give instructions to the SCSB to unblock the Application Amount in the relevant ASBA Account within six Working Days of the Issue Closing Date.

#### 4.3.5.3 Discount (if applicable)

- a) The Discount is stated in absolute rupee terms.
- b) RIIs, Employees and Retail Individual Shareholders are only eligible for discount. For Discounts offered in the Issue, applicants may refer to the Prospectus.
- c) The Applicants entitled to the applicable Discount in the Issue may make payment for an amount i.e. the Application Amount less Discount (if applicable).

#### 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 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 Managers 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 RTA at the Designated RTA Location or the DP at the Designated DP 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 RHP 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 Bidder/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 XI of SEBI ICDR Regulations, 2009. The Issue Price is finalised after the 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 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 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 Issue Closing Date, the Designated Intermediaries may upload the Bids till such time as may be permitted by the Stock Exchanges.
- c) Only Bids that are uploaded on the Stock Exchanges Platform are considered for allocation/Allotment. The Designated Intermediaries are given till 1:00 pm on the day following the Bid/ Issue Closing Date to modify select fields uploaded in the Stock Exchange Platform during the Bid/ Issue Period after which the Stock Exchange(s) send the bid information to the Registrar to the Issue for further processing.

### **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 BRLMs 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 during the Bid/ Issue Period, the same can be done by submitting a request for the same to the concerned Designated Intermediary who shall do the requisite, including unblocking of the funds by the SCSB in the ASBA Account.
- b) The Registrar to the Issue shall give instruction to the SCSB for unblocking the ASBA Account on the Designated Date. QIBs and NIIs can neither withdraw nor lower the size of their Bids at any stage.

### **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 uploaded by the Designated Intermediaries, and
  - 3) the Bid cum application forms accepted but not uploaded by the Designated Intermediaries.
- b) The BRLMs and their affiliate Syndicate Members, as the case may be, may reject Bids if all the information required is not provided and the Bid cum Application Form is incomplete in any respect.
  - c) The SCSBs shall have no right to reject Bids, except in case of unavailability of adequate funds in the ASBA account or on technical grounds.
  - d) In case of QIB Bidders, only the (i) SCSBs (for Bids other than the Bids by Anchor Investors); and (ii) BRLMs and their affiliate Syndicate Members (only in the Specified Locations) have the right to reject bids. However, such rejection shall be made at the time of receiving the Bid and only after assigning a reason for such rejection in writing.
  - e) All bids by QIBs, NIIs & RIIs Bids can be rejected on technical grounds listed herein.

#### **5.5.1 GROUNDS 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. Applicants are advised to note that the Applications are liable to be rejected, inter-alia, on the following grounds, which have been detailed at various places in this GID:-

- a) Application by persons not competent to contract under the Indian Contract Act, 1872, as amended, (other than minors having valid Depository Account as per Demographic Details provided by Depositories);
- b) Applications by OCBs; and
- c) In case of partnership firms, Application for Equity Shares made in the name of the firm. However, a limited liability partnership can apply in its own name;
- d) In case of Applications under power of attorney or by limited companies, corporate, trust etc., relevant documents not being submitted along with the Bid cum application form/Application Form;
- e) Applications by persons prohibited from buying, selling or dealing in the shares directly or indirectly by SEBI or any other regulatory authority;
- f) Applications by persons in the United States excluding persons who are a U.S. QIB (as defined in this Prospectus);
- g) Applications by any person outside India if not in compliance with applicable foreign and Indian laws;
- h) PAN not mentioned in the Bid cum Application Form/Application Form, except for Applications by or on behalf of the Central or State Government and officials appointed by the court and by the investors residing in the State of Sikkim, provided such claims have been verified by the Depository Participant;
- i) In case no corresponding record is available with the Depositories that matches the DP ID, the Client ID and the PAN;
- j) Applications for lower number of Equity Shares than the minimum specified for that category of investors;
- k) Applications at a price less than the Floor Price and Bids/Applications at a price more than the Cap Price;
- l) Applications at Cut-off Price by NIIs and QIBs;
- m) 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 Applied for;

- n) Applications for amounts greater than the maximum permissible amounts prescribed by the regulations;
- o) Submission of more than five Bid cum Application Forms/Application Form as through a single ASBA Account;
- p) Applications for number of Equity Shares which are not in multiples Equity Shares which are not in multiples as specified in the Prospectus;
- q) Multiple Applications as defined in this GID and the Prospectus;
- r) Application Forms are not delivered by the Applicants within the time prescribed as per the Application Form, Issue Opening Date advertisement and as per the instructions in the Prospectus and the Bid cum Application Forms;
- s) Inadequate funds in the bank account to block the Application Amount specified in the Bid cum Application Form/Application Form at the time of blocking such Application Amount in the bank account;
- t) In case of Anchor Investors, Applications where sufficient funds are not available in Escrow Accounts as per final certificate from the Escrow Collection Banks;
- u) Where no confirmation is received from SCSB for blocking of funds;
- v) Applications by Bidders (other than Anchor Investors) not submitted through ASBA process;
- w) Applications submitted to a BRLM at locations other than the Specified Cities and Bid cum Application Forms/Application Forms, under the ASBA process, submitted to the Escrow Collecting Banks (assuming that such bank is not a SCSB where the ASBA Account is maintained), to the issuer or the Registrar to the Issue;
- x) Applications not uploaded on the terminals of the Stock Exchanges; and
- y) Applications by SCSBs wherein a separate account in its own name held with any other SCSB is not mentioned as the ASBA Account in the Bid cum Application Form/Application Form.

## 5.6 BASIS OF ALLOCATION

- a) The SEBI ICDR Regulations, 2009 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 spill over from any other category or combination of categories at the discretion of the Issuer and in consultation with the BRLMs and the Designated Stock Exchange and in accordance with the SEBI ICDR Regulations, 2009. Unsubscribed portion in QIB Category is not available for subscription to other categories.
- c) In case of under subscription in the Issue, spill-over to the extent of such under-subscription may be permitted from the Reserved Portion to the Issue. For allocation in the event of an under-subscription applicable to the Issuer, 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 [•] Equity Shares and receipt of five Bids from Bidders, details of which are shown in the table below. The illustrative book given below shows the demand for the Equity Shares of the Issuer at various prices and is collated from Bids received from various investors.

Bid Quantity	Bid Amount (₹)	Cumulative Quantity	Subscription
500	24	500	16.67%
1,000	23	1,500	50.00%
1,500	22	3,000	100.00%

2,000	21	5,000	166.67%
2,500	20	7,500	250.00%

The price discovery is a function of demand at various prices. The highest price at which the Issuer is able to Issue the desired number of Equity Shares is the price at which the book cuts off, i.e., ₹ 22.00 in the above example. The Issuer in consultation with the BRLM, may finalise the Issue Price at or below such Cut-Off Price, i.e., at or below ₹22.00. All Bids at or above this Issue Price and cut-off Bids are valid Bids and are considered for allocation in the respective categories.

#### 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 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.

Applicants may submit an Application Form either in physical form to the any of the Designated Intermediaries or in the electronic form to the SCSB or the Designated Branches of the SCSBs authorising blocking of funds that are available in the bank account specified in the Application Form only (“ASBA Account”). The Application Form is also made available on the websites of the Stock Exchanges at least one day prior to the Bid/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;
- b) 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 BRLMs, 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 ₹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 ₹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 BRLMs, 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 Collection Banks 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 RHP/Prospectus. On the Designated Date, the Registrar to the Issue shall instruct the SCSBs 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 corporate action to facilitate the Allotment and credit of Equity Shares. Bidders/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 Bidders/Applicants who have been Allotted Equity Shares in the Issue. The dispatch of Allotment Advice shall be deemed a valid, binding and irrevocable contract.
- c) 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 Issue Closing Date. The Issuer also ensures the credit of shares to the successful Applicant's depository account is completed within two Working Days from the date of Allotment.

## **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 Issue Closing Date. The Registrar to the Issue may give instructions for credit to Equity Shares the beneficiary account with CDPs, and dispatch the Allotment Advice 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 Issue Closing Date and repay, without interest, all moneys received from Anchor Investors. 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 Fresh 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 15 Days, 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, 2009 comes for an Issue under Regulation 26(2) of SEBI (ICDR) Regulations, 2009 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 Applications (other than Anchor Investors):** Within six Working Days of the Issue Closing Date, the Registrar to the Issue may give instructions to SCSBs for unblocking the amount in ASBA Account on unsuccessful Application and also for any excess amount blocked on Application.
- b) **In case of Anchor Investors:** Within six Working Days of the 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 Bidders/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.

### 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) **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;
- b) **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;
- c) **RTGS** - Anchor Investors having a bank account at any of the centers notified by SEBI where clearing houses are managed by the RBI, may have the option to receive refunds, if any, through RTGS; and

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 RHP/Prospectus.

#### 8.4 INTEREST IN CASE OF DELAY IN ALLOTMENT OR REFUND

The Issuer may pay interest at the rate of 15% per annum 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 Issue Closing Date.

The Issuer may pay interest at 15% per annum for any delay beyond 15 days from the Issue Closing Date, if Allotment is not made.

#### SECTION 9: GLOSSARY AND ABBREVIATIONS

*Unless the context otherwise indicates or implies, certain definitions and abbreviations used in this document may have the meaning as provided below. References to any legislation, act or regulation may be to such legislation, act or regulation as amended from time to time.*

Term	Description
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 Red Herring Prospectus/ 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 Red Herring Prospectus and Prospectus
Anchor Investor Portion	Up to 60% of the QIB Category which may be allocated by the Issuer in consultation with the BRLMs, 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 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
ASBA Account	Account maintained with an SCSB which may be blocked by such SCSB to the extent of the Bid Amount of the 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 RHP/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	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	The highest value of the optional Bids indicated in the Bid cum Application 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

Term	Description
	news paper at the place where the registered office of the Issuer is situated, each with wide circulation. Bidders may refer to the Prospectus for the 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 RHP/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 Bid/ 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, 2009. Applicants/Bidders may refer to the RHP/Prospectus for the Bid/ Issue Period
Bid cum Application Form	An application form, whether physical or electronic, used by Bidders, other than Anchor Investors, to make a Bid and which will be considered as the application for Allotment in terms of the Red Herring Prospectus and the Prospectus
Bidder/Applicant	Any prospective investor who makes a Bid pursuant to the terms of the RHP/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.
BRLM(s) / Book Running Lead Manager(s) / Lead Manager / LM	The Book Running Lead Manager to the Issue as disclosed in the RHP/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
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(s), 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 Bidders/Applicants are entitled to Bid at the Cut-off Price
DP	Depository Participant
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>

Term	Description
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 (www.bseindia.com and www.nseindia.com)
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 Bidders/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 (www.bseindia.com and www.nseindia.com)
Designated Stock Exchange	The designated stock exchange as disclosed in the RHP/Prospectus of the Issuer
Discount	Discount to the Issue Price that may be provided to Applicants in accordance with the SEBI ICDR Regulations, 2009.
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, 2009 and including, in case of a new company, persons in the permanent and full time employment of the promoting companies excluding the promoters and immediate relatives of the promoters. For further details, Bidder/Applicant may refer to the RHP/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(s), 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
First Bidder/Applicant	The Applicant whose name appears first in the Bid cum Application Form or Revision Form
FII(s)	Foreign Institutional Investors as defined under the SEBI (Foreign Institutional Investors) Regulations, 1995 and registered with SEBI under applicable laws in India
Fixed Price Issue / Fixed Price Process / Fixed Price Method	The Fixed Price process as provided under SEBI ICDR Regulations, 2009, in terms of which the Issue is being made
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

Term	Description
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
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 RHP/Prospectus and Bid cum Application Form
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 RHP/Prospectus constitutes an invitation to subscribe to or purchase the Equity Shares
NRO Account	Non-Resident Ordinary Account
Net Issue	The Issue less reservation portion
Non-Institutional Investors or NIIs	All Applicants, including sub accounts of FIIs registered with SEBI which are foreign corporates or foreign individuals and FPIs which are Category III foreign portfolio investors, that are not QIBs or RIBs and who have Bid for Equity Shares for an amount of more than ₹200,000 (but not including NRIs other than Eligible NRIs)
Non-Institutional Category	The portion of the Issue being such number of Equity Shares available for allocation to NIIs on a proportionate basis and as disclosed in the RHP/Prospectus and the Bid cum Application Form
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
Offer for Sale	Public offer of such number of Equity Shares as disclosed in the RHP/Prospectus through an offer for sale by the Selling Shareholders
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(s)
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(s) 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

Term	Description
Pricing Date	The date on which the Issuer in consultation with the Book Running Lead Manager(s), 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, 2009
RTGS	Real Time Gross Settlement
Red Herring Prospectus / RHP	The red herring prospectus issued in accordance with Section 32 of the Companies Act, 2013, which does not have complete particulars of the price at which the Equity Shares are offered and the size of the Issue. The RHP may be filed with the RoC at least three working days before the Bid/ Issue Opening Date and may become a Prospectus upon filing with the RoC after the Pricing Date. In case of issues undertaken through the fixed price process, all references to the RHP should be construed to mean the Prospectus
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 RHP/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 RHP/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 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 T 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 T 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, 2009	The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009
Self Certified Syndicate Bank(s) or SCSB(s)	A bank registered with SEBI, which offers the facility of ASBA and a list of which is available on <a href="http://www.sebi.gov.in/cms/sebi_data/attachdocs/1316087201341.html">http://www.sebi.gov.in/cms/sebi_data/attachdocs/1316087201341.html</a>
Specified Locations	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



<b>Term</b>	<b>Description</b>
Stock Exchanges / SE	The stock exchanges as disclosed in the RHP/Prospectus of the Issuer where the Equity Shares Allotted pursuant to the Issue are proposed to be listed
Syndicate	The Book Running Lead Manager(s) and the Syndicate Member
Syndicate Agreement	The agreement to be entered into among the Issuer, and the Syndicate in relation to collection of Bid cum Application Forms by Syndicate Members
Syndicate Member(s) / SM	The Syndicate Member(s) as disclosed in the RHP/Prospectus
Underwriters	The Book Running Lead Manager(s) 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
Working Day	All trading days of the Stock Exchange excluding Sundays and Bank holidays in Mumbai.

## RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of the Government of India and FEMA. While the Industrial Policy, 1991 prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. Under the Industrial Policy, unless specifically restricted, foreign investment is freely permitted in all sectors of Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. The government bodies responsible for granting foreign investment approvals are FIPB and the RBI.

The Government has from time to time made policy pronouncements on FDI through press notes and press releases. The Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India (“DIPP”), issued consolidated FDI Policy, which with effect from August 28, 2017 consolidates and supersedes all previous press notes, press releases and clarifications on FDI issued by the DIPP that were in force and effect as on August 28, 2017. The Government proposes to update the consolidated circular on FDI Policy once every year and therefore, the Consolidation FDI Policy will be valid until the DIPP issues an updated circular.

The transfer of shares by an Indian resident to a Non-Resident does not require the prior approval of the FIPB or the RBI, provided that (i) the activities of the investee company are under the automatic route under the Consolidated FDI Policy and transfer does not attract the provisions of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; (ii) the non-resident shareholding is within the sectoral limits under the Consolidated FDI Policy; and (iii) the pricing is in accordance with the guidelines prescribed by SEBI/RBI.

As per the existing policy of the Government of India, OCBs cannot participate in this Issue.

**The Equity Shares offered in the Issue have not been and will not be registered under the Securities Act, and may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable U.S. state securities laws. Accordingly, the Equity Shares are being offered and sold (i) within the United States to persons reasonably believed to be “qualified institutional investors” (as defined in Rule 144A under the Securities Act) pursuant to Rule 144A under the Securities Act or other applicable exemption under the Securities Act and (ii) outside the United States in offshore transactions in reliance on Regulation S under the Securities Act and the applicable laws of the jurisdictions where such offers and sales occur.**

**The above information is given for the benefit of the Applicants. Our Company, the Selling Shareholders 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 Applications are not in violation of laws or regulations applicable to them.**

## SECTION X – MAIN PROVISIONS OF ARTICLES OF ASSOCIATION

*Capitalised terms used in this section have the meaning that has been given to such terms in the Articles of Association of our Company. Pursuant to Table F in Schedule I of the Companies Act, 2013 and the SEBI Regulations, the main provisions of the Articles of Association of our Company are detailed below:*

*These Articles of Association were adopted in substitution for and to the entire exclusion of the earlier Articles of Association at the Extra-ordinary General Meeting of the Company held on February 09, 2018*

### ***Public Company***

1. The company is a Public Company within the meaning of section 2(71) of the Companies Act, 2013.

### ***Share capital and variation of rights***

2. (i) The Authorised Share Capital of the Company shall be as laid down in Memorandum of Association of the Company.  
(ii) Subject to the provisions of the Companies Act 2013 and the applicable Rules made thereunder, the Company / Board shall have power to issue / allot shares, whether on preferential basis or otherwise, from time to time and the shares shall be under the control of the Directors who may allot or otherwise dispose off the same to such persons, on such terms and conditions and at such times as the Directors think fit.
3. (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 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.
4. (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 company may issue new share certificates pursuant to consolidation or sub division of share certificate(s) upon written request received from shareholder together with production and surrender of respective original share certificate(s). Every certificate under this Article shall be issued on payment of twenty rupees for each certificate.  
(iii) The provisions of Articles (5) and (6) shall mutatis mutandis apply to debentures of the company.
5. Except as required by law, no person shall be recognized 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 recognize (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.

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 paripassu therewith.
9. 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.

#### *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 the case of partly paid shares the Company's lien shall be restricted to monies 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 a lien:

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.

#### *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) The option or right to make call on shares shall not be given to any person except with the sanction of the Company in General Meetings. That is, it may delegate power to make calls on shares subject to approval of the shareholders in a general meeting of the company.

15. A call shall be deemed to have been made at the time when the resolution of the Board authorizing the call was passed and may be required to be paid by instalments.

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 but shall not confer a right to dividend or to participate in profits.

#### *Transfer of shares*

20. (i) The Company shall use a Common form of transfer. 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.

**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; or

(b) any transfer of shares on which the company has a lien.

**22.** The Board may decline to recognise 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.** 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.

**24.** Subject to the provisions of Section 59 of Companies Act, 2013, the Board may decline to register any transfer of Shares on such grounds as it think fit in the benefit of the company (notwithstanding that the proposed transferee be already a Member), but in such case it shall, within two (2) months from the date the instrument of transfer was lodged with the Company, send to the transferee and the transferor notice of the refusal to register such transfer giving reasons for such refusal. Provided that registration of a 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 Company on any account whatsoever.

#### *Transmission of Shares*

**25.** (i) On the death of a member, the survivor or survivors where the member was a joint holder, and his nominee or nominees or legal representatives where he was a sole holder, shall be the only persons recognised by the company as having any title to his interest in the shares.

(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.

**26.** (i) Any person becoming entitled to a share in consequence of the death or insolvency of a member may, upon such evidence being produced as may from time to time properly be required by the Board and subject as hereinafter provided, elect, either—

(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.

**27.** (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.

28. 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.

### *Forfeiture of Shares*

29. 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.

30. 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.

31. 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.

32. (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.

33. (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.

(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.

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

(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.

35. 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.

#### *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. The Authorised Share Capital shall be as per the clause V (a) of Memorandum of Association of the company.

37. Subject to the provisions of section 61, the company may, by ordinary resolution,—

- (a) increase its authorised share capital by such amount as it thinks expedient.
- (b) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;
- (c) convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of any denomination;
- (d) sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the memorandum;
- (e) 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 by law,—

- (a) its share capital;
- (b) any capital redemption reserve account; or
- (c) any share premium account.

#### Capitalisation of profits

40. (i) The company in general meeting may, upon the recommendation of the Board resolve—

- (a) that it is desirable to capitalise any part of the amount for the time being standing to the credit of any of the company’s reserve accounts, or to the credit of the profit and loss account, Securities Premium Accounts 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);

(iii) 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;

(iv) 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 capitalised thereby, and all allotments and issues of fully paid shares if any; and
- b) Generally do all acts and things required to give effect thereto.

(ii) The Board shall have power—

- a) to make such provisions, by the issue of fractional certificates or by payment in cash or otherwise as it thinks fit, for the case of shares becoming distributable in fractions; and
- b) to authorise any person to enter, on behalf of all the members entitled thereto, into an agreement with the company providing for the allotment to them respectively, credited as fully paid-up, of any further shares to which they may be entitled upon such capitalisation, or as the case may require, for the payment by the company on their behalf, by the application thereto of their respective proportions of profits resolved to be capitalised, of the amount or any part of the amounts remaining unpaid on their existing shares;

(iii) Any agreement made under such authority shall be effective and binding on such members.

#### *Dematerialisation of Securities*

42. (i) **For the purpose of this Article:-**

"Beneficial Owner": Beneficial Owner shall have the meaning assigned thereto in section 2(1)(a) of the Depositories Act, 1996.

"Depositories Act": Depositories Act shall mean the Depositories Act, 1996 and includes any statutory modification or re-enactment thereof for the time being in force.

"Depository": Depository shall mean a Depository as defined in section 2(1)(e) of the Depositories Act, 1996.

"Member": Member shall mean a duly registered holder from time to time of the security of the company and includes every person whose name is entered as beneficial owner in the records of the Depository.

"Security": Security shall mean such security as may be specified by SEBI.

(ii) **"Dematerialisation of Securities"**: Notwithstanding anything on the contrary contained in this Article, the company shall be entitled to dematerialise its securities and to offer securities in a dematerialised form and further to rematerialise the securities held on depository pursuant to the Depositories Act, 1996 or any amendment thereof.

**(iii) "Option to hold securities in physical form or with depository":** Every person holding securities of the company through allotment or otherwise shall have the option to receive and hold the same in the dematerialised form with a depository.

**(iv) "Beneficial Owner may opt out of a Depository":** Every person holding securities of the company with a depository, being the beneficial owner thereof, may at any time opt out of the depository in the manner provided under the provisions of the Depositories Act and the Rules, if any, prescribed there under and on fulfilment of the conditions prescribed by the company from time to time, company shall issue the relevant security certificates to the beneficial owner thereof.

**(v) "Securities in Depositories to be in fungible form":** All securities held by a depository shall be dematerialised and shall be in fungible form. Nothing contained in Sections 153, 153A, 153B, 187B, 187C and 372A of the Companies Act, shall apply to a depository in respect of the securities held by it on behalf of the beneficial owners.

**(vi) "Rights of depository and beneficial owners":** A depository shall be deemed to be the registered owner for the purposes of affecting the transfer of ownership of securities on behalf of the beneficial owners and shall not have any voting rights or any other rights in respect of the securities held by it.

**(vii)** Every person holding securities of the Company and whose name is entered as the beneficial owner in the records of the depository shall be deemed to be a member of the Company. The beneficial owner of securities shall be entitled to all rights and benefits and be subject to all the liabilities in respect of his/her securities, which are held by a depository.

**(viii) "Transfer of securities":** Transfer of security held in a depository will be governed by the provisions of the Depository Act, 1996. Nothing contained in Section 56 of the Companies Act, 2013 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) "Register and Index of beneficial owners":** The Register and Index of beneficial owners maintained by a depository under the Depositories Act, 1996 shall be deemed to be the Register and Index of Members and Security holders for the purpose of these Articles.

**(x) "Other matters":** Notwithstanding anything contained in these Articles, the provision of Depositories Act, 1996 relating to dematerialisation of securities including any modification(s) or re-enactment thereof and Rules/Regulations made there under shall prevail accordingly.

**(xi)** Notwithstanding anything contained in the Act or the Articles, 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 disks.

#### *Nomination*

43. Notwithstanding anything contained in Articles, every holder of shares(s) or debenture(s) of the Company may, at any time, nominate, in the prescribed manner, a person to whom these share(s) shall vest in the event of his death and the provisions of Section 109A and Section 109B of the Companies Act, 1956 shall apply in respect of such nomination.

The provisions of this Article shall apply mutatis mutandis to a depository of money with the Company as per the provisions of the Act.

#### *Buy-Back of Shares*

44. 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*

45. All general meetings other than Annual General Meeting shall be called extraordinary general meeting.
46. (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*

47. (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.
- (iii) The chairperson, if any, of the Board shall preside as Chairperson at every general meeting of the company.
- (iv) 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.
- (v) 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.

### *Adjournment of Meeting*

48. (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.
- (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*

49. 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.
50. A member may exercise his vote at a meeting by electronic means in accordance with section 108 and shall vote only once.
51. (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.
52. 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.

53. Any business other than that upon which a poll has been demanded may be proceeded with, pending the taking of the poll.
54. 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.
55. (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 Chairperson of the meeting, whose decision shall be final and conclusive.

#### *Proxy*

56. 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.
57. An instrument appointing a proxy shall be in the form as prescribed in the rules made under section 105.
58. 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 is used.

#### *Board of Directors*

59. The minimum number of Directors shall be 3 and maximum number of directors shall be 15.

The First Directors of the Company are:

1. **Rupesh Kumar Gupta**
2. **Mukesh Kumar Gupta**

60. (i) Subject to the provisions of the Act, the Company may pay any remuneration, as determined by the Board of Directors / General Meeting to all or any of its Directors for the services rendered by them / him in day to day management of the affairs of the company or any other type of services, whether professional in nature or not, for any of the purposes of the company, either by a fixed sum on monthly or annual basis and / or perquisites and / or a percentage of the profits or otherwise as may be determined by the Board or the members in General Meeting. 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.

61. The Board may pay all expenses incurred in getting up and registering the company.
62. 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.

63. 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.
64. 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.
65. (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.

#### *Proceedings of the Board*

66. (i) The Board of Directors may meet for the conduct of business, adjourn and otherwise regulate its meetings, as it thinks fit.
- (ii) Subject to the Articles herein, a director may, and the manager or secretary on the requisition of a director shall, at any time, summon a meeting of the Board.
- (iii) Save as otherwise expressly provided in the Act, questions arising at any meeting of the Board shall be decided by a majority of votes.
- (iv) In case of an equality of votes, the Chairperson of the Board, if any, shall have a second or casting vote.
67. 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.
68. (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.
69. (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.
70. (i) 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.
71. A committee may elect a Chairperson of its meetings.
72. If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the members present may choose one of their members to be Chairperson of the meeting.
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.
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.

***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.

***Managing Director***

78. The business of the Company may be carried on by the Managing Director(s) who may be appointed by the Board of Directors / members in their General Meeting, from time to time who shall fix the terms, qualifications, remuneration, duties, authorities and powers. The Board may from time to time and subject to the provisions of the Act delegate to the Managing Director(s) such of their powers and duties and subject to such limitations and conditions as they may deem fit. The Board may from time to time, revoke, withdraw, alter or vary all or any of the powers conferred on him or dismiss him from office and appoint another in his place.

79. Subject to the provisions of section 179 and 180 of the Companies Act, 2013, the Managing Director of the Company, if any, shall be empowered to carry on the day to day business affairs of the Company. He shall have the general control, management and superintendence of the business of the Company with power to appoint and to dismiss employees and to enter into contracts on behalf of the Company in the ordinary course of business and to do and perform all other acts, deeds and things which in the ordinary course of business may be considered necessary/proper or in the interest of the Company.

***The Seal***

80. (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***

81. The company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board.

82. 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.

83. (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.

84. (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.

85. 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.

86. (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

87. 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.

88. 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.

89. No dividend shall bear interest against the company.

90. No unclaimed Dividend shall be forfeited before the claim becomes barred by law, and unclaimed Dividends shall be dealt with in accordance with the applicable provisions of the Act

#### *Accounts*

91. (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.

#### *Winding Up*

92. 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.

93. 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.

94. 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**

- 95.** 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.

*The erstwhile Articles of Association, containing Article 1 – 61 was replaced by new set of Articles of Association containing Article 1 to 97 vide a resolution passed in the EGM held on 8<sup>th</sup> January, 2018.*



## SECTION XI – 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 March 15, 2018 between our Company and the Lead Manager.
2. Memorandum of Understanding dated March 12, 2018 between our Company and the Registrar to the Issue.
3. Escrow Agreement dated [•] between our Company, the Lead Manager, Escrow Collection Bank(s) and the Registrar to the Issue.
4. Market Making Agreement dated March 15, 2018 between our Company, the Lead Manager and Market Maker.
5. Underwriting Agreement dated March 15, 2018 between our Company, the Lead Manager and Market Maker.
6. Tripartite agreement between the NSDL, our Company and the Registrar dated [•].
7. Tripartite agreement between the CDSL, our Company and the Registrar dated [•].

#### **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 Hariom Pipe Industries Limited
3. Resolution of the Board of Directors meeting dated January 17, 2018 authorizing the Issue.
4. Shareholders' resolution passed at the EGM dated February 09, 2018 authorizing the Issue.
5. Auditor's report for Restated Financials dated February 22, 2018 included in this Draft Prospectus.
6. The Statement of Tax Benefits dated February 22, 2018 from our Peer Review Auditor.
7. Consent of our Directors, Company Secretary and Compliance Officer, Chief Financial Officer, Statutory Auditor, Banker to the Company, Lead Manager, 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 [•] of the Lead Manager to be submitted to SEBI along with the filing of the Prospectus.
9. Approval from NSE vide letter dated [•] to use the name of NSE in this Issue Document for listing of Equity Shares on the SME Platform of the NSE.

Any of the contracts or documents mentioned in this Draft 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 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 Draft Prospectus is contrary to the provisions of the Companies Act, 1956, Companies Act, 2013 (to the extent notified), the Securities and Exchange Board of India Act, 1992, 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 this Draft Prospectus are true and correct.

### SIGNED BY THE DIRECTORS OF OUR COMPANY

\_\_\_\_\_ (Chairman & Managing Director)

\_\_\_\_\_ (Whole Time Director)

\_\_\_\_\_ (Non-Executive Non-Independent Director)

\_\_\_\_\_ (Non-Executive Independent Director)

\_\_\_\_\_ (Non-Executive Independent Director)

### SIGNED BY THE CHIEF FINANCIAL OFFICER

\_\_\_\_\_ (Chief Financial Officer)

### SIGNED BY THE COMPANY SECRETARY & COMPLIANCE OFFICER

\_\_\_\_\_ (Company Secretary & Compliance Officer)

Date:

Place: