





## ORISSA BENGAL CARRIER LIMITED

**Corporate Identification Number:** U63090CT1994PLC008732

Our Company was originally incorporated on October 18, 1994 as Orissa Bengal Carrier Private Limited under the provisions of Companies Act, 1956 with Registrar of Companies, Madhya Pradesh, Gwalior. Our Company was converted into a Public Limited Company pursuant to Shareholders Resolution passed at the Extra Ordinary General Meeting of the Company held on November 05, 2009 and the name of our Company was changed to "Orissa Bengal Carrier Limited" vide a fresh Certificate of Incorporation dated December 09, 2009, issued by the Registrar of Companies, Madhya Pradesh and Chhattisgarh, Raipur. For further details of our Company, please refer "General Information" and "History and Certain Other Corporate Matter" on page numbers 40 and 97 respectively of this Prospectus.

**Registered Office:** Jiwani Bima Marg, Pandri Raipur-492001

**Contact Person:** Ms. Pooja Jain, Company Secretary & Compliance Officer, **Tel No:** +91-771-4054518, **Website:** [www.obclimited.com](http://www.obclimited.com), **E-mail:** [cs@obclimited.com](mailto:cs@obclimited.com)

PROMOTERS: RATAN KUMAR AGRAWAL, SHAKUNTALA DEVI AGRAWAL AND MANOJ KUMAR AGRAWAL	
<p><b>PUBLIC ISSUE OF 55,64,000 EQUITY SHARES OF A FACE VALUE OF RS. 10/- EACH (THE "EQUITY SHARES") OF ORISSA BENGAL CARRIER LIMITED ("OUR COMPANY" OR "OBCL" OR "THE ISSUER") FOR CASH AT A PRICE OF RS. 30/- PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF RS. 20.00 PER EQUITY SHARE) ("ISSUE PRICE") AGGREGATING TO RS. 1669.20 LAKHS ("THE ISSUE") OF WHICH 2,84,000 EQUITY SHARES AGGREGATING TO RS. 85.20 LAKHS WILL BE RESERVED FOR SUBSCRIPTION BY MARKET MAKER ("MARKET MAKER RESERVATION PORTION"). THE ISSUE LESS THE MARKET MAKER RESERVATION PORTION I.E. ISSUE OF 52,80,000 EQUITY SHARES OF FACE VALUE OF RS. 10.00 EACH AT AN ISSUE PRICE OF RS. 30.00 PER EQUITY SHARE AGGREGATING TO RS. 1584.00 LAKHS IS HEREINAFTER REFERRED TO AS THE "NET ISSUE". THE ISSUE AND THE NET ISSUE WILL CONSTITUTE 26.39% AND 25.04%, RESPECTIVELY OF THE POST ISSUE PAID UP EQUITY SHARE CAPITAL OF OUR COMPANY. FOR FURTHER DETAILS, PLEASE REFER "TERMS OF THE ISSUE" ON PAGE 178 OF THIS PROSPECTUS.</b></p> <p><b>THIS ISSUE IS BEING MADE IN TERMS OF CHAPTER XB OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 (THE "SEBI (ICDR) REGULATIONS"), AS AMENDED. IN TERMS OF RULE 19(2)(b)(i) OF THE SECURITIES CONTRACTS (REGULATION) RULES, 1957, AS AMENDED, THIS IS AN ISSUE FOR AT LEAST 25% OF THE POST-ISSUE PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY. THIS ISSUE IS A FIXED PRICE ISSUE AND ALLOCATION IN THE NET ISSUE TO THE PUBLIC WILL BE MADE IN TERMS OF REGULATION 43(4) OF THE SEBI (ICDR) REGULATIONS, AS AMENDED. FOR FURTHER DETAILS, PLEASE REFER "ISSUE PROCEDURE" ON PAGE 185 OF THIS PROSPECTUS.</b></p> <p>In terms of SEBI Circular No. CIR/CFD/POLICYCELL/11/2015, all potential investors shall participate in the Issue only through an Application Supported by Blocked Amount ("ASBA") process providing details about the bank account which will be blocked by the Self Certified Syndicate Banks ("SCSBs") for the same. For details in this regard, specific attention is invited to "Issue Procedure" on page 185 of this Prospectus. A copy of the Prospectus will be delivered for registration to the Registrar of companies as required under Section 26 of the Companies Act, 2013.</p> <p><b>THE FACE VALUE OF THE EQUITY SHARES IS RS. 10.00 EACH AND THE ISSUE PRICE OF RS.30.00 IS 3.00 TIMES OF THE FACE VALUE.</b></p>	
ELIGIBLE INVESTORS	
For details in relation to Eligible Investors, please refer to section titled "Issue Procedure" on page 185 of this Prospectus.	
RISKS IN RELATION TO FIRST ISSUE	
This being the first public issue of the Issuer, there has been no formal market for the securities of our Company. The face value of the Equity Shares of our Company is Rs. 10.00 and the Issue price of Rs.30.00 per Equity Share is 3.00 times of the face value. The Issue Price (as determined by our Company in consultation with the Lead Manager, as stated under 'Basis for the Issue Price' on page 76 of this Prospectus) should not be taken to be indicative of the market price of the Equity Shares after such Equity Shares are listed. No assurance can be given regarding an active and/or sustained trading in the Equity Shares or regarding the price at which the Equity Shares will be traded after listing.	
GENERAL RISKS	
Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in this Issue. For taking an investment decision, investors must rely on their own examination of the Issuer and this Issue, including the risks involved. The Equity Shares have not been recommended or approved by the Securities and Exchange Board of India ("SEBI"), nor does SEBI guarantee the accuracy or adequacy of the contents of this Prospectus. <b>Specific attention of the investors is invited to the section 'Risk Factors' on page 14 of this Prospectus.</b>	
ISSUER'S ABSOLUTE RESPONSIBILITY	
Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Prospectus contains all information with regard to our Company and the Issue, which is material in the context of the Issue, that the information contained in this Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Prospectus as a whole or any of such information or the expression of any such opinions or intentions, misleading in any material respect.	
LISTING	
The Equity Shares offered through this Prospectus are proposed to be listed on the SME Platform of BSE Limited in terms of the Chapter XB of the SEBI (ICDR) Regulations, as amended from time to time. Our Company has received an in-principle approval letter dated [·] from BSE Limited ("BSE") for using its name in the Offer Document for listing of our shares on the SME Platform of BSE Limited. For the purpose of this Issue, the Designated Stock Exchange will be the BSE.	
LEAD MANAGER TO THE ISSUE	REGISTRAR TO THE ISSUE
 <p><b>GUINNESS</b> Redefining Services</p> <p><b>GUINNESS CORPORATE ADVISORS PRIVATE LIMITED</b> 18 Deshapriya Park Road, Kolkata - 700 026, West Bengal, India <b>Tel:</b> +91 - 33 - 4057 5555; <b>Fax:</b> +91 - 33 - 4057 5531 <b>Email:</b> <a href="mailto:gcapl@guinnessgroup.net">gcapl@guinnessgroup.net</a>; <b>Investor Grievance Email:</b> <a href="mailto:gcapl.mbd@guinnessgroup.net">gcapl.mbd@guinnessgroup.net</a> <b>Website:</b> <a href="http://www.guinnessonline.net">www.guinnessonline.net</a> <b>Contact Person:</b> Alka Mishra / Sanjay Sethi <b>SEBI Registration No.:</b> INM 000011930</p>	 <p><b>BIGSHARE SERVICES PRIVATE LIMITED</b> 1st Floor, Bharat Tin Works Building, Opp. Vasant Oasis, Makwana Road, Marol, Andheri East, Mumbai-400059 <b>Tel :</b> +91-22-62638200; <b>Fax :</b> +91-22-62638299; <b>E-mail:</b> <a href="mailto:ipo@bigshareonline.com">ipo@bigshareonline.com</a>; <b>Website:</b> <a href="http://www.bigshareonline.com">www.bigshareonline.com</a>; <b>Contact Person:</b> Vipin Gupta <b>SEBI Registration No:</b> INR000001385</p>
ISSUE PROGRAMME	
<b>ISSUE OPENS ON:</b>	[·]
<b>ISSUE CLOSES ON:</b>	[·]

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## SECTION I - GENERAL DEFINITIONS AND ABBREVIATIONS

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

The words and expressions used but not defined herein shall have the same meaning as is assigned to such terms under the SEBI (ICDR) Regulations, the Companies Act, the SCRA, the Depositories Act and the rules and regulations made thereunder.

### Company Related Terms

Term	Description
“Orissa Bengal Carrier Limited”, “OBCL”, “We” or “us” or “our Company” or “the Issuer”	Unless the context otherwise requires, refers to Orissa Bengal Carrier Limited, a Company incorporated under the Companies Act, 1956 vide a certificate of incorporation issued by the Registrar of Companies, Madhya Pradesh, Gwalior.
“you”, “your” or “yours”	Prospective investors in this Issue.
AOA/Articles / Articles of Association	Unless the context otherwise requires, refers to the Articles of Association of Orissa Bengal Carrier Limited, as amended from time to time.
Audit Committee	The committee of the Board of Directors constituted as the Company’s Audit Committee in accordance with Regulation 18 of the SEBI (LODR) Regulations and Section 177 of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014.
Board/ Board of Directors / Our Board	The Board of Directors of our Company, including all duly constituted Committees thereof.
Director(s)	Director(s) on the Board of our Company, as appointed from time to time, unless otherwise specified.
Equity Shareholders	The holders of the Equity Shares.
Equity Shares/Shares	The equity shares of our Company of a face value of Rs.10.00 each unless otherwise specified in the context thereof
Group Companies/Entities	Such companies/entities as covered under the applicable accounting standards and such other companies as considered material by the Board. For details of our Group Companies/ entities, please refer “ <i>Group Companies</i> ” on Page 119 of this Draft Prospectus
Key Management Personnel / KMP	Key management personnel of our Company in terms of the SEBI (ICDR) Regulations and the Companies Act, 2013. For details, please refer “ <i>Our Management</i> ” on Page 101 of this Draft Prospectus
MoA/ Memorandum of Association	The memorandum of association of our Company, as amended
Non-Resident	A person resident outside India, as defined under FEMA Regulations
Non-Resident Indian/ NRI	A person resident outside India, who is a citizen of India or a Person of Indian Origin as defined under FEMA Regulations, as amended
Overseas Corporate Body / OCB	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs, including overseas trusts in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly as defined under the Foreign Exchange Management (Deposit) Regulations, 2000. <b>OCBs are not allowed to invest in this Issue.</b>
Peer Reviewed Auditor	The independent peer reviewed Auditor of our Company is M/s Mittal & Associates, Chartered Accountants
Person or Persons	Any Individual, Sole Proprietorship, Unincorporated Association, Unincorporated

	Organization, Body Corporate, Corporation, Company, Partnership Firm, Limited Liability Partnership, 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.
Promoter Group	Persons and entities constituting the promoter group of our Company, pursuant to Regulation 2(1)(zb) of the SEBI (ICDR) Regulations
Promoters	Ratan Agarwal, Shakuntala Agarwal and Manoj Kumar Agarwal
Registered Office	The registered office of our Company situated at Jiwan Bima Marg, Pandri, Raipur-492001, Chhattisgarh, India.
Restated Financial Statements	The restated financial statements of our Company for the Financial Years ended March 31, 2013, 2014, 2015, 2016, 2017 and for the period ended September 30, 2017 which comprises the restated balance sheet, the restated statement of profit and loss and the restated cash flow statement, together with the annexures and notes thereto and the examination report thereon`
Statutory Auditor	The Statutory Auditor of our Company, M/Agrawal & Pansari, Chartered Accountants

### Issue Related Terms

Term	Description
Acknowledgement Slip	The slip, document or counter foil issued by the Designated Intermediary to an Applicant as proof of having accepted the Application Form.
Allot / Allotment /Allotted	Unless the context otherwise requires, allotment of the Equity Shares pursuant to the Issue of Equity Shares to the successful Applicants.
Allottee	A successful Applicant to whom the Equity Shares are Allotted.
Applicant	Any prospective investor who makes an application pursuant to the terms of the Prospectus and the Application Form. Pursuant to SEBI (Issue of Capital and Disclosure Requirements) (Fifth Amendment) Regulations, 2015, with effect from January 01, 2016 all applicants participating in this Issue are required to mandatorily use the ASBA facility to submit their Applications.
Application	An indication to make an offer during the Issue Period by an Applicant, pursuant to submission of Application Form, to subscribe for or purchase our Equity Shares at the Issue Price including all revisions and modifications thereto, to the extent permissible under the SEBI (ICDR) Regulations.
Application Amount	The number of Equity Shares applied for and as indicated in the Application Form multiplied by the price per Equity Share payable by the Applicants on submission of the Application Form.
Application Form	The form in terms of which an Applicant shall make an Application and which shall be considered as the application for the Allotment pursuant to the terms of this Draft Prospectus.
Application Supported by Blocked Amount/ ASBA	The application (whether physical or electronic) by an Applicant to make an Application authorizing the relevant SCSB to block the Application Amount in the relevant ASBA Account Pursuant to SEBI Circular dated November 10, 2015 and bearing Reference No. CIR/CFD/POLICYCELL/11/2015 which shall be applicable for all public issues opening on or after January 01, 2016, all potential investors shall participate in the Issue only through ASBA process providing details about the bank account which will be blocked by the SCSBs.
ASBA Account	Account maintained with an SCSB and specified in the Application Form which will be blocked by such SCSB to the extent of the appropriate Application Amount in relation to an Application by an Applicant.
ASBA Applicant(s)	Any prospective investors in this Issue who apply for Equity Shares of our Company through the ASBA process in terms of this Draft Prospectus.
Banker to the Issue	Bank which are clearing members and registered with SEBI as banker to an issue and with whom the Public Issue Account will be opened, in this case being [*]

Term	Description
Basis of Allotment	The basis on which the Equity Shares will be Allotted to successful Applicants under the Issue, described in “ <i>Issue Procedure –Basis of Allotment</i> ” on Page 191 of this Draft Prospectus.
Broker Centres	Broker centres notified by the Stock Exchanges, where the Applicants can submit the Application Forms to a Registered Broker. The details of such broker centres, along with the name and contact details of the Registered Brokers, are available on the website of the BSE on the following link- <a href="http://www.bseindia.com">www.bseindia.com</a>
Broker to the Issue	All recognized members of the stock exchange would be eligible to act as the Broker to the Issue.
Business Day	Any day on which commercial banks are open for the business.
CAN / Allotment Advice	The note or advice or intimation of Allotment, sent to each successful Applicant who has been or is to be Allotted the Equity Shares after approval of the Basis of Allotment by the Designated Stock Exchange.
Client ID	Client identification number of the Applicant’s beneficiary account.
Collection Centres	Centres at which the Designated Intermediaries shall accept the ASBA Forms.
Compliance Officer	The Company Secretary of our Company i.e. Ms Pooja Jain
Controlling Branches of the SCSBs	Such branches of the SCSBs which coordinate with the Lead Manager, the Registrar to the Issue and the Stock Exchange and a list of which is available at <a href="http://www.sebi.gov.in">www.sebi.gov.in</a> or at such other website as may be prescribed by SEBI from time to time.
Collecting Depository Participant or CDP	A depository participant as defined under the Depositories Act, 1996, registered with SEBI and who is eligible to procure Applications at the Designated CDP Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI.
Demographic Details	The details of the Applicants including the Applicants’ address, names of the Applicants’ father/husband, investor status, occupations and bank account details.
Depository / Depositories	A depository registered with SEBI under the SEBI (Depositories and Participant) Regulations, 1996.
Depository Participant / DP	A depository participant as defined under the Depositories Act.
Designated CDP Locations	Such locations of the CDPs where Applicants can submit the Application Forms to Collecting Depository Participants. The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept Application Forms are available on the website of the Stock Exchange ( <a href="http://www.bseindia.com">www.bseindia.com</a> ).
Designated Date	The date on which the amounts blocked by the SCSBs are transferred from the ASBA Accounts to the Public Issue Account or unblock such amounts, as appropriate in terms of this Draft Prospectus.
Designated Intermediaries / Collecting Agent	An SCSB with whom the bank account to be blocked, is maintained, a syndicate member (or sub-syndicate member), a Registered Broker, Designated CDP Locations for CDP, a registrar to an issue and share transfer agent (RTA) (whose names is mentioned on website of the stock exchange as eligible for this activity).
Designated Market Maker / Market Maker	In our case NNM Securities Private Limited having its Registered office at 1111, Stock Exchange Towers, 11 <sup>th</sup> Floor Dalal Street Fort Mumbai-400023, Maharashtra and Corporate office at NNM House, B-6&7, 2 Floor, CT No. 602, Village Oshiwara, Off Link Road, Andheri (West), Mumbai-400053, Maharashtra, India
Designated RTA Locations	Such locations of the RTAs where Applicants can submit the Application Forms to RTAs. The details of such Designated RTA Locations, along with names and contact details of the RTAs eligible to accept Application Forms are available on the website of the Stock Exchange ( <a href="http://www.bseindia.com">www.bseindia.com</a> ).
Designated SCSB Branches	Such branches of the SCSBs which shall collect the Application Forms, a list of which is available on the website of SEBI at <a href="http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes">http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes</a> or at such other website as may be prescribed by SEBI from time to time



Term	Description
Designated Stock Exchange/ Stock Exchange	BSE Limited
Draft Prospectus / DP	This Draft Prospectus dated March 01, 2018 filed with BSE Limited.
Eligible NRI	A non-resident Indian, resident in a jurisdiction outside India where it is not unlawful to make an offer or invitation under the Issue and in relation to whom the Prospectus constitutes an invitation to subscribe for the Equity Shares.
Eligible QFI	Qualified Foreign Investors from such jurisdictions outside India where it is not unlawful to make an offer or invitation under the Issue and in relation to whom the Prospectus constitutes an invitation to purchase the Equity Shares offered thereby and who have opened dematerialised accounts with SEBI registered qualified depository participants as QFIs and are deemed as FPIs under the SEBI FPI Regulations.
First Applicant	The Applicant whose name appears first in the Application Form or the Revision Form.
General Information Document	The General Information Document for investing in public issues prepared and issued in accordance with the circulars (CIR/CFD/DIL/12/2013) dated October 23, 2013, notified by SEBI and updated pursuant to the circular (CIR/CFD/POLICYCELL/11/2015) dated November 10, 2015 and (SEBI/HO/CFD/DIL/CIR/P/2016/26) dated January 21, 2016 notified by the SEBI and included in “Issue Procedure” on Page 185 of this Draft Prospectus.
Issue / Public issue / Issue size / Initial Public issue / Initial Public Offer / Initial Public Offering/IPO	Public issue of 55,64,000 Equity Shares of face value of Rs.10.00 each of our Company for cash at a price of Rs.30.00 per Equity Share (including a share premium of Rs.20.00 per Equity Share) aggregating to Rs. 1669.20 lakhs by our Company, in terms of this Draft Prospectus.
MoU / Memorandum of Understanding	The agreement dated February 19, 2018 entered into between our Company and the Lead Manager, pursuant to which certain arrangements are agreed to in relation to the Issue.
Issue Closing Date	The date on which the Issue closes for subscription.
Issue Opening Date	The date on which the Issue opens for subscription.
Issue Period	The period between the Issue Opening Date and the Issue Closing Date, inclusive of both days during which prospective Applicants can submit their Applications, including any revisions thereof.
Issue Price	The price at which Equity Shares are being issued by our Company being Rs.30.00 per Equity Share
Lead Manager / LM	The lead manager to the Issue, in this case being Guinness Corporate Advisors Private Limited(“GCAPL”).
Listing Agreement	Unless the context specifies otherwise, this means the Equity Listing Agreement to be signed between our Company and the BSE Limited.
Market Maker Reservation Portion	2,84,000 Equity Shares of Rs.10/- each at Rs. 30/- per Equity Share aggregating to Rs. 85.20 Lakhs reserved for subscription by the Market Maker.
Materiality Policy	The policy on identification of group companies, material creditors and material litigation, adopted by our Board on September 20, 2017 in accordance with the requirements of the SEBI (ICDR) Regulations.
Net Issue	The Issue (excluding the Market Maker Reservation Portion) of 52,80,000 Equity Shares of face value of Rs.10.00 each at an Issue Price of Rs. 30/- per equity share aggregating to Rs. 1584.00. lakhs.
Non-Institutional Investors / NIIs	All Applicants, including Category III FPIs that are not QIBs or Retail Individual Investors who have made Application for Equity Shares for an amount of more than Rs.2,00,000 (but not including NRIs other than Eligible NRIs).
Prospectus	The Prospectus to be file with the RoC in accordance with the provisions of Section 26 of the Companies Act, 2013.
Public Issue Account	The account to be opened with the Banker to the Issue under Section 40 of the Companies Act, 2013 to receive monies from the ASBA Accounts on the Designated Date.

Term	Description
Qualified Institutional Buyers or QIBs	A qualified institutional buyer as defined under Regulation 2(1) (zd) of the SEBI ICDR Regulations.
Registered Brokers	Stock brokers registered with the stock exchanges having nationwide terminals.
Registrar Agreement	The Agreement between the Registrar to the Issue and the Issuer Company dated February 7, 2018, in relation to the responsibilities and obligations of the Registrar to the Issue pertaining to the Issue.
Registrar and Share Transfer Agents or RTAs	Registrar and share transfer agents registered with SEBI and eligible to procure Applications at the Designated RTA Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI.
Registrar to the Issue	Bigshare Services Private Limited
Retail Individual Investors/ RIIs	Applicants (including HUFs, in the name of Karta and Eligible NRIs) whose Application Amount for Equity Shares in the Issue is not more than Rs. 2,00,000/-
Revision Form	The form used by the Applicants to modify the quantity of Equity Shares or the Application Amount in any of their Application Forms or any previous Revision Form(s), as applicable.
Self-Certified Syndicate Banks or SCSBs	Banks registered with SEBI, offering services in relation to ASBA, a list of which is available on the website of SEBI at <a href="http://www.sebi.gov.in">www.sebi.gov.in</a> and updated from time to time and at such other websites as may be prescribed by SEBI from time to time.
SME Platform of BSE / SME Exchange	The SME Platform of BSE for listing of equity shares offered under Chapter XB of the SEBI (ICDR) Regulations.
Underwriter	Guinness Corporate Advisors Private Limited & NNM Securities Private Limited.
Underwriting Agreement	The agreement dated February 19, 2018, entered between the Underwriter and our Company.
Working Day(s)	“Working Day” means all days, other than second and fourth Saturday of the month, Sunday or a public holiday, on which commercial banks in Mumbai are open for business; provided however, with reference to Issue Period, “Working Day” shall mean all days, excluding all Saturdays, Sundays or a public holiday, on which commercial banks in Mumbai are open for business; and with reference to the time period between the Issue Closing Date and the listing of the Equity Shares on the SME Exchange of BSE Limited, “Working Day” shall mean all trading days of BSE Limited, excluding Sundays and bank holidays, as per the SEBI Circular SEBI/HO/CFD/DIL/CIR/P/2016/26 dated January 21, 2016

#### Conventional and General Terms and Abbreviations

Term	Description
A/c	Account
ACS	Associate Company Secretary
AGM	Annual General Meeting
AIF(s)	Alternative Investment Funds
AS	Accounting Standards as issued by the Institute of Chartered Accountants of India
ASBA	Applications Supported by Blocked Amount
Authorised Dealers	Authorised Dealers registered with RBI under the Foreign Exchange Management (Foreign Currency Accounts) Regulations, 2000
AY	Assessment Year
Banking Regulation Act	Banking Regulation Act, 1949
B. A.	Bachelor of Arts
B. Com	Bachelor of Commerce
Bn	Billion
BSE	BSE Limited (formerly known as Bombay Stock Exchange Limited)
CAGR	Compounded Annual Growth Rate

Term	Description
Category I Foreign Portfolio Investor(s)	FPIs registered as Category I Foreign Portfolio Investors under the SEBI FPI Regulations.
Category II Foreign Portfolio Investor(s)	An FPI registered as a category II foreign portfolio investor under the SEBI FPI Regulations
Category III Foreign Portfolio Investor(s)	FPIs registered as category III FPIs under the SEBI FPI Regulations, which shall include all other FPIs not eligible under category I and II foreign portfolio investors, such as endowments, charitable societies, charitable trusts, foundations, corporate bodies, trusts, individuals and family offices
CBEC	Central Board of Excise and Customs
CDSL	Central Depository Services (India) Limited
Central Sales Tax Act	Central Sales Tax Act, 1956
CFO	Chief Financial Officer
CIN	Corporate Identification Number
CIT	Commissioner of Income Tax
Companies Act	Companies Act, 1956 (without reference to the provisions thereof that have ceased to have effect upon notification of the Notified Sections) and the Companies Act, 2013, to the extent in force pursuant to the notification of the Notified Sections, read with the rules, regulations, clarifications and modifications thereunder
Companies Act 1956	Companies Act, 1956 (without reference to the provisions thereof that have ceased to have effect upon notification of the Notified Sections)
Companies Act 2013	Companies Act, 2013, to the extent in force pursuant to the notification of the Notified Sections, read with the rules, regulations, clarifications and modifications thereunder
Consolidated FDI Policy	The current consolidated FDI Policy, effective from August 28, 2017, issued by the Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India, and any modifications thereto or substitutions thereof, issued from time to time
CSR	Corporate Social Responsibility
Depositories Act	The Depositories Act, 1996
Depository	A depository registered with the SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996
DIN	Director Identification Number
DIPP	Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, GoI
DP	Depository Participant
DP ID	Depository Participant's identity number
DTC	Direct Tax Code, 2013
ECS	Electronic Clearing System
EGM	Extraordinary General Meeting
EPF Act	The Employees' Provident Funds and Miscellaneous Provisions Act, 1952
EPS	Earnings per share
ESI Act	Employees' State Insurance Act, 1948
FCNR Account	Foreign Currency Non-Resident (Bank) account established in accordance with the FEMA
FDI	Foreign direct investment
FEMA	The Foreign Exchange Management Act, 1999 read with rules and regulations thereunder
FEMA 20	The Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000
FII(s)	Foreign Institutional Investors as defined under SEBI FPI Regulations
Financial Year / Fiscal / Fiscal Year / FY	The period of 12 months commencing on April 1 of the immediately preceding calendar year and ending on March 31 of that particular calendar year
FIPB	Foreign Investment Promotion Board



Term	Description
Foreign Portfolio Investor or FPIs	A foreign portfolio investor, as defined under the SEBI FPI Regulations and registered with SEBI under applicable laws in India.
FVCI	Foreign Venture Capital Investors (as defined under the Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000) registered with SEBI
GDP	Gross Domestic Product
GIR Number	General Index Registry Number
GoI/Government	Government of India
HUF(s)	Hindu Undivided Family(ies)
I.T. Act	Income Tax Act, 1961, as amended from time to time
ICAI	Institute of Chartered Accountants of India
ICSI	Institute of Company Secretaries of India
IFRS	International Financial Reporting Standards
IFSC	Indian Financial System Code
Income Tax Act	Income Tax Act, 1961
Indian GAAP	Generally Accepted Accounting Principles in India
INR or Rupee or ` or Rs.	Indian Rupee, the official currency of the Republic of India
Insider Trading Regulations	The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended.
IPO	Initial Public Offering
ISIN	International Securities Identification Number
KMP	Key Managerial Personnel
Legal Metrology Act	Legal Metrology Act, 2009
LIBOR	London interbank offered rate
Ltd.	Limited
Maternity Benefit Act	Maternity Benefit Act, 1961
M. A	Master of Arts
M.B.A	Master of Business Administration
MCA	The Ministry of Corporate Affairs, GoI
M. Com	Master of Commerce
MCI	Ministry of Commerce and Industry, GoI
Minimum Wages Act	Minimum Wages Act, 1948
Mn	Million
MoF	Ministry of Finance, Government of India
MOU	Memorandum of Understanding
Mutual Funds	Mutual funds registered with the SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996
NA	Not Applicable
NAV	Net asset value
NIFT	National Institute of Fashion Technology
No.	Number
Notified Sections	The sections of the Companies Act, 2013 that have been notified by the MCA and are currently in effect
NPV	Net Present Value
NR/ Non-resident	A person resident outside India, as defined under the FEMA and includes a Non-resident Indian
NRE Account	Non-Resident External Account established and operated in accordance with the FEMA
NRIs	Non-Resident Indians
NRO Account	Non-Resident Ordinary Account established and operated in accordance with the FEMA
NSDL	National Securities Depository Limited

Term	Description
OCB	Overseas Corporate Bodies
p.a.	per annum
Pcs	Pieces
P/E Ratio	Price/Earnings Ratio
PAC	Persons Acting in Concert
PAN	Permanent account number
PAT	Profit after tax
Payment of Bonus Act	Payment of Bonus Act, 1965
Payment of Gratuity Act	Payment of Gratuity Act, 1972
PIL	Public Interest Litigation
PPP	Public private partnership
Public Liability Act	Public Liability Insurance Act, 1991
Pvt./(P)	Private
PWD	Public Works Department of state governments
QFI(s)	Qualified Foreign Investor(s) as defined under the SEBI FPI Regulations
RBI	The Reserve Bank of India
R&D	Research & Development
RoC/Registrar of Companies	The Registrar of Companies, Madhya Pradesh and Chhattisgarh
ROE	Return on Equity
RONW	Return on Net Worth
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	The Securities and Exchange Board of India constituted under the SEBI Act
SEBI (ICDR) Regulations	The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended, including instructions and clarifications issued by SEBI from time to time
SEBI (LODR) Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including instructions and clarifications issued by SEBI from time to time
SEBI Act	The Securities and Exchange Board of India Act, 1992
SEBI FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014
SEBI FVCI Regulations	Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000
Sec.	Section
SICA	Sick Industrial Companies (Special Provisions) Act, 1985
SIDBI	Small Industries Development Bank of India
SME	Small and Medium Enterprise
STT	Securities Transaction Tax
SEBI Takeover Regulations	The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended from time to time.
SEBI (Venture Capital) Regulations	Securities Exchange Board of India (Venture Capital) Regulations, 1996 as amended from time to time.
U.S. GAAP	Generally Accepted Accounting Principles in the United States of America
U.S. Securities Act	The United States Securities Act, 1933
US\$ or USD or US Dollar	United States Dollar, the official currency of the United States of America
USA or U.S. or US	United States of America
VCFs	Venture capital funds as defined in and registered with the SEBI under the Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996 or the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012, as the case may be

Term	Description
Wages Act	Payment of Wages Act, 1936
Water Act	Water (Prevention and Control of Pollution) Act, 1974
Workmen's Compensation Act	Workmen's Compensation Act, 1923

#### Technical / Industry Related Terms

Term	Description
2PL	Second-Party Logistics
3PL	Third-Party Logistics
4PL	Fourth-Party Logistics
AMC	Annual Maintenance Contracts
CBM	Cubic Meter
CCEA	Cabinet Committee on Economic Affairs
CRF	Central Road Fund
CSO	Central Statistics Organisation
ERP	Enterprise Resource Planning
FMCG	Fast Moving Consumer Goods
FTL	Full Truck Load
GPS	Global Positioning System
HCV	Heavy Commercial Vehicles
IBA	Indian Bank Association
IMF	International Monetary Fund
ISC & EI	Inter State Connectivity and Economic Importance
ISM	Institute for Supply Management
ISO	International Organization for Standardization
LPI	Logistic Performance Index
LTL	Less than Truck Load
LWE	Left Wing Extremism
MTW Act	The Motor Transport Workers Act, 1961
NHAI	National Highways Authority of India
NHs	National Highways
NHDP	National Highways Development Project
NHIIP	National Highway Interconnectivity Improvement Programme
OECD	Organisation for Economic Co-operation and Development
PMI	Purchasing Manufacturers' Index
PTL	Part Truck Load
RFI	Index of Road Freight
SARDP-NE	Special Accelerated Road Development Programme in North East
SMEs	Small and Medium Sized Enterprises
TOT	Toll-Operate-Transfer
White Goods	Electrical goods used domestically such as refrigerators and washing machines, typically white in colour.

Notwithstanding the foregoing:

1. In 'Main Provisions of the Articles of Association' on Page 226 of this Draft Prospectus, defined terms shall have the meaning given to such terms in that section;
2. In 'Summary of Our Business' and 'Our Business' on Page 33 and 84 respectively, of this Draft Prospectus, defined terms shall have the meaning given to such terms in that section;

3. In '*Risk Factors*' on Page 14 of this Draft Prospectus, defined terms shall have the meaning given to such terms in that section;
4. In '*Statement of Possible Special Tax Benefits*' on Page 78 of this Draft Prospectus, defined terms shall have the meaning given to such terms in that section;
5. In '*Management's Discussion and Analysis of Financial Conditions and Results of Operations*' on Page 149 of this Draft Prospectus, defined terms shall have the meaning given to such terms in that section.

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

### **Certain Conventions**

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

### **Financial Data**

Unless stated otherwise, the financial data in this Draft Prospectus is derived from our restated financial statements for the financial years ended March 31, 2013, 2014, 2015, 2016, 2017 and for the period ended September 30, 2017 prepared in accordance with Indian GAAP, the Companies Act and restated in accordance with the SEBI (ICDR) Regulations and the Indian GAAP which are included in this Draft Prospectus, and set out in “*Financial Statements*” on Page 122 of this Draft Prospectus.

Our Company’s financial year commences on April 1 of the immediately preceding calendar year and ends on March 31 of that particular calendar year, so all references to a particular financial year are to the 12-month period commencing on April 1 of the immediately preceding calendar year and ending on March 31 of that particular calendar year.

There are significant differences between the Indian GAAP, the International Financial Reporting Standards (the “**IFRS**”) and the Generally Accepted Accounting Principles in the United States of America (the “**U.S. GAAP**”). Accordingly, the degree to which the 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, the Indian GAAP, the Companies Act and the SEBI (ICDR) Regulations on the financial disclosures presented in this Draft Prospectus should accordingly be limited. We have not attempted to quantify the impact of the IFRS or the U.S. GAAP on the financial data included in this Draft Prospectus, nor do we provide a reconciliation of our financial statements to those under the U.S. GAAP or the IFRS and we urge you to consult your own advisors regarding such differences and their impact on our financial data.

<sup>1</sup> Certain figures contained in this Draft Prospectus, including financial information, have been subject to rounding adjustments. All decimals have been rounded off to two decimal points, except for figures in percentage. In certain instances, (i) the sum or percentage change of such numbers may not conform exactly to the total figure given; and (ii) the sum of the numbers in a column or row in certain tables may not conform exactly to the total figure given for that column or row. However, where any figures that may have been sourced from third-party industry sources are rounded off to other than two decimal points in their respective sources, such figures appear in this Draft Prospectus as rounded-off to such number of decimal points as provided in such respective sources.

### **Currency and units of presentation**

In this Draft Prospectus, unless the context otherwise requires, all references to (a) ‘Rupees’ or ‘₹’ or ‘Rs.’ or ‘INR’ are to Indian rupees, the official currency of the Republic of India; (b) ‘US Dollars’ or ‘US\$’ or ‘USD’ or ‘\$’ are to United States Dollars, the official currency of the United States of America. All references to the word ‘Lakh’ or ‘Lac’ or ‘Lacs’, means ‘One hundred thousand’ and the word ‘Million’ means ‘Ten lakhs’ and the word ‘Crore’ means ‘Ten Million’ and the word ‘Billion’ means ‘One thousand Million’.

Any percentage amounts, as set forth in “*Risk Factors*”, “*Our Business*”, “*Management’s Discussion and Analysis of Financial Conditions and Results of Operation*” and elsewhere in this Draft Prospectus, unless otherwise indicated, have been calculated based on our restated financial statement prepared in accordance with Indian GAAP.

### **Industry and Market Data**

Unless stated otherwise, industry and market data used throughout this Draft Prospectus has been obtained or derived from internal Company reports and industry and government publications, publicly available information and sources. Industry publications generally state that the information contained in those publications has been obtained from sources believed to be reliable but that their accuracy and completeness are not guaranteed and their reliability cannot be assured. Although, our Company believes that industry data used in this Draft Prospectus is reliable, it has not been independently verified.

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 facts constitute 'forward-looking statements'. All statements regarding our expected financial condition and results of operations, business, objectives, strategies, plans, goals and prospects are forward-looking statements. These forward-looking statements include statements as to our business strategy, our revenue and profitability, planned projects and other matters discussed in this Draft Prospectus regarding matters that are not historical facts. These forward-looking statements and any other projections contained in this Draft Prospectus (whether made by us or any third party) are predictions and involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements or other projections.

These forward looking statements can generally be identified by words or phrases such as “will”, “aim”, “will likely result”, “believe”, “expect”, “will continue”, “anticipate”, “estimate”, “intend”, “plan”, “contemplate”, “seek to”, “future”, “objective”, “goal”, “project”, “should”, “will pursue” and similar expressions or variations of such expressions. Important factors that could cause actual results to differ materially from our expectations include but are not limited to:

- general economic and business conditions in the markets in which we operate and in the local, regional and national and international economies;
- our ability to successfully implement strategy, growth and expansion plans and technological initiatives;
- our ability to respond to technological changes;
- our ability to attract and retain qualified personnel;
- the effect of wage pressures, seasonal hiring patterns and the time required to train and productively utilize new employees;
- general social and political conditions in India which have an impact on our business activities or investments;
- potential mergers, acquisitions restructurings and increased competition;
- occurrences of natural disasters or calamities affecting the areas in which we have operations;
- market fluctuations and industry dynamics beyond our control;
- changes in the competition landscape;
- our ability to finance our business growth and obtain financing on favourable terms;
- our ability to manage our growth effectively;
- our ability to compete effectively, particularly in new markets and businesses;
- changes in laws and regulations relating to the industry in which we operate changes in government policies and regulatory actions that apply to or affect our business;
- developments affecting the Indian economy; and
- Inability to meet our obligations, including repayment, financial and other covenants under our debt financing arrangements.

For a further discussion of factors that could cause our current plans and expectations and actual results to differ, please refer “*Risk Factors*”, “*Our Business*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” on Page 14, 84 and 149 respectively of this Draft Prospectus.

Forward looking statements reflects views as of the date of this Draft Prospectus and not a guarantee of future performance. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated. Neither our Company / our Directors nor the Lead Manager, nor any of its affiliates have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with SEBI requirements, our Company and the Lead Manager will ensure that investors in India are informed of material developments until such time as the listing and trading permission is granted by the Stock Exchange.

## SECTION II - RISK FACTORS

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

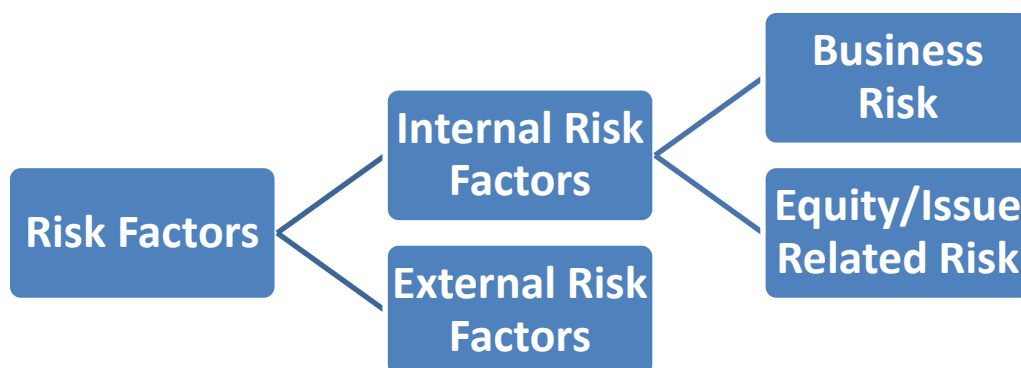
*Unless stated otherwise, in the relevant risk factors set forth below, we are not in a position to specify or quantify the financial or other implications of any of the risks mentioned herein. To obtain a complete understanding, you should read this section in conjunction with the chapters titled “Our Business”, on page 84, “Industry Overview” on page 81 and “Management’s Discussion and Analysis of Financial Condition and Results of Operations”, on page 149 of this Draft Prospectus, as well as other financial information contained herein.*

*The following factors have been considered for determining the materiality of Risk Factors:*

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

*The financial and other related implications of risks concerned, wherever quantifiable, have been disclosed in the risk factors mentioned below. However, there are risk factors where the impact may not be quantifiable and hence the same has not been disclosed in such risk factors. Unless otherwise stated, the financial information of the Company used in this section is derived from our financial statements under Indian GAAP, as restated in this Draft Prospectus. Unless otherwise stated, we are not in a position to specify or quantify the financial or other risks mentioned herein. For capitalized terms used but not defined in this chapter, refer to the chapter titled “Definitions and Abbreviations” beginning on page 1 of this Draft Prospectus. The numbering of the risk factors has been done to facilitate ease of reading and reference and does not in any manner indicate the importance of one risk factor over another.*

*The risk factors are classified as under for the sake of better clarity and increased understanding:*



### **Internal Risk Factors**

#### **A. Business Risk**

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

Our Company, Promoters, Directors and Group Companies are involved in a few legal proceedings which are pending at different levels of adjudication before various courts, tribunals and forums. However, none of the pending litigations are material litigation. However, any adverse decision in any of the future litigation may render us liable to liabilities/penalties and may have an adverse effect on our reputation, business, financial condition and results of operations, which could adversely affect the trading price of our Equity Shares.

As on date of filing this Draft Prospectus following litigations pending against our Directors/Promoters :-

Name	Designation	No of Cases of Income Tax	Consolidated Amount Involved
Manoj Kumar Agarwal	Director & Promoter	1	Rs. 0.33 Lakh
Ratan Kumar Agarwal	Managing Director & Promoter	3	Rs 1.09 Lakh
Shakuntala Devi Agarwal	Director & Promoter	1	Rs 0.01 Lakh

For further details regarding these legal proceedings, please refer “Outstanding Litigations and Material Developments” on page 157 of this Draft Prospectus.

**2. Our business is dependent on the road network and our ability to utilize our vehicles in an uninterrupted manner. Any disruptions or delays in this regard could adversely affect us and lead to a loss of reputation and/ or profitability.**

Our business operations i.e. goods transportation business are dependent on the road network. There are various factors which affect road transport such as political unrest, bad weather conditions, natural calamities, regional disturbances, fatigue or exhaustion of drivers, improper conduct of the drivers/ motormen, accidents or mishaps and third party negligence. Even though we undertake various measures to avoid or mitigate such factors to the extent possible, some of these could cause extensive damage and affect our operations and/ or condition of our fleet and thereby increase our maintenance and operational costs. Also, any such interruption or disruptions could cause delays in the delivery of our consignments to their destination and/ or also cause damage to the transported cargo. We may be held liable to pay compensation for losses incurred by our customers in this regard, and/ or losses or injuries sustained by other third parties. Further, such delays and/ or damage may cause a loss of reputation. In the event that the goods to be delivered have a short shelf life, any delay in the delivery of such cargo could also expose us to additional losses and claims. Although, some of these risks are beyond our control, we may still be liable for the condition of such cargo and their timely delivery and any disruptions or delays could adversely affect us and lead to a loss of reputation and/or profitability. For further details regarding our business, please refer “Our Business” on page 84 of this Draft Prospectus.

**3. Our Company’s business requires several regulatory licenses and approvals. Failure to obtain and/or renew any approvals or licenses in future may have an adverse impact on our business operations.**

Our Company requires several regulatory licenses and approvals for operating the business. It is subject to a number of transportation laws and regulations which are liable to change in accordance with new legislation and regulatory initiatives. Our Company is required to comply with various regulations in connection with restrictions which specify the actual weight to be carried by our vehicles, permissible emission limits or restrictions on the age of vehicles operating within certain states of India. Many of these approvals require renewal from time to time. Though the application for renewal of existing licenses/approvals will be made to the respective authorities as and when required, there can be no assurance that the relevant authority will renew any of such licenses/approvals. If our company does not receive the requisite approvals/licenses, our operations may be adversely affected. Further, these permits, licenses and approvals are subject to several conditions and failure to adhere to such conditions may lead to cancellation, revocation or suspension of relevant permits, licenses and/or approvals. Cancellation and / or failure to renew, maintain or obtain the required permits, licenses or approvals

may result in the interruption of our Company's operations and may have a material impact on our business. For further details regarding statutory approvals, please refer to the chapter titled "Government and Other Approvals" on page 161 of this Draft Prospectus.

**4. Major portion of our revenue depends upon our few customers. The loss of any one or more of our major customers would have a material adverse effect on our business operations and profitability.**

We derive a major portion of our revenue from a few customers. Our top ten customers contributed approximately 58% of our revenues for the first six months of the financial year 2017-18 ending on September 30, 2017. There is a concentration risk as any decline in our quality standards, growing competition and any changes in the demand for our services by any of these customers may adversely affect our ability to retain them. We cannot assure that we shall generate the same quantum of business, at all, from these customers, and loss of business from one or more of them may adversely affect our revenues and profitability. However, the composition and revenues generated from these customers might change as we continue to add new customers in normal course of business. As on September 30, 2017, our overall customer base spreads to over 200 customers covering private players as well as public sector undertakings from steel, aluminium, cement, petrochemicals, paper, marble, infra, textile and agro industry to name a few. We intend to retain our customers by offering solutions to address specific logistic needs in a proactive, cost effective and time efficient manner along with adding new customers.

**5. Our inability to pass on any increase in operating expenses, particularly fuel costs, to our customers which may adversely affect our business and results of operations.**

Fuel costs, toll charges and lorry hire charges represent some of our major operating costs and an increase in such costs or inability to pass on such increase to our customers will adversely affect our results of operations. In particular, the cost of fuel has increased in recent times and it fluctuates significantly due to various factors beyond our control, including, international prices of crude oil and petroleum products, global and regional demand and supply conditions, geopolitical uncertainties, import cost of crude oil, government policies and regulations and availability of alternative fuels. In recent times, the cost of fuel has been fluctuating as the government has allowed the public-sector oil marketing companies to decide the cost of fuel daily as against the previous system for auto fuel in this context. Although in our contracts with few of our customers, we have price variation/diesel variation clause where in the transportation rates are linked and adjusted to the fluctuation in the price of diesel beyond a certain level during the contract, a part of the fluctuation in to be borne by our Company. However, historically we have generally been able to pass on any increase in the cost of fuel or other operating costs to the customers through periodic increase in our freight rates, there can be no assurance that we will be able to pass on any such increase in the future to our customers either wholly or in part, and our profitability and results of operations may be adversely affected as a result of that. Further, our Company might not be able to accurately gauge or predict the volatility and trends in the movements of the cost of fuel which may affect our business plans and prospects, growth estimates, financial condition and results of operations.

**6. Claims relating to loss or damage to cargo, personal injury claims or other operating risks that are not adequately insured may adversely affect our business, results of operations and financial condition.**

Our business is subject to various risks inherent in the goods transportation industry, including potential liabilities towards our customers which could result from, among other circumstances, damage to property arising from accidents or incidents involving vehicles operated by us. In our goods transportation business, we may be exposed to claims related to cargo loss, theft and damage, property and casualty losses and general liabilities from our customers. In the event of any damage or loss of goods, we may be required to compensate our customers. There have been instances in the past where the customers have made deductions in the payments because of shortage of materials during the transit. While we endeavour to recover such losses, as well as related losses of freight through auctioning the damaged goods or recovery from the truckers, there can be no assurance that we will fully or partially recover any such losses.

Furthermore, any accident or incident involving our vehicles and vehicles hired by us, even if we are fully insured or held not to be liable, could negatively affect our goodwill among customers and the public and could

significantly affect the cost and availability of insurance in the future. To the extent that any such uninsured risks materialize, our business, results of operations and financial condition may be materially and adversely affected.

**7. We do not verify the contents of the parcels transported by us, thereby exposing us to the risks associated with the transportation of goods in violation of applicable regulations.**

We transport various goods as part of our goods transportation business, other than goods that are classified as hazardous or illegal. While we obtain a declaration from the customer regarding the contents of the parcel and its value, we do not independently verify its contents. We also do not have any equipment to enable us to verify all our consignments prior to loading in our vehicles. Accordingly, we are unable to guarantee that these parcels do not contain any hazardous or illegal goods. In such circumstances, our vehicles may be confiscated, which could in turn, adversely affect our operations and reputation. In addition, our courier business could involve movement of confidential documents and information, and unauthorized disclosure of such confidential and sensitive information may result in liability for us.

**8. Our Company is proposing to increase its fleet of trucks and consequently also expect demand for qualified drivers to increase. We are working in a man-power centric industry and trained and qualified drivers are crucial to our performance and if our Company is unable to attract and retain a sufficient number of qualified drivers, our business, financial condition and results of operations could be adversely affected.**

As our Company is proposing to increase its fleet of trucks, our Company has to rely significantly on our drivers. There has been an increase in the demand for qualified drivers in the industry in recent years. Any shortage of drivers could force us to further increase driver compensation along with incentives, which could adversely affect our Company's profitability unless our Company is able to offset the increased compensation costs with the attrition rate of the drivers. This high attrition rate requires us to continuously recruit a substantial number of drivers in order to operate vehicles. If our Company is unable to attract and retain a sufficient number of qualified drivers, we could be forced to decrease the number of assignments our vehicles or limit our growth which may could have a material adverse effect on our business, financial condition and results of operations.

**9. *Our company has not complied with certain statutory provisions of the Companies Act. Such non-compliance may attract penalties and other actions against our Company and its Directors which could impact the financial position of us to that extent.***

Our Company in the past has inadvertently borrowed certain amount which termed as deposits under the purview of Section 58A of Companies Act, 1956/ Section 73 of the Companies Act, 2013. However the same have been repaid and there is no such unsecured loans outstanding as on date of filing the draft prospectus.

Our company has inadvertently submitted incorrect copy of special resolution and notice with Form PAS 3 giving details about issuance of bonus and approval for IPO by the shareholders, however we have filed the correct special resolution and notice on same day while submitting form MGT 14 for the purpose of approval of IPO. The Company has also filed Form GNL2 with RoC along with correct special resolution.

Our Company has not complied with certain statutory provisions under the Companies Act 1956 /2013 in respect of filing of forms for instance , ADT 1 for FY 2015-16, 2016-17 , Form 23 for increase in authorized/paid up capital, MGT 14 for disclosure of director's interest for FY 2014-15 and approval of financial statements & director's report for which Company has applied for condonation of delay and

Our company is unable to trace most of the challans of ROC filing therefore we are not able to ascertain that was there any delay in submission of forms.

All the above non-compliances may result in penalties or other action against our Company. Further our Company has appointed a whole time Company Secretary and is in the process of setting up a system to ensure that requisite filings and compliances are done within the applicable timelines

**10. Our branch offices, from where we operate, are taken on leave and licence. Discontinuation of agreements may require us to vacate such premises which may have an adverse impact on our business continuity and profitability.**

If any of the owners of the premises of our branch offices, do not renew the agreements under which we occupy the premises or renew such agreements on terms and conditions that are unfavorable to us, we may suffer a disruption in our operations which could have a material adverse effect on our business, financial condition and results of operations.

For some of our branch premises agreements have expired and not renewed. We cannot assure that we shall have the right to occupy these premises in future, or that we will be able to continue with the uninterrupted use of these premises. In case we are not allowed to use these premises, it may impair our operations and adversely affect our financial condition. For details on such premises please refer to chapter titled “Our Business” beginning on page 84 of this Draft Prospectus.

**11. We are dependent on various third parties for the adequate and timely supply of equipment and maintenance of our vehicles, and any delays or increase in costs related thereto may adversely affect our business.**

We are dependent upon suppliers and other persons for supply of vehicle related equipment and maintenance and/or servicing of the vehicles. There can be no assurance that such suppliers will continue to supply such vehicles related equipment, spares, tyres or other materials in quantities or prices that are commercially acceptable to us or at all. Events beyond our control may have an adverse effect on the cost or availability of raw materials, components and spare parts.

**12. We may be unable to meet certain contractual obligations including timelines of deliveries, due to which we could be liable to claims by customers, suffer adverse publicity and may incur substantial costs as a result of deficiency in our services, which in turn could adversely affect our results of operations.**

Many of our contracts/assignments 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. In our contracts, we have 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, we attempt to limit our contractual liability for all damages, including consequential damages, in rendering our services, we cannot be assured that the limitations on liability we provide for in our service contracts will be enforceable in all cases, or that they will otherwise be sufficient to protect us from liability for damages.

Further, in certain instances we may also be required to provide performance bank guarantees to our customers and in case we are not able to perform our contractual obligations, the customers may invoke the bank guarantees to claim damages. A successful assertion of one or more large claims against us that exceeds our available insurance coverage or changes in our insurance policies, including premium increases or the imposition of a large deductible or co-insurance requirement, could adversely affect our financial condition and results of operations.

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

We believe that the insurance coverage maintained, would reasonably cover all normal risks associated with the operation of our business, however, there can be no assurance that any claim under the insurance policies maintained by us will be met fully, in part or on time. In the event, we suffer loss or damage that is not covered by insurance or exceeds our insurance coverage, our results of operations and cash flow may be adversely affected.

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.

**14. We face intense competition since our Company operates in a highly competitive industry and competition may have a negative impact on our business prospects, future performance and financial condition.**

Our Company operates in a very fragmented and competitive industry, dominated by a large number of unorganized players. Increased competition may lead to revenue reductions, reduced profit margins, or a loss of market share, any of which could adversely affect our business and results of operations. Transportation industry comprises of both organised and unorganised players in the market.

There are various factors that could impair our ability to maintain our current levels of revenues and profitability in our goods transportation business, including the following:

- Competition with other companies offering goods transportation services, some of which may develop a broader coverage network, a wider range of services, and may have greater capital resources than we do;
- Reduction by our competitors of their freight rates to gain business, especially during times of declining growth rates in the economy, which may limit our ability to maintain or increase freight rates, maintain our operating margins, or maintain significant growth in our business;
- Solicitation by customers of bids from multiple carriers for their transportation needs and the resulting depression of freight rates or loss of business to competitors;
- Development of an operational model similar to ours by a competitor with sufficient financial resources and comparable experience in the transportation services industry;
- Establishment of better relationships by our competitors with the customers;
- The small unorganized players at a regional level may not comply with applicable statutory and regulatory requirements and due to which they may be able to operate at lower cost and consequently may offer lower prices than us; and
- Availability of other alternative modes of goods transportation that directly compete with our routes or geographic regions we cover.

**15. We have not obtained registration under shops and establishment regulation for our commercial spaces / branch offices in the concerned states of India.**

We operate our business through various commercial spaces / branch offices throughout India. Most of these commercial spaces / branch offices are required to be registered under the shops and establishment regulation of the concerned state. However, we have not obtained such registrations under the shop and establishment regulation and thus, we may be subject to certain actions and / or penalties by the regulatory authority.

**16. Our Company had negative cash flow in the last financial year, details of which are given below. Sustained negative cash flow could adversely impact our business, financial condition and results of operations.**

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

(Rs.in lakh)

Particulars	For 6 months ending Sept. 2017	For the Financial Year ended March 31		
		2017	2016	2015
Net Cash Flow from/(used in) Operating Activities	(47.95)	763.55	557.82	664.23
Net Cash Flow from/(used in) Investing Activities	(72.41)	(717.57)	(649.98)	(101.51)
Net Cash Flow from/(used in) Financing Activities	289.62	(113.17)	207.45	(535.36)

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. Our Company had negative cash flow as of March 31, 2017. The same was majorly due to cash outflow in investing activities as we made addition to our current fleet which is our key resource and asset. The same was done to equip ourselves for future growth.

However, if our Company is still not able to generate sufficient cash flows, it may adversely affect our business and financial operations.

**17. Our indebtedness and the conditions and restrictions imposed by our financing arrangements could adversely affect our ability to conduct our business and operations.**

Pursuant to the financing arrangement by us with the bankers, we are required to obtain consents from the respective bankers to undertake certain actions. Some of these agreements contain restrictive covenants, including, but not limited to, requirements that we obtain written consent from lenders prior to issuing new shares, incurring further debt, creating further encumbrances on our assets, effecting any scheme of expansion/business,.. Although we have generally not encountered difficulties in obtaining consent from the financial institutions for desired actions in the past, There can be no assurance that we will be able to comply with these covenants or that we will be able to obtain the consents necessary to take the actions we believe are required to operate and grow our business.no assurance can be given that such consent will be granted in the future.

**18. Our Company has incurred substantial indebtedness which exposes us to various risks which may have an adverse effect on our business and results of operations.**

As on September 30, 2017, we had Rs.3342.94 lakh of outstanding debt in terms of long term borrowings and short term borrowings on our balance sheet (including current maturities but excluding non-fund based facilities) from various banks, financial institutions and others. In the event that we fail to meet our debt servicing obligations under our financing documents, the relevant lenders could declare us to be in default, accelerate the maturity of our obligations or takeover our project or even sell our Company's movable and immovable assets. We cannot assure investors that in the event of any such acceleration we will have sufficient resources to repay these borrowings. Failure to meet such obligations under debt financing agreements may have an adverse effect on our cash flows, business and results of operations. Our ability to meet our debt service obligations and to repay our outstanding borrowings will depend primarily upon the cash flows generated by our business. We cannot assure you that we will generate sufficient cash to enable us to service existing or proposed borrowings. Incurring significant indebtedness may limit our flexibility in planning for or reacting to changes in our business & industry and limit our ability to borrow additional funds.

For further details on our outstanding debt please refer chapter titled "*Financial Indebtedness*" on page 147

**19. Our Company has unsecured loans, which are repayable on demand. Any demand from lenders for repayment of such unsecured loans, may adversely affect our business operations and financial condition of Company.**

Our Company has availed unsecured loans from promoters & their relatives and other corporates that are repayable on demand to the relevant lender and may be recalled by the relevant lender at any time. Any such

unexpected demands or accelerated payment may have a material adverse effect on the business of, cash flow and financial conditions of the Company. For further information on the Financial Indebtedness please refer to the heading titled "Financial Indebtedness" in the chapter titled "Financial Statements as Restated" beginning on page 122 of this Draft Prospectus.

**20. Contingent liabilities could adversely affect our financial condition. Crystallization of any of these contingent liabilities may adversely affect our financial condition.**

As of September 30, 2017, our contingent liabilities as indicated in our Restated Financial Statements and also certified by our statutory auditors were as follows:

Sr. No.	Particulars	Remarks
1.	<i>Guarantees issued by the Company's Banker on behalf of the company</i>	<i>Bank Guarantees outstanding as on 30/09/2017 is of Rs 394.17 lakh</i>

In the event that any of our contingent liabilities materialize, our business, financial condition and results of operations may be adversely affected. Furthermore, there can be no assurance that we will not incur similar or increased levels of contingent liabilities in the current fiscal year or in the future.

**21. Our success depends largely upon the services of our Directors, Promoters and other Key Managerial Personnel and our ability to attract and retain them.**

Our success is substantially dependent on the expertise and services of our Directors, Promoters and our Key Managerial Personnel. They provide expertise, which enables us to make well informed decisions in relation to our business and our future prospects. For further details of our Directors and key managerial personnel, please refer to the chapter "Our Management" on page 101 of this Draft Prospectus. The loss of such key members of our management team and the failure of any succession plans to replace such key members could seriously impair the ability to continue to manage and expand the business efficiently.

**22. We have issued Equity Shares during the last one year at a price that may be below the Issue Price.**

During the last one year we have issued Equity Shares at a price that is lower than the Issue Price as detailed in the following table:

Date of allotment	Number of Equity Shares	Face value(Rs.)	Issue Price (Rs.)	Nature of Consideration	Nature of allotment
10/02/2018	13,794,480	10.00	Nil	Other than Cash	Bonus in the ratio of 8 Equity Shares for every 1 Equity Share

For details of the Allottees, please refer "Capital Structure" on page 47 of this Draft Prospectus.

**23. Our ability to pay dividends will depend upon future earnings, financial condition, cash flows, working capital requirements, capital expenditures, lender's approvals and other factors.**

Our Company has not paid dividends in the past financial years. The amount of our future dividend payments, if any, will depend upon our future earnings, financial condition, cash flows, working capital requirements, capital expenditures, lender's approvals and other factors. There can be no assurance that we will have distributable funds or that we will declare dividends in the future.

- 24. Our IT systems provide us connectivity across our business functions through our software, hardware and network systems. Any failure in our IT systems or loss of connectivity or any loss of data arising from such failure can adversely impact our operations/service levels.**

Failure of our IT systems could disrupt our ability to track and trace our consignments. Computer viruses could cause an interruption to the availability of our systems. Unauthorized access to our systems with malicious intent could result in the theft of proprietary information and in systems outages. An unplanned systems outage or unauthorized access to our systems could materially and adversely affect our business.

- 25. Trade Receivables form a substantial part of our current assets. Failure to manage our trade receivables could have an adverse effect on our net sales, profitability, cash flow and liquidity.**

We are engaged in goods transportation service for diversified customers. Our business is working capital intensive and hence, trade receivables form a substantial part of our current assets thereby effecting our complete cycle completely. The results of operations of our business are dependent on our ability to effectively manage our trade receivables and receiving their payments on time.

To effectively manage our trade receivables, we must be able to accurately evaluate the credit worthiness of our customers and ensure that suitable terms and conditions are given to them in order to ensure our continued relationship with them. However, if we fail to accurately evaluate the credit worthiness of our customers, it may lead to bad debts, delays in recoveries and / or write-offs which could lead to a liquidity crunch, thereby adversely affecting our business and results of operations. A liquidity crunch may also result in increased working capital borrowings and, consequently, higher finance cost which will adversely impact our profitability.

- 26. Any customer dispute regarding our performance or workmanship may amount in delay or withholding of payment to us and may adversely affect our business.**

Our Company provides logistics services to our customer according to their requirement. As transportation service providers, our primary competence is the ability to provide timely deliveries and services, further being able to exploit the benefits of economies of scale and credit shortage in the industry. In case that our service of transportation does not fulfill the requirements of our customer which may leads to dissatisfaction and further consequence including customer dispute regarding our performance or workmanship and the customer may delay or withhold payment to us, which may result in materially affecting our business.

- 27. *Our Promoters and certain of our Directors hold Equity Shares in our Company and are therefore interested in our performance in addition to their remuneration and reimbursement of expenses.***

Certain of our Directors including our Promoters are interested in our Company, in addition to regular remuneration or benefits and reimbursement of expenses, to the extent of their shareholding in our Company. We cannot assure you that our Promoters will exercise their rights as shareholders to the benefit and best interest of our Company. Our Promoters will continue to exercise significant control over us, including being able to control the composition of our Board of Directors and determine decisions requiring simple or special majority voting of shareholders, and our other shareholders may be unable to affect the outcome of such voting. Our Promoters may take actions with respect to our business which may conflict with the best interests of our Company or that of minority shareholders. For details on the interest of our Promoters and Directors of our Company, other than reimbursement of expenses incurred or normal remuneration or benefits, see the sections titled “Related Party Transactions” on page 120 of this *Draft Prospectus*.

- 28. We have in past entered into related party transaction and may continue to do so in the future, may potentially involve conflicts of interest and impose certain liabilities on our Company.**

We have entered into related party transactions with our Promoters, Promoter Group, Group Entities and Directors. While we believe that all such transactions have been conducted on the arm’s length basis, however it is difficult to ascertain whether more favorable terms would have been achieved had such transactions been entered with unrelated parties. Furthermore, it is likely that we may enter into related party transactions in the

future. For details of these transactions, please refer to section titled "*Related Party Transactions*" at page 120 of this *Draft Prospectus*.

**29. Changes in existing emission and vehicle age norms may lead to part or all of our fleet of vehicles becoming un-roadworthy.**

Any change in the existing norms for vehicle emissions and /or age of vehicles, including implementation of more stringent Bharat Stage VI emission norms or a restriction on the use of commercial vehicles above the age of certain years, including pursuant to judicial rulings, revised legislations and international treaties, such as the United Nations Framework Convention on Climate Change, to which India is a signatory, may require us to comply with such stringent norms.

Bharat Stage (BS) III & IV norms have been enforced across the country. In 2016, the Indian government announced that the country would skip the BS-V norms altogether and adopt for the BS-VI norms by April 2020. Further implementation of such higher norms, may lead to some or all of our fleet of vehicles being declared unfit. There can be no assurance that our vehicles will be able to meet such emission compliance norms partially or at all. Failure to meet such emission norms may cause us to incur substantial costs in replacement and upgrading of our fleet of vehicles, which may have a material adverse effect on our business and results of operations. Upgradation/replacement of the existing fleet of vehicles to cater to the stringent norms may add to our capital cost which may have a material adverse effect on our business and results of operations and financial performance.

**30. Our Directors have extended personal guarantees in connection with some of our debt facilities. There can be no assurance that such personal guarantees will be continued to be provided by our Promoters in future or can be called at any time, affecting the financial arrangements.**

Our Directors 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, the 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.

**31. We have not identified any alternate source of raising the funds mentioned as our 'Objects of the Issue'. Any shortfall or delay in raising / meeting the same could adversely affect our growth plans, operations and financial performance.**

Our Company has not identified any alternate source of funding and hence any failure or delay on our part to mobilize the required resources or any shortfall in the Issue proceeds can adversely affect our growth plan and profitability. The delay/shortfall in receiving these proceeds could result in inadequacy of funds for working capital cycle or may result in us borrowing funds on unfavorable terms, both of which scenarios may affect the business operation and financial performance of the company.

**32. 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.

- 33. We are significantly dependent on vehicles hired by us for providing transportation services to our customer. Any disruptions in hiring vehicles or any misconduct from their staff will affect our customer base and financial position of our Company.**

Currently we have 93 vehicles which contribute approximately 8-10% of total revenue and remaining of the turnover is booked through hired vehicles. Thus our Company is dependent on hiring of additional trucks from third parties because of various factors like volume of orders and tight delivery schedules, nature of goods to be transported and customers preference. This involves risk as availability of third-party vehicles may be uncertain during periods of high demand. In addition, we do not have any control over the servicing and maintenance of these vehicles. Any non-availability of hired trucks or other vehicles, delay in obtaining them and/ or break down, on-road repairs or service interruptions, any misconduct from their staff may result in loss of orders, delays in delivery of goods which could lead to customer dissatisfaction and loss of business, which in turn could adversely affect our business, results of operations and financial condition. Although our company has multiple third-party vehicle suppliers and have long term relationship with them and have not faced any major loss in past due to non-availability of hired vehicles, we cannot assure you that this will have no adverse impact in future.



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

We have applied for registration of our name and logo under the provisions of the Trademarks Act, 1999 and do not own the trademark as on date. The application is currently pending before the Registrar of Trademarks. As such, we do not enjoy the statutory protections accorded to a registered trademark as on date. There can be no assurance that we will be able to register the trademark and the logo in future or that, third parties will not infringe our intellectual property, causing damage to our business prospects, reputation and goodwill. Further, we cannot assure you that any application for registration of our trademark in future by our Company will be granted by the relevant authorities in a timely manner or at all. Our efforts to protect our intellectual property may not be adequate and may lead to erosion of our business value and our operations could be adversely affected. We may need to litigate in order to determine the validity of such claims and the scope of the proprietary rights of others. Any such litigation could be time consuming and costly and the outcome cannot be guaranteed. We may not be able to detect any unauthorized use or take appropriate and timely steps to enforce or protect our intellectual property. For further details, please refer to the chapter titled "Government and Other Approvals" on page 161 of this Draft Prospectus.

- 35. Any performance guarantee provided by us and any breach of that guarantee could adversely affect our operations and growth prospects.**

Performance guarantee is a business agreement between a customer and a contractor for the contractor to perform all of their obligations under the contract. A performance guarantee might also include a clause to protect the customer against losses incurred in case we fail to perform and if an enforcement action is required as per our performance guarantee, then it could adversely affect our operations and growth prospects.

**B. Issue Related Risk**

- 36. 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 Promoters and Promoter Group may beneficially own 63.26% 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 and on various other matters. 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.

**37. 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.

**38. The deployment of the Issue 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 Issue Proceeds from the Fresh Issue.**

Our Company intends to primarily use the Issue Proceeds from the Fresh Issue towards Working Capital requirement as described in "Objects of the Issue" on page 70 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 Issue size is not in excess of Rs. 500 crores. The management of our Company will have discretion to use the Issue Proceeds from the Fresh Issue, and investors will be relying on the judgment of our Company's management regarding the application of the Issue 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 Issue 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 our Promoters or controlling Shareholders will be required to provide an exit opportunity to the Shareholders of our Company who do not agree to such proposal to vary the objects, in such manner as may be prescribed in future by the SEBI. Accordingly, prospective investors in the Issue will need to rely upon our management's judgment with respect to the use of Issue Proceeds. If we are unable to enter into arrangements for utilization of Issue 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.

**39. There is no existing market for our Equity Shares, and we cannot be sure if one will develop. Thus a risk of loss in the investment is there.**

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 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 Transportation service industry and the perception in the market about investments in the Transportation service sector;
- Significant developments in the regulation of the Transportation industry in our key locations;
- Changes in the estimates of our performance or recommendations by financial analysts;
- Significant developments in India's economic liberalization and deregulation policies; and
- Significant developments in India's fiscal and environmental regulations. There has been significant volatility in the Indian stock markets in the recent past, and our Equity Share

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

**40. 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.

**41. 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 (Finance bill 2018), capital gains arising from the sale of equity shares in an Indian company are taxable in India with effect from April 1, 2018. Any gain realized on the sale of listed equity shares on a stock exchange held for more than 12 months will also be subject to capital gains tax at the rate of 10% in India if LTCG of an individual exceed Rs. 1Lakh per annum in one fiscal as per specified conditions. The Central Government has rolled back the exemptions on long term capital gains for investors holding listed securities. 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 at the rate of 15% in India. 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**

**42. Our performance is linked to the stability of policies and the political situation in India.**

The Central and State Governments serve multiple roles in the Indian economy, including as producers, consumers and regulators, which have significant influence on the logistics industry and us. The Government of India has traditionally exercised, and continues to exercise, a significant influence over many aspects of the

economy. Our business, and the market price and liquidity of our Equity Shares, may be affected by interest rates, changes in government policy, taxation, social and civil unrest and other political, economic or other developments in or affecting India. Since 1991, successive Indian governments have pursued policies of economic liberalization and financial sector reforms. The current Government has announced its general intention to continue India's current economic and financial sector liberalization and deregulation policies. However there can be no assurance that such policies will be continued and a significant change in the government's policies in the future could affect business and economic conditions in India and could also adversely affect our business, prospects, financial condition and results of operations.

Any political instability in India may adversely affect the Indian securities markets in general, which could also adversely affect the trading price of our Equity Shares. Any political instability could delay the reform of the Indian economy and could have a material adverse effect on the market for our Equity Shares. There can be no assurance to the investors that these liberalization policies will continue under the newly elected government. Protests against privatization could slow down the pace of liberalization and deregulation.

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

The development of the logistics industry is parallel to the economic growth of the country as it comprises of inbound as well as outbound movement of the agricultural, manufacturing and service supply chains. Our performance is thus dependent on the health of the overall Indian economy.. India economic growth is affected by various factors including domestic consumption and savings, balance of trade movements primarily resulting from export demand and movements in key imports, such as oil and oil products, and annual rainfall, which affect agricultural production. In the past, economic slowdowns have harmed industries and industrial development in the country. Any future slowdown in the Indian economy could harm our business, financial condition and results of operations.

**44. The operations and performance of our industry and company are heavily dependent on the physical infrastructure. Any deterioration in the quality of the same could adversely affect our results of operations and financial condition.**

The quality of the operations of our company are linked to the India's physical infrastructure, i.e. road, rail and port network, electricity grid and communication systems. 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 an adverse effect on our results of operations and financial condition.

**45. Factors like civil unrest, terrorist attacks, communal disturbance or natural calamities can affect our business performance and financial condition and would affect the price of our equity share.**

Factors like civil unrest, terrorist attacks, communal disturbance or natural can effect/prevent us from timely delivery of our consignments and discharging our obligations towards the contracts entered with our customers, thereby affecting our business performance and financial condition and profitability. Although we control the damage by entering into Force Majeure clause in the contracts with some of our customers, the risk of loss of revenue due to these external factors is there.

**46. Factors like war at international borders, civil unrest, terrorist attacks or communal disturbance could adversely affect the financial markets domestically as well as globally, affecting the price of our equity share.**

Any major hostilities at international borders involving India or other prominent world countries, or other act of violence, including civil unrest or similar events that are beyond our control, could have a material adverse effect on India's economy and national as well international equity markets. These may induce high volatility on share prices and could adversely impact the price of our equity share.

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

Our Company is subject to various regulations and policies. For details see section titled “Key Industry Regulations and Policies” beginning on page 91 of this Draft Prospectus. The Government of India or state governments may introduce new laws, regulations and policies applicable to us, our business and industry. These may require us to obtain additional approvals and licenses or impose onerous requirements on our business. These changes may be unfavourable to us and may have negative impact on our business and financial performance.

The Government of India has enacted the Central Goods and Services Tax Act, 2017 to lay a framework for a comprehensive national goods and services tax (“GST”) regime that has combined taxes and levies by the Central and State Governments into a unified rate structure. The said legislation was notified and made effective from July 1, 2017. Previously we were registered under Service tax in that situation our service was liable for service tax but as per GST Act, 2017 liability for payment of GST is on Consignee hence we have surrendered the GST Registration. As per the Reverse Charge Mechanism for GST supply of GTA Services would be covered under 100% Reverse Charge Mechanism for Entity holding the GST Registration Certificate and the entity availing this service has to pay the GST on the service. We cannot assure you that our cash flows and results of operations will not be affected by the new tax regime.

The impact of any future changes to Indian legislation on our business cannot be fully determined at this time. Additionally, our business and financial performance could be adversely affected by unfavourable changes in or interpretations of existing, or the promulgation of new, laws, rules taxation policies and regulations applicable to us and our business. Such unfavourable changes could decrease demand for our services and products, increase costs and/or subject us to additional liabilities. Any such changes could have an adverse effect on our business and financial results.

**48. The transition to Ind AS and the ICDS in India is very recent. Although we have transitioned to Ind AS ,there is insufficient clarity on the impact of such transition on our Company in future financial periods.**

The transition to Ind AS from GAAP and IFRS in India is very recent. There is not yet a significant body of established practice such as interpretations of the new accounting standards on which to draw in forming judgments regarding the new system’s implementation and application. As a result, although we have transitioned to Ind AS, there is insufficient clarity on the impact that such transition will have on us and our financial reporting policies and practices. We cannot assure you that there will not be further changes in the manner in which we apply our accounting policies or in the preparation and presentation of our financial statements in the future. 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. We may encounter further difficulties in the ongoing process of implementing and enhancing our management information systems under Ind AS reporting.

**49. Any probable downgrading of India's debt rating by a domestic or international rating agency could adversely affect our Company's share price.**

Any probable adverse revisions to India's credit ratings for domestic and international debt by domestic or international rating agencies may adversely affect the Indian Economy and could have a material adverse impact on the Indian securities market including our Equity Shares.

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

Under the foreign exchange regulations currently in force in India, transfers of shares between non-residents and residents are freely permitted (subject to certain exceptions) if they comply with the pricing guidelines and reporting requirements specified by the RBI. If the transfer of shares, which are sought to be transferred, is not in compliance with such pricing guidelines or reporting requirements or fall under any of the exceptions referred to above, then the prior approval of the RBI will be required. Additionally, shareholders who seek to convert the

Rupee proceeds from a sale of shares in India into foreign currency and repatriate that foreign currency from India will require a no objection/ tax clearance certificate from the income tax authority. There can be no assurance that any approval required from the RBI or any other government agency can be obtained on any particular terms or at all.

## **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 is Rs.3162.46 lakhs and the book value of each Equity Share was Rs. 10/- as of September 30, 2017 as per our Restated Financial Statements. For more information, please refer the Section titled “Financial Statements” beginning on page 122 of this Draft Prospectus.

3. Public issue of 55,64,000 Equity Shares of face value of Rs.10.00 each of our Company for cash at a price of Rs. 30.00 per Equity Share (including a share premium of Rs. 20.00 per Equity Share) (“Issue Price”) aggregating to Rs. 1669.20 lakhs (“the Issue”) of which 2,84,000 Equity Shares aggregating to Rs. 85.20 lakhs will be reserved for subscription by Market Maker (“Market Maker Reservation Portion”). The Issue less the Market Maker Reservation Portion i.e. issue of 52,80,000 Equity Shares of face value of Rs.10.00 each at an Issue Price of Rs. 30.00 per equity share aggregating to Rs. 1584.00 lakhs is hereinafter referred to as the “Net Issue”. The Issue and the Net Issue will constitute 26.39% and 25.04%, respectively of the post issue paid-up equity share capital of our Company.

4. For information on changes in our Company’s name, Registered Office and changes in the objects clause of the MOA of our Company, please refer “History and Certain Other Corporate Matters” on page 97 of this Draft Prospectus.

5. The average cost of acquisition per Equity Share by our Promoters is set forth in the table below:

Name of the Promoters	Total No of Equity Shares	Average cost of acquisition (in Rs.)
Ratan Kumar Agrawal	2930400	1.73
Shakuntala Devi Agrawal	2965500	1.89
Manoj Kumar Agrawal	2428200	1.26

*Note: The average cost of acquisition has been calculated by dividing the amount paid by Promoters on the Equity Shares presently held by them, by the number of Equity Shares presently held by them after considering the bonus shares. The above average cost of acquisition of equity shares by our promoters has been certified by M/s. Agrawal & Pansari, Chartered Accountants dated February 24, 2018, For more information, please refer to the section titled “Capital Structure” on page 47 of this Draft Prospectus*

6. Investors are advised to refer to the chapter titled “Basis for Issue Price” beginning on page 76 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 this Draft Prospectus.

8. Our Company was initially incorporated in the year 1994 as Orissa Bengal Carrier Private Limited under the provisions of the Companies Act 1956, with the Registrar of Companies, Gwalior, Madhya Pradesh, bearing Registration No. 008732. Our Company was changed to ORISSA BENGAL CARRIER LTD on November 05,

2009. A fresh Certificate of Incorporation dated December 09, 2009, consequent to the change of name was granted to our Company, by the Registrar of Companies, Chhattisgarh, Madhya Pradesh, bearing CIN U63090CT1994PLC008732.

**9.** None of our Group Entities have any business or other interest in our Company, except as stated in “*Financial Statements As Restated*” on page 122 and “*Group Companies*” on page 119 of this Draft Prospectus, and to the extent of any Equity Shares held by them and to the extent of the benefits arising out of such shareholding.

**10** Our Company, Promoters, Directors, Promoter Group have not been prohibited from accessing the Capital Market under any order or direction passed by SEBI nor they have been declared as wilful defaulters by RBI / Government authorities. Further, no violations of securities laws have been committed by them in the past or pending against them.

**11.** The Lead Manager and our Company shall update this Draft Prospectus and keep the investors / public informed of any material changes till listing of the Equity Shares offered in terms of this Draft Prospectus and commencement of trading.

**12.** Our Net Asset Value per Equity Share as per our restated financial statements is set forth below :-

As at September 30, 2017	As at March 31,				
	2017	2016	2015	2014	2013
<b>183.40</b>	<b>163.03</b>	<b>140.10</b>	<b>129.52</b>	<b>134.71</b>	<b>124.15</b>

**13.** For details of the related party transactions as at September 30, 2017 , March 31, 2017, March 31, 2016, March 31, 2015, March 31, 2014 and March 31, 2013, pursuant to the requirements under Accounting Standard 18 “Related Party Disclosures”, issued by the Institute of Chartered Accountants of India, see “Financial Statements” on page 122 of this Draft Prospectus.



### SECTION III – INTRODUCTION SUMMARY OF OUR INDUSTRY

*The information in this section has been extracted from various websites and publicly available documents from various industry sources. The data may have been re-classified by us for the purpose of presentation. Neither we nor any other person connected with the Issue has independently verified the information provided in this section. Industry sources and publications, referred to in this section, 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.*

Logistics comprises of both infrastructure like roads, ports, railways, air on one hand and services like transportation, warehousing, logistics service provider firms etc. which are all equally important. Road transport in India is the dominant mode of transport, accounting for 70% of freight movement.\* India has the second largest road network across the world at 5.4 million km. Road transportation has gradually increased over the years with the improvement in connectivity between cities, towns and villages in the country. In India sales of automobiles and movement of freight by roads is growing at a rapid rate. Over the last decade, the numbers of LMVs and heavy vehicles have increased at about 9% and 7.6%, respectively.\* As per the Economic Survey of 2017-18, the number of registered goods vehicle is projected to grow 10496 thousand in 2015-16 from 9344 thousand in 2014-15.\*\*

India's position witnessed rise to the 35th position in 2016 from the 54th position in 2014 as per the World Bank Logistics Performance Index (LPI)^. Still a lot is needed to be done. Internationally, a goods vehicle travels an average of 600–800 km a day, while on Indian roads, until recently, the average distance covered was only 250–300 kms a day.\* The lead time for export/import is also very high in India. Also, the cost of Logistics in India is very high at 14% of GDP in contrast to the global average of 8% of GDP..^^

\*(Source: [http://morth.nic.in/writereaddata/linkimages/SL\\_Final\\_Report\\_Part13901147970.pdf](http://morth.nic.in/writereaddata/linkimages/SL_Final_Report_Part13901147970.pdf))

\*\*(Source: <http://mofapp.nic.in:8080/economicsurvey/appendixPDF/tab1.28.pdf>)

^(Source: [http://commerce.gov.in/writereaddata/UploadedFile/MOC\\_636531872284903302\\_LPI\\_Report\\_2016.pdf](http://commerce.gov.in/writereaddata/UploadedFile/MOC_636531872284903302_LPI_Report_2016.pdf))

^^(Source: [http://commerce.gov.in/writereaddata/UploadedFile/MOC\\_636531870548358258\\_Minutes\\_CoS\\_mtg\\_logistics\\_18-10-2017.pdf](http://commerce.gov.in/writereaddata/UploadedFile/MOC_636531870548358258_Minutes_CoS_mtg_logistics_18-10-2017.pdf))

The transport infrastructure sector in India is expected to grow at 6.1 per cent in real terms in 2017 and at a Compounded Annual Growth Rate (CAGR) of 5.9 per cent through the year 2021, thereby becoming the fastest-expanding component of the country's infrastructure sector.

The Union Minister of State for Road, Transport and Shipping has stated that the Government aims to boost corporate investment in roads and shipping sector, along with introducing business-friendly strategies that will balance profitability with effective project execution. Various initiatives have been taken by the government in this regard:

The Logistics Sector has been granted Infrastructure status. It will enable the Logistics Sector to avail infrastructure lending at easier terms with enhanced limits, access to larger amounts of funds as External Commercial Borrowings (ECB), access to longer tenor funds from insurance companies and pension funds and be eligible to borrow from India Infrastructure Financing Company Limited (IIFCL).

The Central government budget 2018 (The Finance Bill) saw the transport sector getting an all-time-high allocation of Rs 1,34,572 crores. Govt. has also showing confidence in the recently approved 'Bharatmala Pariyojana', reiterating the aim to develop about 35,000 kilometers of highways at a cost of Rs. 5,35,000 crores in Phase I.

The government has also enhanced allocation for the Infrastructure Sector, recognizing its role as the growth driver of the economy.

Department of Commerce will be developing a National Logistics Portal as a single window online market place to link all stakeholders.

The government, through a series of initiatives, is working on policies to attract significant investor interest. The Indian government plans to develop a total of 66,117 km of roads under different programmes such as National

Highways Development Project (NHDP), Special Accelerated Road Development Programme in North East (SARDP-NE) and Left Wing Extremism (LWE). The government has identified development of 2,000 km of coastal roads to improve the connectivity between ports and remote villages.

The National Highways Authority of India (NHAI) plans to build 50,000 km of roads by 2022 as part of a long-term goal of doubling the length of the national highway network to 200,000 km.

The Government of India has decided to invest Rs 7 trillion for construction of new roads and highways over the next five years.

In the wake of globalization, the importance of logistics is increasing as more and more, both national and multi-national companies are sourcing, manufacturing and distributing their products and services on a global scale. Thus, the recognition of performance of logistics industry would become prime importance of economic development for India in long term. Favorable government trade policies have resulted in an increased demand for logistics services to keep pace with the increased logistics needs of importers and exporters which provides opportunity for expansion to the existing vendors.

Sources : <https://www.ibef.org/industry/roads-india.aspx>, Union Budget 2018-19

## **SUMMARY OF OUR BUSINESS**

We are one of the logistics company headquartered at Raipur, Chhattisgarh, serving a broad range of industries, including the steel, coal, aluminum, cement, petrochemicals, paper, marble, tiles, infra, textile, FMCG. The various types of services provided by us include: Full Truck Load Transport Services, Parcel and Part Truck Load Services/ less than Truck Load (LTL). The main business activity of our company is Full Truck Load Transport service wherein we do transport the consignment by road all over India. We are one of the logistics company who started its operations when there were few companies in the state of Chhattisgarh, since then we have consistently excelled.

We are logistics company having branches in most of the parts of India. We are serving with full load Vehicle (Truck, Closed Container, Trailer etc.) to transport consignment by road all over India. We are certified by ISO 9001:2015 for provision of Quality Management Systems Services.

Our company was originally incorporated as Orissa Bengal Carrier Private Limited on October 18, 1994 as a Private Limited Company under the provision of Companies Act, 1956. Subsequently, our Company was converted into a Public Limited company and the name of our company was changed to Orissa Bengal Carrier Limited on December 9, 2009.

We are one of the IBA approved transporter having ISO 9001:2015 certification for provision of Quality Management System Service. Our registered office is located at Jiwan Bima Marg, Pandri, Raipur, Chhattisgarh, India. Pin code - 492001. Our Corporate office situated at A1, 3rd Floor C.G. Elite complex, Opposite Mandi Gate, Vidhansabha Road, Pandri, Raipur- 492001

### ***Promoters***

Our Promoters Ratan Kumar Agrawal and Manoj Kumar Agarwal are engaged in the business of Transport and Logistics for more than 20 years which gives us the advantage of developing large network of branches, pan-India service coverage, strong relationship with our customers and manage our human resource.

### ***Branches and Infrastructure***

Our operational infrastructure for the goods transportation business has a growing network 45 branch offices spread across the various regions of the country, which serves as strategic hubs for our operations. We are currently having an extensive branch network spread in most part of country, covering a major geography of the country stretching from WB and Orissa in the east to Gujarat in the west, and Punjab in the north to Tamil Nadu in the south.

### ***Clientele***

Our company boasts of a diversified customer base spreading to over 200 customers as on September 30, 2017. The clientele includes public sector undertakings, corporate and other private players from steel, aluminum, cement, petrochemicals, power, chemicals, marble, tiles, infra, textile, FMCG to name a few.


We work with the clients to develop logistics solutions that meet their requirements. In respect of transportation services, we typically enter into time bound service contracts with our clients, which are renewed on regular basis as and when required. We offer flexibility in our contracts and our transportation contracts are usually customized according to certain terms, which may vary depending on whether we quote our prices on the basis of per truck (dedicated vehicles), per trip, per tonne, per tonne-per kilometre, per kilogram, overall project-based (optimization based or cost savings based), cost-plus management fees and per unit transported, among others.

We continue to focus on enhancing operational controls and cost efficiencies through optimal freight mix, cost management and increasing asset life through preventive and predictive maintenance initiatives. Our ability to provide timely delivery and quality service is key to our reputation and further expansion of our goods transportation business.

### ***Vehicle Fleet Strength***

Our company is maintaining its own fleet in which there are 93 owned vehicles as on date of this draft prospectus. We also provide services by vehicles hired by us to provide timely and quality services to our clients. The variety of goods transportation vehicles in our fleet and vehicles hired by us also enables us to serve a diverse mix of consignments.

### ***Intellectual Property***

Our Logo  is in the process of registration with the Trademark Authorities

### ***Employees***

We have developed a large pool of skilled and experienced personnel. As of September 30, 2017 we have 83 employees, including drivers, who are based at different locations across the country

### ***Financials***

Our revenue from operations for the financial year 2016-17 stood at Rs. 21285.06 lakhs. The figure for 6 months period ending September 30, 2017 was Rs. 16356.84 lakhs. The net profit achieved was Rs. 395.34 Lakh and Rs.351.40 lakh for the two periods respectively.

### ***Strengths***

- Vintage: Our company has got rich experience of 23 years and is an established name in the logistics industry in the region.
- Our Distribution network: We are currently having branch network of 45 branches covering a major geography of the country stretching from WB and Orissa in the east to Gujarat in the west, and Punjab in the north to Tamil Nadu in the south
- Rich and diversified Customer base: Our Company boasts of a diversified customer base spreading to over 200 customers as on September 30, 2017. The clientele includes public sector undertakings, corporates and other private players from steel, aluminum, cement, petrochemicals, power, chemicals industry to name a few
- Quality certification – Our Company has been accredited with “ISO 9001:2015” certification for Quality Services by LMS Certifications Private Limited providing logistics services & handling services all over India. Additionally, we are an Indian Bank Association (IBA) approved transporter.
- Vast of Area of Operation: We provide the logistic services covering almost the entire nation.
- Strategic location : Since Chhattisgarh contributes approx. 30.00% to India’s steel/sponge iron production, 15.00% cement in India’s production, so there are large number of steel and cement industry in our belt providing us a benefit to easily cater them the services they need to transport goods to other required location.

Source <https://csidc.in/home2/index.php/en/2015-01-25-07-22-46/2015-01-25-07-24-09/core-sectors>

### ***Future Growth Strategy***

We intend to focus on following strategies:

- Augment our fund-based capacities in order to scale up business operation
- Technology enhancements to continue improving our operating efficiencies
- Increase our goods transportation network
- Increase the customer base

## SUMMARY OF FINANCIAL STATEMENTS

Summary statement of Assets and Liabilities as Restated

Annexure-I  
(Rs. In Lakhs)

Sr N o.	Particulars	As at Sept 30, 2017	As at March 31,				
			2017	2016	2015	2014	2013
	<b>EQUITY AND LIABILITIES</b>						
1)	<b><u>Shareholder's Funds</u></b>						
	a. Share Capital	172.43	172.43	172.43	172.43	168.40	155.27
	b. Reserves and Surplus	2990.03	2638.63	2243.29	2060.88	1923.66	1772.44
2)	<b><u>Share Application Money Pending Allotment</u></b>	-	-	-	-	-	-
3)	<b><u>Non-Current Liabilities</u></b>						
	a. Long-Term Borrowings	1690.78	1611.50	1331.56	1172.39	1609.45	1530.51
	b. Other Long Term Liabilities	34.37	31.10	28.98	34.71	31.65	28.97
	c. Deferred Tax Liability(Net)	57.25	51.74	19.68	-	-	-
4)	<b><u>Current Liabilities</u></b>						
	a. Short-Term Borrowings	1181.29	796.42	937.14	654.39	568.48	139.95
	b. Trade Payables	1774.76	1705.71	1865.04	1879.98	1398.52	1109.71
	c. Other Current Liabilities	470.87	400.02	107.90	68.63	14.33	21.04
	d. Short-Term Provisions	297.59	216.97	56.49	67.67	26.90	37.40
	<b>TOTAL</b>	<b>8669.38</b>	<b>7624.53</b>	<b>6762.51</b>	<b>6111.09</b>	<b>5741.39</b>	<b>4795.29</b>
	<b>ASSETS</b>						
1)	<b><u>Non-Current Assets</u></b>						
	<b><i>a. Fixed Assets</i></b>						
	i. Tangible Assets	1338.21	1342.81	1031.56	663.36	845.87	873.28
	ii. Intangible Assets	-	-	-	-	-	-
	iii. Capital Work in Progress	-	50.53	-	-	-	-
	b. Non-Current Investments	-	-	-	-	-	-
	c. Deferred Tax Assets (Net)	-	-	-	13.82	26.23	12.39
	d. Long Term Loans And Advances	206.51	252.22	207.72	155.30	117.53	110.21
	e. Other Non Current Assets	5.90	-	-	-	-	-
2)	<b><u>Current Assets</u></b>						
	a. Inventories	-	-	-	-	-	-
	b. Trade receivables	6237.39	5337.00	4956.24	5070.29	4572.87	3653.30
	c. Cash and Cash Equivalents	383.41	214.15	281.34	166.04	138.68	122.65
	d. Short-Term Loans And Advances	495.14	427.09	285.65	19.88	24.61	14.12
	e. Other Current Assets	2.81	0.74	-	22.43	15.59	9.34
	<b>TOTAL</b>	<b>8669.38</b>	<b>7624.53</b>	<b>6762.51</b>	<b>6111.09</b>	<b>5741.39</b>	<b>4795.29</b>

**Summary statement of Profit and Loss as Restated**
**Annexure-II  
(Rs. In Lakhs)**

Sr. No.	Particulars	As at Sept 30, 2017	For the year ended March 31,				
			2017	2016	2015	2014	2013
<b>A</b>	<b>INCOME</b>						
	Revenue From Operations	16536.84	21285.06	22042.82	22638.62	18506.90	13536.31
	Other Income	43.93	15.16	13.16	11.81	12.50	9.79
	<b>Total Income (A)</b>	<b>16400.77</b>	<b>21300.22</b>	<b>22055.97</b>	<b>20650.43</b>	<b>18519.40</b>	<b>13546.10</b>
<b>B</b>	<b>EXPENDITURE</b>						
	Gross Transportation Expenses	15335.45	19642.94	20524.10	19492.65	17201.94	12615.50
	Employee benefit expenses	145.00	270.96	226.18	201.16	174.82	158.03
	Financial Cost	174.53	252.39	234.46	234.58	237.93	187.71
	Depreciation and amortization expenses	217.17	326.46	242.48	257.06	412.45	368.93
	Others Expenses	74.97	322.68	625.14	369.66	452.24	222.09
	<b>Total Expenses (B)</b>	<b>15947.12</b>	<b>20815.42</b>	<b>21852.36</b>	<b>20555.11</b>	<b>18479.38</b>	<b>13552.38</b>
<b>C</b>	<b>Profit before exceptional, extraordinary items and tax (A-B)</b>	<b>453.65</b>	<b>484.80</b>	<b>203.61</b>	<b>95.33</b>	<b>40.02</b>	<b>-6.15</b>
<b>D</b>	Add: Exceptional Items	<b>38.49</b>	<b>96.21</b>	<b>90.19</b>	<b>38.92</b>	<b>12.88</b>	<b>-0.11</b>
<b>E</b>	<b>Profit before extraordinary items and tax (C+D)</b>	<b>492.14</b>	<b>581.01</b>	<b>293.80</b>	<b>134.24</b>	<b>52.90</b>	<b>-6.27</b>
<b>F</b>	Prior Period Income/(Expenses)	-	-	-	-	-	-
<b>G</b>	Extraordinary items	-	-	-	-	-	-
<b>H</b>	<b>Profit before tax (E+F+G)</b>	<b>492.14</b>	<b>581.01</b>	<b>293.80</b>	<b>134.24</b>	<b>52.90</b>	<b>-6.27</b>
	<i>Tax expense :</i>						
	(i) Current tax	135.23	153.61	62.86	29.91	32.68	29.89
	(ii) Deferred Tax	5.52	32.06	33.50	12.41	-13.83	-20.24
	(iii) Income Tax for Earlier Years	-	-	15.03	-	33.86	0.48
<b>I</b>	<b>Total Tax Expense</b>	<b>140.75</b>	<b>185.67</b>	<b>111.39</b>	<b>42.32</b>	<b>52.70</b>	<b>10.13</b>
<b>J</b>	<b>Profit/(Loss) for the period After Tax- PAT</b>	<b>351.40</b>	<b>395.34</b>	<b>182.41</b>	<b>91.92</b>	<b>.20</b>	<b>(16.40)</b>



# Summary Statement of Cash Flow as Restated

## Annexure – III (Rs. In Lakhs)

Particulars	For the period ended Sept 30, 2017	For the year ended March 31,				
		2017	2016	2015	2014	2013
<b><u>Cash Flow From Operating Activities:</u></b>						
Net Profit before tax as per Profit And Loss A/c	492.14	581.01	293.80	134.24	52.90	(6.27)
<b>Adjustments for:</b>						
Depreciation & Amortisation Expense	217.17	326.46	242.48	257.06	412.45	368.93
Interest Income	(43.93)	(15.16)	(13.16)	(11.81)	(10.50)	(9.79)
Finance Cost	174.53	252.39	234.46	234.58	237.93	187.71
<b>Operating Profit Before Working Capital Changes</b>	<b>839.92</b>	<b>1,144.69</b>	<b>757.59</b>	<b>614.07</b>	<b>692.78</b>	<b>540.57</b>
Adjusted for (Increase)/ Decrease in:						
Trade Receivables	(900.40)	(380.76)	(114.05)	(497.43)	(919.57)	(453.75)
Loans & Advances	(68.06)	(141.44)	(265.77)	4.73	(10.50)	4.16
Other current assets	(7.97)	(0.74)	22.43	(6.84)	(6.25)	(4.52)
Trade Payables	69.05	(159.33)	(14.94)	481.46	288.82	356.88
Other Current Liabilities	74.11	294.24	33.54	57.37	(4.03)	0.30
Short term provision	80.62	160.48	(11.18)	40.77	(10.50)	(12.03)
<b>Cash Generated From Operations</b>	<b>(752.63)</b>	<b>(227.54)</b>	<b>(121.87)</b>	<b>80.06</b>	<b>(662.03)</b>	<b>(108.96)</b>
Appropriation of Profit						
Net Income Tax paid/ refunded	135.23	153.61	77.89	29.91	66.54	30.38
<b>Net Cash Flow from/(used in) Operating Activities: (A)</b>	<b>(47.95)</b>	<b>763.55</b>	<b>557.82</b>	<b>664.23</b>	<b>(35.79)</b>	<b>401.24</b>
<b><u>Cash Flow From Investing Activities:</u></b>						
Net (Purchases)/Sales of Fixed Assets (including capital work in progress)	(162.04)	(688.24)	(610.71)	(75.55)	(385.04)	(458.24)
Interest Income	43.93	15.16	13.16	11.81	10.50	9.79
Net (Increase)/Decrease in other Non-current assets	45.70	(44.49)	(52.43)	(37.77)	(7.31)	(45.26)
<b>Net Cash Flow from/(used in) Investing Activities: (B)</b>	<b>(72.41)</b>	<b>(717.57)</b>	<b>(649.98)</b>	<b>(101.51)</b>	<b>(381.86)</b>	<b>(493.72)</b>
<b><u>Cash Flow from Financing Activities:</u></b>						
Finance cost	(174.53)	(252.39)	(234.46)	(234.58)	(237.93)	(187.71)

Proceeds From issue of Share Capital	-	-	-	50.37	164.15	-
Net Increase/(Decrease) in Long Term Borrowings	79.28	279.94	159.17	(437.06)	78.94	459.66
Net Increase/(Decrease) in Short Term Borrowings	384.87	(140.72)	282.75	85.92	428.53	(159.26)
<b>Net Cash Flow from/(used in) Financing Activities ( C )</b>	<b>289.62</b>	<b>(113.17)</b>	<b>207.45</b>	<b>(535.36)</b>	<b>433.68</b>	<b>112.69</b>
<b>Net Increase/(Decrease) in Cash &amp; Cash Equivalents (A+B+C)</b>	<b>169.26</b>	<b>(67.18)</b>	<b>115.30</b>	<b>27.36</b>	<b>16.03</b>	<b>20.21</b>
<b>Cash &amp; Cash Equivalents As At Beginning of the Year</b>	<b>214.15</b>	<b>281.34</b>	<b>166.04</b>	<b>138.68</b>	<b>122.65</b>	<b>102.44</b>
<b>Cash &amp; Cash Equivalents As At End of the Year</b>	<b>383.41</b>	<b>214.15</b>	<b>281.34</b>	<b>166.04</b>	<b>138.68</b>	<b>122.65</b>

## THE ISSUE

Following table summarises the present Issue in terms of this Draft Prospectus

Particulars	Details of Equity Shares
Issue of Equity Shares by our Company	Issue of 55,64,000 Equity Shares having face value of Rs. 10.00 each at a price of Rs.30/- per Equity Share (including a share premium of Rs.20 per Equity Share) aggregating Rs.1669.20 lakhs
<i>Of which:</i>	
<b>Market Maker Reservation Portion</b>	Issue of 2,84,000 Equity Shares having face value of Rs.10.00 each at a price of Rs. 30/- per Equity Share aggregating Rs. 85.20 lakhs
<b>Net Issue to the Public*</b>	Issue of 52,80,000 Equity Shares having face value of Rs.10.00 each at a price of Rs. 30/- per Equity Share aggregating Rs. 1584.00lakhs
	<i>Of which:</i>
	26,40,000 Equity Shares having face value of Rs.10.00 each at a price of Rs. 30/- per Equity Share aggregating Rs.792.00 lakhs will be available for allocation to Retail Individual Investors
	26,40,000 Equity Shares having face value of Rs.10.00 each at a price of Rs. 30/- per Equity Share aggregating Rs.792.00 lakhs will be available for allocation to other than Retail Individual Investors
<b>Pre and Post Issue Share Capital of our Company</b>	
<b>Equity Shares outstanding prior to the Issue</b>	1,55,18,790 Equity Shares
<b>Equity Shares outstanding after the Issue</b>	2,10,82,790 Equity Shares
<b>Objects of the Issue</b>	Please refer chapter “ <i>Objects of the Issue</i> ” on page 70 of this Draft Prospectus.

Public issue of up to 55,64,000 Equity Shares of Rs. 10.00 each for cash at a price of Rs. 30.00 per Equity Share of our Company aggregating to Rs. 1669.20 lakhs is being made in terms of Chapter XB of the SEBI (ICDR) Regulations, 2009, as amended from time to time. For further details please refer to section ‘Terms of the Issue’ on page 178 of this Draft Prospectus.

The Issue has been authorised by our Board pursuant to a resolution dated January 10, 2018, and by our Equity Shareholders pursuant to a resolution passed at the extraordinary general meeting held on February 5, 2018.

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

- a) Minimum fifty percent to retail individual investors; and
- b) Remaining to:
  - (i) Individual 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.

## GENERAL INFORMATION

Our Company was originally incorporated as Orissa Bengal Carrier Private Limited as a private limited company under the Companies Act, 1956 with the Registrar of Companies, Gwalior, Madhya Pradesh. Subsequently, our Company was converted into a public limited company and the name of our Company was changed to Orissa Bengal Carrier Limited pursuant to shareholders resolution passed at the Extra Ordinary General Meeting of our Company held on November 05, 2009 and a fresh Certificate of Incorporation was issued by Registrar of Companies, Madhya Pradesh and Chhattisgarh. Dated December 9, 2009.

For details of incorporation, Change of name and Registered Office of our Company, please refer to chapter titled 'Our History and Certain Other Corporate Matters' beginning on page 97 of this Draft Prospectus.

<b>Registration Number</b>	008732
<b>Corporate Identification Number</b>	U63090CT1994PLC008732
<b>Address of Registered office of Companies</b>	Jiwan Bima Marg, Pandri Raipur 492001, Chhattisgarh, India <b>Tel: +91-771-4054518</b> <b>Email: cs@obclimited.com</b> <b>Website : www.obclimited.com/</b>
<b>Address of Registrar of Companies</b>	1st Floor, Ashok Pingley Bhawan, Municipal Corporation, Nehru Chowk, Bilaspur- 495001, Chhattisgarh Phone: (07752)-250092(D), 250094 Fax: (07752)- 250093 Email: <a href="mailto:roc.bilaspur@mca.gov.in">roc.bilaspur@mca.gov.in</a> Website: <a href="http://www.mca.gov.in">www.mca.gov.in</a>
<b>Designated Stock Exchange</b>	BSE Limited
<b>Listing of Shares offered in this Issue</b>	SME Platform of BSE
<b>Contact Person:</b>	Pooja Jain Company Secretary & Compliance Officer, Jiwan Bima Marg, Pandri Raipur 492001, Chhattisgarh, India <b>Tel: 91-771-4054518</b> <b>E-mail: <a href="mailto:cs@obclimited.com">cs@obclimited.com</a></b> <b>Website: <a href="http://www.obclimited.com">www.obclimited.com</a></b>

For details in relation to the changes to the name of our Company, please refer to the section titled "History and Certain Other Corporate Matters" beginning on page 97 of this Draft Prospectus.

### Our Board of Directors

Details regarding our Board of Directors as on the date of this Draft Prospectus are set forth in the table hereunder:

Sr. No.	Name and Designation	DIN/PAN	Address
1	<b>Ratan Kumar Agrawal</b> <i>Managing Director</i>	01608584	A-8, Rajiv Nagar, Extension Raipur 492001, Chhattisgarh, India
2	<b>Manoj Kumar Agrawal</b> <i>Executive Director</i>	01590282	12A, A.B.C Towers, C.A Road, Nagpur- 440018
3	<b>Shakuntala Devi Agrawal</b> <i>Non-Executive Director</i>	01608318	A-8, Rajiv Nagar, Extension Raipur 492001, Chhattisgarh, India
4	<b>Sahil Batra</b> <i>Additional Independent Director</i>	06422459	B-1, Pramila Housing Society, VIP Estate, Vidhan Sabha Road, Raipur, Chhattisgarh- 492007
5	<b>Raj Kumar Jain</b> <i>Additional Independent Director</i>	08015385	At Jain Building, Nuapada, PO/PS Bhawani Patna, District- Kalahandi, Orissa, 766001

For detailed profile of our Directors, refer “Our Management” and “Our Promoters and Promoter Group” on page 101 and 114 respectively of this Draft Prospectus.

### Company Secretary and Compliance Officer

Our Company has appointed Pooja Jain, the Company Secretary of our Company, as the Compliance Officer, whose contact details are set forth hereunder.

#### Pooja Jain

Jiwan Bima Marg, Pandri ,  
Raipur 492001, Chhattisgarh, India

**Tel:** +91-771-4054518

**Email:** cs@obclimited.com

**Website :** www.obclimited.com/

### Chief Financial Officer

Our Company has appointed Akshay Agrawal, as the Chief Financial Officer. His contact details are set forth hereunder.

#### Akshay Agrawal

Jiwan Bima Marg, Pandri ,  
Raipur 492001, Chhattisgarh, India

**Tel:** +91-771-4054518

**E-mail:** agrawal.akshay99@obclimited.com

**Website:** www.obclimited.com

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

Lead Manager of the Issue	Registrar to the Issue
<b>Guinness Corporate Advisors Private Limited</b> Registered Office: 18 Deshapriya Park Road, Kolkata - 700 026, West Bengal, India <b>Tel:</b> +91-33-4057 5555 <b>Fax:</b> +91-33- 4057 5531 <b>Email:</b> <a href="mailto:gcapl@guinnessgroup.net">gcapl@guinnessgroup.net</a> <b>Website:</b> <a href="http://www.guinnessonline.net">www.guinnessonline.net</a> <b>Contact Person:</b> Ms. Alka Mishra / Mr Sanjay Sethi <b>SEBI Registration No.:</b> INM 000011930	<b>Bigshare Services Pvt. Ltd.</b> 1st Floor, Bharat Tin Works Building, Opp. Vasant Oasis, Makwana Road, Marol, Andheri East, Mumbai 400059, <b>Tel :</b> +91-22-6263 8200 <b>Fax :</b> +91-22-6263 8299 <b>E-mail:</b> ipo@bigshareonline.com <b>Website:</b> <a href="http://www.bigshareonline.com/">http://www.bigshareonline.com/</a> <b>Contact Person :</b> Vipin Gupta <b>SEBI Registration No:</b> INR000001385
Banker to the Company	Legal Advisor to the Issue
<b>HDFC BANK LTD</b> B-3& C9, Near Sai Mandir, In front of Officers Colony, Gate No. 2, Devendra Nagar Road, Sai Vihar, Raipur – Chhattisgarh 492009 <b>Tel:</b> +91-9303335837 <b>Email:</b> rahul.asrani@hdfcbank.com <b>Website:</b> <a href="http://www.hdfcbank.com">www.hdfcbank.com</a> <b>Contact Person:</b> Mr. Rahul Asrani  <b>AXIS BANK LTD</b> Loan Centre, Pandri Raipur – Chhattisgarh <b>Tel:</b> +91-0771-4090323 <b>Email:</b> loans@axisbank.com	<b>Rajani Associates</b> 204-207, Krishna Chambers, 59 New Marine Lines, Mumbai 400020, Maharashtra, India <b>Tel :</b> +91-22 4096 1000 <b>Fax :</b> +91-22 4096 1010 <b>Email:</b> <a href="mailto:sangeeta@rajaniassociates.net">sangeeta@rajaniassociates.net</a> <b>Contact Person:</b> Ms Sangeeta Lakhi

<b>Website:</b> <a href="http://www.axisbank.com">www.axisbank.com</a>  <b>ICICI BANK LTD</b> ICICI Bank Tower Near Chakli Circle , Vadodara - 390007 <b>Tel:</b> +91-8690446099 <b>Email:</b> <a href="mailto:customer.care@icicibank.com">customer.care@icicibank.com</a> <b>Website:</b> <a href="http://www.icicibank.com">www.icicibank.com</a>	
Statutory Auditor of the Company	Peer Review Auditor
<b>Agarwal &amp; Pansari</b> 245,2 <sup>nd</sup> Floor, Rishabh Complex,, M.G Road, Raipur (CG) -492001 <b>Tel:</b> +91-771-2227065 <b>E-mail :</b> <a href="mailto:sanskar.anp@gmail.com">sanskar.anp@gmail.com</a> Contact Person : CA Sanskar Agarwal Membership No : 429385 Firm Registration No. : 003350C	<b>Mittal &amp; Associates</b> Chartered Accountants 501, Empress Nucleus, Gaothan Road, opp. Little Flower School, Andheri (East), Mumbai-400069 Tel. No.: +91 22 2683 2311, Fax No.: +91 22 2683 2312 E-mail: <a href="mailto:audit@mittal-associates.com">audit@mittal-associates.com</a> Contact Person: CA Hemant Bohra Membership Number:165667 Firm Registration No.- 106456W
Banker to the Issue	
[*]	

**Applicants can contact the Compliance Officer or the Lead Manager or the Registrar to the Issue in case of any pre-Issue or post-Issue related problems, such as non-receipt of letters of Allotment, credit of Allotted Equity Shares in the respective beneficiary account and refund orders, etc. All complaints, queries or comments received by Stock Exchange / SEBI shall be forwarded to the Lead Manager, who shall respond to the same.**

Applicants may contact the Lead Manager for complaints, information or clarifications pertaining to the Issue.

All grievances may be addressed to the Registrar to the Issue with a copy to the relevant Designated Intermediary with whom the ASBA Form was submitted. The Applicant should give full details such as name of the sole or first Applicant, ASBA Form number, Applicant DP ID, Client ID, PAN, date of the ASBA Form, address of the Applicant, number of the Equity Shares applied for and the name and address of the Designated Intermediary where the ASBA Form was submitted by the Applicant. Further, the investor shall also enclose the Acknowledgment Slip from the Designated Intermediaries in addition to the documents/information mentioned hereinabove.

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

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

#### **Registered Brokers**

In accordance with SEBI Circular No. CIR/CFD/14/2012 dated October 4, 2012 and CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015, Applicants can submit Application Forms with the Registered Brokers at the Broker Centers, CDPs at Designated CDP Locations or the RTAs at the Designated RTA Locations, respective lists of which, including details such as address and telephone numbers, are available at the websites of the BSE at [www.bseindia.com](http://www.bseindia.com), respectively, as updated from time to time.



### **Registrar and Share Transfer Agents**

The list of the RTAs eligible to accept ASBA Forms at the Designated RTA Locations, including details such as address, telephone number and e-mail address, are provided on the websites of Stock Exchange at <http://www.bseindia.com/Static/Markets/PublicIssues/RtaDp.aspx?expandable=6>, as updated from time to time.

### **Collecting Depository Participants**

The list of the CDPs eligible to accept ASBA Forms at the Designated CDP Locations, including details such as name and contact details, are provided on the websites of Stock Exchanges at <http://www.bseindia.com/Static/Markets/PublicIssues/RtaDp.aspx?expandable=6>, as updated from time to time.

### **Credit Rating**

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

### **IPO Grading**

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

### **Brokers to the Issue**

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

### **Expert Opinion**

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

Our Company has received written consent from the Peer Reviewed Auditor namely, M/s Mittal & Associates, Chartered Accountants to include its 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 of the Peer Reviewed Auditor on the Restated Financial Statements, dated February 19, 2018 and the statement of special tax benefits dated February 19, 2018 included in this Draft Prospectus and such consent has not been withdrawn as on the date of this Draft Prospectus.

### **Debenture Trustees**

This is an issue of equity shares hence appointment of debenture trustee is not required.

### **Appraisal and Monitoring Agency**

The objects of the Issue have not been appraised by any agency.

The objects of the Issue and means of finance, therefore, are based on internal estimates of our Company. In terms of Regulation 16 of the SEBI (ICDR) Regulations, we are not required to appoint a monitoring agency since the Issue size is not in excess of Rs. 10,000 lakhs. However, as per Section 177 of the Companies Act, 2013, the Audit Committee of our Company, would be monitoring the utilization of the proceeds of the Offer.

### **Underwriting Agreement**

This Issue less is 100% Underwritten. The Underwriting agreement is dated February 19, 2018. Pursuant to the terms of the Underwriting Agreement, the obligations of the Underwriters are several and are subject to certain conditions specified therein. The Underwriters have indicated their intention to underwrite the following number of specified securities being offered through this Issue.

Details of the Underwriters	No. of shares underwritten *	Amount Underwritten (Rs. in lakhs)	% of the Total Issue Size Underwritten
<b>GUINNESS CORPORATE ADVISORS PRIVATE LIMITED</b> 18, Deshapriya Park Road, Kolkata-700 026 <b>Tel :</b> +91-33-4057 5555 <b>Fax:</b> +91-33-4057 5531 <b>Email:</b> <a href="mailto:gcapl@guinnessgroup.net">gcapl@guinnessgroup.net</a> <b>Website:</b> <a href="http://www.guinnessonline.net">www.guinnessonline.net</a> <b>Contact Person:</b> Ms. Alka Mishra / Mr Sanjay Sethi <b>SEBI Registration No:</b> INM 000011930	834600	250.38	15%
<b>NNM SECURITIES PRIVATE LIMITED</b> 1111, Stock Exchange Tower, 11 <sup>th</sup> Floor, Dalal Street, Fort , Mumbai – 400023 <b>Tel :</b> +91-22-22722280 <b>Fax:</b> +91-22-22722279 <b>Email:</b> <a href="mailto:nikunj.a.mittal@gmail.com">nikunj.a.mittal@gmail.com</a> <b>Contact Person:</b> Mr. Nikunj Mittal <b>SEBI Registration No:</b> INB 011044634	4729400	1418.82	85%

*\*Includes 284000 Equity shares of Rs.30 each for cash of the Market Maker Reservation Portion which are to be subscribed by the Market Maker in its own account in order to claim compliance with the requirements of Regulation 106 V (4) of the SEBI (ICDR) Regulations, 2009, as amended.*

In the opinion of our Board of Directors, the resources of the above mentioned Underwriters are sufficient to enable them to discharge the underwriting obligations in full. The abovementioned Underwriters are registered with SEBI under Section 12(1) of the SEBI Act or registered as broker with the Stock Exchange.

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

Our Company has entered into Market Making Agreement dated February 24, 2018 with the Lead Manager and Market Maker, duly registered with BSE to fulfil the obligations of Market Making:

The details of Market Maker are set forth below:

<b>Name</b>	NNM Securities Private Limited
<b>Corporate Office Address</b>	NNM House , Shri Siddhi Vinayak Plaza, B 6 & 7, IInd Floor, Plot No 31, CT No, 602, Village Oshiwara,, Off Link Road, Andheri (West), Mumbai 400053
<b>Tel no.</b>	+91-22-40790000-40790099
<b>Fax no.</b>	+91 22 40790041
<b>Email</b>	<a href="mailto:support@nnmsecurities.com">support@nnmsecurities.com</a>
<b>Website</b>	<a href="http://www.nnmsecurities.com">www.nnmsecurities.com</a>
<b>Contact Person</b>	Nikunj Mittal
<b>SEBI Registration No.</b>	INB011044634

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

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

- 1) The Market Maker 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. The spread (difference between the sell and the buy quote) shall not be more than 10% or as specified by the Stock Exchange. Further, the Market Maker shall inform the Stock 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 Rs.1,00,000. However, the investors with holdings of value less than Rs.1,00,000 shall be allowed to offer their holding to the Market Maker (individually or jointly) in that scrip provided that they sell their entire holding in that scrip in one lot along with a declaration to the effect to the selling broker.
- 3) After a period of three (3) months from the market making period, the market maker would be exempted to provide quote if the Shares of market maker in our Company reaches to 25%. (Including the 5% of Equity Shares of the Issue.) Any Equity Shares allotted to Market Maker under this Issue over and above 5% of Issue Size would not be taken in to consideration of computing the threshold of 25%. As soon as the shares of Market Maker in our Company reduce to 24%, the market maker will resume providing 2-way quotes.
- 4) There shall be no exemption/threshold on downside. However, in the event the Market Maker exhausts its inventory through market making process, the concerned stock exchange may intimate the same to SEBI after due verification.
- 5) Execution of the order at the quoted price and quantity must be guaranteed by the Market Maker, for the quotes given by it.
- 6) There would not be more than five Market Makers for a script at any point of time and the Market Makers may compete with other Market Makers for better quotes to the investors.
- 7) The shares of the Company will be traded in continuous trading session from the time and day the company gets listed on SME Platform of BSE and Market Maker will remain present as per the guidelines mentioned under BSE and SEBI circulars.

There will be special circumstances under which the Market Maker may be allowed to withdraw temporarily/fully from the market – for instance due to system problems, any other problems. All controllable reasons require prior approval from the Exchange, while *force-majeure* will be applicable for non-controllable reasons. The decision of the Exchange

- 8) *Majeure* will be applicable for non-controllable reasons. The decision of the Exchange for deciding controllable and non-controllable reasons would be final.
- 9) The Market Maker shall have the right to terminate said arrangement by giving a three month notice or on mutually acceptable terms to the Merchant Banker, 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 Maker either as a replacement of the current Market Maker or as an additional Market Maker subject to the total number of Designated Market Makers does not exceed five or as specified by the relevant laws and regulations applicable at that particulars point of time. The Market Making Agreement is available for inspection at our Registered Office from 11.00 a.m. to 5.00 p.m. on working days.

- 10) **Risk containment measures and monitoring for Market Makers:** BSE SME Exchange will have all margins which are applicable on the BSE Main Board viz., Mark-to-Market, Value-At-Risk (VAR) Margin, Extreme Loss Margin, Special Margins and Base Minimum Capital etc. BSE can impose any other margins as deemed necessary from time-to-time.

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

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

- 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 ` 250 crores, the applicable price bands for the first day shall be:
- i) In case equilibrium price is discovered in the Call Auction, the price band in the normal trading session shall be 5% of the equilibrium price.
  - ii) In case equilibrium price is not discovered in the Call Auction, the price band in the normal trading session shall be 5% of the issue price.

Additionally, the trading shall take place in TFT segment for first 10 days from commencement of trading. The following spread will be applicable on the SME Exchange/ Platform.

Sr. No.	Market Price Slab (In `)	Proposed Spread (in % to Sale Price)
1	Up to 50	9
2	50 to 75	8
3	75 to 100	6
4	Above 100	5

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

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

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

## CAPITAL STRUCTURE

The Equity Share capital of our Company, as on the date of this Draft Prospectus and after giving effect to the Issue is set forth below:

S. No.	Particulars	Amount (Rs. in lakhs)	
		Aggregate nominal value	Aggregate value at Issue Price
<b>A.</b>	<b>Authorised Share Capital</b>		
	24,000,000 Equity Shares of face value of Rs.10 each	2400.00	-
<b>B.</b>	<b>Issued, Subscribed and Paid-Up Share Capital before the Issue</b>		
	15,518,790 Equity Shares of face value of Rs.10.00 each	1551.88	-
<b>C.</b>	<b>Present Issue in terms of this Draft Prospectus</b>		
	Issue of 55,64,000 Equity Shares of Rs. 10.00 each at a price of Rs. 30.00 per Equity Share	556.40	1669.20
	<i>Which comprises:</i>		
	2,84,000 Equity Shares of Rs. 10.00 each at a price of Rs.30.00 per Equity Share reserved as Market Maker portion	28.40	85.20
	Net Issue to the Public of 52,80,000 Equity Shares of Rs. 10.00 each at a price of Rs.30.00 per Equity Share	528.00	1584.00
	<i>Of which:</i>		
	26,40,000 Equity Shares of Rs. 10.00 each at a price of Rs.30.00 per Equity Share will be available for allocation to Retail Individual Investors upto Rs. 2.00 Lakhs	264.00	792.00
	26,40,000 Equity Shares of Rs. 10.00 each at a price of Rs.30.00 per Equity Share will be available for allocation to Other than Retail Individual Investors above Rs. 2.00 Lakhs	264.00	792.00
<b>D.</b>	<b>Issued, Subscribed and Paid-up Share Capital after the Issue</b>		
	21,082,790 Equity Shares	2108.28	-
<b>E.</b>	<b>Securities Premium Account</b>		
	Before the Issue	1236.60	
	After the Issue	2349.40	

*The Issue has been authorised by our Board pursuant to a resolution dated January 10, 2018 and by our Equity Shareholders pursuant to a resolution passed at the extraordinary general meeting held on February 05, 2018.*

### Notes to the Capital Structure

#### 1. Details of increase in authorised Share Capital:

Since the incorporation of our Company, the authorised share capital of our Company has been altered in the manner set forth below:

Particulars of Change		Date of Shareholders' Meeting	AGM/EGM
From	To		
5,0000 Equity Shares of Rs.10 each		On incorporation	-
50,000 Equity Shares of Rs.10 each	1,00,000 Equity Shares of Rs.10 each	11/12/1997	EGM
1,00,000 Equity Shares of Rs.10 each	2,00,000 Equity Shares of Rs.10 each	25/08/2006	EGM
2,00,000 Equity Shares of Rs.10 each	5,00,000 Equity Shares of Rs.10 each	24/10/2009	EGM
5,00,000 Equity Shares of Rs.10 each	20,00,000 Equity Shares of Rs.10 each	26/03/2012	EGM
20,00,000 Equity Shares of Rs. 10 each	2,40,00,000 Equity Shares of Rs. 10 each	05/02/2018	EGM

## 2. History of Issued and Paid Up Share Capital of our Company

(a) The history of the equity share capital of our Company is set forth below:

Date of allotment	Number of Equity Shares allotted	Face value (Rs.)	Issue Price (Rs.)	Nature of Consideration	Nature of allotment	Cumulative number of Equity Shares	Cumulative paid-up Equity Share capital (Rs.)
01/11/1994	20	10.00	10.00	Cash	Subscriber to MoA <sup>(i)</sup>	20	200
01/05/1995	29,980	10.00	10.00	Cash	Rights Issue <sup>(ii)</sup>	30,000	3,00,000
28/03/1997	13,600	10.00	10.00	Cash	Rights Issue <sup>(iii)</sup>	43,600	4,36,000
30/03/1998	25,800	10.00	10.00	Cash	Rights Issue <sup>(iv)</sup>	69,400	6,94,000
25/03/1999	17,600	10.00	10.00	Cash	Rights Issue <sup>(v)</sup>	87,000	8,70,000
16/03/2000	3,200	10.00	10.00	Cash	Rights Issue <sup>(vi)</sup>	90,200	9,02,000
01/11/2002	2,000	10.00	50.00	Cash	Further Allotment <sup>(vii)</sup>	92,200	9,22,000
31/03/2006	800	10.00	50.00	Cash	Right Issue <sup>(viii)</sup>	93,000	9,30,000
08/02/2007	57,000	10.00	100.00	Cash	Further Allotment <sup>(ix)</sup>	150,000	15,00,000
31/03/2007	200	10.00	10.00	Cash	Rights Issue <sup>(x)</sup>	1,50,200	15,02,000
31/03/2008	32,500	10.00	200.00	Cash	Further Allotment <sup>(xi)</sup>	1,82,700	18,27,000
31/03/2009	10,000	10.00	200.00	Cash	Further Allotment <sup>(xii)</sup>	1,92,700	19,27,000
31/03/2010	2,00,000	10.00	100.00	Cash	Further Allotment <sup>(xiii)</sup>	3,92,700	39,27,000
31/03/2011	53,000	10.00	1000.00	Cash	Further Allotment <sup>(xiv)</sup>	4,45,700	44,57,000
31/03/2012	17,000	10.00	1000.00	Cash	Further Allotment <sup>(xv)</sup>	4,62,700	46,27,000
31/03/2012	10,90,000	10.00	10.00	Cash	Rights Issue <sup>(xvi)</sup>	15,52,700	1,55,27,000
31/03/2014	1,16,000	10.00	125.00	Cash	Rights Issue <sup>(xvii)</sup>	16,68,700	1,66,87,000
31/03/2014	15,320	10.00	125.00	Cash	Rights Issue <sup>(xviii)</sup>	16,84,020	1,68,40,200
21/03/2015	40,000	10.00	125.00	Other than cash	Conversion of Unsecured Loan <sup>(xix)</sup>	17,24,020	1,72,40,200



Date of allotment	Number of Equity Shares allotted	Face value (Rs.)	Issue Price (Rs.)	Nature of Consideration	Nature of allotment	Cumulative number of Equity Shares	Cumulative paid-up Equity Share capital (Rs.)
21/03/2015	290	10.00	126.00	Other than cash	Conversion of Unsecured Loan <sup>(xx)</sup>	17,24,310	1,72,43,100
10/02/2018	13,794,480	10.00	10.00	Other than cash	Bonus Issue in the ratio 8 Equity Shares for every 1 Equity Share <sup>(xxi)</sup>	15,518,790	15,51,87,900

**(i) Initial Subscribers to the Memorandum of Association of our Company:**

S.N.	Name	No. of Equity Shares
1.	Ratan Kumar Agrawal	10
2.	Shakuntala Devi Agrawal	10
<b>Total</b>		<b>20</b>

**(ii) Rights Issue of 29,980 Equity Shares: -**

S.N.	Name	No. of Equity Shares
1.	Ratan Kumar Agarwal	4,990
2.	Sakuntala Devi Agarwal	490
3.	Sakuntala Devi Sharma	1,000
4.	Renu Devi Agarwal	2,000
5.	D.C. Sharma	1,000
6.	Rishi Kumar & Sons (HUF)	2,000
7.	Savita Agarwal	2,000
8.	Y. Shiba Chandrakar Rao	1,700
9.	Balarj Singh Deo	2,000
10.	Promod Tripathy	1,400
11.	Sanod Hota	1,400
12.	Promod Kumar Tandy	2,100
13.	Mamta Agarwal	1,200
14.	Suman Sharma	900
15.	Kapoor Chand Agarwal	1,200
16.	Mahadev Prasad Agarwal	800
17.	Sunita Modi	1,200
18.	Kedar Nath Soni	800
19.	Om Prakash Soni	1,000
20.	Manoj Agarwal	800
<b>Total</b>		<b>29,980</b>

**(iii) Rights Issue of 13,600 Equity Shares: -**

S.N.	Name	No. of Equity Shares
1.	Shashi Devi Agrawal	2,800
2.	Subhash Mittal	1,000
3.	Mamta Agrawal	2,000
4.	D.C. Sharma	600
5.	Pursottam Agarwal	2,800

6.	Manoj Agrawal	2,000
7.	J.D. Mishra	1,200
8.	Ram Deo Rai	1,200
<b>Total</b>		<b>13,600</b>

**(iv) Rights Issue of 25,800 Equity Shares**

S.N.	Name	No. of Equity Shares
1.	Ashok Kumar Agarwal	3,000
2.	Subhash Mittal	1,600
3.	S.C. Upadhaya	2,000
4.	D.C. Sharma	2,000
5.	Tilakraj Agarwal	3,000
6.	Manoj Agarwal	1,000
7.	J.D. Mishra	1,200
8.	Ram Deo Rai	1,200
9.	Manoj Kumar Agarwal	1,600
10.	Sunder Lal Sharma	1,800
11.	Shakuntala Devi Sharma	2,400
12.	Shakuntala Devi Agarwal	5,000
<b>Total</b>		<b>25,800</b>

**(v) Rights Issue of 17,600 Equity Shares: -**

S.N.	Name	No. of Equity Shares
1.	Ratan Lal Agarwal	2,000
2.	BanaRsi Devi Agarwal	5,600
3.	Rakesh Agarwal	5,000
4.	Shakuntala Devi Agarwal	5,000
<b>Total</b>		<b>17,600</b>

**(vi) Rights Issue of 3,200 Equity Shares: -**

S.N.	Name	No. of Equity Shares
1.	J.D. Mishra	1,600
2.	Ram Deo Rai	1,600
<b>Total</b>		<b>3,200</b>

**(vii) Further allotment of 2,000 Equity Shares: -**

S.N.	Name	No. of Equity Shares
1.	Sunita Devi Mittal	200
2.	Sonal Agarwal	200
3.	Charanjeet Singh Saluja	200
4.	Sapna Agarwal	200
5.	Arun Kumar Sharma	200
6.	Gayatri Agarwal	200
7.	Mangaturam Agarwal (HUF)	200
8.	Babita Ratusaria	200
9.	Mohan Lal (HUF)	200
10.	Badri Prasad Gupta	200
<b>Total</b>		<b>2,000</b>

**(viii) Rights Issue of 8,00 Equity Shares: -**

S.N.	Name	No. of Equity Shares
1.	Maya Purwar	200
2.	Sharda Purwar	200
3.	Arun Kumar Purwar	200
4.	Meera Devi Agarwal	200
<b>Total</b>		<b>800</b>

**(ix) Further allotment of 57,000 Equity Shares: -**

S.N.	Name	No. of Equity Shares
1.	Sperm Dealcon Private Limited	5,000
2.	Show House Tradecom Pvt. Ltd.	10,000
3.	Kasera Agencies Pvt. Ltd.	15,000
4.	Bhadani Financier Pvt. Ltd.	15,000
5.	Majestri Sales Promotion Pvt. Ltd.	7,000
6.	Mauryan Mercantiles Pvt. Ltd.	5,000
<b>Total</b>		<b>57,000</b>

**(x) Rights Issue of 200 Equity Shares: -**

S.N.	Name	No. of Equity Shares
1.	Sushil Kumar Goyal	100
2.	Manju Goyal	100
<b>Total</b>		<b>200</b>

**(xi) Further allotment of 32,500 Equity Shares: -**

S.N.	Name	No. of Equity Shares
1.	Ganadhipati Trades & Credits (P) Ltd.	2,500
2.	Sperm Dealcon Pvt. Ltd.	2,500
3.	Show House Tradecom Pvt. Ltd.	2,500
4.	Sweta Holdings Pvt. Ltd.	5,000
5.	Jajodia Finance Pvt. Ltd.	7,500
6.	Natraj Vincom Pvt. Ltd.	2,500
7.	Apurva Barter Pvt. Ltd.	2,500
8.	Uplink Marketing Pvt. Ltd.	2,500
9.	Chhattisgarh Biri Patta	2,500
10.	Nilhat Promoters & Fiscal Pvt. Ltd.	2,500
<b>Total</b>		<b>32,500</b>

**(xii) Further allotment of 10,000 Equity Shares: -**

S.N.	Name	No. of Equity Shares
1.	Rajhans Dealers Pvt. Ltd.	5,000
2.	Minolta Vyapaar Pvt. Ltd.	5,000
<b>Total</b>		<b>10,000</b>

**(xiii) Further allotment of 2,00,000 Equity Shares: -**

S.N.	Name	No. of Equity Shares
1.	Minolta Vyapaar Pvt. Ltd.	10,000
2.	Hoogly Jute Mills (Vizianagram) Pvt. Ltd.	30,000
3.	Hoogly Jute Mills (East Coast) Pvt. Ltd.	20,000
4.	Hoogly Jute Mills (Bobbili) Pvt. Ltd.	30,000
5.	Rimjhim Sales Agency Pvt. Ltd.	10,000
6.	Pushpanjali Intrade Pvt. Ltd.	20,000
7.	Pushkar Dealers Pvt. Ltd.	10,000
8.	Winsher Vinimoy Pvt. Ltd.	20,000
9.	Rajhans Dealers Pvt. Ltd.	10,000
10.	Active Vincom Pvt. Ltd.	10,000
11.	Koel Tradecom Pvt. Ltd.	30,000
<b>Total</b>		<b>2,00,000</b>

**(xiv) Further allotment of 53,000 Equity Shares: -**

S.N.	Name	No. of Equity Shares
1.	Rajhans Dealer Pvt. Ltd.	2,000
2.	Pushkar Dealers Pvt. Ltd.	1,000
3.	Winsher Vinimoy Pvt. Ltd.	1,000
4.	Active Vinicom Pvt. Ltd.	2,000
5.	Hooghly Jute Mills (East Coast) Pvt. Ltd.	1,000
6.	Hooghly Jute Mills (Vizianagaram) Pvt. Ltd.	1,000
7.	Jiwanjyoti Vinimoy Pvt. Ltd.	1,000
8.	Truevally Merchants Pvt. Ltd.	1,000
9.	Haralalka Commercial Pvt. Ltd.	1,000
10.	Nilhat Promoters & Fiscal Pvt. Ltd.	3,000
11.	Ranjit Distributors Pvt. Ltd.	3,000
12.	Yulan Marketing Pvt. Ltd.	3,000
13.	Chatishgarh Biri Patta Pvt. Ltd.	1,000
14.	One2e Solutions India Pvt. Ltd.	2,000
15.	Sidh Housing Development Company Ltd.	2,000
16.	Albatross Share Registry Pvt. Ltd.	2,000
17.	Novelty Traders Ltd.	2,000
18.	Oshin Investments & Finance Pvt. Ltd.	2,000
19.	Nextgen Tradecom Pvt. Ltd.	2,500
20.	Vijaypath Retails Pvt. Ltd.	2,500
21.	Parasmani Vintrade Pvt. Ltd.	2,500
22.	Jiban Jyoti Vinimoy Pvt. Ltd.	3,000
23.	Rajlaxmi Dealcom Pvt. Ltd.	3,000
24.	Rexnox Trexim Pvt. Ltd.	2,000
25.	Divy Prakash Suppliers Pvt. Ltd.	4,500
26.	Kalpana Parmar	1,000
27.	Sudheswar Prasad Tripathi	1,000
<b>Total</b>		<b>53,000</b>

**(xv) Further allotment of 17,000 Equity Shares: -**

S.N.	Name	No. of Equity Shares
1.	Pacific Vintrade Pvt. Ltd.	1,000
2.	Pushpanjali Intratrade Pvt. Ltd. (Business)	2,000
3.	Wonderland Merchants Pvt. Ltd. (Business)	1,000
4.	Truevally Merchants Pvt. Ltd.	2,000
5.	Winsher Vinimay Pvt. Ltd.	2,000

6.	Ramdoot Vanijya Pvt. Ltd.	1,000
7.	Pushar Dealers Pvt. Ltd.	1,000
8.	Happy Dealtrade Pvt. Ltd.	2,000
9.	Matarani Commodities Pvt. Ltd.	5,000
<b>Total</b>		<b>17,000</b>

**(xvi) Rights Issue of 10,90,000 Equity Shares: -**

S.N.	Name	No. of Equity Shares
1.	Ratan Kumar Agrawal	2,00,000
2.	Shakuntala Devi Agarwal	1,00,000
3.	Manoj Kumar Agrawal	2,50,000
4.	Sonal Agrawal	3,00,000
5.	Banarsi Devi Agrawal	2,40,000
<b>Total</b>		<b>10,90,000</b>

**(xvii) Rights Issue of 1,16,000 Equity Shares: -**

S.N.	Name	No. of Equity Shares
1.	Active Vinicom Pvt. Ltd.	8,000
2.	Amtek Distributors Pvt. Ltd.	16,000
3.	Fasttrack Tie Up (P) Ltd.	8,000
4.	Hooghly Jute Mills (Vizianagram) Pvt. Ltd. Business	8,000
5.	Matrix Distributors Pvt. Ltd.	16,000
6.	Northstar Dealers Pvt. Ltd.	24,000
7.	Pushkar Dealers Pvt. Ltd.	20,000
8.	Subhlabh Prints (P) Ltd.	8,000
9.	Truevally Merchants Pvt. Ltd.	8,000
<b>Total</b>		<b>1,16,000</b>

**(xviii) Rights Issue of 15,320 Equity Shares: -**

S.N.	Name	No. of Equity Shares
1.	Shakuntala Devi Sharma	8,680
2.	Sundarlal Sharma	6,640
<b>Total</b>		<b>15,320</b>

**(xix) Conversion of Unsecured Loan to Equity: -**

S.N.	Name	No. of Equity Shares
1.	Amtek Distributors Private Limited	16,000
2.	Apurva Barter Private Limited	8,000
3.	Rajhans Dealers Private Limited	8,000
4.	Rimjhim Sales Agency Private Limited	8,000
<b>Total</b>		<b>40,000</b>

**(xx) Conversion of Unsecured Loan to Equity: -**

S.N.	Name	No. of Equity Shares
1.	Shakuntala Devi Sharma	290
<b>Total</b>		<b>290</b>

**(xxi) Bonus Issue of 13,794,480 Equity Shares in the ratio 8:1: -**

S.N.	Name	No. of Equity Shares
1.	RSR Infrastructure Pvt. Ltd.	16,00,000
2.	Banarsi Devi Agrawal	3,64,800

3.	Ganga Devi Agrawal	28,800
4.	Manoj Kumar Agrawal	21,58,400
5.	Nirmal Kumar Agrawal	6,400
6.	Rakesh Agrawal	64,000
7.	Ratan Kumar Agrawal	26,04,800
8.	Renu Devi Agrawal	43,920
9.	Rishi Kumar & Sons	16,000
10.	Shashi Devi Agrawal	22,400
11.	Shakuntala Agrawal	26,36,000
12.	Shakuntala Devi Sharma	1,06,240
13.	Shibu Kumar Agrawal	20,800
14.	Sonal Agrawal	24,01,600
15.	Subhash Chand Mittal	20,800
16.	Sundarlal Sharma	83,520
17.	Sunita Devi Mittal	1,600
18.	Anmol Agrawal	5,600
19.	Manoj Agrawal & Sons	72,000
20.	Nayan Agrawal	53,600
21.	Ritik Agrawal	33,600
22.	Shiv Kumar Agrawal (HUF)	1,600
23.	Ashish Sikka	1,68,000
24.	Ruhi Ravinder Gupta	1,68,000
25.	Sanjay Patodia	64,000
26.	Lal Srichand Kataria (HUF)	1,12,000
27.	Srichand Valiram Kataria (HUF)	1,68,000
28.	Sunita Santulal Khyani	1,40,000
29.	Hardik Desai	68,000
30.	Bhuta Indraben K	56,000
31.	Suketu Kanaiyalal Bhuta	56,000
32.	Bhuta Suketu K (HUF)	56,000
33.	Palak Ashish Bhuta	56,000
34.	Bhuta Pallaviben S	56,000
35.	Ashish K Bhuta	56,000
36.	Bhuta Ashish K (HUF)	56,000
37.	Kanaiyalal Amrutlal Bhuta (HUF)	56,000
38.	Bhuta Bhavesh Kanaiyalal (HUF)	56,000
39.	Kanaiyalal Amrutlal Bhuta	56,000
<b>Total</b>		<b>1,37,94,480</b>

### 3. Issue of Equity Shares for Consideration other than Cash.

We have not issued any Equity Shares for consideration other than cash except as set forth below:

Date of allotment	No. of Equity Shares	Face value (Rs.)	Issue price (Rs.)	Consideration	Nature of allotment	Benefits Accrued to our Company
21/03/2015	40,000	10	125	Other than Cash	Conv. Of Unsecured Loan	Nil
21/03/2015	290	10	126	Other than Cash	Conv. Of Unsecured Loan	Nil
10/02/2018	1,37,94,480	10	-	Other than Cash	Bonus in the ratio of 8:1	Nil



For details of allottees of the above allotment, please see notes under the table titled “*The history of the equity share capital of our Company*” on page 48 of this Draft Prospectus.

4. No Equity Shares have been allotted pursuant to any scheme approved under Sections 391-394 of the Companies Act, 1956 or Section 230-233 of the Companies Act, 2013.
5. We have not revalued our assets since inception and have not issued any equity share (including bonus shares) by capitalizing any revaluation reserves.
6. **Issue of Shares in the preceding two years**

For details of issue of Shares by our Company in the preceding two years, see refer “*Capital Structure*” on page 47 of this Draft Prospectus.

**7. Issue of Equity Shares in the last one year from the date of filing of this Draft Prospectus**

Except for the following issue of Equity Shares, our Company has not issued any Equity Shares in the one year immediately preceding the date of this Draft Prospectus at a price which is lower than the Issue Price.

Date of allotment	Number of Equity Shares allotted	Face value (Rs.)	Issue Price (Rs.)	Nature of Consideration	Nature of allotment	% of Pre-Issue Equity Share Capital	% of Post-Issue Equity Share Capital
10/02/2018	1,37,94,480	10.00	Nil	Other Than Cash	Bonus in the ratio of 8:1	88.89%	65.43%

**8. Build Up of our Promoters’ Shareholding, Promoters’ Contribution and Lock-In**

As on the date of this Draft Prospectus, our Promoters hold 8,324,100 Equity Shares, constituting 53.64% of the pre-issued, subscribed and paid-up Equity Share capital of our Company.

**(a) Build-up of our Promoters’ shareholding in our Company**

Date of Allotment / Transfer	Nature of acquisition (Allotment/ Acquired/ transfer)	Number of Equity Shares	Face Value per	Issue Price /Acquisition Price / Transfer price	Nature of Consideration	% Pre-Issue paid up capital	% Post issue paid up capital
<b>Ratan Kumar Agrawal</b>							
01/11/1994	Subscription to MoA	10	10.00	10.00	Cash		
01/05/1995	Rights Issue	4,990	10.00	10.00	Cash		
25/03/1999	Rights Issue	2,000	10.00	10.00	Cash		
15/03/2008	Acquired from Dharma Chand Sharma	1,800	10.00	10.00	Cash		
15/03/2008	Acquired from Ashok Kumar Agrawal	1,500	10.00	10.00	Cash		
25/03/2009	Acquired from Sprem Dealcom Pvt. Ltd.	7,500	10.00	10.00	Cash		

25/03/2009	Acquired from Show house tradecom (P) Ltd.	12,500	10.00	10.00	Cash		
25/03/2009	Acquired from Kesara Agencies (P) Ltd.	15,000	10.00	10.00	Cash		
25/03/2009	Acquired from Bhadhani Financer (P) Ltd.	15,000	10.00	10.00	Cash		
25/03/2009	Acquired from Majestri Sales Promotion (P) Ltd.	7,000	10.00	10.00	Cash		
25/03/2009	Acquired from Mayuram Mercantiles (P) Ltd.	5,000	10.00	10.00	Cash		
25/03/2009	Acquired from Ganadhipati Traders & credits Pvt. Ltd.	2,500	10.00	10.00	Cash		
25/03/2009	Acquired from Shweta Holdings Pvt. Ltd.	5,000	10.00	10.00	Cash		
25/03/2009	Acquired from Jajodida Finance (P) Ltd.	7,500	10.00	10.00	Cash		
25/03/2009	Acquired from Natraj Vincom (P) Ltd.	2,500	10.00	10.00	Cash		
25/03/2009	Acquired from Apurva Barter (P) Ltd.	2,500	10.00	10.00	Cash		
25/03/2009	Acquired from UP Link Marketing (P) Ltd.	2,500	10.00	10.00	Cash		
25/03/2009	Acquired from Chhattisgarh Biri Patta (P) Ltd.	2,500	10.00	10.00	Cash		
25/03/2009	Acquired from Nilhat Promoters & Fiscal (P) Ltd.	2,500	10.00	10.00	Cash		
28/02/2010	Acquired from Rajhans Dealers Pvt. Ltd.	5,000	10.00	10.00	Cash		
28/02/2010	Acquired from Milota Vyapar Pvt. Ltd.	5,000	10.00	10.00	Cash		
31/03/2012	Acquired from Jiwanyoti Vinimay pvt. Ltd.	1,000	10.00	10.00	Cash		
31/03/2012	Acquired from Truevalley Merchants Pvt. Ltd.	1,000	10.00	10.00	Cash		
31/03/2012	Acquired from Haralaka Commercial Pvt. Ltd.	1,000	10.00	10.00	Cash		
31/03/2012	Acquired from Yulan Marketing Pvt. Ltd.	3,000	10.00	10.00	Cash		

31/03/2012	Acquired from Nilhan Promoters & Fiscal Pvt. Ltd.	3,000	10.00	10.00	Cash		
31/03/2012	Rights Issue	2,00,000	10.00	10.00	Cash		
30/03/2013	Acquired from Truevalley Merchants Pvt. Ltd.	2,000	10.00	10.00	Cash		
30/03/2013	Acquired from Pushpanjali Intrade Pvt. Ltd.	2,000	10.00	10.00	Cash		
30/03/2013	Acquired from Pacific Vintrade (P) Ltd.	1,000	10.00	10.00	Cash		
30/03/2013	Acquired from Wonderland Merchants (P) Ltd.	1,000	10.00	10.00	Cash		
30/03/2016	Transfer to Krika Speciality Foods Pvt. Ltd.	10	10.00	10.00	Cash		
19/05/2016	Acquired from Sushil Kumar Goyal	100	10.00	10.00	Cash		
19/05/2016	Acquired from Manju Goyal	100	10.00	10.00	Cash		
19/05/2016	Acquired from Krika Speciality Foods	10	10.00	10.00	Cash		
19/05/2016	Acquired from Maya Purwar	200	10.00	10.00	Cash		
19/05/2016	Acquired from Sharda Purwar	200	10.00	10.00	Cash		
19/05/2016	Acquired from Arun Kumar Purwar	200	10.00	10.00	Cash		
10/02/2018	Bonus Issue in ratio 8:1	26,04,800	10.00	-	Other then cash		
<b>Sub-total (A)</b>		<b>29,30,400</b>				<b>18.88</b>	<b>13.90</b>
<b>Shakuntala Devi Agarwal</b>							
01/11/1994	Subscription to MoA	10	10.00	10.00	Cash		
01/05/1995	Rights Issue	490	10.00	10.00	Cash		
30/03/1998	Rights Issue	5,000	10.00	10.00	Cash		
25/03/1999	Rights Issue	5,000	10.00	10.00	Cash		
31/03/2012	Acquired from Chhattisgarh Biri Patta Pvt. Ltd.	1,000	10.00	10.00	Cash		
31/03/2012	Acquired from Albatross Share Registry Pvt. Ltd.	2,000	10.00	10.00	Cash		
31/03/2012	Acquired from Sidh Housing Development Company ltd.	2,000	10.00	10.00	Cash		
31/03/2012	Acquired from Novely Traders Ltd.	2,000	10.00	10.00	Cash		
31/03/2012	Acquired from Oshin Investments Finance Pvt. Ltd.	2,000	10.00	10.00	Cash		

31/03/2012	Acquired from One2e Solutions India(P) Ltd.	2,000	10.00	10.00	Cash		
31/03/2012	Acquired from Rajhans Dealer Pvt. Ltd.	2,000	10.00	10.00	Cash		
31/03/2012	Rights Issue	1,00,000	10.00	10.00	Cash		
01/01/2013	Acquired from Banarshi Devi Agrawal	2,00,000	10.00	10.00	Cash		
30/03/2013	Acquired from Pushkar Dealers Pvt. Ltd.	1,000	10.00	10.00	Cash		
30/03/2013	Acquired from Winsher Vinimay Pvt. Ltd.	2,000	10.00	10.00	Cash		
30/03/2013	Acquired from Ramdoot Vanijya Pvt. Ltd.	1,000	10.00	10.00	Cash		
30/03/2013	Acquired from Happy Dealtrade Pvt. Ltd.	2,000	10.00	10.00	Cash		
10/02/2018	Bonus issue in ratio 8:1	26,36,000	10.00	-	Other than cash		
<b>Sub-total(B)</b>		<b>29,65,500</b>				<b>19.10</b>	<b>14.06</b>
<b>Manoj Kumar Agarwal</b>							
28/03/1997	Allotment	2,000	10.00	10.00	Cash		
30/03/1998	Rights Issue	1,000	10.00	10.00	Cash		
15/03/2008	Acquired from Babita Ratusarai	200	10.00	10.00	Cash		
15/03/2008	Acquired from Mohan Lal (HUF)	200	10.00	10.00	Cash		
15/03/2008	Acquired from Badri Prasad Gupta	200	10.00	10.00	Cash		
15/03/2008	Acquired from Meera Devi Agrawal	200	10.00	10.00	Cash		
15/03/2008	Acquired from Ashok Kumar Agrawal	1,500	10.00	10.00	Cash		
15/03/2008	Aquired from Arun Kumar Sharma	200	10.00	10.00	Cash		
15/03/2008	Aquired from Suman Sharma	900	10.00	10.00	Cash		
15/03/2008	Aquired from Dharam Chand Sharma	1,800	10.00	10.00	Cash		
15/03/2008	Aquired from Janardan Mishra	4,000	10.00	10.00	Cash		
15/03/2008	Aquired from Charan Jeet Saluja	200	10.00	10.00	Cash		
15/03/2008	Aquired from Ram Deo Rai	4,000	10.00	10.00	Cash		
15/03/2008	Aquired from S.C. Upadhaya	2000	10.00	10.00	Cash		

31/03/2012	Rights Issue	2,50,000	10.00	10.00	Cash		
30/03/2016	Transfer to Ashish Agrawal	200	10.00	10.00	Cash		
30/03/2016	Transfer to Nirmal Kumar Agarwal (HUF)	200	10.00	10.00	Cash		
30/03/2016	Transfer to Shiv Kumar Agrawal (HUF)	200	10.00	10.00	Cash		
19/05/2016	Aquired from Kalpana Parmar	1,000	10.00	10.00	Cash		
19/05/2016	Aquired from Sudheswar Prasad Tripathi	1,000	10.00	10.00	Cash		
10/02/2018	Bonus Issue	21,58,400	10.00	-	Other Than Cash		
<b>Sub-total(C)</b>		<b>24,28,200</b>				<b>15.64</b>	<b>11.51</b>
<b>Sub-total(A+B+C)</b>		<b>83,24,100</b>				<b>53.64</b>	<b>39.48</b>

Our Promoters have confirmed to the Company and the LM that the acquisitions of the Equity Shares forming part of the Promoters' Contribution have been financed from personal funds/internal accruals and no loans or financial assistance from any banks or financial institution has been availed by for this purpose. All the Equity Shares held by our Promoters were fully paid-up on the respective dates of acquisition of such Equity Shares. As on the date of this Draft Prospectus, none of the Equity Shares held by our Promoters are pledged.

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

Pursuant to the SEBI (ICDR) Regulations, an aggregate of at least 20% of the post Issue Equity Share capital of our Company held by our Promoters shall be considered as promoters' contribution ("*Promoters Contribution*") and locked-in for a period of three years from the date of Allotment.

Our Promoters have granted consent to include such number of Equity Shares held by them as may constitute 20% of the post issue Equity Share capital of our Company as Promoters Contribution and have agreed not to sell or transfer or pledge or otherwise dispose of in any manner, the Promoters Contribution from the date of filing of this Draft Prospectus until the commencement of the lock-in period specified above. Details of the Equity Shares forming part of Promoters Contribution and proposed to be locked-in for a period of three years are as follows:

Date of Allotment	Nature of acquisition	Number of Equity Shares	Face Value per Equity Share (in Rs.)	Issue price per Equity Share (in Rs.)	Nature of Consideration	% of Pre-Issue Equity Share Capital	% of Post-Issue Equity Share Capital
<b>Shakuntala Devi Agrawal</b>							
10/02/2018	Bonus Issue	21,28,000	10.00	Nil	Other Than Cash	13.71	10.09
<b>Ratan Kumar Agrawal</b>							
10/02/2018	Bonus Issue	21,28,000	10.00	Nil	Other Than Cash	13.71	10.09
<b>Total</b>		<b>42,56,000</b>				<b>27.42</b>	<b>20.18</b>

For details on build-up of Equity Shares held by our Promoters, refer “*Build-up of our Promoters’ shareholding in our Company*” at page 55 of this Draft Prospectus.

The Equity Shares that are being locked-in are not, and will not be, ineligible for computation of Promoters’ Contribution under Regulation 33 of the SEBI (ICDR) Regulations. In this computation, as per Regulation 33 of the SEBI Regulations, our Company confirms that the Equity Shares locked-in do not, and shall not, consist of:

- (i) The Equity Shares acquired during the three years preceding the date of this Draft Prospectus (a) for consideration other than cash and revaluation of assets or capitalization of intangible assets, or (b) bonus shares issued out of revaluations reserves or unrealized profits or against equity shares which are otherwise ineligible for computation of Promoters’ Contribution;
- (ii) The Equity Shares acquired during the year preceding the date of this Draft Prospectus, at a price lower than the price at which the Equity Shares are being offered to the public in the Issue;
- (iii) Equity Shares issued to the Promoters during the preceding one year upon conversion of a partnership firm; and
- (iv) Equity Shares held by the Promoters that are subject to any pledge or any other form of encumbrance.

Specific written consent has been obtained from the Promoters for inclusion of the Equity Shares for ensuring lock-in of three years to the extent of minimum 20% of post Issue Paid-up Equity Share Capital from the date of allotment in the proposed public Issue.

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.

The Equity Shares held by our Promoters may be transferred to and among the Promoter Group or to new Promoters or persons in control of our Company, subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with the Takeover Code, as applicable.

***(c) Equity Shares locked-in for one year***

Other than the Equity Shares held by our Promoters, which will be locked-in as minimum Promoters’ contribution for three years, all pre-Issue Equity Shares shall be subject to lock-in for a period of one year from the date of Allotment in this Issue.

***(d) Other requirements in respect of ‘lock-in’***

Pursuant to Regulation 39 of the SEBI (ICDR) Regulations, the locked-in Equity Shares held by our Promoters can be pledged with any scheduled commercial bank or public financial institution as collateral security for loans granted by such scheduled commercial bank or public financial institution, provided that (i) the pledge of shares is one of the terms of sanction of the loan and (ii) if the shares are locked-in as Promoter’s contribution for three years under Regulation 36(a) of the SEBI (ICDR) Regulations, then in addition to the requirement in (i) above, such shares may be pledged only if the loan has been granted by the scheduled commercial bank or public financial institution for the purpose of financing one or more of the objects of the Issue.

Pursuant to Regulation 40 of the SEBI (ICDR) Regulations, Equity Shares held by our Promoters, which are locked-in in accordance with Regulation 36 of the SEBI (ICDR) Regulations, may be transferred to and among our Promoters and any member of the 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 transferee for the remaining period and compliance with the Takeover Regulations, as applicable.

Further, pursuant to Regulation 40 of the SEBI (ICDR) Regulations, Equity Shares held by shareholders other than

our Promoters which are locked-in in accordance with Regulation 37 of the SEBI (ICDR) Regulations, may be transferred to any other person holding shares which are locked-in, subject to continuation of the lock-in in the hands of the transferee for the remaining period and compliance with the Takeover Regulations, as applicable.

9. ***Our shareholding patterns***

Pursuant to Regulation 31 of the Listing Regulations, the holding of specified securities is divided into the following three categories:

- (a) Promoter and Promoter Group;
- (b) Public; and
- (c) Non-Promoter - Non-Public.



Category (I)	Category of shareholder (II)	Nos. of shareholders (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)	Shareholding as a % of total no. of shares (calculate as per SCRR, 1957) As a % of (A+B+C2) (VIII)	Number of Voting Rights held in each class of securities (XI)				No. of Shares Underlying Outstanding convertible securities (including Warrants) (X)	Shareholding as a % assuming full conversion of convertible securities (as a % of diluted share capital) As a % of (A+B+C2) (XI) = (VII) + (X)	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form (XIV)
								Class: Equity	Class: preference	Total	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)	
(A)	Promoter & Promoter Group	9	13,337,100	-	-	13,337,100	85.93	13,337,100	-	13,337,100	85.93	-	85.93	-	-	-	-	-
(B)	Public	30	2,181,690	-	-	2,181,690	14.07	2,181,690	-	2,181,690	14.07	-	14.07	-	-	-	-	-
(C)	Non-Promoter-Non Public	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C1)	Shares underlying DRs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C2)	Shares held by Employee Trusts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Category (I)	Category of shareholder (II)	Nos. of shareholders (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)	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B+C2) (VIII)	Number of Voting Rights held in each class of securities (XI)				No. of Shares Underlying Outstanding convertible securities (including Warrants) (X)	Shareholding as a % assuming full conversion of convertible securities (as a % of diluted share capital) As a % of (A+B+C2) (XI) = (VII) + (X)	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form (XIV)
								No of Voting Rights	Total	Class: Equity	Class: preference	as a % of (A+B+C)		No	As a % of (a)	No.	As a % of (b)	
	<b>Total</b>	<b>39</b>	<b>15,518,790</b>	<b>-</b>	<b>-</b>	<b>15,518,790</b>	<b>100.00</b>	<b>15,518,790</b>	<b>-</b>	<b>15,518,790</b>	<b>-</b>	<b>-</b>	<b>100.00</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

Note: The term “Encumbrance” has the same meaning as assigned under regulation 28(3) of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.

(a) Our Company will file the shareholding pattern of our Company in the form prescribed under Regulation 31 of SEBI (LODR) Regulations, one day prior to the listing of the Equity Shares. The shareholding pattern will be uploaded on the website of BSE before commencement of trading of our Equity Shares.

(b) There are no Equity Shares against which depository receipts have been issued.

(c) Other than the Equity Shares, there is no other class of securities issued by our Company.

10. The shareholding pattern of our Company before and after the Issue is set forth below:

Sr. No.	Particulars	Pre-Issue		Post Issue	
		No. of Shares	% Holding	No. of Shares	% Holding
a)	Promoters	83,24,100	53.64	83,24,100	39.48
b)	Promoter Group	50,13,000	32.30	50,13,000	23.78
c)	Public	21,81,690	14.06	77,45,690	36.74
	<b>Total</b>	<b>1,55,18,790</b>	<b>100</b>	<b>2,10,82,790</b>	<b>100</b>

11. The shareholding pattern of our Promoters and Promoter Group before and after the Issue is set forth below:

S. N.	Particulars	Pre-Issue		Post Issue	
		No. of Shares	% Holding	No. of Shares	% Holding
<b>A)</b>	<b>Promoters</b>				
	Ratan Kumar Agrawal	29,30,400	18.89	29,30,400	13.90
	Shakuntala Devi Agrawal	29,65,500	19.10	29,65,500	14.06
	Manoj Kumar Agrawal	24,28,200	15.65	24,28,200	11.52
	<b>Total (A)</b>	<b>8,324,100</b>	<b>53.64</b>	<b>83,24,100</b>	<b>39.48</b>
<b>B)</b>	<b>Promoter Group</b>				
	Banarasi Devi Agrawal	4,10,400	2.64	4,10,400	1.95
	Sunita Devi Mittal	1,800	0.01	1,800	0.008
	Sonal Agrawal	2,701,800	17.40	2701,800	12.82
	Rishi Kumar & Sons	18,000	0.11	18,000	0.085
	Manoj Agrawal & Sons	81,000	0.52	81,000	0.384
	RSR Infrastructure Pvt. Ltd.	18,00,000	11.60	18,00,000	8.54
	<b>Total (B)</b>	<b>50,13,000</b>	<b>32.30</b>	<b>50,13,000</b>	<b>23.78</b>
	<b>Total(A+B)</b>	<b>1,33,37,100</b>	<b>85.93</b>	<b>1,33,37,100</b>	<b>63.26</b>

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

Name of the Promoters	No. of Equity Shares held	Average cost of Acquisition (in Rs.)
Ratan Kumar Agrawal	29,30,400	1.73
Shakuntala Devi Agrawal	29,65,500	1.89
Manoj Kumar Agrawal	24,28,200	1.22

13. None of our Directors or Key Managerial Personnel Hold Equity Shares in our Company, other than as set forth below:

Particulars	No. of Equity Shares held	Pre-Issue percentage of Shareholding
Ratan Kumar Agrawal	29,30,400	18.89
Shakuntala Devi Agrawal	29,65,500	19.10
Manoj Kumar Agrawal	24,28,200	15.65

Pooja Jain (KMP)	-	-
Akshay Agarwal (KMP)	-	-

**14. Particulars of top ten shareholders and the number of Equity Shares held by them are set forth below:**

*(a) Particulars of the top ten shareholders as on the date of this Draft Prospectus:*

Sr. No.	Name of shareholder	No. of Equity Shares	% of Pre-Issued Capital
1.	Shakuntala Devi Agrawal	29,65,500	19.11
2.	Ratan Kumar Agrawal	29,30,400	18.88
3.	Sonal Agrawal	27,01,800	17.41
4.	Manoj Kumar Agrawal	24,28,200	15.65
5.	RSR Infrastructure Pvt. Ltd.	18,00,000	11.60
6.	Banarasi Devi Agrawal	4,10,400	2.64
7.*	Ashish Sikka, Ruhi Ravinder Gupta	1,89,000	1.22
7.*	Ruhi Ravinder Gupta	1,89,000	1.22
7.*	Srichand Valiram Kataria (HUF)	1,89,000	1.22
8.	Sunita Santulal Khyani	1,57,500	1.01
9.	Lal Srichand Kataria (HUF)	1,26,000	0.81
10.	Shakuntala Devi Sharma	1,19,520	0.77
<b>Total</b>		<b>1,42,06,320</b>	<b>91.54</b>

*\*On Sr. 7, there are 3 shareholders holding 1,89,000 Shares each.*

*(b) Particulars of top ten shareholders ten days prior to the date of this Draft Prospectus:*

Sr. No.	Name of shareholder	No. of Equity Shares	% of Pre-Issued Capital
1.	Shakuntala Devi Agrawal	29,65,500	19.11
2.	Ratan Kumar Agrawal	29,30,400	18.88
3.	Sonal Agrawal	27,01,800	17.41
4.	Manoj Kumar Agrawal	24,28,200	15.65
5.	RSR Infrastructure Pvt. Ltd.	18,00,000	11.60
6.	Banarasi Devi Agrawal	4,10,400	2.64
7.*	Ashish Sikka	1,89,000	1.22
7.*	Ruhi Ravinder Gupta	1,89,000	1.22
7.*	Srichand Valiram Kataria (HUF)	1,89,000	1.22
8.	Sunita Santulal Khyani	1,57,500	1.01
9.	Lal Srichand Kataria (HUF)	1,26,000	0.81
10.	Shakuntala Devi Sharma	1,19,520	0.77
<b>Total</b>		<b>1,42,06,320</b>	<b>91.54</b>

*\*On Sr. 7, there are 3 shareholders holding 1,89,000 Shares each.*

*(c) Particulars of the shareholders two years prior to the date of this Draft Prospectus:*

Sr. No.	Name of shareholder	No. of Equity Shares	% of Pre-Issued Capital
1.	Ratan Kumar Agrawal	3,24,800	2.09
2.	Shakuntala Devi Agrawal	3,29,500	2.12
3.	Renu Devi Agrawal	5,200	0.03
4.	Shakuntala Devi Sharma	13,280	0.09
5.	Rishi Kumar & Sons	2,000	0.01

6.	Savita Agrawal	2,000	0.01
7.	Kapoor Chand Agrawal	2,600	0.02
8.	Sunita Modi	1,200	0.01
9.	Manoj Kumar Agrawal	1,600	0.01
10.	Shashi Devi Agrawal	2,800	0.02
11.	Subhash Chand Mittal	2,600	0.02
12.	Manoj Kumar Agrawal	2,68,400	1.73
13.	Sunder Lal Sharma	10,440	0.07
14.	Tilakraj Agrawal	3,000	0.02
15.	BanarasiDevi Agrawal	45,600	0.29
16.	Rakesh Agrawal	5,000	0.03
17.	Nirmal Kumar Agrawal	800	0.01
18.	Shibu Kumar Agrawal	1,700	0.01
19.	Chanda Devi Agrawal	800	0.01
20.	Bichitra Nand Sahu	1,400	0.01
21.	Suresh Kumar Agrawal	1,400	0.01
22.	Ganga Devi Agrawal	2,000	0.01
23.	Poonam Chand Agrawal	2,100	0.01
24.	Sunita Devi Mittal	200	0.00
25.	Sonal Agrawal	30,200	1.93
26.	Sapna Agrawal	200	0.00
27.	Gayatri Devi Agrawal	200	0.00
28.	Mangtu Ram Agrawal (HUF)	200	0.00
29.	Maya Purwar	200	0.00
30.	Sharda Purwar	200	0.00
31.	Arun Kumar Purwar	200	0.00
32.	Sushil Kumar Goyal	100	0.00
33.	Manju Goyal	100	0.00
34.	RSR Infrastructure Pvt. Ltd.	2,00,000	1.29
35.	Parasmani Vintraders (P) Ltd.	2,500	0.02
36.	Jibanjyoti Vinimay (P) Ltd.	3,000	0.02
37.	DivyaPraksh Suppliers (P) Ltd.	4,500	0.03
38.	Rajlaxmi Dealcom Pvt. Ltd.	3,000	0.02
39.	Rexnox Trexim Pvt. Ltd.	2,000	0.01
40.	Nextgen Tradecom Pvt. Ltd.	2,500	0.02
41.	Vijaypath Retails (P) Ltd.	2,500	0.02
42.	Kalpana Parmar	1,000	0.01
43.	Sudheshwar Prasad Tripathi	1,000	0.01
44.	Manoj Agrawal & Sons	9,000	0.06
45.	Matarani Commodities Trading Pvt. Ltd.	5,000	0.03
46.	Hoogley Jute Mills Pvt. Ltd. (Vizinagram)	8,000	0.05
47.	Pushkar Dealers (P) Ltd.	20,000	0.13
48.	Active Vinicom Pvt. Ltd.	8,000	0.05
49.	Truevalley Merchants Pvt. Ltd.	8,000	0.05
50.	Subhlab Printers (P) Ltd.	8,000	0.05
51.	Matrix Distributors Pvt. Ltd.	16,000	0.10

52.	Amtek Distributors Pvt. Ltd.	16,000	0.21
53.	Northstar Dealers Pvt. Ltd.	24,000	0.15
54.	Fasttrack Tie-up (P) Ltd.	8,000	0.05
55.	Anguri Devi Jain	10	0.00
56.	Ankur Losalka	10	0.00
57.	Ankit Losalka	10	0.00
58.	Apurva barter (P) ltd.	8,000	0.05
59.	Indraj Agrawal	15	0.00
60.	Jadavji Tank	15	0.00
61.	Neha Goyal	10	0.00
62.	Megha Goyal	10	0.00
63.	Prabhavati Tank	15	0.00
64.	Praveen Kumar Agrawal	10	0.00
65.	Radhe Shyam Agrawal	10	0.00
66.	Rajeeb Kumar Agrawal	10	0.00
67.	Rajhans Dealers Pvt. Ltd.	8,000	0.05
68.	Renu Losalka	10	0.00
69.	Rimjhim Sales Agency (P) Ltd.	8,000	0.05
70.	Shankar lal Dixit	20	0.00
71.	Shanti Bai Agrawal	15	0.00
72.	Shanti Dixit	10	0.00
73.	Sumit Upadhyay	10	0.00
74.	Suman Lal Dixit	15	0.00
75.	Sumitraa Devi Poddar	20	0.00
76.	Sushil Kumar & Sons Losalka	10	0.00
77.	Sushil Kumar Goyal & Sons	10	0.00
78.	Sushil Kumar Losalka	10	0.00
79.	Tilka Devi Jain	10	0.00
80.	Vishal Goyal	10	0.00
81.	Sunjay Jain	15	0.00
<b>Total</b>		<b>17,24,310</b>	<b>11.11</b>

15. Our Company has not revalued its assets since inception and has not issued any Equity Shares (including bonus shares) by capitalizing any revaluation reserves. Our Company has not issued any Equity Shares pursuant to any scheme approved under Sections 391-394 of the Companies Act, 1956 or 230-233 of the Companies Act, 2013.
16. Our Company does not have any Employee Stock Option Scheme / Employee Stock Purchase Plan for our employees and we do not intend to allot any shares to our employees under Employee Stock Option Scheme / Employee Stock Purchase Plan from the proposed Issue. As and when, options are granted to our employees under the Employee Stock Option Scheme, our Company shall comply with the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014.
17. There will be no further issue of capital, whether by way of issue of bonus shares, preferential allotment, rights issue or in any other manner during the period commencing from the date of this Draft Prospectus until the Equity Shares have been listed. Further, our Company presently does not have any intention or proposal to alter our capital structure for a period of six months from the date of opening of this Issue, by way of split / consolidation of the denomination of Equity Shares or further issue of Equity Shares (including issue of securities convertible

into exchangeable, directly or indirectly, for our Equity Shares) whether preferential or otherwise, except that if we enter into acquisition(s) or joint venture(s), we may consider additional capital to fund such activities or to use Equity Shares as a currency for acquisition or participation in such joint ventures.

18. There has been no purchase or sell of Equity Shares by the Promoters and Promoter Group, and our Directors during a period of six months preceding the date on which this Draft Prospectus is filed with BSE.
19. No financing arrangements have been entered into by the members of the Promoter Group, the Directors, or their relatives for the purchase by any other person of the securities of our Company other than in the normal course of business of the financing entity during a period of six months preceding the date of filing of this Draft Prospectus with the BSE.
20. Our Company, our Promoters, our Directors and the Lead Manager to this Issue have not entered into any buy-back, standby or similar arrangements with any person for purchase of our Equity Shares issued by our Company through this Draft Prospectus.
21. There are no safety net arrangements for this public issue.
22. An oversubscription to the extent of 10% of the Issue can be retained for the purposes of rounding off to the minimum allotment lot and multiple of one share thereafter, while finalizing the Basis of Allotment. Consequently, the actual allotment may go up by a maximum of 10% of the Issue as a result of which, the post-issue paid up capital after the Issue would also increase by the excess amount of allotment so made. In such an event, the Equity Shares held by the Promoters and subject to lock- in shall be suitably increased so as to ensure that 20% of the Post Issue paid-up capital is locked in for 3 years.
23. Under-subscription in the net Issue, 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 BSE.
24. As on the date of filing of this Draft Prospectus, there are no outstanding warrants, options or rights to convert debentures, loans or other financial instruments into our Equity Shares.
25. All the Equity Shares of our Company are fully paid up as on the date of this Draft Prospectus. Further, since the entire money in respect of the Issue is being called on application, all the successful applicants will be issued fully paid-up equity shares.
26. As per RBI regulations, OCBs are not allowed to participate in this Issue.
27. Our Company has not raised any bridge loan against the proceeds of this Issue. However, depending on business requirements, we might consider raising bridge financing facilities, pending receipt of the issue Proceeds.
28. Our Company undertakes that at any given time, there shall be only one denomination for our Equity Shares, unless otherwise permitted by law.
29. Our Company shall comply with such accounting and disclosure norms as specified by SEBI from time to time.
30. No payment, direct or indirect in the nature of discount, commission, allowances or otherwise shall be made either by us or our Promoters to the persons who receive allotments, if any, in this Issue.
31. We have Thirty-nine (39) Shareholders as on the date of this Draft Prospectus.
32. Our Promoters and the members of our Promoter Group will not participate in this Issue.
33. Our Company has not made any public issue since its incorporation.
34. As on the date of this Draft Prospectus, the Lead Manager and their respective associates (determined as per the



definition of 'associate company' under Section 2(6) of the Companies Act, 2013) do not hold any Equity Shares in our Company.

35. Our Company shall ensure that transactions in the Equity Shares by the Promoters and the Promoter Group between the date of filing this Draft Prospectus and the Issue Closing Date shall be reported to the Stock Exchange within twenty-four hours of such transaction.
36. For the details of transactions by our Company with our Promoter Group, Group Companies during the financial years ended March 31, 2013, 2014, 2015, 2016 and 2017, and for the period ended September 30, 2017 please refer '*Financial Statements*' on page 122 of this Draft Prospectus.

## OBJECTS OF THE ISSUE

The objects of the Issue are:

1. Funding working capital requirements
2. Issue Expenses

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

The main object clause of Memorandum of Association of our Company enables us to undertake the activities for which the funds are being raised by us through the Issue. Further, we confirm that the activities which we have been carrying out till date are in accordance with the object clause of our Memorandum of Association. For the main object clause of our Memorandum of Association, please refer “History and Certain Other Corporate Matters” on page 97 of this Draft Prospectus.

### Requirements of Funds

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

S. No.	Particulars	Amount (Rs. in Lakhs)
1.	Funding of working capital requirements of the Company	1622.51
2.	Issue Expenses*	46.69
<b>Total</b>		<b>1669.20</b>

\* As on February 22, 2018, our Company has incurred Rs 3.57 Lakhs towards issue expenses.

\* Plus applicable taxes

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

### Means of Finance

We intend to entirely finance our objects from issue proceeds. In the event any additional payments are required to be made for financing our objects, it shall be made from our existing identifiable internal accruals.

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

### Details of the objects of the Issue

#### 1. Funding of working capital requirements of the Company

We operate as a pan-India surface logistics mainly providing Full Truck load Transport Services. Our operational infrastructure for the goods transportation business has a growing network of branches spread across the various regions of the country, which serves as strategic transshipments hubs for our operations. We operate different types of trucks on the basis of design and size along with varying capacities.

Due to intense competition in this industry, from the organized as well from the unorganized sector, we cannot always dictate payment terms with our customers and suppliers. Also, many of our customers are big corporate houses. Thus, our current credit period is very considerably high and not uniform for different customers. Further, recent volatility in the global economy and the subsequent volatility of economic activity in India, various companies for which we transport goods and cargo, have been facing liquidity pressures and if the same were to continue we may not be able to reduce the credit period to our customers substantially in order to reduce our working capital gap. This is one of the main reasons for increase in our working capital requirements.

### Basis of Estimation of Working Capital Requirements

Our Company's existing working capital requirements and funding on the basis of our restated financial statements as of March 31, 2017 and Sep 30, 2017 are set out in the table below:

(Rs. in Lakhs)

Particulars	For the period ended Sep 30, 2017	For the period ended March 31, 2017
<b>Current Assets</b>		
Inventories	0.00	0.00
Trade Receivables	6237.39	5,337.00
Cash and Cash Equivalents	383.41	214.15
Short Term Loans and Advances	495.14	427.09
Other Current Assets	2.81	0.74
<b>Total Current Assets(A)</b>	<b>7118.75</b>	<b>5,978.98</b>
<b>Current Liabilities</b>		
Trade Payables	1774.76	1,705.71
Other Current Liabilities	470.87	400.02
Short Term Provisions	297.59	216.97
<b>Total Current Liabilities(B)</b>	<b>2543.22</b>	<b>2,322.7</b>
<b>Total Working Capital Requirement(A-B)</b>	<b>4580.86</b>	<b>3656.28</b>
<b>Funding Pattern</b>		
Working Capital funding from Banks*	1181.29	796.42
Internal Accruals	3394.24	2859.86

\*The actual available sanction for working capital is Rs. 1200.00 lacs. For further details of the sanctioned limits, please refer the chapter "Financial Indebtedness" on page 147 of the Draft prospectus.

The details of our Company's estimated working capital requirements as at March 31, 2018 and the funding of the same are as set out in the table below:-

(Rs. in Lakhs)

Particulars	For the period ended March 31, 2018(Estimated)
<b>Current Assets</b>	
Inventories	0
Trade Receivables	6750.00
Cash & Cash Equivalents	186.15
Other Current Assets including investment	425.00
<b>Total Current Assets(A)</b>	<b>7361.15</b>
<b>Current Liabilities</b>	
Trade Payables	575.00
Other Current Liabilities	400.01
Short Term Provisions	205.00

<b>Total Current Liabilities(B)</b>	<b>1180.01</b>
<b>Total Working Capital Requirement(A-B)</b>	<b>6181.14</b>
<b>Funding Pattern</b>	
Working Capital funding from Banks	1200
Net Issue Proceeds to be utilized	1622.51
Internal Accruals	3358.63

#### Assumption of Holding Level

(No. of days)

Particulars	Holding Levels as of March 31, 2016	Holding Levels as of March 31, 2017	Holding Levels as of March 31, 2018(Estimated)
<b>Current Assets</b>			
Trade Receivables	81	90	80
<b>Current Liabilities</b>			
Trade Payables	33	31	8

#### Assumption for Working Capital requirements

Particulars	Assumptions made and justification
<b>Current Assets</b>	
Trade Receivables	Trade Receivable days as per historic performance from restated audited financial statements as adjusted for expected future performance and growth of business.
Loans and Advances	This amount includes various deposits and advance taxes. Currently, we have approximately 2% of our cost of sales as total outstanding loans & advances and we expect the same to marginally lower at 1.54% for the F. Y. 2017-18.
<b>Current Liabilities</b>	
Trade Payables	Trade Payables are mainly for lorry hire payables and payables for fuel, spares, utilities, etc. We are proposing to lower down the holding period of creditors and generally pay the same within approximately 7-10 days as against the present level of 30-35 days.

## 2. Issue Related Expenses

The total expenses of the Issue are estimated to be approximately Rs.46.69 Lakhs. The expenses of this Issue include, among others Issue management fees, underwriting commission, printing and stationery expenses, advertisement expenses and legal fees etc. The estimated Issue expenses are as follows:

(Rs. in Lakhs)

Activity	Amount (Rs.in Lakhs)	Percentage of the total Issue expenses	Percentage of The total Issue
Issue Management fees including, fees and reimbursement of Underwriting, commission, Brokerages, payment to other intermediaries such as legal advisor, peer review auditor, Registrars etc.	35.00	74.96	2.10
Regulatory and other fees	2.50	5.35	0.15
Other Expenses (printing, stationery expenses, postage etc.)	9.19	19.68	0.55

<b>Total estimated Issue expenses</b>	46.69	100.00	2.80
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### Proposed year-wise deployment of funds:

The issue proceeds are currently expected to be deployed in accordance with the schedule as stated below:

Particulars	Amount to be funded from the issue proceeds	(Rs. in Lakhs) Estimated Utilization Financial Year 2018
Funding of working capital requirements of the Company	1622.51	1622.51
Issue Expenses	46.69	46.69
<b>Total</b>	<b>1669.20</b>	<b>1669.20</b>

### Details of funds already deployed till date and sources of funds deployed

The funds deployed up to February 22, 2018 pursuant to the object of this Issue as certified by the Auditor of our Company, viz. M/s Agarwal & Pansari, Chartered Accountants pursuant to their certificate dated February 22, 2018, is given below:

Deployment of Funds	(Rs. in Lakhs) Amount
Funding of working capital requirements of the Company	-
Issue Expenses	3.57
<b>Total</b>	<b>3.57</b>

Sources of Funds	(Rs. in Lakhs) Amount
Internal Accruals	3.57
<b>Total</b>	<b>3.57</b>

*Note: The amount deployed so far toward issue expenses shall be recouped out of the issue proceeds.*

### Bridge Financing

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

### Appraisal by Appraising Agency

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

### Shortfall of Funds

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

### **Interim use of Funds**

Our Company, in accordance with the policies established by the Board from time to time, will have flexibility to deploy the Issue proceeds. The proceeds of the Issue pending utilization for the purposes stated in this section shall be deposited only in Scheduled Commercial Banks included in the Second Schedule of Reserve Bank of India Act, 1934. In accordance with Section 27 of the Companies Act, 2013, our Company confirms that it shall not use the proceeds of the Issue for any investment in the equity markets.

### **Monitoring of Utilization of Funds**

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

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

### **Variation in Objects**

-

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

### **Other confirmations**

There is no material existing or anticipated transactions with our Promoters, our Directors, our Company's Key Managerial Personnel and Group Entities, in relation to the utilization of the proceeds of the Issue. No part of the issue proceeds will be paid by us as consideration to our Promoters, our Directors or Key Managerial Personnel or our Group Entities, except in the normal course of business and in compliance with the applicable laws.

## BASIC TERMS OF THE ISSUE

The Equity Shares, now being issued, are subject to the terms and conditions of this Draft Prospectus, Application form, Confirmation of Allocation Note (CAN), the Memorandum and Articles of Association of our Company, the guidelines for listing of securities issued by the Government of India and SEBI (ICDR) Regulations, 2009, the Depositories Act, Stock Exchange, RBI, ROC and/or other authorities as in force on the date of the Issue and to the extent applicable. In addition, the Equity Shares shall also be subject to such other conditions as may be incorporated in the Share Certificates, as per the SEBI (ICDR) Regulations, 2009 notifications and other regulations for the issue of capital and listing of securities laid down from time to time by the Government of India and/or other authorities and other documents that may be executed in respect of the Equity Shares.

This Issue has been authorized by the Board of Directors pursuant to a board resolution dated January 10, 2018 and by the shareholders of our Company pursuant to a special resolution dated February 05, 2018 passed at the EGM of shareholders under section 62 (1)(c) of the Companies Act, 2013.

<b>Face Value</b>	Equity Share shall have the face value of Rs.10.00 each.
<b>Issue Price</b>	Equity Share is being issued at a price of Rs. 30.00 each and is at 3.00 times of Face Value.
<b>Market Lot and Trading Lot</b>	The Market lot and Trading lot for the Equity Share is 4,000 and the multiple of 4,000; subject to a minimum allotment of 4,000 Equity Shares to the successful applicants.
<b>Terms of Payment</b>	100% of the issue price of Rs. 30.00 each shall be payable on Application. For more details please refer " <i>Issue Procedure</i> " on page 185 of this Draft Prospectus.
<b>Ranking of the Equity Shares</b>	The Equity Shares shall be subject to the Memorandum and Articles of Association of the Company and shall rank pari-passu in all respects including dividends with the existing Equity Shares of the Company. The Allottees in receipt of Allotment of Equity Shares under this Issue will be entitled to dividends and other corporate benefits, if any, declared by the Company after the date of Allotment. For further details, please see " <i>Main Provisions of Articles of Association</i> " on page 226 of this Draft Prospectus.

### Minimum Subscription

This Issue is not restricted to any minimum subscription level. This Issue is 100% underwritten. If the Issuer does not receive the subscription of 100% of the Issue through this offer document including devolvment of Underwriter 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 prescribed time after the Issuer becomes liable to pay the amount, the Issuer shall pay interest prescribed under section 40 of the Companies Act, 2013.

For further details, please refer to section titled "*Terms of the Issue*" beginning on page 178 of this Draft Prospectus.



## 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 Rs.10/- and Issue Price is Rs. 30/- per Equity Shares i.e. 3.00 times the face value.

Investors should read the following summary with the “Risk Factors” beginning from page 14 of this Draft Prospectus, section titled “Our Business” beginning from page 84 and “Financial Statements” beginning from page 122 of this Draft Prospectus. 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 help differentiate us from our competitors and enable us to compete successfully in our industry:

- Experienced Management Team
- Quality Service Delivery
- Strategic Location
- Established relationships with our customers

For further details, refer chapter titled “Our Business” beginning from page 84 of this Draft Prospectus.

### Quantitative Factors

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

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

Period	Basic and Diluted EPS (in Rs.)	Weight
March 31, 2015	5.33	1
March 31, 2016	10.58	2
March 31, 2017	22.93	3
<b>Weighted Average</b>	<b>15.88</b>	
For the period ended sept 30, 2017*	<b>20.38</b>	

\*Not Annualized

#### 2. Price / Earnings Ratio (P/E) in relation to the Issue Price of Rs. 30.00

Particulars	P/E Ratio
P/E ratio based on the Basic & Diluted EPS, as restated for FY 2016-17	1.31
P/E ratio based on the Weighted Average EPS, as restated	1.89
<b>Industry P/E*</b>	
Highest	52.40
Lowest	14.96
<b>Industry Composite</b>	<b>29.74</b>

\*The Industry high and low has been considered based on the financials from the Industry Peer Set consisting of Tiger Logistics (India) Limited, Chartered Logistics Limited and VRL Logistics. The Industry composite has been calculated as the arithmetic average P/E of the Industry peer set provided below. For further details, please see “Peer Group Comparison of Accounting Ratios” provided below.

### 3. Return on Net Worth

Period	RONW (%)	Weight
March 31, 2015	4.12%	1
March 31, 2016	7.55%	2
March 31, 2017	14.07%	3
<b>Weighted Average</b>	<b>10.24%</b>	
For the period ended Sept 30, 2017*	11.11%	

\*Not Annualized

**Note:** The RONW has been computed by dividing net profit after tax (as restated), by Net worth (as restated) as at the end of the year.

4. Minimum return on post Issue Net Worth to maintain the Pre-issue EPS for the year ended March 31, 2017 :- **11.80%**

### 5. Net Asset Value (NAV) per Equity Share

S.N.	Particulars	(Rs.)
a)	As on March 31, 2017	163.05
b)	As on Sep 30, 2017	183.44
c)	After Issue	22.92
d)	Issue Price	30.00

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

### 6. Peer Group Comparison of Accounting Ratios:

Particulars	Face Value (Rs)	EPS (Rs)	P/E Ratio	RON W (%)	NAV (Rs)
Tiger Logistics (India) Limited	10.00	9.73	21.85	21.84	44.56
VRL Logistics	10.00	7.72	52.40	13.16	59.32
Chartered Logistics Limited	1.00	1.24	14.96	26.82	4.42
<i>Source: Company Audited Financials for the F. Y. 2016-17 as disclosed on <a href="http://www.bseindia.com">www.bseindia.com</a></i>					
<b>ORISSA BENGAL CARRIER LIMITED</b>	10.00	22.93	1.31	14.07	163.05
<i>Source: Restated Financials as on March 31, 2017</i>					

(i) All Peer Comparisons are for Financials on Standalone basis.

(ii) Source: [www.bseindia.com](http://www.bseindia.com) and Annual Report for the year ended March 31, 2017 and for calculating PE ratio market price as on 27.02.2018 is considered.

7. The face value of our share is Rs.10/- per share and the Issue Price is of Rs. 30/- per share are 3.00 times of the face value.
8. The Company in consultation with the Lead Manager believes that the Issue Price of Rs.30.00 per share for the Public Issue is justified in view of the above parameters. Investor should read the above mentioned information along with the section titled "Risk Factors" on page 14 of this Draft Prospectus and the financials of our Company including important profitability and return ratios, as set out in the section titled "Financial Statements" on page 122 of this Draft Prospectus.

## STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS

To

**The Board of Directors**  
**Orissa Bengal Carrier Limited**  
Jiwan Bima Marg,  
Pandri  
Raipur-492001

Dear Sir,

**Sub: Statement of possible special tax benefits (“the Statement”) available to Orissa Bengal Carrier Limited (“the Company”) and its shareholders prepared in accordance with the requirements in Schedule VIII-Clause (VII) (L) of the Securities Exchange Board of India (Issue of Capital Disclosure Requirements) Regulations 2009, as amended (“the Regulations”)**

We hereby report that the enclosed annexure, prepared by the Management of the Company, states the possible special tax benefits available to the Company and the shareholders of the Company under the Income - Tax Act, 1961 (‘Act’) as amended by the Finance Act, 2016 (i.e. applicable to Financial Year 2016-17 relevant to Assessment Year 2017-18), presently in force in India. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under 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 business imperatives which the Company may face in the future, 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 its shareholders and do not cover any general tax benefits available to the Company or its shareholders. 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. A shareholder is advised to consult his/ her/ its own tax consultant with respect to the tax implications arising out of his/her/its participation in the proposed issue, particularly in view of ever changing tax laws in India.

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

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

The contents of this annexure 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 and the provisions of the tax laws.

No assurance is given that the revenue authorities / courts will concur with the views expressed herein. The views are based on the existing provisions of law and its interpretation, which are subject to change from time to time. We would not assume responsibility to update the view, consequence to such change.

We shall not be liable to Company for any claims, liabilities or expenses relating to this assignment except to the extent of fees relating to this assignment, as finally judicially determined to have resulted primarily from bad faith of intentional misconduct.

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

**For Mittal & Associates.**  
**Chartered Accountants**  
**Firm Registration No.106456 W**

**Hemant Bohra**  
**Partner**  
**Membership No. 165667**  
**Place: Mumbai,**  
**Date: February 19, 2018**

**ANNEXURE TO THE STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS AVAILABLE TO THE COMPANY AND ITS SHAREHOLDERS**

Outlined below are the possible special tax benefits available to the Company and its shareholders under the current direct tax laws in India for the financial year 2017-18.

**A. SPECIAL TAX BENEFITS TO THE COMPANY UNDER THE INCOME TAX ACT, 1961 (THE “ACT”)**

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

**B. SPECIAL TAX BENEFITS TO THE SHAREHOLDERS UNDER THE INCOME TAX ACT, 1961 (THE “ACT”)**

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

## SECTION IV: ABOUT OUR COMPANY INDUSTRY OVERVIEW

*The information in this section has been extracted from various websites and publicly available documents from various industry sources. The data may have been re-classified by us for the purpose of presentation. Neither we nor any other person connected with the Issue has independently verified the information provided in this section. Industry sources and publications, referred to in this section, 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.*

### Introduction

Logistics organizes the movement of goods through a network of activities and services operating at global, regional, and local scale. Logistics performance both in international trade and domestically is central to the economic growth and competitiveness of countries, and the logistics sector is now recognized as one of the core pillars of economic development. Efficient logistics connects people and firms to markets and opportunities and helps achieve higher levels of productivity and welfare. The performance and reliability of supply chains depend on an array of interventions, ranging from trade facilitation at the border to infrastructure and regulations and to urban planning and skills. Empirical evidence confirms that logistics- and connectivity-related interventions have the highest potential to reduce the cost of trade and to boost integration in global value chains.

### Current Scenario of the Road Transport Industry

Logistics comprises of both infrastructure like roads, ports, railways, air on one hand and services like transportation, warehousing, logistics service provider firms etc. which are all equally important. Road transport in India is the dominant mode of transport, accounting for 70% of freight movement.\* India has the second largest road network across the world at 5.4 million km. This road network transports more than 60 per cent of all goods in the country and 85 per cent of India's total passenger traffic. Road transportation has gradually increased over the years with the improvement in connectivity between cities, towns and villages in the country. In India sales of automobiles and movement of freight by roads is growing at a rapid rate. Over the last decade, the numbers of LMVs and heavy vehicles have increased at about 9% and 7.6%, respectively.\* As per the Economic Survey of 2017-18, the number of registered goods vehicle is projected to grow 10496 thousand in 2015-16 from 9344 thousand in 2014-15.\*\* Also, India's position witnessed rise to the 35th position in 2016 from the 54th position in 2014 as per the World Bank Logistics Performance Index (LPI)^. Still a lot is needed to be done. Internationally, a goods vehicle travels an average of 600–800 km a day, while on Indian roads, until recently, the average distance covered was only 250–300 kms a day.\* The lead time for export/import is also very high in India. Also, the cost of Logistics in India is very high at 14% of GDP in contrast to the global average of 8% of GDP..^^

\*(Source: [http://morth.nic.in/writereaddata/linkimages/SL\\_Final\\_Report\\_Part13901147970.pdf](http://morth.nic.in/writereaddata/linkimages/SL_Final_Report_Part13901147970.pdf))

\*\* (Source: <http://mofapp.nic.in:8080/economicsurvey/appendixPDF/tab1.28.pdf>)

^ (Source: [http://commerce.gov.in/writereaddata/UploadedFile/MOC\\_636531872284903302\\_LPI\\_Report\\_2016.pdf](http://commerce.gov.in/writereaddata/UploadedFile/MOC_636531872284903302_LPI_Report_2016.pdf))

^^ (Source: [http://commerce.gov.in/writereaddata/UploadedFile/MOC\\_636531870548358258\\_Minutes\\_CoS\\_mtg\\_logistis\\_18-10-2017.pdf](http://commerce.gov.in/writereaddata/UploadedFile/MOC_636531870548358258_Minutes_CoS_mtg_logistis_18-10-2017.pdf))

### Market size

The transport infrastructure sector in India is expected to grow at 6.1 per cent in real terms in 2017 and at a Compounded Annual Growth Rate (CAGR) of 5.9 per cent through the year 2021, thereby becoming the fastest-expanding component of the country's infrastructure sector.

The construction of highways reached 8,142 km during FY 2016-17, with an all-time high average pace of 22.3 km per day. In the first two months of FY2017-18, 1,627 km of highway was constructed at an average of 26.3 km per day.

Under the Pradhan Mantri Gram Sadak Yojana (PMGSY), 133-km roads per day in 2016-17 were constructed as against a 2011-14 average of 73-km per day.

### **Key Investments/Developments**

The Union Minister of State for Road, Transport and Shipping has stated that the Government aims to boost corporate investment in roads and shipping sector, along with introducing business-friendly strategies that will balance profitability with effective project execution.

Some of the key investments and developments in the Indian roads sector are as follows:

The National Highways and Infrastructure Development Corporation (NHIDCL) has been awarded a contract to build five all-weather access tunnels worth Rs 23,000 crore (US\$ 3.57 billion) in Jammu and Kashmir by 2024.

The first phase of construction work of Mumbai's 29.2 km long coastal road is expected to begin in April 2018, after bids are finalised in March.

### **Government Initiatives**

Some of the recent initiatives taken by the government are as follows:

The Cabinet Committee on Economic Affairs (CCEA), Government of India, has approved the construction of Zoji La tunnel which is a strategic transport project for all-weather connectivity in Srinagar, Kargil and Leh.

The Ministry of Road Transport and Highways, Government of India has sanctioned projects worth Rs 13,411 crore (US\$ 2.1 billion) for development of national highways in Assam between 2014-15 and 2017-18.

The Central Road Fund (Amendment) Bill, 2017 has been passed by Lok Sabha, Government of India which would result in revenues of Rs 2,300 crore (US\$ 358.7 million) for national waterways in the country.

The Government of India has succeeded in providing road connectivity to 85 per cent of the 178,184 eligible rural habitations in the country under its Pradhan Mantri Gram Sadak Yojana (PMGSY) since its launch in 2014.

The land acquisition process and detailed project reports (DPR's) for the Bharatmala Pariyojana are underway and the first project is expected to be awarded before the end of 2018, according to Mr Nitin Gadkari, Minister for Road Transport and Highways.

The state government of Kerala plans to raise Rs 10,000 crore (US\$ 1.54 billion) from non-resident Keralites (NRKs) to finance the development of two highways in the state and support NRKs in the long-term.

The Ministry of Road Transport and Highways, Government of India plans to implement 'Value Engineering Programme' in order to promote use of new technologies and material in highway projects being executed in India.

### **The Announcements by the Government of India under the Finance Bill, 2018**

- The Central government budget 2018 saw the transport sector getting an all-time-high allocation of Rs 1,34,572 crores. Govt. has also showing confidence in the recently approved 'Bharatmala Pariyojana', reiterating the aim to develop about 35,000 kilometers of highways at a cost of Rs. 5,35,000 crores in Phase I.
- The National Highways Authority of India (NHAI) will consider organizing its road assets into Special Purpose Vehicles and use innovative monetizing structures like Toll, Operate and Transfer (TOT) and Infrastructure Investment Funds (InvITs) for raising funds.
- The government has also enhanced allocation for the Infrastructure Sector, recognizing its role as the growth driver of the economy.



- Department of Commerce will be developing a National Logistics Portal as a single window online market place to link all stakeholders.
- The budgetary and extra budgetary expenditure for the sector has been increased from Rs.4.94 lakh crore in 2017-18 to Rs.5.97 lakh crore in 2018-19.
- The logistics division is expected to get access to infrastructure funding in the form of commercial borrowings, infrastructure policies, pension funds and long-term funding insurance companies. A few mega projects focused on logistics have already been announced by the government. The Sagar Mala Project and the Mumbai Trans Harbour Link Project require significant funds from the [Union budget 2018](#).
- Digitisation can further introduce convenient methods to manage processes in logistic sectors. Introduction of Electronic Logging Devices (ELDs) that record the movement of trucks would help automate the billing process and therefore automate the taxation process too.

(Source : Union Budget 2018)

### **Road Ahead**

The government, through a series of initiatives, is working on policies to attract significant investor interest. The Indian government plans to develop a total of 66,117 km of roads under different programmes such as National Highways Development Project (NHDP), Special Accelerated Road Development Programme in North East (SARDP-NE) and Left Wing Extremism (LWE). The government has identified development of 2,000 km of coastal roads to improve the connectivity between ports and remote villages.

The National Highways Authority of India (NHAI) plans to build 50,000 km of roads by 2022 as part of a long-term goal of doubling the length of the national highway network to 200,000 km.

The Government of India will spend around Rs 1 lakh crore during FY 18-20 to build roads in the country under Pradhan Mantri Gram Sadak Yojana (PMGSY).

The Government of India has decided to invest Rs 7 trillion for construction of new roads and highways over the next five years.

In the wake of globalization, the importance of logistics is increasing as more and more, both national and multi-national companies are sourcing, manufacturing and distributing their products and services on a global scale. Thus, the recognition of performance of logistics industry would become prime importance of economic development for India in long term. Favorable government trade policies have resulted in an increased demand for logistics services to keep pace with the increased logistics needs of importers and exporters which provides opportunity for expansion to the existing vendors.

Sources: <https://www.ibef.org/industry/roads-india.aspx>

## OUR BUSINESS

### OVERVIEW

We are one of the logistics company headquartered at Raipur, Chhattisgarh, serving a broad range of industries, including the steel, coal, aluminum, cement, petrochemicals, paper, marble, tiles, infra, textile, FMCG. The various types of services provided by us include: Full Truck Load Transport Services, Parcel and Part Truck Load Services/ less than Truck Load (LTL). The main business activity of our company is Full Truck Load Transport service wherein we do transport the consignment by road all over India. We are one of the logistics company who started its operations when there were few companies in the state of Chhattisgarh, since then we have been consistently growing.

Our company was originally incorporated as Orissa Bengal Carrier Private Limited on October 18, 1994 as Private Limited Company under the provision of Companies Act, 1956 with the Registrar of Companies, Madhya Pradesh, Gwalior. Subsequently, our Company was converted into a Public Limited Company and the name of our company was changed to Orissa Bengal Carrier Limited pursuant to shareholders resolution passed at the Extra Ordinary General Meeting of our Company held on November 5, 2009 and a fresh Certificate of Incorporation was issued by Registrar of Companies, Madhya Pradesh and Chhattisgarh dated December 9, 2009.

Our company is maintaining its own fleet in which there are 93 owned vehicles. We also provide services by vehicles hired by us to provide timely and quality services to our clients. The variety of goods transportation vehicles in our fleet and vehicles hired by us also enables us to serve a diverse mix of consignments. Our management believes that the operations with market fleet are more covenant to operate which improve the efficiency and also reduces the operational cost of the Company.

Our Company is certified by ISO 9001:2015 for provision of Quality Management Systems Services. We are also Indian Bank Association (IBA) approved transporter.

As per restated accounts our revenue from operations for the financial year ending 2014-15, 2015-16 and 2016-17 were Rs. 20638.62 lakhs, Rs. 22042.82 lakhs, and Rs. 21285.06 lakhs. We have achieved our revenue from operations of Rs. 16356.84 lakhs as on 30/09/2017. Our Net Profit after tax for the above mentioned periods i.e. in the last 3 years as per restated accounts were Rs. 91.92 lakhs in F. Y. 2014-15, Rs. 182.41 lakhs in F. Y. 2015-16 and Rs. 395.34 lakhs in F.Y. 2016-17. The above Net profit after tax shows an increase of 98.44% and 116.73% respectively over last three years.

### DETAILS OF OUR BUSINESS

#### Branch Distribution Network

Our Distribution Network having forty five branches spread in various parts of India and providing services across all cities of India. It enables us to cater to a diverse mix of customers including corporate, small and other enterprises, distributors and traders. Our Registered Office is located in Raipur, Chhattisgarh. Our large geographic coverage and operational network enable us to further integrate our operations, increase cost efficiencies and increase freight volumes

**Registered Office :** We have our own premises for our registered Office located at Jiwan Bima Marg, Pandri, Raipur-492004

**Corporate Office :** Our Corporate Office is functioning from a rented premises located at A-1, 3<sup>rd</sup> Floor, C.G. Elite Building, Pandri , Raipur - 492004

#### Our Business Model

We are maintaining our own fleet contains 93 commercial vehicles which includes trucks and trailers. In addition to this we hire around 300 vehicles from local market in the area from where service is to be provided which enable us to timely arrangement of vehicle at our customer place. The specification of vehicle is depending on the type of service

required by our Customer. Therefore, the mix of our own fleet and vehicle hire by us for providing transportation services enables us to provide effective and exceptional services to our customer. The fleet operates across the country ensuring nation-wide services to our corporate and government customers.

Our truck load delivery services operate through a hub-and-spoke model which enables us to transport goods and provide our customers with access to multiple destinations for booking and delivery of goods. Our routes of operation for the transportation of goods connect various regions in India i.e. western and eastern regions and also southern and northern parts of India. We believe that our differentiated service offerings, large integrated hub-and-spoke transportation network, commitment towards prompt and safe delivery of the goods and time bound services will enable us to develop our brand across India.

We work with clients to develop logistics solutions that meet their requirements. For transportation services, we typically enter into time bound service contracts with our clients, which are renewed on regular basis as and when required. We offer flexibility in our contracts as our transportation contracts are usually customized according to certain terms, which may vary depending on whether we quote our prices on the basis of per truck (dedicated vehicles), per trip, per tonne, per tonne-per kilometre, per kilogram, overall project-based (optimization based, or cost savings based), cost-plus management fees and per unit transported, among others.

## **Competition**

The goods transportation industry is unorganized, competitive and highly fragmented in India. We believe that the principal competitive factors include service quality, reliability, price and the availability and configuration of vehicles that are able to comprehensively address varying requirements of different customer segments and specific customer needs. Being IBA Approved, we get an edge over other unorganised and Non IBA Approved transporters. We believe that our ability to compete effectively is primarily dependent on ensuring consistent service quality and timely services at competitive prices, thereby strengthening our brand over the years.

In the goods transportation industry, we compete with a variety of local, regional, and national goods transportation service providers of varying sizes and operations and, to a lesser extent, with railroads carriers.

## **Our Employees**

We believe that a motivated and empowered employee base is key to our operations and business strategy, and have developed a large pool of skilled and experienced personnel. As of September 30, 2017 we have 83 employees, who are based at different locations across the country. Our administrative employees play an important role in our centralised support services such as load planning, accounting, information technology, marketing and human resource functions. We have developed a decentralized senior management structure in order to ensure timely decision making which is key to our operations. The recruitment, training and retention of qualified drivers are essential to our growth and to meet the service requirements of our customers.

We also provide our drivers with comfortable equipment, effective training, direct communication channels with senior management, competitive incentives based on distance travelled, fuel efficiencies and timely delivery and / or route schedules. Drivers also receive awards for providing superior service and developing satisfactory safety records.

## **Business Strengths**

### ***Pan-India surface logistics services provider***

We are a pan-India surface logistics service provider and we believe that we are one of the reliable transporters in and across India. We are an established entity in the transportation industry in India with over 23 years of operations. We believe that our dedication towards quality, reliability and timeliness of services offered compete effectively with our competitors in the organised as well as unorganised sector, thereby strengthening our name over the years.

### ***Experienced and motivated management team***

Our Promoters Ratan Kumar Agrawal and Manoj Kumar Agarwal are engaged in the business of Transport and Logistics for more than 20 years which gives us the advantage of developing our presence, relationship with our customers, and cordial relationship with our drivers and other employees. We also have a dedicated and experienced management team who are in charge of operation, quality management and delivery to each of our customers and functions well as a team along with the expertise and vision to expand our business.

We believe that our management team's experience and their understanding of our business and industry will enable us to continue to take advantage of both current and future market opportunities. Our experience together with our consistent and successful track record of timely delivery and customer satisfaction provides us a competitive edge. For details regarding the education and experience of our promoters please refer to chapter titled "*Our Management*" on page 101 of this Draft Prospectus.

### ***Diversified Customer Base***

We serve customers across several industry sectors viz. Metal, Steel, coal, aluminum, cement, petrochemicals, paper, marble, tiles, infra, textile, FMCG etc. The analysis of percentage of revenue derived from top ten customers at the end of period September 30, 2017 indicates that more than 58% of revenue from these set of customers.

### ***Established Marketing Setup***

Marketing is an important function of our organization. We provide our service throughout India, based on strength of relationship with our customers who have been associated with our Company for a long period. Our promoters alongwith the marketing team plays an important role for timely and quality delivery of services. To retain our customers, our marketing team regularly interact with them and focus on gaining an insight into the services and other additional needs of such customers.

### ***Quality of Services***

Our Company has been accredited with "ISO 9001:2015" certification for Quality Services by LMS Certifications Private Limited vide Certificate No IN80794A dated 9th September 2017 for providing logistics services transportation & handling services all over India. We adhere to quality standards as per industry standards; hence we get repetitive work order from our customers, as we believe we are capable of meeting their quality standards at competitive costs, which enables us to maintain our brand image in the market.

### ***Strategic location***

We are headquartered in Chhattisgarh which contributes approx. 30.00% to India's steel/sponge iron production, 15.00% cement in India's production, so there are large number of steel and cement industry in our belt providing us a benefit to easily cater them the services they need to transport goods to other required location.

Source <https://csidc.in/home2/index.php/en/2015-01-25-07-22-46/2015-01-25-07-24-09/core-sectors>

### ***Augment our fund-based capacities in order to scale up business operation***

Our business operations are working capital intensive. In order to effectively expand our Business arenas/ services and also diversify the operating routes in various geographical locations, along with the existing facilities we need to have access to a larger amount of liquid funds and sufficient working capital.

We expect to increase our volumes, revenues and scale of operations and we will require substantial working capital for the same. It is hence our strategy to raise funds from this issue and augment our fund based working capital capabilities.

### ***Increase our goods transportation network***

We continue to expand our pan-India presence for our goods transportation business. We intend to add a significant number goods transportation network in northern, central and eastern regions of India as well as increase the depth of our existing network.

### **Plant and Machinery**

Our company is engaged in service industry; hence we do not require any Plant and Machinery.

### **Capacity and Capacity Utilization**

Capacity and Capacity Utilization is not applicable to our company since we are involved in transportation service i.e. distribution activity.

### **Export and Export Obligation**

Our Company doesn't have any export obligations as of now as we are neither transporting any imported or exported products.


### **Collaborations**

We have not entered into any technical or other collaboration.

### **Power & Water**

Company does not require much power and water except the normal requirement of the offices of the Company.

### **Intellectual Property**

Our Logo  is in the process of registration with the Trademark Authorities.

We have applied for the registration of our logo under the Trademark Act vide application dated 30/01/2018 and our application is in the process with the Registrar of Trademark.

### **Corporate Social Responsibility (Pending)**

The company has incorporated a policy and constituted a CSR Committee as on 15<sup>th</sup> December, 2017, till now we have not incurred any aggregate expenditure on corporate social responsibility (the "CSR") activities pursuant to the requirements of Section 135 of the Companies Act.

### **Insurance**

Our operations are subject to hazards inherent to the transportation industry, such as accidents, fires, earthquakes, riots, political disturbances, floods and other force majeure events, acts of terrorism and explosions, including hazards that may cause injury and loss of life, severe damage to and the destruction of property and equipment and environmental damage. For instance, our facility at Pandri, Raipur is insured against loss caused due to fire, accidents, earthquake etc. We obtain insurance policies for all our vehicles to cover third-party liabilities during transit, in addition to the comprehensive coverage. Notwithstanding our insurance coverage, damage to our vehicles could nevertheless have a material adverse effect on our business, financial condition and results of operations to the extent such occurrences disrupt normal operations of our business or to the extent our insurance policies do not cover our economic loss resulting from such damage. For further information, see "Risk Factors" on page 14 of this Draft Prospectus.

### **Properties**

a) Our Company has seven own properties including our registered office as per details below :-

Sr. No.	Property Kind	Description of property	Vendor Details	Date of purchase	Purchase Amount (In Lakh)
1	Registered Office	Jiwan Bima Marg, Pandri Raipur (C.G.) 492001	Smt Ranjana Mahavar	12.07.2013	27.18
2	Branch office	204, Tripnex House, Solapur Street, Mumbai – 400 009	Subhash Chand Anand	29.07.2002	4.25
3	Branch office	Abc Tower, C.A.Road, Nagpur Maharashtra	ABC India Ltd	03.04.1997	2.57
4	Branch office	2E, 2nd Floor, 10A Kapalitola Lane, Bhagabati Griha, Near Bowbazar police station, Kolkata - 700012	Bhagawati Griha Pvt Ltd	05.02.2016	67.55
5	Branch office	Padoli, Nagpur Road, Near Empty Weigh Bridge, Lakhmapur, Chanderpur, Maharastra	Ritesh Mahavir Prasad Mittal	24.12.2002	0.41
6	Branch office	337-338, 3 <sup>rd</sup> Floor, Shrihari Township, Near Pancham Party Plot, Ajwa Main Ring Road, Baroda-390019	Rakesh Satya Narayan Sharma	15.02.2011	3.75
7	Branch office	167, Transport Nagar, Korba, Chhattisgarh	Delhi MP Roadlines	17.08.2007	6.00

b) In addition to this we have following properties on rental basis with valid agreements :-

S No	Purpose	Location	Address	Agreement Type	Lease Period
1	Branch	AHMEDABAD	Haryana Estate, 2 <sup>nd</sup> Floor, New Avtar Hotel, N.H, Ishanpur, AHMEDABAD – 382443	Rent Agreement	25/11/2017 to 25/10/2018
2	Branch	ANKLESHWAR	F-37, Arthvi Arcade, Near Prime Hotel, Rajpipla Chowkdi, ANKLESHWAR(393002)	Leave and License Agreement	27/12/2017 to 27/11/2018
3	Branch	ANGUL	Behind Central Bank, Caltex Chowk, At/PO.Turanga, Angul.(O.R.)	Rent Agreement	16/02/2018 to 15/02/2021
4	Branch	BALODA BAZAR	LIG-65, Housing Board Colony, Baloda Bazar, CG	Rent Agreement	01/02/2018 to 31/01/2023
5	Branch	BARBIL	Hno: C/754, Minal Colony, Barbil - 758035	Rent Agreement	01/01/2018 to 30/11/2018
6	Branch	BOKARO STEEL CITY	Gurudwara Road, State Bank Of India Building, Ground Floor, Chas Dist.Bokaro (Jharkhand)	Rent Agreement	01/07/2017 to 31/05/2018
7	Branch	CHENNAI	Plot no 1 , 2nd Floor ,N.S.S. Nagar , Ponniyamman Medu, Reteri, RTO Back, Mahavishnu Nagar, Chennai	Rent Agreement	01/10/2017 to 30/08/2018
8	Branch	DURGAPUR	Jagannath Bhawan , Bhiringi , Durgapur	Rent Agreement	14/06/2017 to 13/05/2018
9	Branch	HALDIA	Ghoshpara,Majusiri,Durga Chak, Haldia (W.B.)	Rent Agreement	29/11/2017 to 28/10/2018
10	Branch	HISSAR	55, New Grain Market, Sirsa Road, Hissar (Haryana)	Rent Agreement	28/12/2017 to 27/11/2018

S No	Purpose	Location	Address	Agreement Type	Lease Period
11	Branch	JAJPUR	Near Saraswati Cinema, Bye Pass Road, Jajpur Road, Jajpur (Orissa)	Rent Agreement	01/04/2017 to 31/03/2019
12	Branch	JAMNAGAR	Room No. 44/1, Mayur Tinament, Near Samarpan Hospital, Jamnagar	Leave and License Agreement	27/12/2017 to 26/11/2018
13	Branch	JEYPORE	Prasad Rao Peta, 1 <sup>st</sup> lane, Old J.P.Lane, Jeypore (Orissa)	Lease Agreement	01/01/2018 to 31/12/2020
14	Branch	JHARSUGUDA	House of Jaygopal Behera, 3rd Floor, Jyoti Press Gali, Behera Colony, Sarbahal, Jharsuguda	Rent Agreement	01/06/2017 to 30/04/2018
15	Branch	KARUR	No.9, East West Street, Valluvar Nagar Mudhal Theru, Velayuthampalayam, Karur (Tamilnadu)	Rent Agreement	08/07/2017 to 07/06/2018
16	Godown	RAIPUR	Sthaniya Best Price, Opp. Durga Dharam Kanta, Ring Road No 2, Bhanpuri, Raipur	Rent Agreement	26/02/2018 to 25/01/2023
17	Corporate Office	RAIPUR	A-1, 3 <sup>rd</sup> Floor, C.G. Elite Building, Pandri, Raipur	Rent Agreement	01/04/2013 to 31/03/2018
18	Branch	LAPANGA	C/o: Mr Bimal Kanta Sahu, At: Ganeshnagar, Po: Rengali Dist: Sambalpur, Orissa	Tenancy Agreement	01/04/2017 to 31/03/2018
19	Branch	NABRANGPUR	PO & Distt-Nabrangpur	Rent Agreement	01/01/2018 to 31/12/2018
20	Branch	PARADEEP	Plot No 45, Near Hotel Nandighosh, Udaya Bihar Colony Dochhaki, Paradeepgarh, Paradeep	Rent Agreement	02/12/2017 to 01/12/2018
21	Branch	RENUKOOT	Swami Sukhdevanand Ashram, Radha Krishna Mandir, Murdhava, Renukoot, Dist. Sonebhadra (U.P.)	Rent Agreement	01/12/2017 to 31/10/2018
22	Branch	ROURKELA	Shop No.17, Woody's Complex, 2nd Floor, Vedvyas Chowk, Near Mansa Kanta, Rourkela	Rent Agreement	06/09/2017 to 05/09/2020
23	Branch	SALEM	Door No.1465, Kudumiyam Street, Jagirammampalayam, Behind Ranganathan Petrol Bunk, Salem	Rent Agreement	01/08/2017 to 30/06/2018
24	Branch	TRICHY	Plot no 16, Near Priya Maligai, Win Nagar, 4th Street, Kattur Post, Trichy	Rent Agreement	01/01/2018 to 30/11/2018
25	Branch	BHILAI	Opp. Saraswati Sishu Mandir High School, New Khursipara, Bhilai, Durg.(C.G.)	Rent Agreement	01/02/2018 to 31/12/2018
26	Branch	INDORE	Plot No. 589 A- 1 Scheme No. 136, Vijay Nagar Indore	Rent Agreement	01/01/2018 to 30/11/2018
27	Branch	RAIGARH	Karsia Road, Patrapali, Raigarh (C.G)	Rent Agreement	01/02/2018 to 31/01/2021
28	Branch	RAYAGADA	Vidya Nagar, 3rd Lane, Rayagada, Orissa	Rent Agreement	01/02/2018 to 31/01/2023
29	Branch	ZIRAKPUR	Showroom No 37, Palam Enclave, Nr Ranjan Plaza, Zirakpur	Rent Agreement	01/05/2017 to 31/03/2018



c) Branch Offices where we have rented premise but does not have any valid agreements

Sl No	Purpose	Location	Address
1	Branch Office	BELPAHAR	Near Hanuman Temple, Main Road, Gumadera, P/o Belpahar, Jharsuguda 768218
2	Branch Office	CUTTACK	Room No. 15, Rishi Complex, Manguli, Cuttack (Orissa)
3	Branch Office	BHOPAL	141, Bhavya City, Sarakiya, Prem Tapan, Obedullah Ganj, Mandideep, Raisen(Bhopal) ,M.P
4	Branch Office	KAKINADA	D.N. 50-3-17 Yesu Vari Street, Jagnadhapuram, Kakinada 530002 Dist.East Godavari.
5	Branch Office	JAMSHEDPUR	C/O Carrier Corporation Of India, New Kalimati Road, Sakchi, Jamshedpur
6	Branch Office	PANAGARH	Ishwar Jaishwal Building N.S. Bose Road, Near Ratan Flower Mill PO - Panagarh Bazar Burdwan
7	Branch Office	RANCHI	Ground Floor-1, Anideep Tower, In front of Maharaja Hotel, radium Road, Kutcheri Chowk, Ranchi, Jharkhand
8	Branch Office	VISHAKAPATNAM (GAJUWAKA)	D.No.7-9-24(13), II floor, Building No.14-64, NH-5 Road, Panthugarimeda, Old Gajuwaka, Visakhapatnam
9	Branch Office	VIZIANAGARAM	C/o Highway Road Carriers (P) Ltd, Near RTO Office, Opposite F.C.I. Godown, K.L. Puram, Vizianagaram
10	Branch Office	RAMGARH	Ramnagar, Near Fresh Factory, P.O.Marar, Dist Ramgarh, (Jharkhand)
11	Branch Office	SURAT	214, Abhinandan complex, Opp. Zest Restaurant, Puna - Patia Magob Surat
12	Branch Office	KHARAGPUR	Vill - Panchrulia, P.O - Rakhajangle, Paschim Medinipur, Kharagpur

## KEY INDUSTRY REGULATIONS AND POLICIES

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

### I. Industry Related Laws

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

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

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

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

#### ***Motor Vehicles Act, 1988***

The Motor Vehicles Act, 1988 ("**Motor Vehicles Act**") and the rules prescribed thereunder regulate all aspects of motor vehicles in India, including licensing of drivers, registration of motor vehicles, control of motor vehicles through permits, special provisions relating to state transport undertakings, insurance, liabilities, offences and penalties. Accordingly, the Motor Vehicles Act places a liability on every owner of, or person responsible for, a motor vehicle to ensure that every person who drives a motor vehicle holds an effective driving license. Further, the Motor Vehicles Act requires that an owner of a motor vehicle bears the responsibility of ensuring that the vehicle is registered in accordance with the provisions of the Motor Vehicles Act and that the certificate of registration of the vehicle has not been suspended or cancelled. The Motor Vehicles Act prohibits a motor vehicle from being used as a transport vehicle unless the owner of the vehicle has obtained the required permits authorizing him to use the vehicle for transportation purposes.

The Central Motor Vehicles Rules, 1989, are rule prescribed under the Motor Vehicles Act that set out the procedures for licensing of drivers, driving schools, registration of motor vehicles and control of transport vehicles through issue of tourist and national permits. It also lays down rules concerning the construction, equipment and maintenance of motor vehicles and insurance of motor vehicles against third party risks.

#### ***The Carriage by Road Act, 2007***

The Carriage by Road Act, 2007 ("**Road Carriage Act**") and the rules framed thereunder, have been enacted for regulating common carriers, limiting their liability and declaration of value of goods delivered in order to determine their liability for loss of, or damage to, such goods occasioned by the negligence or criminal acts by such carriers, their servants or agents and for incidental matters. The Road Carriage Act defines a "common carrier" as a person engaged in the business of collecting, storing, forwarding or distributing goods to be carried by goods carriages under

a goods receipt or transporting for hire of goods from place to place by motorised transport on road, and includes a goods booking company, contractor, agent, broker, and courier agency engaged in the door-to-door transportation of documents, goods or articles utilizing the services of a person, either directly or indirectly, to carry or accompany such documents, goods or articles, but does not include the Government. No person can engage in the business of a common carrier unless he has a valid certificate of registration.

As per the Carriage by Road Rules, 2011, the liability of a common carrier for loss or damage to any consignment is limited to 10 times of the freight paid, or payable, provided such amount shall not exceed the value of the goods declared in the goods forwarding note.

### ***The Public Liability Insurance Act, 1991***

The Public Liability Insurance Act, 1991 ("**PLI Act**") provides for public liability insurance for the purpose of providing immediate relief to persons affected by accident occurring while handling any hazardous substance and for matters connected therewith or incidental thereto. Every owner (in the case of a company, any of its directors, managers, secretaries or other officers who is directly in charge of, and is responsible to the company for the conduct of the business of the company) is obligated to take out, before he starts handling any hazardous substance, one or more insurance policies providing for contracts of insurance whereby he is insured against liability to give relief under the PLI Act. The said insurance policy shall be for a minimum amount of the paid-up capital of the Company and not exceeding fifty crore rupees.

### ***The Food Safety and Standards Act, 2006***

The Food Safety and Standards Act, 2006 ("**FSS Act**") consolidates the laws relating to food and to establish the Food Safety and Standards Authority of India ("**Food Authority**") for setting out scientific standards for articles of food and to regulate their manufacture, storage, distribution, sale and import, to ensure availability of safe and wholesome food for human consumption and for matters connected therewith or incidental thereto. The Food Authority is required to provide scientific advice and technical support to the Government of India and the State Governments in framing the policy and rules relating to food safety and nutrition. The FSS Act also sets out requirements for licensing and registering food businesses, general principles for food safety, and responsibilities of the food business operator and liability of manufacturers and sellers, and adjudication process.

The Food Safety and Standard Regulations, 2011 lays down the procedure for registration and licensing process for food business and detailed standards for various food products.

## **II. Labour Laws**

### ***Motor Transport Workers Act, 1961***

The Motor Transport Workers Act, 1961 ("**MTW Act**") is aimed at providing for the welfare of the motor transport workers and regulating the conditions of their work. It applies to every motor transport undertaking employing five or more motor transport workers. The state governments are, however, empowered to apply all or any of the provisions of this legislation to any motor transport undertaking employing less than five workers.

### ***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.

### ***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.

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

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

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

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

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

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

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

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

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

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

- a) On his/her superannuation;
- b) On his/her retirement or resignation; and

c) On his/her death or disablement due to accident or disease (in this case the minimum requirement of 5 (five) years does not apply).

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

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

## **III. Tax Laws**

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

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

### ***The Central Goods and Services Tax Act, 2017 (the "GST Act")***

The Government of India proposed a comprehensive national goods and services tax ("**GST**") regime that would combine taxes and levies by the Central and State Governments into a unified rate structure. In this regard, the Constitution (101 Amendment) Act 2016, which received presidential assent on September 8, 2016, enabled the Government of India and State Government to introduce GST. Accordingly, GST was enacted to make a provision for levy and collection of tax on supply of goods or services or both and was made effective from July 1, 2017.

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

## **IV. Environment Laws**

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

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

Indian trademark law permits the registration of trademarks for goods and services. The Trade Marks Act, 1999 ("**Trademark Act**") governs the statutory protection of trademarks and for the prevention of the use of fraudulent marks in India. An application for trademark registration may be made by individual or joint applicants and can be made on the basis of either use or intention to use a trademark in the future. Once granted, trademark registration is

valid for ten years, unless cancelled. If not renewed after ten years, the mark lapses and the registration have to be restored. The Trademark (Amendment) Act, 2010 has been enacted by the government to amend the Trademark Act to enable Indian nationals as well as foreign nationals to secure simultaneous protection of trademark in other countries. It also seeks to simplify the law relating to transfer of ownership of trademarks by assignment or transmission and to align the law with international practice.

## **VI. Other laws**

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

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

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

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

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

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

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

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

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

The Consumer Protection Act ("**COPRA**") aims at providing better protection to the interests of consumers and for that purpose makes provisions for the establishment of authorities for the settlement of consumer disputes. The COPRA provides a mechanism for the consumer to file a complaint against a trader or service provider in cases of unfair trade practices, restrictive trade practices, defects in goods, deficiency in services; price charged being unlawful



and goods being hazardous to life and safety when used. The COPRA provided for a three tier consumer grievance redressal mechanism at the national, state and district levels.

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

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

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

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

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

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

### ***Shops and Establishments Legislation***

The provisions of shops and establishments legislations, as may be applicable in a state in which establishments are set up, regulate the conditions of work and employment and generally prescribe obligations in respect of *inter alia* registration, opening and closing hours, daily and weekly working hours, holidays, leave, health and safety measures and wages for overtime work. Our Company has its registered office in the state of Chhattisgarh. Accordingly, the provisions of the Chhattisgarh Shops and Establishments Act, 1958 are applicable to our Company. The Chhattisgarh Shops And Establishments Act, 1958, as amended, regulates the conditions of work in shops, commercial establishments, restaurants, theatres and other establishments in Chhattisgarh and makes provisions for the opening and closing of shops, daily and weekly hours of work, employment of children and young persons, health and safety measures, wages etc.



## HISTORY AND CERTAIN OTHER CORPORATE MATTERS

### OUR HISTORY AND BACKGROUND

Our Company was originally incorporated on October 18, 1994 as Orissa Bengal Carrier Private Limited under the provisions of the Companies Act, 1956 with the Registrar of Companies, Madhya Pradesh, Gwalior. Our Company was converted into a Public Limited Company pursuant to Shareholders' Resolution passed in the Extra Ordinary General Meeting of the Members of the Company held on November 05, 2009 and the name of our Company was changed to Orissa Bengal Carrier Private Limited vide a fresh Certificate of Incorporation dated December 09, 2009, issued by the Registrar of Companies, Madhya Pradesh, Chhattisgarh.

Corporate Identity Number of our Company is U63090CT1994PLC008732.

Our Company was originally promoted by Ratan Kumar Agrawal and Shakuntala Devi Agrawal, who were the initial subscribers to the Company's Memorandum and Articles of Association on incorporation.

Ratan Kumar Agrawal, Shakuntala Devi Agrawal & Manoj Kumar Agrawal are the current Promoters of the Company.

The Registered Office of our Company is situated at Jiwan Bima Marg, Pandri, Raipur -492001

### CHANGES IN THE REGISTERED OFFICE

The Registered Office of our Company is situated at Jiwan Bima Marg, Pandri, Raipur -492001. Since Incorporation there has been no change in the registered office of the Company.

### MAIN OBJECTS OF OUR COMPANY:

1. To take over the running business of M/s Orissa Bengal Carriers , Raipur with all assets and liabilities of partnership firm and shall stand dissolve with immediate effect.
2. To manage, administer, own and open booking station so as to carry on the business on contracts and/or commission basis of common carriers in all its branches, and carry goods, animals, and passengers on land, water or air, on such lines and between such place as the company from time to time determines by means of vehicles and conveyance of all kinds and description whatsoever, whether propelled or moved by petrol, diesel, oil, power line and other oils, electricity, atomic energy, steam, vapour, gas or other motor mechanical, manual, power or otherwise On contracts and/or commission basis.
3. To carry on the business as tourist agents and contractors and to do work on commission basis and to facilitate travelling and to provide for tourist and travellers or promote the provision of convenience of all kinds.

At the time of incorporation of the Company the objects include taking over of the firm namely M/s Orissa Bengal Carrier. However, the Company started its business independently on large scale level in organized manner without taking over the said firm as the business operations of the firm were discontinued on account of very low scale level.

### CHANGES IN MEMORANDUM OF ASSOCIATION

Except as stated below there has been no change in the Memorandum of Association of our Company since its Incorporation:

Sr. No.	Particulars	Date of Meeting	Type of Meeting
1.	Authorized Capital of Rs. 5,00,000 divided into in 50,000 Equity Shares of Rs.10/- each.	Incorporation	-

2.	Increase in the authorized share capital of the Company from Rs. 5,00,000/- divided into 50,000 Equity Shares of Rs. 10/- each to Rs. 10,00,000/- divided into 1,00,000 Equity Shares of Rs. 10/- each.	11-12-1997	EGM
3.	Increase in the authorized share capital of the Company from Rs. 10,00,000/- divided into 1,00,000 Equity Shares of Rs. 10/- each to Rs. 20,00,000/- divided into 2,00,000 Equity Shares of Rs. 10/- each.	25-08-2006	EGM
4.	Increase in the authorized share capital of the Company from Rs. 20,00,000/- divided into 2,00,000 Equity Shares of Rs. 10/- each to Rs. 50,00,000/- divided into 5,00,000 Equity Shares of Rs. 10/- each.	24-10-2009	EGM
5.	Change in the name of our Company from Orissa Bengal Carrier Private Limited to Orissa Bengal Carrier Limited pursuant to the conversion from Private Limited to Public Limited Company.	05-11-2009	EGM
6.	Increase in the authorized share capital of the Company from Rs. 50,00,000/- divided into 5,00,000 Equity Shares of Rs. 10/- each to Rs. 2,00,00,000/- divided into 20,00,000 Equity Shares of Rs. 10/- each.	26-03-2012	EGM
7.	Increase in the authorized share capital of the Company from Rs. 2,00,00,000/- divided into 20,00,000 Equity Shares of Rs. 10/- each to Rs. 24,00,00,000/- divided into 2,40,00,000 Equity Shares of Rs. 10/- each.	05-02-2018	EGM

## MAJOR EVENTS AND MILESTONES

The table below sets forth some of the key events in the history of our Company:

Calendar Year	Event
1994	Incorporation of Company in the name of Orissa Bengal Carrier Private Limited
2009	Conversion of our Company from Private Limited to Public Limited Company

## OTHER DETAILS REGARDING OUR COMPANY

For details of our Company's corporate profile, business, marketing, the description of our activities, services, products, market segment, the growth of our Company, and standing of our Company in relation to prominent competitors with reference to our products and services, environmental issues, technology, market, capacity built up, major customers and geographical segment please refer "Our Business" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 84 and 149 respectively of this Draft Prospectus.

For details of the management of our Company and its managerial competence, please refer "Our Management" on page 101 of this Draft Prospectus

## REVALUATION OF ASSETS

Our Company has not revalued its assets since its incorporation.

## CAPITAL RAISING ACTIVITIES THROUGH EQUITY OR DEBT

For details regarding our capital raising activities through equity and debt, please refer "Capital Structure" and "Financial Indebtedness" on pages 47 and 147 respectively of this Draft Prospectus.

## **INJUNCTIONS OR RESTRAINING ORDER AGAINST OUR COMPANY**

There are no injunctions or restraining orders against our Company.

## **GUARANTEES PROVIDED BY OUR PROMOTERS**

Except as mentioned in the “Financial Indebtedness” on page 147 of this draft prospectus, our Promoters have not given any guarantees to third parties that are outstanding as on the date of filing of this Draft Prospectus.

## **CHANGES IN THE ACTIVITIES OF OUR COMPANY DURING THE LAST FIVE YEARS**

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

## **SUBSIDIARY COMPANIES**

As on the date of the Draft Prospectus we do not have any subsidiary companies.

## **HOLDING COMPANY**

As on the date of this Draft Prospectus, our Company does not have any holding company within the meaning of Companies Act.

## **JOINT VENTURES**

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

## **ACQUISITION OF BUSINESS / UNDERTAKINGS**

Our Company has not acquired any business or undertaken any mergers, amalgamation, revaluation of assets in the last five years.

## **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.

## **CHANGES IN THE MANAGEMENT**

There has been no change in the management in the last three years.

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

No defaults have been called by any financial institution or bank in relation to borrowings from financial institutions or banks. For details of our financing arrangements, please refer “*Financial Indebtedness*” on page 147 of this Draft Prospectus. Further, none of our loans have been rescheduled or been converted into Equity Shares.

## **LOCK OUT AND STRIKES**

There have been no lockouts or strikes at the manufacturing facility of our Company.

#### **TIME AND COST OVERRUN**

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

#### **SHAREHOLDERS AGREEMENT**

There are no shareholder's agreements among our shareholders in relation to our Company, to which our Company is a party or otherwise has notice of the same as on the date of the Draft Prospectus.

#### **NUMBER OF SHAREHOLDERS**

Our Company has Thirty Nine (39) shareholders on date of this Draft Prospectus. For details please refer "*Capital Structure*" on page 47 of this Draft Prospectus.

## OUR MANAGEMENT

**Board of Directors:** As per the Articles of Association, our Company is required to have not less than 3 (Three) Directors and not more than 15 (Fifteen) Directors. Currently, our Company has Five (5) Directors and out of which Two (2) are Additional Independent Directors.

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

Name, Designation, Occupation, Term, DIN and Nationality	Age (years)	Address	Other Directorships
<b>Ratan Kumar Agrawal</b>  <b>Designation:</b> Managing Director  <b>Term:</b> For a term of 5 years with effect from December 1, 2017  <b>Occupation:</b> Business  <b>PAN:</b> ACJPA2794A  <b>Nationality:</b> Indian  <b>DIN:</b> 01608584	61 Years	A-8, Rajiv Nagar, extension Raipur, Chhattisgarh- 492001	NIL
<b>Shakuntala Devi Agrawal</b>  <b>Designation:</b> Non-Executive Director  <b>Term:</b> Liable to retire by rotation  <b>Occupation:</b> Business  <b>PAN:</b> ACOPA7642L  <b>Nationality:</b> Indian  <b>DIN:</b> 01608318	57 Years	A-8, Rajiv Nagar, extension Raipur, Chhattisgarh- 492001	NIL
<b>Manoj Kumar Agrawal</b>  <b>Designation:</b> Executive Director  <b>Term:</b> Liable to retire by rotation  <b>Occupation:</b> Business  <b>PAN:</b> ACOPA2896C  <b>Nationality:</b> Indian  <b>DIN:</b> 01590282	39 Years	12A, A.B.C Towers, C.A Road, Nagpur- 440018	NIL

<b>Rajkumar Jain</b>  <b>Designation:</b> Independent Director  <b>Term:</b> Appointed as Independent Director till the conclusion of next AGM  <b>Occupation:</b> Business  <b>PAN:</b> AEKPI5822K  <b>Nationality:</b> Indian  <b>DIN:</b> 08015385	36 Years	At Jain Building, Nuapada, PO/PS Bhawani Patna, District- Kalahandi, Orissa, 766001	NIL
<b>Sahil Batra</b>  <b>Designation:</b> Independent Director  <b>Term:</b> Appointed as Independent Director till the conclusion of next AGM  <b>Occupation:</b> Professional  <b>PAN:</b> AUIPB9272B  <b>Nationality:</b> Indian  <b>DIN:</b> 06422459	33 Years	B-1, Pramila Housing Society, VIP Estate, Vidhan Sabha Road, Raipur, Chhattisgarh-492007	NIL

### Brief Profile of our Directors

**Ratan Kumar Agrawal**, aged 61 years, is Managing Director of our Company. He is one of the promoters of our company. He has been Director of our Company since incorporation and has been designated as Managing Director w.e.f December 1, 2017. He currently plays a crucial role in the Administration & Fleet Management of our Company and operates from our Head office. He has experience of around 24 years in transport and logistics industry and did his matriculation from Haryana Board in the year 1972. He has been Director of our Company since incorporation.

**Shakuntala Devi Agrawal** aged 57 years is the Non-Executive Director of our Company. She is one of the promoters of our company and is under matriculate. She has been Director of our Company since incorporation.

**Manoj Agrawal**, aged 39 years, is the Promoter and Executive Director of our Company. He has an experience of more than 20 years in transport and logistics industry and is under matriculate. He has been instrumental in the growth and strategy of our business. He currently looks after the operation of Western Region of India from our office at Nagpur. He is an expert in human resources and human relations. He has been on the board since April 7, 1997

**Rajkumar Jain**, aged 36 years, is the Independent Director of our Company. He has completed his Bachelor of Commerce from the Sambalpur University, Bhawanipatna. He has been on the board since December 1, 2017.

**Sahil Batra**, aged 33, is the Additional Independent Director of our Company. He has completed his Master of Business Administration from the Chhattisgarh Swami Vivekanand Technical University, Bilai He is currently employed with Shri Bajrang Power & Ispat Ltd as Assistant General Manager since August 2013. He has been on the board since December 1, 2017.

### Further Confirmations

- 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.
- There are no service contracts entered into by the Directors with our Company providing for benefits upon termination of employment.
- None of the Directors are on the RBI List of willful defaulters as on date.
- None of our Directors is or was a director of any listed company during the last five years preceding the date of this Draft Prospectus, whose shares have been or were suspended from being traded on the Stock Exchange(s), during the term of their directorship in such Company.
- None of our Directors is or was a director of any listed company which has been or was delisted from any stock exchange during the term of their directorship in such Company.
- None of the Promoters, Persons forming part of our Promoter Group, Directors or persons in control of our Company, has been or is involved as a promoter, director or person in control of any other Company, which is debarred from accessing the capital market under any order or directions made by SEBI or any other regulatory authority.
- No proceedings/ investigations have been initiated by SEBI against any Company, the board of directors of which also comprises any of the Directors of our Company. No consideration in cash or shares or otherwise has been paid or agreed to be paid to any of our Directors or to the firms or Companies in which they are interested by any person either to induce him to become or to help him qualify as a Director, or otherwise for services rendered by him or by the firm or Company in which he is interested, in connection with the promotion or formation of our Company.
- None of our Directors is or was a director of any Company who have made an application to the relevant registrar of companies (in India), for striking off its name.

### Nature of Family Relationship among Directors

Ratan Kumar Agrawal is the spouse of Shakuntala Devi Agrawal and hence they are relatives within the meaning of section 2(77) of the Companies Act, 2013.

### Borrowing Powers of the Directors

In accordance with the Articles of Association and pursuant to the EGM of our Company held on May 15, 2017, the Board is authorized to borrow money, mortgage, hypothecate and/or charge all of our Company's immovable and movable properties, present and future, in such sum form or manner as the Board may think fit for securing loans already obtained or that may be obtained from our Company's banker or any other banks, financial institution or any other lending institutions or persons, provided that the total amount of money or monies so borrowed (apart from temporary loans obtained or to be obtained from our Company's bankers in the ordinary course of business), by our Company shall not, at any time, exceed the Rs.15.00 Crores.

### Remuneration to our Directors

Details of remuneration paid to our Directors during fiscal 2017 are set for the in the table below:

Sr. No.	Name of Director	Remuneration (Rs in lakh)
1	Ratan Kumar Agrawal	9.60
2	Shakuntala devi Agrawal	9.60
3	Manoj Kumar Agrawal	9.00



## Terms of Appointment of our Directors

### Executive Directors

{1}

<b>Name</b>	<b>Ratan Kumar Agrawal</b>
<b>Designation</b>	Managing Director
<b>Period</b>	Appointed for a period of 5 years w.e.f. 01.12.2017
<b>Remuneration</b>	Rs. 9,60,000 per annum (Including perquisites)

{2}

<b>Name</b>	<b>Manoj Kumar Agrawal</b>
<b>Designation</b>	Executive Director
<b>Period</b>	Appointed for a period of 3 years w e f 30.09.2016
<b>Remuneration</b>	Rs. 9,00,000 per annum (including perquisites)

### Non-Executive Director

Currently, Shakuntala Devi Agrawal is a non-executive Director but earlier in the year 2016-17 remuneration payable to her amounting to is Rs. 9,60,000 was paid to her. We confirm that since her designation has been changed from executive to Non-executive director, no remuneration will be paid to her in her tenure. We also confirm that no remuneration being paid to Independent Directors apart from payment of sitting fees.

### Shareholding of Directors in our Company

Other than the following, none of our Directors holds any Equity Shares as of the date of filing this draft Prospectus:

<b>Name of Director</b>	<b>Number of Equity Share Held</b>	<b>Percentage of pre-Issue capital</b>
Ratan Kumar Agrawal	2930400	18.89
Shakuntala Devi Agrawal	2965500	19.10
Manoj Kumar Agrawal	2428200	15.65

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

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

### **Changes in our Board of Directors during the last three (3) years.**

The changes in the Directors during last three (3) years are as follows:

<b>Name</b>	<b>Date of Appointment/ Change/ Cessation</b>	<b>Reason</b>
<b>Subhash Mittal</b>	February 20, 2015	Appointed as an Independent Director
<b>Chandan Jain</b>	February 20, 2015	Appointed as an Independent Director
<b>Subhash Mittal</b>	November 28, 2017	Cessation due to other engagements
<b>Chandan Jain</b>	November 28, 2017	Cessation due to other engagements
<b>Rajkumar Jain</b>	December 1, 2017	Appointed as an Additional Non- Executive Independent Director

<b>Sahil Batra</b>	December 1, 2017	Appointed as an Additional Non- Executive Independent Director
<b>Ratan Kumar Agrawal</b>	November 28, 2017	appointed as a Managing Director of the Company, for a period of five years
<b>Shakuntala Devi Agrawal</b>	December 15, 2017	Change the designation from executive director to non-executive director

### Interest of Directors

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

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

Our Directors may also be interested to the extent of Equity Shares, if any, held by them or held by the entities in which they are associated as promoters, directors, partners, proprietors or trustees or held by their relatives or that may be subscribed by or allotted to the companies, firms, ventures, trusts in which they are interested as promoters, directors, partners, proprietors, members or trustees, pursuant to this Issue.

Our Company has entered into an agreement with one of our promoters Ratan Kumar Agarwal for leave and license agreement of our godown premises located at Sthaniya Best Price, Opposite Durga Dharamkanta, Ring Road, No.- 02, Bhanpuri, Raipur, Chhattisgarh for the period starting from February 26, 2018 to January 26, 2023 at monthly rent of Rs 70000/- excluding maintenance and electricity charges.

Except as stated in the chapter titled “Related Party Transactions” on page 120 of this draft Prospectus, our Directors do not have any other interest in the business of our Company.

### 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, 2013 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 to the extent applicable. Our Board functions either as a full board or through various committees constituted to oversee specific functions. In compliance with the requirements of the Companies Act and the SEBI (LODR) Regulations, to the extent applicable our Board of Directors consists of five Directors (including one-woman Director).

### Committees of our Board

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

- Audit Committee;
- Nomination and Remuneration Committee;
- Stakeholders’ Relationship Committee;

Details of each of these committees are as follows:

**a. Audit Committee;**

Our Audit Committee was re-constituted pursuant to resolution of our Board dated December 15, 2017. The Audit Committee comprises of the following:

Name of the Director	Status in Committee	Nature of Directorship
Rajkumar Jain	Chairman	Non - Executive Independent Director
Sahil Batra	Member	Non - Executive Independent Director
Manoj Agrawal	Member	Executive Director

The scope, functions and the terms of reference of the Audit Committee is in accordance with the Section 177 of the Companies Act, 2013.

The role of the audit committee shall include the following:

- (1) oversight of the listed entity's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- (2) recommendation for appointment, remuneration and terms of appointment of auditors of the listed entity;
- (3) approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- (4) reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
  - (a) matters required to be included in the director's responsibility statement to be included in the board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
  - (b) changes, if any, in accounting policies and practices and reasons for the same;
  - (c) major accounting entries involving estimates based on the exercise of judgment by management;
  - (d) significant adjustments made in the financial statements arising out of audit findings;
  - (e) compliance with listing and other legal requirements relating to financial statements;
  - (f) disclosure of any related party transactions;
  - (g) modified opinion(s) in the draft audit report;
- (5) reviewing, with the management, the quarterly financial statements before submission to the board for approval;
- (6) reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / 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;
- (7) reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
- (8) approval or any subsequent modification of transactions of the listed entity with related parties;

- (9) scrutiny of inter-corporate loans and investments;
- (10) valuation of undertakings or assets of the listed entity, wherever it is necessary;
- (11) evaluation of internal financial controls and risk management systems;
- (12) reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- (13) reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- (14) discussion with internal auditors of any significant findings and follow up there on;
- (15) reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
- (16) discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- (17) to look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- (18) to review the functioning of the whistle blower mechanism;
- (19) approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;
- (20) Carrying out any other function as is mentioned in the terms of reference of the audit committee.

The Audit Committee enjoys following powers:

- a) To investigate any activity within its terms of reference
- b) To seek information from any employee
- c) To obtain outside legal or other professional advice
- d) To secure attendance of outsiders with relevant expertise if it considers necessary
- e) The audit committee may invite such of the executives, as it considers appropriate (and particularly the head of the finance function) to be present at the meetings of the committee, but on occasions it may also meet without the presence of any executives of the Issuer. The finance director, head of internal audit and a representative of the statutory auditor may be present as invitees for the meetings of the audit committee.

**The Audit Committee shall mandatorily review the following information:**

- a) Management discussion and analysis of financial condition and results of operations;
- b) Statement of significant related party transactions (as defined by the audit committee), submitted by management;
- c) Management letters / letters of internal control weaknesses issued by the statutory auditors;
- d) Internal audit reports relating to internal control weaknesses; and

e) The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee.

The recommendations of the Audit Committee on any matter relating to financial management, including the audit report, are binding on the Board. If the Board is not in agreement with the recommendations of the Committee, reasons for disagreement shall have to be incorporated in the minutes of the Board Meeting and the same has to be communicated to the shareholders. The Chairman of the committee has to attend the Annual General Meetings of the Company to provide clarifications on matters relating to the audit.

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

### **Meeting of Audit Committee**

The audit committee shall meet at least four times in a year and not more than one hundred and twenty days shall elapse between two meetings. The quorum shall be either two members or one third of the members of the audit committee whichever is greater, but there shall be a minimum of two independent members present. Since the formation of the committee, no Audit Committee meetings have taken place.

### **b. 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 December 15, 2017.

<b>Name of the Director</b>	<b>Status in Committee</b>	<b>Nature of Directorship</b>
Sahil Batra	Chairman	Non - Executive Independent Director
Rajkumar Jain	Member	Non - Executive Independent Director
Shakuntala Devi Agrawal	Member	Non-Executive Director

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

- Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
- Formulation of criteria for evaluation of Independent Directors and the Board;
- Devising a policy on Board diversity
- Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board their appointment and removal. The company shall disclose the remuneration policy and the evaluation criteria in its Annual Report.

### **Quorum and Meetings**

The quorum necessary for a meeting of the Nomination and Remuneration Committee shall be two members or one third of the members, whichever is greater. The Committee is required to meet at least once a year.

The Company Secretary of our Company acts as the Secretary to the Committee.

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

The Stakeholders' Relationship Committee was constituted by a resolution of our Board dated December 15, 2017. The constitution of the Stakeholders' Relationship committee is as follows:

Name of the Director	Status in Committee	Nature of Directorship
Sahil Batra	Chairman	Non-Executive & Independent Director
Manoj Kumar Agrawal	Member	Executive Director
Ratan Kumar Agrawal	Member	Managing Director

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;
- e) 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.

The Company Secretary of our Company acts as the Secretary to the Committee.

### Quorum and Meetings

The quorum necessary for a meeting of the Stakeholders Relationship Committee shall be two members or one third of the members, whichever is greater. Since the formation of the committee, no Stakeholders Relationship Committee meetings have taken place.

### d. Corporate Social Responsibility Committee

The Corporate Social Responsibility Committee was constituted by a resolution of our Board dated December 15, 2017. The constitution of Corporate Social Responsibility Committee is as follows-

Name of the Director	Status in Committee	Nature of Directorship
Sahil Batra	Chairman	Independent Director
Rajkumar Jain	Member	Independent Director
Shakuntala Devi Agrawal	Member	Non- Executive Director

The CSR Committee was constituted by our Board on December 15, 2017. The scope and function of the CSR Committee is in accordance with Section 135 of the Companies Act, 2013. The terms of reference of the CSR Committee include the following:

1. Formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by our Company as specified in Schedule VII to the Companies Act, 2013;
2. Recommend the amount of expenditure to be incurred on activities to be undertaken by our Company;
3. Monitor the Corporate Social Responsibility Policy of our Company from time to time;

4. Ensure the compliance of the Company with respect of CSR provisions as per the applicable laws of the land; and

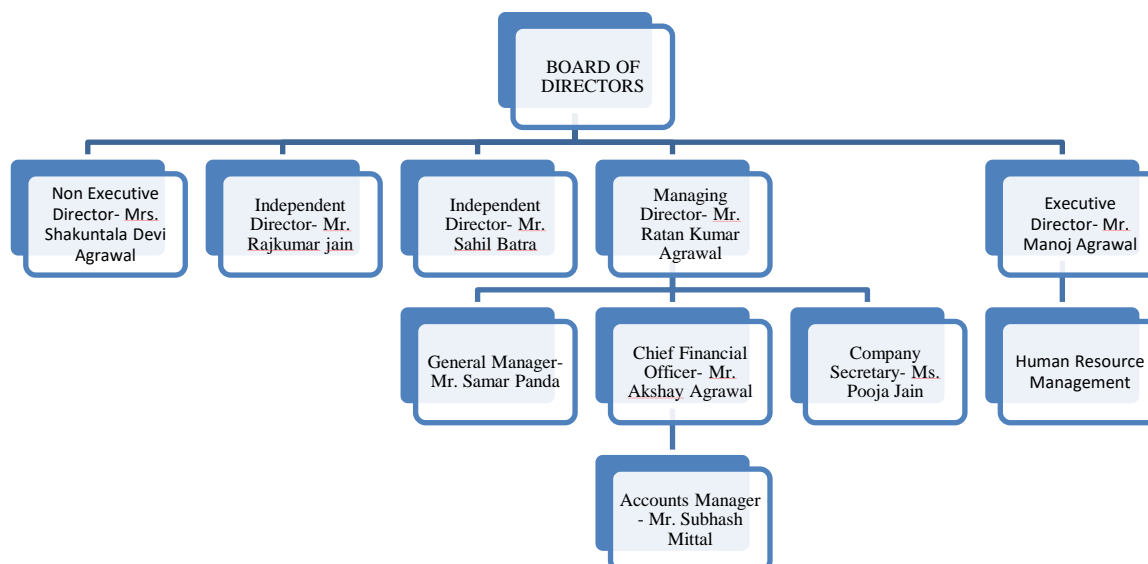
5. Any other matter as the Corporate Social Responsibility Committee may deem appropriate after approval of the Board of Directors or as may be directed by the Board of Directors from time to time.

**Our Company has adopted the following policies:**

1. Code of Conduct
2. Code of ethics for Board Members and Senior Managers
3. Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information
4. Whistle Blower Policy & Vigil Mechanism
5. Related Party Transactions (RTP) Policy
6. Policy for Preservation of Documents & Archival of Documents
7. Policy for Prevention of Sexual Harassment



## MANAGEMENT ORGANIZATION STRUCTURE



## **Our Key Managerial Personnel**

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

In addition to our Managing Director Ratan Kumar Agrawal, following key personnel assist the management of our Company: -

Akshay Agrawal, Chief Financial Officer  
Pooja Jain, Company Secretary and Compliance Officer

For details of our Managing Director please refer chapter “Our Management” on page 101 of this draft Prospectus.

### **Brief Profile of Key Managerial Personnel:**

**Akshay Agrawal** aged 23 years, is the Chief Financial Officer of our Company. He has completed his Master of Arts in international Business Management from the Middlesex University, London, United Kingdom. He is associated with our Company since December 1st, 2017. His responsibilities in our Company include overseeing the corporate finance, accounts, statutory and internal audit, and financial projections of our Company.

**Pooja Jain**, aged 25 years is Company Secretary & Compliance Officer of our Company. She is an associate member of Institute of Companies Secretaries of India. She has completed her Bachelor of Commerce from the Pt. Ravi Shanker Shukla University, Raipur, Chhattisgarh. She has joined our Company on December 1st, 2017. Her scope of work and responsibilities include vetting of agreements, preparation of minutes, drafting of resolutions, preparation and updating of various statutory registers, and compliance with the provisions of Companies Act.

### **Status of Key Managerial Personnel**

All our Key managerial personnel are permanent employees of our Company.

### **Family Relationship between Key Managerial Personnel**

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

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

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

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

Except Ratan Kumar Agrawal, promoter and managing director of the Company holding 2930400 Equity shares, as on date, none of the Key Managerial Persons are holding equity shares of our Company.

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

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

### **Loans to Key Managerial Personnel**

There is no loan outstanding against key managerial personnel as on date of this draft Prospectus.

### **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 the remuneration or benefits to which they are entitled to as per their terms of appointment and reimbursement of expenses incurred by them during the ordinary course of business and to the extent of Equity Shares held by them in our Company, if any.

Except as disclosed in this draft Prospectus, none of our key managerial personnel have been paid any consideration of any nature from our Company, other than their remuneration. For further details please refer chapter titled “*Related Party Transaction*” on page 120.

### **Changes in Key Managerial Personnel of our Company during the Last Three (3) Years**

For details of changes regarding our Promoter and Managing Director, Ratan Kumar Agrawal during last three years please refer chapter titled “Our Management” on page 101 of this draft Prospectus.

Set forth below are the changes in the key managerial personnel of our Company during the last three (3) years

<i>Name</i>	<i>Date of appointment/Change in Designation</i>	<i>Date of cessation</i>	<i>Reason</i>
Ratan Kumar Agrawal	01.12.2017	-	Designated as Managing Director
Akshay Agrawal	01.12.2017	-	Appointment as CFO
Pooja Jain	01.12.2017	-	Appointment as Company Secretary

### **Employees Stock Option Scheme**

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

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

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

### **Employees**



The details about our employees appear under the head titled “Our Employees” beginning on page 85 of this draft Prospectus.


## OUR PROMOTERS AND PROMOTER GROUP

Our Promoters comprises of **Ratan Kumar Agrawal, Shakuntala Devi Agrawal and Manoj Kumar Agrawal.**

As on the date of this Draft Prospectus, our Promoters holds 83,24,100 Equity Shares representing 53.64% of the issued and paid-up Equity Share capital of our Company.

### Details of our Promoters

	<p><b>Ratan Kumar Agrawal</b>, aged 61 years is Managing Director of our Company. He is one of the founding promoters of our company. He has been Director of our Company since incorporation and has been designated as Managing Director w.e.f December 1, 2017.</p> <p>For a Complete profile of Ratan Kumar Agrawal, i.e. his educational qualifications, experience, positions/post held in the past and other directorship and special achievements, please refer “Our Management” on page 101 of this Draft Prospectus.</p> <p><b>Nationality:</b> Indian  <b>Passport No:</b> H5314204  <b>Driving License:</b> CG0419780006112  <b>Voters ID:</b> TIS 0488767.  <b>PAN:</b> ACJPA2794A  <b>AADHAR NO:</b> 932954450675  <b>Name of Bank &amp; Bank Account No.:</b> Axis Bank Ltd. &amp; 139010100026211</p> <p>As on date of this Draft Prospectus, Ratan Kumar Agrawal holds 29,30,400 Equity Shares representing 18.89% of pre-issue paid up capital of our Company.</p>
	<p><b>Shakuntala Devi Agrawal</b>, aged 57 years is the Non-Executive Director of our Company. She is one of the founding promoters of our company. She has been Director of our Company since incorporation.</p> <p>For a Complete profile of Shakuntala Devi Agrawal, i.e. her educational qualifications, experience, positions/post held in the past and other directorship and special achievements, please refer “Our Management” on page 101 of this Draft Prospectus.</p> <p><b>Nationality:</b> Indian  <b>Passport No:</b> L8293157.  <b>Driving License:</b> NA  <b>Voters ID:</b> MP/17/127/348168  <b>PAN:</b> ACOPA7642L  <b>AADHAR NO:</b> 938944500304  <b>Name of Bank &amp; Bank Account No.:</b> Axis Bank Ltd. &amp; 139010100065663</p> <p>As on date of this Draft Prospectus, Shakuntala Devi Agrawal holds 29,65,500 Equity Shares representing 19.10% of pre-issue paid up capital of our Company.</p>

	<p><b>Manoj Kumar Agrawal</b>, aged 39 years, is the Promoter and Executive Director of our Company. He has an experience of more than 20 years in transport and logistics industry. He has been instrumental in the growth and strategy of our business along with our founder promoter. He currently looks after the operation of Western Region of India from our office at Nagpur. He is an expert in human resources and human relations.</p> <p><b>Nationality:</b> Indian  <b>Passport No:</b> G8714819.  <b>Driving License:</b> MH31/05/353225.  <b>Voters ID:</b> YGR3109212.  <b>PAN:</b> ACOPA2896C  <b>AADHAR NO:</b> 973350414473  <b>Name of Bank &amp; Bank Account No.:</b> Axis Bank Ltd. &amp; 139010100068800</p> <p>For further details relating to <b>Manoj Kumar Agrawal</b>, including terms of appointment as Director, other directorships, please refer to the chapters titled “Our Management” beginning on page 101 of this Draft Prospectus.</p> <p>As on date of this Draft Prospectus, Manoj Kumar Agrawal holds 24,28,200 Equity Shares representing 15.65% of pre-issue paid up capital of our Company.</p>
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### 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 have confirmed that they have not been identified as willful defaulters.

No violations of securities laws have been committed by our Promoters in the past or are currently pending against them. None of our Promoters 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.

### Interest of our Promoters

Our Promoters are interested in our Company to the extent that they have promoted our Company and to the extent of its shareholding and the dividend receivable, if any and other distributions in respect of the Equity Shares held by them. For details regarding shareholding of our promoters in our Company, please refer “*Capital Structures*” on page 47 of this Draft Prospectus.

Our Promoters may also be deemed to be interested in our Company to the extent of their shareholding in our Group Entities with which our Company transacts during the course of its operations.

Our Promoters are also the Directors of our Company and may be deemed to be interested to the extent of remuneration and/ or reimbursement of expenses payable to them for services rendered to us in accordance with the provisions of the Companies Act and in terms of the agreements entered into with our company, if any and AOA of our Company. For details please see “*Our Management*” “*Financial Statements*” and “*Capital Structure*” beginning on pages 101, 122 and 47 respectively of this Draft Prospectus

Except as mentioned in this Draft Prospectus, none of our Promoters have any interest in any property acquired by our Company within two years from the date of this Draft Prospectus or proposed to be acquired by it or in any transaction in acquisition of land, construction of building and supply of machinery etc.

Other than as disclosed in the section “*Related Party Transactions*” on page 120 of this Draft Prospectus, there are no sales/purchases between our Company and our Promoter and Promoter Group, Group Companies and our associate

companies when such sales or purchases exceeding in value in the aggregate 10% of the total sales or purchases of our Company or any business interest between our Company, our Promoters, our Promoter Group, Group Companies and the associate companies as on the date of the last financial statements.

Our Promoters may be interested to the extent the Company has availed unsecured loans from them which are repayable on demand. For further details, please refer “Financial Statements” on page 122 respectively of this Draft Prospectus.

Our Company has entered into an agreement with one of our promoters Ratan Kumar Agarwal for leave and license agreement of our godown premises located at Sthaniya Best Price, Opposite Durga Dharamkanta, Ring Road, No.-02, Bhanpuri, Raipur, Chhattisgarh for the period starting from February 26, 2018 to January 26, 2023 at monthly rent of Rs 70000/- excluding maintenance and electricity charges.

Except as stated in this section and “Related Party Transaction” and “Our Management” on page 120 and 101 respectively, there has been no payment of benefits to our Promoters or Promoter Group during the two years preceding the filing of the Draft Prospectus nor is there any intention to pay or give any benefit to our Promoters or Promoter Group.

### Our Promoter Group

Our Promoters and Promoter Group in terms of Regulation 2(1)(za) and 2(1)(zb) of the SEBI (ICDR) Regulations is as under:

#### A. Natural Persons who form part of our Promoter Group:

Relationship	Ratan Kumar Agrawal	Shakuntala Devi Agrawal	Manoj Kumar Agrawal
Father	Late Rishi Kumar Agrawal	Late Dwarka Prasad Agrawal	Late Sajjan Kumar Agrawal
Mother	Late Savitri Devi Agrawal	Late Ghani Devi Agrawal	Banarasi Devi Agrawal
Spouse	Shakuntala Devi Agrawal	Ratan Kumar Agrawal	Sonal Agrawal
Brother(s)	Ashok Agrawal, Late Shri Sajjan Kumar Agrawal	Raghuveer Prasad Agrawal, Late Madanlal, Mahendra Agrawal	-
Sister(s)	Sunita Devi Mittal	Nirmala Agrawal	Pooja Agrawal, Meenu Agrawal, Monica Agrawal
Son	Ravi Agrawal	Ravi Agrawal	Dhruv Agrawal
Daughter(s)	Minaxi Agrawal, Rinki Agrawal	Minaxi Agrawal, Rinki Agrawal	Tanisha Agrawal
Spouse Father	Late Dwarka Prasad Agrawal	Late Rishi Kumar Agrawal	Prem Chand Kemka
Spouse Mother	Late Ghani Devi Agrawal	Late Savitri Devi Agarwal	Chanda Khemka
Spouse Brother(s)	Raghuveer Prasad Agrawal, Late Madanlal, Mahendra Agrawal	Ashok Agrawal, Late Shri Sajjan Agrawal	Chandan Khemka, Jitesh Khemka
Spouse Sister(s)	Nirmala Agrawal	Sunita Devi Mittal	Preeti Khemka

**B. Entities forming part of the Promoter Group:**

1. The Body Corporate forming part of our Promoter Group are as follows: -

M/s RSR Infrastructure Private Limited.  
M/s Jharkhand Milk Products Private Limited

2. Hindu Undivided families forming part of Promoter Group:

M/s Rishi Kumar & Sons  
M/s Manoj Agarwal & Sons

3. Trust/ Proprietorship Firm / Partnership Firm / LLP forming part of Promoter Group:

M/s Jai Durga Logistic

**Relationship of Promoters with our Directors:**

Except as disclosed in the draft prospectus, none of our Promoter(s) are related to any of our Company's Directors within the meaning of Section 2 (77) of the Companies Act, 2013.

Promoters	Director	Relationship
Ratan Kumar Agrawal	Shakuntala Devi Agrawal	Spouse

**Common Pursuits of our Group Entities**

One of our Group Entities, are authorized to carry out, or are engaged in business that is similar or related to our business. As a result, conflicts of interests may arise in allocating business opportunities amongst our Company and our Group Entities in circumstances where our respective interests diverge. In cases of conflict, our Promoters may favour other entity in which our Promoters have interests. We have also not entered into any non-compete agreement with our Promoters and Jai Durga Logistic (our Group Entity). We cannot assure you that our Promoters or our Group Entities or members of the Promoter Group will not compete with our existing business or any future business that we may undertake or that their interests will not conflict with ours.

**Related Party Transactions**

For details of related party transactions entered into by our Promoters, members of our Promoter Group and Company during the last financial year, the nature of transactions and the cumulative value of transactions, refer chapter titled "Related Party Transactions" on page 120 of this Draft Prospectus.

**Payment or Benefits to Promoter**

Except as stated otherwise in the chapter titled "*Related Party Transactions*" on page 120 of this Draft Prospectus, there have been no payments or benefits to the Promoters during the two years prior to filing of this Draft Prospectus.

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

Ratan Kumar Agarwal and Shakuntla Devi Agarwal are the original promoters of our Company and Manoj Kumar Agarwal joined as promoter in April 7, 1997. Further there has not been any change in the management or control of our Company.

**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. 14 and 157 of this Draft Prospectus.

**Other Confirmations**



Our Promoters have confirmed that they have not been declared as willful defaulters by the RBI or any other governmental authority and there are no violations of securities laws committed by them in the past and no proceedings pertaining to such penalties are pending against them.

Except as mentioned in this Draft Prospectus there are no litigation or legal action pending or taken by any ministry, department of the Government or statutory authority during the last five years preceding the date of this Draft Prospectus against any of our Promoter.

As on the date of this Draft Prospectus, our Promoters and members of our Promoter Group are not and have not ever been prohibited from accessing or operating in the capital markets, or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI or any other regulatory or governmental authority. Further, none of our Promoter was or is a promoter or person in control of any other company that is or has ever been debarred from accessing the capital market under any order or direction made by SEBI or any other authority. Our Promoters are not interested in any entity which holds any intellectual property rights that are used by our Company.

Except as disclosed in “Related Party Transactions on page 120, our Promoters are not related to any of the sundry debtors or are not beneficiaries of Loans and Advances given by/to our Company.

### **Guarantees**

Our Promoters have not given any guarantee to any third party as of the date of this Draft Prospectus.

## **GROUP COMPANIES**

As per the requirements of SEBI (ICDR) Regulations, for the purpose of disclosure in offer documents, our Company considered companies as covered under the applicable accounting standards, being AS 18 (as mentioned in our restated financial statements), and such other companies as considered material by our Board pursuant to the materiality policy adopted by the Company by a board resolution dated September 20, 2017

In terms of the materiality policy, the following companies would be considered 'material' and identified as 'Group Companies':

(i) The Promoter Group with whom our Company has entered into one or more transactions that exceed 10% of the total revenues of our Company, whichever is lower, in each of Fiscal Year 2013,2014, 2015, 2016,2017 and for the period ended on September 30, 2017 ("Relevant Period");

Based on the above as on date of this Draft Prospectus ,there are no Group Company.

## **RELATED PARTY TRANSACTIONS**

For details of related party transactions during the last five Fiscal Years being fiscal 2013, 2014, 2015, 2016, 2017 and for the period ended September 30, 2017 as per the requirements under Accounting Standard 18 “Related Party Disclosures” issued by the Institute of Chartered Accountants of India and as reported in the Restated Financial Statements, please refer “Financial Statements” on page 122 of this Draft Prospectus.

## **DIVIDEND POLICY**

The declaration and payment of dividends, if any, will be recommended by our Board of Directors and approved by our shareholders at their discretion, subject to the provision of the Articles of Association and the Companies Act. The dividends, if any, will depend on a number of factors, including but not limited to the earnings, capital requirements and overall financial position of our Company. In addition, our ability to pay dividends may be impacted by a number of other factors, including, restrictive covenants under the loan or financing documents we may enter into from time to time. For further details on restrictive covenants, please refer “Financial Indebtedness” on page 147 of this Draft Prospectus. Our Company has no formal dividend policy. Our Board may also, from time to time, pay interim dividends.

Our Company has not declared any dividends during the last five financial years.

**SECTION V – FINANCIAL STATEMENT**  
**FINANCIAL STATEMENT AS RESTATED**

**Independent Auditor’s Report on Restated Financial Statements**

To  
**The Board of Directors**  
**Orissa Bengal Carrier Limited**  
Jiwan Bima Marg,  
Pandri  
Raipur-492001

Dear Sir,

1. We have examined the attached restated summary statement of assets and liabilities of **Orissa Bengal Carrier Limited**, (hereinafter referred to as “**the Company**”) as at September 30, 2017, March 31, 2017, 2016, 2015, 2014 and 2013 restated summary statement of profit and loss and restated summary statement of cash flows for the period ended on September 30, 2017, March 31, 2017, 2016, 2015, 2014 and 2013 (collectively referred to as the “**restated summary statements**” or “**restated financial statements**”) annexed to this report and initialled by us for identification purposes. These restated financial statements have been prepared by the management of the Company and approved by the Board of Directors of the company in connection with the Initial Public Offering (IPO) on SME Platform of Bombay Stock Exchange of India Limited (“**BSE**”).
2. These restated summary statements have been prepared 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 (“the Act”) read with Companies (Prospectus and Allotment of Securities) Rules 2014;
  - (ii) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2009 (“**ICDR Regulations**”) and related amendments / clarifications from time to time issued by the Securities and Exchange Board of India (“**SEBI**”)
3. We have examined such restated financial statements taking into consideration:
4.
  - (i) The terms of reference to our engagement requesting us to carry out the assignment, in connection with the Draft Prospectus/ Prospectus being issued by the Company for its proposed Initial Public Offering of equity shares in in SME Platform of Bombay Stock Exchange of India Limited (“**IPO**” or “**SME IPO**”); and
  - (ii) The Guidance Note on Reports in Company Prospectus (Revised) issued by the Institute of Chartered Accountants of India (“**Guidance Note**”).
5. The restated financial statements of the Company have been extracted by the management from the audited financial statements of the Company for the period ended on September 30, 2017, March 31 2017, 2016, 2015, 2014 and 2013.
6. In accordance with the requirements of the Act including the rules made there under, ICDR Regulations, Guidance Note and Engagement Letter, we report that:
  - (i) The “**restated statement of asset and liabilities**” of the Company as at September 30, 2017, March 31, 2017, 2016, 2015, 2014 and 2013 examined by us, as set out in **Annexure I** to this report read with significant accounting policies in **Annexure IV** has been arrived at after making such adjustments and regroupings to the audited financial statements of the Company, as in our opinion were appropriate and more fully described in notes to the restated summary statements to this report.

- (ii) The “**restated statement of profit and loss**” of the Company for the period ended on September 30, 2017, March 31, 2017, 2016 2015, 2014 and 2013 examined by us, as set out in **Annexure II** to this report read with significant accounting policies in **Annexure IV** has been arrived at after making such adjustments and regroupings to the audited financial statements of the Company, as in our opinion were appropriate and more fully described in notes to the restated summary statements to this report.
  - (iii) The “**restated statement of cash flows**” of the Company for the period ended on September 30, 2017, March 31, 2017, 2016 2015, 2014 and 2013 examined by us, as set out in **Annexure III** to this report read with significant accounting policies in **Annexure IV** has been arrived at after making such adjustments and regroupings to the audited financial statements of the Company, as in our opinion were appropriate and more fully described in notes to restated summary statements to this report.
  - (iv) ***The companies has taken unsecured loan/Deposit from other then directors which is contravention of Companies Act-2013.***
7. Based on our examination, we are of the opinion that the restated financial statements have been prepared:
- a) Using consistent accounting policies for all the reporting periods.
  - b) Adjustments for prior period and other material amounts in the respective financial years to which they relate.
  - c) There are no extra-ordinary items other than those appearing in financials that need to be disclosed separately in the accounts and requiring adjustments.
  - d) There are no audit qualifications in the audit reports issued by the statutory auditor for the period ended September 30, 2017, March 31, 2017, 2016 2015, 2014 and 2013 which would require adjustments in this restated financial statements of the Company.
8. Audit for the period ended September 30, 2017 was conducted by Agrawal & Pansari Chartered Accountant and year ended March 31, 2017, 2016 2015, 2014 and 2013 was conducted by G. Kumar & Co. The financial report included for these period is based solely on the report submitted by them. Further financial statements for period ended on September 30, 2017 and March 31, 2017 have been reaudited by us as per the relevant guidelines.
9. We have also examined the following other financial information relating to the Company prepared by the Management and as approved by the Board of Directors of the Company and annexed to this report relating to the Company for the period ended on September 30, 2017, March 31, 2017, 2016 2015, 2014 and 2013 proposed to be included in the Draft Prospectus / Prospectus (“**Offer Document**”).

**Annexure to restated financial statements of the Company:-**

1. Summary Standalone statement of assets and liabilities, as restated as appearing in ANNEXURE I;
2. Summary Standalone statement of profit and loss, as restated as appearing in ANNEXURE II;
3. Summary Standalone statement of cash flow as restated as appearing in ANNEXURE III;
4. Standalone restated significant accounting policies and notes to accounts as appearing in ANNEXURE IV;
5. Details of Standalone share capital as restated as appearing in ANNEXURE V to this report;
6. Details of Standalone reserves and surplus as restated as appearing in ANNEXURE VI to this report;
7. Details of Standalone long term borrowings as restated as appearing in ANNEXURE VII to this report;
8. Details of Standalone other long term liabilities as restated as appearing in ANNEXURE VIII to this report;
9. Details of Standalone deferred tax asset/liability as restated as per ANNEXURE IX to this report;
10. Details of Standalone short term borrowings as restated as appearing in ANNEXURE X to this report;
11. Details of Standalone trade payables as restated as appearing in ANNEXURE XI to this report;
12. Details of Standalone other current liabilities as restated as appearing in ANNEXURE XII to this report;
13. Details of Standalone short term provisions as restated as appearing in ANNEXURE XIII to this report;
14. Details of Standalone fixed assets as restated as appearing in ANNEXURE XIV to this report;
15. Details of Standalone Non Current Investments as restated as appearing in ANNEXURE XV to this report;
16. Details of Standalone trade receivables as restated as appearing in ANNEXURE XVI to this report;

17. Details of Standalone cash & cash equivalents as restated as appearing in ANNEXURE XVII to this report;
  18. Details of Standalone short term loans & advances as restated as appearing in ANNEXURE XVIII to this report;
  19. Details of Standalone other current assets as restated as appearing in ANNEXURE XIX to this report;
  20. Details of Standalone long term loans and advances as restated as appearing in ANNEXURE XX to this report
  21. Details of Standalone revenue from operations as restated as appearing in ANNEXURE XXI to this report;
  22. Details of Standalone other income as restated as appearing in ANNEXURE XXII to this report;
  23. Details of Standalone related party transactions as restated as appearing in ANNEXURE XXIII to this report;
  24. Standalone Summary of significant accounting ratios as restated as appearing in ANNEXURE XXIV to this report,
  25. Standalone capitalisation statement as at September 30, 2017 as restated as appearing in ANNEXURE XXV to this report;
  26. Standalone statement of Contingent Liabilities as restated as appearing in ANNEXURE XXVI to this report;
  27. Standalone statement of Tax Shelters as restated as appearing in ANNEXURE XXVII to this report.
10. The report should not in any way be construed as a re-issuance or re-dating of any of the previous audit reports issued by any other firm of chartered accountants nor should this report be construed as a new opinion on any of the financial statements referred to therein.
  11. We have no responsibility to update our report for events and circumstances occurring after the date of the report.
  12. In our opinion, the above financial information contained in Annexure I to XXVII of this report read with the respective significant accounting policies and notes to restated summary statements as set out in Annexure IV are prepared after making adjustments and regrouping as considered appropriate and have been prepared in accordance with the Act, ICDR Regulations, Engagement Letter and Guidance Note.
  13. Our report is intended solely for use of the management and for inclusion in the Offer Document in connection with the SME IPO. Our report should not be used, referred to or adjusted for any other purpose except with our consent in writing.

**For Mittal & Associates**  
**Chartered Accountants**  
**Firm Registration No: 106456W**

**Hemant Bohra**  
**Partner**  
**Membership No.165667**

**Mumbai, February 19, 2018**



Summary statement of Assets and Liabilities as Restated

Annexure-I  
(Rs. In Lakhs)

Sr · N o.	Particulars	As at Sept 30, 2017	As at March 31,				
			2017	2016	2015	2014	2013
	<b>EQUITY AND LIABILITIES</b>						
1)	<b>Shareholder's Funds</b>						
	a. Share Capital	172.43	172.43	172.43	172.43	168.40	155.27
	b. Reserves and Surplus	2990.03	2638.63	2243.29	2060.88	1923.66	1772.44
2)	<b>Share Application Money Pending Allotment</b>	-	-	-	-	-	-
3)	<b>Non-Current Liabilities</b>						
	a. Long-Term Borrowings	1690.78	1611.50	1331.56	1172.39	1609.45	1530.51
	b. Other Long-Term Liabilities	34.37	31.10	28.98	34.71	31.65	28.97
	c. Deferred Tax Liability(Net)	57.25	51.74	19.68	-	-	-
4)	<b>Current Liabilities</b>						
	a. Short-Term Borrowings	1181.29	796.42	937.14	654.39	568.48	139.95
	b. Trade Payables	1774.76	1705.71	1865.04	1879.98	1398.52	1109.71
	c. Other Current Liabilities	470.87	400.02	107.90	68.63	14.33	21.04
	d. Short-Term Provisions	297.59	216.97	56.49	67.67	26.90	37.40
	<b>TOTAL</b>	<b>8669.38</b>	<b>7624.53</b>	<b>6762.51</b>	<b>6111.09</b>	<b>5741.39</b>	<b>4795.29</b>
	<b>ASSETS</b>						
1)	<b>Non-Current Assets</b>						
	<b>a. Fixed Assets</b>						
	i. Tangible Assets	1338.21	1342.81	1031.56	663.36	845.87	873.28
	ii. Intangible Assets	-	-	-	-	-	-
	iii. Capital Work in Progress	-	50.53	-	-	-	-
	b. Non-Current Investments	-	-	-	-	-	-
	c. Deferred Tax Assets (Net)	-	-	-	13.82	26.23	12.39
	d. Long Term Loans And Advances	206.51	252.22	207.72	155.30	117.53	110.21
	e. Other Non Current Assets	5.90	-	-	-	-	-
2)	<b>Current Assets</b>						
	a. Inventories	-	-	-	-	-	-
	b. Trade receivables	6237.39	5337.00	4956.24	5070.29	4572.87	3653.30
	c. Cash and Cash Equivalents	383.41	214.15	281.34	166.04	138.68	122.65
	d. Short-Term Loans And Advances	495.14	427.09	285.65	19.88	24.61	14.12
	e. Other Current Assets	2.81	0.74	-	22.43	15.59	9.34
	<b>TOTAL</b>	<b>8669.38</b>	<b>7624.53</b>	<b>6762.51</b>	<b>6111.09</b>	<b>5741.39</b>	<b>4795.29</b>

Summary statement of Profit and Loss as Restated

Annexure-II  
(Rs. In Lakhs)

Sr · N o.	Particulars	As at Sept 30, 2017	For the year ended March 31,				
			2017	2016	2015	2014	2013
<b>A</b>	<b>INCOME</b>						
	Revenue from Operations	16536.84	21285.06	22042.82	22638.62	18506.90	13536.31
	Other Income	43.93	15.16	13.16	11.81	12.50	9.79
	<b>Total Income (A)</b>	<b>16400.77</b>	<b>21300.22</b>	<b>22055.97</b>	<b>20650.43</b>	<b>18519.40</b>	<b>13546.10</b>
<b>B</b>	<b>EXPENDITURE</b>						
	Gross Transportation Expenses	15335.45	19642.94	20524.10	19492.65	17201.94	12615.50
	Employee benefit expenses	145.00	270.96	226.18	201.16	174.82	158.03
	Financial Cost	174.53	252.39	234.46	234.58	237.93	187.71
	Depreciation and amortization expenses	217.17	326.46	242.48	257.06	412.45	368.93
	Others Expenses	74.97	322.68	625.14	369.66	452.24	222.09
	<b>Total Expenses (B)</b>	<b>15947.12</b>	<b>20815.42</b>	<b>21852.36</b>	<b>20555.11</b>	<b>18479.38</b>	<b>13552.38</b>
<b>C</b>	<b>Profit before exceptional, extraordinary items and tax (A-B)</b>	<b>453.65</b>	<b>484.80</b>	<b>203.61</b>	<b>95.33</b>	<b>40.02</b>	<b>-6.15</b>
<b>D</b>	Add: Exceptional Items	<b>38.49</b>	<b>96.21</b>	<b>90.19</b>	<b>38.92</b>	<b>12.88</b>	<b>-0.11</b>
<b>E</b>	<b>Profit before extraordinary items and tax (C+D)</b>	<b>492.14</b>	<b>581.01</b>	<b>293.80</b>	<b>134.24</b>	<b>52.90</b>	<b>-6.27</b>
<b>F</b>	Prior Period Income/(Expenses)	-	-	-	-	-	-
<b>G</b>	Extraordinary items	-	-	-	-	-	-
<b>H</b>	<b>Profit before tax (E+F+G)</b>	<b>492.14</b>	<b>581.01</b>	<b>293.80</b>	<b>134.24</b>	<b>52.90</b>	<b>-6.27</b>
	<i>Tax expense:</i>						
	(i) Current tax	135.23	153.61	62.86	29.91	32.68	29.89
	(ii) Deferred Tax	5.52	32.06	33.50	12.41	-13.83	-20.24
	(iii) Income Tax for Earlier Years	-	-	15.03	-	33.86	0.48
<b>I</b>	<b>Total Tax Expense</b>	<b>140.75</b>	<b>185.67</b>	<b>111.39</b>	<b>42.32</b>	<b>52.70</b>	<b>10.13</b>
<b>J</b>	<b>Profit/(Loss) for the period After Tax-PAT</b>	<b>351.40</b>	<b>395.34</b>	<b>182.41</b>	<b>91.92</b>	<b>.20</b>	<b>(16.40)</b>

**Summary Statement of Cash Flow as Restated**
**Annexure – III  
(Rs. In Lakhs)**

Particulars	For the period ended Sept 30, 2017	For the year ended March 31,				
		2017	2016	2015	2014	2013
<b><u>Cash Flow from Operating Activities:</u></b>						
Net Profit before tax as per Profit and Loss A/c	492.14	581.01	293.80	134.24	52.90	(6.27)
<b><u>Adjustments for:</u></b>						
Depreciation & Amortization Expense	217.17	326.46	242.48	257.06	412.45	368.93
Interest Income	(43.93)	(15.16)	(13.16)	(11.81)	(10.50)	(9.79)
Finance Cost	174.53	252.39	234.46	234.58	237.93	187.71
<b>Operating Profit Before Working Capital Changes</b>	<b>839.92</b>	<b>1,144.69</b>	<b>757.59</b>	<b>614.07</b>	<b>692.78</b>	<b>540.57</b>
Adjusted for (Increase)/Decrease in:						
Trade Receivables	(900.40)	(380.76)	(114.05)	(497.43)	(919.57)	(453.75)
Loans & Advances	(68.06)	(141.44)	(265.77)	4.73	(10.50)	4.16
Other current assets	(7.97)	(0.74)	22.43	(6.84)	(6.25)	(4.52)
Trade Payables	69.05	(159.33)	(14.94)	481.46	288.82	356.88
Other Current Liabilities	74.11	294.24	33.54	57.37	(4.03)	0.30
Short term provision	80.62	160.48	(11.18)	40.77	(10.50)	(12.03)
<b>Cash Generated from Operations</b>	<b>(752.63)</b>	<b>(227.54)</b>	<b>(121.87)</b>	<b>80.06</b>	<b>(662.03)</b>	<b>(108.96)</b>
Appropriation of Profit						
Net Income Tax paid/refunded	135.23	153.61	77.89	29.91	66.54	30.38
<b>Net Cash Flow from/ (used in) Operating Activities: (A)</b>	<b>(47.95)</b>	<b>763.55</b>	<b>557.82</b>	<b>664.23</b>	<b>(35.79)</b>	<b>401.24</b>
<b><u>Cash Flow from Investing Activities:</u></b>						
Net (Purchases)/Sales of Fixed Assets (including capital work in progress)	(162.04)	(688.24)	(610.71)	(75.55)	(385.04)	(458.24)
Interest Income	43.93	15.16	13.16	11.81	10.50	9.79
Net (Increase)/Decrease in other Non-current assets	45.70	(44.49)	(52.43)	(37.77)	(7.31)	(45.26)
<b>Net Cash Flow from/ (used in) Investing Activities: (B)</b>	<b>(72.41)</b>	<b>(717.57)</b>	<b>(649.98)</b>	<b>(101.51)</b>	<b>(381.86)</b>	<b>(493.72)</b>
<b><u>Cash Flow from Financing Activities:</u></b>						
Finance cost	(174.53)	(252.39)	(234.46)	(234.58)	(237.93)	(187.71)

Particulars	For the period ended Sept 30, 2017	For the year ended March 31,				
		2017	2016	2015	2014	2013
Proceeds From issue of Share Capital	-	-	-	50.37	164.15	-
Net Increase/(Decrease) in Long Term Borrowings	79.28	279.94	159.17	(437.06)	78.94	459.66
Net Increase/(Decrease) in Short Term Borrowings	384.87	(140.72)	282.75	85.92	428.53	(159.26)
<b>Net Cash Flow from/(used in) Financing Activities ( C )</b>	<b>289.62</b>	<b>(113.17)</b>	<b>207.45</b>	<b>(535.36)</b>	<b>433.68</b>	<b>112.69</b>
<b>Net Increase/(Decrease) in Cash &amp; Cash Equivalents (A+B+C)</b>	<b>169.26</b>	<b>(67.18)</b>	<b>115.30</b>	<b>27.36</b>	<b>16.03</b>	<b>20.21</b>
<b>Cash &amp; Cash Equivalents As At Beginning of the Year</b>	<b>214.15</b>	<b>281.34</b>	<b>166.04</b>	<b>138.68</b>	<b>122.65</b>	<b>102.44</b>
<b>Cash &amp; Cash Equivalents As At End of the Year</b>	<b>383.41</b>	<b>214.15</b>	<b>281.34</b>	<b>166.04</b>	<b>138.68</b>	<b>122.65</b>

## **ANNEXURE IV (A)**

### **RESTATED SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS:**

#### **A. Basis of preparation of Financial Statements:**

- (iii) The restated summary statement of assets and liabilities of the Company as at 30 September 2017, 31 March 2017, 2016, 2015, 2014 and 2013 and the related restated summary statement of profits and loss and restated summary statement of cash flows for the period ended on 30 September 2017 and year ended on March 2017, 2016, 2015, 2014 and 2013 (herein collectively referred to as 'restated summary statements') have been compiled by the management from the audited financial statements of the Company for the period ended on 30 September 2017 and year ended on March 2017, 2016, 2015, 2014 and 2013 approved by the Board of Directors of the Company. The restated summary statements have been prepared to comply in all material respects with the provisions of sub-clauses (i) and (iii) of clause (b) of sub-section (1) of section 26 of the Companies Act, 2013 ("the Act") read with Companies (Prospectus and Allotment of Securities) Rules 2014; The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2009 ("ICDR Regulations") and related amendments / clarifications from time to time issued by the Securities and Exchange Board of India ("SEBI") and Guidance note on reports in Companies Prospectus (Revised). The restated summary statements have been prepared specifically for inclusion in the offer document to be filed by the Company with the SME Platform of BSE in connection with its proposed Initial public offering of equity shares. The Company's management has recast the financial statements in the form required by Schedule III of the Companies Act, 2013 for the purpose of restated summary statements.

#### **B. ACCOUNTING METHOD**

The company recognizes all income and expenditure having a material bearing on the financial statements on accrual basis. The financial statements are prepared in accordance with accounting standards issued by the Institute of Chartered Accounts of India and the provisions of the company's Act, 2013 as adopted consistently by the Company.

#### **C. ACCOUNTING CONVENTION**

The financial statements are prepared under the historical cost convention ignoring changes, if any, in the purchasing power of money.

#### **D. FIXED ASSETS**

Fixed assets are stated at the cost of acquisition. The cost of assets includes other direct / indirect and incidental cost incurred to bring them into their present location.

#### **E. PRIOR PERIOD, EXTRA ORDINARY AND EXCEPTIONAL ITEMS**

- Items of incomes or expenses which aroused in the current year but the conditions, events or evidences for those transactions relates to one or more prior periods are separately disclosed in the financial statements.
- The Items of incomes or expenditure which does not relates to ordinary business activities are classified as extra ordinary items in the financial Statements.
- Incomes or Expenditure which relates to ordinary business activities but are exceptionally high or low as compared to one or more comparatives are classified as exceptional Items.
- There is no change in any accounting policy or accounting estimates or the enterprise which materially affect the financial statements of the enterprise.

## **F. DEPRICIATION**

Depreciation on fixed assets for the year ended on March 31, 2014 is calculated on WDV basis for all assets using the rates prescribed under Schedule XIV of the Companies Act, 1956. Depreciation on fixed assets purchased after April 1, 2014 is calculated on WDV basis for all assets using the rates and useful life as prescribed under Schedule II of the Companies Act, 2013.

## **G. BORROWING COST**

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. All other borrowing Costs are charged to the revenue.

## **H. REVENUE RECOGNITION**

The revenues are recognized as and when accrued and when it is reasonably certain that the ultimate collection will be made in respect of principal activity of business. In other cases revenue is recognized when right to receive income is established.

## **I. FOREIGN CURRENCY TRANSACTIONS**

Transactions in foreign currency are recorded at the original rates of exchange in force at the time the transactions are affected. Gain or Loss on foreign exchange arising out of transactions in foreign currency for acquisition of fixed assets are capitalized with cost of respective assets as per requirement of AS – 11 issued by institute of chartered Accounts of India and Para 46 of companies (Accounting Standards) Amendment rules, 2009 and as per the provision of section 43A of the income tax Act, 1961. Gain or Loss on foreign exchange arising out of transactions in foreign currency for purchase and sale of goods and services are charged to profit & Loss Account as per requirement of AS – 11 issued by the Institute of Chartered Accountants of India.

## **J. GOVERNMENT GRANTS/INCENTIVES**

- a) Grant related to fixed Assets are shown as deduction from the gross value of the fixed Assets and those of the nature of project capital subsidy are credited to capital reserve.
- b) Other Government Grant including export incentives are credited to profit & Loss Account.

## **K. EMPLOYEE BENEFITS**

**Provident fund:** Contribution as required under the statute/ rules is made to the government provident fund.

## **L. EARNING PER SHARE**

Basic earnings per share is computed by dividing net income by the weighted number of equity shares outstanding during the period.

## **M. TAXES ON INCOME**

- a) Provision for the income tax is made on the basis of taxable income for the year current rates.
- b) Tax expense comprises of current tax and deferred tax at the applicable enacted substantively enacted rates.
  - Current tax represents the amount of income tax payable/recoverable in respect of the taxable income/loss for the reporting period.
  - Deferred tax represents the effects of timing difference between taxable income and accounting income for the reporting period that originates in one period and are capable of reversal in one of more subsequent periods. The deferred tax assets is recognized and

carried forward only to the extent that there is a reasonable certainty that the assets will be realized in future. However, where there is a unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognized only if there is virtual certainty of realization of assets.

#### **N. PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS**

A provision is recognized when an enterprise has present obligation as a result of past event and it is probable that as outflow of resources will be required to settle the obligation in respect of which reliable estimates can be made.

Provisions are not discounted to their present value and are determined based on management estimates required to settle the obligation at the balance sheet date. These are reviewed at the balance sheet date and adjusted to reflect the current management estimates.

#### **O. CURRENT ASSETS, LOANS AND ADVANCES AND LIABILITIES**

In the opinion of the board of directors, the value on realization of current assets, loans and advances, if realized in the ordinary course of the business, shall not be less than the amount, which is stated, in the current year balance sheet. The provision for all known liabilities is reasonable and not in excess of the amount considered reasonably necessary.

#### **P. PARTICULARS OF RAW MATERIALS, WORK IN PROGRESS, OTHER MATERIALS AND FINISHED GOODS UNDER BROAD HEADS.**

As taken, valued and certified by management, in view of disclosure requirements of revised schedule VI regarding disclosure of raw materials, work in process and finished goods under broad heads, the item wise details in respect of each of item is produced on the face of statement of profit & Loss. Closing Stock is valued at Cost or market Price whichever is lower.

#### **Q. DEFERRED TAX ASSETS/LIABILITIES**

Provision for current tax is made after taking into consideration benefits admissible under the provisions of income tax act, 1961. Deferred tax resulting from timing difference between book and taxation profit is accounted for using the tax rates and laws that have been enacted or substantively enacted on the date of balance sheet. The deferred tax asset and liabilities are recognized and carried forward only to the extent that there is reasonable certainty that the assets will be realized in future.



# Reconciliation of Restated Standalone Profit

## Annexure –IV (B) (Rs. In Lakhs)

Adjustments for	Period ended September 30, 2017	For the year ended March 31,				
		2017	2016	2015	2,014	2013
Net Profit/(Loss) after Tax as per Audited Profit & Loss Account	296.72	392.78	185.97	94.18	0.80	20.38
<b>Adjustments for:</b>						
Provision for Tax	11.77	5.21	-	-	(3.30)	(0.32)
Prior Period Expenses	-	-	-	-	6.14	(6.67)
Provision for Gratuity and leave encashment	43.27	(2.65)	(3.56)	(3.29)	(3.44)	(32.29)
Fixed Assets Adjustment	-	-	-	1.04	-	-
Provision for Internal Audit Fees	(0.36)					
Interest Income	-	-	-	-	-	2.49
<b>Net Profit/ (Loss) After Tax as Restated</b>	<b>351.40</b>	<b>395.34</b>	<b>182.41</b>	<b>91.92</b>	<b>0.20</b>	<b>(16.40)</b>

**Explanatory notes to the above restatements made in the audited financial statements of the Company for the respective years.**

### Adjustments having impact on Profit

- Provision for Taxation: Provision for Taxation has been adjusted for Items like Income Tax related to Earlier Years and Short Provision for Earlier Years.
- Adjustment for Prior Period Expenses: Prior Period expenses for the period ended on 31<sup>st</sup> March, 2012 and before has been booked in the period ended on 31<sup>st</sup> March, 2014, so booked as Prior period expense in the period ended on 31<sup>st</sup> March, 2013.
- Provision for Gratuity and Leave encashment: Gratuity and leave encasement provision are made as per actuarial valuation report.
- Adjustment for Fixed assets: Adjustments as per Companies Act, 2013 has been provided through Profit and loss account is now adjusted against opening reserve.
- Provision For internal audit: Provision for internal audit made for the period ended on 30<sup>th</sup> September, 2017.
- Adjustment for Interest Income: Interest income related to year 2012-13 has been booked in the year ended on 31<sup>st</sup> March, 2014, so booked as interest income in the year ended on 31<sup>st</sup> March, 2013.

## Adjustments having no impact on Profit

### Material Regrouping

W.e.f, April 1 2014, Schedule III notified under the Companies Act, 2013 has become applicable to the Company for preparation and presentation of its financial statements. Revised Schedule VI notified under the Companies Act, 1956 became applicable to the Company from April 1, 2011, for preparation and presentation of its financial statements. The adoption of Schedule III / Revised Schedule VI does not impact recognition and measurement principles followed for preparation of financial statements.

There is no significant impact on the presentation and disclosures made in the financial statements on adoption of Schedule III as compared to Revised Schedule VI. 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).

### Share Capital as Restated

#### (a) Authorised, Issued, Subscribed and Paid Up Share Capital

Annexure – V

(₹ In Lakhs)

Particulars	As at Sept 30,2017	As at March 31,				
		2017	2016	2015	2014	2013
<b>SHARE CAPITAL:</b>						
<b>AUTHORISED:</b>						
Equity Shares of Rs. 10 each	200.00	200.00	200.00	200.00	200.00	200.00
<b>ISSUED, SUBSCRIBED AND PAID UP</b>						
Equity Shares of Rs. 10 each	172.43	172.43	172.43	172.43	168.40	155.27

#### (b) Reconciliation of number of shares outstanding at the end of the year:

Particulars	As at Sept 30,2017	As at March 31,				
		2017	2016	2015	2014	2013
Equity Shares at the beginning of the year	17.24	17.24	17.24	16.48	15.53	15.53
Add: Shares issued during the year	-	-	-	0.40	1.31	-
<b>TOTAL</b>	<b>17.24</b>	<b>17.24</b>	<b>17.24</b>	<b>17.24</b>	<b>16.48</b>	<b>15.53</b>

**Details of Shareholders holding more than 5% of the aggregate shares of the company:**

Particulars	As at Sept 30, 2017		As at 31 March 2017		As at 31 March 2016		As at 31 March 2015		As at 31 March 2014		As at 31 March 2013	
	No.	% of Holding	No.	% of Holding	No.	% of Holding	No.	% of Holding	No.	% of Holding	No.	% of Holding
Ratan Kumar Agrawal	3,25,600	18.88 %	3,25,600	18.88 %	3,24,790	18.84 %	3,24,800	18.84 %	3,24,800	19.29 %	3,18,800	20.53%
Shakuntala Agrawal	3,29,500	19.11 %	3,29,500	19.11 %	3,29,500	19.11 %	3,29,500	19.11 %	3,29,500	19.57 %	3,23,500	20.83%
RSR Infrastructure Private Limited	2,00,000	11.60 %	2,00,000	11.60 %	2,00,000	11.60 %	2,00,000	11.60 %	2,00,000	11.88 %	2,00,000	12.88%
Manoj Kumar Agrawal	2,69,800	15.65 %	2,69,800	15.65 %	2,67,800	16%	2,68,400	15.57 %	2,68,400	15.94 %	2,68,400	17.29%
Sonal Agrawal	3,00,200	17.41 %	3,00,200	17.41 %	3,00,200	17.41 %	3,00,200	17.41 %	3,00,200	17.83 %	3,00,200	19.33%
<b>Total</b>	<b>14,25,100</b>	<b>82.65 %</b>	<b>14,25,100</b>	<b>82.65 %</b>	<b>14,22,290</b>	<b>82.48 %</b>	<b>14,22,900</b>	<b>82.52 %</b>	<b>14,22,900</b>	<b>84.49 %</b>	<b>14,10,900</b>	<b>90.86%</b>

**Reserves and Surplus as Restated**

**Annexure - VI  
(₹ In Lakhs)**

Particulars	As at Sept 30, 2017	As at March 31,				
		2017	2016	2015	2014	2013
<b>Securities Premium Reserve</b>						
Opening Balance	1,236.60	1,236.60	1,236.60	1,190.27	1,039.25	1,039.25
Add: - On issue of shares	-	-	-	46.34	151.02	-
<b>Closing Balance</b>	<b>1,236.60</b>	<b>1,236.60</b>	<b>1,236.60</b>	<b>1,236.60</b>	<b>1,190.27</b>	<b>1,039.25</b>
<b>Surplus: -</b>						
Opening Balance	1,402.03	1,006.69	824.27	733.39	733.19	749.59
Add - Transfer from Profit & Loss Account	351.40	395.34	182.41	91.92	0.20	-16.40
Add - Impact of fixed Assets	-	-	-	-1.04	-	-
<b>Closing Balance</b>	<b>1,753.43</b>	<b>1,402.03</b>	<b>1,006.69</b>	<b>824.27</b>	<b>733.39</b>	<b>733.19</b>
<b>TOTAL</b>	<b>2,990.03</b>	<b>2,638.63</b>	<b>2,243.29</b>	<b>2,060.88</b>	<b>1,923.66</b>	<b>1,772.44</b>

# Long Term Borrowing as Restated

## Annexure – VII (₹ In Lakhs)

Particulars	As at Sept 30,2017	As at March 31,				
		2017	2016	2015	2014	2013
<b>Secured</b>						
From Bank	937.52	973.37	729.73	608.77	949.02	921.33
From Others	-	14.88	13.58	11.90	18.21	22.63
<b>Unsecured</b>						
From Directors	76.93	76.93	54.99	30.24	38.65	15.36
From Others	676.33	546.33	533.27	521.49	603.56	571.20
<b>TOTAL</b>	<b>1,690.78</b>	<b>1,611.50</b>	<b>1,331.56</b>	<b>1,172.39</b>	<b>1,609.45</b>	<b>1,530.51</b>

# Other Long-Term Liabilities as Restated

## Annexure - VIII (₹ In Lakhs)

Particulars	As at Sept 30,2017	As at March 31,				
		2017	2016	2015	2014	2013
Provision for Gratuity	34.37	31.10	28.98	34.71	31.65	28.97
<b>TOTAL</b>	<b>34.37</b>	<b>31.10</b>	<b>28.98</b>	<b>34.71</b>	<b>31.65</b>	<b>28.97</b>

# Deferred Tax Asset/(Liability) as Restated

## Annexure – IX (₹ In Lakhs)

Particulars	As at Sept 30,2017	As at March 31,				
		2017	2016	2015	2014	2013
<b>Deferred Tax Liability (Net)</b>						
Deferred tax liabilities at the beginning of the year	-51.74	-19.68	13.82	26.23	12.39	-7.85
Deferred tax liabilities at the end of the year on account of timing difference	-57.25	-51.74	-19.68	13.82	26.23	12.39
<b>TOTAL</b>	<b>-108.99</b>	<b>-71.42</b>	<b>-5.86</b>	<b>40.05</b>	<b>38.62</b>	<b>4.54</b>

# Short Term Borrowing as Restated

## Annexure - X (₹ In Lakhs)

Particulars	As at Sept 30,2017	As at March 31,				
		2017	2016	2015	2014	2013
<b>Loans repayable on demand from Banks</b>						
<b>Secured</b>						
Working Loan From HDFC Bank	1,181.29	796.42	937.14	654.39	568.48	139.95
<b>TOTAL</b>	<b>1,181.29</b>	<b>796.42</b>	<b>937.14</b>	<b>654.39</b>	<b>568.48</b>	<b>139.95</b>

**Trade Payables as Restated**
**Annexure - XI**  
**(₹ In Lakhs)**

Particulars	As at Sept 30,2017	As at March 31,				
		2017	2016	2015	2014	2013
Sundry Creditors	1,774.76	1,705.71	1,865.04	1,879.98	1,398.52	1,109.71
<b>TOTAL</b>	<b>1,774.76</b>	<b>1,705.71</b>	<b>1,865.04</b>	<b>1,879.98</b>	<b>1,398.52</b>	<b>1,109.71</b>

**Other Current Liabilities as Restated**
**Annexure – XII**  
**(₹ In Lakhs)**

Particulars	As at Sept 30,2017	As at March 31,				
		2017	2016	2015	2014	2013
Current maturities of long term debt	470.87	400.02	107.90	68.63	14.33	6.96
Share Application Money (refundable)	-	-	-	-	-	2.00
Due to Customer (Against Claim)	-	-	-	-	-	12.08
<b>TOTAL</b>	<b>470.87</b>	<b>400.02</b>	<b>107.90</b>	<b>68.63</b>	<b>14.33</b>	<b>21.04</b>

**Short Term Provision as Restated**
**Annexure – XIII**  
**(₹ In Lakhs)**

Particulars	As at Sept 30,2017	As at March 31,				
		2017	2016	2015	2014	2013
Provisions (Expenses Payable)	76.38	38.85	36.07	49.75	12.25	10.49
Creditor for expenses	205.43	160.17	8.78	3.72	6.17	8.23
Gratuity provision	12.25	12.16	11.64	2.35	2.13	1.86
Statutory Liabilities	3.54	5.79	-	11.85	6.36	16.82
<b>TOTAL</b>	<b>297.59</b>	<b>216.97</b>	<b>56.49</b>	<b>67.67</b>	<b>26.90</b>	<b>37.40</b>

**Statement of Fixed Assets as Restated**
**Annexure- XIV**  
**(₹ In Lakhs)**

Assets	As at 30 September , 2017	As at 31 March, 2017	As at 31 March, 2016	As at 31 March, 2015	As at 31 March, 2014	As at 31 March, 2013
<b><u>Tangible Assets</u></b>						
Land	6.86	6.86	6.86	6.86	6.86	6.86
Office building	112.43	115.24	121.13	45.92	48.26	20.97
Furniture & Fixture	2.67	2.87	3.79	4.04	5.00	5.48
Vehicles (Four-Wheeler)	42.81	50.84	54.71	15.97	23.95	32.32
Vehicles (Two-Wheeler)	8.92	7.91	10.10	9.35	10.00	6.38
Computers	3.20	2.01	3.06	1.98	2.86	3.38
Earth Moving Machine	0.98	0.98	3.33	4.79	6.92	9.88
Office Equipment	3.01	2.40	3.15	3.12	6.14	4.79
Truck & Trailers	1,157.32	1,153.69	825.43	571.29	735.88	783.33
<b>Total</b>	<b>1338.21</b>	<b>1342.81</b>	<b>1031.56</b>	<b>663.33</b>	<b>845.87</b>	<b>873.28</b>

<b>Capital WIP</b>						
Truck	-	50.53	-	-	-	-
<b>Total</b>	-	<b>50.53</b>	-	-	-	-
<b>TOTAL</b>	<b>1338.21</b>	<b>1393.34</b>	<b>1013.56</b>	<b>663.33</b>	<b>845.87</b>	<b>873.28</b>

#### Non- Current Investments AS Restated

#### Annexure - XV (₹ In Lakhs)

Particulars	As at Sept 30,2017	As at March 31,				
		2017	2016	2015	2014	2013
<b>Preliminary Expenses</b>						
IPO Related Expenses	5.90	-	-	-	-	-
<b>TOTAL</b>	<b>5.90</b>	-	-	-	-	-

#### Trade Receivables as Restated

#### Annexure - XVI (₹ In Lakhs)

Particulars	As at Sept 30,2017	As at March 31,				
		2017	2016	2015	2014	2013
<b>Outstanding for a period more than 6 month</b>						
Unsecured, considered good	497.22	821.20	323.81	302.28	441.84	359.80
Less: Bad Debts Written off	-	162.52	131.70	33.71	170.73	15.94
	<b>497.22</b>	<b>658.68</b>	<b>192.10</b>	<b>268.57</b>	<b>271.11</b>	<b>343.86</b>
<b>Outstanding for a period less than 6 month</b>						
Others - unsecured, considered good	5,740.17	4,678.32	4,764.14	4,801.72	4,301.76	3,309.44
<b>TOTAL</b>	<b>5,740.17</b>	<b>4,678.32</b>	<b>4,764.14</b>	<b>4,801.72</b>	<b>4,301.76</b>	<b>3,309.44</b>
<b>TOTAL (A+B)</b>	<b>6,237.39</b>	<b>5,337.00</b>	<b>4,956.24</b>	<b>5,070.29</b>	<b>4,572.87</b>	<b>3,653.30</b>

#### Standalone Cash & Cash Equivalents as Restated

#### Annexure - XVII (₹ In Lakhs)

Particulars	As at Sept 30,2017	As at March 31,				
		2017	2016	2015	2014	2013
Cash in Hand	43.05	34.37	37.88	26.72	26.19	10.37
Balances with Banks						
In Current Accounts	200.36	39.78	102.19	55.16	30.53	35.44
In Fixed Deposits	140.00	140.00	141.27	84.16	81.96	76.84
<b>TOTAL</b>	<b>383.41</b>	<b>214.15</b>	<b>281.34</b>	<b>166.04</b>	<b>138.68</b>	<b>122.65</b>

**Short Term Loan and Advances as Restated**
**Annexure - XVIII**  
**(₹ In Lakhs)**

Particulars	As at Sept 30,2017	As at March 31,				
		2017	2016	2015	2014	2013
<b>Short Term Loans and Advances</b>						
(Unsecured, considered good)						
Balance with Government Authorities	15.71	2.25	-	-	4.16	-
TDS net of IT provision	431.09	386.13	266.22	-	-	-
Prepaid Expense	20.92	24.06	17.78	16.60	17.25	13.35
Loans & Advances (Recoverable in cash or kind)	26.08	14.34	-	1.82	2.96	0.33
Loans & Advances to employees	1.34	0.30	1.66	1.47	0.25	0.43
<b>TOTAL</b>	<b>495.14</b>	<b>427.09</b>	<b>285.65</b>	<b>19.88</b>	<b>24.61</b>	<b>14.12</b>

**Other Current Assets as Restated**
**Annexure - XIX**  
**(₹ In Lakhs)**

Particulars	As at Sept 30,2017	As at March 31,				
		2017	2016	2015	2014	2013
<b>Security Deposits</b>						
Interest accrued on Deposits	2.81	0.74	-	22.43	15.59	9.34
Interest Receivable on Security deposits	-	-	-	-	-	-
<b>TOTAL</b>	<b>2.81</b>	<b>0.74</b>	<b>-</b>	<b>22.43</b>	<b>15.59</b>	<b>9.34</b>

**Long Term Loan and Advances as Restated**
**Annexure - XX**  
**(₹ In Lakhs)**

Particulars	As at Sept 30,2017	As at March 31,				
		2017	2016	2015	2014	2013
<b>Unsecured, considered good:</b>						
Security Deposits	206.51	244.15	207.72	143.08	92.53	110.21
Advances for Capital Goods	-	8.06	-	12.21	25.00	-
<b>TOTAL</b>	<b>206.51</b>	<b>252.22</b>	<b>207.72</b>	<b>155.30</b>	<b>117.53</b>	<b>110.21</b>

**Revenue from Operations Restated**
**Annexure - XXI**  
**(₹ In Lakhs)**

Particulars	As at Sept 30,2017	As at March 31,				
		2017	2016	2015	2014	2013
<b>REVENUE FROM OPERATIONS</b>						
Gross Income from Transportation Business	16,356.84	21,285.06	22,042.82	20,638.62	18,506.90	13,536.31
<b>TOTAL</b>	<b>16,356.84</b>	<b>21,285.06</b>	<b>22,042.82</b>	<b>20,638.62</b>	<b>18,506.90</b>	<b>13,536.31</b>



Interest from Bank FDR	4.66	9.35	9.73	8.89	7.58	7.53
Interest from Deposits	2.02	5.81	3.43	2.92	2.92	2.26
Deduction & Claim*	37.25	-	-	-	-	-
Forfeited Share Application Money	-	-	-	-	2.00	-
<b>TOTAL</b>	43.93	15.16	13.16	11.81	10.50	9.79

#### Other Income as Restated

#### Annexure -XXII (₹ In Lakhs)

Particulars	For the quarter Ended September 30, 2017	For the Year Ended March 31					Nature
		2017	2016	2015	2014	2013	
Other income	43.93	15.16	13.16	11.81	10.50	9.79	
Net Profit Before Tax as Restated	492.14	581.01	293.80	134.24	52.90	-6.27	
<b>Percentage</b>	<b>8.93%</b>	<b>2.61%</b>	<b>4.48%</b>	<b>8.80%</b>	<b>19.85%</b>	<b>156.22%</b>	
<b>Source of Income</b>							
Other Income	-	-	-	-	2.00	-	Non-Recurring and not related to business activity
Claim (Net of deduction)	37.25	-	-	-	-	-	Recurring and not related to business activity.
Interest Income	6.68	15.16	13.16	11.81	10.50	9.79	Recurring and related to business activity.
<b>Total Other Income</b>	43.93	15.16	13.16	11.81	12.50	9.79	

**Related Party Transaction as Restated-**
**Annexure -XXIII**
**(₹ In Lakhs)**

Sr. No	Name	Relationship	Nature of Transaction	Amount of Transaction Up to 30.09.17	Amount Outstanding As on 30.09.17 (Payable) / Receivable	Amount of Transaction up to 31.03.2017	Amount Outstanding As on 31.03.2017 (Payable) / Receivable	Amount of Transaction up to 31.03.2016	Amount Outstanding As on 31.03.2016 (Payable) / Receivable	Amount of Transaction In 2014-15	Amount Outstanding As on 31.03.2015 (Payable) / Receivable	Amount of Transaction In 2013-14	Amount Outstanding As on 31.03.2014 (Payable) / Receivable	Amount of Transaction In 2012-13	Amount Outstanding As on 31.03.2013 (Payable) / Receivable
— 1	Ratan Kumar Agrawal	Director	Unsecured Loan Received	-	44,78,276	1100000	42,24,788	1350000	2820206	700000	13,23,648	5,00,000	5,40,000	-	-
			Unsecured Loan Re-payment	-		-		-		-		3,496		-	
			Unsecured Loan Interest	2,53,488		3,72,268		1,79,128		1,02,238		53,162		-	
			Director Remuneration	4,80,000		9,60,000		9,60,000		9,60,000		9,00,000		8,40,000	
			Godown Rent	4,20,000		3,78,000		-		-		-		-	
2	Shakuntala Devi Agrawal	Director	Unsecured Loan Received	-	8,24,402	5,00,000	7,77,737	2,50,000	-	8,00,000	-	15,00,000	16,25,000.	-	-
			Unsecured Loan Paid	-		-		-		24,25,000		9,482		-	

Sr. No	Name	Relationship	Nature of Transaction	Amount of Transaction Up to 30.09.17	Amount Outstanding As on 30.09.17 (Payable) / Receivable	Amount of Transaction up to 31.03.2017	Amount Outstanding As on 31.03.2017 (Payable) / Receivable	Amount of Transaction up to 31.03.2016	Amount Outstanding As on 31.03.2016 (Payable) / Receivable	Amount of Transaction In 2014-15 31.03.2015	Amount Outstanding As on 31.03.15 (Payable) / Receivable	Amount of Transaction In 2013-14 31.03.2014	Amount Outstanding As on 31.03.14 (Payable) / Receivable	Amount of Transaction In 2012-13 31.03.2013	Amount Outstanding As on 31.03.2013 (Payable) / Receivable
			Unsecured Loan Interest	46,665		33,088		813	2,50,665	-		1,64,368		-	
.			Director Remuneration	4,80,000	70,200	9,60,000	-	7,80,000	-	6,60,000	-	7,80,000	-	7,20,000	-
3	Subhash Mittal	Director's Brother In-Law	Salary	3,00,000	43,200	6,00,000	-	4,80,000	-	4,80,000	-	4,80,000	-	4,80,000	-
			Bonus	-	-	50,000	-	40,000	-	40,000	-	40,000	-	40,000	-
			Unsecured Loan Received	-		-		-		-		-		700,000	
			Unsecured Loan Paid	-		-		-		-		18,853		-	
			Unsecured Loan Interest	-	-	-	-	-	-	-	-	-	-	1,73,994	18,853
4	Manoj Kumar Agrawal	Director	Unsecured Loan Received	-	28,51,649	-	26,90,234	5,00,000	24,28,010	-	17,00,000	-	17,00,000	15,00,000	15,35,729

Sr. No	Name	Relationship	Nature of Transaction	Amount of Transaction Up to 30.09.17	Amount Outstanding As on 30.09.17 (Payable) / Receivable	Amount of Transaction up to 31.03.2017	Amount Outstanding As on 31.03.2017 (Payable) / Receivable	Amount of Transaction up to 31.03.2016	Amount Outstanding As on 31.03.2016 (Payable) / Receivable	Amount of Transaction In 2014-15 31.03.2015	Amount Outstanding As on 31.03.15 (Payable) / Receivable	Amount of Transaction In 2013-14 31.03.2014	Amount Outstanding As on 31.03.14 (Payable) / Receivable	Amount of Transaction In 2012-13 31.03.2013	Amount Outstanding As on 31.03.2013 (Payable) / Receivable
			Unsecured Loan Paid	-		-		-		1,83,600		1,587		-	
			Unsecured Loan Interest	1,61,415		3,20,498		2,78,680		2,24,400		2,02,716		43,669	
			Director Remuneration	4,50,000	14,200	9,00,000	-	6,60,000	-	7,80,000	-	6,20,000	-	6,00,000	-
5	Akshay Agrawal	Director's Nephew	Salary	3,00,000	45,000	6,00,000	-	-	-	-	-	2,40,000	-	1,80,000	-
			Bonus	-	-	50,000	-	-	-	-	-	20,000	-	-	-
6	Banarshi Devi Agrawal	Director's Mother	Rent	1,80,000	1,62,000	2,70,000	-	-	-	-	-	-	-	-	-
			Unsecured	-		-		-		-		-		12,50,000	
			Loan (Interest	-	-	-	-	15,30,000	-	-	-	7,243	15,30,000	-	13,87,404

Sr. No	Name	Relationship	Nature of Transaction	Amount of Transaction Up to 30.09.17	Amount Outstanding As on 30.09.17 (Payable) / Receivable	Amount of Transaction up to 31.03.2017	Amount Outstanding As on 31.03.2017 (Payable) / Receivable	Amount of Transaction up to 31.03.2016	Amount Outstanding As on 31.03.2016 (Payable) / Receivable	Amount of Transaction In 2014-15 31.03.2015	Amount Outstanding As on 31.03.15 (Payable) / Receivable	Amount of Transaction In 2013-14 31.03.2014	Amount Outstanding As on 31.03.14 (Payable) / Receivable	Amount of Transaction In 2012-13 31.03.2013	Amount Outstanding As on 31.03.2013 (Payable) / Receivable
			Paid)	-		-		-				1,83,137		1,67,938	
7	Ravi Agrawal	Director's Son	Salary	4,80,000	72,000	9,60,000	-	6,00,000	-	6,00,000	-	6,00,000	-	6,00,000	-
			Bonus	-	-	80,000	-	50,000	-	50,000	-	50,000	-	50,000	-
8	Sonal Agrawal	Director's Wife	Salary	3,00,000	1,20,000	6,00,000	-	-	-	-	-	2,40,000	-	-	-
			Bonus	-	-	50,000	-	-	-	-	-	20,000	-	-	-
			Interest	-	-	-	-	-	-	-	-	48,000	4,40,000	-	4,00,000
9	Priti Agrawal	Director's Daughter In-Law	Salary	-	-	-	-	-	-	-	-	-	-	3,60,000	-
			Bonus	-	-	-	-	-	-	-	-	-	-	30,000	-
10	Rahul Agrawal	Director's Nephew	Salary	-	-	-	-	-	-	-	-	-	-	1,80,000	-

Sr. No	Name	Relationship	Nature of Transaction	Amount of Transaction Up to 30.09.17	Amount Outstanding As on 30.09.17 (Payable) / Receivable	Amount of Transaction up to 31.03.2017	Amount Outstanding As on 31.03.2017 (Payable) / Receivable	Amount of Transaction up to 31.03.2016	Amount Outstanding As on 31.03.2016 (Payable) / Receivable	Amount of Transaction In 2014-15 31.03.2015	Amount Outstanding As on 31.03.15 (Payable) / Receivable	Amount of Transaction In 2013-14 31.03.2014	Amount Outstanding As on 31.03.14 (Payable) / Receivable	Amount of Transaction In 2012-13 31.03.2013	Amount Outstanding As on 31.03.2013 (Payable) / Receivable
11	Renu Agrawal	Director's Sister In-Law	Interest	-	-	-	-	-	-	-	-	-	-	3,33,880	35,07,179
12	Sunita Devi Mittal	Director's Sister	Interest	-	-	-	-	-	-	-	-	26,795	20,20,000	1,55,314	14,50,000

**Standalone Summary of Significant Accounting Ratio as Restated**  
(₹ In Lakhs, except per share data)

**Annexure XXIV**  
(₹ In Lakhs)

Particulars	For the period ended September 30, 2017	For the year ended March 31,				
		2017	2016	2015	2014	2013
Restated PAT as per P& L Account	351.40	395.34	182.41	91.92	0.20	-16.40
Weighted Average Number of Equity Shares at the end of the Year/Period*	17,24,310	17,24,310	17,24,310	17,24,310	15,53,060	15,52,700
Number of Equity Shares outstanding at the end of the Year/Period	17,24,310	17,24,310	17,24,310	17,24,310	15,53,060	15,52,700
Net Worth	3,162.46	2,811.07	2,415.72	2,233.31	2,092.06	1,927.71
<b>Earnings Per Share</b>						
Basic & Diluted	20.38	22.93	10.58	5.33	0.01	-1.06
<b>Return on Net Worth (%)</b>	<b>11.11%</b>	<b>14.06%</b>	<b>7.55%</b>	<b>4.12%</b>	<b>0.01%</b>	<b>-0.85%</b>
<b>Net Asset Value Per Share (Rs.)</b>	<b>183.40</b>	<b>163.03</b>	<b>140.10</b>	<b>129.52</b>	<b>134.71</b>	<b>124.15</b>
Nominal Value per Equity share (Rs.)	10.00	10.00	10.00	10.00	10.00	10.00

1. Ratios have been calculated as below

Basic and Diluted Earnings Per Share (EPS) (Rs.)	$\frac{\text{Restated Profit after Tax available to equity Shareholders}}{\text{Weighted Average Number of Equity Shares at the end of the year / period}}$
Return on Net Worth (%)	$\frac{\text{Restated Profit after Tax available to equity Shareholders}}{\text{Restated Net Worth of Equity Shareholders}}$
Net Asset Value per equity share (Rs.)	$\frac{\text{Restated Net Worth of Equity Shareholders}}{\text{Number of Equity Shares outstanding at the end of the year / period}}$

2. The figures for the period ended September 30, 2017 are not annualized.

**Standalone Capitalisation Statement as at 30th September, 2017**

**Annexure – XXV**  
(₹ In Lakhs)

Particulars	Pre-Issue	Post Issue
<b>Borrowings</b>		
Short term debt (A)	1,181.29	1,181.29
Long Term Debt (B)	2,161.65	2,161.65
<b>Total debts (C)</b>	<b>3,342.94</b>	<b>3,342.94</b>
<b>Shareholders' funds</b>		

Equity share capital	172.43	2108.28
Reserve and surplus - as restated	2,990.03	4102.83
<b>Total shareholders' funds</b>	<b>3,162.47</b>	<b>6211.11</b>
<b>Long term debt / shareholders' funds</b>	<b>0.68</b>	<b>0.35</b>
<b>Total debt / shareholders' funds</b>	<b>1.06</b>	<b>0.54</b>

#### Contingent Liability Disclosure as Restated

#### Annexure- XXVI (₹ In Lakhs)

Particulars	As at 30.09.2017	As at 31.03.2017
Guarantee given by the Company's Bankers	394.17	461.71
Income Tax Appeal A.Y. 2013-14	14.42	14.42

#### Standalone Statement of Tax Shelters

#### Annexure -XXVII (₹ In Lakhs)

Particulars	As at September 30, 2017	As at March 31,				
		2017	2016	2015	2014	2013
Restated Profit before tax (A)	492.143	581.008	293.803	134.244	52.899	-6.268
Tax Rate (%)	27.55%	31.96%	30.90%	30.90%	30.90%	30.90%
MAT Rate	20.39%	20.39%	20.39%	20.01%	19.06%	19.06%
<b>Adjustments:</b>						
<b>Permanent Differences(B)</b>						
Profit /(Loss) On Sale of Fixed Asset	-38.494	-96.213	-90.188	-38.916	-12.877	0.115
Donation	1.089	0.223	0.219	0.342	0.101	-
section 37 disallowances	-	0.217	0.956	0.119	-	-
Prior Period Expenses						6.666
<b>Total Permanent Differences(B)</b>	<b>-37.405</b>	<b>-95.773</b>	<b>-89.014</b>	<b>-38.455</b>	<b>-12.776</b>	<b>6.781</b>
<b>Timing Differences (C)</b>						
Gratuity provision	3.357	2.645	3.557	3.291	2.939	30.834
Difference between tax depreciation and book depreciation	32.767	-7.267	-18.218	-2.289	57.656	65.395
Less: Set off of Depreciation						
Brought forward losses set off						
<b>Total Timing Differences (C)</b>	<b>36.124</b>	<b>-4.622</b>	<b>-14.662</b>	<b>1.001</b>	<b>60.595</b>	<b>96.229</b>
<b>Net Adjustments D = (B+C)</b>	<b>-1.281</b>	<b>-100.395</b>	<b>-103.676</b>	<b>-37.454</b>	<b>47.820</b>	<b>103.009</b>
<b>Incomes Considered Separately</b>			-			
<b>Taxable Income/(Loss) (A+D)</b>	<b>490.862</b>	<b>480.613</b>	<b>190.127</b>	<b>96.790</b>	<b>100.719</b>	<b>96.741</b>
<b>Restated Profit for The Purpose of MAT</b>	492.143	581.008	293.803	134.244	52.899	-6.268
<b>Less: Adjustment related to Depreciation</b>	-	-	-	-	-	-
<b>Add: Amounts Written Back</b>	-	-	-	-	-	-
<b>Taxable Income/(Loss) as per MAT</b>	492.143	581.008	293.803	134.244	52.899	-6.268
<b>Income Tax as returned/computed</b>	135.233	153.608	62.862	29.908	32.678	29.893
<b>Tax paid as per normal or MAT</b>	Income Tax	Income Tax	Income Tax	Income Tax	Income Tax	Income Tax



## FINANCIAL INDEBTEDNESS

Set forth below, is a brief summary of our Company's borrowings as on September 30, 2017 together with a brief description of certain significant terms / material covenants of the relevant financing arrangements.

Nature of Borrowing	Amount (₹ in lakhs)
Secured Borrowings <sup>(1)</sup>	2588.31
Unsecured Borrowings	753.26
<b>Total</b>	<b>3341.57</b>

(1) Includes Rs.469.50 lakhs shown under Other Current Liabilities as 'Current Maturities of Long Term Debt' and 'Current maturities of Commercial Vehicle Loans and The Company has availed loan against Key Man Policy and outstanding amount as on September 30, 2017 is Rs. 15.61 lakhs.

### Details of secured loans (Other than Vehicle Loans)

#### Fund Based Limits

Rs. In lakh

Name of Lenders	Date of Sanction	Type of Loan	Amount Sanctioned	Amount outstanding as on September 30, 2017	Interest (in % p.a.)	Security
HDFC Bank	July 5, 2017	Cash Credit	1200.00	1181.29	10.50% (MCLR Linked)	See Note 1
		Adhoc	50.00	-	10.50% (MCLR Linked)	
		Corporate Card	10.00	-	Card Rate	
		Invoice Discounting (Sub limit of CC)	(100.00)	-	10.50% (MCLR Linked)	

#### Non Fund Based Limits

(Rs. in lakhs)

Name of Lenders	Date of Sanction	Type of Loan	Amount Sanctioned	Commission	Security
HDFC Bank	July 5, 2017	Bank Guarantee	600.00	1.50% PA	See Note 1
		Inter Changeable BG (Sub limit of CC)	(100.00)	1.50% PA	
		SBLC (Sub limit of BG)	(5.00)	1.50% PA	

### Note 1:

**Primary Security:** Hypothecation by way of first and exclusive charge on all present and future stocks & book debts and plant and machinery

**Collateral Security:** Collateral cover to be minimum 62% against the exposure (including 25% BG Margin) accordingly seven immovable properties (Commercial & Residential) mortgaged with the bank.

**Guarantors:** Personal Guarantee Of All Collateral Security Owners & Up To 58.65% Of Share Holder , Ravi Agarwal, Corporate Guarantee Of M/S Rsr Infrastructure Pvt. Ltd.

## COMMERCIAL VEHICLE LOANS

The Company has entered into arrangements with following banks as mentioned below:

*(Rs in lakhs)*

Bank	Amount Outstanding As on 31/03/2017
HDFC Bank	702.13
Axis Bank	606.65
ICICI Bank	82.63
<b>TOTAL</b>	<b>1391.41</b>

The total amount outstanding as on September 31, 2017 from Banks was Rs.1391.41 lakhs. The rate of interest for the vehicle loans vary from 8.39 % to 11.50 % and most of them are typically repayable by way of monthly instalments. The vehicles acquired pursuant to these loans have been hypothecated with the respective banks.

## **MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS**

*You should read the following discussion and analysis of our financial condition and results of operations together with the restated financial statements prepared in accordance with the Companies Act, Indian GAAP, the Accounting Standards and SEBI (ICDR) Regulations, including the schedules, annexure and notes thereto and the reports thereon of each of the financial years ended March 31, 2013, 2014, 2015, 2016, 2017 in the chapter titled "Financial Statement as restated" on page 122 of this Draft Prospectus. Our fiscal year ends on March 31 of each year so accordingly all references to a particular financial year are to the twelve months ended March 31 of that year.*

### **BUSINESS OVERVIEW**

Our Company Orissa Bengal Carrier Limited is a Pan-India surface logistics mainly dealing in Full Truck load transport services. Our operational infrastructure for the goods transportation business has a growing network of branch offices spread across the various regions of the country, which serves as strategic transshipments hubs for our operations. We operate different types of trucks on the basis of design and size along with varying capacities.

The promoters of our Company are Ratan Kumar Agarwal, Shakuntala Devi Agarwal and Manoj Agarwal. Our main promoter Ratan Kumar Agarwal has good industrial knowledge and experience, which enable us to carry the business in an efficient manner. For further details of our promoters, please refer chapter titled "Our Promoters and Promoter group" on page 114 of this Draft Prospectus.

### **COMPETITION**

The goods transportation industry in which we operate is unorganized, competitive and highly fragmented in India. We compete with a variety of local, regional, and national goods transportation service providers of varying sizes and operations. We believe that the principal competitive factors include service quality, reliability, price and the availability and configuration of vehicles that are able to comprehensively address varying requirements of different customer segments and specific customer needs. We compete against our competitors by effectively ensuring consistent service quality and timely services at competitive prices, thereby strengthening our brand over the years.

We have experienced increasing consolidation in the goods transportation industry in recent years. We believe that the market will continue to experience further consolidation due to a number of economic factors that have forced smaller carriers to exit the business, merge or close their operations. We believe that our large network and comprehensive service offering as well as our established reputation enables us to compete effectively in these markets. We believe that several aspects of our operations distinguish us from our competitors providing certain competitive advantages, particularly our Customs Bonded Trucking service.

### **SIGNIFICANT DEVELOPMENTS AFTER MARCH 31, 2017 THAT MAY AFFECT OUR FUTURE RESULT OF OPERATIONS**

To our knowledge, except as disclosed in this Draft Prospectus, there is no subsequent development after the date of our financial statements contained in this Draft Prospectus which materially affects, or is likely to affect, our operations or profitability, or the value of our assets, or our ability to pay our material liabilities within the next 12 months.

### **FACTORS AFFECTING OUR RESULTS OF OPERATION:**

Our results of operations have been, and will be, affected by many factors, some of which are beyond our control. This section sets out certain key factors that our management believes have historically affected our results of operations during the period under review, or which could affect our results of operations in the future.

- Our ability to successfully implement our growth strategy and expansion plans.
- Ability to Introduce New customer base;
- Distribution Network
- Changes in laws and regulations relating to the industry in which we operate;
- General economic and business conditions;
- Changes in fiscal, economic or political conditions in India;

For more information on these and other factors/development which have or may affect us, please refer to chapters titled “*Risk Factors*”, “*Industry Overview*” and “*Our Business*” beginning on page 14, 81 and 84 respectively of this Draft Prospectus.

## **RESULTS OF OPERATION**

The following table sets forth select financial data from restated Profit and Loss Accounts for the period ended Sept 30, 2017 and for the Financial Year ended on March 31, 2017, 2016, and 2015 and the components of which are also expressed as a percentage of total income for such periods.

(Rs. in Lakhs)

Particulars	For the period ended 30 <sup>th</sup> Sept, 2017	For the Year ended March, 31						
		% of Total income	2017	% of Total income	2016	% of Total income	2015	% of Total income
<b>Income</b>								
Revenue From Operations	16,356.84	99.73	21,285.06	99.93	22,042.82	99.94	20,638.62	99.94
Other Income	43.93	0.27	15.16	0.07	13.16	0.06	11.81	0.06
<b>Total Income</b>	<b>16,400.77</b>	<b>100.00</b>	<b>21,300.22</b>	<b>100.00</b>	<b>22,055.97</b>	<b>100.00</b>	<b>20,650.43</b>	<b>100.00</b>
<b>Expenditure</b>								
Cost of Material Consumed	15,249.51	92.98	19,481.97	91.46	20,360.30	92.31	19,298.90	93.46
Employee Benefits Expense	145.00	0.88	270.96	1.27	226.18	1.03	201.16	0.97
Finance Cost	174.53	1.06	252.39	1.18	234.46	1.06	234.58	1.14
Depreciation and Amortization Expense	217.17	1.32	326.20	1.53	242.48	1.10	257.06	1.24
Administrative and other Expenses	75	0.46	322.68	1.51	625.14	2.83	369.66	1.79
<b>Total Expenditure</b>	<b>15861</b>	<b>96.71</b>	<b>20654.45</b>	<b>96.97</b>	<b>21686.56</b>	<b>98.32</b>	<b>20361.36</b>	<b>98.60</b>
<b>Profit before exceptional, extraordinary Items &amp; Tax</b>	<b>539.59</b>	<b>3.29</b>	<b>645.77</b>	<b>3.03</b>	<b>367.41</b>	<b>1.67</b>	<b>289.07</b>	<b>1.40</b>
Exceptional Items/Prior Period item/Extraordinary item	<b>38</b>	0.23	<b>96.21</b>	0.45	<b>90.19</b>	0.41	<b>38.92</b>	0.19
<b>Profit before Tax</b>	<b>492.14</b>	<b>3.00</b>	<b>581.01</b>	<b>2.73</b>	<b>293.80</b>	<b>1.33</b>	<b>134.24</b>	<b>0.65</b>
Current Tax	135.23	0.82	153.61	0.72	62.86	0.28	29.91	0.14
Deferred Tax Liability/(Asset)	5.52	0.03	32.06	0.15	33.50	0.15	12.41	0.06
Income tax relating to earlier years	-		-		15.03	0.07		
MAT Credit Availed (availment)	-	-	-	-	-	-		
Short/(Excess) Tax adjustment of prior Years	-	0.00	-	-				
Income tax paid for previous years								
<b>Total Tax Expenses</b>	<b>140.75</b>	<b>0.54</b>	<b>185.67</b>	<b>0.87</b>	<b>111.39</b>	<b>0.51</b>	<b>42.32</b>	<b>0.20</b>
<b>Profit/(Loss) for the period/year</b>	<b>351.40</b>	<b>2.15</b>	<b>395.34</b>	<b>1.86</b>	<b>182.41</b>	<b>0.83</b>	<b>91.92</b>	<b>0.45</b>

## KEY COMPONENTS OF OUR PROFIT AND LOSS STATEMENT

**Revenue from operations:** Revenue from operations mainly consists of Gross Income from Transportation Business. Our Company is engaged in providing services to customers ranging to various industries, The analysis of percentage of revenue derived from top ten customers at the end of period September 30, 2017 indicates that more than 58% of revenue is from the set of these ten customers.

**Other Income:** Other income comprises profit on Sale of fixed assets, interest from bank FDR, interest from deposits, Deduction and Claim etc.

### **COST OF MATERIAL CONSUMED:**

Cost of materials consumed includes Gross Transportation expenses which mainly comprises of Lorry Hire Charges Paid, Loading & Unloading & Handling Charges, Truck Trip Expenses.

**Employee benefits expense:** Employee benefit expense includes salaries & wages, Employee Provident Fund & ESIC, Staff Rent, Gratuity, Bonus, Director's Remuneration, Staff Welfare Expenses, etc.

**Finance Costs:** Finance cost comprises Interest expense, bank Guarantee Fees, charges and Commission.

**Depreciation expense:** We recognize depreciation and amortization expense on a written down value method as per the provisions set forth in the Companies Act 2013 from 1<sup>st</sup> April 2014 and rates set forth in Companies Act, 1956 for prior period to 1<sup>st</sup> April 2014.

**Administrative & Other expenses:** Our other expenses include advertisement & publicity expenses, travelling conveyance and vehicle expenses, postage and telegram expenses, legal expenses, bad debts customers receivables, repair & maintenance (trucks and others), tour & travelling expenses, deduction and claim, office and godown rent expenses etc.

## COMPARISON OF THE FINANCIAL PERFORMANCE OF FISCAL 2017 WITH FISCAL 2016

### Income

#### **Revenue from Operations**

During the financial year 2016-17 the revenue from operations of our company decreased to Rs. 21285.06 Lacs as against Rs. 22042.82 Lacs in the year 2015-16, representing a nominal decrease of 3.44% mainly due to normal market conditions.

#### **OTHER INCOME**

During the financial year 2016-17 the Other Income of our company increased to Rs. 15.16 Lacs as against Rs. 13.16 Lacs for the financial year 2015-16, representing increase by 15.20% due to increase in interest from Bank FDR and Deposits.

### EXPENDITURE

#### **Total Expenses**

The total expenditure for the financial year 2016-17 decreased to Rs. 20654.45 Lacs from Rs. 21688.56 Lacs in the year 2015-16, representing a decrease of 4.77 %.

#### **COST OF MATERIALS CONSUMED**

There was 4.31% decrease in gross transportation expenses from Rs. 20360.30 Lacs in the financial year 2015-16 to Rs. 19481.97 Lacs in the financial year 2016-17.

#### **EMPLOYEE BENEFITS EXPENSES**

Employee benefit expense includes salaries & wages, Employee Provident Fund & ESIC, Staff Rent, Gratuity, Bonus, Director's Remuneration, Staff Welfare Expenses, etc. Our Company has incurred Rs. 270.96 Lacs as employee benefit expenses during the FY 2016-17 as compared to Rs. 226.18 Lacs during the FY 2015-16. The increase of 19.80% as compared to previous year is due to increase in the salary and wages expenses.

#### **FINANCE COST**

These Costs were for the year 2016-17 increased to Rs 252.39 Lacs as against Rs. 234.46 Lacs during the previous financial year. The increase of 7.65 % as compared to previous year is due to increase in Borrowing Expenses.

#### **DEPRECIATION AND AMORTIZATION EXPENSE**

Depreciation for the financial year 2016-17 stood at Rs. 326.46 Lacs, the same was Rs. 242.48 Lacs for the financial year 2015-16. The increase by 34.63 % is mainly due to addition in trucks and tailors.

#### **ADMINISTRATIVE AND OTHER EXPENSES**

Our Company has incurred Rs. 322.68 Lacs during the FY 2016-17 on administrative and other expenses as compared to Rs. 625.14 Lacs during FY 2015-16. The decrease of 48.38% is majorly due to reduction in deduction and claim.

#### **PROFIT/ (LOSS) AFTER TAX**

For the year 2016-17 the profit stood at Rs 395.34 Lacs as against the profit of Rs. 182.41 Lacs for the previous year 2015-16. The cause of increase of 116.73 % was majorly due to the factors mentioned above.

## COMPARISON OF THE FINANCIAL PERFORMANCE OF FISCAL 2016 WITH FISCAL 2015

### **Income**

#### **Revenue from Operations**

During the financial year 2015-16 the revenue from operations of our company increased to Rs. 22042.82 Lacs as against Rs. 20638.62 Lacs in the year 2014-15, representing an increase of 6.80%.

#### **OTHER INCOME**

During the financial year 2015-16 the other income of our company increased to Rs. 13.16 Lacs as against Rs. 11.81 Lacs for the financial year 2014-15, representing increase by 11.43%. Such increase was due to increase in interest from Bank FDR and Deposits.

### **EXPENDITURE**

#### **Total Expenses**

The total expenditure for the financial year 2015-16 increased to Rs.21688.56 Lacs from Rs. 20361.36 Lacs in the year 2014-15, representing an increase of 6.52%.

#### **COST OF MATERIALS CONSUMED**

There was 5.50% increase in our gross transportation expenses from Rs. 19298.90 Lacs in the financial year 2014-15 to Rs. 20360.30 Lacs in the financial year 2015-16. This was primarily due to increase in the Lorry Hire Charges paid.

#### **CHANGES IN INVENTORY**

As the company is involved in business of Logistics, there is no inventory in the business.

#### **EMPLOYEE BENEFITS EXPENSES**

Employee benefit expense includes salaries & wages, Employee Provident Fund & ESIC, Staff Rent, Gratuity, Bonus, Director's Remuneration, Staff Welfare Expenses, etc. Our Company has incurred Rs. 226.18 Lacs as employee benefit expenses during the FY 2015-16 as compared to Rs. 201.16 Lacs during the FY 2014-15. The increase of 12.44% as compared to previous year is due to in the salary expenses.

#### **FINANCE COST**

These Costs were for the year 2015-16 decreased to Rs. 234.46 Lacs as against Rs. 234.58 Lacs during the previous financial year. The decrease of 0.05% is there as compared to previous year.

#### **DEPRECIATION AND AMORTIZATION EXPENSE**

Depreciation for the financial year 2015-16 stood at 242.48 Lacs the same was 257.06 Lacs for the financial year 2014-15. The decrease by 5.67% is mainly due to sale of trucks.

#### **ADMINISTRATIVE AND OTHER EXPENSES**

Our Company has incurred Rs. 625.14 Lacs during the FY 2015-16 on administrative and other expenses as compared to Rs. 369.66 Lacs during FY 2014-15. The increase of 69.11% is majorly due to increase in repair & maintenance, bad debts and deductions and claim.

#### **PROFIT/ (LOSS) AFTER TAX**

For the year 2015-16 the profit stood at Rs. 182.41 Lacs as against the profit of Rs. 91.92 Lacs for the previous year 2014-15. The cause of increase of 98.44% was majorly due to the factors mentioned above.



## COMPARISON OF THE FINANCIAL PERFORMANCE OF FISCAL 2015 WITH FISCAL 2014

### **Income**

#### **Revenue from Operations**

During the financial year 2014-15 the revenue from operations of our company increase to Rs. 20638.62 Lacs as against Rs. 18506.90 Lacs in the year 2013-14, representing an increase of 11.52%.

#### **OTHER INCOME**

During the financial year 2014-15 the Other Income of our company decreased to Rs. 11.81 Lacs as against Rs. 10.50 Lacs for the financial year 2013-14, representing decrease by 12.48 %.

### **EXPENDITURE**

#### **Total Expenses**

The total expenditure for the financial year 2014-15 increased to Rs. 20361.36 Lacs from Rs. 18266.52 Lacs in the year 2013-14, representing an increase of 11.47%.

#### **COST OF MATERIALS CONSUMED**

There was 13.60% increase in gross transportation expenses from Rs. 16989.08 Lacs in the financial year 2013-14 to Rs. 19298.90 Lacs in the financial year 2014-15. This was due to increase in Lorry hire charges paid and truck trip expenses.

#### **CHANGES IN INVENTORY**

As the company is involved in business of Logistics, there is no inventory in the business.

#### **EMPLOYEE BENEFITS EXPENSES**

Employee benefit expense includes salaries & wages, Employee Provident Fund & ESIC, Staff Rent, Gratuity, Bonus, Director's Remuneration, Staff Welfare Expenses, etc. Our Company has incurred Rs. 201.16 Lacs as employee benefit expenses during the FY 2014-15 as compared to Rs. 174.82 Lacs during the FY 2013-14. The increase of 15.07% as compared to previous year is due to the salary expenses.

#### **FINANCE COST**

These Costs were for the year 2014-15 decreased to Rs 234.58 Lacs as against Rs. 237.93 Lacs during the previous financial year. The decrease of 1.41% as compared to previous year is due to decrease in interest expenses.

#### **DEPRECIATION AND AMORTIZATION EXPENSE**

Depreciation for the financial year 2014-15 stood at 257.06 Lacs the same was 412.45 Lacs for the financial year 2013-14. The decrease by 37.67% is mainly due to decrease in fixed assets.

#### **ADMINISTRATIVE AND OTHER EXPENSES**

Our Company has incurred Rs. 369.66 Lacs during the FY 2014-15 on administrative and other expenses as compared to Rs. 452.24 Lacs during FY 2013-14. The decrease of 18.26% is majorly due to decrease in bad debts, repair and maintenance (Trucks) etc.

#### **PROFIT/ (LOSS) AFTER TAX**

For the year 2014-15 the profit stood at Rs.91.92 Lacs as against the loss of Rs. 0.20Lacs for the previous year 2013-14. The cause of such increase was majorly due to lower charging of depreciation, bad debts and charging of income tax for earlier years.

**INFORMATION REQUIRED AS PER ITEM(2)(IX)(E)(5) OF PARTA OF SCHEDULEVIII TO THE SEBI REGULATIONS:**

An analysis of reasons for the changes in significant items of income and expenditure is given hereunder:

- **Unusual or infrequent events or transactions**

There has not been any an unusual or infrequent event or transactions that have significantly affected operations of the Company.

- **Significant economic changes that materially affected or are likely to affect income from continuing operations.**

There are no significant economic changes that materially affected Company's operations or are likely to affect income from continuing operations. Any slowdown in the growth of Indian economy or future volatility in global commodity prices, could affect the business, including the future financial performance, shareholders' funds and ability to implement strategy and the price of the Equity Shares.

- **Known trends or uncertainties that have had or are expected to have a material adverse impact on sales, revenue or income from continuing operations.**

Apart from the risks disclosed under the section titled "*Risk Factors*" no known trends or uncertainties are envisaged or are expected to have a material adverse impact on sales, revenue or income from continuing operations to Company's knowledge.

- **Future changes in relationship between costs and revenues in case of events such as future increase in labour or material cost or prices that will cause material change.**

Other than as described in the chapter titled "*Risk Factors*" beginning on page 14 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.

- **The extent to which material increase in net sales / revenue is due to increase in sales volume, introduction of new products or services or increased sales prices**

Increases in revenues are by and large linked to increases in volume of business activity carried out by the Company.

- **Total turnover of each major industry segment in which our Company operates**

The Company operates in single segment in context of accounting standards 17 on segment reporting issued by ICAI

- **Status of any publicly announced New Products or Business Segment**

Our Company has not announced any new product.

- **The extent to which our Company's business is seasonal**

Our business is not seasonal in nature.

- **Dependence on few Suppliers/ customers**

Other than as described in this Draft Prospectus, particularly in sections "*Risk Factors*" beginning on page 14 to our knowledge, there is no significant dependence on a single or few customers or suppliers.

- **Competitive conditions**

It faces competition from existing and potential competitors which is common for any business. It has, over a period of time, developed certain competitive strengths which have been discussed in section titled "*Our Business*" on page 84 of this Draft Prospectus.

## SECTION VI – LEGAL AND OTHER INFORMATION OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

*Except as stated below, there are no outstanding litigation, suits, criminal or civil prosecutions, proceedings or tax liabilities against our Company, our Directors, our Promoters and Group Entities that would have a material adverse effect on our business. Further, except as stated below there are no defaults, non-payment of statutory dues, over-dues to banks/financial institutions, defaults against banks/financial institutions, defaults in dues payable to holders of any debenture, bonds and fixed deposits and arrears of preference shares issued by our Company, default in creation of full security as per terms of issue/other liabilities. No proceedings have been initiated for economic/civil/any other offences (including past cases where penalties may or may not have been awarded and irrespective of whether they are specified under paragraph (a) of Part I of Schedule V of the Companies Act, 2013) other than unclaimed liabilities of our Company and no disciplinary action has been taken by SEBI or any stock exchanges against our Company, our Promoters, our Directors and Group Entities.*

*Our Board of Directors, in its meeting held on September 20, 2017 determined that any pending litigation where the amounts exceeds Rs.20 Lakh or 5% of the net profits after tax of the Company for the most recent audited fiscal period whichever is higher individually apart from litigations mentioned in point X(A)(1)(i) to (iii) of Schedule VIII of SEBI (ICDR) Regulations are considered as material pending litigation and accordingly are disclosed in the Draft Prospectus. Further, dues owed by our Company to small scale undertakings and other creditors, which exceeds Rs. exceeds 5%of the consolidated trade payables at September30, 2017 (“Material Creditors have been considered as material dues for the purposes of disclosure in this Draft Prospectus.*

*Unless stated to the contrary, the information provided below is as of the date of this Draft Prospectus.*

*Further, except as stated below, in the last five years preceding the date of this Draft Prospectus there have been (a) no instances of material frauds committed against our Company (b) no inquiries, inspections or investigations initiated or conducted under the Companies Act or any previous companies law in the case of our Company and no prosecutions have been filed (whether pending or not), fines imposed or compounding of offences for our Company (c) no litigation or legal action pending or taken by any ministry or department of the government or any statutory body against our Promoters.*

*Further, except as described below, there are no proceedings initiated or penalties imposed by any authorities against our Company, and Directors and no adverse findings in respect of our Company, our Promoters, our Group Entities and the persons/entities connected therewith, as regards compliance with securities laws. Further, except as described below, there are no instances where our Company, or Directors have been found guilty in suits or criminal or civil prosecutions, or proceedings initiated for economic or civil offences or any disciplinary action by SEBI or any stock exchange, or tax liabilities.*

*Further, except as disclosed below there are no (i) litigation against our Directors or our Promoters involving violation of statutory regulations or alleging criminal offence; (ii) past cases in which penalties were imposed by the relevant authorities on our Company, our Promoters, our Group Entities and the Directors; and (iii) outstanding litigation or defaults relating to matters likely to affect the operations and finances of our Company including disputed tax liabilities and prosecution under any enactment in respect of Schedule V to the Companies Act, 2013. Unless stated to the contrary, the information provided below is as on the date of this Draft Prospectus.*

### CONTINGENT LIABILITIES

Sr. No.	Particulars	Remarks
1.	Guarantees issued by the Company’s Banker on behalf of the company	Bank Guarantees outstanding as on 30/09/2017 is of Rs 394.17 lakh

### LITIGATION INVOLVING OUR COMPANY

#### I) Litigation against our Company:

- a) *Litigation Involving Criminal Laws: NIL*
- b) *Litigation Involving Actions by Statutory/Regulatory Authorities NIL*
- c) *Litigation Involving Tax Liabilities: NIL*

- i) *Direct Tax Liabilities NIL*
- ii) *Indirect Tax Liabilities: NIL*
- d) *Other Material Pending Litigations: NIL*

**II) Litigation by our Company: NIL**

- a) *Litigation Involving Criminal Laws: NIL*
- b) *Litigation Involving Actions by Statutory/Regulatory Authorities: NIL*
- c) *Litigation Involving Tax Liabilities: NIL*
  - i) *Direct Tax Liabilities*
  - ii) *Indirect Tax Liabilities*
- d) *Other Material Pending Litigations: NIL*

**A. LITIGATION INVOLVING OUR DIRECTORS:**

**I) Litigation against our Directors:**

- a) *Litigation Involving Criminal Laws: NIL*
- b) *Litigation Involving Actions by Statutory/Regulatory Authorities: NIL*
- c) *Litigation Involving Tax Liabilities*
- i) *Direct Tax Liabilities:* Below mentioned are the direct tax litigation involving our Directors;
  - a. Manoj Kumar Agrawal, Director of our Company had received an intimation under the provisions of Section 143(1) of the Income Tax Act, 1961 through letter from Income Tax Department dated February 19, 2014, wherein the outstanding tax demand was deemed to be Rs. 0.55 lakh. However, due to the subsequent payment, the amount reflected as outstanding on the Income Tax website for the Assessment Year 2012-13 as on February 16, 2018 is **Rs. 0.33 lakh**.
  - b. Ratan Kumar Agrawal, Director of our Company had received an intimation under the provisions of Section 245 of the Income Tax Act, 1961 through letter from Income Tax Department dated June 27, 2016, after which, the following outstanding demands were reflected for the years: Assessment Year 2007-08 – **Rs. 0.01 lakh**; Assessment Year 2008-09 – **Rs. 0.01 lakh** and Assessment Year 2011-12 **Rs. 1.08 lakh**.
  - c. Shakuntala Devi Agrawal, Director of our Company had received an intimation under the provisions of Section 245 of the Income Tax Act, 1961 through letter from Income Tax Department dated April 28, 2016, after which, the following outstanding demands were reflected for the Assessment Year 2010-11 – **Rs. 0.01 lakh**.
- ii) *Indirect Tax Liabilities: NIL*
- d) *Other Material Pending Litigations: NIL*

**II) Litigation by our Directors: NIL**

- a) *Litigation Involving Criminal Laws:* NIL
- b) *Litigation Involving Actions by Statutory/Regulatory Authorities:* NIL
- c) *Litigation Involving Tax Liabilities:* NIL
  - i) *Direct Tax Liabilities*
  - ii) *Indirect Tax Liabilities*
- d) *Other Material Pending Litigations :* NIL

**B. LITIGATION INVOLVING OUR PROMOTERS:**

**I) Litigation against our Promoters: NIL**

- a) *Litigation Involving Criminal Laws*
- b) *Litigation Involving Actions by Statutory/Regulatory Authorities*
- c) *Litigation Involving Tax Liabilities*
  - i) *Direct Tax Liabilities:* Except as disclosed above under the heading ' direct tax litigation involving directors', there is no other pending litigation.
  - ii) *Indirect Tax Liabilities:* *NIL*
- d) *Other Material Pending Litigations*

**II) Litigation by our Promoters: NIL**

- a) *Litigation Involving Criminal Laws:*
- b) *Litigation Involving Actions by Statutory/Regulatory Authorities*
- c) *Litigation Involving Tax Liabilities*
  - i) *Direct Tax Liabilities*
  - ii) *Indirect Tax Liabilities*
- d) *Other Material Pending Litigations*

**C. LITIGATION INVOLVING OUR GROUP ENTITIES: NIL**

**I) Litigation against our Group Entities: NIL**

- a) *Litigation Involving Criminal Laws:* *NIL*
- b) *Litigation Involving Actions by Statutory/Regulatory Authorities:* *NIL*
- c) *Litigation Involving Tax Liabilities:* *NIL*

i) *Direct Tax Liabilities*

ii) *Indirect Tax Liabilities*

d) *Other Material Pending Litigations: NIL*

**II) Litigation by our Group Entities: NIL**

a) *Litigation Involving Criminal Laws: NIL*

b) *Litigation Involving Actions by Statutory/Regulatory Authorities: NIL*

c) *Litigation Involving Tax Liabilities: NIL*

i) *Direct Tax Liabilities*

ii) *Indirect Tax Liabilities*

d) *Other Material Pending Litigations: NIL*

**D. OUTSTANDING DUES TO CREDITORS OF OUR COMPANY**

Our Company pursuant to a resolution of our Board dated September 20, 2017 approved that each creditor, to whom our Company individually owes a net aggregate amount that exceeds 5% of the trade payables as per the Restated Financial Statements for the most recent financial year, shall be considered as a material creditor of our Company. Our Board has also approved that dues owed by our Company to small scale undertakings as per the Restated Financial Statements for the most recent financial year shall be disclosed in a consolidated manner.

As of September 30, 2017, our Company, in its ordinary course of business, has an aggregate amount of Rs. 1774.76 lakhs, which is due towards sundry and other creditors. As per the above said policy, consolidated information of outstanding dues, as at September 30, 2017, owed to small scale undertakings, material dues to creditors and other dues to creditors separately, giving details of number of cases and aggregate amount for such dues is as under:

Particulars	Number of cases	Amount Outstanding (Rs. In lakhs)
Dues to small scale undertakings	NIL	NIL
Material dues to creditors	NIL	NIL
<b>Total</b>	<b>NIL</b>	<b>NIL</b>

Further, our Company has not received any intimation from suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosure, if any, in relation to amount unpaid as on the year end together with interest payable as required under the said Act have not been furnished. Our Company does not owe any small scale industries or any MSMEs any amounts exceeding Rs.1 lakh which is outstanding for more than 30 days. There are no disputes with such entities in relation to payments to be made to them.

The details pertaining to net outstanding dues towards our creditors are available on the website of our Company at [www.obclimited.com](http://www.obclimited.com). It is clarified that such details available on our website do not form a part of this Draft Prospectus. Anyone placing reliance on any other source of information, including our Company's website [www.obclimited.com](http://www.obclimited.com), would be doing so at their own risk.

**E. MATERIAL DEVELOPMENTS SINCE THE LAST BALANCE SHEET DATE**

Except as disclosed in the chapter titled “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” beginning on page 149 of this Draft Prospectus, in the opinion of our Board, there have not arisen, since September 30, 2017, any circumstances that materially or adversely affect or are likely to affect our profitability or the value of our consolidated assets or our ability to pay material liabilities within the next 12 months.

## GOVERNMENT AND OTHER APPROVALS

*Our business requires various approvals, licenses, registrations and permits issued by relevant Central and State regulatory authorities under various rules and regulations. For details see “Key Industry Regulations and Policies” on page 91. 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.*

### **I. Approvals in relation to 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 January 10, 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 February 5, 2018, authorized the Issue.
3. In-principle approval dated [●] from the BSE SME Platform for listing of the Equity Shares issued by our Company pursuant to the Offer.

### **II. Approvals for our Company**

#### **Incorporation details**

1. Certificate of incorporation dated October 18, 1994 issued by the RoC, Gwalior, Madhya Pradesh to Orissa Bengal Carrier Private Limited.
2. Fresh certificate of incorporation consequent upon change of name on conversion to Public Company dated December 19, 2009 issued by the RoC, Gwalior, Madhya Pradesh and Chhattisgarh.
3. The Corporate Identity Number (CIN) of the Company is U63090CT1994PLC008732.

#### **Tax related approvals**

1. The permanent account number of our Company is AADCM4030C issued by Income Tax Department under the Income Tax Act, 1961.
2. The tax deduction account number of our Company is JBP000094D issued by Income Tax Department under the Income Tax Act, 1961.

#### **Establishment, business and employment related approvals**


1. Certificate of registration under Carriage by Road Act, 2007 and Rules 2011 bearing number RTA/RPR - 0033/2014 dated April 16, 2015 issued by Regional Transport Authority, Raipur, Chhattisgarh to our Company. The registration is valid up to April 15, 2025.
2. Certificate of registration under Motor Transport Workers Act 1961 bearing number RPR/2018/44001377 dated February 20, 2018 issued by Assistant Labour Commissioner, Raipur, Chhattisgarh to our Company. The registration is valid up to December 31, 2018.
3. Udyog Aadhar number bearing 932954450675 issued by Ministry of Micro, Small & Medium Enterprises to our Company .



4. Certificate of registration bearing number 59000003170001006 issued to our Company under the Employees State Insurance Act, 1948.
5. Certificate of registration bearing code CGRAI 0017556000 under Employees Provident Fund and Miscellaneous Act, 1952.
6. Certificate bearing certificate number IN80794A from LMS Certification Private Limited to certify quality management system of our Company is compliant with ISO 9001:2015 in respect of providing logistic services by use of multimode transportation and handling services all over India. The certificate is valid till September 8, 2020.

***Licenses/Registration applied for/application for renewal***



1. Our Company has applied for registration of the trade mark  under class 39 bearing trade mark application number 3740241 dated January 30, 2018.
2. Our Company has applied through application bearing number 10170121144218220 dated January 21, 2017 for renewal of license under Food Safety and Standards Act, 2006 bearing license number 10016037000230 which was valid till February 26, 2017.



## OTHER REGULATORY AND STATUTORY DISCLOSURES

### Authority for the Issue

The Board of Directors, pursuant to a resolution passed at their meeting held on January 10, 2018 authorized the Issue, subject to the approval of the shareholders of our Company under Section 62(1)(c) of the Companies Act, 2013, and such other authorities as may be necessary.]

The shareholders of our Company have, pursuant to a special resolution passed under Section 62(1)(c) of the Companies Act, 2013 at an Extra Ordinary General Meeting held on February 5, 2018 authorized the Issue.

Our Company has obtained in-principle approval from the BSE SME Platform for using its name in the Draft Prospectus pursuant to an approval letter dated [●]. BSE is the Designated Stock Exchange.

### Prohibition by SEBI or other governmental authorities

Our Company, our Promoters, members of the Promoter Group, our Directors, Group Companies or the person(s) in control of our Company have not been prohibited from accessing the capital market for any reason or restrained from buying, selling or dealing in securities, under any order or directions by the SEBI or any other regulatory or Government Authorities.

There are no violations of securities laws committed by any of them in the past or pending against them, nor have any companies with which any of our Company, our Promoters, Directors, persons in control of our Company are or were associated as a promoter, director or person in control, been debarred or prohibited from accessing the capital markets under any order or direction passed by the SEBI or any other authority.

None of our Directors are in any manner associated with the securities market and there has been no action taken by SEBI against our Directors or any entity in which our Directors are involved as Promoters or Directors.

The listing of any securities of our Company has never been refused at any time by any of the Stock Exchanges in India or abroad.

### Prohibition by RBI

Neither our Company, our Promoter, our Directors, Group Companies, relatives (as per Companies Act, 2013) of Promoter or the person(s) in control of our Company have been identified as a willful defaulter by the RBI or other governmental authority and no such proceedings are pending against any of them except as details provided in the chapter titled “*Outstanding Litigations and Material Development*” on page 157 of this Draft Prospectus.

### Eligibility for the Issue

Our Company is in compliance with the following conditions specified in Regulation 4(2) of the SEBI (ICDR) Regulations to the extent applicable:

- a) Our Company, our Directors and the companies with which our Directors are associated as directors or promoters or persons in control have not been prohibited from accessing or operating in the capital markets under any order or direction passed by SEBI;
- b) Our Company has applied to the BSE SME Platform for obtaining their in-principle listing approval for listing of the Equity Shares under this Issue and has received the in-principle approval from the BSE SME Platform pursuant to its letter dated [●]. For the purposes of this Issue, the BSE shall be the Designated Stock Exchange;
- c) Our Company has entered into tripartite agreement dated February 20, 2018 with NSDL and Bigshare Services Private Limited for dematerialisation of the Equity Shares;
- d) Our Company has entered into tripartite agreement dated February 8, 2018 with CDSL and Bigshare Services Private Limited for dematerialisation of the Equity Shares; and
- e) The Equity Shares are fully paid and there are no partly paid-up Equity Shares as on the date of filing this Draft Prospectus.

Further, in compliance with Regulation 4(5) of the SEBI (ICDR) Regulations, none of our Company, Promoters or Directors is a Willful Defaulter, as on the date of this Draft Prospectus.

Our Company is an “Unlisted Issuer” in terms of the SEBI (ICDR) Regulations; and this Issue is an “Initial Public Offer” in terms of the SEBI (ICDR) Regulations.

Our Company is eligible for the Issue in accordance with Regulation 106(M) (2) and other provisions of Chapter XB of the SEBI (ICDR) Regulations, as we are an Issuer whose post issue paid up capital is more than Rs.10 Crore and up to Rs. 25 Crore. Therefore, we may issue Equity Shares to the public and propose to list the same on the Small and Medium Enterprise Exchange (in this case being the "BSE SME Platform").

We confirm that:

1. In accordance with Regulation 106(P) of the SEBI (ICDR) Regulations, this issue is 100% underwritten and that the Lead Manager to the Issue shall underwrite minimum 15% of the total Issue size. For further details pertaining to said underwriting please refer to chapter titled “*General Information – Underwriting*” beginning on page 43 of this Draft Prospectus.
2. In accordance with Regulation 106(R) of the SEBI (ICDR) Regulations, we shall ensure that the total number of proposed allottees in the Issue shall be greater than or equal to 50 (fifty), otherwise, the entire application money will be unblocked forthwith. If such money is not repaid within 8 (eight) Working Days from the date our Company becomes liable to repay it, then our Company and every officer in default shall, on and from expiry of 8 (eight) Working Days, be liable to repay such application money, with an interest at the rate as prescribed under the SEBI (ICDR) Regulations, Companies Act 2013 and other applicable laws.
3. In accordance with Regulation 106(O) the SEBI (ICDR) Regulations, 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 a copy of the Draft Prospectus along with a Due Diligence Certificate including additional confirmations as required to SEBI at the time of filing the Prospectus with Stock Exchange and the Registrar of Companies.
4. In accordance with Regulation 106(V) of the SEBI (ICDR) Regulations, we hereby confirm that we have entered into an agreement with the Lead Manager and a Market Maker to ensure compulsory Market Making for a minimum period of 3 (three) years from the date of listing of Equity Shares on the BSE SME Platform. For further details of the arrangement of market making, see chapter titled “*General Information – Details of the Market Making Arrangements for this Issue*” beginning on page 44 of this Draft Prospectus.

We further confirm that we shall be complying with all the other requirements as laid down for such an issue under Chapter XB of SEBI (ICDR) Regulations, as amended from time to time and subsequent circulars and guidelines issued by SEBI and the Stock Exchange.

As per Regulation 106(M)(3) of SEBI (ICDR) Regulations, the provisions of Regulations 6(1), 6(2), 6(3), Regulation 8, Regulation 9, Regulation 10, Regulation 25, Regulation 26, Regulation 27 and sub regulation (1) of Regulation 49 of SEBI (ICDR) Regulations, 2009 shall not apply to us in this Issue.

As on September 30, 2017 our Company has Net Tangible Assets\* of Rs 49.45 Crores which satisfies the criteria of having Net Tangible Assets of at least Rs. 3.00 Crore.

*\*Net tangible assets are defined as the sum of all net assets of the Company, excluding intangible assets and Net Deferred Tax as defined in Accounting Standard 26 (AS 26) issued by the Institute of Chartered Accountants of India.*

The Net Worth\*\* (excluding revaluation reserves) of the Company is of Rs.31.62 Crore which satisfies the criteria of at least Rs.3 Crore as per the latest audited financial results.

*\*\*Net worth includes Equity Share Capital and Reserves (excluding revaluation reserves, Miscellaneous Expenditure not written off, if any & Debit Balance of Profit and Loss Account not written off, if any).*

Track record of distributable profits in terms of Section 123 of Companies Act, 2013 for at least two years out of immediately preceding three financial years and each financial year has to be a period of at least 12 months.

Extraordinary income will not be considered for the purpose of calculating distributable profits. Otherwise, the Net Worth shall be at least Rs.3 Crores.

Our Company shall mandatorily facilitate trading in demat securities and will enter into an agreement with both the depositories. The Company has entered into an agreement for registration with the Central Depository Services Limited (CDSL) dated February 8, 2018 and National Securities Depository Limited dated February 20, 2018 for establishing connectivity.

Our Company has a website which can be accessed at the following link: [www.obclimited.com](http://www.obclimited.com)

Our Company has not been referred to the Board for Industrial and Financial Reconstruction (BIFR).

There is no winding up petition against our Company that has been admitted by the Court or a liquidator has not been appointed of competent Jurisdiction against the Company.

No material regulatory or disciplinary action by a stock exchange or regulatory authority in the past three years against the applicant company.

There has been no change in the promoter/s of the Company in the preceding one year from date of filing application to BSE for listing on SME segment.

We confirm that we comply with all the above requirements / conditions so as to be eligible to be listed on the SME Platform of the BSE.

#### **Compliance with Part A of Schedule VIII of the SEBI (ICDR) Regulations**

Our Company is in compliance with the provisions specified in Part A of the SEBI (ICDR) Regulations. No exemption from eligibility norms has been sought under Regulation 109 of the SEBI (ICDR) Regulations, with respect to the Issue.

#### **DISCLAIMER CLAUSE OF SEBI**

**IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF OFFER DOCUMENT TO THE SECURITIES AND EXCHANGE BOARD OF INDIA (SEBI) SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE OFFER DOCUMENT. THE LEAD MERCHANT BANKER, GUINNESS CORPORATE ADVISORS PRIVATE LIMITED HAS CERTIFIED THAT THE DISCLOSURES MADE IN THE OFFER DOCUMENT ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 IN FORCE FOR THE TIME BEING. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING INVESTMENT IN THE PROPOSED ISSUE.**

**IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE ISSUER IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE OFFER DOCUMENT, THE LEAD MERCHANT BANKER, GUINNESS CORPORATE ADVISORS PRIVATE LIMITED IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE ISSUER DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE LEAD MERCHANT BANKER HAS FURNISHED TO SEBI A DUE DILIGENCE CERTIFICATE DATED MARCH 1, 2018 WHICH READS AS FOLLOWS:**

**WE, THE UNDER NOTED LEAD MANAGER TO THE ABOVE MENTIONED FORTHCOMING ISSUE STATE AND CONFIRM AS FOLLOWS:**

1. WE HAVE EXAMINED VARIOUS DOCUMENTS INCLUDING THOSE RELATING TO LITIGATION LIKE COMMERCIAL DISPUTES, PATENT DISPUTES, DISPUTES WITH COLLABORATORS, ETC. AND OTHER MATERIAL IN CONNECTION WITH THE FINALISATION OF THE DRAFT PROSPECTUS PERTAINING TO THE SAID ISSUE;
2. ON THE BASIS OF SUCH EXAMINATION AND THE DISCUSSIONS WITH THE ISSUER, ITS DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES, AND INDEPENDENT VERIFICATION OF THE STATEMENTS CONCERNING THE OBJECTS OF THE ISSUE, PRICE JUSTIFICATION AND THE CONTENTS OF THE DOCUMENTS AND OTHER PAPERS FURNISHED BY THE ISSUER, WE CONFIRM THAT:
  - A. THE DRAFT PROSPECTUS FILED WITH THE EXCHANGE IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPERS RELEVANT TO THE ISSUE;
  - B. ALL THE LEGAL REQUIREMENTS RELATING TO THE ISSUE AS ALSO THE REGULATIONS GUIDELINES, INSTRUCTIONS, ETC. FRAMED/ISSUED BY THE BOARD, THE CENTRAL GOVERNMENT AND ANY OTHER COMPETENT AUTHORITY IN THIS BEHALF HAVE BEEN DULY COMPLIED WITH; AND
  - C. THE DISCLOSURES MADE IN THE DRAFT PROSPECTUS ARE TRUE, FAIR AND ADEQUATE TO ENABLE THE INVESTORS TO MAKE A WELL INFORMED DECISION AS TO THE INVESTMENT IN THE PROPOSED ISSUE AND SUCH DISCLOSURES ARE IN ACCORDANCE WITH THE REQUIREMENTS OF THE COMPANIES ACT, 2013, APPLICABLE PROVISIONS OF THE COMPANIES ACT, 1956, THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 AND OTHER APPLICABLE LEGAL REQUIREMENTS.
3. WE CONFIRM THAT BESIDES OURSELVES, ALL THE INTERMEDIARIES NAMED IN THE DRAFT PROSPECTUS ARE REGISTERED WITH THE BOARD AND THAT TILL DATE SUCH REGISTRATION IS VALID.
4. WE HAVE SATISFIED OURSELVES ABOUT THE CAPABILITY OF THE UNDERWRITERS TO FULFILL THEIR UNDERWRITING COMMITMENTS.
5. WE CERTIFY THAT WRITTEN CONSENT FROM PROMOTER HAS BEEN OBTAINED FOR INCLUSION OF THEIR SPECIFIED SECURITIES AS PART OF PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN AND THE SPECIFIED SECURITIES PROPOSED TO FORM PART OF PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN SHALL NOT BE DISPOSED / SOLD / TRANSFERRED BY THE PROMOTER DURING THE PERIOD STARTING FROM THE DATE OF FILING THE DRAFT PROSPECTUS WITH THE BOARD TILL THE DATE OF COMMENCEMENT OF LOCK-IN PERIOD AS STATED IN THE DRAFT PROSPECTUS.
6. WE CERTIFY THAT REGULATION 33 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, WHICH RELATES TO SPECIFIED SECURITIES INELIGIBLE FOR COMPUTATION OF PROMOTERS CONTRIBUTION, HAS BEEN DULY COMPLIED WITH AND APPROPRIATE DISCLOSURES AS TO COMPLIANCE WITH THE SAID REGULATION HAVE BEEN MADE IN THE DRAFT PROSPECTUS.
7. WE UNDERTAKE THAT SUB-REGULATION (4) OF REGULATION 32 AND CLAUSE (C) AND (D) OF SUB-REGULATION (2) OF REGULATION 8 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 SHALL BE COMPLIED WITH. WE CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION SHALL BE RECEIVED AT LEAST ONE DAY BEFORE THE OPENING OF THE ISSUE. WE UNDERTAKE THAT AUDITORS' CERTIFICATE TO THIS EFFECT SHALL BE DULY SUBMITTED TO THE BOARD. WE FURTHER CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION SHALL BE KEPT IN AN ESCROW ACCOUNT WITH A SCHEDULED COMMERCIAL BANK AND SHALL BE RELEASED TO THE ISSUER ALONG WITH THE PROCEEDS OF THE PUBLIC ISSUE. – NOT APPLICABLE

8. WE CERTIFY THAT THE PROPOSED ACTIVITIES OF THE ISSUER FOR WHICH THE FUNDS ARE BEING RAISED IN THE PRESENT ISSUE FALL WITHIN THE 'MAIN OBJECTS' LISTED IN THE OBJECT CLAUSE OF THE MEMORANDUM OF ASSOCIATION OR OTHER CHARTER OF THE ISSUER AND THAT THE ACTIVITIES WHICH HAVE BEEN CARRIED OUT UNTIL NOW ARE VALID IN TERMS OF THE OBJECT CLAUSE OF ITS MEMORANDUM OF ASSOCIATION.
9. WE CONFIRM THAT NECESSARY ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT THE MONEYS RECEIVED PURSUANT TO THE ISSUE ARE KEPT IN A SEPARATE BANK ACCOUNT AS PER THE PROVISIONS OF SUB-SECTION (3) OF SECTION 40 OF THE COMPANIES ACT, 2013 AND THAT SUCH MONEYS SHALL BE RELEASED BY THE SAID BANK ONLY AFTER PERMISSION IS OBTAINED FROM ALL THE STOCK EXCHANGES MENTIONED IN THE DRAFT PROSPECTUS. WE FURTHER CONFIRM THAT THE AGREEMENT ENTERED INTO BETWEEN THE BANKERS TO THE ISSUE AND THE ISSUER SPECIFICALLY CONTAINS THIS CONDITION – NOTED FOR COMPLIANCE.
10. WE CERTIFY ALL THE SHARES SHALL BE ISSUED IN DEMATERIALIZED FORM IN COMPLIANCE WITH THE PROVISIONS OF SECTION 29 OF THE COMPANIES ACT, 2013 AND THE DEPOSITORIES ACT, 1996 AND THE REGULATIONS MADE THERE UNDER.
11. WE CERTIFY THAT ALL THE APPLICABLE DISCLOSURES MANDATED IN THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 HAVE BEEN MADE IN ADDITION TO DISCLOSURES WHICH, IN OUR VIEW, ARE FAIR AND ADEQUATE TO ENABLE THE INVESTOR TO MAKE A WELL INFORMED DECISION.
12. WE CERTIFY THAT THE FOLLOWING DISCLOSURES HAVE BEEN MADE IN THE DRAFT PROSPECTUS:
  - A. AN UNDERTAKING FROM THE ISSUER THAT AT ANY GIVEN TIME, THERE SHALL BE ONLY ONE DENOMINATION FOR THE EQUITY SHARES OF THE ISSUER AND
  - B. AN UNDERTAKING FROM THE ISSUER THAT IT SHALL COMPLY WITH SUCH DISCLOSURE AND ACCOUNTING NORMS SPECIFIED BY THE BOARD FROM TIME TO TIME.
13. WE UNDERTAKE TO COMPLY WITH THE REGULATIONS PERTAINING TO ADVERTISEMENT IN TERMS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 WHILE MAKING THE ISSUE.
14. WE ENCLOSE A NOTE EXPLAINING HOW THE PROCESS OF DUE DILIGENCE HAS BEEN EXERCISED BY US IN VIEW OF THE NATURE OF CURRENT BUSINESS BACKGROUND OR THE ISSUER, SITUATION AT WHICH THE PROPOSED BUSINESS STANDS, THE RISK FACTORS, PROMOTERS EXPERIENCE, ETC.
15. WE ENCLOSE A CHECKLIST CONFIRMING REGULATION-WISE COMPLIANCE WITH THE APPLICABLE PROVISIONS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, CONTAINING DETAILS SUCH AS THE REGULATION NUMBER, ITS TEXT, THE STATUS OF COMPLIANCE, PAGE NUMBER OF THE DRAFT PROSPECTUS WHERE THE REGULATION HAS BEEN COMPLIED WITH AND OUR COMMENTS, IF ANY.
16. WE ENCLOSE STATEMENT ON 'PRICE INFORMATION OF PAST ISSUES HANDLED BY MERCHANT BANKER BELOW (WHO ARE RESPONSIBLE FOR PRICING THIS ISSUE)', AS PER FORMAT SPECIFIED BY SEBI THROUGH CIRCULAR NO. CIR/CFD/DIL/7/2015 DATED OCTOBER 30, 2015.
17. WE CERTIFY THAT PROFITS FROM RELATED PARTY TRANSACTIONS HAVE ARISEN FROM LEGITIMATE BUSINESS TRANSACTIONS TO THE EXTENT OF THE RELATED PARTY TRANSACTIONS REPORTED IN ACCORDANCE WITH ACCOUNTING STANDARD-18 IN THE FINANCIAL INFORMATION OF THE COMPANY INCLUDED IN THE DRAFT PROSPECTUS.



**ADDITIONAL CONFIRMATIONS/ CERTIFICATION TO BE GIVEN BY MERCHANT BANKER IN DUE DILIGENCE CERTIFICATE TO BE GIVEN ALONG WITH ISSUE DOCUMENT REGARDING SME EXCHANGE**

- (1) WE CONFIRM THAT NONE OF THE INTERMEDIARIES NAMED IN THE DRAFT PROSPECTUS HAVE BEEN DEBARRED FROM FUNCTIONING BY ANY REGULATORY AUTHORITY.
- (2) WE CONFIRM THAT ALL THE MATERIAL DISCLOSURES IN RESPECT OF THE ISSUER HAVE BEEN MADE IN DRAFT PROSPECTUS AND CERTIFY THAT ANY MATERIAL DEVELOPMENT IN THE ISSUER OR RELATING TO THE ISSUE UP TO THE COMMENCEMENT OF LISTING AND TRADING OF THE SPECIFIED SECURITIES ISSUED THROUGH THIS ISSUE SHALL BE INFORMED THROUGH PUBLIC NOTICES/ ADVERTISEMENTS IN ALL THOSE NEWSPAPERS IN WHICH PRE-ISSUE ADVERTISEMENT AND ADVERTISEMENT FOR OPENING OR CLOSURE OF THE ISSUE HAVE BEEN GIVEN.
- (3) WE CONFIRM THAT THE ABRIDGED PROSPECTUS CONTAINS ALL THE DISCLOSURES AS SPECIFIED IN THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 - NOTED FOR COMPLIANCE.
- (4) WE CONFIRM THAT AGREEMENTS HAVE BEEN ENTERED INTO WITH THE DEPOSITORIES FOR DEMATERIALISATION OF THE SPECIFIED SECURITIES OF THE ISSUER – NOTED FOR COMPLIANCE.
- (5) WE CERTIFY THAT AS PER THE REQUIREMENTS OF FIRST PROVISIO TO SUBREGULATION (4) OF REGULATION 32 OF SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009; CASH FLOW STATEMENT HAS BEEN PREPARED AND DISCLOSED IN THE DRAFT PROSPECTUS. - NOT APPLICABLE.
- (6) WE CONFIRM THAT UNDERWRITING AND MARKET MAKING ARRANGEMENTS AS PER REQUIREMENTS OF REGULATION 106P AND 106V OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 HAVE BEEN MADE - NOTED FOR COMPLIANCE.

*Note:*

*The filing of this Draft Prospectus does not, however, absolve our Company from any liabilities under Section 34, Section 35, Section 36 and Section 38 (1) of the Companies Act, 2013 or from the requirement of obtaining such statutory and / or other clearances as may be required for the purpose of the proposed Issue. SEBI further reserves the right to take up at any point of time, with the Lead Manager any irregularities or lapses in the Draft Prospectus.*

*All legal requirements pertaining to the Issue will be complied with at the time of registration of the Prospectus with the Registrar of Companies, Chhattisgarh in terms of sections 26, 32 and 33 of the Companies Act, 2013.*

**Statement on Price Information of Past Issues handled by Guinness Corporate Advisors Pvt. Ltd**

Price information of past issues handled by Guinness Corporate Advisors Private Limited

Sr. No.	Issuer Name	Issue size (Rs. in cr.)	Issue price (Rs.)	Listing Date	Opening Price on listing date	+/- % change in closing price, [+/- % change in closing benchmark]-30th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]-90th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]-180th calendar days from listing
1	ASL Industries Limited	9.80	35	18.04.2017	33.10	0.14%	-14.00%	-21.86%
						[+4.62%]	[+8.90%]	[12.36%]
2	Meera Industries Ltd	3.89	36	15.05.2017	36.00	0.00%	94.44%	533.33%
						[+2.55%]	[3.72%]	[9.87%]
3	Bhakti Gems and Jewellery Limited	3.92	20	30.05.2017	18.70	0.25%	2.00%	-11.50%
						[-1.04%]	[1.90%]	[8.23%]
4	7NR Retail Limited	5.12	27	18.07.2017	27.00	0.37%	-1.85%	2.04%
						[+0.19%]	[2.91%]	[9.88%]
5	ANG Lifesciences India Ltd	12.01	80	08.09.2017	96.00	11.88%	1.25%	NA
						[0.50%]	[2.87%]	
6	Trident Texofab Limited	3.53	30	05.10.2017	32.00	87.83%	231.50%	NA
						[6.63%]	[7.03%]	
7	Sheetal Cool Products Ltd.	24.00	80	30.10.2017	96.00	7.56%	63.75%	NA
						[1.06%]	[9.07%]	
8	Vertoz Advertising Limited	17.10	108	24.11.2017	113.00%	134.26%	88.01%	NA
						[1.36%]	[0.07%]	
9	Moksh Ornaments Limited	11.03	37	03.01.2018	44.40%	27.16%	NA	NA
						[5.49%]		
10	Jhandewalas Foods Limited	16.01	55	12.01.2018	66.00%	6.36%	NA	NA
						[-0.84%]		

Note: The 30th, 90th, and 180th calendar days has been taken as listing date plus 29, 89, 179 calendar days respectively. Where the 30th day / 90th day / 180th day of a particular year falls on a BSE trading holiday, the immediately following trading day has been considered. Where the 30th day / 90th day / 180th of a particular year falls on the day when there is no trade in equity share of the Company, preceding trading day has been considered. BSE SENSEX has been considered as the benchmark index. We have taken the Issue price to calculate the % change in closing price as on 30th, 90th and 180th day.

### Summary statement of Disclosure:

Our Company, its 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.

The Lead Manager accepts no responsibility, save to the limited extent as provided in the MOU entered between the Lead Manager and our Company on February 19, 2018 and the Underwriting Agreement dated February 19, 2018 entered into between the Underwriters and our Company and the Market Making Agreement dated February 24, 2018 entered into among the Market Maker and our Company.

All information shall be made available by our Company 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, at collection centers or elsewhere.

The Lead Manager and their respective associates and affiliates may engage in transactions with, and perform services for, our Company, our Promoter Group, Group Companies, or our affiliates or associates in the ordinary course of business and have engaged, or may in future engage, in commercial banking and investment banking transactions with our Company, our Promoter Group, Group Companies, and our affiliates or associates, for which they have received and may in future receive compensation.

### Note

Investors who apply in the Issue will be required to confirm and will be deemed to have represented to our Company and the Underwriters and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of our Company and will not offer, sell, pledge or transfer the Equity Shares of our Company to any person who is not eligible under applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of our Company. Our Company, the Underwriters and their respective directors, officers, agents, affiliates and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire the Equity Shares in the Issue.

### Track Record of past issues handled by Guinness Corporate Advisors Pvt. Ltd

Financial Year	Total no. of IPOs	Total Funds raised (₹ in cr.)	Nos. of IPOs trading at discount as on 30th calendar day from listing date			Nos. of IPOs trading at premium as on 30th calendar day from listing date			Nos. of IPOs trading at discount as on 180th calendar day from listing date			Nos. of IPOs trading at premium as on 180th calendar day from listing date		
			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%
April 1, 2017 – date of filing of this Prospectus	11	131.16	NA	NA	NA	2	1	7	NA	NA	2	1	NA	1
2016-17	9	93.71	NA	NA	1	NA	2	6	NA	NA	1	4	3	1
2015-16	3	9.6	NA	NA	1	NA	NA	2	NA	1	2	NA	NA	NA
2014-15	4	28.2	NA	NA	2	NA	1	1	NA	1	1	NA	NA	2

### Disclaimer from our Company and the Lead Manager

Our Company, its 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.

The Lead Manager accepts no responsibility, save to the limited extent as provided in the MOU entered between the Lead Manager and our Company on February 19, 2018 and the Underwriting Agreement dated February 19,



2018 entered into between the Underwriters and our Company and the Market Making Agreement dated February 24, 2018 entered into among the Market Maker and our Company.

All information shall be made available by our Company 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, at collection centers or elsewhere.

The Lead Manager and their respective associates and affiliates may engage in transactions with, and perform services for, our Company, our Promoter Group, Group Companies, or our affiliates or associates in the ordinary course of business and have engaged, or may in future engage, in commercial banking and investment banking transactions with our Company, our Promoter Group, Group Companies, and our affiliates or associates, for which they have received and may in future receive compensation.

#### **Note**

Investors who apply in the Issue will be required to confirm and will be deemed to have represented to our Company and the Underwriters and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of our Company and will not offer, sell, pledge or transfer the Equity Shares of our Company to any person who is not eligible under applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of our Company. Our Company, the Underwriters and their respective directors, officers, agents, affiliates and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire the Equity Shares in the Issue.

#### **Disclaimer in Respect of Jurisdiction**

This Issue is being made in India to persons resident in India (including Indian nationals resident in India who are majors, HUFs, companies, corporate bodies and societies registered under applicable laws in India and authorized to invest in shares, Indian mutual funds registered with SEBI, Indian financial institutions, commercial banks, regional rural banks, cooperative banks (subject to RBI permission), or trusts under applicable trust law and who are authorized under their constitution to hold and invest in shares, public financial institutions as specified in Section 2 (72) of the Companies Act, 2013, VCFs, state industrial development corporations, insurance companies registered with the Insurance Regulatory and Development Authority, provident funds (subject to applicable law) with a minimum corpus of Rs. 2500.00 (Twenty Five Hundred) Lakhs and pension funds with a minimum corpus of Rs. 2,500.00 (Twenty Five Hundred) Lakhs, and permitted non-residents including FIIs, Eligible NRIs, multilateral and bilateral development financial institutions, FVCIs and eligible foreign investors, insurance funds set up and managed by army, navy or air force of the Union of India and insurance funds setup and managed by the Department of Posts, India provided that they are eligible under all applicable laws and regulations to hold Equity Shares of our Company. This Draft Prospectus does not, however, constitute an offer to sell or an invitation to subscribe for Equity Shares offered hereby in any jurisdiction other than India to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession this Draft Prospectus comes is required to inform himself or herself about, and to observe, any such restrictions.

Any dispute arising out of this Issue will be subject to jurisdiction of the competent court(s) in Raipur, Chhattisgarh, India only.

No action has been, or will be, taken to permit a public offering in any jurisdiction where action would be required for that purpose. Accordingly, the Equity Shares represented hereby may not be offered or sold, directly or indirectly, and this Draft Prospectus may not be distributed in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of this Draft Prospectus nor any sale hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of our Company from the date hereof or that the information contained herein is correct as of any time subsequent to this date.

#### **Disclaimer Clause of the SME Platform of BSE**

As required, a copy of this Issue Document has been submitted to BSE Limited (hereinafter referred to as BSE). BSE has given vide its letter [●] permission to the Issuer to use the Exchange's name in this Issue Document as one of the stock exchanges on which this Issuer's securities are proposed to be listed. The Exchange has scrutinized this draft offer document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Issuer. It is to be distinctly understood that the aforesaid permission given by BSE should not in any way be

deemed or construed that the offer document has been cleared or approved by BSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this offer document; nor does it warrant that this Issuer's securities will be listed or will continue to be listed on the Exchange; nor does it take any responsibility for the financial or other soundness of this Issuer, its promoters, its management or any scheme or project of this Issuer.

Every person who desires to apply for or otherwise acquire any securities of this Issuer may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription /acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever.

#### **Disclaimer Clause under Rule 144A of the U.S. Securities Act**

The Equity Shares have not been, and will not be, registered under the U.S. Securities Act 1933, as amended (the "Securities Act") or any state securities laws in the United States and may not be offered or sold within the United States or to, or for the account or benefit of, "U.S. persons" (as defined in Regulation S under the Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Equity Shares will be offered and sold outside the United States in compliance with Regulation S of the Securities Act and the applicable laws of the jurisdiction where those offers and sales occur. The Equity Shares have not been, and will not be, registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Further, each Applicant where required agrees that such Applicant will not sell or transfer any Equity Shares or create any economic interest therein, including any off-shore derivative instruments, such as participatory notes, issued against the Equity Shares or any similar security, other than pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with applicable laws and legislations in each jurisdiction, including India.

#### **Filing**

The Draft Prospectus is being filed with BSE Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai- 400001.

This Draft Prospectus shall not be filed with the SEBI nor will SEBI issue any observation on the Prospectus in term of Regulation 106(M) (3) of the SEBI (ICDR) Regulations. However, a copy of the Prospectus shall be filed with SEBI at the Securities and Exchange Board of India, Corporation Finance Department, SEBI Bhavan, Plot No. C4 A, G Block, 3rd Floor, Bandra Kurla Complex, Bandra (E), Mumbai 400 051, India for their record purpose only.

A copy of the Prospectus, along with the documents required to be filed under Section 32 of the Companies Act, 2013 would be delivered for registration to the Registrar of Companies, Chhattisgarh.

#### **Listing**

The Equity Shares of our Company are proposed to be listed on BSE SME Platform. Our Company has obtained in principle approval from BSE by way of its letter dated [●] for listing of equity shares on BSE SME Platform.

BSE will be the Designated Stock Exchange, with which the Basis of Allotment will be finalized for the Issue. If the permission to deal in and for an official quotation of the Equity Shares on the SME Platform is not granted by BSE, our Company shall forthwith repay, without interest, all moneys received from the applicants in pursuance of this Draft Prospectus. If such money is not repaid within the prescribed time then our Company becomes liable to repay it, then our Company and every officer in default shall, shall be liable to repay such application money, with interest, as prescribed under the applicable law.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at the SME Platform of BSE mentioned above are taken within 6 (Sixth) Working Days of the Issue Closing Date. If Equity Shares are not Allotted pursuant to the Issue within 6 (Sixth) Working Days from the Issue Closing Date or within such timeline as prescribed by the SEBI, our Company shall repay with interest all monies received from applicants, failing which interest shall be due to be paid to the applicants at the rate of 15% per annum for the delayed period, subject to applicable law.

## **Impersonation**

Attention of the Applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:

Any person who-

*(a) Makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or*

*(b) Makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or*

*(c) Otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name,*

Shall be liable to action under section 447 of the Companies, Act 2013. The liability prescribed under Section 447 of the Companies Act, 2013, includes imprisonment for a term of not less than six months extending up to ten years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending up to three times of such amount.

## **Consents**

Consents in writing of (a) our Directors, our Promoters, our Company Secretary & Compliance Officer, Chief Financial Officer, our Statutory Auditor, our Peer Review Auditor (b) Lead Manager, Registrar to the Issue, Banker(s) to the Issue\*, Legal Advisor to the Issue, Underwriter(s) to the Issue and Market Maker to the Issue to act in their respective capacities have been obtained as required under Section 26 of the Companies Act, 2013 and shall be filed along with a copy of the Prospectus with the RoC, as required under Sections 32 of the Companies Act, 2013 and such consents will not be withdrawn up to the time of delivery of the Prospectus for registration with the RoC.

\*The aforesaid will be appointed prior to filing of the Prospectus with RoC and their consents as above would be obtained prior to the filing of the Prospectus with RoC.

In accordance with the Companies Act, 2013 and the SEBI (ICDR) Regulations, M/s. Agarwal & Pansari, Chartered Accountants, have agreed to provide their written consent to include its report on statement of funds deployed, . M/s. Mittal & Associates., Chartered Accountants (Peer Review Auditor) have provided their written consent to the inclusion of their reports on the Restated Financial Statements and their reports on the Statement of Possible Tax Benefits, 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

## **Experts Opinion**

Our Company has received written consent from Independent Peer Reviewed Auditor, M/s. Mittal & Associates, 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 and the Statement of Tax Benefits dated February 19, 2018, issued by them, included in this Draft Prospectus and such consent has not been withdrawn as on the date of this Draft Prospectus

Except for the reports in the section titled “Financial Statements” and “Statement of Tax Benefits” beginning on page 122 and page 78 of this Draft Prospectus from the Peer Review Auditors respectively, our Company has not obtained any expert opinions.

## **Expenses of the Issue**

The total expenses of the Issue are estimated to be approximately Rs. 67.00 lakhs. The estimated Issue related expenses include, among others Issue management fees, underwriting commission, printing and stationery expenses, advertisement expenses and legal fees etc. The break-up for the estimated Issue expenses are as follows:

Activity	Amount (Rs. in Lakhs)	Percentage of the total Issue expenses	Percentage of the total Issue size
Issue Management fees including, fees and reimbursement of underwriting commission, Brokerages, payment to other intermediaries such as legal advisor, peer review auditor,	35.00	74.96	2.10
Regulatory and other fees	2.50	5.35	0.15
Other Expenses (printing, stationery expenses, postage etc.)	9.19	19.68	0.55
<b>Total estimated Issue expenses</b>	<b>46.69</b>	<b>100.00</b>	<b>2.80</b>

#### **Details of Fee Payable**

##### **Fees payable to the Lead Manager**

The total fees payable to the Lead Manager (including underwriting fees) will be as per the Memorandum of Understanding and Underwriting Agreement among our Company and the Lead Manager, copy of which is available for inspection at the Registered Office of our Company.

##### **Fees Payable to the Registrar to the Issue**

The fees payable to the Registrar to the Issue will be as per the Agreement signed by our Company and the Registrar to the Issue dated February 7, 2018 a copy of which is available for inspection at our Registered Office.

The Registrar to the Issue will be reimbursed for all out-of-pocket expenses including cost of stationery, postage, stamp duty and communication expenses. Adequate funds will be provided by the Company to the Registrar to the Issue to enable them to send refund orders or allotment advice by registered post/ speed post/ under certificate of posting.

##### **Fees Payable to Others**

The total fees payable to the Legal Advisor, Peer Review Auditor and Advertisers, etc. will be as per the terms of their respective engagement letters, if any.

##### **Commission and Brokerage Paid on Previous Issues of our Equity Shares**

Since this is the 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.

##### **Particulars regarding Public or Rights Issues during the last five (5) years**

Except as disclosed in chapter titled “*Capital Structure*” beginning on page 47 in this Draft Prospectus, our Company has not made any previous public or rights issue in India or Abroad the 5 (five) years preceding the date of this Draft Prospectus.

##### **Previous issues of Equity Shares otherwise than for cash**

For a detailed description, see chapter titled “*Capital Structure*” beginning on page 47 of this Draft Prospectus.

##### **Underwriting Commission, brokerage and selling commission on Previous Issues**

Since this is the initial public offering of our Company’s Equity Shares, no sum has been paid or has been payable as commission or brokerage for subscribing for or procuring or agreeing to procure subscription for any of the Equity Shares since our incorporation.

**Particulars in regard to our Company and other listed group-companies / subsidiaries/ associates under the same management within the meaning of Section 370(1B) of the Companies Act, 1956 / Section 186 of the Companies Act, 2013 which made any capital issue during the last three years:**

Neither our Company nor any other companies under the same management within the meaning of Section 370(1B) of the Companies Act, 1956 has made/Section 186 of the Companies Act, 2013, had made any public issue or rights issue during the last three years.

**Performance vis-a-vis objects – Public/right issue of our Company and /or listed Group Companies/ subsidiaries and associates of our Company**

Except as stated in the chapter titled “*Capital Structure*” beginning on page 47 of this Draft Prospectus our Company has not undertaken any previous public or rights issue. None of the Group Companies/ Entities or associates of our Company are listed on any stock exchange.

**Performance vis-a-vis objects - Last Issue of Group/Associate Companies**

All of our Group / Associate are unlisted and have not made a public issue of shares.

**Outstanding Debentures or Bond Issues or Redeemable Preference Shares**

Our Company does not have any outstanding debentures or bonds or Preference Redeemable Shares as on the date of filing this Draft Prospectus.

**Outstanding Convertible Instruments**

Our Company does not have any outstanding convertible instruments as on the date of filing this Draft Prospectus.

**Option to Subscribe**

Equity Shares being offered through the Draft Prospectus can be applied for in dematerialized form only.

**Stock Market Data of the Equity Shares**

This being an Initial Public Offering of the Equity Shares of our Company, the Equity Shares are not listed on any Stock Exchanges.

**Mechanism for Redressal of Investor Grievances**

The agreement between the Registrar to the Issue and our Company provides for retention of records with the Registrar to the Issue for a period of at least 3 (three) years from the last date of dispatch of the letters of allotment and demat credit to enable the investors to approach the Registrar to the Issue for redressal of their grievances.

We hereby confirm that there is no investor complaints received during the three years preceding the filing of Draft Prospectus. Since there is no investor complaints received, none are pending as on the date of filing of this Draft Prospectus.

All grievances relating to the Issue may be addressed to the Registrar to the Issue, with a copy to the Compliance Officer and with a copy to the relevant Designated Intermediary with whom the Application Form was submitted.

The Applicant should give full details such as name of the sole/ first Applicant, Application Form number, Applicant DP ID, Client ID, PAN, date of the Application Form, address of the Applicant, number of the Equity Shares applied for and the name and address of the Designated Intermediary where the Application Form was submitted by the Applicant. Further, the investor shall also enclose the Acknowledgement Slip from the Designated Intermediaries in addition to the documents or information mentioned herein above.

**Disposal of Investor Grievances by our Company**

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, namely, Bigshare Services Private Limited, will handle investor's grievances pertaining to the Issue. A fortnightly status report of the complaints received and redressed by them would be forwarded to the Company.

The Company would also be co-coordinating with the Registrar to the Issue in attending to the grievances to the investor.

All grievances relating to the ASBA process may be addressed to the SCSBs, giving full details such as name, address of the applicant, number of Equity Shares applied for, amount paid on application and the Designated Branch of the SCSB where the Application Form was submitted by the 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 October 06, 2017 constituted a Stakeholders Relationship Committee. For further details, please refer to the chapter titled "*Our Management*" beginning on page 101 of this Draft Prospectus.

The Company assures that the Board of Directors in respect of the complaints, if any, to be received shall adhere to the following schedules:

Sr. No.	Nature of Complaint	Time Table
1.	Non receipt of Demat Credit of Shares	Within 7 days of receipt of complaint subject to
2.	Any other complaint in relation to Public Issue	Within 7 days of receipt of complaint with all relevant details.

Redressal of investors' grievance is given top priority by the Company. The Committee oversees redressal of complaints of shareholders/investors and other important investor related matters. The Company has adequate arrangements for redressal of investor complaints as follows:

Our Company has appointed Pooja Jain as the Company Secretary and Compliance Officer and she may be contacted at the following address:

**Ms. Pooja Jain**  
**Orissa Bengal Carrier Limited**  
 Jiwan Bima Marg,  
 Pandri, Raipur-49200,  
 Chhattisgarh.  
 Telephone: 0771- 2583024  
 Website: [www.obclimited.com](http://www.obclimited.com)  
 Email id: [cs@obclimited.com](mailto:cs@obclimited.com)

Investors can contact the Company Secretary and Compliance Officer or the Registrar to the Issue in case of any pre- Issue or post-Issue related problems such as non-receipt of letters of Allotment, credit of allotted Equity Shares in the respective beneficiary account or refund orders, etc.

Pursuant to the press release no. PR. No. 85/2011 dated June 8, 2011, SEBI has launched a centralized web based complaints redress system "SCORES". This would enable investors to lodge and follow up their complaints and track the status of redressal of such complaints from anywhere. For more details, investors are requested to visit the website [www.scores.gov.in](http://www.scores.gov.in)

#### **Status of Investor Complaints**



We confirm that we have not received any investor complaint during the three years preceding the date of this Draft 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 as our Company**

We do not have any listed company under the same management.

#### **Change in Auditors during the last three (3) years**

<b>Sr. No.</b>	<b>Financial Year</b>	<b>Statutory Auditor</b>
1.	2015-2016	M/s G Kumar & Co.
2.	2016-17	M/s G Kumar & Co.
3.	2017-present	M/s Agrawal & Pansari

#### **Capitalization of Reserves or Profits**

Except as disclosed under section titled “*Capital Structure*” beginning on page 47 of this Draft Prospectus, our Company has not capitalized its reserves or profits at any time during the last 5(five) years.

#### **Revaluation of Assets**

Our Company has not revalued its assets in 5 (five) years preceding the date of this Draft Prospectus.

#### **Tax Implications**

Investors who are allotted Equity Shares in the Issue will be subject to capital gains tax on any resale of the Equity Shares at applicable rates, depending on the duration for which the investors have held the Equity Shares prior to such resale and whether the Equity Shares are sold on the Stock Exchanges. For details, please refer the chapter titled “*Statement of Tax Benefits*” beginning on page 78 of this Draft Prospectus.

#### **Purchase of Property**

Other than as disclosed in chapter titled “*Our Business*” on page 84 of the Draft Prospectus, there is no property which has been purchased or acquired or is proposed to be purchased or acquired which is to be paid for wholly or partly from the proceeds of the present Issue or the purchase or acquisition of which has not been completed on the date of the Draft Prospectus, other than property, in respect of which:-

The contract for the purchase or acquisition was entered into in the ordinary course of business, or the contract was entered into in contemplation of the Issue, or that the Issue was contemplated in consequence of the contract; or the amount of the purchase money is not material.

Except as stated elsewhere in the Draft Prospectus, our Company has not purchased any property in which the Promoter and/or Directors have any direct or indirect interest in any payment made there under.

#### **Servicing Behavior**

Except as stated in this Draft Prospectus, there has been no default in payment of statutory dues or of interest or principle in respect of our borrowings or deposits.

#### **Payment or benefit to officers of Our Company**

Except statutory benefits upon termination of their employment in our Company or superannuation, no officer of our Company is entitled to any benefit upon termination of his employment in our Company or superannuation.

Except as disclosed in chapter titled “*Our Management*” beginning on page 101 and “*Related Party Transactions*” beginning on page 120 of this Draft Prospectus, none of the beneficiaries of loans and advances and sundry debtors are related to the Directors of our Company.

## SECTION VIII – ISSUE RELATED INFORMATION

### TERMS OF THE ISSUE

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

*Please note that, in terms of SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015, all the investors applying in a public issue shall use only Application Supported by Blocked Amount (ASBA) facility for making payment.*

*Further vide the said circular Registrar to the Issue and Depository Participants have been also authorised to collect the application forms.*

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

The Equity Shares being issued in the Issue shall be subject to the provisions of the Companies Act and the Memorandum and Articles of Association and shall rank pari-passu with the existing Equity Shares of our Company including rights in respect of dividend. The Allottees in receipt of Allotment of Equity Shares under this Issue will be entitled to dividends and other corporate benefits, if any, declared by our Company after the date of Allotment. For further details, please refer “*Main Provisions of Articles of Association*” on page 226 of this Draft Prospectus.

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

This Issue has been authorized by a resolution of the Board passed at their meeting held on January 10, 2018 subject to the approval of shareholders through a special resolution to be passed pursuant to section 62 (1) (c) of the Companies Act, 2013. The shareholders have authorized the Issue by a special resolution in accordance with Section 62 (1) (c) of the Companies Act, 2013 passed at the general meeting of the Company held on February 5, 2018.

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

The declaration and payment of dividend will be as per the provisions of Companies Act, the Memorandum and Articles of Association and provisions of the SEBI Listing Regulations. For further details, in relation to dividends, please see the sections entitled “*Dividend Policy*” and “*Main Provisions of the Articles of Association*” on pages 121 and 226 respectively.

#### **Face Value and Issue Price per Share**

The face value of the Equity Shares is Rs.10.00 each and the Issue Price is Rs. 30.00 per Equity Share.

The Issue Price is determined by our Company in consultation with the Lead Manager and is justified under “*Basis for Issue Price*” on page 76 of this Draft Prospectus. At any given point of time there shall be only one denomination for the Equity Shares.

#### **Compliance with SEBI (ICDR) Regulations**

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

#### **Rights of the Equity Shareholders**

Subject to applicable laws, rules, regulations and guidelines and the Articles of Association, the Equity shareholders shall have the following rights:

- 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 subject to any statutory and preferential claim being satisfied;
- Right of free transferability subject to applicable law, including any RBI rules and regulations; and
- Such other rights, as may be available to a shareholder of a listed public limited company under the Companies Act, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Articles of Association of our Company.

For a detailed description of the main provisions of the Articles of Association relating to voting rights, dividend, forfeiture and lien and/or consolidation/splitting, please refer “*Main Provisions of Articles of Association*” on page 226 of this Draft Prospectus.

## **Jurisdiction**

Exclusive jurisdiction for the purpose of this Issue is with the competent courts/authorities in Raipur, India.

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

**The above information is given for the benefit of the Applicants. 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 Draft Prospectus. Applicants are advised to make their independent investigations and ensure that the number of Equity Shares applied for do not exceed the applicable limits under laws or regulations.**

## **Joint Holders**

Where two or more persons are registered as the holders of any Equity Shares, they shall be deemed to hold the same as joint – tenants with benefits of survivorship.

## **Nomination Facility to Investor**

In accordance with Section 72 of the Companies Act, 2013 the sole or first Applicant, along with other joint Applicants, may nominate any one person in whom, in the event of the death of sole Applicant or in case of joint Applicants, death of all the Applicants, as the case may be, the Equity Shares Allotted, if any, shall vest. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall in accordance with Section 72 of the Companies Act, 2013 be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to Equity Share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale of Equity Share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at our Registered Office or to the registrar and transfer agents of our Company.

In accordance with Section 72 of the Companies Act, 2013 any person who becomes a nominee by virtue of the provisions of Section 72 of the Companies Act, 2013 shall upon the production of such evidence as may be required by the Board, elect either:

- a) to register himself or herself as the holder of the Equity Shares; or
- b) to make such transfer of the Equity Shares, as the deceased holder could have made.

Further, the Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the Allotment of Equity Shares in the Issue will be made only in dematerialized mode there is no need to make a separate nomination with our Company. Nominations registered with respective depository participant of the applicant would prevail. If the investor wants to change the nomination, they are requested to inform their respective depository participant.

## **Minimum Subscription**

This Issue is not restricted to any minimum subscription level. This Issue is 100% underwritten. If the Issuer does not receive the subscription of 100% of the Issue through this offer document including devolvement of Underwriter 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 prescribed time after the Issuer becomes liable to pay the amount, the Issuer shall pay interest prescribed under section 40 of the Companies Act, 2013.

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

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

*Further, the minimum application size in terms of number of specified securities shall not be less than Rupees One Lakh per application.*

## **Minimum Number of Allottees**

The minimum number of allottees in this Issue shall be 50 shareholders. In case the minimum number of prospective allottees is less than 50, no allotment will be made pursuant to this Issue and the monies collected shall be refunded within 15 days of closure of Issue.

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

## **Arrangements for Disposal of Odd Lots**

The trading of the equity shares will happen in the minimum contract size of 2,000 shares in terms of the SEBI circular No. CIR/MRD/DSA/06/2012 dated February 21, 2012. However, the market maker shall buy the entire shareholding of a shareholder in one lot, where value of such shareholding is less than the minimum contract size allowed for trading on the SME Platform of BSE.

## **Minimum Application Value; Market Lot and Trading Lot**

In terms of section 29 of the Companies Act, 2013, the Equity Shares shall be allotted only in dematerialized form. In terms of existing SEBI ICDR Regulations, trading in the Equity Shares shall only be in dematerialized form for all investors.

Trading of the Equity Shares will happen in the minimum contract size 2,000 Equity Shares in terms of the SEBI circular No. CIR/MRD/DSA/06/2012 dated February 21, 2012 and the same may be modified by BSE from time to time by giving prior notice to investors at large.

Allocation and allotment of Equity Shares through this Issue will be done in multiples of 4,000 Equity Share subject to a minimum allotment of 4,000 Equity Shares to the successful applicants.

## **Application by Eligible NRIs, FIIs registered with SEBI, VCFs registered with SEBI and QFIs**

It is to be understood that there is no reservation for Eligible NRIs or FIIs registered with SEBI or VCFs or QFIs. Such Eligible NRIs, QFIs, FIIs registered with SEBI will be treated on the same basis with other categories for the purpose of Allocation.

## **Restrictions, if any on Transfer and Transmission of Equity Shares**

Except for the lock-in of the pre-Issue capital of our Company, Promoters' minimum contribution as provided in "Capital Structure" on page 47 of this Draft Prospectus, and except as provided in the Articles of Association there are no restrictions on transfer of Equity Shares. Further, there are no restrictions on the transmission of

shares/debentures and on their consolidation/splitting, except as provided in the Articles of Association. For details, please refer “Main Provisions of Articles of Association” on page 226 of this Draft Prospectus.

### Option to receive Equity Shares in Dematerialized Form

Pursuant to Section 29 of the Companies Act, the Equity Shares in the Issue shall be allotted only in dematerialised form. Further, as per the SEBI (ICDR) Regulations, the trading of the Equity Shares shall only be in dematerialised form on the Stock Exchange.

### Migration to Main Board

Our Company may migrate to the main board of BSE from the SME Platform on a later date subject to the following:

- a) If the Paid up Capital of the company is likely to increase above Rs.25 crores by virtue of any further issue of capital by way of rights, preferential issue, bonus issue etc. (which has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the Promoters in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal and for which the company has obtained in-principal approval from the main board), we shall have to apply to BSE for listing our shares on its Main Board subject to the fulfilment of the eligibility criteria for listing of specified securities laid down by the Main Board.

OR

- b) If the Paid-up Capital of the company is more than Rs.10 crores but below Rs.25 crores, we may still apply for migration to the main board if the same has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the promoters in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal.

Provided where there is any SEBI debarment order against the company/its promoters/directors, such company will not be eligible to migrate from SME to Main Board of BSE till such SEBI debarment order is in force. Accordingly, while seeking migration from the SME Board to the Main Board, our Company would be required to submit an undertaking that the Company / its Promoters / Directors have not been debarred by SEBI.

### Market Making

The shares offered through this Issue are proposed to be listed on the SME Platform of BSE, wherein the Lead Manager to this Issue shall ensure compulsory Market Making through the registered Market Maker of the SME Platform for a minimum period of three years from the date of listing on the SME Platform of BSE. For further details of the agreement entered into between the Company, the Lead Manager and the Market Maker please refer “General Information – Details of the Market Making Arrangements for this Issue” on page 44 of this Draft Prospectus.

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

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

Further, the following shall apply to market maker while managing their inventory during the process of market making:

The exemption from threshold shall not be applicable for the first three months of market making and the market maker shall be required to provide two-way quotes during this period irrespective of the level of holding.

Any initial holdings over and above such 5% of issue size would not be counted towards the inventory levels prescribed.

Apart from the above mandatory inventory, only those shares which have been acquired on the platform of the exchange during market making process shall be counted towards the Market Maker's threshold. Threshold limit will take into consideration, the inventory level across market maker.

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

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

Provided, where there is any SEBI debarment order against the company/its promoters/directors, while the SEBI debarment is in force against the company/its promoters/directors, it shall be mandatory for the company to appoint a trading member of BSE as a market maker even after the completion of mandatory period of three years. In case of any default during market making the penalties/actions will be imposed as per the existing guidelines.

### **New Financial Instruments**

The Issuer Company is not issuing any new financial instruments through this Issue.

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

<b>Issue Opens On</b>	[.]
<b>Issue Closes On</b>	[.]

### **Submission of Applications**

<b>Issue Period (except the Issue Closing Date)</b>	
Submission and Revision in Applications	Only between 10.00 a.m. and 5.00 p.m. IST
<b>Issue Closing Date</b>	
Submission and Revision in Applications	Only between 10.00 a.m. and 3.00 p.m. IST

### **On the Issue Closing Date, the Applications shall be uploaded until:**

- (i) 4.00 p.m. IST in case of Applications by QIBs and Non-Institutional Investors, and
- (ii) until 5.00 p.m. IST or such extended time as permitted by the Stock Exchange, in case of Applications by Retail Individual Investors.

On Issue Closing Date, extension of time will be granted by Stock Exchange only for uploading Applications received by Retail Individual Investors after taking into account the total number of Applications received and as reported by the Lead Manager to the Stock Exchange.

**It is clarified that Applications not uploaded on the electronic bidding system or in respect of which the full Application Amount is not blocked by SCSBs would be rejected.**

Due to limitation of time available for uploading the Applications on the Issue Closing Date, Applicants are advised to submit their Applications one day prior to the Issue Closing Date. Any time mentioned in this Draft Prospectus is IST. Applicants are cautioned that, in the event a large number of Applications are received on the Issue Closing Date, some Applications may not get uploaded due to lack of sufficient time. Such Applications that cannot be uploaded will not be considered for allocation under this Issue. Applications will be accepted only during Monday to Friday (excluding any public holiday). None among our Company or Lead Manager is liable for any failure in uploading the Applications due to faults in any software/hardware system or otherwise.

## ISSUE STRUCTURE

This Issue is being made in terms of Regulation 106(M)(2) of Chapter XB of SEBI (ICDR) Regulations, 2009, as amended from time to time, whereby, an issuer, whose post issue face value capital is more than ten crores rupees and up to twenty five crores rupees shall issue shares to the public and propose to list the same on the Small and Medium Enterprise Exchange ("SME Exchange", in this case being the SME Platform of BSE). For further details regarding the salient features and terms of such an issue please refer chapter titled "*Terms of the Issue*" and "*Issue Procedure*" on page 178 and 185 respectively of this Draft Prospectus.

### Following is the Issue structure:

Public issue of 55,64,000 Equity Shares of face value of Rs.10.00 each of our Company for cash at a price of Rs.30.00 per Equity Share (including a share premium of Rs.20.00 per Equity Share) ("**Issue Price**") aggregating to Rs. 1669.20 lakhs ("**the Issue**") of which 2,84,000 Equity Shares aggregating to Rs.85.20 lakhs will be reserved for subscription by Market Maker ("**Market Maker Reservation Portion**"). The Issue less the Market Maker Reservation Portion i.e. issue of 52,80,000 Equity Shares of face value of Rs.10.00 each at an Issue Price of Rs.30.00 per equity share aggregating to Rs. 1584.00 lakhs is hereinafter referred to as the "Net Issue". The Issue and the Net Issue will constitute 26.39% and 25.04. %, respectively of the post issue paid-up equity share capital of our Company.

Particulars	Net Issue to Public <sup>^</sup>	Market Maker reservation portion
<b>Number of Equity Shares</b>	52,80,000 Equity Shares	2,84,000 Equity Shares
<b>Percentage of Issue Size available for allocation</b>	94.90% of the Issue Size  (50% for the Retail Individual Investors and the balance 50% for Other than Retail Individual Investors).	5.10% of the Issue Size
<b>Basis of Allotment/Allocation if respective category is oversubscribed</b>	Proportionate subject to minimum allotment of 4,000 Equity Shares and Further allotment in multiples of 4,000 Equity Shares each.  For further details please refer to the section titled " <i>Issue Procedure – Basis of Allotment</i> " on page 191 of this Draft Prospectus.	Firm Allotment
<b>Mode of Application*</b>	All Applications by the Applicants must be made compulsorily through ASBA mode (Online or Physical).	Through ASBA mode
<b>Minimum Application Size</b>	<b><u>For QIB and NIL:</u></b> Such number of Equity Shares in multiples of 4,000 Equity Shares such that the Application Value exceeds Rs.2,00,000  <b><u>For Retail Individuals:</u></b> 4,000 Equity Shares	2,84,000 Equity Shares
<b>Maximum Application</b>	<b><u>For QIB and NIL:</u></b> The maximum application size is the Net Issue to public subject to limits the investor has to adhere under the relevant laws and regulations as applicable.  <b><u>For Retail Individuals:</u></b> 4,000 Equity Shares	2,84,000 Equity Shares
<b>Mode of Allotment</b>	Dematerialized Form	Dematerialized Form
<b>Trading Lot</b>	4,000 Equity Shares	4,000 Equity Shares. However, the Market Maker may accept

Particulars	Net Issue to Public <sup>^</sup>	Market Maker reservation portion
		odd lots if any in the market as required under the SEBI (ICDR) Regulations.
<b>Terms of payment</b>	The SCSBs shall be authorized to block such funds in the bank account of the Applicant that are specified in the ASBA Application Form.	

<sup>^</sup>As per Regulation 43(4) of the SEBI (ICDR) Regulations, as amended, as present issue is a fixed price issue 'the allocation' is the net issue to the public category shall be made as follows: (a) Fifty percent to Retail Individual Investors; and (b) Remaining to Investors Other than Retail Individual Investors. The unsubscribed portion in either of the categories specified in (a) or (b) above may be allocated to the applicants in the other category.

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

*\* In case of joint Application, 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.*

### Withdrawal of the Issue

The Company, in consultation with the LM, reserves the right not to proceed with the Issue at any time before the Issue Opening Date, without assigning any reason thereof. Notwithstanding the foregoing, the Issue is also subject to obtaining the following:

1. The final listing and trading approvals of BSE for listing of Equity Shares offered through this issue on its SME Platform, which the Company shall apply for after Allotment and,
2. The final ROC approval of the Prospectus after it is filed with the ROC.

In case, the Company wishes to withdraw the Issue after Issue opening but before allotment, the Company will give public notice giving reasons for withdrawal of Issue. The public notice will appear in two widely circulated national newspapers (One each in English and Hindi) and one in regional newspaper.

The Lead Manager, through the Registrar to the Issue, will instruct the SCSBs to unblock the ASBA Accounts within one Working Day from the day of receipt of such instruction. The notice of withdrawal will be issued in the same newspapers where the pre-Issue advertisements have appeared, and the Stock Exchange will also be informed promptly. If our Company withdraws the Issue after the Issue Closing Date and subsequently decides to undertake a public offering of Equity Shares, our Company will file a fresh offer document with the stock exchange where the Equity Shares may be proposed to be listed.

### Issue Programme

<b>Issue Opening Date</b>	[•]
<b>Issue Closing Date</b>	[•]

Applications and any revisions to the same will be accepted only between 10.00 a.m. and 5.00 p.m. (Indian Standard Time) during the Issue Period at the Application Centers mentioned in the Application Form except that on the Issue Closing Date applications will be accepted only between 10.00 a.m. and 3.00 p.m. (Indian Standard Time). Applications will be accepted only on Working day i.e. all trading days of stock exchanges excluding Sunday and bank holidays as per SEBI circular No. SEBI/HO/CFD/DIL/CIR/P/2016/26 dated January 21, 2016.



## ISSUE PROCEDURE

*All Applicants should review the General Information Document for Investing in Public Issues prepared and issued in accordance with the circular (CIR/CFD/DIL/12/2013) dated October 23, 2013 notified by SEBI ("General Information Document") included below under section titled "Part B - General Information Document for investing in public issues", 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 reflect amendments to the SEBI ICDR Regulations and 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 is also available on the websites of the Stock Exchange and the Lead Manager. Please refer to the relevant portions of the General Information Document which are applicable to this 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 the General Information Document and are not liable for any amendment, modification or change in 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 law and do not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or as specified in this Draft Prospectus.*

**This section applies to all the Applicants. Please note that all the Applicants are required to make payment of the full Application Amount along with the Application Form.**

### PART A

#### Fixed Price Issue

The Issue is being made under Regulation 106(M)(2) of Chapter XB of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 via Fixed Price Process.

In case of QIB Applicants, the Company in consultation with the Lead Manager may reject Applications at the time of acceptance of Application Form provided that the reasons for such rejection shall be provided to such Applicant in writing. In case of Non-Institutional Applicants and Retail Individual Applicants, our Company would have a right to reject the Applications only on technical grounds.

Investors should note that according to section 29(1) of the Companies Act, 2013, allotment of Equity Shares to all successful Applicants will only be in the dematerialised form. 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 Exchange.

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.

#### 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 BSE Limited ([www.bseindia.com](http://www.bseindia.com)), at least one day prior to the Issue Opening Date.

Pursuant to SEBI Circular dated September 27, 2011 and bearing No. CIR/CFD/DIL/1/2016, the Application Form has been standardized. Also please note that pursuant to SEBI Circular CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 investors in public issues can only invest through ASBA Mode.

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. 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 Forms for various categories is as follows:

Category	Colour of Application Form*
Resident Indians and Eligible NRIs applying on a non-repatriation basis	White
Non-Residents including Eligible NRIs, FIIs, FPI or FVCIs or FPIs, registered multilateral and bilateral development financial institutions applying on a repatriation basis	Blue

\* *Excluding electronic Application Forms*

Designated Intermediaries (other than SCSBs) shall submit Application Forms to the respective SCSBs where the Applicant has a bank account, details of which were provided by the Applicant in his respective Application form and shall not submit it to any non-SCSB bank or any escrow bank.

An Applicant shall submit a completed Application Form to any of the Designated Intermediaries which include: (i) an SCSB, with whom the bank account to be blocked, is maintained; (ii) a syndicate member (or sub-syndicate member); (iii) a stock broker registered with a recognised stock exchange (and whose name is mentioned on the website of the stock exchange as eligible for this activity); (iv) a depository participant (whose name is mentioned on the website of the stock exchange as eligible for this activity); (v) a registrar to an issue and share transfer agent (whose name is mentioned on the website of the stock exchange as eligible for this activity).

The Designated Intermediaries shall, at the time of receipt of Application, give an acknowledgement to Applicant, by giving the counter foil or specifying the Application number to the Applicant, as a proof of having accepted the Application Form, in physical or electronic mode, respectively.

- (i) For Applications submitted by Applicants to SCSB: After accepting the form, SCSB shall capture and upload the relevant details in the electronic bidding system as specified by the Stock Exchange and may begin blocking funds available in the bank account specified in the form, to the extent of the Application money specified.
- (ii) For applications submitted by investors to other Designated Intermediaries: After accepting the Application Form, respective Designated Intermediary shall capture and upload the relevant details in the electronic bidding system of Stock Exchange.

Stock Exchange shall validate the electronic Application details with depository's records for DP ID, Client ID and PAN, by the end of each day and bring the inconsistencies to the notice of Designated Intermediaries concerned, for rectification and re-submission within the time specified by Stock Exchange. Stock Exchange shall allow modification of selected fields in the Application details already uploaded on a daily basis.

Syndicate Member/SCSB to note that stamp of Broker/SCSB/DP/RTA Branch shall be done only after Application has been uploaded.

### Who can Apply?

In addition to the category of Applicants set forth under “*General Information Document for Investing in Public Issues - Category of Investors Eligible to Participate in an Issue*”, the following persons are also eligible to invest in the Equity Shares under all applicable laws, regulations and guidelines, including:

- Scientific and/or industrial research organisations authorised in India to invest in the Equity Shares; and
- Any other persons eligible to apply in this Issue under the laws, rules, regulations, guidelines and policies applicable to them.

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



### **Option to subscribe in the Issue**

- a. As per Section 29 of the Companies Act, 2013, allotment of Equity Shares will in dematerialized form only.
- b. The equity shares, on allotment, shall be traded on Stock Exchange in demat segment only.
- c. A single application from any investor shall not exceed the investment limit/minimum number of specified securities that can be held by him/her/it under the relevant regulations/statutory guidelines and applicable law.

### **Participation by Associates of Lead Manager**

Except for the Underwriting Obligations, the Lead Manager shall not be allowed to subscribe to this Issue in any manner. However, associates and affiliates of the Lead Manager may subscribe to or purchase Equity Shares in the Issue, where the allocation is on a proportionate basis.

### **Application by Indian Public Including Eligible NRI's**

Application must be made only in the names of Individuals, Limited Companies or Statutory Corporations/ Institutions and not in the names of Minors (except through their Legal Guardians), Foreign Nationals, Non Residents (except for those applying on non-repatriation), Trusts (unless the Trust is registered under the Societies Registration Act, 1860 or any other applicable Trust laws and is authorized under its constitution to hold shares and debentures in a Company), Hindu Undivided Families, Partnership firms or their nominees. In case of HUFs application shall be made by the Karta of the HUF. An applicant in the Net Public Category cannot make an application for that number of securities exceeding the number of securities offered to the public.

Eligible NRIs may obtain copies of Application Form from the Designated Intermediaries. Eligible NRI Applicants make application 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 make application 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 Applicants make applications on non-repatriation basis are advised to use the Application Form for residents (white in colour).

Eligible NRIs Applicants make applications on a repatriation basis are advised to use the Application Form meant for Non-Residents (blue in colour).

### **Applications by Mutual Funds**

With respect to Applications by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged with the Application Form. Failing this, the Company reserves the right to reject any Application without assigning any reason there for. 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.

Applications made by asset management companies or custodian of Mutual Funds shall specifically state the names of the concerned schemes for which such Applications are made.

In case of a Mutual Fund, a separate Application may be made in respect of each scheme of a Mutual Fund registered with the SEBI and such Applications in respect of more than one scheme of a Mutual Fund will not be treated as multiple Applications, provided that such Applications clearly indicate the scheme for which the Application is submitted.

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 scheme. 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 FPI (including FIIs and QFIs)**

On January 7, 2014, the SEBI notified the Securities and Exchange Board of India (Foreign Portfolio Investor) Regulations 2014 (“SEBI FPI Regulations”) pursuant to which the existing classes of portfolio investors namely,

‘foreign institutional investors’ and ‘qualified foreign investors’ will be subsumed under a new category namely, ‘foreign portfolio investors’ or ‘FPIs’. On March 13, 2014, the RBI amended FEMA 20 and specified conditions and requirements with respect to investment by FPIs in Indian companies.

In terms of the SEBI FPI Regulations, an FII which holds a valid certificate of registration from SEBI shall be deemed to be a registered FPI until the expiry of the block of three years for which fees have been paid as per the SEBI FII Regulations. Accordingly, such FIIs can participate in the Issue in accordance with Schedule 2 of the FEMA Regulations. An FII shall not be eligible to invest as an FII after registering as an FPI under the SEBI FPI Regulations.

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) is not permitted to exceed 10% of our post-Issue Equity Share capital. Further, in terms of the FEMA Regulations, the total holding by each FPI shall be below 10% of the total paid-up Equity Share capital of our Company and the total holdings of all FPIs put together shall not exceed 24% of the paid-up Equity Share capital of our Company. The aggregate limit of 24% 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.

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 Investors and unregulated broad based funds, which are classified as Category II Foreign Portfolio Investors 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 a FPI against securities held by it that are listed or proposed to be listed on any recognised stock exchange in India, as its underlying) directly or indirectly, only if (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.

#### **Applications by SEBI registered Venture Capital Funds, AIFs and Foreign Venture Capital Investors**

The Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996 as amended, (the “**SEBI VCF Regulations**”) and the Securities and Exchange Board of India (Foreign Venture Capital Investor) Regulations, 2000, as amended, among other things prescribe the investment restrictions on VCFs and FVCIs registered with SEBI. Further, the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012 (the “**SEBI AIF Regulations**”) prescribe, amongst others, the investment restrictions on AIFs.

Accordingly, 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 investible funds in one investee company. A category III AIF cannot invest more than 10% of the investible funds 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 1/3<sup>rd</sup> of its investible funds 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 SEBI VCF Regulations until the existing fund or scheme managed by the fund is wound up and such funds shall not launch any new scheme after notification of the SEBI AIF Regulations.

#### **Applications by limited liability partnerships**

In case of Applications made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Application Form. Failing this, our Company reserves the right to reject any Application

without assigning any reason therefor.

#### **Applications by banking companies**

In case of Applications made by banking companies registered with RBI, certified copies of: (i) the certificate of registration issued by RBI, and (ii) the approval of such banking company's investment committee are required to be attached to the Application Form, failing which our Company reserves the right to reject any Application without assigning any reason therefor.

The investment limit for banking companies in non-financial services companies as per the Banking Regulation Act, 1949 (the "**Banking Regulation Act**"), and Master Circular – Para-banking Activities dated July 1, 2015 is 10% of the paid-up share capital of the investee company or 10% of the banks' own paid-up share capital and reserves, whichever is less. Further, the investment in a non-financial services company by a banking company together with its subsidiaries, associates, joint ventures, entities directly or indirectly controlled by the bank and mutual funds managed by asset management companies controlled by the banking company cannot exceed 20% of the investee company's paid-up share capital. A banking company may hold up to 30% of the paid-up share capital of the investee company with the prior approval of the RBI provided that the investee company is engaged in non-financial activities in which banking companies are permitted to engage under the Banking Regulation Act.

#### **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 therefore.

The exposure norms for insurers applicable to investment in equity shares, prescribed under the Insurance Regulatory and Development Authority (Investment) Regulations, 2000 ("**IRDA Investment Regulations**"), as amended, are: (a) equity shares of a company: the lower of 10% of the outstanding Equity Shares (face value) or 10% of the respective fund in case of life insurer or 10% of investment assets in case of general insurer or reinsurer; (b) the entire group of the investee company: 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; (c) 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 points (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 IRDA from time to time.

#### **Applications by provident funds/pension funds**

In case of Applications made by provident funds/pension funds, subject to applicable laws, with minimum corpus of Rs.2, 500 lakhs, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/ pension fund must be attached to the Application Form. Failing this, our Company reserves the right to reject any Application, without assigning any reason thereof.

#### **Applications by SCSBs**

SCSBs participating in the Issue are required to comply with the terms of the SEBI circulars dated September 13, 2012 and January 2, 2013. Such SCSBs are required to ensure that for making applications on their own account using ASBA, they should have a separate account in their own name with any other SEBI registered SCSBs. Further, such account shall be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account for ASBA applications.

**In accordance with RBI regulations, OCBs cannot participate in the Issue.**

#### **Application under Power of Attorney**

In case of applications made pursuant to a power of attorney by limited companies, corporate bodies, registered societies, Mutual Funds, insurance companies and provident funds with minimum corpus of Rs.25 Crores (subject to applicable law) and pension funds with a minimum corpus of Rs.25 Crores a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/or bye laws must be lodged with the Application Form. Failing this, our Company reserves the right to accept or reject any application in whole or in part, in either case, without assigning any reason therefore.

In addition to the above, certain additional documents are required to be submitted by the following entities:

(a). 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 accept or reject any application, in whole or in part, in either case without assigning any reasons thereof.

(b). With respect to applications by insurance companies registered with the Insurance Regulatory and Development Authority, in addition to the above, a certified copy of the certificate of registration issued by the Insurance Regulatory and Development Authority must be lodged with the Application Form as applicable. Failing this, our Company reserves the right to accept or reject any application, in whole or in part, in either case without assigning any reasons thereof.

(c). With respect to applications made by provident funds with minimum corpus of Rs.25 Crores (subject to applicable law) and pension funds with a minimum corpus of Rs.25 Crores, a certified copy of a certificate from a chartered accountant certifying the corpus of the provident fund/pension fund must be lodged along with the Application Form. Failing this, our Company reserves the right to accept or reject such application, in whole or in part, in either case without assigning any reasons thereof.

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, the lead manager may deem fit.

***Our Company, in its absolute discretion, reserves the right to permit the holder of the power of attorney to request the Registrar to the Issue that, for the purpose of printing particulars and mailing of the Allotment Advice / CANs / letters notifying the unblocking of the bank accounts of ASBA applicants, the Demographic Details given on the Application Form should be used (and not those obtained from the Depository of the application). In such cases, the Registrar to the Issue shall use Demographic Details as given on the Application Form instead of those obtained from the Depositories.***

***The above information is given for the benefit of the Applicants. The Company and the LM are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Prospectus. Applicants are advised to make their independent investigations and ensure that the number of Equity Shares applied for do not exceed the applicable limits under laws or regulations.***

#### **Maximum and Minimum Application Size**

##### **(a) For Retail Individual Applicants**

The Application must be for a minimum of 4,000 Equity Shares and in multiples of 2,000 Equity Share thereafter, so as to ensure that the Application Price payable by the Applicant does not exceed Rs. 2,00,000. In case of revision of Applications, the Retail Individual Applicants have to ensure that the Application Price does not exceed Rs. 2,00,000.

##### **(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 Rs. 200,000 and in multiples of 2,000 Equity Shares thereafter. An Application cannot be submitted for more than the Issue size. However, the maximum Application by a QIB investor should not exceed the investment limits prescribed for them by applicable laws. Under existing SEBI Regulations, a QIB or Non-Institution Applicant cannot withdraw or lower its Application at any stage of Issue.

In case of revision in Applications, the Non-Institutional Applicants, who are individuals, have to ensure that the Application Amount is greater than Rs. 2,00,000 for being considered for allocation in the Non-Institutional Portion.

**Applicants are advised to ensure that any single Application from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Draft Prospectus.**

#### **Information for the Applicants:**

- a) Our Company will file the Prospectus with the RoC at least 3 (three) days before the Issue Opening Date.
- b) The LM will circulate copies of the Prospectus along with the Application Form to potential investors.
- c) Any investor (who is eligible to invest in our Equity Shares) who would like to obtain the Prospectus and/or the Application Form can obtain the same from our Registered Office or from the registered office of the LM.
- d) Applicants who are interested in subscribing for the Equity Shares should approach the LM or their authorized agent(s) to register their Applications.
- e) Applications made in the name of Minors and/or their nominees shall not be accepted.

#### **Instructions for Completing the Application Form**

The Applications should be submitted on the prescribed Application Form and in BLOCK LETTERS in ENGLISH only in accordance with the instructions contained herein and in the Application Form. Applications not so made are liable to be rejected. Application Forms should bear the stamp and acknowledge by the Designated Intermediary.

#### **Applicant's Depository Account and Bank Details**

**Please note that, providing bank account details in the space provided in the application form is mandatory and applications that do not contain such details are liable to be rejected.**

Applicants should note that on the basis of name of the Applicants, Depository Participant's name, Depository Participant Identification number and Beneficiary Account Number provided by them in the Application Form, the Registrar to the Issue will obtain from the Depository the demographic details including address, Applicants bank account details, MICR code and occupation (hereinafter referred to as 'Demographic Details'). These Demographic Details would be used for all correspondence with the Applicants including mailing of the Allocation Advice. The Demographic Details given by Applicants in the Application Form would not be used for any other purpose by the Registrar to the Issue. By signing the Application Form, the Applicant would be deemed to have authorized the depositories to provide, upon request, to the Registrar to the Issue, the required Demographic Details as available on its records.

#### **Procedure and Time Schedule for Allotment of Equity Shares**

The Issue will be conducted through the "Fixed Price Method" pursuant to which the Designated Intermediary will accept Applications for the Equity Shares during the Issue Period. The Issue Period will commence on [.] and expire on [..]. Following the expiration of the Issue Period, our Company, in consultation with the Lead Manager, will determine the basis of allotment and entitlement to allotment based on the applications received and subject to the confirmation by the Stock Exchanges. Successful Applicants will be provided with a confirmation of their allocation for the Equity Shares within a prescribed time. The SEBI (ICDR) Regulations, 2009 require our Company to complete the allotment to successful Applicants within 4 days of the expiration of the Issue Period. The Equity Shares will then be credited and allotted to the investors demat accounts maintained with the relevant depository participant. Upon approval by the Stock Exchanges, the Equity Shares will be listed and trading will commence.

#### **Payment Instructions**

All Applicants are required to use the ASBA facility to make payment.

#### **Basis of Allotment**

Allotment will be made in consultation with BSE Limited (The Designated Stock Exchange). In the event of oversubscription, the allotment will be made on a proportionate basis in marketable lots as set forth here:



1. The total number of shares to be allocated to each category as a whole shall be arrived at on a proportionate basis i.e. the total number of shares applied for in that category multiplied by the inverse of the over subscription ratio (number of applicants in the category x number of shares applied for).
2. The number of shares to be allocated to the successful applicants will be arrived at on a proportionate basis in marketable lots (i.e. total number of shares applied for into the inverse of the over subscription ratio).
3. For applications where the proportionate allotment works out to less than 2,000 equity shares the allotment will be made as follows:
  - a) Each successful applicant shall be allotted 2,000 Equity Shares; and
  - b) The successful applicants out of the total applicants for that category shall be determined by the drawal of lots in such a manner that the total number of shares allotted in that category is equal to the number of shares worked out as per (2) above.
4. If the proportionate allotment to an applicant works out to a number that is not a multiple of 2,000 equity shares, the number in excess of the multiple of 2,000 would be rounded off to the nearest multiple of 2,000 subject to minimum allotment of 2,000 Equity Share.
5. If the shares allotted on a proportionate basis to any category is more than the shares allotted to the applicants in that category, the balance available shares for allocation shall be first adjusted against any category, where the allotted shares are not sufficient for proportionate allotment to the successful applicants in that category, the balance shares, if any, remaining after such adjustment will be added to the category comprising of applicants applying for the minimum number of shares. If as a result of the process of rounding off to the lower nearest multiple of 2,000 equity shares, results in the actual allotment being higher than the shares offered, the final allotment may be higher at the sole discretion of the Board of Directors, up to 110% of the size of the offer specified under the Capital Structure mentioned in this Draft Prospectus.
6. The above proportionate allotment of shares in an Issue that is oversubscribed shall be subject to the reservation for small individual applicants as described below:
  - a) A minimum of 50% of the net offer of shares to the Public shall initially be made available for allotment to retail individual investors as the case may be.
  - b) The balance net offer of shares to the public shall be made available for allotment to a) individual applicants other than retails individual investors and b) other investors, including Corporate Bodies/ Institutions irrespective of number of shares applied for.
  - c) The unsubscribed portion
  - d) of the net offer to any one of the categories specified in (a) or (b) shall/may be made available for allocation to applicants in the other category, if so required.

As per Regulation 43 (4) of SEBI (ICDR) Regulations, 2009 as amended, if the retail individual investor category is entitled to more than fifty per cent on proportionate basis, the retail individual investors shall be allocated that higher percentage.

'Retail Individual Investor' means an investor who applies for shares of value of not more than Rs. 2,00,000/- Investors may note that in case of over subscription allotment shall be on proportionate basis and will be finalized in consultation with BSE.

The Executive Director / Managing Director of BSE - the Designated Stock Exchange in addition to Lead Manager and Registrar to the Public Issue shall be responsible to ensure that the basis of allotment is finalized in a fair and proper manner in accordance with the SEBI (ICDR) Regulations, 2009.

**As per the RBI regulations, OCBs are not permitted to participate in the Issue.**

**There is no reservation for Non-Residents, NRIs, FIIs and foreign venture capital funds and all Non-Residents, NRI, FII and Foreign Venture Capital Funds applicants will be treated on the same basis with other categories for the purpose of allocation.**

#### **Terms of Payment / Payment Instructions**

The entire Issue price of Rs.30/- per share is payable on application. In case of allotment of lesser number of Equity Shares than the number applied, the Registrar shall instruct the SCSBs to unblock the excess amount paid on Application to the Applicants.

- All Applicants are required to make use ASBA for applying in the Issue.
- Application Amount cannot be paid in cash, through money order, cheque or through postal order or through stock invest.
- Applicants may submit the Application Form in physical mode to the Designated Intermediaries.
- 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.
- 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;
- Applicants shall note that for the purpose of blocking funds under ASBA facility clearly demarcated funds shall be available in the account.
- From one ASBA Account, a maximum of five Applications can be submitted.
- Applicants applying directly through the SCSBs should ensure that the Application Form is submitted to a Designated Branch of a SCSB where the ASBA Account is maintained.
- 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.
- 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.
- 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.
- 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.
- 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.
- SCSBs applying in the Issue must apply through an ASBA Account maintained with any other SCSB; else their Applications are liable to be rejected.

#### **Unblocking of ASBA Account**

- a. Once the Basis of Allotment is approved by the Designated Stock Exchange, the Registrar to the Issue 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.

## Electronic Registration of Applications

1. The Designated Intermediary will register the Applications using the on-line facilities of the Stock Exchange. There will be at least one on-line connectivity facility in each city, where a stock exchange is located in India and where Applications are being accepted. The Lead Manager, our Company and the Registrar are not responsible for any acts, mistakes or errors or omission and commissions in relation to, (i) the Applications accepted by the Designated Intermediary, (ii) the Applications uploaded by the Designated Intermediary, (iii) the Applications accepted but not uploaded by the Designated Intermediary or (iv) Applications accepted and uploaded without blocking funds.
2. The Designated Intermediary shall be responsible for any acts, mistakes or errors or omission and commissions in relation to, (i) the Applications accepted by the Designated Intermediary, (ii) the Applications uploaded by the Designated Intermediary, (iii) the Applications accepted but not uploaded by the Designated Intermediary and (iv) Applications accepted and uploaded without blocking funds. It shall be presumed that for Applications uploaded by the Designated Intermediary, the full Application Amount has been blocked.
3. In case of apparent data entry error either by the Designated Intermediary in entering the Application Form number in their respective schedules other things remaining unchanged, the Application Form may be considered as valid and such exceptions may be recorded in minutes of the meeting submitted to Stock Exchange.
4. The Designated Intermediary will undertake modification of selected fields in the Application details already uploaded within before 1.00 p.m. of the next Working Day from the Issue Closing Date.
5. The Stock Exchange will offer an electronic facility for registering Applications for the Issue. This facility will be available with the Designated Intermediary and their authorized agents during the Issue Period. The Designated Branches or the Agents of the Designated Intermediary can also set up facilities for off-line electronic registration of Applications subject to the condition that they will subsequently upload the off-line data file into the on-line facilities on a regular basis. On the Issue Closing Date, the Designated Intermediary shall upload the Applications till such time as may be permitted by the Stock Exchange. This information will be available with the Lead Manager on a regular basis. Applicants are cautioned that a high inflow of high volumes on the last day of the Issue Period may lead to some Applications received on the last day not being uploaded and such Applications will not be considered for allocation.
6. At the time of registering each Application submitted by an Applicant, Designated Intermediary shall enter the following details of the investor in the on-line system, as applicable:
  - Name of the Applicant;
  - IPO Name;
  - Application Form number;
  - Investor Category;
  - PAN(of First Applicant, if more than one Applicant);
  - DPID of the demat account of the Applicant;
  - Client Identification Number of the demat account of the Applicant;
  - Numbers of Equity Shares Applied for;
  - Location of the Banker to the Issue or Designated Branch, as applicable, and bank code of the SCSB branch where the ASBA Account is maintained; and
  - Bank account number

In case of submission of the Application by an Applicant through the Electronic Mode, the Applicant shall complete the above-mentioned details and mention the bank account number, except the Electronic Application Form number which shall be system generated.

7. The Designated intermediaries shall, at the time of receipt of application, give an acknowledgement to investor, by giving the counter foil or specifying the application number to the investor, as a proof of



having accepted the application form, in physical or electronic mode, respectively. The registration of the Application by the Designated Intermediary does not guarantee that the Equity Shares shall be allocated / allotted either by our Company.

8. Such acknowledgement will be non-negotiable and by itself will not create any obligation of any kind.
9. In case of QIB Applicants, the Lead Manager has the right to accept the Application or reject it. However, the rejection should be made at the time of receiving the Application and only after assigning a reason for such rejection in writing. In case on Non-Institutional Applicants and Retail Individual Applicants, Applications would be rejected on the technical grounds.
10. The permission given by the Stock Exchange to use their network and software of the Online IPO system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company and/or the Lead Manager are cleared or approved by the Stock Exchange; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the compliance with the statutory and other requirements nor does it take any responsibility for the financial or other soundness of our Company, our Promoter, our management or any scheme or project of our Company; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Draft Prospectus; nor does it warrant that the Equity Shares will be listed or will continue to be listed on the Stock Exchange.
11. Only Applications that are uploaded on the online IPO system of the Stock Exchange shall be considered for allocation/Allotment. The Designated Intermediary will be given time till 1.00 p.m. on the next working day after the Issue Closing Date to verify the PAN, DP ID and Client ID uploaded in the online IPO system during the Issue Period, after which the Registrar will receive this data from the Stock Exchange and will validate the electronic Application details with depository's records. In case no corresponding record is available with depositories, which matches the three parameters, namely DP ID, Client ID and PAN, then such Applications are liable to be rejected.

## **General Instructions**

### ***Do's:***

- Check if you are eligible to apply as per the terms of the Prospectus and under applicable law rules, regulations, guidelines and approvals;
- Ensure that you have Applied at the Issue Price;
- All Applicants should submit their Applications through the ASBA process only;
- Read all the instructions carefully and complete the Application Form in the prescribed form;
- Ensure that the details about the PAN, DP ID and Client ID are correct and the Applicant's depository account is active, as Allotment of the Equity Shares will be in the dematerialised form only;
- Ensure that the Application Form is signed by the account holder in case the Applicant is not the account holder. Ensure that you have mentioned the correct bank account number in the Application Form;
- With respect to Applications by SCSBs, ensure that you have a separate account in your own name with any other SCSB having clear demarcated funds for applying under the ASBA process and that such separate account (with any other SCSB) is used as the ASBA Account with respect to your Application;
- Ensure that you request for and receive an acknowledgement of the Application from the concerned Designated Intermediary, for the submission of your Application Form;
- Ensure that you have funds equal to the Application Amount in the ASBA Account maintained with the SCSB before submitting the Application Form under the ASBA process to the respective member of the syndicate (in the Specified Locations), the SCSBs, the Registered Broker (at the Broker Centres) the RTA (at the Designated RTA Locations) or CDP (at the Designated CDP Locations);
- Instruct your respective banks to not release the funds blocked in the ASBA Account for any other purpose;
- Submit revised Application to such Designated Intermediary through whom the original Application was placed and obtain a revised acknowledgement;
- Except for Applications (i) on behalf of the Central or State Governments and the officials appointed by the courts, who, in terms of the 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 the 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;

- Ensure that the Demographic Details (as defined below) are updated, true and correct in all respects;
- 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;
- Ensure that the signature of the First Applicant, in case of joint Application, is included in the Application Forms;
- 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 Application, 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;
- Ensure that the category and sub-category is indicated;
- Ensure that in case of Application under power of attorney or by limited companies, corporate, trust etc., relevant documents are submitted;
- Ensure that Application submitted by any person outside India should be in compliance with applicable foreign and Indian laws;
- 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 Exchange 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;
- Ensure that you tick the correct investor category, as applicable, in the Application Form to ensure proper upload of your Application in the online IPO system of the Stock Exchange;
- Ensure that the Application Form is delivered within the time prescribed as per the Application Form and the Prospectus;
- Ensure that you have mentioned the correct ASBA Account number in the Application Form;
- Ensure that the entire Application Amount is paid at the time of submission of the Application or in relation to the ASBA Applications, ensure that you have correctly signed the authorization/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;
- Ensure that you receive an acknowledgement from the concerned Designated Intermediary, for the submission of your Application Form.
- Ensure that while Applications submitted by companies, other corporates, trusts, etc., under powers of attorney, the relevant documents, including a copy of the power of attorney, are submitted along with the Application.

The Application Form is liable to be rejected if the above instructions, as applicable, are not complied with;

***Dont's:***

- Do not Apply for lower than the minimum Application size;
- Do not Apply /revise Application Amount to less than or higher than the Issue Price;
- Do not Apply on another Application Form after you have submitted an Application to the Lead Manager, the SCSBs or the Registered Brokers, as applicable;
- Do not pay the Application Amount in cash or cheque or by money order or by postal order or by stock invest;
- The payment of the Application Amount in any mode other than blocked amounts in the bank account maintained with an SCSB shall not be accepted;
- Do not send Application Forms by post; instead submit the same to the Designated Intermediaries only;
- Do not Apply for an Application Amount exceeding Rs. 2,00,000 if you are applying under the Retail category;
- 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;

- Do not submit the General Index Register number instead of the PAN;
- Do not instruct your respective banks to release the funds blocked in the ASBA Account for any other purpose;
- Do not submit incorrect details of the DP ID, Client ID and PAN or provide details for a beneficiary account which is suspended or for which details cannot be verified by the Registrar to the Issue;
- Do not submit Applications on plain paper or on incomplete or illegible Application Forms or on Application Forms in a colour prescribed for another category of Applicant;
- 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;
- Do not Apply if you are not competent to contract under the Indian Contract Act, 1872, as amended (other than minors having valid depository accounts as per Demographic Details provided by the Depositories);
- Do not withdraw your Application or lower the size of your Application (in terms of quantity of the Equity Shares or the Application Amount) at any stage, if you are a QIB or a Non-Institutional Investor;
- 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.

### **Other Instructions**

#### ***Joint Applications in the case of Individuals***

Applications may be made in single or joint names (not more than three). In the case of joint Applications, all payments will be made out in favor of the Applicant whose name appears first in the Application Form or Revision Form. All communications will be addressed to the First Applicant and will be dispatched to his or her address as per the Demographic Details received from the Depository.

#### ***Multiple Applications***

An Applicant should submit only one Application (and not more than one) for the total number of Equity Shares required. Two or more Applications will be deemed to be multiple Applications if the sole or First Applicant is one and the same.

In this regard, the procedures which would be followed by the Registrar to the Issue to detect multiple applications are given below:

- i. All applications are electronically strung on first name, address (1st line) and applicant's status. Further, these applications are electronically matched for common first name and address and if matched, these are checked manually for age, signature and father/ husband's name to determine if they are multiple applications.
- ii. Applications which do not qualify as multiple applications as per above procedure are further checked for common DP ID/ beneficiary ID. In case of applications with common DP ID/ beneficiary ID, are manually checked to eliminate possibility of data entry error to determine if they are multiple applications.
- iii. Applications which do not qualify as multiple applications as per above procedure are further checked for common PAN. All such matched applications with common PAN are manually checked to eliminate possibility of data capture error to determine if they are multiple applications.

In case of a mutual fund, a separate Application can be made in respect of each scheme of the mutual fund registered with SEBI and such Applications in respect of more than one scheme of the mutual fund will not be treated as multiple Applications provided that the Applications clearly indicate the scheme concerned for which the Application has been made.

In cases where there are more than 20 valid applications having a common address, such shares will be kept in abeyance, post allotment and released on confirmation of "know your client" norms by the depositories. The Company reserves the right to reject, in our absolute discretion, all or any multiple Applications in any or all categories.

### **Permanent Account Number or PAN**

Pursuant to the circular MRD/DoP/Circ 05/2007 dated April 27, 2007, SEBI has mandated Permanent Account Number (“PAN”) to be the sole identification number for all participants transacting in the securities market, irrespective of the amount of the transaction w.e.f. July 2, 2007. Each of the Applicants should mention his/her PAN allotted under the IT Act. **Applications without this information will be considered incomplete and are liable to be rejected.** It is to be specifically noted that Applicants should not submit the GIR number instead of the PAN, as the Application is liable to be rejected on this ground.

### Right to Reject Applications

In case of QIB Applicants, the Company in consultation with the LM may reject Applications provided that the reasons for rejecting the same shall be provided to such Applicant in writing. In case of Non-Institutional Applicants, Retail Individual Applicants who applied, the Company has a right to reject Applications based on technical grounds.

### Grounds of Rejections

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: -

- 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);
- Applications by OCBs;
- 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;
- In case of Applications under power of attorney or by limited companies, corporate, trust etc., relevant documents not being submitted along with the Application Form;
- Applications by persons prohibited from buying, selling or dealing in the shares directly or indirectly by SEBI or any other regulatory authority;
- Applications by any person outside India if not in compliance with applicable foreign and Indian laws;
- PAN not mentioned in the Application Form, except for Applications by or on behalf of the Central or State Government and officials appointed by the court and by the investors residing in the State of Sikkim, provided such claims have been verified by the Depository Participant;
- In case no corresponding record is available with the Depositories that matches the DP ID, the Client ID and the PAN;
- Applications for lower number of Equity Shares than the minimum specified for that category of investors;
- The amounts mentioned in the Application Form does not tally with the amount payable for the value of the Equity Shares Applied for;
- Applications for amounts greater than the maximum permissible amounts prescribed by the regulations;
- Submission of more than five Application Form as through a single ASBA Account;
- Applications for number of Equity Shares which are not in multiples of Equity Shares which are not in multiples as specified in the Prospectus;
- Multiple Applications as defined in the GID and the Prospectus;
- Application Forms are not delivered by the Applicants within the time prescribed as per the Application Form, Issue Opening Date advertisement and as per the instructions in the Prospectus and the Application Forms;
- Inadequate funds in the bank account to block the Application Amount specified in the Application Form at the time of blocking such Application Amount in the bank account;
- Where no confirmation is received from SCSB for blocking of funds;
- Applications by Applicants not submitted through ASBA process;
- Applications not uploaded on the terminals of the Stock Exchange; and
- Applications by SCSBs wherein a separate account in its own name held with any other SCSB is not mentioned as the ASBA Account in the Application Form.

**Applicants Should Note that in Case the PAN, the DP ID and client ID mentioned in the application form and entered into the electronic application system of the stock exchanges do not match with PAN, the DP ID and client ID available in the depository database, the application form is liable to be rejected.**

### **Impersonation**

Attention of the Applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:

*“Any person who –*

- a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities, or*
- b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or*
- c) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under section 447.”*

The liability prescribed under Section 447 of the Companies Act, 2013, includes imprisonment for a term of not less than six months extending up to 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.

### **Signing of Underwriting Agreement**

Vide an Underwriting Agreement dated February 19, 2018 this issue is 100% Underwritten.

### **Filing of the Prospectus with the ROC**

The Company will file a copy of the Prospectus with the ROC in terms of 26 of the Companies Act, 2013.

### **Pre-Issue Advertisement**

Subject to Section 30 of the Companies Act, 2013 the Company shall, after registering the Prospectus with the ROC, publish a pre-Issue advertisement, in the form prescribed by the SEBI Regulations, in one widely circulated English language national daily newspaper; one widely circulated Hindi language national daily newspaper and one regional newspaper with wide circulation. This advertisement, in addition to the information that has to be set out in the statutory advertisement, shall indicate the Issue Price.

### **Issuance of a Confirmation of Allocation Note (“CAN”)**

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 Brokers 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.

### **Designated Date and Allotment of Equity Shares**

- (a) **Designated Date:** On the Designated Date, the SCSBs shall transfer the funds represented by allocation of Equity Shares into the Public Issue Account with the Bankers to the Issue.
- (b) **Issuance of Allotment Advice:** Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Registrar shall upload the same on its website. On the basis of the approved Basis of Allotment, the Issuer shall pass necessary corporate action to facilitate the Allotment and credit of Equity Shares. Applicants are



advised to instruct their Depository Participant to accept the Equity Shares that may be allotted to them pursuant to the Issue.

- (c) The dispatch of Allotment Advice shall be deemed a valid, binding and irrevocable contract.
- (d) Issuer will ensure that: (i) the Allotment of Equity Shares; and (ii) credit of shares to the successful Applicants Depository Account will be completed within six Working Days of the Issue Closing Date. The Issuer also ensures the credit of shares to the successful Applicant's depository account is completed within five Working Days from the Issue Close Date.

### **Disposal of Applications and Application Moneys and Interest in Case of Delay**

The Company shall ensure the dispatch of Allotment advice and give benefit to the beneficiary account with Depository Participants and submit the documents pertaining to the Allotment to the Stock Exchange within two working days of date of Allotment of Equity Shares.

The Company shall use best efforts to ensure that all steps for completion of the necessary formalities for listing and commencement of trading at SME Platform of BSE where the Equity Shares are proposed to be listed are taken within 6 working days of closure of the issue.

In accordance with the Companies Act, the requirements of the Stock Exchange and the SEBI Regulations, the Company further undertakes that:

- 1) Allotment of Equity Shares shall be made within 3 (three) working days of the Issue Closing Date;
- 2) Giving of Instructions for refund by unblocking of amount via ASBA not later than 4(four) working days of the Issue Closing Date, would be ensured; and
- 3) If such money is not repaid within eight 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 days, be liable to repay such application money, with interest as prescribed under SEBI (ICDR) Regulations, the Companies Act, 2013 and applicable law. 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.

### **Undertakings by our Company**

Our Company undertakes the following:

- (i) if our Company does not proceed with the Issue after the Issue Closing Date the reason thereof shall be given as a public notice to be issued by our Company within two days of the Issue Closing Date. The public notice shall be issued in the same newspapers where the pre-Issue advertisements were published. The Stock Exchange on which the Equity Shares are proposed to be listed shall also be informed promptly.
- (ii) If our Company withdraws the Issue after the Issue Closing Date, our Company shall be required to file a fresh offer document with the Stock Exchange(s)/RoC/SEBI, in the event our Company subsequently decide to proceed with the Issue.
- (iii) That the complaints received in respect of the Issue shall be attended to by our Company expeditiously and satisfactorily;
- (iv) all steps for completion of the necessary formalities for listing and commencement of trading at the Stock Exchange where the Equity Shares are proposed to be listed are taken within six Working Days of the Issue Closing Date;
- (v) If Allotment is not made Application money will be refunded/unblocked within 15 Working Days from the Issue Closing Date or such lesser time as specified by SEBI or the application money will be refunded to the Applicants forthwith, failing which interest will be due to be paid to the Applicants at the rate of 15% per annum for the delayed period.
- (vi) Where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the Applicant within 15 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.

- (vii) That funds required for making refunds to unsuccessful Applicants as per the mode(s) disclosed shall be made available to the Registrar to the Issue by our Company;
- (viii) That no further issue of Equity Shares shall be made until the Equity Shares offered through the Prospectus are listed or until the Application monies are refunded on account of non-listing, under-subscription etc.;
- (ix) Adequate arrangements shall be made to collect all Application Forms from the Applicants;
- (x) That the certificates of the securities/refund orders to Eligible NRIs shall be dispatched within specified time; and
- (xi) Our Company shall not have recourse to the proceeds from the Issue until the approval for trading of the Equity Shares from the Stock Exchange where listing is sought has been received.

#### **Utilization of Issue Proceeds**

Our Board certifies that:

- (i) all monies received from the Issue shall be transferred to separate bank account other than the bank account referred to in sub-section (3) of section 40 of the Companies Act, 2013;
- (ii) details of all monies utilised out of the Issue referred to in sub item (i) shall be disclosed and continue to be disclosed until the time any part of the Issue proceeds remains unutilised, under an appropriate separate head in the balance-sheet of the Issuer indicating the purpose for which such monies had been utilised; and
- (iii) details of all unutilised monies out of the Issue referred to in sub-item (i) shall be disclosed under an appropriate separate head in the balance sheet of our Company indicating the form in which such unutilised monies have been invested.
- (iv) Our Company shall comply with the requirements of the SEBI (LODR) Regulations in relation to the disclosure and monitoring of the utilisation of the proceeds of the Issue.

Our Company declare that all monies received out of the Public 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.

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.

#### **Withdrawal of the Issue**

Our Company in consultation with the LM's reserves the right not to proceed with the Issue at any time, including after the Issue Closing Date but before the Board meeting for Allotment, without assigning any reason. Notwithstanding the foregoing, the Issue is also subject to obtaining the final listing and trading approvals of the Stock Exchange, which the Company shall apply for after Allotment.

In case, the Company wishes to withdraw the Issue after Issue Opening but before allotment, the Company will give public notice giving reasons for withdrawal of Issue. The public notice will appear in two widely circulated national newspapers (one each in English and Hindi) and one in regional newspaper. The Stock Exchanges where the Equity Shares are proposed to be listed shall also be informed promptly.

If the Company withdraws the Issue after the Application Closing Date, the Company will be required to file a fresh Offer Document with the Stock Exchange.

#### **Equity Shares in Dematerialized Form with NSDL or CDSL**

To enable all shareholders of the Company to have their shareholding in electronic form, the Company had signed the following tripartite agreements with the Depositories and the Registrar and Share Transfer Agent:

- (a) Agreement dated February 20, 2018 between NSDL, the Company and the Registrar to the Issue;



(b) Agreement dated February 08, 2018 between CDSL, the Company and the Registrar to the Issue;

The Company's shares bear an ISIN No. INE426Z01016.

- An Applicant applying for Equity Shares must have at least one beneficiary account with either of the Depository Participants of either NSDL or CDSL prior to making the Application.
- The Applicant must necessarily fill in the details (including the Beneficiary Account Number and Depository Participant's identification number) appearing in the Application Form or Revision Form.
- Allotment to a successful Applicant will be credited in electronic form directly to the beneficiary account (with the Depository Participant) of the Applicant.
- Names in the Application Form or Revision Form should be identical to those appearing in the account details in the Depository. In case of joint holders, the names should necessarily be in the same sequence as they appear in the account details in the Depository.
- If incomplete or incorrect details are given under the heading 'Applicants Depository Account Details' in the Application Form or Revision Form, it is liable to be rejected.
- The Applicant is responsible for the correctness of his or her Demographic Details given in the Application Form vis à vis those with his or her Depository Participant.
- Equity Shares in electronic form can be traded only on the stock exchanges having electronic connectivity with NSDL and CDSL. The Stock Exchange where our Equity Shares are proposed to be listed have electronic connectivity with CDSL and NSDL.
- The trading of the Equity Shares of the Company would be in dematerialized form only for all investors.

### **Communications**

All future communications in connection with the Applications made in this Issue should be addressed to the Registrar to the Issue quoting the full name of the sole or First Applicant, Application Form number, Applicants Depository Account Details, number of Equity Shares applied for, date of Application form, name and address of the designated intermediaries where the Application was submitted and a copy of the acknowledgement slip. Investors can contact the Compliance Officer or the Registrar to the Issue in case of any pre-Issue or post Issue related problems such as non-receipt of letters of allotment, credit of allotted shares in the respective beneficiary accounts etc.

## PART B

### General Information Document for Investing in Public Issues

*This General Information Document highlights the key rules, processes and procedures applicable to public issues in accordance with the provisions of the Companies Act, 2013 (to the extent notified and in effect), the Companies Act, 1956 (without reference to the provisions thereof that have ceased to have effect upon the notification of the Companies Act, 2013), the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957 and the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009. Applicants should not construe the contents of this General Information Document as legal advice and should consult their own legal counsel and other advisors in relation to the legal matters concerning the Issue. For taking an investment decision, the Applicants should rely on their own examination of the Issuer and the Issue and should carefully read this Draft Prospectus/Prospectus before investing in the Issue.*

#### SECTION 1: PURPOSE OF THE GENERAL INFORMATION DOCUMENT (GID)

This document is applicable to the public issues undertaken inter-alia through Fixed Price Issues. The purpose of the “General Information Document for Investing in Public Issues” is to provide general guidance to potential Applicants in IPOs, on the processes and procedures governing IPOs, undertaken in accordance with the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (“SEBI ICDR Regulations, 2009”).

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 Exchange, on the website of the LM to the Issue and on the website of Securities and Exchange Board of India at [www.sebi.gov.in](http://www.sebi.gov.in).

For the definitions of capitalized terms and abbreviations used herein Applicants may refer to the section “Glossary and Abbreviations”.

#### SECTION 2: BRIEF INTRODUCTION TO IPOs ON SME EXCHANGE

##### 2.1 Initial Public Offer (IPO)

An IPO means an offer of specified securities by an unlisted Issuer to the public for subscription and may include an Offer for Sale of specified securities to the public by any existing holder of such securities in an unlisted Issuer.

For undertaking an IPO, an Issuer is *inter-alia* required to comply with the eligibility requirements of in terms of either Regulation 26(1) or Regulation 26(2) of the SEBI ICDR Regulations, 2009, if applicable. For details of compliance with the eligibility requirements by the Issuer, Applicants may refer to the Prospectus

The Issuer may also undertake IPO under of chapter XB of the SEBI (ICDR) Regulations, wherein as per,

- Regulation 106M (1): An issuer whose post-issue face value capital does not exceed ten crores rupees shall issue its specified securities in accordance with provisions of this Chapter.
- Regulation 106M (2): An issuer, whose post issue face value capital, is more than ten crores rupees and up to twenty-five crores rupees, may also issue specified securities in accordance with provisions of this Chapter.

The present Issue is being made under Regulation 106M (2) of Chapter XB of SEBI (ICDR) Regulations.

## Other Eligibility Requirements

In addition to the eligibility requirements specified in paragraphs 2.1, an Issuer proposing to undertake an IPO is required to comply with various other requirements as specified in the SEBI ICDR Regulations, 2009, the Companies Act, 2013 and the Companies Act, 1956 to the extent applicable (the “Companies Act”), The Securities Contracts (Regulation) Rules, 1957 (the “SCRR”), industry- specific regulations, if any, and other applicable laws for the time being in force.

Following are the eligibility requirements for making an SME IPO under Regulation 106M(2) of Chapter XB of SEBI (ICDR) Regulation:

- (a) In accordance with regulation 106(P) of the SEBI (ICDR) Regulations, Issue has to be 100% underwritten and the LM has to underwrite at least 15% of the total issue size.
- (b) In accordance with Regulation 106(R) of the SEBI (ICDR) Regulations, total number of proposed allottees in the Issue shall be greater than or equal to fifty, otherwise, the entire application money will be refunded forthwith. If such money is not repaid within prescribed time from the date the company becomes liable to repay it, than the Company and every officer in default shall, on and from expiry of prescribed time, be liable to repay such application money, with interest as prescribed under section 40 of the Companies Act, 2013.
- (c) In accordance with Regulation 106(O) the SEBI (ICDR) Regulations, Company is not required to file any Offer Document with SEBI nor has SEBI issued any observations on the Offer Document. The Lead Manager shall submit the copy of Prospectus along with a Due Diligence Certificate including additional confirmations as required to SEBI at the time of filing the Prospectus with Stock Exchange and the Registrar of Companies.
- (d) In accordance with Regulation 106(V) of the SEBI ICDR Regulations, the LM has to ensure compulsory market making for a minimum period of three years from the date of listing of Equity Shares offered in the Issue.
- (e) The Issuer shall have Net Tangible assets of at least Rs. 3 crore as per the latest audited financial results.
- (f) The Net worth (excluding revaluation reserves) of the Issuer shall be at least Rs. 3 crore as per the latest audited financial results.
- (g) The Issuer should have a track record of distributable profits in terms of section 123 of Companies Act, 2013 for two out of immediately preceding three financial years or it should have net worth of at least Rs. 5 Crores.
- (h) The Post-issue paid up capital of the Issuer shall be at least Rs. 3 Crore.
- (i) The Issuer shall mandatorily facilitate trading in demat securities.
- (j) The Issuer should not been referred to Board for Industrial and Financial Reconstruction.
- (k) No petition for winding up is admitted by a court or a liquidator has not been appointed of competent jurisdiction against the Company.
- (l) No material regulatory or disciplinary action should have been taken by any stock exchange or regulatory authority in the past three years against the Issuer.
- (m) The Company should have a website.
- (n) There has been no change in the promoter(s) of the Company in the one year preceding the date of filing application to BSE for listing on SME segment.

Issuer shall also comply with all the other requirements as laid down for such an Issue under Chapter XB of SEBI (ICDR) Regulations and subsequent circulars and guidelines issued by SEBI and the Stock Exchange.

As per Regulation 106(M)(3) of SEBI (ICDR) Regulations, 2009, the provisions of Regulations 6(1), 6(2), 6(3), Regulation 8, Regulation 9, Regulation 10, Regulation 25, Regulation 26, Regulation 27 and Sub regulation (1) of Regulation 49 of SEBI (ICDR) Regulations, 2009 shall not apply to this Issue.

Thus Company is eligible for the Issue in accordance with regulation 106M (2) and other provisions of chapter

XB of the SEBI (ICDR) Regulations as the post issue face value capital exceeds Rs.10.00 crores. Company also complies with the eligibility conditions laid by the SME Platform of BSE for listing of our Equity Shares.

## **2.2 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 Issue Opening Date, in case of an IPO and at least one Working Day before the 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.

## **2.3 Issue Period**

The Issue may be kept open for a minimum of three Working Days (for all category of Applicants) and not more than ten Working Days. Applicants are advised to refer to the Application Form and Abridged Prospectus or Prospectus for details of the Issue Period. Details of Issue Period are also available on the website of Stock Exchange(s).

## **2.4 Migration to Main Board**

SME Issuer may migrate to the Main Board of Stock Exchange from the SME Exchange at a later date subject to the following:

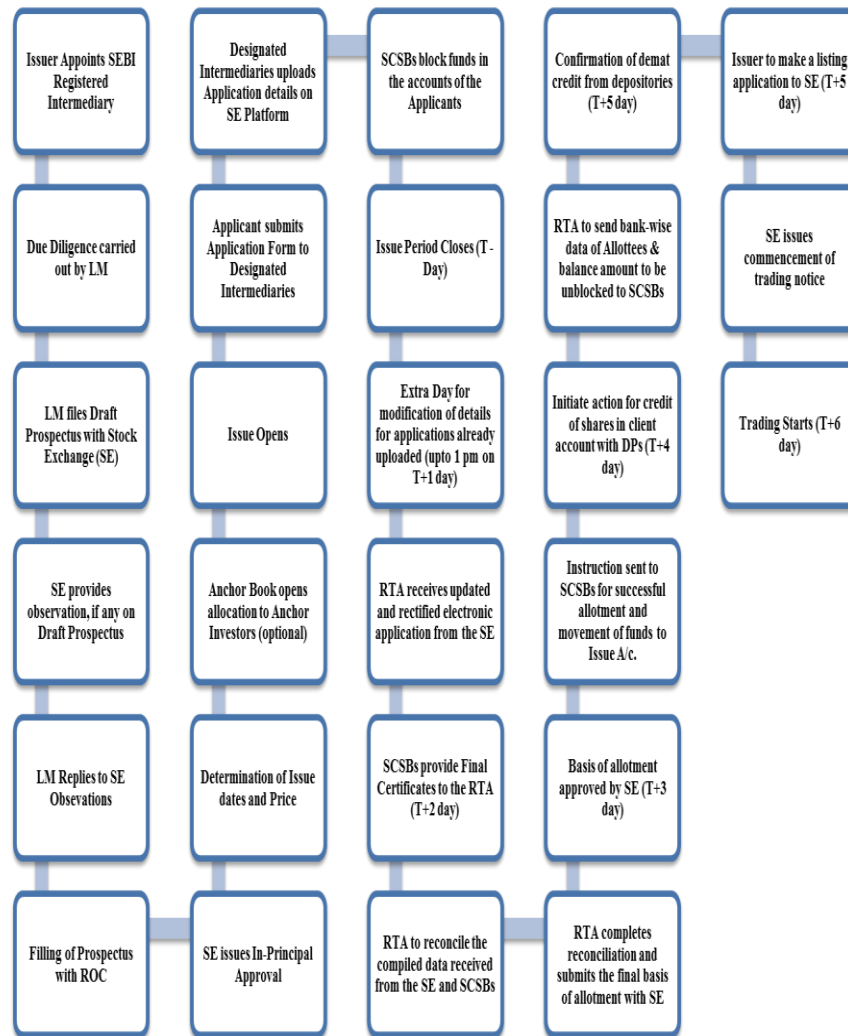
- (a) If the Paid-up Capital of the Company is likely to increase above Rs. 25 crores by virtue of any further issue of capital by way of rights, preferential issue, bonus issue etc. (which has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the Promoter in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal and for which the company has obtained in-principal approval from the main board), the Company shall apply to Stock Exchange for listing of its shares on its Main Board subject to the fulfilment of the eligibility criteria for listing of specified securities laid down by the Main Board.

OR

- (b) If the Paid-up Capital of the company is more than 10 crores and upto Rs. 25 crores, the Company may still apply for migration to the main board if the same has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the Promoter in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal.

## **2.5 Flowchart of Timelines**

A flow chart of process flow in Fixed Price and Book Built Issues is as follows.



### SECTION 3: CATEGORY OF INVESTORS ELIGIBLE TO PARTICIPATE IN AN ISSUE

**Each Applicant should check whether It is eligible to apply under applicable law.** Furthermore, certain categories of Applicants, such as NRIs, FPIs and FVCIs may not be allowed to 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 national's resident in India who are not incompetent to contract in single or joint names (not more than three) or in the names of minors as natural/legal guardian;
- Hindu Undivided Families or HUFs, in the individual name of the Karta. The 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;
- Companies, Corporate Bodies and Societies registered under the applicable laws in India and authorized to invest in the Equity Shares under their respective constitutional and charter documents;
- Mutual Funds registered with SEBI;
- Eligible NRIs on a repatriation basis or on a non-repatriation basis, subject to applicable laws. NRIs other than Eligible NRIs are not eligible to participate in this Issue;
- Indian Financial Institutions, scheduled commercial banks, regional rural banks, co-operative banks (subject to RBI permission, and the SEBI Regulations and other laws, as applicable);
- FPIs other than Category III FPI; VCFs and FVCIs registered with SEBI;
- Limited Liability Partnerships (LLPs) registered in India and authorized to invest in equity shares;

- State Industrial Development Corporations;
- Trusts/societies registered under the Societies Registration Act, 1860, as amended, or under any other law relating to Trusts and who are authorized under their constitution to hold and invest in equity shares;
- Scientific and/or Industrial Research Organizations authorized to invest in equity shares;
- Insurance Companies registered with IRDA;
- Provident Funds and Pension Funds with minimum corpus of Rs. 2,500 Lakhs and who are authorized under their constitution to hold and invest in equity shares;
- Multilateral and Bilateral Development Financial Institutions;
- National Investment Fund set up by resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of Government of India published in the Gazette of India;
- Insurance funds set up and managed by army, navy or air force of the Union of India or by Department of Posts, India;
- 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 regulations, OCBs cannot participate in this Issue

#### SECTION 4: APPLYING IN THE ISSUE

**Fixed Price Issue:** Applicants should only use the specified Application Form bearing the stamp of an SCSB as available or downloaded from the websites of the Stock Exchange. Application Forms are available with the Designated Branches of the SCSBs and at the Registered 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 colour of the Application Form for various categories of Applicants is as follows:

Category	Colour of the Application Form
Resident Indian, Eligible NRIs applying on a non-repatriation basis	White
NRIs, FVCIs, FIIs, their Sub-Accounts (other than Sub-Accounts which are foreign corporate(s) or foreign individuals applying under the QIB), FPIs, QFIs, on a repatriation basis	Blue

Securities Issued in an IPO can only be in dematerialized form in compliance with Section 29 of the Companies Act, 2013. Applicants will not have the option of getting the allotment of specified securities in physical form. However, they may get the specified securities rematerialized subsequent to allotment.

#### 4.1 INSTRUCTIONS FOR FILING THE APPLICATION (FIXED PRICE ISSUE) 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 Application Form can be found on the reverse side of the Application Form. Specific instructions for filling various fields of the Resident Application Form and Non-Resident Application Form and samples are provided below. The samples of the Application Form for resident Applicants and the Application Form for non-resident Applicants are reproduced below:



TEAR HERE

<b>COMMON BID CUM APPLICATION FORM</b>	<b>XYZ LIMITED - INITIAL PUBLIC ISSUE - R</b>	<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	Address : ..... Contact Details: ..... CIN No ..... <div style="border: 1px solid black; padding: 2px; text-align: center;">BOOK BUILT ISSUE</div> ISIN : .....	Bid cum Application Form No. <span style="border: 1px solid black; display: inline-block; width: 100px; height: 20px;"></span>

<b>SYNDICATE MEMBER'S STAMP &amp; CODE</b>	<b>BROKER/SCSB/DP/RTA STAMP &amp; CODE</b>	<b>1. NAME &amp; CONTACT DETAILS OF SOLE / FIRST BIDDER</b>
		Mr. / Ms. <span style="border: 1px solid black; display: inline-block; width: 100px; height: 15px;"></span> Address <span style="border: 1px solid black; display: inline-block; width: 150px; height: 15px;"></span> Email <span style="border: 1px solid black; display: inline-block; width: 100px; height: 15px;"></span> Tel. No (with STD code) / Mobile <span style="border: 1px solid black; display: inline-block; width: 150px; height: 15px;"></span>
<b>SUB-BROKER'S / SUB-AGENT'S STAMP &amp; CODE</b>	<b>ESCROW BANK/SCSB BRANCH STAMP &amp; CODE</b>	<b>2. PAN OF SOLE / FIRST BIDDER</b>
<b>BANK BRANCH SERIAL NO.</b>	<b>SCSB SERIAL NO.</b>	

<b>3. BIDDER'S DEPOSITORY ACCOUNT DETAILS</b> <input type="checkbox"/> NSDL <input type="checkbox"/> CDSL	<b>6. INVESTOR STATUS</b>																											
For NSDL, enter 8 digit DP ID followed by 8 digit Client ID / For CDSL, enter 16 digit Client ID For NSDL, enter 8 digit DP ID followed by 8 digit Client ID / For CDSL, enter 16 digit Client ID	<input type="checkbox"/> Individual(s) - IND <input type="checkbox"/> Hindu Undivided Family* - HUF <input type="checkbox"/> Bodies Corporate - CO <input type="checkbox"/> Banks & Financial Institutions - FI <input type="checkbox"/> Mutual Funds - MF <input type="checkbox"/> Non-Resident Indians - NRI <input type="checkbox"/> (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																											
<b>4. BID OPTIONS (ONLY RETAIL INDIVIDUAL BIDDERS CAN BID AT "CUT-OFF")</b>	<b>5. CATEGORY</b>																											
<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <th rowspan="2">Bid Options</th> <th rowspan="2">No. of Equity Shares Bid (In Figures) (Bids must be in multiples of Bid Lot as advertised)</th> <th colspan="3">Price per Equity Share (₹) / "Cut-off" (Price in multiples of ₹ 1/- only) (In Figures)</th> <th rowspan="2">"Cut-off" (Please tick)</th> </tr> <tr> <th>Bid Price</th> <th>Retail Discount</th> <th>Net Price</th> </tr> <tr> <td>Option 1</td> <td><span style="border: 1px solid black; display: inline-block; width: 100px; height: 15px;"></span></td> <td><span style="border: 1px solid black; display: inline-block; width: 100px; height: 15px;"></span></td> <td><span style="border: 1px solid black; display: inline-block; width: 100px; height: 15px;"></span></td> <td><span style="border: 1px solid black; display: inline-block; width: 100px; height: 15px;"></span></td> <td><input type="checkbox"/></td> </tr> <tr> <td>(OR) Option 2</td> <td><span style="border: 1px solid black; display: inline-block; width: 100px; height: 15px;"></span></td> <td><span style="border: 1px solid black; display: inline-block; width: 100px; height: 15px;"></span></td> <td><span style="border: 1px solid black; display: inline-block; width: 100px; height: 15px;"></span></td> <td><span style="border: 1px solid black; display: inline-block; width: 100px; height: 15px;"></span></td> <td><input type="checkbox"/></td> </tr> <tr> <td>(OR) Option 3</td> <td><span style="border: 1px solid black; display: inline-block; width: 100px; height: 15px;"></span></td> <td><span style="border: 1px solid black; display: inline-block; width: 100px; height: 15px;"></span></td> <td><span style="border: 1px solid black; display: inline-block; width: 100px; height: 15px;"></span></td> <td><span style="border: 1px solid black; display: inline-block; width: 100px; height: 15px;"></span></td> <td><input type="checkbox"/></td> </tr> </table>	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)	Bid Price	Retail Discount	Net Price	Option 1	<span style="border: 1px solid black; display: inline-block; width: 100px; height: 15px;"></span>	<span style="border: 1px solid black; display: inline-block; width: 100px; height: 15px;"></span>	<span style="border: 1px solid black; display: inline-block; width: 100px; height: 15px;"></span>	<span style="border: 1px solid black; display: inline-block; width: 100px; height: 15px;"></span>	<input type="checkbox"/>	(OR) Option 2	<span style="border: 1px solid black; display: inline-block; width: 100px; height: 15px;"></span>	<span style="border: 1px solid black; display: inline-block; width: 100px; height: 15px;"></span>	<span style="border: 1px solid black; display: inline-block; width: 100px; height: 15px;"></span>	<span style="border: 1px solid black; display: inline-block; width: 100px; height: 15px;"></span>	<input type="checkbox"/>	(OR) Option 3	<span style="border: 1px solid black; display: inline-block; width: 100px; height: 15px;"></span>	<span style="border: 1px solid black; display: inline-block; width: 100px; height: 15px;"></span>	<span style="border: 1px solid black; display: inline-block; width: 100px; height: 15px;"></span>	<span style="border: 1px solid black; display: inline-block; width: 100px; height: 15px;"></span>	<input type="checkbox"/>	<input type="checkbox"/> Retail Individual Bidder <input type="checkbox"/> Non-Institutional Bidder <input type="checkbox"/> QIB
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)																					
	Bid Price	Retail Discount		Net Price																								
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<b>7. PAYMENT DETAILS</b>	<b>PAYMENT OPTION : FULL PAYMENT <input type="checkbox"/> PART PAYMENT <input type="checkbox"/></b>
Amount paid (₹ in figures) <span style="border: 1px solid black; display: inline-block; width: 100px; height: 15px;"></span> (₹ in words) _____	
ASBA Bank A/c No. <span style="border: 1px solid black; display: inline-block; width: 150px; height: 15px;"></span>	
Bank Name & Branch <span style="border: 1px solid black; display: inline-block; width: 150px; height: 15px;"></span>	

I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ AND UNDERSTOOD THE TERMS AND CONDITIONS OF THIS BID CUM APPLICATION FORM AND THE ATTACHED ABBREGED 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 CUM APPLICATION FORM GIVEN OVERLEAF.

<b>8A. SIGNATURE OF SOLE / FIRST BIDDER</b>	<b>8B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(S) (AS PER BANK RECORDS)</b>	<b>BROKER / SCSB / DP / RTA STAMP (Acknowledging upload of Bid in Stock Exchange system)</b>
	I/We authorize the SCSB to do all acts as are necessary to make the Application in the line 1) <span style="border: 1px solid black; display: inline-block; width: 150px; height: 15px;"></span> 2) <span style="border: 1px solid black; display: inline-block; width: 150px; height: 15px;"></span> 3) <span style="border: 1px solid black; display: inline-block; width: 150px; height: 15px;"></span>	
Date : <span style="border: 1px solid black; display: inline-block; width: 100px; height: 15px;"></span>		

PLEASE FILL IN BLOCK LETTERS

LOGO	<b>XYZ LIMITED</b>	<b>Initial Public Issue - R</b>	<b>Acknowledgement Slip for Broker/SCSB/DP/RTA</b> Bid cum Application Form No. <span style="border: 1px solid black; display: inline-block; width: 100px; height: 20px;"></span>
			PAN of Sole / First Bidder <span style="border: 1px solid black; display: inline-block; width: 100px; height: 20px;"></span>

DPID / CLID <span style="border: 1px solid black; display: inline-block; width: 100px; height: 15px;"></span> Amount paid (₹ in figures) <span style="border: 1px solid black; display: inline-block; width: 100px; height: 15px;"></span> Bank & Branch <span style="border: 1px solid black; display: inline-block; width: 150px; height: 15px;"></span> ASBA Bank A/c No. <span style="border: 1px solid black; display: inline-block; width: 150px; height: 15px;"></span> Received from Mr./Ms. <span style="border: 1px solid black; display: inline-block; width: 150px; height: 15px;"></span> Telephone / Mobile <span style="border: 1px solid black; display: inline-block; width: 100px; height: 15px;"></span> Email <span style="border: 1px solid black; display: inline-block; width: 100px; height: 15px;"></span>	<b>Stamp &amp; Signature of SCSB Branch</b>

<b>XYZ LIMITED - INITIAL PUBLIC ISSUE - R</b>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <th></th> <th>Option 1</th> <th>Option 2</th> <th>Option 3</th> </tr> <tr> <td>No. of Equity Shares</td> <td><span style="border: 1px solid black; display: inline-block; width: 100px; height: 15px;"></span></td> <td><span style="border: 1px solid black; display: inline-block; width: 100px; height: 15px;"></span></td> <td><span style="border: 1px solid black; display: inline-block; width: 100px; height: 15px;"></span></td> </tr> <tr> <td>Bid Price</td> <td><span style="border: 1px solid black; display: inline-block; width: 100px; height: 15px;"></span></td> <td><span style="border: 1px solid black; display: inline-block; width: 100px; height: 15px;"></span></td> <td><span style="border: 1px solid black; display: inline-block; width: 100px; height: 15px;"></span></td> </tr> <tr> <td>Amount Paid (₹)</td> <td><span style="border: 1px solid black; display: inline-block; width: 100px; height: 15px;"></span></td> <td><span style="border: 1px solid black; display: inline-block; width: 100px; height: 15px;"></span></td> <td><span style="border: 1px solid black; display: inline-block; width: 100px; height: 15px;"></span></td> </tr> <tr> <td>ASBA Bank A/c No.</td> <td colspan="3"><span style="border: 1px solid black; display: inline-block; width: 150px; height: 15px;"></span></td> </tr> <tr> <td>Bank &amp; Branch</td> <td colspan="3"><span style="border: 1px solid black; display: inline-block; width: 150px; height: 15px;"></span></td> </tr> </table>		Option 1	Option 2	Option 3	No. of Equity Shares	<span style="border: 1px solid black; display: inline-block; width: 100px; height: 15px;"></span>	<span style="border: 1px solid black; display: inline-block; width: 100px; height: 15px;"></span>	<span style="border: 1px solid black; display: inline-block; width: 100px; height: 15px;"></span>	Bid Price	<span style="border: 1px solid black; display: inline-block; width: 100px; height: 15px;"></span>	<span style="border: 1px solid black; display: inline-block; width: 100px; height: 15px;"></span>	<span style="border: 1px solid black; display: inline-block; width: 100px; height: 15px;"></span>	Amount Paid (₹)	<span style="border: 1px solid black; display: inline-block; width: 100px; height: 15px;"></span>	<span style="border: 1px solid black; display: inline-block; width: 100px; height: 15px;"></span>	<span style="border: 1px solid black; display: inline-block; width: 100px; height: 15px;"></span>	ASBA Bank A/c No.	<span style="border: 1px solid black; display: inline-block; width: 150px; height: 15px;"></span>			Bank & Branch	<span style="border: 1px solid black; display: inline-block; width: 150px; height: 15px;"></span>			<b>Stamp &amp; Signature of Broker / SCSB / DP / RTA</b> Name of Sole / First Bidder <span style="border: 1px solid black; display: inline-block; width: 150px; height: 15px;"></span> <b>Acknowledgement Slip for Bidder</b> Bid cum Application Form No. <span style="border: 1px solid black; display: inline-block; width: 100px; height: 20px;"></span>
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<b>COMMON BID CUM APPLICATION FORM</b>		<b>XYZ LIMITED - INITIAL PUBLIC ISSUE - NR</b>		<b>FOR NON-RESIDENTS, INCLUDING ELIGIBLE NRIS, FPIs OR FVCIS, ETC. APPLYING ON A REPATRIATION BASIS</b>	
Address : _____		Contact Details : _____		CIN No. _____	
TO, THE BOARD OF DIRECTORS XYZ LIMITED		BOOK BUILT ISSUE ISIN : _____		Bid cum Application Form No. _____	
LOGO					
SYNDICATE MEMBER'S STAMP & CODE		BROKER/SCSB/DP/RTA STAMP & CODE		1. NAME & CONTACT DETAILS OF SOLE / FIRST BIDDER	
				Mr. / Ms. _____	
SUB-BROKER'S / SUB-AGENT'S STAMP & CODE		BICROW BANK/SCSB BRANCH STAMP & CODE		Address _____	
				Email _____	
BANK BRANCH SERIAL NO.		SCSB SERIAL NO.		Tel. No. (with STD code) / Mobile : _____	
				2. PAN OF SOLE / FIRST BIDDER	
				_____	
3. BIDDER'S DEPOSITORY ACCOUNT DETAILS <input type="checkbox"/> NSDL <input type="checkbox"/> CDSL				4. INVESTOR STATUS	
				<input type="checkbox"/> NRI Non-Resident Indian(s) (Repatriation basis)	
				<input type="checkbox"/> FI FI or Sub-account not a Corporate/Foreign Individual	
				<input type="checkbox"/> FIISA FI Sub-account Corporate/Individual	
				<input type="checkbox"/> FVCI Foreign Venture Capital Investor	
				<input type="checkbox"/> FPI Foreign Portfolio Investors	
				<input type="checkbox"/> OTH Others (Please Specify) _____	
4. BID OPTIONS (ONLY RETAIL/INDIVIDUAL BIDDERS CAN BID AT "CUT-OFF")				5. CATEGORY	
				<input type="checkbox"/> Retail Individual Bidder	
				<input type="checkbox"/> Non-Institutional Bidder	
				<input type="checkbox"/> QIB	
7. PAYMENT DETAILS				PAYMENT OPTION : FULL PAYMENT <input type="checkbox"/> PART PAYMENT <input type="checkbox"/>	
Amount paid (₹ in figures) _____ (₹ in words) _____					
ASBA					
Bank A/c No. _____					
Bank Name & Branch _____					
<small>         I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ AND UNDERSTOOD THE TERMS AND CONDITIONS OF THIS BID CUM APPLICATION FORM AND THE ATTACHED AGREED PROSPECTUS AND THE GENERAL INFORMATION DOCUMENT FOR INVESTING IN PUBLIC ISSUES ("GID") AND HEREBY AGREE AND CONFIRM THE "BIDDERS' UNDERTAKING" AS GIVEN OVERLEAF. I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ THE INSTRUCTIONS FOR FILING OF THE BID CUM APPLICATION FORM GIVEN OVERLEAF.       </small>					
8A. SIGNATURE OF SOLE / FIRST BIDDER		8B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(S) (AS PER BANK RECORDS)		BROKER / SCSB / DP / RTA STAMP (Acknowledging upload of Bid in Stock Exchange system)	
		I/We authorize the SCSB to do all acts as are necessary to make the Application in the line 1) _____ 2) _____ 3) _____			
Date : _____					
TEAR HERE					
LOGO		XYZ LIMITED INITIAL PUBLIC ISSUE - NR		Acknowledgement Slip for Broker/SCSB/DP/RTA	
				Bid cum Application Form No. _____	
DP/ID / CLID		PAN of Sole / First Bidder			
Amount paid (₹ in figures) _____		Bank & Branch _____		Stamp & Signature of SCSB Branch	
ASBA Bank A/c No. _____					
Received from Mr./Ms. _____					
Telephone / Mobile _____		Email _____			
TEAR HERE					
XYZ LIMITED - INITIAL PUBLIC ISSUE - NR		Stamp & Signature of Broker / SCSB / DP / RTA		Name of Sole / First Bidder	
Option 1    Option 2    Option 3		Stamp & Signature of Broker / SCSB / DP / RTA		Acknowledgement Slip for Bidder	
No. of Equity Shares					
Bid Price					
Amount Paid (₹)					
ASBA Bank A/c No. _____				Bid cum Application Form No. _____	
Bank & Branch _____					

#### 4.1.1 FIELD NUMBER 1: NAME AND CONTACT DETAILS OF THE SOLE/FIRST 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 Application Form may be used by the Issuer, the Registered Broker and the Registrar to the Issue only for correspondence(s) related to an Issue and for no other purposes.

- (c) **Joint Applications:** In the case of Joint Applications, the Applications should be made in the name of the Applicant whose name appears first in the Depository account. The name so entered should be the same as it appears in the Depository records. The signature of only such first Applicant would be required in the Application Form and such first Applicant would be deemed to have signed on behalf of the joint holders. All payments may be made out in favour of the Applicant whose name appears in the Application Form or the Revision Form and 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:*

- (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.

- (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 Depository Participant.

#### 4.1.2 FIELD NUMBER 2: PAN NUMBER OF SOLE/FIRST APPLICANT

- (a) PAN (of the sole/first Applicant) provided in the Application Form should be exactly the same as the PAN of the person(s) in whose name the relevant beneficiary account is held as per the Depositories' records.
- (b) PAN is the sole identification number for participants transacting in the securities market irrespective of the amount of transaction except for Applications on behalf of the Central or State Government, Applications by officials appointed by the courts and Applications by Applicants residing in Sikkim ("PAN Exempted Applicants"). Consequently, all Applicants, other than the PAN Exempted Applicants, are required to disclose their PAN in the Application Form, irrespective of the Application Amount. An Application Form without PAN, except in case of Exempted Applicants, is liable to be rejected. Applications by the Applicants whose PAN is not available as per the Demographic Details available in their Depository records, are liable to be rejected.
- (c) The exemption for the PAN Exempted Applicants is subject to (a) the Demographic Details received from the respective Depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in "active status"; and (b) in the case of residents of Sikkim, the address as per the Demographic Details evidencing the same.
- (d) Application Forms which provide the General Index Register Number instead of PAN may be rejected.
- (e) Applications by Applicants whose demat accounts have been 'suspended or 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 “In active 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 data base, **otherwise, the Application Form is liable to be rejected.**
- (b) Applicants should ensure that the beneficiary account provided in the Application Form is active.
- (c) Applicants should note that on the basis of DP ID and Client ID as provided in the Application Form, the Applicant may be deemed to have authorized the Depositories to provide to the Registrar to the Issue, any requested Demographic Details of the Applicant as available on the records of the depositories. These Demographic Details may be used, among other things, for unblocking of ASBA Account or for other correspondence(s) related to an Issue.
- (d) Applicants are, advised to update any changes to their Demographic Details as available in the records of the Depository Participant to ensure accuracy of records. Any delay resulting from failure to update the Demographic Details would be at the Applicants’ sole risk.

#### 4.1.4 FIELD NUMBER 4: APPLICATION DETAILS

- (a) The Issuer may mention Price in the Draft Prospectus. However, a prospectus registered with RoC contains one price.
- (b) Minimum and Maximum Application Size
  - i. For Retail Individual Applicants

The Application must be for a minimum of 2,000 Equity Shares. As the Application Price payable by the Retail Individual Applicants cannot exceed Rs. 2,00,000, they can make Application for only minimum Application size i.e. for 2,000 Equity Shares.

- ii. For Other Applicants (Non-Institutional Applicants and QIBs):

The Application must be for a minimum of such number of Equity Shares such that the Application Amount exceeds Rs. 200,000 and in multiples of 2,000 Equity Shares thereafter. An Application cannot be submitted for more than the Issue Size. However, the maximum Application by a QIB investor should not exceed the investment limits prescribed for them by applicable laws. Under existing SEBI Regulations, a QIB and a NII Applicant cannot withdraw or lower its quantity or price in its application once the application is submitted and is required to pay 100% Margin upon submission of Application. In case of revision in Applications, the Non-Institutional Applicants, who are individuals, have to ensure that the Application Amount is greater than Rs. 2,00,000 for being considered for allocation in the Non-Institutional Portion. Applicants are advised to ensure that any single Application from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Draft Prospectus.

- (c) **Multiple Applications:** An Applicant should submit only one Application Form. Submission of a second Application Form to either the same or to different Designated Intermediary and duplicate copies of Application Forms bearing the same application number shall be treated as multiple applications and are liable to be rejected.
- (d) Applicants are requested to note the following procedures may be followed by the Registrar to the Issue to detect multiple applications:
  - i. All applications may be checked for common PAN as per the records of the Depository. For Applicants other than Mutual Funds and FPI sub-accounts, Applications bearing the same PAN may be treated as multiple applications by an Applicant and may be rejected.
  - ii. For applications from Mutual Funds and FPI sub-accounts, submitted under the same PAN, as well as

Applications on behalf of the PAN Exempted Applicants, the Application Forms may be checked for common DP ID and Client ID. In any such applications which have the same DP ID and Client ID, these may be treated as multiple applications and may be rejected.

- (e) The following applications may not be treated as multiple Applications:
- i. Applications by Reserved Categories in their respective reservation portion as well as that made by them in the Net Issue portion in public category.
  - ii. Separate applications by Mutual Funds in respect of more than one scheme of the Mutual Fund provided that the Applications clearly indicate the scheme for which the Application has been made.
  - iii. Applications by Mutual Funds, and sub-accounts of FPIs (or FPIs and its subaccounts) submitted with the same PAN but with different beneficiary account numbers, Client IDs and DP IDs.

#### 4.1.5 **FIELD NUMBER 5: CATEGORY OF APPLICANTS**

- i. The categories of applicants identified as per the SEBI ICDR Regulations, 2009 for the purpose of application, 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).
- ii. 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.
- iii. The SEBI ICDR Regulations, 2009 specify the allocation or allotment that may be made to various categories of applicants in an Issue depending upon compliance with the eligibility conditions. For details pertaining to allocation and Issue specific details in relation to allocation, applicant may refer to the Prospectus.

#### 4.1.6 **FIELD NUMBER 6: INVESTOR STATUS**

- (a) Each Applicant should check whether it is eligible to apply under applicable law and ensure that any prospective allotment to it in the Issue is in compliance with the investment restrictions under applicable law.
- (b) Certain categories of Applicants, such as NRIs, FIIs/FPIs and FVCIs may not be allowed to Apply in the Issue or hold Equity Shares exceeding certain limits specified under applicable law. Applicants are requested to refer to the Prospectus for more details.
- (c) Applicants should check whether they are eligible to apply on non-repatriation basis or repatriation basis and should accordingly provide the investor status. Details regarding investor status are different in the Resident Application Form and Non-Resident Application Form.
- (d) Applicants should ensure that their investor status is updated in the Depository records.

#### 4.1.7 **FIELD NUMBER 7: PAYMENT DETAILS**

4.1.8 All Applicants are required to make payment of the full Amount (net of any Discount, as applicable) along-with the Application Form. If the Discount is applicable in the Issue, the RIIs should indicate the full amount in the Application Form and the payment shall be made for Amount net of Discount. Only in cases where the Prospectus indicates that part payment may be made, such an option can be exercised by the Applicant.

- (a) Please note that, providing bank account details in the space provided in the Application Form is mandatory and Applications that do not contain such details are liable to be rejected.
- (b) In terms of SEBI Circular No. CIR/CFD/POLICYCELL/11/2015, all potential investors shall participate in the Issue only through ASBA process providing details about the bank account which will be blocked by the SCSBs for the same.

#### 4.1.8.1 Payment instructions for Applicants

- (i) Applicants may submit the Application Form either (i) in physical mode to the Designated Branch of an SCSB where the Applicants have ASBA Account, or (ii) 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 Application Form, or (iii) in physical mode to any Designated Intermediary.
- (ii) Applicants should specify the Bank Account number in the Application Form. The Application Form submitted by an Applicant and which is accompanied by cash, demand draft, money order, postal order or any mode of payment other than blocked amounts in the ASBA Account maintained with an SCSB, may not be accepted.
- (iii) 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;
- (iv) Applicants shall note that that for the purpose of blocking funds under ASBA facility clearly demarcated funds shall be available in the account.
- (v) From one ASBA Account, a maximum of five Application Forms can be submitted.
- (vi) Applicants applying directly through the SCSBs should ensure that the Application Form is submitted to a Designated Branch of a SCSB where the ASBA Account is maintained.
- (vii) Applicants applying through a Registered Broker, RTA or CDP should note that Application Forms submitted to them may not be accepted, if the SCSB where the ASBA Account, as specified in the Application Form, is maintained, has not named at least one branch at that location for the Registered Brokers, RTA or CDP, as the case may be, to deposit Application Forms.
- (viii) 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.
- (ix) 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.
- (x) 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.
- (xi) 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.
- (xii) 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.
- (xiii) SCSBs applying in the Issue must apply through an ASBA Account maintained with any other SCSB; else their Applications are liable to be rejected.

#### 4.1.8.2 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, 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 Applicant 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 Amount in the relevant ASBA Account within six Working Days of the Issue Closing Date.

#### 4.1.8.3 **Discount** (if applicable)

- (a) The Discount is stated in absolute rupee terms.
- (b) Applicants applying under RII category, Retail Individual Shareholder and employees are only eligible for discount. For Discounts offered in the Issue, Applicants may refer to this Draft Prospectus.
- (c) The Applicants entitled to the applicable Discount in the Issue may make payment for an amount i.e. the Amount less Discount (if applicable).

Applicant may note that in case the net payment (post Discount) is more than two lakh Rupees, the system automatically considers such applications for allocation under Non-Institutional Category. These applications are neither eligible for Discount nor fall under RII category.

#### 4.1.9 **FIELD NUMBER 8: SIGNATURES AND OTHER AUTHORISATIONS**

- (a) Only the First Applicant is required to sign the Application Form. Applicants should ensure that signatures are in one of the languages specified in the Eighth Schedule to the Constitution of India.
- (b) If the ASBA Account is held by a person or persons other than the ASBA Applicant, then the Signature of the ASBA Accountholder(s) is also required.
- (c) Signature has to be correctly affixed in the authorization/undertaking box in the 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 Amount mentioned in the Application Form.
- (d) Applicants must note that Application Form without signature of Applicant and /or ASBA Account holder is liable to be rejected.

#### 4.1.10 **ACKNOWLEDGEMENT AND FUTURE COMMUNICATION**

- (a) Applicants should ensure that they receive the Acknowledgement Slip duly signed and stamped by the Designated Intermediary, as applicable, for submission of the Application Form.
- (b) All communications in connection with Applications made in the Issue should be addressed as under:
  - i. In case of queries related to Allotment, non-receipt of Allotment Advice, credit of Allotted Equity Shares, unblock fund, the Applicants should contact the Registrar to the Issue.
  - ii. In case of Applications submitted to the Designated Branches of the SCSBs, the Applicants should contact the relevant Designated Branch of the SCSB.
  - iii. In case of queries relating to uploading of Applications by a Registered Broker, the Applicants should contact the relevant Registered Broker
  - iv. In case of Application submitted to the RTA, the Applicants should contact the RTA.
  - v. In case of Application submitted to the DP, the Applicants should contact the relevant DP.
  - vi. Applicant may contact our Company Secretary and Compliance Officer or LM in case of any other complaints in relation to the Issue.

- (c) The following details (as applicable) should be quoted while making any queries-
- i. Full name of the sole or First Applicant, Application Form number, Applicants' DP ID, ClientID, PAN, number of Equity Shares applied for, amount paid on application.
  - ii. Name and address of the Designated Branch, as the case may be, where the application was submitted
  - iii. ASBA Account number in which the amount equivalent to the Amount was blocked.

For further details, Applicant may refer to the Prospectus and the Application Form.

#### **4.2 INSTRUCTIONS FOR FILING THE REVISIONFORM**

- (a) During the Issue Period, any Applicant (other than QIBs and NIIs, who can only revise their application amount upwards) who has registered his or her interest in the Equity Shares for a particular number of shares is free to revise number of shares applied using revision forms available separately.
- (b) RII may revise their applications till closure of the Issue period or withdraw their applications until finalization of allotment.
- (c) Revisions can be made only in the desired number of Equity Shares by using the Revision Form.
- (d) The Applicant can make this revision any number of times during the Issue Period. However, for any revision(s) in the Application, the Applicants will have to use the services of the SCSB through which such Applicant had placed the original Application.

A sample Revision form is reproduced below:



<b>COMMON BID REVISION FORM</b>		<b>XYZ LIMITED - INITIAL PUBLIC ISSUE - R</b>		<b>FOR RESIDENT INDIANS, INCLUDING RESIDENT QIBs, AND ELIGIBLE NRIs APPLYING ON A NON-REPATRIATION BASIS</b>	
Address : ..... Contact Details: ..... CIN No. ....					
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 ..... NSDL ..... CDSL ..... <small>For NSDL, enter 8 digit DP ID followed by 8 digit Client ID / For CDSL, enter 16 digit Client ID</small>	

PLEASE CHANGE MY BID									
4. FROM (AS PER LAST BID OR REVISION)		Price per Equity Share (₹) / "Cut-off" (Price in multiples of ₹ 1/- only)							
Bid Options	No. of Equity Shares Bid (Bids must be in multiples of Bid Lot as advertised) (In Figures)	No. of Equity Shares Bid (Bids must be in multiples of Bid Lot as advertised) (In Figures)							
		8	7	6	5	4	3	2	1
Option 1									
(OR) Option 2									
(OR) Option 3									
5. TO (Revised Bid) (Only Retail Individual Bidders can Bid at "Cut-off")		Price per Equity Share (₹) / "Cut-off" (Price in multiples of ₹ 1/- only)							
Bid Options	No. of Equity Shares Bid (Bids must be in multiples of Bid Lot as advertised) (In Figures)	No. of Equity Shares Bid (Bids must be in multiples of Bid Lot as advertised) (In Figures)							
		8	7	6	5	4	3	2	1
Option 1									
(OR) Option 2									
(OR) Option 3									

6. PAYMENT DETAILS		PAYMENT OPTION : FULL PAYMENT <input type="checkbox"/> PART PAYMENT <input type="checkbox"/>	
Additional Amount Paid (₹ in figures) .....		(₹ in words) .....	
ASBA Bank A/c No. ....			
Bank Name & Branch .....			

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 ABBREXED 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.

7A. SIGNATURE OF SOLE/ FIRST BIDDER Date : .....	7B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(S) (AS PER BANK RECORDS) I/We authorize the SCSB to do all acts as are necessary to make the Application in the name: 1) ..... 2) ..... 3) .....	BROKER / SCSB / DP / RTA STAMP (Acknowledging upload of Bid in Stock Exchange system)
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LOGO	<b>XYZ LIMITED</b> BID REVISION FORM - INITIAL PUBLIC ISSUE - R	Acknowledgement Slip for Broker/SCSB/ DP/RTA	Bid cum Application Form No. ....
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DPID / CLID	Additional Amount Paid (₹) .....	Bank & Branch .....	Stamp & Signature of SCSB Branch
	ASBA Bank A/c No. ....		
	Received from Mr./Ms. ....		
	Telephone / Mobile .....	Email .....	

XYZ LIMITED - BID REVISION FORM - INITIAL PUBLIC ISSUE - R	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <th>No. of Equity Shares</th> <th>Option 1</th> <th>Option 2</th> <th>Option 3</th> </tr> <tr> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Bid Price</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Additional 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>	No. of Equity Shares	Option 1	Option 2	Option 3					Bid Price				Additional Amount Paid (₹)				ASBA Bank A/c No.				Bank & Branch				<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td>Stamp &amp; Signature of Broker / SCSB / DP / RTA</td> <td>Name of Sole / First Bidder</td> </tr> <tr> <td></td> <td></td> </tr> <tr> <td colspan="2" style="text-align: center;">Acknowledgement Slip for Bidder</td> </tr> <tr> <td>Bid cum Application Form No.</td> <td></td> </tr> </table>	Stamp & Signature of Broker / SCSB / DP / RTA	Name of Sole / First Bidder			Acknowledgement Slip for Bidder		Bid cum Application Form No.	
No. of Equity Shares	Option 1	Option 2	Option 3																															
Bid Price																																		
Additional Amount Paid (₹)																																		
ASBA Bank A/c No.																																		
Bank & Branch																																		
Stamp & Signature of Broker / SCSB / DP / RTA	Name of Sole / First Bidder																																	
Acknowledgement Slip for Bidder																																		
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 DETAIL 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: APPLICATION FORM REVISION 'FROM' AND 'TO'

- (a) Apart from mentioning the revised number of shares in the Revision Form, the Applicant must also mention the details of shares applied for given in his or her Application Form or earlier Revision Form.
- (b) In case of revision of applications by RIIs, Employees and Retail Individual Shareholders, such Applicants should ensure that the application amount should not exceed Rs. 2,00,000/-. In case

amount exceeds Rs. 2,00,000/- due to revision and the application may be considered, subject to eligibility, for allocation under the Non-Institutional Category.

#### 4.2.3 **FIELD 6: PAYMENT DETAILS**

- (a) All Applicants are required to make payment of the full application amount along with the Revision Form.
- (b) Applicant may Issue instructions to block the revised amount in the ASBA Account, to Designated Branch through whom such Applicant had placed the original application to enable the relevant SCSB to block the additional application amount, if any.

#### 4.2.4 **FIELDS 7: SIGNATURES AND ACKNOWLEDGEMENTS**

Applicants may refer to instructions contained at paragraphs 4.1.8 and 4.1.9 for this purpose.

### 4.3 **SUBMISSION OF REVISION FORM/APPLICATION FORM**

#### 4.3.1 **Applicants may submit completed application form/Revision Form in the following manner: -**

Mode of Application	Submission of Application Form
All Application	To the Designated Intermediary

## **SECTION 5: 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 Intermediaries.

Applicants may submit an Application Form either in physical form to the Designated Intermediaries or in the electronic form to the SCSB or the Designated Branches of the SCSBs authorising blocking of funds that are available in the bank account specified in the Application Form only. The Application Form is also made available on the websites of the Stock Exchange at least one day prior to the Issue Opening Date.

In a fixed price Issue, allocation in the net offer to the public category is made as follows: minimum fifty percent 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.

### **GROUND OF REJECTIONS**

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:-

- 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);
- Applications by OCBs;
- 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;
- In case of Applications under power of attorney or by limited companies, corporate, trust etc., relevant documents not being submitted along with the Application Form;
- Applications by persons prohibited from buying, selling or dealing in the shares directly or indirectly by SEBI or any other regulatory authority;
- Applications by any person outside India if not in compliance with applicable foreign and Indian laws;

- PAN not mentioned in the Application Form, except for Applications by or on behalf of the Central or State Government and officials appointed by the court and by the investors residing in the State of Sikkim, provided such claims have been verified by the Depository Participant;
- In case no corresponding record is available with the Depositories that matches the DP ID, the Client ID and the PAN;
- Applications for lower number of Equity Shares than the minimum specified for that category of investors;
- The amounts mentioned in the Application Form does not tally with the amount payable for the value of the Equity Shares Applied for;
- Applications for amounts greater than the maximum permissible amounts prescribed by the regulations;
- Submission of more than five Application Form as through a single ASBA Account;
- Applications for number of Equity Shares which are not in multiples Equity Shares which are not in multiples as specified in the Prospectus;
- Multiple Applications as defined in this GID and the Draft Prospectus/Prospectus;
- Application Forms are not delivered by the Applicants within the time prescribed as per the Application Form, Issue Opening Date advertisement and as per the instructions in the Prospectus and the Application Forms;
- Inadequate funds in the bank account to block the Application Amount specified in the Application Form at the time of blocking such Application Amount in the bank account;
- Where no confirmation is received from SCSB for blocking of funds;
- Applications by Applicants not submitted through ASBA process;
- Applications not uploaded on the terminals of the Stock Exchange; and
- Applications by SCSBs wherein a separate account in its own name held with any other SCSB is not mentioned as the ASBA Account in the Application Form.

**Applicants should note that in case the PAN, the DP ID and client ID mentioned in the application form and entered into the electronic application system of the stock exchange by the brokers do not match with PAN, the DP ID and client ID available in the depository database, the application form is liable to be rejected.**

For details of instructions in relation to the Application Form, Applicants may refer to the relevant section of the GID.

## **SECTION 6: ISSUE PROCEDURE IN BOOK BUILT ISSUE**

This being Fixed Price Issue, this section is not applicable for this Issue.

## **SECTION 7: ALLOTMENT PROCEDURE AND BASIS OF ALLOTMENT**

### **7.1 BASIS OF ALLOTMENT**

Allotment will be made in consultation with the BSE (The Designated Stock Exchange). In the event of oversubscription, the allotment will be made on a proportionate basis in marketable lots as set forth hereunder:

- (a) The total number of Shares to be allocated to each category as a whole shall be arrived at on a proportionate basis i.e. the total number of Shares applied for in that category multiplied by the inverse of the over subscription ratio (number of Applicants in the category x number of Shares applied for).
- (b) The number of Shares to be allocated to the successful Applicants will be arrived at on a proportionate basis in marketable lots (i.e. Total number of Shares applied for into the inverse of the over subscription ratio).
- (c) For applications where the proportionate allotment works out to less than 2,000 equity shares the allotment will be made as follows:
  - i. Each successful Applicant shall be allotted 2,000 equity shares; and
  - ii. The successful Applicants out of the total applicants for that category shall be determined by the withdrawal of lots in such a manner that the total number of Shares allotted in that category is equal to the number of Shares worked out as per (b) above.

- (d) If the proportionate allotment to an Applicant works out to a number that is not a multiple of 2,000 equity shares, the Applicant would be allotted Shares by rounding off to the nearest multiple of 2,000 equity shares subject to a minimum allotment of 2,000 equity shares.
- (e) If the Shares allotted on a proportionate basis to any category is more than the Shares allotted to the Applicants in that category, the balance available Shares or allocation shall be first adjusted against any category, where the allotted Shares are not sufficient for proportionate allotment to the successful Applicants in that category, the balance Shares, if any, remaining after such adjustment will be added to the category comprising Applicants applying for the minimum number of Shares. If as a result of the process of rounding off to the nearest multiple of 2,000 Equity Shares, results in the actual allotment being higher than the shares offered, the final allotment may be higher at the sole discretion of the Board of Directors, up to 110% of the size of the offer specified under the Capital Structure mentioned in the Prospectus.
- (f) The above proportionate allotment of Shares in an Issue that is oversubscribed shall be subject to the reservation for Retail Individual Applicants as described below:
  - i. As per Regulation 43 (4) of SEBI (ICDR), as the retail individual investor category is entitled to more than fifty per cent on proportionate basis, the retail individual investors shall be allocated that higher percentage.
  - ii. The balance net offer of shares to the public shall be made available for allotment to
    - individual applicants other than retails individual investors and
    - other investors, including corporate bodies/ institutions irrespective of number of shares applied for.
  - iii. The unsubscribed portion of the net offer to any one of the categories specified in a) or b) shall/may be made available for allocation to applicants in the other category, if so required. 'Retail Individual Investor' means an investor who applies for shares of value of not more than Rs. 2,00,000/-. Investors may note that in case of over subscription allotment shall be on proportionate basis and will be finalized in consultation with BSE.

The Executive Director / Managing Director of BSE - the Designated Stock Exchange in addition to Lead Manager and Registrar to the Public Issue shall be responsible to ensure that the basis of allotment is finalized in a fair and proper manner in accordance with SEBI (ICDR) Regulations.

## 7.2 DESIGNATED DATE AND ALLOTMENT OF EQUITY SHARES

- (a) **Designated Date:** 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. Applicants are advised to instruct their Depository Participant to accept the Equity Shares that may be allotted to them pursuant to the Issue. Pursuant to confirmation of such corporate actions, the Registrar will dispatch Allotment Advice to the Applicants who have been Allotted Equity Shares in the Issue.
- (c) The dispatch of Allotment Advice shall be deemed a valid, binding and irrevocable contract.
- (d) Issuer will ensure that: (i) the Allotment of Equity Shares; and (ii) credit of shares to the successful Applicants Depository Account will be completed within six Working Days of the Issue Closing Date. The Issuer also ensures the credit of shares to the successful Applicant's depository account is completed within five Working Days from the Issue Close Date.

## SECTION 8: INTEREST AND REFUNDS

### 8.1 COMPLETION OF FORMALITIES FOR LISTING & COMMENCEMENT OF TRADING

The Issuer may ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at the Stock Exchange 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 Issue Closing Date.

## **8.2 GROUNDS FOR UNBLOCKING OF FUND/REFUND**

### **8.2.1 NON-RECEIPT OF LISTING PERMISSION**

An Issuer makes an application to the Stock Exchange for permission to deal in/list and for an official quotation of the Equity Shares. The Stock Exchange from where such permission is sought is disclosed in this Draft Prospectus. The Designated Stock Exchange is disclosed in this Draft Prospectus with which the Basis of Allotment may be finalised.

If the permissions to deal in and for an official quotation of the Equity Shares are not granted by any of the Stock Exchange, the Issuer may forthwith take steps to refund, without interest, all moneys received from Applicants. If such money is not repaid within eight days after the Issuer becomes liable to repay it, then the Issuer and every director of the Issuer who is an officer in default may, on and from such expiry of eight days, be liable to repay the money, with interest at such rate, as prescribed under Section 73 of the Companies Act, and as disclosed in the Prospectus.

### **8.2.2 NON-RECEIPT OF MINIMUM SUBSCRIPTION**

This Issue is not restricted to any minimum subscription level. This Issue is 100% underwritten.

As per Section 39 of the Companies Act, 2013 read with Companies (Prospectus and Allotment of Securities) Rules, 2014, as amended, if the “amount stated in the Prospectus as minimum amount” has not been subscribed and the sum payable on application is not received within a period of 30 days from the date of the Prospectus or such other period as may be specified by the Securities and Exchange Board, the application money has to be returned within such period as may be prescribed.

If the Issuer does not receive the subscription of 100% of the Issue through this offer document including devolvement to 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 prescribed time after the Issuer becomes liable to pay the amount, the Issuer shall pay interest at the rate of 15% p.a.

### **8.2.3 MINIMUM NUMBER OF ALLOTTEES**

The Issuer may ensure that the number of prospective Allottees to whom Equity Shares may be allotted may not be less than 50 failing which the entire application monies may be refunded forthwith.

## **8.3 MODE OF UNBLOCKING OF FUND/REFUND**

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 or in the event of withdrawal or failure of the Issue.

## **8.4 INTEREST IN CASE OF DELAY IN ALLOTMENT OR REFUND**

The Issuer may pay interest at the rate of 15% per annum if demat credits are not made to Applicants or instructions for unblocking of funds in the ASBA Account are not dispatched within the 6 Working days of the Issue Closing Date.

The Issuer may pay interest at 15% per annum for any delay beyond 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
Allottee	An Applicant to whom the Equity Shares are Allotted
Allotment Advice	Note or advice or intimation of Allotment sent to the Applicants who have been allotted Equity Shares after the Basis of Allotment has been approved by the designated Stock Exchange
Application	An indication to make an offer during the Issue Period by a prospective investor pursuant to submission of Application Form, to subscribe for or purchase the Equity Shares of the Issuer at a price including all revisions and modifications thereto.
Application Form	The form in terms of which an Applicant shall make an Application and which shall be considered as the application for the Allotment pursuant to the terms of the Prospectus.
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.
Application Supported by Blocked Amount/ ASBA	The application (whether physical or electronic) by an Applicant to make an Application authorizing the relevant SCSB to block the Application Amount in the relevant ASBA Account. Pursuant to SEBI Circular dated November 10, 2015 and bearing Reference No.CIR/CFD/POLICYCELL/11/2015 which shall be applicable for all public issues opening on or after January 01, 2016, all potential investors shall participate in the Issue only through ASBA process providing details about the bank account which will be blocked by the SCSBs
ASBA Account	Account maintained with an SCSB and specified in the Application Form which will be blocked by such SCSB to the extent of the appropriate Application Amount in relation to an Application by an Applicant
Application	An indication to make an offer during the Issue Period by an Applicant, pursuant to submission of Application Form, to subscribe for or purchase our Equity Shares at the Issue Price including all revisions and modifications thereto, to the extent permissible under the SEBI (ICDR) Regulations
Application Amount	The value indicated in Application Form and payable by the Applicant upon submission of the Application, less discounts (if applicable)
Banker(s) to the Issue/	The bank which is clearing members and registered with SEBI as Banker to the Issue with whom the Public Issue Account(s) may be opened, and as disclosed in the Prospectus and Application Form of the Issuer
Basis of Allotment	The basis on which the Equity Shares may be Allotted to successful Applicants under the Issue
Issue Closing Date	The date after which the SCSBs may not accept any Application for the Issue, which may be notified in an English national daily, a Hindi national daily and a regional language news paper at the place where the registered office of the Issuer is situated, each with wide circulation Applicants may refer to the Prospectus for the Issue Closing Date
Issue Opening Date	The date on which the SCSBs may start accepting application for the Issue, which may be the date notified in an English national daily, a Hindi national daily and a regional language newspaper at the place where the registered office of the Issuer is situated, each with wide circulation. Applicants may refer to the Prospectus for the Issue Opening Date
Issue Period	The period between the Issue Opening Date and the Issue Closing Date inclusive of both days and during which prospective Applicants (can submit their application inclusive of any revisions thereof. The Issuer may consider closing the Issue Period for QIBs one working day prior to the Issue Closing Date in accordance with the SEBI (ICDR) Regulations. Applicants may refer to the Prospectus for the Issue Period
Book Building Process/ Book Building Method	The book building process as provided under SEBI (ICDR) Regulations
Lead Manager(s)/Lead Manager/ LM	The Lead Manager to the Issue as disclosed in this Draft Prospectus/ Prospectus and the Application Form of the Issuer.
Business Day	Monday to Friday (except public holidays)
CAN/Confirmation of Allotment Note	The note or advice or intimation sent to each successful Applicant indicating the Equity Shares which may be Allotted, after approval of Basis of Allotment by the Designated Stock Exchange
Client ID	Client Identification Number maintained with one of the Depositories in relation to demat

	account
Companies Act	Companies Act, 1956 (without reference to the provisions thereof that have ceased to have effect upon notification of the Notified Sections) and the Companies Act, 2013, to the extent in force pursuant to the notification of the Notified Sections, read with the rules, regulations, clarifications and modifications thereunder
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 SCSB Branches	Such branches of the SCSBs which shall collect the Application Forms, a list of which is available on the website of SEBI at <a href="http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes">http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes</a> or at such other website as may be prescribed by SEBI from time to time
Designated Date	The date on which the amounts blocked by the SCSBs are transferred from the ASBA Accounts to the Public Issue Account following which the board of directors may give delivery instructions for the transfer of the Equity Shares constituting the Issue
Designated Stock Exchange	The designated stock exchange as disclosed in this Draft Prospectus/ Prospectus of the Issuer
Discount	Discount to the Issue Price that may be provided to Applicants in accordance with the SEBI (ICDR) Regulations.
Draft Prospectus	The Draft Prospectus filed with the Designated stock exchange 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 and including, in case of a new company, persons in the permanent and full-time employment of the promoting companies excluding the promoter and immediate relatives of the promoter. For further details /Applicant may refer to the Prospectus
Equity Shares	Equity shares of the Issuer
FCNR Account	Foreign Currency Non-Resident Account
Applicant	The Applicant whose name appears first in the Application Form or Revision Form
FPI(s)	Foreign Portfolio Investor
Fixed Price Issue/ Fixed Price Process/Fixed Price Method	The Fixed Price process as provided under SEBI (ICDR) Regulations, in terms of which the Issue is being made.
FPO	Further public offering
Foreign Venture Capital Investors or FVCIs	Foreign Venture Capital Investors as defined and registered with SEBI under the SEBI (Foreign Venture Capital Investors) Regulations, 2000
IPO	Initial public offering
Issue	Public Issue of Equity Shares of the Issuer including the Offer for Sale if applicable
Issuer/ Company	The Issuer proposing the initial public offering/further public offering as applicable
Issue Price	The final price, less discount (if applicable) at which the Equity Shares may be Allotted in terms of the Prospectus. The Issue Price may be decided by the Issuer in consultation with the Lead Manager
Maximum RII Allottees	The maximum number of RIIs who can be allotted the minimum Application Lot. This is computed by dividing the total number of Equity Shares available for Allotment to RIIs by the minimum Application Lot.
MICR	Magnetic Ink Character Recognition - nine-digit code as appearing on a cheque leaf
Mutual Fund	A mutual fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996
NECS	National Electronic Clearing Service
NEFT	National Electronic Fund Transfer
NRE Account	Non-Resident External Account
NRI	NRIs from such jurisdictions outside India where it is not unlawful to make an offer or invitation under the Issue and in relation to whom the Draft Prospectus/ Prospectus constitutes an



	invitation to subscribe to or purchase the Equity Shares
NRO Account	Non-Resident Ordinary Account
Net Issue	The Issue Less Market Maker Reservation Portion
Non-Institutional Investors or NIIs	All Applicants, including sub accounts of FPIs registered with SEBI which foreign corporate or foreign individuals are, that are not QIBs or RIBs and who have applied for Equity Shares for an amount of more than Rs. 2,00,000 (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 this Draft Prospectus/ Prospectus and the Application Form
Non-Resident	A person resident outside India, as defined under FEMA and includes Eligible NRIs, FPIs registered with SEBI 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
Other Investors	Investors other than Retail Individual Investors in a Fixed Price Issue. These include individual applicants other than retail individual investors and other investors including corporate bodies or institutions irrespective of the number of specified securities applied for
PAN	Permanent Account Number allotted under the Income Tax Act, 1961
Prospectus	The Prospectus to be filed with the RoC in accordance with the provisions of Section 26 of the Companies Act, 2013
Public Issue Account	An account to be opened with the Banker to the Issue to receive monies from the ASBA Accounts on the Designated Date
QIB Category Qualified Institutional Buyers or QIBs	The portion of the Issue being such number of Equity Shares to be Allotted to QIBs on a proportionate basis As defined under SEBI (ICDR) Regulations
RTGS	Real Time Gross Settlement
Refunds through electronic transfer of funds	Refunds through ASBA
Registrar to the Issue/RTI	The Registrar to the Issue as disclosed in this Draft Prospectus/ Prospectus and Application Form
Reserved Category/ Categories	Categories of persons eligible for making application under reservation portion
Reservation Portion	The portion of the Issue reserved for category of eligible Applicants as provided under the SEBI (ICDR) Regulations
Retail Individual Investors / RIIs	Investors who applies or for a value of not more than Rs. 2,00,000 (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 for a value of not more than Rs. 2,00,000.
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 application lot, subject to availability in RII category and the remaining shares to be allotted on proportionate basis.
Revision Form	The form used by the Applicant in an issue to modify the quantity of Equity Shares in an Application Forms or any previous Revision Form(s)
RoC	The Registrar of Companies
SEBI	The Securities and Exchange Board of India constituted under the Securities and Exchange Board of India Act, 1992
SEBI (ICDR) Regulations	The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009
SME IPO	Initial public offering as chapter XB of SEBI (ICDR) Regulation
SME Issuer	The Company making the Issue under chapter XB of SEBI (ICDR) Regulation

Stock Exchange/SE	The Stock Exchange as disclosed in this Draft Prospectus/ Prospectus of the Issuer where the Equity Shares Allotted pursuant to the Issue are proposed to be listed
Self-Certified Syndicate Banks or SCSBs	Banks registered with SEBI, offering services in relation to ASBA, a list of which is available on the website of SEBI at <a href="http://www.sebi.gov.in">www.sebi.gov.in</a> and updated from time to time and at such other websites as may be prescribed by SEBI from time to time
Designated RTA Locations	Such locations of the RTAs where Applicants can submit the Application Forms to RTAs. The details of such Designated RTA Locations, along with names and contact details of the RTAs eligible to accept Application Forms are available on the respective websites of the Stock Exchange ( <a href="http://www.bseindia.com">www.bseindia.com</a> )
Designated SCSB Branches	Such branches of the SCSBs which shall collect the Application Forms, a list of which is available on the website of SEBI at <a href="http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes">http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes</a> or at such other website as may be prescribed by SEBI from time to time
Designated CDP Locations	Such locations of the CDPs where Applicants can submit the Application Forms to Collecting Depository Participants. The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept Application Forms are available on the respective websites of the Stock Exchange ( <a href="http://www.bseindia.com">www.bseindia.com</a> )
Underwriter	The Lead Manager
Underwriting Agreement	The agreement dated February 19, 2018 entered into between the Underwriter and our Company
Working Day(s)	All trading days of stock exchanges excluding Sundays and bank holidays in accordance with the circular no. SEBI/HO/CFD/DIL/CIR/P/2016/26 dated January 21, 2016 issued by SEBI.

## **RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES**

Foreign investment in Indian securities is regulated primarily 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. The Union Cabinet, as provided in the Cabinet Press Release dated May 24, 2017, has given its approval for phasing out the FIPB. Accordingly, the process for foreign direct investment (“**FDI**”) and approval from the Government of India will now be handled by the concerned ministries or departments, in consultation with the Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India (“**DIPP**”), Ministry of Finance, Department of Economic Affairs, FIPB section, through a memorandum dated June 5, 2017 has notified the specific ministries handling relevant sectors.

The Government has from time to time made policy pronouncements on FDI through press notes and press releases. The DIPP, issued the consolidated FDI Policy circular of 2017 (“**FDI Policy**”), which with effect from August 28, 2017, consolidates and supersedes all previous press notes, press releases and clarifications on FDI issued by the DIPP that were in force and effect as on August 28, 2017. The Government proposes to update the consolidated circular on FDI Policy once every year and therefore, FDI Policy will be valid until the DIPP issues an updated circular.

The transfer of shares between an Indian resident and a non-resident does not require the prior approval of the FIPB or the RBI, provided that (i) the activities of the investee company are under the automatic route under the foreign direct investment (“**FDI**”) Policy and transfer does not attract the provisions of the Takeover Regulations; (ii) the non-resident shareholding is within the sectoral limits under the FDI policy; and (iii) the pricing is in accordance with the guidelines prescribed by SEBI and RBI.

As per the existing policy of the Government of India, OCBs cannot participate in the Issue.

**The Equity Shares have not been and will not be registered under the U.S. Securities Act, or any state securities laws in the United States, and, unless so registered, may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws in the United States.**

**Accordingly, the Equity Shares are being offered and sold outside the United States in offshore transactions in compliance with Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those offers, and sales occur.**

**The above information is given for the benefit of the Applicants. Our Company and the Lead Managers are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Prospectus. Applicants are advised to make their independent investigations and ensure that the number of Equity Shares Applied for do not exceed the applicable limits under laws or regulations.**

## SECTION IX – MAIN PROVISIONS OF THE ARTICLES OF ASSOCIATION

### THE COMPANIES ACT, 2013 (COMPANY LIMITED BY SHARES)

#### ARTICLES OF ASSOCIATION OF ORISSA BENGAL CARRIER LTD

1. Table F not to apply      The regulations contained in Table F, in the first Schedule, to the Companies Act, 2013 shall not apply to this Company, but the regulations for the management of the Company and for the observance of the members thereof and their representatives shall, subject to any exercise of the statutory powers of the Company in reference to the repeal or alternation of, or addition to, its regulations by Special Resolution, as prescribed by the said Companies Act, 2013 be such as are contained in these Articles.
  
2. Interpretation      In the interpretation of these Articles, the following words and expressions shall have the following meanings assigned there under, unless repugnant to the subject matter or content thereof.
  - (a) “The Act” or “the said Act”  
“The Act” means the Companies Act, 2013 or any statutory modification or re-enactment thereof for the time being in force.
  - (b) “These Articles”  
“These Articles” means Articles of Association for the time being of the Company or the Articles of Association as altered from time to time by special resolution.
  - (c) “Beneficial Owner”  
“Beneficial Owner” shall have the meaning assigned thereto in clause (a) of sub-section (1) of Section 2 of the Depositories Act, 1996.
  - (d) “The Company” or “this Company”  
“The Company” or “this Company” means **ORISSA BENGAL CARRIER LTD**
  - (e) “The Directors”  
“The Directors” means the Directors for the time being of the Company or as the case may be, the Directors assembled at a Board.
  - (f) “Depository”  
“Depository” shall have the meaning assigned thereto by Section 2 (1)(e) of the Depositories Act, 1996.
  - (g) “Depositories Act 1996”  
“Depositories Act 1996” includes any statutory modification or re- enactment thereof.
  - (h) “The Board” or the “Board of Directors”  
“The Board,” or the “Board of Directors” means a meeting of the Directors duly called and constituted or as the case may be the Directors assembled at a Board, or the requisite number of Directors entitled to pass a circular resolution in accordance with the Act.

- (i) “The Chairman”  
“The Chairman” means the Chairman of the Board of Directors for the time being of the Company.
- (j) “The Managing Director”  
“The Managing Director” includes one or more persons appointed as such or any of such persons or Directors for the time being of the Company who may for the time being be the Managing Director of the Company.
- (k) “The Office”  
“The Office” means the Registered Office for the time being of the Company.
- (l) “Capital”  
“Capital” means the share capital for the time being raised or authorised to be raised, for the purpose of the Company.
- (m) “The Registrar”  
“The Registrar” means the Registrar of Companies of the State in which the office of the Company is for the time being situated.
- (n) “Dividend”  
“Dividend” includes Bonus.
- (o) “Month”  
“Month” means the calendar month.
- (p) “Seal”  
“Seal” means the Common Seal for the time being of the Company.
- (q) “In Writing and Written”  
“In Writing and Written” include printing, lithography and other modes of representing or reproducing words in a visible form.
- (r) “Plural Number”  
Words importing the singular number also include the plural number and vice versa.
- (s) “Persons”  
“Persons” include corporations and firms as well as individuals.
- (t) “Gender”  
Words importing the masculine gender also include the feminine gender.
- (u) “Securities & Exchange Board of India”  
“Securities & Exchange Board of India” or SEBI means the Securities & Exchange Board of India established under Section 3 of the Securities & Exchange Board of India Act, 1992.
- (v) “Year and Financial Year”  
“Year” means the Calendar year and “Financial Year” shall have the meaning assigned thereto by Section 2(41) of the Act.

Expression in the Act to bear same meaning in the Articles:

Save as aforesaid, any words or expressions defined in the Act shall, except where the subject or context forbids, bear the same meaning in these Articles.

Marginal Notes

The marginal notes hereto shall not affect the construction of these Articles.

### **COPIES OF MEMORANDUM AND ARTICLES TO BE FURNISHED BY THE COMPANY**

3. Pursuant to Section 17 of the Act, Company shall, on being so required by a member, send to him within 7 (seven) days of the requirement and subject to the payment of a fee of Rs. 100/- or such other fee as may be specified in the Rules, a copy of each of the following documents, as in force for the time being:
  - (i) The Memorandum;
  - (ii) The Articles, if any;
  - (iii) Every other agreement and every resolution referred to in Section 117(1), of the Act, if and in so far as they have not been embodied in the Memorandum or Articles.

### **CAPITAL AND SHARES**

4. The Authorized Share Capital of the Company is as per clause V of the Memorandum of Association of the Company with all rights to the company to alter the same in any way it thinks fit.
5. The Board may, from time to time, with the sanction of the Company in a general meeting, increase the share capital by such sum to be divided into shares of such amounts as the resolution shall prescribe.
6. The shares capital shall be distinguished by its appropriate number provided that nothing in this clause shall apply to the shares held with a depository.

### **SHARES AT THE DISPOSAL OF THE DIRECTORS**

7. Subject to the provisions of Section 62 of the Act and these Articles, the shares capital of Company for the time being shall be under the control of the Directors who may issue, allot or otherwise dispose of the same or any of them to such persons, in proportion and on such terms and conditions and either at a premium or at par or (subject to the compliance with the provision of section 53 of the Act) at a discount and at such time as they may from time to time think fit and with the sanction of the Company in the General Meeting to give to any person or persons the option or right to call for any shares either at par or premium during such time and for such consideration as the Directors think fit, and may issue and allot shares in the capital of the Company on payment in full or part of any property sold and transferred or for any services rendered to the Company in the conduct of its business and any shares which may so be allotted may be issued as fully paid up shares and if so issued, shall be deemed to be fully paid shares. Provided that option or right to call of shares shall not be given to any person or persons without the sanction of the Company in General Meeting.

### **FURTHER ISSUE OF SHARES**

8. (1) Where at any time the company proposes to increase its subscribed capital by the issue of further shares, such shares shall be offered -
  - (a) to persons who at the date of the offer are holders of equity shares of the company in proportion, as nearly as circumstances admit to the paid-up share capital on those shares by sending a letter of offer subject to the following conditions, namely:-
    - (i) the offer shall be made by notice specifying the number of shares offered and limiting a time not being less than fifteen days and not exceeding thirty days from the date of the offer within which the offer, if not accepted, shall be deemed to have been declined;

- (ii) unless the articles of the company otherwise provide, the offer aforesaid shall be deemed to include a right exercisable by the person concerned to renounce the shares offered to him or any of them in favour of any other person; and the notice referred to in clause (i) shall contain a statement of this right;
  - (iii) after the expiry of the time specified in the notice aforesaid, or on receipt of earlier intimation from the person to whom such notice is given that he declines to accept the shares offered, the Board of Directors may dispose them of in such manner which is not disadvantageous to the shareholders and the company;
- (b) to employees under a scheme of employees' stock option, subject to special resolution passed by company and subject to such conditions as may be determined by Central Government; or
  - (c) to any persons, if it is authorized by a special resolution, whether or not those persons include the persons referred to in clause (a) or clause (b), either for cash or for a consideration other than cash, if the price of such shares is determined by the valuation report of a registered valuer subject to such conditions as may be determined by central government.
- (2) The notice referred to in sub-clause (i) of clause (1) (a) shall be dispatched through registered post or speed post or through electronic mode to all the existing shareholders at least three days before the opening of the issue.
  - (3) Nothing in this section shall apply to the increase of the subscribed capital of a company caused by the exercise of an option as a term attached to the debentures issued or loan raised by the company to convert such debentures or loans into shares in the company.  
The terms of issue of such debentures or loan containing such an option have been approved before the issue of such debentures or the raising of loan by a special resolution passed by the company in general meeting.

### **POWER TO OFFER SHARES/OPTIONS TO ACQUIRE SHARES**

- 9. (i) Without prejudice to the generality of the powers of the Board under any other Article of these Articles of Association, the Board or any Committee thereof duly constituted may, subject to the applicable provisions of the Act, rules notified there under and any other applicable laws, rules and regulations, at any point of time, offer existing or further Shares (consequent to increase of share capital) of the Company, or options to acquire such Shares (consequent to increase of share capital) of the Company, or options to acquire such Shares at any point of time, whether such options are granted by way of warrants or in any other manner (subject to such consents and permissions as may be required) to its employees, including Directors (whether whole-time or not), whether at par, at discount, in case of shares issued as sweat equity shares as per section 54 of the Act or at a premium, for cash or for consideration other than cash, or any combination thereof as may be permitted by law for the time being in force.
- (ii) In addition to the powers of the Board under Article 9(i), the Board may also allot the Shares referred to in Article 9(i) to any trust, whose principal objects would inter alia include further transferring such Shares to the Company's employees including by way of options, as referred to in Article 9(i) in accordance with the directions of the Board or any Committee thereof duly constituted for this purpose. The Board may make such provision of moneys for the purposes of such trust, as it deems fit.

The Board, or any Committee thereof duly authorized for this purpose, may do all such acts, deeds, things, etc. as may be necessary or expedient for the purposes of achieving the objectives set out in Articles 9(i) and (ii) above.



### **REDEEMABLE PREFERENCE SHARES**

10. Subject to the provisions of Section 55 of the Act, the Company shall have the power to issue preference shares which are or at the option of the Company, are liable to be redeemed and the resolution authorizing such issues shall prescribe the manners, terms and conditions of redemption.

## **PROVISIONS APPLICABLE IN CASE OF REDEEMABLE SHARES**

11. On the issue of redeemable preference shares under the provisions of Article 10 hereof, the following provisions shall take effect.
- (a) No such shares shall be redeemed except out of the profits of the company which would otherwise be available for dividend or out of the proceeds of a fresh issue of shares made for the purposes of such redemption;
  - (b) No such shares shall be redeemed unless they are fully paid;
  - (c) where such shares are proposed to be redeemed out of the profits of the company, there shall, out of such profits, be transferred, a sum equal to the nominal amount of the shares to be redeemed, to a reserve, to be called the Capital Redemption Reserve Account and the provisions of this Act relating to reduction of share capital of a company shall apply as if the Capital Redemption Reserve Account were paid-up share capital of the company.

## **NEW CAPITAL SAME AS ORIGINAL CAPITAL**

12. Except so far as otherwise provided by the conditions of issue or by these Articles any capital raised by the creation of new shares shall be considered part of the initial capital and shall be subject to the provisions herein contained with reference to the payment of calls and installments; transfer and transmission, forfeiture, lien, surrender, voting and otherwise.

## **RESTRICTIONS ON PURCHASE BY COMPANY OR GIVING OF LOANS BY IT FOR PURCHASE OF ITS SHARES**

13. (1) The company shall not have power to buy its own shares unless the consequent reduction of share capital is effected in accordance with provisions of the Companies Act, 2013 or other applicable provisions (if any) of the Act as applicable at the time of application.

This Article is not to delegate any power which the Company would have if it were omitted.

(2) The company shall not give, whether directly or indirectly and whether by means of a loan, guarantee the provision of security or otherwise, any financial assistance for the purpose of, or in connection with, a purchase or subscription made or to be made, by any person of or for any shares in the company or in its holding company.

- (3) Nothing in sub-clause (2) shall apply to –
- (a) the company in accordance with any scheme approved by company through special resolution and in accordance with such requirements as may be determined by Central Government, for the purchase of, or subscription for, fully paid up shares in the company or its holding company, if the purchase of, or the subscription for, the shares held by trustees for the benefit of the employees or such shares held by the employee of the company;
  - (b) the giving of loans by a company to persons in the employment of the company other than its directors or key managerial personnel, for an amount not exceeding their salary or wages for a period of six months with a view to enabling them to purchase or subscribe for fully paid-up shares in the company or its holding company to be held by them by way of beneficial ownership:

Provided that disclosures in respect of voting rights not exercised directly by the employees in respect of shares to which the scheme relates shall be made in the Board's report in such manner as may be determined by Central Government.

## **REDUCTION OF CAPITAL**

14. The Company may, subject to the provisions of the Companies Act, 2013 or other applicable provisions (if any) of the Act, as applicable at the time of application from time to time by special resolution, reduce its capital and any capital redemption reserve account or any share premium account in any manner for the time being authorized by law and in particular, capital may be paid off on the footing that it may be called up again or otherwise.

## **CONSOLIDATION AND DIVISION OF CAPITAL**

15. The Company may in general meeting alter the conditions of its Memorandum of Association as follows:
- (a) Consolidate and divide all or any of its share capital into shares of a larger amount than its existing shares but no consolidation and division which results in changes in the voting percentage of shareholders shall take effect unless it is approved by the Tribunal on an application made in the prescribed manner;
  - (b) Sub-divide its shares, or any of them, into shares of smaller amount than is fixed by the memorandum, so, however, that in the sub-division the proportion between the amount paid and the amount, if any, unpaid on each reduced share shall be the same as it was in the case of the share from which the reduced share is derived;
  - (c) Cancel shares which at the date of the passing of the resolution in that behalf, have not been taken or agreed to be taken by any person, and diminish the amount of its share capital by the amount of the shares so cancelled. The cancellation of shares in pursuance of this sub-clause, shall not be deemed to be reduction of share capital within the meaning of the Act.

## **SALE OF FRACTIONAL SHARES**

16. If and whenever as a result of issue of new shares of any consolidation or sub-division of shares any share become held by members in fractions, the Board shall, subject to the provisions of the Act and the Articles and to the directions of the Company in General Meeting, if any, sell those shares which members hold in fractions for the best price reasonably obtainable and shall pay and distribute to and amongst the members entitled to such shares in due proportions the net proceeds of the sale thereof. For the purpose of giving effect to any such sale, the Board may authorise any person to transfer the shares and 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 with reference to the sale.

## **MODIFICATION OF RIGHTS**

17. Whenever the capital, by reason of the issue of Preference Shares or otherwise, is divided into classes of shares all or any of the rights and privileges attached to each class may subject to the provisions of the Companies Act, 2013 be modified, commuted, affected or abrogated, or dealt with by Agreement between the Company and any person purporting to contract on behalf of that class, provided such agreement is ratified in writing by holders of at least three-fourths in nominal value of the issued shares of the class or is confirmed by a Special Resolution passed at a separate general meeting of the holders of shares of the class

## **ISSUE OF FURTHER SHARES ON PARI PASSU BASIS**

18. The rights conferred upon the holders of shares of any class issued with preferred or other rights, not unless otherwise expressly provided by the terms of the issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking *pari passu* therewith.

## **NO ISSUE WITH DISPROPORTIONATE RIGHTS**

19. The Company shall not issue any shares (not being preference shares) which carry voting right or rights in the Company as to dividend, capital or otherwise which are disproportionate to the rights attached to the holders of other shares (not being preference shares).

## **POWER OF COMPANY TO DEMATERIALIZE AND REMATERIALIZE**

- (a) “Notwithstanding anything contained in these Articles, the Company shall be entitled to dematerialize its existing shares, debentures and other securities and rematerialize its such shares, debentures and other securities held by it with the Depository and/ or offer its fresh shares and debentures and other securities in a dematerialized form pursuant to the Depositories Act, 1996 and the Rules framed there under if any”

## **DEMATERIALIZATION OF SECURITIES**

- (b) Either on the Company or on the investor exercising an option to hold his securities with a depository in a dematerialized form, the Company shall enter into an agreement with the depository to enable the investor to dematerialize the Securities, in which event the rights and obligations of the parties concerned shall be governed by the Depositories Act.

## **INTIMATION TO DEPOSITORY**

- (c) “Notwithstanding anything contained in this Article, where securities are dealt with in a Depository, the Company shall intimate the details of allotment of securities to Depository immediately on allotment of such Securities”

## **OPTION FOR INVESTORS**

- (d) “Every person subscribing to or holding securities of the Company shall have the option to receive security certificates or to hold the securities with a Depository. A beneficial owner of any security can at any time opt out of a Depository, if permitted by law, in the manner provided by the Depositories Act, 1996 and the Company shall, in the manner and within the time prescribed, issue to the beneficial owner the required certificates of securities.”

## **THE COMPANY TO RECOGNIZE UNDER DEPOSITORIES ACT, INTEREST IN THE SECURITIES OTHER THAN THAT OF REGISTERED HOLDER**

- (e) “The Company or the investor may exercise an option to issue, deal in, hold the securities (including shares) with Depository in electronic form and the certificates in respect thereof shall be, dematerialized in which event the rights and obligations of the parties concerned and matters connected therewith or incidental thereto shall be governed by the provisions of the Depositories Act, 1996.”

## **SECURITIES IN DEPOSITORIES AND BENEFICIAL OWNERS**

- (f) “All Securities held by a Depository shall be dematerialized and be in fungible form. Nothing contained in Sections 89 of the Act shall apply to a Depository in respect of the securities held by it on behalf of the beneficial owners.”

## **RIGHTS OF DEPOSITORIES AND BENEFICIAL OWNERS**

- (g) (i) Notwithstanding anything to the contrary contained in the Act or these Articles, a depository shall be deemed to be the registered owner for the purpose of effecting transfer of ownership of security on behalf of the beneficial owner.

- (ii) Save as otherwise provided in (a) above, the depository as the registered owner of the securities shall not have any voting rights or any other rights in respect of the securities held by it.
- (iii) 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 the rights and benefits and be subject to all the liabilities in respect of the securities which are held by a depository.

### **DEPOSITORY TO FURNISH INFORMATION**

- (h) Every Depository shall furnish to the Company information about the transfer of Securities in the name of the Beneficial Owner at such intervals and in such manner as may be specified by the bye-laws and the Company in that behalf.

### **SHARES AND CERTIFICATES**

#### **REGISTER AND INDEX OF MEMBERS**

- 20. The Company shall cause to be kept at its Registered Office or at such other place as may be decided, Register and Index of Members in accordance with Sections 88 and other applicable provisions of the Act and the Depositories Act, 1996 with details of shares held in physical and dematerialized forms in any media as may be permitted by law including in any form of electronic media.

The Register and Index of beneficial owners maintained by a Depository under Section 11 of the Depositories Act, 1996 shall also be deemed to be the Register and Index of Members for the purpose of this Act. The Company shall have the power to keep in any state or country outside India, a Register of Members for the residents in that state or country.

#### **SHARES TO BE NUMBERED PROGRESSIVELY**

- 21. The shares in the capital shall be numbered progressively according to their several denominations and except in the manner herein before mentioned, no share shall be sub-divided.

#### **DIRECTORS MAY ALLOT SHARES FULLY PAID-UP**

- 22. Subject to the provisions of the Act and of these Articles, the Board may allot and issue shares in the capital of the Company as payment or part payment for any property sold or transferred, goods or machinery supplied or for services rendered to the company either in or about the formation or promotion of the Company or the conduct of its business and any shares which may be so allotted may be issued as fully paid-up shares and if so issued shall be deemed to be fully paid up shares.

#### **APPLICATION OF PREMIUM RECEIVED ON SHARES**

- 23. (1) Where a company issues shares at a premium, whether for cash or otherwise, a sum equal to the aggregate amount of the premium received on those shares shall be transferred to a "securities premium account" and the provisions of this Act relating to reduction of share capital of a company shall, except as provided in this article, apply as if the securities premium account were the paid-up share capital of the company.
- (2) Notwithstanding anything contained in clause (1), the securities premium account may be applied by the company -
  - (a) towards the issue of unissued shares of the company to the members of the company as fully paid bonus shares;

- (b) in writing off the preliminary expenses of the company;
- (c) in writing off the expenses of, or the commission paid or discount allowed on, any issue of shares or debentures of the company;
- (d) in providing for the premium payable on the redemption of any redeemable preference shares or of any debentures of the company; or
- (e) for the purchase of its own shares or other securities under section 68.

### **ACCEPTANCE OF SHARES**

24. Subject to the provisions of these Articles, any application signed by or on behalf of an applicant for shares in the Company followed by an allotment of any shares therein, shall be an acceptance of shares within the meaning of these articles and every person who thus or otherwise accept any shares and whose name is on the Register of Members shall, for the purposes of these Articles, be a member, provided that no share shall be applied for or allotted to a minor, insolvent or person of unsound mind.

### **LIABILITY OF MEMBERS**

25. Every member or his heir, executors or administrators shall pay to the Company the proportion of the capital represented by his share or shares which may, for the time being remain unpaid thereon in such amounts, at such time or times and in such manner as the Board of Directors shall, from time to time, in accordance with the Company's regulations require or fix for the payment thereof.

### **LIMITATION OF TIME FOR ISSUE OF CERTIFICATE**

26. The Company shall, unless the conditions of issue otherwise provide, within three months after the allotment of any of its shares or debentures and within one month after the application for the transfer of any such shares or debentures, complete and have ready for delivery the certificates of all shares and debentures allotted or transferred.

Every member shall be entitled, without payment, to one or more certificates in marketable lots, for all the shares of each class or denomination registered in his name, or if the Directors so approve (upon paying such fee as the Directors may from to time determine) to several certificates, each for one or more of such shares and the Company shall complete and have ready for delivery such certificates within three months from the date of allotment, unless the conditions of issue thereof otherwise provide, or within one month of the receipt of application of registration of transfer, transmission, sub-division, consolidation or renewal of any of its shares as the case may be. Every certificate of shares shall be under the seal of the Company and shall specify the number and distinctive numbers of shares in respect of which it is issued and amount paid up thereon and shall be in such form as the directors may prescribe or approve, provided that in respect of a share or shares held jointly by several persons, the Company shall not be bound to issue more than one certificate and delivery of a certificate to all such holder.

### **ISSUE OF NEW CERTIFICATE IN PLACE OF DEFACED, LOST OR DESTROYED**

27. If any certificate be worn out, defaced mutilated or torn or if there be no further space on the back thereof for endorsement of transfer, then upon production and surrender thereof to the Company, a new certificate may be issued in lieu thereof, and if any certificate lost or destroyed then upon proof thereof to the satisfaction of the Company and on execution of such indemnity as the Company deem adequate, being given, an a new certificate in lieu thereof shall be given to the party entitled to such lost or destroyed certificate. Every Certificates under the Article shall be issued without payment of fees if the Directors so decide, or on payment of such fees (not exceeding Rs.20/- for each certificate) as the Directors shall prescribe. Provided that no fees shall be charged for issue of new certificates in replacement of those which are old, defaced or worn out or where there is no further space on the back thereof for endorsement of transfer.

Provided that notwithstanding what is stated above the Directors shall comply with such Rules or Regulation or requirements of any Stock Exchange or the Rules made under the Act or the rules made under Securities Contracts (Regulation) Act, 1956 or any other Act, or rules applicable in this behalf.

The provisions of this Article shall mutatis mutandis apply to debentures of the Company.

#### **RIGHT TO OBTAIN COPIES OF AND INSPECT TRUST DEED**

28. (i) A copy of any Trust Deed for securing any issue of debentures shall be forwarded to the holders of any such debentures or any member of the Company at his request and within seven days of the making thereof on payment not exceeding Rs.10/- (Rupees Ten) per page.
- (ii) The Trust Deed referred to in item (i) above also be open to inspection by any member or debenture holder of the Company in the same manner, to the same extent, and on payment of these same fees, as if it were the Register of members of the Company.

#### **JOINT ALLOTTEES OF HOLDERS**

29. Any two or more joint allottees or holders of shares shall, for the purpose of Articles, be treated as a single member and the certificate for any share, which may be the subject of joint ownership, may be delivered to any one of such joint owners on behalf of all of them.

#### **COMPANY NOT BOUND TO RECOGNISE ANY INTEREST IN SHARE OTHER THAN THAT OF REGISTERED HOLDER**

30. (i) The Company shall not be bound to recognize any equitable, contingent, future or partial interest in any share or (except only as is by these presents, otherwise expressly provided) any right in respect of a share other than an absolute right there to, in accordance with these presents in the person from time to time registered as the holder thereof, but the Board shall be at liberty at its sole discretion to register any share in the joint names of two or more persons or survivors of them.
- (ii) Save as herein otherwise provided, the Company shall be entitled to treat the person whose name appears on the Register of Members as the holder of any share as the absolute owner thereof and accordingly shall not (except as ordered by a court of competent jurisdiction or as by Law required) be bound to recognize any benami trust or equitable, contingent, future, partial or other claim or claims or right to or interest in such share on the part of any other person whether or not it shall have express or implied notice thereof.

#### **WHO MAY HOLD SHARES**

31. Shares may be registered in the name of an incorporated Company or other body corporate but not in the name of a minor or in the name of a person of unsound mind.
32. The Directors shall have the power to offer, issue and allot Equity Shares in or Debentures (whether fully/partly convertible or not into Equity Shares) of the Company with or without Equity Warrants to such of the Officers, Employees, Workers of the Company or of its Subsidiary and / or Associate Companies or Managing and Whole Time Directors of the Company (hereinafter in this Article collectively referred to as "the Employees") as may be selected by them or by the trustees of such trust as may be set up for the benefit of the Employees in accordance with the terms and conditions of the Scheme, trust plan or proposal that may be formulated, created, instituted or set up by the Board of Directors or the Committee thereof in that behalf on such terms and conditions as the Board may in its discretion deem fit.

#### **SWEAT EQUITY**



33. Subject to the provisions of the Act (including any statutory modification or re-enactment thereof, for the time being in force), shares of the Company may be issued at a discount or for consideration other than cash to Directors or employees who provide know-how to the Company or create an intellectual property right or other value addition.

#### **DECLARATIONSIN RESPECT OF BENEFICIAL INTEREST IN ANY SHARES**

34. (1) In pursuance of Section 89 of the Act, where the name of a person is entered in the register of members of a company as the holder of shares in that company but who does not hold the beneficial interest in such shares, such person shall make a declaration (within such time and in such form as may be determined by Central Govt.) to the company specifying the name and other particulars of the person who holds the beneficial interest in such shares.
- (2) Every person who holds or acquires a beneficial interest in share of the company shall make a declaration to the company specifying the nature of his interest, particulars of the person in whose name the shares stand registered in the books of the company and such other particulars (as may be determined by Central Govt.)
- (3) Where any change occurs in the beneficial interest in such shares, the person referred to in clause (1) and the beneficial owner specified in clause (2) shall, within a period of thirty days from the date of such change, make a declaration to the company in such form and containing such particulars (as may be determined by Central Govt.)
- (4) The Company has be bound to follows the rules as may be made by the Central Government to provide for the manner of holding and disclosing beneficial interest and beneficial ownership under this section.
- (5) Where any declaration under this article is made to a company, the company shall make a note of such declaration in the register concerned and shall file, within thirty days from the date of receipt of declaration by it, a return in the prescribed form with the Registrar in respect of such declaration with such fees or additional fees as may be determined by Central Government, within the time specified under section 403.
- (6) No right in relation to any share in respect of which a declaration is required to be made under this article but not made by the beneficial owner, shall be enforceable by him or by any person claiming through him.
- (7) Nothing in this article shall be deemed to prejudice the obligation of a company to pay dividend to its members under this Act and the said obligation shall, on such payment,stand discharged.

#### **FUNDS OF COMPANY NOT TO BE APPLIED IN PURCHASE OF SHARES OF THE COMPANY**

35. No funds of the Company shall except as provided by Section 67 of the Act, be employed in the purchase of its own shares, unless the consequent reduction of capital is effected and sanction in pursuance of provisions of the Companies Act, 2013 as may be applicable at the time of application and these Articles or in giving either directly or indirectly and whether by means of a loan, guarantee, the provision of security or otherwise, any financial assistance for the purpose of or in connection with a purchase or subscription made or to be made by any person of or for any Share in the Company in its holding Company.

#### **ISSUE OF SHARES WITHOUT VOTING RIGHTS**

36. In the event it is permitted by law to issue shares without voting rights attached to them, the Directors may issue such share upon such terms and conditions and with such rights and privileges annexed thereto as thought fit and as may be permitted by law.

#### **SECTION 45 OF ACT NOT TO APPLY**

37. Notwithstanding anything to the contrary contained in the Articles,

- (i) Section 45 of the Act shall not apply to the Shares held with a Depository;

#### **TRUST RECOGNIZED**

38. Except as ordered, by a Court of competent jurisdiction or as by law required, the Company shall not be bound to recognize, even when having notice thereof, any equitable, contingent, future or partial interest in any Share, or (except only as is by these Articles otherwise expressly provided) any right in respect of a Share other than an absolute right thereto, in accordance with these Articles, in the person from time to time registered as holder thereof but the Board shall be at liberty at their sole discretion to register any Share in the joint names of any two or more persons (but not exceeding 4 persons) or the survivor or survivors of them.

Shares may be registered in the name of an incorporated Company or other body corporate but not in the name of a minor or of a person of unsound mind (except in case where they are fully paid) or in the name of any firm or partnership.

#### **REGISTRATION OF CHARGES**

39. The provisions of the Act relating to registration of charges shall be complied with.

In case of a charge created out of India and comprising solely property situated outside India, the provisions of Section 77 of the Act shall also be complied with.

Where a charge is created in India but comprised property outside India, the instrument, creating or purporting to create the charge under Section 77 of the Act or a copy thereof verified in the prescribed manner, may be filed for registration, notwithstanding that further proceedings may be necessary to make the charge valid or effectual according to the law of the country in which the property is situated, as provided by Section 77 of the Act.

Where any charge on any property of the Company required to be registered to be registered under Section 77 of the Act has been so registered, any person acquiring such property or any part thereof or any share or interest therein shall be deemed to have notice of the charge as from the date of such registration.

Any creditors or member of the Company and any other person shall have the right to inspect copies of instruments creating charges and the Company's Register of Charges in accordance with and subject to the provisions of Section 85 of the Act.

#### **UNDERWRITING AND BROKERAGE COMMISSION MAY BE PAID**

40. The Company may, subject to the provisions of Section 40 and other applicable provisions, if any, of the Act any time pay a commission to any person in consideration of his subscribing or agreeing to subscribe (whether absolutely or conditionally) for any shares in or debentures of the Company. The commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or debentures, or partly in the one way and partly in the other subject to maximum of 5% of the share price or 2.5% in case of debenture, of the issued share or debenture price, as the case may be.

#### **BROKERAGE MAY BE PAID**

41. The Company may pay a reasonable sum for brokerage on any issue of shares and debentures.

## **CALLS ON SHARES**

### **DIRECTORS MAY MAKE CALLS**

42. The Board of Directors may from time to time by a resolution passed at meeting of the Board (and not by circular resolution) make such call as it may think fit upon the members in respect of all moneys unpaid on the shares held by them respectively (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 a fixed time and each member shall pay the amount of every call so made on him to the persons and at the times and place appointed by the Board of Directors. A call may be made payable by installments.

### **CALLS ON SHARES OF THE SAME CLASS TO BE MADE ON UNIFORM BASIS**

43. Where any calls for further share capital are made on shares, such calls shall be made on a uniform basis on all shares falling under the same class. For the purpose of this Article shares of the same nominal value on which different amounts have been paid up shall not be deemed to fall under the same class.

### **NOTICE OF CALLS**

44. One month notice at least of every call payable otherwise than on allotment shall be given by the Company specifying the time and place of payment and to whom such call shall be paid.

### **CALLS TO DATE FROM RESOLUTION**

45. A call shall be deemed to have been made at the time when the resolution of the Board authorizing such call was passed at a meeting of the Board of Directors and may be made payable by the members on the Register of Members on a subsequent date to be fixed by the Board.

### **DIRECTORS MAY EXTEND TIME**

46. The Board of Directors may, from time to time, at its discretion, extend the time fixed for the payment of any call and may extend such times as to all or any of the members, who from residence at a distance or other cause, the Board of Directors may deem fairly entitled to such extension save as a matter of grace and favour.

### **CALL TO CARRY INTEREST AFTER DUE DATE**

47. If any member fails to pay a call due from him on the day appointed for payment thereof or any such extension thereof as aforesaid, he shall be liable to pay interest on the same from the day appointed for the payment thereof to the time of actual payment at such rate as shall from time to time be fixed by the Board of Directors, but nothing in this Article shall render it compulsory upon the Board of Directors to demand or recover any interest from any such member.

### **PROOF ON TRIAL IN SUIT FOR MONEY DUE ON SHARES**

48. Subject to the provisions of the Act and these Articles, on the trial or hearing of any action or suit brought by the Company against any member or his representatives for the recovery of any debt or money claimed to be due to the Company in respect of his shares, it shall be sufficient to prove that the name of the member in respect of whose shares the money is sought to be recovered, appears, entered on the register of members as

the holder at or subsequent to the date at which the money sought to be recovered is alleged to have become due, of the shares in respect of which such money is sought to be received, that the resolution making the call is duly recorded in the minutes book and that notice of such call was duly given to the member or his representatives sued in pursuance of these presents and it shall not be necessary to prove the appointment of the Directors who made such call, nor that a quorum was present at the Board at which any call was made, nor that the meeting at which any call was made was duly convened or constituted nor any other matters whatsoever, but the proof of the matters aforesaid shall be conclusive evidence of the debt.

#### **PAYMENT IN ANTICIPATION OF CALL MAY CARRY INTEREST**

49. The Directors may, if they think fit, subject to the provisions of Section 50 of the Act, agree to and receive from any member willing to advance the same whole or any part of the moneys due upon the shares held by him beyond the sums actually called for, and upon the amount so paid or satisfied in advance, or so much thereof as from time to time exceeds the amount of the calls then made upon the shares in respect of which such advance has been made, the Company may pay interest at such rate not exceeding 12% unless the company in general meeting shall otherwise direct, as the member paying such sum in advance and the Directors agree upon provided that money paid in advance of calls shall not confer a right to participate in profits or dividend. The Directors may at any time repay the amount so advanced. The members shall not be entitled to any voting rights in respect of the moneys so paid by him until the same would but for such payment, become presently payable. The provisions of these Articles shall mutatis mutandis apply to the calls on debenture of the Company.

#### **FORFEITURE, SURRENDER AND LIEN**

##### **IF CALL OR INSTALLMENT NOT PAID, NOTICE MAY BE GIVEN**

50. If any member fails to pay any call or installment of a call in respect of any shares on or before the day appointed for the payment of the same, the Board may at any time hereafter during such time as the call or installment remains unpaid, serve a notice on such member or on the person (if any) entitled to the share by transmission requiring him to pay the same together with any interest that may have accrued and all expenses that may have been incurred by the Company by reason of such non-payment.

##### **FORM OF NOTICE**

51. The notice shall name a day (not being earlier than the expiry of fourteen days from the date of service of the notice) and a place or places on and at which such money, including the call or installment and such interest and expenses as aforesaid is to be paid. The notice shall also state that in the event of non-payment on or before the time and at the place appointed, the shares in respect of which the calls was made or installment was payable, will be liable to be forfeited.

##### **IN DEFAULT TO PAYMENT SHARES TO BE FORFEITED**

52. 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 all the calls or installments and interest and expenses due in respect thereof are paid, be forfeited by a resolution of the Board to that effect. Such forfeiture shall include all dividends and bonus declared in respect of the forfeited shares and not actually paid before forfeiture but provided that there shall be no forfeiture of unclaimed dividends before the claim becomes barred by law.

##### **NOTICE OF FORFEITURE**

53. When any share shall have been so forfeited, notice of the resolution shall be given to the member in whose name it stood immediately prior to the forfeiture and an entry of the forfeiture, with the date thereof, shall

forthwith be made in the Register of Members provided however that the failure to give the notice of the shares having been forfeited will not in any way invalidate the forfeiture.

#### **FORFEITED SHARES TO BECOME PROPERTY OF THE COMPANY**

54. Any shares so forfeited shall be deemed to be the property of the Company and the Board may sell, re-allot otherwise dispose of the same in such manner as it thinks fit.

#### **POWER TO ANNUL FORFEITURE**

55. The Board may, at any time before any share so forfeited shall have been sold, re-allotted or otherwise disposed off, annul the forfeiture thereof as a matter of grace and favour but not as of right upon such terms and conditions as it may think fit.

#### **ARREARS TO BE PAID NOTWITHSTANDING FORFEITURE**

56. Any member whose shares have been forfeited shall notwithstanding the forfeiture, be liable to pay and shall forthwith pay to the Company all calls, installments, interest and expenses owing upon or in respect of such shares at the time of the forfeiture together with interest thereon from the time of forfeiture until payment at such rate not exceeding fifteen per cent per annum as the Board may determine and the Board may enforce the payment of such moneys or any part thereof if it thinks fit, but shall not be under any obligation so to do.

#### **EFFECT OF FORFEITURE**

57. The forfeiture of a share shall involve the extinction of all interest in and also of all claims and demands against the Company, in respect of the share and all other rights, incidental to the share except only such of those rights as are by these Articles expressly saved.

#### **PROCEEDS HOW TO BE APPLIED**

58. The net proceeds of any such sale shall be applied in or towards satisfaction of the said debts, liabilities or engagements and the residue (if any) paid to such member, his heirs, executors, administrators or assigns.

#### **DECLARATION OF FORFEITURE**

59. (a) A duly verified declaration in writing that the declarant is a Director, the Managing Director or the Manager or the Secretary of the Company, and that share in the Company has been duly forfeited in accordance with these Articles, on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the Share.
- (b) The Company may receive the consideration, if any, given for the Share on any sale, re-allotment or other disposal thereof any may execute a transfer of the Share in favour of the person to whom the Share is sold or disposed off.
- (c) The person to whom such Share is sold, re-allotted or disposed of shall thereupon be registered as the holder of the Share.
- (d) Any such purchaser or allottee shall not (unless by express agreement) be liable to pay calls, amounts, installments, interests and expenses owing to the Company prior to such purchase or allotment nor shall be entitled (unless by express agreement) to any of the dividends, interests or bonuses accrued or which might have accrued upon the Share before the time of completing such purchase or before such allotment.

- (e) Such purchaser or allottee shall not be bound to see to the application of the purchase money, if any, nor shall his title to the Share be effected by the irregularity or invalidity in the proceedings in reference to the forfeiture, sale, re-allotment or other disposal of the Shares.

60. The declaration as mentioned in Article 59 (a) of these Articles shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the Share.

#### **TITLE OF PURCHASER AND ALLOTTEE OF FORFEITED SHARES**

61. The Company may receive the consideration, if any, given for the share on any sale, re-allotment or other disposal thereof and may execute a transfer of the share in favour of the person to whom the share is sold or disposed of and the person to whom such share is sold, re-allotted or disposed off may be registered as the holder of the share. Any such purchaser or allottee shall not (unless by express agreement to the contrary) be liable to pay any calls, amounts, installments, interest and expenses owing to the Company prior to such purchase or allotment, nor shall he be entitled (unless by express agreement to contrary) to any of the dividends, interest or bonuses accrued or which might have accrued upon the share before the time of completing such purchase or before such allotment. Such purchaser or allottee 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 with reference to the forfeiture, sale, re-allotment or disposal of the share.

#### **PARTIAL PAYMENT NOT TO PRECLUDE FORFEITURE**

62. Neither a judgment nor a decree in favour of the Company for calls or other moneys due in respect of any shares nor any part payment or satisfaction thereof nor the receipt by the Company of a portion of any money which shall from time to time be due from any member in respect of any shares either by way of principal or interest nor any indulgence granted by the Company in respect of payment of any such money shall preclude the Company from thereafter proceeding to enforce a forfeiture of such shares as herein provided.

#### **THE PROVISIONS OF THESE ARTICLES AS TO FORFEITURE TO APPLY IN CASE OF NON-PAYMENT OF ANY SUM**

63. The provisions of these Articles as to forfeiture shall apply to the case of non-payment of any sum which by the terms of issue of a share becomes payable at a fixed time, whether on account of the nominal value of the Shares or by way of premium, as if the same had been payable by virtue of a call duly made and notified.

#### **BOARD MAY ACCEPT SURRENDER OF SHARES**

64. The Board may at any time, subject to the provisions of the Act, accept the surrender of any share from or by any member desirous of surrendering the same on such terms as the Board may think fit.

#### **COMPANY'S LIEN ON SHARE/DEBENTURES**

65. The Company shall have a first and paramount lien upon all the shares/debentures (other than fully paid-up shares/debentures) registered in the name of each member (whether solely or jointly with others) and upon the proceeds of sale thereof for all moneys (whether presently payable or not) called or payable at a fixed time in respect of such shares/debentures and no equitable interest in any share shall be created except upon the footing and condition that this Article will have full effect and such lien shall extend to all dividends and bonuses from time to time declared in respect of such shares/debentures. The registration of a transfer of shares/debentures shall not operate as a waiver of the Company's lien if any, on such shares/debentures unless otherwise agreed by the Board. The Directors may at any time declare any shares/debentures wholly or in part to be exempt from the provisions of this Article.

#### **ENFORCING LIEN BY SALE**



66. For the purpose of enforcing such lien, the Board may sell the shares subject thereto in such manner as it thinks fit but no sale shall be made until such time fixed as aforesaid shall have arrived and until notice in writing of the intention to sell, shall have been served on such member, his heirs, executors, administrators or other legal representatives as the case may be and default shall have been made by him or them in payment, fulfillment or discharged of such debts, liabilities or engagements for fourteen days after the date of such notice.

#### **APPLICATION OF PROCEEDS OF SALE**

67. The net proceeds of any such sale shall be received by the Company and applied in or towards satisfaction of the said debts, liabilities or engagements and the residue, if any, shall be paid to such member, his heirs, executors, administrators or other legal representatives, as the case may be.

#### **VALIDITY OF SALE IN EXERCISE OF LIEN AND AFTER FORFEITURE**

68. Upon any sale after forfeiture or for enforcing a lien in purported exercise of the powers herein before given, the Board of Directors may appoint some person to execute an instrument of transfer of the shares sold and cause the purchaser's name to be entered in the register in respect of the shares sold and the purchaser shall not be bound to see to the regularity of the proceedings, nor to the application of the purchase money and after his name has been entered in the Register of members in respect of such shares, the validity of the sale shall not be impeached by any person and the remedy of any person aggrieved by the sale shall be in damages only and against the Company exclusively.

#### **BOARD OF DIRECTORS MAY ISSUE NEW CERTIFICATES**

69. Where any shares under the powers in that behalf herein contained are sold by the Board of Directors after forfeiture or for enforcing a lien, the certificate or certificates originally issued in respect of the relative shares shall (unless the same shall voluntarily or on demand by the Company, have been previously surrendered to the Company by the defaulting member) stand cancelled and become null and void and of no effect and the Board of Directors may issue a new certificate or certificates for such shares distinguishing it or them in such manner as it may think fit from the certificate or certificates previously issued in respect of the said shares.

#### **SUM PAYABLE ON ALLOTMENT TO BE DEEMED A CALL**

70. For the purpose of the provisions of these Articles relating to forfeiture of Shares, the sum payable upon allotment in respect of a share shall be deemed to be a call payable upon such Share on the day of allotment.

#### **TRANSFER AND TRANSMISSION OF SHARES REGISTER OF TRANSFER**

71. The Company shall keep a book to be called the Register of Transfer and therein shall be fairly and distinctly entered the particulars of every transfer or transmission of any share.

#### **EXECUTION OF TRANSFER**

72. Subject to the Provisions of the Act and these Articles, the transfer of shares in or debentures of the Company shall be registered unless a proper instrument of transfer duly stamped and executed by or on behalf of the transferor or on behalf of the transferee and specifying the name, address and occupation, if any, of the transferee has been delivered to the Company along with the certificate if in existence or along with the letter of allotment of the shares or debentures. The transferor shall be deemed to remain the holder of such shares until the name of the transferee is entered in the register in respect thereof. Shares of different classes shall not be included in the same instrument of transfer.

#### **INSTRUMENT OF TRANSFER**



73. Every such instrument of transfer shall be signed both by the Transferor and transferee and the transferor shall be deemed to remain the holder of such share until the name of the transferee is entered in the Register of members in respect thereof.

#### **FORM OF TRANSFER**

74. The instrument of transfer shall be in writing and all the provisions of Section 56 of the Act and of any statutory modification thereof for the time being shall be duly complied with in respect of all transfers of shares and registration thereof. The Company shall use a common form for transfer.

#### **NO TRANSFER TO A PERSON OF UNSOUND MIND, ETC**

75. No transfer shall be made to a minor or a person of unsound mind.

#### **TRANSFER OF SHARES**

76. (i) An application for the registration of a transfer of shares may be made either by the transferor or by the transferee.
- (ii) Where the application is made by the transferor and relates to partly paid shares, the transfer shall not be registered unless the Company gives notice of the application to the transferee and the transferee makes no objection to the transfer within two weeks from the receipt of the notice.
- (iii) For the purpose of clause (2) hereof notice to the transferee shall be deemed to have been duly given if it is dispatched by prepaid registered post to the transferee at the address given in the instruments of transfer and shall be deemed to have been duly delivered at the time at which it would have been delivered in the ordinary course of post.

#### **DIRECTORS MAY REFUSE TO REGISTER TRANSFER**

77. Subject to the Provisions of Section 58 and 59, these Articles and other applicable provisions of the Act or any other law for the time being in force, the Board may refuse whether in pursuance of any power of the company under these Articles or otherwise to register the transfer of, or the transmission by operation of law of the right to, any Shares or interest of a Member in or Debentures of the Company. The Company shall within one month from the date on which the instrument of transfer, or the intimation of such transmission, as the case may be, was delivered to Company, send notice of the refusal to the transferee and the transferor or to the person giving intimation of such transmission, as the case may be giving reasons for such refusal. Provided that the registration of a transfer shall not be refused person or persons indebted to the Company on any account whatsoever except where the Company has a lien on Shares. If the Company refuses to register the transfer of any share or transmission of right therein, the Company shall within one month from the date on which instrument of transfer or the intimation of transmission, as the case may be, was delivered to the Company, sends notice of the refusal to the transferee and the transferor or to the person giving intimation of such transmission as the case may be. Nothing in these Articles shall prejudice any power of the Company to register as shareholder any person to whom the right to any shares of the Company has been transmitted by operation of law.

#### **NO FEE ON TRANSFER OR TRANSMISSION**

78. No fee shall be charged for registration of transfer, transmission, Probate, Succession, Certificate and Letters of administration, Certificate of Death or Marriage, Power of Attorney or similar other document.

#### **TRANSFER TO BE LEFT AT OFFICE AS EVIDENCE OF TITLE GIVEN**

79. Every instruments of transfer duly executed and stamped shall be left at the office for registration accompanied by the certificate of the shares to be transferred and such other evidence as the Company may require to prove the title of the transferor or his right to transfer the shares.

#### **WHEN TRANSFER TO BE RETAINED**

80. All instruments of transfer which are registered shall be retained by the Company but any instrument of transfer which the Board declines to register shall, on demand, be returned to the person depositing the same. The Board may cause to be destroyed all transfer deeds lying with the Company after such period not being less than eight years as it may determine.

#### **DEATH OF ONE OR MORE JOINT HOLDERS OF SHARES**

81. In the case of death of any one or more of the persons named in Register of Members as joint shareholders of any share, the survivors shall be the only persons recognized by the Company as having any title to or interest in such shares, but nothing herein contained shall be taken to release the estate of a joint shareholder from any liability to the Company on shares held by him jointly with any other person.

#### **TITLE TO SHARES OF DECEASED HOLDER**

82. Subject to Article 81, the heir, executor or administrator of a deceased shareholder shall be the only person recognized by the Company as having any title to his shares and the Company shall not be bound to recognize such heir, executor or administrator unless such heir, executor or administrator shall have first obtained probate, letters of administration or succession certificate.

#### **REGISTRATION OF PERSONS ENTITLED TO SHARE OTHERWISE THAN BY TRANSFER**

83. Subject to the provisions of the Articles, any person becoming entitled to any share in consequence of the death, lunacy, bankruptcy or insolvency of any member or by any lawful means other than by a transfer in accordance with these present, may with the consent of the Directors (which they shall not be under any obligation to give) upon producing such evidence that sustains the character in respect of which he proposes to act under this Article or of such titles as the Directors shall think sufficient, either be registered himself as a member in respect of such shares or elect to have some person nominated by him and approved by the Directors registered as a member in respect of such shares. Provided nevertheless that if such person shall elect to have his nominee registered he shall testify his election by executing in favor of his nominee on instrument of transfer in accordance with the provisions herein contained and until he does so, he shall not be free from any liability in respect of such shares.

A transfer of the share or other interest in the Company of a deceased member thereof made by his legal representative shall although the legal representative is not himself a member, be as valid as if he had been a member at the time of the execution of the instrument of transfer

#### **CLAIMANT TO BE ENTITLED TO SAME ADVANTAGE**

84. The person entitled to a share by reason of the death lunacy, bankruptcy or insolvency of the holder shall be entitled to the same dividends and other advantages to which he would be entitled as if he were registered holder of the shares 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 the meeting of the Company provided that the Board may at any time give notice requiring any such persons to elect either to be registered himself or to transfer shares and if the notice is not complied within sixty days, the Board shall thereafter withhold payment of all dividends, interests, bonuses or other moneys payable in respect of the share until the requirements of the notice have been compelled with.

#### **TRANSMISSION OF SHARE**

85. Subject to the provisions of the Act and these Articles, any person becoming entitled to a share in consequence of the death, bankruptcy or insolvency of any member or by any lawful means other than by a transfer in accordance with these presents, may with the consent of the Board (which it shall not be under any obligation to give) upon producing such evidence as the Board think sufficient, either be registered himself as the holder of the share or elect to have some person nominated by him and approved by the Board registered as such holder, provided nevertheless that if such person shall elect to have his nominee registered, he shall testify the election by executing to his nominee an instrument of transfer of the share in accordance with the provisions herein contained and until he does so he shall not be freed from any liability in respect of the share.

#### **BOARD MAY REFUSE TO TRANSMIT**

86. The Board shall have the same right to refuse on legal grounds to register a person entitled by transmission to any share or his nominee, as if he were the transferee named in any ordinary transfer presented for registration.

#### **BOARD MAY REQUIRE EVIDENCE OF TRANSMISSION**

87. Every transmission of share shall be verified in such manner as the Board may require and if the Board so desires, be accompanied by such evidence as may be thought necessary and the Company may refuse to register any such transmission until the same be verified on requisite evidence produced or until or unless an indemnity be given to the Company with regard to such registration which the Board at its absolute discretion shall consider sufficient, provided nevertheless, that there shall not be any obligation on the Company or the Board to accept any indemnity.

#### **TRANSFER BY LEGAL REPRESENTATION**

88. A transfer of a share in the Company of a deceased member thereof made by his legal representative shall, although the legal representative is not himself a member be as valid as if he had been a member at the time of the execution of instrument of transfer.

#### **CERTIFICATE OF TRANSFER**

89. The Certification by the Company of any instrument of transfer of shares in or debentures of the Company, shall be taken as a representation by the Company to any person acting on the faith of the certification that there have been produced to the Company such documents as on the face of them show a prime facie title to the shares or debentures in the transferor named in the instrument of transfer, but not as a representation that the transferor has any title to the shares or debentures

#### **THE COMPANY NOT LIABLE FOR DISREGARD OF A NOTICE PROHIBITING REGISTRATION OF TRANSFER**

90. The Company shall incur no liability or responsibility whatsoever in consequence of its registering or giving effect to any transfer or transmission of shares made or purporting to be made by any apparent legal owner thereof as shown or appearing in the Register of Members to the prejudice of persons having or claiming any equitable right, title or interest to or in the said shares, notwithstanding that the Company may have had notice of such equitable right, title or interest or notice prohibiting registration of such transfer any may have entered such notice or referred thereto in any book of the Company and the Company shall not be bound or required to regard or attend or give effect to any notice which may be given to it of any equitable right, title or interest or be under any liability whatsoever for refusing or neglecting so to do, though it may have been entered or referred to in some books of the Company but the Company shall nevertheless be at liberty to regard and attend to any such notice and give effect thereto if the Board shall so think fit.

#### **NOMINATION**

91. (i) Every shareholder or debenture holder of the Company, may at any time, nominate a person to whom his shares or debentures shall vest in the event of his death in such manner as may be determined by Central Government under the Act.

- (ii) Where the shares or debentures of the Company are held by more than one person jointly, joint holders may together nominate a person to whom all the rights in the shares or debentures, as the case may be shall vest in the event of death of all the joint holders in such manner as may be determined by Central Government under the act.
- (iii) Notwithstanding anything contained in any other law for the time being in force or in any disposition, whether testamentary or otherwise, where a nomination made in the manner aforesaid purports to confer on any person the right to vest the shares or debentures, the nominee shall, on the death of the shareholders or debenture holder or, as the case may be on the death of the joint holders become entitled to all the rights in such shares or debentures or, as the case may be, all the joint holders, in relation to such shares or debentures, to the exclusion of all other persons, unless the nomination is varied or cancelled in the manner as may be determined by Central Government under the Act.
- (iv) Where the nominee is a minor, it shall be lawful for the holder of the shares or debentures, to make the nomination to appoint any person to become entitled to shares in, or debentures of, the Company in the manner prescribed under the Act, in the event of his death, during the minority.

### **“Option of Nominee”**

92. (i) A nominee upon production of such evidence as may be required by the Board and subject as hereinafter provided, elect, either-(a) to register himself as holder of the share or debenture, as the case may be; (b) or to make such transfer of the shares and/or debentures, as the deceased shareholder or debenture holder, as the case may be, could have made.

If the nominee elects to be registered as holder of the shares or debentures, himself, as the case may be, he shall deliver or send to the Company, notice in writing signed by him stating that he so elects and such notice shall be accompanied with death certificate of the deceased shareholder or debenture holder, as the case may be.

- (ii) A nominee shall be entitled to the share dividend/interest and other advantages to which he would be entitled if he were the registered holder of the shares or debentures, provided that he shall not, before being registered as a member, be entitled to exercise any right conferred by membership in relation to the meeting of the Company.

Provided further that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the shares or debentures, and if the notice is not complied within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the shares or debentures, until the requirements of the notice have been complied with.

### **TRUST NOT RECOGNISED**

93. Save as herein otherwise provided, the Company shall be entitled to treat the person whose names appears on the Register of Members/Debentures as the holder of any Shares/Debentures in the records of the Company and/or in the records of the Depository as the absolute owner thereof and accordingly shall not (except as may be ordered by a Court of competent jurisdiction or as may be required by law) be bound to recognize any benami trust or equitable, contingent, future or other claim or interest or partial interest in any such shares/debentures on the part of any other person or (except only as is by these Articles otherwise expressly provided) any right in respect of a share other than an absolute right thereto on the part of any other person whether or not it shall have express or implied notice thereof, but the Board shall be at liberty and at its sole discretion decided to register any share/debenture in the joint names of any two or more persons or the survivor or survivors of them.

### **TRANSFER OF SECURITIES**

94. Nothing contained in Section 56(1) of the Act or these Articles shall apply to a transfer of securities affected by a transferor and transferee both of whom are entered as beneficial owners in the records of depository.

#### **NOTICE OF APPLICATION WHEN TO BE GIVEN**

95. Where, in case of partly paid Shares, an application for registration is made by the transferor, the Company shall give notice of the application to the transferee in accordance with the provisions of Section 56 of the Act.

#### **REFUSAL TO REGISTER NOMINEE**

96. Subject to the provisions of the Act and these Articles, the Directors shall have the same right to refuse to register a person entitled by transmission to any Share of his nominee as if he were the transferee named in an ordinary transfer presented for registration.

#### **PERSON ENTITLED MAY RECEIVE DIVIDEND WITHOUT BEING REGISTERED AS A MEMBER**

97. A person entitled to a Share by transmission shall subject to the right of the Directors to retain dividends or money as is herein provided, be entitled to receive and may give a discharge for any dividends or other moneys payable in respect of the Share.

#### **BOARD MAY REFUSE TRANSFER TO MORE THAN THREE PERSONS**

98. Subject to the provisions of the Act, the Board may refuse to transfer a share or shares in the joint names of more than three persons.

#### **JOINT HOLDERS**

99. If any share stands in the name of two or more persons, the person first named in the Register of Members shall, as regards receipt of dividends or bonus or service of notice and/or any other matter connected with the Company, except voting at meeting and the transfer of the share, be deemed the sole holder thereof, but the joint holders of a share be severally as well as jointly, liable for the payment of all installments and calls due in respect of such share and for all incidents thereof subject to the following and other provisions contained in these articles;

#### **JOINT AND SEVERAL LIABILITIES FOR ALL PAYMENTS IN RESPECT OF SHARES**

- (a) The joint holders of any share shall be liable severally as well as jointly for and in respect of all calls and other payments which ought to be made in respect of such share.

#### **TITLE OF SURVIVORS**

- (b) On the death of any such joint holder, the survivor or survivors shall be the only person or persons recognized by the Company as having any title to the share but the Board may require such evidence of death as it may deem fit and nothing herein contained shall be taken to release the estate of a deceased joint holder from any liability on shares held by him jointly with any other person.

#### **EFFECTUAL RECEIPTS**

- (c) Any one of several persons who is registered as joint holder of any share may give effectual receipts for all dividends and payments on account of dividends in respect of such share.

## **DELIVERY OF CERTIFICATE AND GIVING OF NOTICE TO FIRST NAMED HOLDER**

- (d) Only the person whose name stands first in the Register of Members as one of the joint holders of any share shall be entitled to delivery of the certificates relating to such share or to receive documents (which expression shall be deemed to include all documents referred to in the Articles and documents served on or sent to such person shall be deemed service on all the joint holders).

## **VOTES OF JOINT HOLDERS**

- (e) Any one or two or more joint holders may vote at any meeting either personally or by attorney or by proxy in respect of such shares as if he were solely entitled thereto and if more than one of such joint holders be present at any meeting personally or by proxy or by attorney than that one or such persons so present whose name stands first or higher (as the case may be) on the Register of Members in respect of such shares shall alone be entitled to vote in respect thereof but the others of the joint holders shall be entitled to be present at the meeting; provided always that a joint holder present at any meeting personally shall be entitled to vote in preference to a joint holder present by attorney or by proxy although the name of such joint holder present by an attorney or by proxy although the name of such joint holder present by an attorney or proxy stands first or higher (as the case may be) in the register in respect of such shares. Several executors or administrators of a deceased members in whose (deceased member's) sole name any shares stand shall for the purpose of this Article, be deemed joint holders.

## **CONVERSION OF SHARES INTO STOCK SHARES MAY BE CONVERTED INTO STOCK**

100. The Board may, pursuant to Section 61 with the sanction of a General Meeting, convert any paid up share into stock and when any shares shall have been converted into stock, the several holders of such stock may henceforth, transfer their respective interests therein or any part of such interest in the same manner as and subject to the same regulations, under which fully paid up share in the capital of the Company may be transferred or as near thereto as circumstances will admit, but the Board may, from time to time if it thinks fit, fix the minimum amount of stock transferable and direct that fractions of a rupee shall not be dealt with, power nevertheless at their discretion to waive such rules in any particular case.

## **RIGHTS OF STOCK-HOLDERS**

101. The stock shall confer on the holders thereof respectively the same rights, privileges and advantages as regards participation in the profits and voting at meetings of the Company and for other purposes as would have been conferred by shares of equal amount in the capital of the Company of the same class as the shares from which such stock was converted, but so that none of such privileges or advantages except participation in the profits of the Company or in the assets of the Company on a winding up, shall be conferred by any such equivalent part of consolidated stock as would not, if existing in shares have conferred such privileges or advantages. No such conversion shall effect or prejudice any preference or other special privileges attached to the shares so converted. Save as aforesaid, all the provisions herein contained shall, so far as circumstances will admit, apply to stock as well as to shares. The Company may at any time reconvert any such stock into fully paid up shares of any denomination.

## **MEETING OF MEMBERS**

102. (a) Subject to Section 96 of the Act, the Company shall in each year hold, in addition to any other



meetings, a General Meeting as its Annual General Meeting and shall specify the meeting as such in the notices calling it and not more than fifteen months shall elapse between the date of the Annual General Meeting of the Company and that of the next, provided also that the Register may, for any special reason, extend the time within which any annual general meeting shall be held by a period not exceeding three months.

- (b) Every Annual General Meeting shall be called for at a time during business hours that is between 9 a.m. and 6 p.m. on any day that is not a national holiday and shall be held either at the Registered Office of the Company or at some other place within the city or town or village in which the Registered Office of the Company is situated.

103. The Company shall in accordance with Section 92 of the Act, within 60 days from the day on which the Annual General Meeting is held, prepare and file with the Registrar an annual return together with the copy of the financial statements, including consolidated financial statement, if any, along with all the documents which are required to be or attached to such financial statements under this act, duly adopted at the Annual General Meeting of the company. A copy of the financial statements adopted at the Annual General Meeting shall be filed within 30 days of the annual general meeting in accordance with Section 137 of the Act.

### **DISTINCTION BETWEEN ANNUAL GENERAL MEETING AND EXTRA-ORDINARY GENERAL MEETING**

104. The General Meeting referred to in Article 102 shall be called and styled as an Annual General Meeting and all meetings other than the Annual General Meeting shall be called Extra-ordinary General Meetings.

### **CALLING OF EXTRA-ORDINARY GENERAL MEETING**

105. (1) The Board may, whenever it deems fit, call an extraordinary general meeting of the company.
- (2) The Board shall, at the requisition made by such number of members who hold, on the date of the receipt of the requisition, not less than one-tenth of such of the paid-up share capital of the company as on that date carries the right of voting power of all the members having on the said date a right to vote, call an extraordinary general meeting of the company within the period specified in clause (4).
- (3) The requisition made under clause (2) shall set out the matters for the consideration of which the meeting is to be called and shall be signed by the requisitionists and sent to the registered office of the company.
- (4) If the Board does not, within twenty-one days from the date of receipt of a valid requisition in regard to any matter, proceed to call a meeting for the consideration of that matter on a day not later than forty-five days from the date of receipt of such requisition, the meeting may be called and held by the requisitionists themselves within a period of three months from the date of the requisition.
- (5) A meeting under clause (4) by the requisitionists shall be called and held in the same manner in which the meeting is called and held by the Board.
- (6) Any reasonable expenses incurred by the requisitionists in calling a meeting under clause (4) shall be reimbursed to the requisitionists by the company and the sums so paid shall be deducted from any fee or other remuneration under section 197 payable to such of the directors who were in default in calling the meeting.

### **LENGTH OF NOTICE FOR CALLING MEETING**

106. (1) A general meeting of a company may be called by giving not less than clear twenty-one days' notice either in writing or through electronic mode in such manner as may be determined by Central Government:  
Provided that a general meeting may be called after giving a shorter notice if consent is given in writing or by electronic mode by not less than ninety-five per cent of the members entitled to vote at such meeting.
- (2) Every notice of a meeting shall specify the place, date, day and the hour of the meeting and shall contain a statement of the business to be transacted at such meeting.



- (3) The notice of every meeting of the company shall be given to –
  - (a) every member of the company, legal representative of any deceased member or the assignee of an insolvent member;
  - (b) the auditor or auditors of the company; and
  - (c) every director of the company.
- (4) Any accidental omission to give notice to, or the non-receipt of such notice by, any member or other person who is entitled to such notice for any meeting shall not invalidate the proceedings of the meeting.

#### **EXPLANATORY STATEMENT TO BE ANNEXED TO NOTICE / SPECIAL BUSINESS**

107. (1) Pursuant to section 102 a statement setting out the following material facts concerning each item of special business to be transacted at a general meeting, shall be annexed to the notice calling such meeting, namely: -
    - (a) the nature of concern or interest, financial or otherwise, if any, in respect of each items of—
      - (i) every director and the manager, if any;
      - (ii) every other key managerial personnel; and
      - (iii) relatives of the persons mentioned in sub-clauses (i) and (ii);
    - (b) any other information and facts that may enable members to understand the meaning, scope and implications of the items of business and to take decision thereon.
  - (2) For the purposes of clause (1),—
    - (a) in the case of an annual general meeting, all business to be transacted thereat shall be deemed special, other than—
      - (i) the consideration of financial statements and the reports of the Board of Directors and auditors;
      - (ii) the declaration of any dividend;
      - (iii) the appointment of directors in place of those retiring;
      - (iv) the appointment of, and the fixing of the remuneration of, the auditors; And
    - (b) in the case of any other meeting, all business shall be deemed to be special:  
 Provided that where any item of special business to be transacted at a meeting of the company relates to or affects any other company, the extent of shareholding interest in that other company of every promoter, director, manager, if any, and of every other key managerial personnel of the first mentioned company shall, if the extent of such shareholding is not less than two per cent of the paid-up share capital of that company, also be set out in the statement.
  - (3) Where any item of business refers to any document, which is to be considered at the meeting, the time and place where such document can be inspected shall be specified in the statement under sub-clause (1).
108. No General Meeting, Annual or Extra-ordinary, shall be competent to enter upon, discuss or transact any business which has not been specifically mentioned in the notice or notices upon which it is convened.

#### **QUORUM**

109. (1) The quorum for a General Meeting of the Company shall be as under:
  - (i) five members personally present if the number of members as on the date of meeting is not more than one thousand; or
  - (ii) fifteen members personally present if the number of members as on the date of meeting is more than one thousand but up to five thousand; or
  - (iii) thirty members personally present if the number of members as on the date of the meeting exceeds five thousand; shall be the quorum for a meeting of the company.
- (2) If the quorum is not present within half-an-hour from the time appointed for holding a meeting of the company –
  - (a) the meeting shall stand adjourned to the same day in the next week at the same time and place, or to such other date and such other time and place as the Board may determine; or
  - (b) the meeting, if called by requisitionists under section 100, shall stand cancelled:

Provided that in case of an adjourned meeting or of a change of day, time or place of meeting under clause (a), the company shall give not less than three days notice to the members either individually or by publishing an advertisement in the newspapers (one in English and one in vernacular language) which is in circulation at the place where the registered office of the company is situated.

- (3) If at the adjourned meeting also, a quorum is not present within half-an-hour from the time appointed for holding meeting, the members present shall be the quorum.

#### **RESOLUTION PASSED AT ADJOURNED MEETING**

110. Where a resolution is passed at an adjourned meeting of –  
(a) a company; or  
(b) the holders of any class of shares in a company; or  
(c) the Board of Directors of a company,  
the resolution shall, for all purposes, be treated as having been passed on the date on which it was in fact passed, and shall not be deemed to have been passed on any earlier date.

#### **REGISTRATION OF RESOLUTIONS AND AGREEMENTS**

111. The Company shall comply with the provisions of Section 117 of the Act relating to registration of certain resolutions and agreements.

#### **POWER OF ADJOURN GENERAL MEETING**

112. (1) The Chairman of the General Meeting at which a quorum is present, and shall if so directed by the meeting, may adjourn the same from time to time and from place to place, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.
- (2) 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.
- (3) Save as aforesaid, it shall not be necessary to give any notice of an adjournment of or of the business to be transacted at any adjourned meeting.

#### **CHAIRMAN OF GENERAL MEETING**

113. The Chairman of the Board shall, if willing, preside as Chairman at every General Meeting, Annual or Extraordinary, if there be no such Chairman or if at any meeting he shall not be present within fifteen minutes after the time appointed for holding such meeting or being present declined to take the Chair, the Directors present may choose one of their members to be Chairman and in default of their doing so, the members present shall choose one of the Directors to be Chairman and if no Director present be willing to take the Chair, members shall, on a show of hands elect one of their numbers to be Chairman, of the meeting, if a poll is demanded on the election of the Chairman, it shall be taken forthwith in accordance with the provisions of the Act and these Articles and the Chairman elected on a show of hands shall exercise all the powers of the Chairman under the said provisions. If some other person is elected chairman as a result of the poll, he shall be the Chairman for the rest of the meeting.

#### **BUSINESS CONFINED TO ELECTION OF CHAIRMAN WHILE CHAIR VACANT**

114. No business shall be discussed at any General Meeting except the election of a Chairman while the chair is vacant.

#### **RESOLUTION MUST BE PROPOSED AND SECONDED**

115. No resolution submitted to a meeting, unless proposed by the Chairman of the meeting shall be discussed nor put to vote until the same has been proposed by a member present and entitled to vote at such meeting and seconded by another member present and entitled to vote at such meeting.

### **POSTAL BALLOT**

116. (1) Notwithstanding anything contained in this Act, the company –
- (a) shall, in respect of such items of business as the Central Government may, by notification, declare to be transacted only by means of postal ballot; and
  - (b) may, in respect of any item of business, other than ordinary business and any business in respect of which directors or auditors have a right to be heard at any meeting, transact by means of postal ballot, in such manner as may be determined by Central Government, instead of transacting such business at a general meeting.
- (2) If a resolution is assented to by the requisite majority of the shareholders by means of postal ballot, it shall be deemed to have been duly passed at a general meeting convened in that behalf.

### **DECLARATION OF CHAIRMAN TO BE CONCLUSIVE**

117. A declaration by the Chairman that a resolution has or has not been carried either unanimously or by a particular majority and an entry to that effect in the books containing the minutes of the proceedings of the Company shall be conclusive evidence of the fact, without proof of the number or proportion of the votes cast in favour of or against such resolution

### **CIRCULATION OF MEMBERS' RESOLUTION**

118. (1) A company shall, on requisition in writing of such number of members, as required in section 100,—
- (a) give notice to members of any resolution which may properly be moved and is intended to be moved at a meeting; and
  - (b) circulate to members any statement with respect to the matters referred to in proposed resolution or business to be dealt with at that meeting.
- (2) A company shall not be bound under this section to give notice of any resolution or to circulate any statement unless –
- (a) a copy of the requisition signed by the requisitionists (or two or more copies which, between them, contain the signatures of all the requisitionists) is deposited at the registered office of the company,—
    - (i) in the case of a requisition requiring notice of a resolution, not less than six weeks before the meeting;
    - (ii) in the case of any other requisition, not less than two weeks before the meeting; and
  - (b) there is deposited or tendered with the requisition, a sum reasonably sufficient to meet the company's expenses in giving effect thereto:

Provided that if, after a copy of a requisition requiring notice of a resolution has been deposited at the registered office of the company, an annual general meeting is called on a date within six weeks after the copy has been deposited, the copy, although not deposited within the time required by this sub-section, shall be deemed to have been properly deposited for the purposes thereof.

- (3) The company shall not be bound to circulate any statement as required by clause (b) of sub-section (1), if on the application either of the company or of any other person who claims to be aggrieved, the Central Government, by order, declares that the rights conferred by this section are being abused to secure needless publicity for defamatory matter.
- (4) An order made under sub-section (3) may also direct that the cost incurred by the company by virtue of this section shall be paid to the company by the requisitionists, notwithstanding that they are not parties to the application.

## **VOTES OF MEMBERS**

### **VOTES MAY BE GIVEN BY PROXY OR ATTORNEY**

119. Subject to the provisions of the Act and these Articles, votes may be given either personally or by an attorney or by proxy or in the case of a body corporate, also by a representative duly authorised under section 113 of the Act.
- A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights
- Provided that a member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or shareholder.

## **VOTES OF MEMBERS**

120. (1) Subject to the provisions of section 43 and sub-section (2) of section 50, -
- (a) every member of a company limited by shares and holding equity share capital therein, shall have a right to vote on every resolution placed before the company; and
  - (b) his voting right on a poll shall be in proportion to his share in the paid-up equity share capital of the company.
- (2) Every member of a company limited by shares and holding any preference share capital therein shall, in respect of such capital, have a right to vote only on resolutions placed before the company which directly affect the rights attached to his preference shares and, any resolution for the winding up of the company or for there payment or reduction of its equity or preference share capital and his voting right on a poll shall be in proportion to his share in the paid-up preference share capital of the company:
- Provided that the proportion of the voting rights of equity shareholders to the voting rights of the preference shareholders shall be in the same proportion as the paid-up capital in respect of the equity shares bears to the paid-up capital in respect of the preference shares:
- Provided further that where the dividend in respect of a class of preference shares has not been paid for a period of two years or more, such class of preference shareholders shall have a right to vote on all the resolutions placed before the company.

## **RIGHT OF MEMBER TO USE HIS VOTES DIFFERENTLY**

121. On a poll being taken at meeting of the Company, a member entitled to more than one vote or his proxy or other person entitled to vote for him as the case may be need not, if he votes, use all his votes or cast in the same way all the votes he uses.

## **REPRESENTATION OF BODY CORPORATE**

122. Pursuant to section 113, a body corporate whether a Company within meaning of the Act or not may, if it is a member or creditor of the Company including being a holder of debentures, may authorize such person by a resolution of its Board of Directors, as it thinks fit, to act as its representative at any meeting of members and creditors of the Company.

## **REPRESENTATION OF THE PRESIDENT OF INDIA OR GOVERNORS**

123. The President of India or the Governor of State if he is a member of the Company may appoint such person as he thinks fit to act, as his representative at any meeting of the Company or at any meeting of any class of members of the Company in accordance with provisions of Section 112 of the Act or any other statutory provision governing the same.

A person appointed to act as aforesaid shall for the purposes of the Act be deemed to be a member of such a Company and shall be entitled to exercise the same rights and powers (including the right to vote by proxy) as the Governor could exercise, as member of the Company.

#### **RESTRICTION ON EXERCISE OF VOTING RIGHT BY MEMBERS WHO HAVE NOT PAID CALLS**

124. No member shall exercise any voting right in respect of any shares registered in his name on which any calls or other sums presently payable by him have not been paid or in regard to which the Company has and/or has exercised its right of lien.

#### **RESTRICTION ON EXERCISE OF VOTING RIGHT IN OTHER CASES TO BE VOID**

125. A member is not prohibited from exercising his voting right on the ground that he has not held his share or other interest in the Company for any specified period preceding the date on which the vote is taken, or on any other ground not being a ground set out in Article 124.

#### **HOW MEMBER NON-COMPOS MENTIS MAY VOTE**

126. If any member be a lunatic or non-compos mentis, the vote in respect of his share or shares shall be his committee or other legal guardian provided that such evidence of the authority of the person claimed to vote as shall be acceptable by the Board shall have been deposited at the office of the Company not less than forty eight hours before the time of holding a meeting.

#### **INSTRUMENT OF PROXY**

127. The instrument appointing a proxy shall be in writing and signed by the appointer or his attorney duly authorized in writing or if the appointer is a body corporate be under its seal or be signed by an office or attorney duly authorized by it.

#### **INSTRUMENT OF PROXY TO BE DEPOSITED AT OFFICE**

128. The instrument appointing a proxy and the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of that power of attorney or authority shall be deposited at the registered office of the Company not less than forty eight hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote and in default, the instrument of proxy shall not be treated as valid. No instrument of proxy shall be valid after the expiration of twelve months from the date of its execution.

#### **WHEN VOTE BY PROXY VALID THOUGH AUTHORITY REVOKED**

129. 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 share in respect of which the vote 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 adjournment meeting at which the proxy is used.

#### **FORM OF PROXY**

130. Every instrument of proxy, whether for specified meeting or otherwise shall, as nearly as circumstances will admit, be in the form Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014.

#### **TIME FOR OBJECTION TO VOTE**

131. No objection shall be made to the validity of any vote except at the meeting or poll at which such vote shall be so tendered and every vote whether given personally or by proxy and not disallowed at such meeting or poll shall be deemed valid for all purposes of such meeting or poll whatsoever.

#### **CHAIRMAN OF ANY MEETING TO BE THE JUDGE OF VALIDITY OF ANY VOTE**

132. The Chairman of any meeting shall be sole judge of the validity of every vote tendered at such meeting. The Chairman present at the time of taking of a poll shall be the sole judge of the validity of every vote tendered at such poll.

#### **MEMBER PAYING MONEY IN ADVANCE NOT BE ENTITLED TO VOTE IN RESPECT THEREOF**

133. A Member paying the whole or a part of the amount remaining unpaid on any Share held by him although no part of that amount has been called up, shall not be entitled to any voting rights or participate in dividend or profits in respect of moneys so paid by him until the same would but for such payment become presently payable

#### **DIRECTORS**

134. 1) Until otherwise determined by a General Meeting of the Company and subject to the provisions of Section 149 of the Act, the number of Directors shall not be less than three nor more than fifteen.
- 2) The first Directors of the Company are:
- (1) MANOJ KUMAR AGRAWAL
  - (2) SHAKUNTALA DEVI AGRAWAL
  - (3) RATAN KUMAR AGRAWAL

#### **INCREASE IN NUMBER OF DIRECTORS TO REQUIRE GOVERNMENT SANCTION**

135. The appointment of the Directors exceeding 15 (fifteen) will be subject to the provisions of Section 149 of the Act.

#### **POWER OF DIRECTORS TO APPOINT ADDITIONAL DIRECTORS**

136. The Board of Directors shall have the power to appoint any person, other than a person who fails to get appointed as a director in a general meeting, as an additional director at any time who shall hold office up to the date of the next annual general meeting or the last date on which the annual general meeting should have been held, whichever is earlier.

#### **ALTERNATE DIRECTORS**

137. The Board of Directors shall have the power to appoint a person, not being a person holding any alternate directorship for any other director in the company, to act as an alternate director for a director during his absence for a period of not less than three months from India:  
Provided that no person shall be appointed as an alternate director for an independent director unless he is qualified to be appointed as an independent director under the provisions of this Act:  
Provided further that an alternate director shall not hold office for a period longer than that permissible to the director in whose place he has been appointed and shall vacate the office if and when the director in whose place he has been appointed returns to India:



Provided also that if the term of office of the original director is determined before he so returns to India, any provision for the automatic re-appointment of retiring directors in default of another appointment shall apply to the original, and not to the alternate director.

### **NOMINEE DIRECTORS**

138. The Board shall have the power to appoint any person as a director nominated by any institution in pursuance of the provisions of any law for the time being in force or of any agreement or by the Central Government or the State Government by virtue of its shareholding in a Government company.

If the office of any director appointed by the company in general meeting is vacated before his term of office expires in the normal course, the resulting casual vacancy may, in default of and subject to any regulations in the articles of the company, be filled by the Board of Directors at a meeting of the Board:

Provided that any person so appointed shall hold office only up to the date up to which the director in whose place he is appointed would have held office if it had not been vacated.

139. A Director need not hold any qualification shares.

### **REMUNERATION OF DIRECTORS**

140. (1) Subject to the provisions of the Act, a Managing Director or any other Director, who is in the Whole time employment of the Company may be paid remuneration either by way of a monthly payment or at a specified percentage of the net profits of the Company or partly by one way and partly by the other.
- (2) Subject to the provisions of the Act, a Director who is neither in the Whole-time employment not a Managing Director may be paid remuneration.
- (i) by way of monthly, quarterly or annual payment with the approval of the Central Government: or
- (ii) by way of commission if the Company by a special resolution authorises such payments.
- (3) The fees payable to Director (including a Managing or whole-time Director, if any) for attending a meeting of the Board or Committee shall be decided by the Board of Directors from time to time, however the amount thereof shall not exceed limit provided in the Companies Act, 2013 and rules, if any, framed there under.
- (4) if any Director be called upon to perform extra services or special exertion or efforts (which expression shall include work done by a Director as member of any committee formed by the Directors), the Board may arrange with such Directors for such special remuneration for such extra services or special exertions or either by a fixed sum or otherwise as may be determined by the Board and such remuneration may be either in addition to or in substitution for his remuneration above provided subject to the provision of Section 197(4) of the Act.

### **INCREASE IN REMUNERATION OF DIRECTORS TO REQUIRE GOVERNMENT SANCTION**

141. Any provision relating to the remuneration of any Director including the Managing Director or Joint Managing Director or whole time Director or executive Director whether contained in his original appointment or which purports to increase or has the effect of increasing whether directly or indirectly the amount of such remuneration and whether that provisions are contained in the articles or in any agreement entered into by the Board of Directors shall be subject to the provisions of Section 196, 197 and 203 of the Act and in accordance with the conditions specified in Schedule V and to the extent to which such appointment or any provisions for remuneration thereof is not in accordance with the Schedule V, the same shall not have any effect unless approved by the Central Government and shall be effective for such period and be subject to such conditions as may be stipulated by the Central Government and to the extent to which the same is not approved by the Central Government, the same shall become void and not enforceable against the Company.



## **TRAVELLING EXPENSES INCURRED BY A DIRECTOR NOT A BONAFIDE RESIDENT OR BY DIRECTOR GOING OUT ON COMPANY'S BUSINESS**

142. The Board may allow and pay to any Director who is not a bonafide resident of the place where the meetings of the Board or committee thereof are ordinarily held and who shall come to a such place for the purpose of attending any meeting, such sum as the Board may consider fair compensation or for traveling, boarding, lodging and other expenses, in addition to his fee for attending such meeting as above specified and if any Director be called upon to go or reside out of the ordinary place of his residence on the Company's business, he shall be entitled to be repaid and reimbursed any travelling or other expenses, incurred in connection with business of the Company.

## **DIRECTORS MAY ACT NOTWITHSTANDING ANY VACANCY**

143. The continuing Directors may act notwithstanding any vacancy in the Board, but if and so long as the number is reduced below the quorum fixed by the Act or by these Articles 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 for summoning a General Meeting of the Company but for no other purpose.

## **DISCLOSURE OF INTEREST OF DIRECTORS**

144. (1) Every director shall at the first meeting of the Board in which he participates as a director and thereafter at the first meeting of the Board in every financial year or whenever there is any change in the disclosures already made, then at the first Board meeting held after such change, disclose his concern or interest in any company or companies or bodies corporate, firms, or other association of individuals which shall include the shareholding, in such manner as may be determined by central government.
- (2) Every director of a company who is in any way, whether directly or indirectly, concerned or interested in a contract or arrangement or proposed contract or arrangement entered into or to be entered into—
- (a) with a body corporate in which such director or such director in association with any other director, holds more than two per cent. shareholding of that body corporate, or is a promoter, manager, Chief Executive Officer of that body corporate; or
- (b) with a firm or other entity in which, such director is a partner, owner or member, as the case may be, shall disclose the nature of his concern or interest at the meeting of the Board in which the contract or arrangement is discussed and shall not participate in such meeting: Provided that where any director who is not so concerned or interested at the time of entering into such contract or arrangement, he shall, if he becomes concerned or interested after the contract or arrangement is entered into, disclose his concern or interest forthwith when he becomes concerned or interested or at the first meeting of the Board held after he becomes so concerned or interested.
- (3) A contract or arrangement entered into by the company without disclosure under sub-section (2) or with participation by a director who is concerned or interested in any way, directly or indirectly, in the contract or arrangement, shall be voidable at the option of the company.
- (4) Nothing in this Article—
- (a) shall be taken to prejudice the operation of any rule of law restricting a director of a company from having any concern or interest in any contract or arrangement with the company;
- (b) shall apply to any contract or arrangement entered into or to be entered into between two companies where any of the directors of the one company or two or more of them together holds or hold not more than two per cent. of the paid-up share capital in the other company.

## **INTERESTED DIRECTOR NOT TO PARTICIPATE OR VOTE ON BOARD'S PROCEEDINGS**

145. No Director of the Company shall, as Director, take any part in the discussion of or vote on any contract or arrangement entered into or to be entered into by or on behalf of the Company if he is in any way whether directly or indirectly, concerned or interested in the contract or arrangement, nor shall his presence count for the purpose of forming a quorum at the time of any such discussion or vote and if he does vote his vote shall be void, provided however that Directors may vote on any contract of indemnity against any loss which the Directors or any one or more of them may suffer by reason of becoming or being sureties or surety for the Company.

## **BOARD'S SANCTION TO BE REQUIRED FOR CERTAIN CONTRACTS IN WHICH PARTICULAR DIRECTOR IS INTERESTED**

146. (1) Except with the consent of the Board of Directors of the Company and of the Shareholders where applicable, the Company, shall not enter into any contract with a Related Party in contravention of Section 188 of the Act and the Rules made thereunder—
- (i) for the sale, purchase or supply of any goods, materials or services; or
  - (ii) selling or otherwise disposing of, or buying, property of any kind;
  - (iii) leasing of property of any kind;
  - (iv) availing or rendering of any services;
  - (v) appointment of any agent for purchase or sale of goods, materials, services or property;
  - (vi) such Related Party's appointment to any office or place of profit in the Company, its subsidiary company or associate company;
  - (vii) underwriting the subscription of any securities or derivatives thereof, of the Company;
- (2) Nothing contained in clause (1) shall affect any transactions entered into by the Company in its ordinary course of business other than transactions which are not on an arm's length basis.
- (3) Notwithstanding anything contained in clauses (1) and (2) a Related Party may, in circumstances of urgent necessity enter, without obtaining the consent of the Board, into any contract with the Company; but in such a case the consent of the Board shall be obtained at a meeting within three months of the date of which the contract was entered into or such other period as may be prescribed under the Act. (S.188 (3))
- (4) Every consent of the Board required under this Article shall be accorded by a resolution of the Board and the consent required under Clause (1) shall not be deemed to have been given within the meaning of that clause unless the consent is accorded before the contract is entered into or within three months of the date on which it was entered into or such other period as may be prescribed under the Act.
- (5) If the consent is not accorded to any contract under this Article anything done in pursuance of the contract will be voidable at the option of the Board.

## **SPECIAL DIRECTOR**

147. In connection with any collaboration arrangement with any company or corporation or any firm or person for supply of technical know-how and/or machinery or technical advice the directors may authorize such company, corporation, firm or person herein-after in this clause referred to as "collaborator" to appoint from time to time any person as director of the company (hereinafter referred to as "special director") and may agree that such special director shall not be liable to retire by rotation and need not possess any qualification shares to qualify him for office of such director, so however that such special director shall hold office so long as such collaboration arrangement remains in force unless otherwise agreed upon between the Company and such collaborator under the collaboration arrangements or at any time thereafter.

The collaborators may at any time and from time to time remove any such special director appointed by it and may at the time of such removal and also in the case of death or resignation of the person so appointed, at any

time appoint any other person as special director in his place and such appointment or removal shall be made in writing signed by such company or corporation or any partner or such person and shall be delivered to the Company at its registered office.

It is clarified that every collaborator entitled to appoint a director under this article may appoint one such person as a director and so that if more than one collaborator is so entitled there may be at any time as may special directors as the collaborators eligible to make the appointment.

### **DIRECTORS' SITTING FEES**

148. The fees payable to a Director for attending each Board meeting shall be such Sum as may be fixed by the Board of Directors not exceeding such as may be determined by the Central Government for each of the meetings of the Board or A committee thereof and adjournments thereto attended by him. The directors, Subject to the sanction of the Central Government (if any required) may be paid such higher fees as the Company in General Meeting shall from time to time determine.

### **DIRECTORS AND MANAGING DIRECTOR MAY CONTRACT WITH COMPANY**

149. Subject to the provisions of the Act the Directors (including a Managing Director And whole time Director) shall not be disqualified by reason of his or their office as such from holding office under the Company or from contracting with the Company either as vendor, purchaser, lender, agent, broker, lessor or lessee or Otherwise, nor shall any such contract or any contracts or arrangement entered Into by or on behalf of the Company with any Director or with any company or Partnership of or in which any Director shall be a member or otherwise interested be avoided nor shall any Director so contracting be liable to account to the Company for any profit realized by such contract or arrangement by reason only of such director holding that office or of the fiduciary relation thereby established, but it is declared that the nature of his interest shall be disclosed as Provided by Section 188 of the Act and in this respect all the provisions of Section 179, 180, 184, 185, 186, 188, 189 and 196 of the Act shall be duly observed and complied with.

### **DISQUALIFICATION OF THE DIRECTOR**

150. (1) A person shall not be eligible for appointment as a director of a company, if -
- (a) he is of unsound mind and stands so declared by a competent court;
  - (b) he is an undischarged insolvent;
  - (c) he has applied to be adjudicated as an insolvent and his application is pending;
  - (d) he has been convicted by a court of any offence, whether involving moral turpitude or otherwise, and sentenced in respect thereof to imprisonment for not less than six months and a period of five years has not elapsed from the date of expiry of the sentence:
- Provided that if a person has been convicted of any offence and sentenced in respect thereof to imprisonment for a period of seven years or more, he shall not be eligible to be appointed as a director in any company;
- (e) an order disqualifying him for appointment as a director has been passed by a Court or Tribunal and the order is in force;
  - (f) he has not paid any calls in respect of any shares of the company held by him, whether alone or jointly with others, and six months have elapsed from the last day fixed for the payment of the call;
  - (g) he has been convicted of the offence dealing with related party transactions under section 188 at any time during the last preceding five years; or
  - (h) he has not complied with sub-section (3) of section 152.
- (2) No person who is or has been a director of a company which -
- (a) has not filed financial statements or annual returns for any continuous period of three financial years; or
  - (b) has failed to repay the deposits accepted by it or pay interest thereon or to redeem any debentures on the due date or pay interest due thereon or pay any dividend declared and such failure to pay or redeem continues for one year or more, shall be

eligible to be re-appointed as a director of that company or appointed in other company for a period of five years from the date on which the said company fails to do so.

### **DIRECTORS VACATING OFFICE**

151. The office of a Director shall be vacated if :

- (i) he is found to be of unsound mind by a Court of competent jurisdiction;
- (ii) he applied to be adjudicated an insolvent;
- (iii) he is adjudicated an insolvent;
- (iv) he is convicted by a Court, of any offence involving moral turpitude or otherwise and sentenced in respect thereof to imprisonment for not less than six months and a period of five years has not elapsed from the expiry of the sentence; Provided that if a person has been convicted of any offence and sentenced in respect thereof to imprisonment for a period of seven years or more, he shall not be eligible to be appointed as a director in any company;
- (v) he fails to pay any call in respect of shares of the Company held by him, whether alone or jointly with others, within six months from the last date fixed for the payment of the call unless the Central Government by Notification in the Official Gazette removes the disqualification incurred by such failure;
- (vi) he absents himself from all the meetings of the Board of Directors held during a period of twelve months with or without seeking leave of absence of the Board;
- (vii) he is removed in pursuance of Section 169 of Act;
- (viii) having been appointed a Director by virtue of his holding any office or other employment in the Company, he ceases to hold such office or other employment in the Company;
- (ix) he acts in contravention of the provisions of Section 184 of the Act relating to entering into contracts or arrangements in which he is directly or indirectly interested;
- (x) he fails to disclose his interest in any contract or arrangement in which he is directly or indirectly interested, in contravention of the provisions of section 184.

### **DIRECTOR MAY BE DIRECTOR OF COMPANIES PROMOTED BY THE COMPANY**

152. Subject to provisions of Section 203 of the Act, a Director may be or become a director of any company promoted by the Company, or in which it may be interested as a vendor, shareholder, or otherwise and no such Director shall be accountable for any benefit received as director or Shareholder of such company except in so far Section 197 or Section 188 of the Act may be applicable.

### **RETIREMENT AND ROTATION OF DIRECTORS**

#### **RETIREMENT OF DIRECTORS BY ROTATION**

153. (1) (a) At every Annual General Meeting, not less than two-thirds of the total number of directors of a company shall -

- (i) be persons whose period of office is liable to determination by retirement of directors by rotation; and
- (ii) save as otherwise expressly provided in this Act, be appointed by the company in general meeting.
- (b) The remaining directors in the case of any such company shall, in default of, and subject to any regulations in the articles of the company, also be appointed by the company in general meeting.
- (c) At the first annual general meeting of a public company held next after the date of the general meeting at which the first directors are appointed in accordance with clauses (a) and (b) and at every subsequent annual general meeting, one-third of such of the directors for the time being as are liable to retire by rotation, or if their number is neither three nor a multiple of three, then, the number nearest to one-third, shall retire from office.
- (d) The directors to retire by rotation at every annual general meeting shall be those who have been longest in office since their last appointment, but as between persons who became directors on the same day,

those who are to retire shall, in default of and subject to any agreement among themselves, be determined by lot.

- (e) At the annual general meeting at which a director retires as aforesaid, the company may fill up the vacancy by appointing the retiring director or some other person thereto.
- (2)(a) If the vacancy of the retiring director is not so filled-up and the meeting has not expressly resolved not to fill the vacancy, the meeting shall stand adjourned till the same day in the next week, at the same time and place, or if that day is a national holiday, till the next succeeding day which is not a holiday, at the same time and place.
- (b) If at the adjourned meeting also, the vacancy of the retiring director is not filled up and that meeting also has not expressly resolved not to fill the vacancy, the retiring director shall be deemed to have been re-appointed at the adjourned meeting, unless—
1. at that meeting or at the previous meeting a resolution for the re-appointment of such director has been put to the meeting and lost;
  2. the retiring director has, by a notice in writing addressed to the company or its Board of directors, expressed his unwillingness to be so re-appointed;
  3. he is not qualified or is disqualified for appointment;
  4. a resolution, whether special or ordinary, is required for his appointment or re-appointment by virtue of any provisions of this Act; or
  5. section 162 is applicable to the case.

#### **APPOINTMENT OF DIRECTOR TO BE VOTE INDIVIDUALLY**

154. (1) At a general meeting of a company, a motion for the appointment of two or more persons as directors of the company by a single resolution shall not be moved unless a proposal to move such a motion has first been agreed to at the meeting without any vote being cast against it.
- (2) A resolution moved in contravention of sub-section (1) shall be void, whether or not any objection was taken when it was moved.
- (3) A motion for approving a person for appointment, or for nominating a person for appointment as a director, shall be treated as a motion for his appointment.
155. (1) A person who is not a retiring director in terms of section 152 shall, subject to the provisions of this Act, be eligible for appointment to the office of a director at any general meeting, if he, or some member intending to propose him as a director, has, not less than fourteen days before the meeting, left at the registered office of the company, a notice in writing under his hand signifying his candidature as a director or, as the case may be, the intention of such member to propose him as a candidate for that office, along with the deposit of one lakh rupees or such higher amount as may be determined by central government which shall be refunded to such person or, as the case may be, to the member, if the person proposed get selected as a director or gets more than twenty-five per cent. of total valid votes cast either on show of hands or on poll on such resolution.
- (2) The company shall inform its members of the candidature of a person for the office of director under sub-section (1) in such manner as may be determined by central government.

#### **RESIGNATION OF DIRECTOR**

156. (1) A director may resign from his office by giving a notice in writing to the company and the Board shall on receipt of such notice take note of the same and the company shall intimate the Registrar in such manner, within such time and in such form as may be determined by central government and shall also place the fact of such resignation in the report of directors laid in the immediately following general meeting by the company:
- Provided that a director shall also forward a copy of his resignation along with detailed reasons for the resignation to the Registrar within thirty days of resignation in such manner as may be determined by Central Government.



- (2) The resignation of a director shall take effect from the date on which the notice is received by the company or the date, if any, specified by the director in the notice, whichever is later:  
Provided that the director who has resigned shall be liable even after his resignation for the offences which occurred during his tenure.
- (3) Where all the directors of a company resign from their offices, or vacate their offices under Section 167 of the Act, the promoter or, in his absence, the Central Government shall appoint the required number of directors who shall hold office till the directors are appointed by the company in general meeting.

## **REGISTER OF DIRECTORS AND KEY MANAGERIAL PERSONNEL AND NOTIFICATION OF CHANGES TO REGISTRAR**

157. The Company shall keep at its registered office, a Register of Director, Managing Director, Manager and Secretary and key managerial personnel of the Company containing the particulars as required by Section 170 of the Act and shall send to the Registrar a return in the prescribed form containing the particulars specified in the said register and shall notify to the Registrar any change among its Directors, Managing Directors, Manager, Secretary and key managerial personnel or any of the particulars contained in the register as required by Section 170 of the Act.

## **APPOINTMENT OF TECHNICAL OR EXECUTIVE DIRECTORS**

158. a) The Board of Directors shall have the right from time to time to appoint any person or persons as Technical Director or Executive Director/s and remove any such persons from time to time without assigning any reason whatsoever. A Technical Director or Executive Director shall not be required to hold any qualification shares and shall not be entitled to vote at any meeting of the Board of Directors.
- b) Subject to the provisions of Section 161 of the Act, if the office of any Director appointed by the Company in General Meeting vacated before his term of office will expire in the normal course, the resulting casual vacancy may in default of and subject to any regulation in the Articles of the Company be filled by the Board of Directors at the meeting of the Board and the Director so appointed shall hold office only up to the date up to which the Director in whose place he is appointed would have held office if had not been vacated as aforesaid.

## **REMOVAL OF DIRECTORS**

### **REMOVAL OF DIRECTORS**

159. (1) A company may, by ordinary resolution, remove a director, not being a director appointed by the Tribunal under section 242, before the expiry of the period of his office after giving him a reasonable opportunity of being heard:  
Provided that nothing contained in this sub-section shall apply where the company has availed itself of the option given to it under section 163 to appoint not less than two thirds of the total number of directors according to the principle of proportional representation.
- (2) A special notice shall be required of any resolution, to remove a director under this section, or to appoint somebody in place of a director so removed, at the meeting at which he is removed.
- (3) On receipt of notice of a resolution to remove a director under this section, the company shall forthwith send a copy thereof to the director concerned, and the director, whether or not he is a member of the company, shall be entitled to be heard on the resolution at the meeting.
- (4) Where notice has been given of a resolution to remove a director under this section and the director concerned makes with respect thereto representation in writing to the company and requests its notification to members of the company, the company shall, if the time permits it to do so,—
  - (a) in any notice of the resolution given to members of the company, state the fact of the representation having been made; and
  - (b) send a copy of the representation to every member of the company to whom notice of the meeting is sent (whether before or after receipt of the representation by the company),

and if a copy of the representation is not sent as aforesaid due to insufficient time or for the company's default, the director may without prejudice to his right to be heard orally require that the representation shall be read out at the meeting:

Provided that copy of the representation need not be sent out and the representation need not be read out at the meeting if, on the application either of the company or of any other person who claims to be aggrieved, the Tribunal is satisfied that the rights conferred by this sub-section are being abused to secure needless publicity for defamatory matter; and the Tribunal may order the company's costs on the application to be paid in whole or in part by the director notwithstanding that he is not a party to it.

- (5) A vacancy created by the removal of a director under this section may, if he had been appointed by the company in general meeting or by the Board, be filled by the appointment of another director in his place at the meeting at which he is removed, provided special notice of the intended appointment has been given under sub-section (2).
- (6) A director so appointed shall hold office till the date up to which his predecessor would have held office if he had not been removed.
- (7) If the vacancy is not filled under sub-section (5), it may be filled as a casual vacancy in accordance with the provisions of this Act:  
Provided that the director who was removed from office shall not be re-appointed as a director by the Board of Directors.
- (8) Nothing in this section shall be taken -  
  - (a) as depriving a person removed under this section of any compensation or damages payable to him in respect of the termination of his appointment as director as per the terms of contract or terms of his appointment as director, or of any other appointment terminating with that as director; or
  - (b) as derogating from any power to remove a director under other provisions of this Act.

## **ELIGIBILITY FOR RE-ELECTION**

160. A retiring Director shall be eligible for re-election.

## **PROCEEDINGS OF DIRECTORS**

### **MEETINGS OF BOARD**

161. (1) A minimum number of four meetings of its Board of Directors every year in such a manner that not more than one hundred and twenty days shall intervene between two consecutive meetings of the Board:  
Provided that the Central Government may, by notification, direct that the provisions of this sub-section shall not apply in relation to any class or description of companies or shall apply subject to such exceptions, modifications or conditions as may be specified in the notification.
- (2) The participation of directors in a meeting of the Board may be either in person or through video conferencing or other audio visual means, as may be determined by central government, which are capable of recording and recognising the participation of the directors and of recording and storing the proceedings of such meetings along with date and time:  
Provided that the Central Government may, by notification, specify such matters which shall not be dealt with in a meeting through video conferencing or other audio visual means.
- (3) A meeting of the Board shall be called by giving not less than seven days' notice in writing to every director at his address registered with the company and such notice shall be sent by hand delivery or by post or by electronic means:  
Provided that a meeting of the Board may be called at shorter notice to transact urgent business subject to the condition that at least one independent director, if any, shall be present at the meeting:  
Provided further that in case of absence of independent directors from such a meeting of the Board, decisions taken at such a meeting shall be circulated to all the directors and shall be final only on ratification thereof by at least one independent director, if any.



## **QUORUM**

162. (1) The quorum for a meeting of the Board of Directors of a company shall be one third of its total strength or two directors, whichever is higher, and the participation of the directors by video conferencing or by other audio visual means shall also be counted for the purposes of quorum under this sub-section.
- (2) 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 and for no other purpose.
- (3) Where at any time the number of interested directors exceeds or is equal to two thirds of the total strength of the Board of Directors, the number of directors who are not interested directors and present at the meeting, being not less than two, shall be the quorum during such time.
- (4) Where a meeting of the Board could not be held for want of quorum, then, unless the articles of the company otherwise provide, the meeting shall automatically stand adjourned to the same day at the same time and place in the next week or if that day is a national holiday, till the next succeeding day, which is not a national holiday, at the same time and place.

## **DECISION OF QUESTIONS**

163. Subject to the provisions of the Act, question arising at any meeting of the Board shall be decided by a majority of votes and in case of an equality of votes, the Chairman shall have a second or casting vote.

## **BOARD MAY APPOINT CHAIRMAN, CO-CHAIRMAN AND VICE CHAIRMAN**

164. The Board may elect a Chairman, a Co-Chairman and a Vice Chairman of their Meetings and of the Company and determine the period for which he is to hold office. The Chairman or in his absence the Co-Chairman or the Vice Chairman shall be entitled to take the Chair at every General Meeting, whether Annual or Extraordinary, or if there be no such Chairman or Co-Chairman or Vice Chairman of the Board of Directors, or if at any Meeting neither of these shall be present within fifteen minutes of the time appointed for holding such Meeting, the Directors present may choose one of their members to be the Chairman of the Meeting of their meetings and determine the period for which he is to hold office, but if no such Chairman is elected or if at any meeting the Chairman is not present within ten minutes after the time appointed for holding the meeting, the Directors present may choose one of their members to be the Chairman of the Meeting.

## **POWER OF BOARD MEETING**

165. A meeting of the Board at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions which by or under the Act or the Articles are for the time being vested in or exercisable by the Board generally.
166. Subject to the restrictions contained in Section 179 of the Act, the Board may delegate any of its power to a Committee of the Board consisting of such member or members of its body or any other person as it thinks fit and it may from time to time revoke and discharge any such committee of the Board so formed, shall in the exercise of the power so delegated confirm to any regulations that may from time to time be imposed on it by the Board. All acts done by such Committee of the Board in conformity with such regulations and in fulfillment of the purposes of their appointment but not otherwise, shall have the like force and effect as if done by the Board.

## **MEETING OF THE COMMITTEE HOW TO BE GOVERNED**

167. The meeting and proceedings of any such Committee of the Board consisting of two or more persons shall be governed by the provisions herein contained for regulating the meetings and proceedings of the Board, so far as

the same are applicable thereto and are not superseded by any regulations made by the Board under the last preceding Article.

#### **DEFECTS IN APPOINTMENT OF DIRECTORS NOT TO INVALIDATE ACTIONS TAKEN**

168. No act done by a person as a director shall be deemed to be invalid, notwithstanding that it was subsequently noticed that his appointment was invalid by reason of any defect or disqualification or had terminated by virtue of any provision contained in this Act or in the articles of the company:  
Provided that nothing in this section shall be deemed to give validity to any act done by the director after his appointment has been noticed by the company to be invalid or to have terminated.

#### **PASSING OF RESOLUTION BY CIRCULATION**

169. (1) No resolution shall be deemed to have been duly passed by the Board or by a committee thereof by circulation, unless the resolution has been circulated in draft, together with the necessary papers, if any, to all the directors, or members of the committee, as the case may be, at their addresses registered with the company in India by hand delivery or by post or by courier, or through such electronic means as may be determined by Central Government and has been approved by a majority of the directors or members, who are entitled to vote on the resolution:  
Provided that, where not less than one-third of the total number of directors of the company for the time being require that any resolution under circulation must be decided at a meeting, the Chairperson shall put the resolution to be decided at a meeting of the Board.
- (2) A resolution under sub-section (1) above shall be noted at a subsequent meeting of the Board or the committee thereof, as the case may be, and made part of the minutes of such meeting.

#### **SPECIAL NOTICE**

170. Where by any provision contained in the Act or in these Articles special notice is required for any resolution, notice of the intention to move the resolution shall be given to the Company by such number of members holding not less than one per cent of total voting power or holding shares on which such aggregate sum not exceeding five lakh rupees, as may be prescribed, has been paid-up, not less than fourteen days before the meeting at which it is to be moved exclusive of the day on which the notice is served or deemed to be served and the day of the meeting. The Company shall immediately after the notice of the intention to move any such resolution has been received by it, give its members notice of the resolution in the same manner as it gives notice of the meeting, or if that is not practicable, shall give them notice thereof either by advertisement in a newspaper having an appropriate circulation or in any other mode allowed by these presents not less than seven days before the meeting.

#### **GENERAL POWERS OF THE BOARD**

171. (1) The Board of Directors of a company shall be entitled to exercise all such powers, and to do all such acts and things, as the company is authorized to exercise and do:  
Provided that in exercising such power or doing such act or thing, the Board shall be subject to the provisions contained in that behalf in this Act, or in the memorandum or articles, or in any regulations not inconsistent therewith and duly made thereunder, including regulations made by the company in general meeting:  
Provided further that the Board shall not exercise any power or do any act or thing which is directed or required, whether under this Act or by the memorandum or articles of the company or otherwise, to be exercised or done by the company in general meeting.
- (2) No regulation made by the company in general meeting shall invalidate any prior act of the Board which would have been valid if that regulation had not been made.

#### **CERTAIN POWERS TO BE EXERCISED BY THE BOARD ONLY AT MEETINGS**

172. The Board of Directors of a company shall exercise the following powers on behalf of the company by means of resolutions passed at meetings of the Board, namely: -
- (a) to make calls on shareholders in respect of money unpaid on their shares;
  - (b) to authorize buy-back of securities under section 68;
  - (c) to issue securities, including debentures, whether in or outside India;
  - (d) to borrow monies;
  - (e) to invest the funds of the company;
  - (f) to grant loans or give guarantee or provide security in respect of loans;
  - (g) to approve financial statement and the Board's report;
  - (h) to diversify the business of the company;
  - (i) to approve amalgamation, merger or reconstruction;
  - (j) to take over a company or acquire a controlling or substantial stake in another company;
  - (k) to make political contributions;
  - (l) to appoint or remove key managerial personnel (KMP);
  - (m) to take note of appointment(s) or removal(s) of one level below the Key Managerial Personnel;
  - (n) to appoint internal auditors and secretarial auditor;
  - (o) to take note of disclosure of director's interest and shareholding;
  - (p) to buy, sell investments held by the company (other than trade investments) constituting five percent or more of the paid up share capital and free reserve of the investee company;
  - (q) to invite and accept or renew public deposits and related matters;
  - (r) to review or change the terms and conditions of public deposit;
  - (s) to approve quarterly, half yearly and annual financial statements or financial results as the case may be.
- Provided that the Board may, by a resolution passed at a meeting, delegate to any committee of directors, the managing director, the manager or any other principal officer of the company or in the case of a branch office of the company, the principal officer of the branch office, the powers specified in clauses (d) to (f) on such conditions as it may specify:
- Nothing in this section shall be deemed to affect the right of the company in general meeting to impose restrictions and conditions on the exercise by the Board of any of the powers specified in this section.

### **RESTRICTIONS ON POWERS OF BOARD**

173. (1) The Board of Directors of a company shall exercise the following powers only with the consent of the company by a special resolution, namely: -
- (a) to sell, lease or otherwise dispose of the whole or substantially the whole of the undertaking of the company or where the company owns more than one undertaking, of the whole or substantially the whole of any of such undertakings.
  - (b) to invest otherwise in trust securities the amount of compensation received by it as a result of any merger or amalgamation;
  - (c) to borrow money, where the money to be borrowed, together with the money already borrowed by the company will exceed aggregate of its paid-up share capital and free reserves, apart from temporary loans obtained from the company's bankers in the ordinary course of business:
- Provided that the acceptance by a banking company, in the ordinary course of its business, of deposits of money from the public, repayable on demand or otherwise, and withdrawable by cheque, draft, order or otherwise, shall not be deemed to be a borrowing of monies by the banking company within the meaning of this clause.
- (d) to remit, or give time for the repayment of, any debt due from a director.
- (2) Every special resolution passed by the company in general meeting in relation to the exercise of the powers referred to in clause (c) of sub-section (1) shall specify the total amount up to which monies may be borrowed by the Board of Directors.
- (3) Nothing contained in clause (a) of sub-section (1) shall affect -
- (a) the title of a buyer or other person who buys or takes on lease any property, investment or undertaking as is referred to in that clause, in good faith; or

- (b) the sale or lease of any property of the company where the ordinary business of the company consists of, or comprises, such selling or leasing.
- (4) Any special resolution passed by the company consenting to the transaction as is referred to in clause (a) of sub-section (1) may stipulate such conditions as may be specified in such resolution, including conditions regarding the use, disposal or investment of the sale proceeds which may result from the transactions:  
Provided that this sub-section shall not be deemed to authorise the company to effect any reduction in its capital except in accordance with the provisions contained in this Act.
- (5) No debt incurred by the company in excess of the limit imposed by clause (c) of sub-section (1) shall be valid or effectual, unless the lender proves that he advanced the loan in good faith and without knowledge that the limit imposed by that clause had been exceeded.

### **POWER TO BORROW**

- 174. Subject to the provisions of Sections 73 and 180 of the Act, the Board may, from time to time at its discretion and by means of resolutions passed at its meeting accept deposits from members either in advance of calls or otherwise and generally, raise or borrow or secure the payment or any sum or sums of money for the purposes of the Company.
- 175. All the provisions applicable to nomination facility available to shareholder(s) and debenture holder(s) enumerated in these Articles shall equally apply to deposit holder(s) and the provisions of Section 72 of the Act shall also apply.

### **THE PAYMENT OR REPAYMENT OF MONEYS BORROWED**

- 176. The payment or repayment of moneys borrowed as aforesaid may be secured in such manner and upon such terms and conditions in all respects as the Board of Directors may think fit, and in particular in pursuance of a resolution passed at a meeting of the Board (and not by circular resolution) by the issue of bonds, debentures or debentures stock of the Company, charged upon all or any part of the property of the Company, (both present and future), including its un-called capital for the time being and the debentures and the debenture stock and other securities may be made assignable free from any equities between the Company and the person to whom the same may be issued.

### **BONDS, DEBENTURES, ETC. TO BE SUBJECT TO CONTROL OF DIRECTORS**

- 177. Any bonds, debentures, debenture-stock or other securities issued or to be issued by the Company shall be under the control of the Directors who may issue them upon such terms and conditions and in such manner and for such consideration as they shall consider to be for the benefit of the Company.

Provided that bonds, debentures, debenture-stock or other securities so issued or to be issued by the Company with the right to allotment of or conversion into shares shall not be issued except with the sanction of the Company in general meeting.

### **CONDITION ON WHICH MONEY MAY BE BORROWED**

- 178. The Board may raise or secure the payment of such sum or sums in such manner and upon such terms and conditions in all respects as it thinks fit and in particular by the issue of bonds, perpetual or redeemable debenture-stock or any mortgage, charge or other security on the undertaking of the whole or any part of the Company (both present and future) including its uncalled capital for the time being. The Board shall exercise such power only by means of resolutions passed at its meetings and not by circular resolutions.

### **TERMS OF ISSUE OF DEBENTURES**

- 179. Any debentures, debenture-stock or other securities may be issued at a discount, premium or otherwise and may be issued on condition that they shall be convertible into shares of any denomination and with any privileges

and conditions as to redemption, surrender, drawing, allotment of shares, attending (but not voting) at the General Meeting, appointment of Directors and otherwise Debentures with the right to conversion into or allotment of shares shall be issued only with the consent of the Company in the General Meeting by a Special Resolution.

### **DEBENTURES WITH VOTING RIGHTS NOT BE ISSUED**

180. (1) A company may issue debentures with an option to convert such debentures into shares, either wholly or partly at the time of redemption:  
Provided that the issue of debentures with an option to convert such debentures into shares, wholly or partly, shall be approved by a special resolution passed at a general meeting.
- (2) No company shall issue any debentures carrying any voting rights.
- (3) Secured debentures may be issued by a company subject to such terms and conditions as may be determined by central government.
- (4) Where debentures are issued by a company under this section, the company shall create a debenture redemption reserve account out of the profits of the company available for payment of dividend and the amount credited to such account shall not be utilized by the company except for the redemption of debentures.
- (5) No company shall issue a prospectus or make an offer or invitation to the public or to its members exceeding five hundred for the subscription of its debentures, unless the company has, before such issue or offer, appointed one or more debenture trustees and the conditions governing the appointment of such trustees shall be such as may be determined by Central Government.
- (6) A debenture trustee shall take steps to protect the interests of the debenture holders and redress their grievances in accordance with such rules as may be determined by Central Government.
- (7) Any provision contained in a trust deed for securing the issue of debentures, or in any contract with the debenture-holders secured by a trust deed, shall be void in so far as it would have the effect of exempting a trustee thereof from, or indemnifying him against, any liability for breach of trust, where he fails to show the degree of care and due diligence required of him as a trustee, having regard to the provisions of the trust deed conferring on him any power, authority or discretion:  
Provided that the liability of the debenture trustee shall be subject to such exemptions as may be agreed upon by a majority of debenture-holders holding not less than three fourths in value of the total debentures at a meeting held for the purpose.
- (8) A company shall pay interest and redeem the debentures in accordance with the terms and conditions of their issue.
- (9) Where at any time the debenture trustee comes to a conclusion that the assets of the company are insufficient or are likely to become insufficient to discharge the principal amount as and when it becomes due, the debenture trustee may file a petition before the Tribunal and the Tribunal may, after hearing the company and any other person interested in the matter, by order, impose such restrictions on the incurring of any further liabilities by the company as the Tribunal may consider necessary in the interests of the debenture-holders.
- (10) Where a company fails to redeem the debentures on the date of their maturity or fails to pay interest on the debentures when it is due, the Tribunal may, on the application of any or all of the debenture-holders, or debenture trustee and, after hearing the parties concerned, direct, by order, the company to redeem the debentures forthwith on payment of principal and interest due thereon.
- (11) If any default is made in complying with the order of the Tribunal under this section, every officer of the company who is in default shall be punishable with imprisonment for a term which may extend to three years or with fine which shall not be less than two lakh rupees but which may extend to five lakh rupees, or with both.
- (12) A contract with the company to take up and pay for any debentures of the company may be enforced by a decree for specific performance.
- (13) The Central Government may prescribe the procedure, for securing the issue of debentures, the form of debenture trust deed, the procedure for the debenture-holders to inspect the trust



deed and to obtain copies thereof, quantum of debenture redemption reserve required to be created and such other matters.

### **EXECUTION OF INDEMNITY**

181. If the Directors or any of them or any other persons shall become personally liable for the payment of any sum primarily due from the Company, the Board may execute or cause to be executed any mortgage, charge or security over or affecting the whole or any part of the assets of the Company by way of indemnity against any loss which the Directors or any one or more of them may suffer by reason of becoming or being sureties or surety for the company.

### **CERTAIN POWERS OF THE BOARD**

182. Without prejudice to the general powers conferred by these Articles and so as not in any way to limit or restrict those powers, but subject however to the provisions of the Act, it is hereby expressly declared that the Board shall have the following powers:

- 1) To pay the costs, charges and expenses preliminary and incidental to the promotion, formation, establishment, and registration of the Company.
- 2) Subject to Sections 179 and 188 and other applicable provisions of the Act, to purchase or otherwise acquire for the Company any property, movable or immovable, rights or privileges which the Company is authorized to acquire at or for such price or consideration and generally on such terms and conditions as they may think fit and in any such purchase or other acquisition to accept such title as the Board may believe or may be advised to be reasonably satisfactory.
- 3) At its discretion and subject to the provisions of the Act, to pay for any property, rights, privileges acquired by or services rendered to the Company, either wholly or partially in cash or in shares, bonds, debentures, mortgages or other securities of the Company and any such shares may be issued either as fully paid up or with such amount credited as fully paid up thereon as may be agreed upon and any such bonds, debentures, mortgages or other securities may be either specifically charges upon all or any part of the property of the Company including its uncalled capital or not so charges.
- 4) To secure the fulfillment of any contracts, agreements or engagements entered into by the Company by mortgage or charge of all or any of the property of the Company and its uncalled capital for the time being or in such manner as they may think fit.
- 5) To appoint and at its discretion, remove or suspend, such managers, secretaries, officers, clerks, agents and employees for permanent, temporary or special services as it may from time to time think fit and to determine their power and duties and fix their salaries, emoluments remuneration and to require security in such instances and of such amounts as it may think fit.
- 6) To accept from any member subject to the provisions of the Act, a surrender of his share or any part thereof on such terms and condition as shall be agreed.
- 7) To appoint any person or persons (whether incorporated or not) to accept and hold in trust for the Company any property belonging to the Company or in which it is interested or for any other purpose and to execute and do all such deeds and things as may be required in relation to any such trust and to provide for the remuneration of such trustee or trustees.
- 8) To institute, conduct, defend, compound or abandon any legal proceedings by or against the Company or its officers or otherwise concerning the affairs of the Company and also to compound and allow time for payment or satisfaction of any debts due or any claims or demands by or against the Company and to refer any difference to arbitration and observe and perform the terms of any awards made therein either

according to Indian Law or according to Foreign Law and either in India or abroad and observe and perform or challenge any award made therein.

- 9) To refer any claims or demands by or against the Company or any difference to arbitration and observe and perform the awards.
- 10) To act on behalf of the Company in all matters relating to bankruptcy and insolvency.
- 11) To make and give receipts, releases and other discharges for money payable to the Company and for the claims and demands of the Company.
- 12) To open and operate Bank Accounts, to determine from time to time who shall be entitled to sign, on the Company's behalf, bills, notes, receipts, acceptances, endorsements, cheques, dividend warrants, releases, contracts and documents and to give the necessary authority for such purposes.
- 13) Subject to the provisions of the Act and these Articles from time to time to provide for the management of the affairs of the Company in or outside India in such manner as it may think fit and in particular to appoint any person to be the attorneys or agents of the Company with such person (including the power to sub-delegate) and upon such terms as may be thought fit.
- 14) Subject to the provisions of Sections 179, 180, 185 of Act and other applicable provisions of the Act and these Articles, to invest and deal with the moneys of the Company not immediately required for the purpose thereof in or upon such security (not being shares in this Company) or without security and in such manner as it may think fit and from time to time to vary or realize such investments save as provided in Section 187 of the Act, all investments shall be made and held in the Company's own name.
- 15) To execute in the name and on behalf of the Company in favour of any Director or other person who may incur or be about to incur, any personal liability for the benefit of the Company, such mortgages of the Company's property (present and future) as it thinks fit and any such mortgage may contain a power of sale and such other powers, covenants and provisions as shall be agreed upon.
- 16) To distribute by way of bonus amongst the staff of the Company a share or shares in the profits of the Company and to give to any Director, officer or other person employed by the Company a commission on the profits of any particular business or transaction and to charge such bonus or commission as a part of working expenses of the Company.
- 17) To provide for the welfare of employees or ex-employees of the Company and the wives and families or the dependents or connections of such persons by building or contributing to the building of houses, dwellings or chawls or by grants of money, pension, gratuity, annuities, allowances, bonuses or other payments or by creating and from time to time subscribing or contributing to, provident fund and other associations institutions, funds or trusts and by providing or subscribing or contributing towards places of instruction or recreations, hospitals and dispensaries, medical and other attendance and other assistance as the Board shall think fit.
- 18) To subscribe, incur expenditure or otherwise to assist or to guarantee money to charitable, benevolent, religious, scientific, national or any other institutions or objects which shall have any moral or other claim to support or aid by the Company either by reason of locality of operation or of public and general utility or otherwise.
- 19) Before recommending any dividend, to set aside, out of the profits of the Company, such sums as it may think proper for depreciation or to a depreciation fund or to an insurance fund or as a reserve fund or sinking fund or any special fund to meet contingencies to repay debentures or for debenture-stock or for special dividends or for equalizing dividends or for repairing, improving, extending and



maintaining any of the property of the Company and for such other purposes (including the purposes referred to in the last two preceding clauses) as the Board of Directors, may in its absolute discretion think conducive to the interest of the Company and subject to the provisions of the Act to invest the several sums so set aside or so much thereof as is required to be invested, upon such investments (other than shares of this Company) as it may think fit and from time to time deal with and vary such investments and dispose off and apply and expend all or any part thereof for the benefit of the Company, in such manner & for such purposes as the Board of Directors in its absolute discretion think conducive to the interest of the Company notwithstanding that the matters to which the Board of Directors applies or upon which it expends the same or any part thereof may be matters to or upon which the capital moneys of the Company might rightly be applied or expended and to divide the general reserve fund into such special funds as the Board of Directors may think fit with full power to transfer the whole or any portion of a reserve fund or division of reserve fund to another reserve fund and with full power to employ the asset constituting all or any of the above funds including the depreciation fund in the business of the Company or in the purchase or repayment of debentures or debenture-stock and that without being bound to keep the same separate from the other assets and without being bound to pay interest on the same with power however to the Board of Directors at its discretion to pay or allow to the credit of such funds, interest at such rate as the Board of Directors may think proper.

- 20) To pay and charge to the capital account of the Company any commission or interest lawfully payable under the provisions of the Act and of the provision contained in these presents.
- 21) From time to time make, vary and repeal by-laws for regulation of the business of the Company, its officers and servants.
- 22) To redeem redeemable preference shares.
- 23) Subject to provisions of the Act, for or in relation to any of the matters aforesaid or otherwise for the purpose of the Company to enter in to all such negotiations and contracts and rescind and vary all such contracts and execute and do all such acts, deeds and things in the name and on behalf of the Company as they may consider expedient.
- 24) To undertake any branch or kind of business which the company is expressly or by implication authorized to undertake at such time or times as it shall think fit and to keep in abeyance any such branch or kind of business even though it may have been actually commenced or not, so long as the Board may deem it expedient not to commence or proceed with such branch or kind of business.

### **APPOINTMENT OF INDEPENDENT DIRECTOR**

183. Pursuant to Section 149 and rules as may be applicable and subject to the provisions of Schedule IV the company shall appoint such number of independent directors from time to time as may be determined by the Central Government.

Every independent director shall at the first meeting of the Board in which he participates as a director and thereafter at the first meeting of the Board in every financial year or whenever there is any change in the circumstances which may affect his status as an independent director, give a declaration that he meets the criteria of independence.

Notwithstanding anything contained in any other provision of this Act, but subject to the provisions of sections 197 and 198, an independent director shall not be entitled to any stock option and may receive remuneration by way of fee provided under sub-section (5) of Section 197, reimbursement of expenses for participation in the Board and other meetings and profit related commission as may be approved by the members.

Subject to the provisions of section 152, an independent director shall hold office for a term up to five consecutive years on the Board of a company, but shall be eligible for reappointment on passing of a special resolution by the company and disclosure of such appointment in the Board's report.

No independent director shall hold office for more than two consecutive terms, but such independent director shall be eligible for appointment after the expiration of three years of ceasing to become an independent director:

Provided that an independent director shall not, during the said period of three years, be appointed in or be associated with the company in any other capacity, either directly or indirectly.

Notwithstanding anything contained in this Act -

(i) an independent director;

(ii) a non-executive director not being promoter or key managerial personnel, shall be held liable, only in respect of such acts of omission or commission by a company which had occurred with his knowledge, attributable through Board processes, and with his consent or connivance or where he had not acted diligently.

The provisions of sub-sections (6) and (7) of section 152 in respect of retirement of directors by rotation shall not be applicable to appointment of independent directors.

## **KEY MANAGERIAL PERSONNEL**

### **APPOINTMENT OF KEY MANAGERIAL PERSONNEL**

184. (1) Subject to the provisions of Sections 203 and other applicable provisions, if any of the Act, Company shall appoint whole-time key managerial personnel by means of a resolution of the Board containing the terms and conditions of the appointment including the remuneration.
- (2) A whole-time key managerial personnel shall not hold office in more than one company except in its subsidiary company at the same time:  
 Provided that nothing contained in this sub-clause shall disentitle a key managerial personnel from being a director of any company with the permission of the Board.  
 Provided further that whole-time key managerial personnel holding office in more than one company at the same time on the date of commencement of this Act, shall, within a period of six months from such commencement, choose one company, in which he wishes to continue to hold the office of key managerial personnel.  
 Provided also that a company may appoint or employ a person as its managing director, if he is the managing director or manager of one, and of not more than one, other company and such appointment or employment is made or approved by a resolution passed at a meeting of the Board with the consent of all the directors present at the meeting and of which meeting, and of the resolution to be moved thereat, specific notice has been given to all the directors then in India.
- (3) If the office of any whole-time key managerial personnel is vacated, the resulting vacancy shall be filled-up by the Board at a meeting of the Board within a period of six months from the date of such vacancy.

### **REMUNERATION OF KEY MANAGERIAL PERSONNEL**

185. The remuneration of Key Managerial Personnel shall from time to time, be fixed by the Board and may be by way of salary or commission or participation in profits or by any or all of these modes or in any other form and shall be subject to the limitations prescribed in Schedule V along with Sections 196 and 197 of the Act.

### **DIRECTORS MAY CONFER POWER ON MANAGING DIRECTOR**

186. Subject to the provisions of the Act and to the restrictions contained in these Articles, Board may from time to time entrust to and confer upon a Managing Director for the time being such of the powers exercisable by the Board under these Articles as it may think fit and may confer such powers for such time and to be exercised for such objects and purposes and upon such terms and conditions and with such restrictions as it thinks expedient.

### **CERTAIN PERSONS NOT TO BE APPOINTED AS MANAGING DIRECTORS**

187. No company shall appoint or continue the employment of any person as Managing Director, Whole-time

Director or Manager who -

(a) is below the age of twenty-one years or has attained the age of seventy years:

Provided that appointment of a person who has attained the age of seventy years may be made by passing a special resolution in which case the explanatory statement annexed to the notice for such motion shall indicate the justification for appointing such person;

(b) is an undischarged insolvent or has at any time been adjudged as an insolvent;

(c) has at any time suspended payment to his creditors or makes, or has at anytime made, a composition with them; or

(d) has at any time been convicted by a court of an offence and sentenced for a period of more than six months.

A person shall not be eligible for appointment as a director of a company if such person suffers any of the disqualifications provided under Section 164 of the Act.

188. Special to any contract between him and the Company, a Managing or Whole time Director shall not, while he continues to hold that office, be subject to retirement by rotation and he shall not be reckoned as a Director for the purpose of determining the rotation of retirement of Directors or in fixing the number of Directors to retire but (subject to the provision of any contract between him and the Company), he shall be subject to the same provisions as to resignation and removal as the Directors of the Company and shall, ipso facto and immediately, cease to be a Managing Director if he ceases to hold the office of Director from any cause.

189. The Company shall not appoint or employ at the same time more than one of the following categories of managerial personnel namely:-

a) Managing Director and

b) Manager.

and shall duly observe the provisions of Section 196 of the Act regarding prohibition of simultaneous appointment of different categories of managerial personnel therein referred to.

### **THE SECRETARY**

190. The Board may, from time to time, appoint and at its discretion, remove any individual (hereinafter called the Secretary) to perform any function which by the Act are to be performed by the Secretary and to execute any other ministerial or administrative duties which may from time to time be assigned to the Secretary by the Board. The Board may also at any time appoint some persons (who need not be the Secretary) to keep the registers required to be kept by the Company. The appointment of Secretary shall conform to the provisions of Section 203 of the Act.

### **THE SEAL, ITS CUSTODY AND USE**

191. The Board of Directors shall provide a Common Seal for the purpose of the Company and shall have power from time to time to destroy the same and substitute a new Seal in lieu thereof and shall provide for the safe custody of the Seal for time being and the Seal of the Company shall not be affixed to any instrument except by the authority of a resolution of the Board of Directors and except in the presence of at least two Director or such other person as the Directors may appoint for the purpose and the Directors or other persons aforesaid shall sign every instrument to which the Seal of the Company is so affixed in their presence.

### **MINUTES**

192. (1) The Company shall cause minutes of all proceedings of every General Meeting and all proceedings of every meeting of its Board of /directors or of every Committee of the Board to be kept by making within thirty days of the conclusion of every such meeting concerned, entries thereof in books kept for that, their pages consecutively numbered.

- (2) Each page of every such book shall be initialed or signed and the last Page of the record of proceedings of each meeting in such books shall be dated and signed.
  - (a) in the case of minutes of proceedings of a meeting of the Board or of a committee thereof, by the Chairman of the next succeeding meeting.
  - (b) In the case of minutes of proceedings of a General Meeting, by the Chairman of the same meeting within the aforesaid period of thirty days or in the event of the death or inability of that Chairman within that period, by a Director duly authorized by the Board for the purpose.

193. Minutes of proceedings of every General Meeting and of the proceedings of every meeting of the Board kept in accordance with the provisions of Article 191 above, shall be evidence of the proceedings recorded therein.

194. Where minutes of the proceedings of every General Meeting of the Company or of any meeting of the Board or of a Committee of the Board have been kept in accordance with the provisions of Article 192 above then, until the contrary is proved the meeting shall be deemed to have been duly called and held and all proceedings thereat to have duly taken place and in particular all appointments of Directors or liquidators made at the meeting shall be deemed to be valid.

195. (1) The books containing the minutes of the proceedings of any General Meeting of the Company shall be kept at the registered office of the Company and shall be open for inspection of members without charge between the hours 2 p.m. and 5 p.m. during business hours on each working day except Saturday
- (2) Any member of the Company shall be entitled to be furnished, within seven days after he has made a request in writing in that behalf to the Company, with a copy of any minutes referred above on payment of such sum not exceeding Ten Rupees for every page thereof required to be copied.
- (3) In no case the minutes of proceedings of a meeting shall be attached to any such book as aforesaid by pasting or otherwise.
- (4) The minutes of different meetings shall contain a fair and correct summary of proceedings thereat.
- (5) All appointments of officers made at any of the meetings aforesaid shall be included in the minutes of the meeting.
- (6) In the case of a meeting of the Board of Directors or of a committee of the Board, the minutes shall also contain -
  - (a) the names of the directors present at the meeting; and
  - (b) in the case of each resolution passed at the meeting, the names of the directors, if any, dissenting from, or not concurring with the resolution.
- (7) Nothing contained in clauses (1) to (6) there shall not be included in the minutes, any matter which, in the opinion of the Chairman of the meeting -
  - (a) is or could reasonably be regarded as defamatory of any person; or
  - (b) is irrelevant or immaterial to the proceedings; or
  - (c) is detrimental to the interests of the company.

The Chairman shall exercise an absolute discretion in regard to the inclusion or non-inclusion of any matters in the minutes on the grounds specified in this clause.

#### **PRESUMPTIONS TO BE DRAWN WHERE MINUTES DULY DRAWN AND SIGNED.**

196. Where minutes of the proceedings of any general meeting of the Company or of any meeting of its Board of Directors or a Committee of the Board have been kept in accordance with the provisions of Section 118 of the

act then, until the contrary is proved, the meeting shall be deemed to have been duly called and held, and all proceedings thereat to have duly taken place and in particular all appointments of directors of Liquidators made at the meeting shall be deemed to be valid and the minutes shall be evidence of the proceedings recorded therein.

### **DIVIDENDS**

197. (1) No dividend shall be declared or paid by a company for any financial year except -
- (a) out of the profits of the company for that year arrived at after providing for depreciation or out of the profits of the company for any previous financial year or years arrived at after providing for depreciation in accordance with the provisions of that sub-section and remaining undistributed, or out of both; or
  - (b) out of money provided by the Central Government or a State Government for the payment of dividend by the company in pursuance of a guarantee given by that Government:  
 Provided that a company may, before the declaration of any dividend in any financial year, transfer such percentage of its profits for that financial year as it may consider appropriate to the reserves of the company:  
 Provided further that where, owing to inadequacy or absence of profits in any financial year, any company proposes to declare dividend out of the accumulated profits earned by it in previous years and transferred by the company to the reserves, such declaration of dividend shall not be made except in accordance with such rules as may be determined by Central Government in this behalf:  
 Provided also that no dividend shall be declared or paid by a company from its reserves other than free reserves.
- (2) The depreciation shall be provided in accordance with the provisions of Schedule II of the Act.
- (3) The Board of Directors of a company may declare interim dividend during any financial year out of the surplus in the profit and loss account and out of profits of the financial year in which such interim dividend is sought to be declared:  
 Provided that in case the company has incurred loss during the current financial year up to the end of the quarter immediately preceding the date of declaration of interim dividend, such interim dividend shall not be declared at a rate higher than the average dividends declared by the company during the immediately preceding three financial years.
- (4) The amount of the dividend, including interim dividend, shall be deposited in a scheduled bank in a separate account within five days from the date of declaration of such dividend.
- (5) No dividend shall be paid by a company in respect of any share therein except to the registered shareholder of such share or to his order or to his banker and shall not be payable except in cash:  
 Provided that nothing in this sub-section shall be deemed to prohibit the capitalization of profits or reserves of a company for the purpose of issuing fully paid-up bonus shares or paying up any amount for the time being unpaid on any shares held by the members of the company:  
 Provided further that any dividend payable in cash may be paid by cheque or warrant or in any electronic mode to the shareholder entitled to the payment of the dividend.
- (6) A company which fails to comply with the provisions of sections 73 and 74 shall not, so long as such failure continues, declare any dividend on its equity shares.

### **DIVIDEND TO JOINT HOLDERS**

198. Any one of several persons who are registered as joint holders of any Shares may give effectual receipts for all dividends or bonus and payments on account of dividends in respect of such Shares.
199. 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.

No amount paid or credited as paid on a share in advance of calls shall be treated as paid up on the share.

### **APPORTIONMENT OF DIVIDENDS**

200. All dividends shall be apportioned and paid proportionate 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.

### **DECLARATION OF DIVIDENDS**

201. The Company in General Meeting may, subject to the provisions of Section 123 of the Act, declare a dividend to be paid to the members according to their right and interests in the profits and may fix the time for payment.

### **RESTRICTION ON AMOUNT OF DIVIDEND**

202. No larger dividend shall be declared than is recommended by the Board, but the Company in General Meeting may declare a smaller dividend.

### **DIVIDEND OUT OF PROFITS ONLY AND NOT TO CARRY INTEREST**

203. (1) No dividend shall be payable except out of the profits of the Company arrived at as stated in Section 123 of the Act.  
(2) The declaration of the Board as to the amount of the net profits of the Company shall be conclusive.

### **INTERIM DIVIDENDS**

204. The Board of Directors may from time to time pay the members such interim dividends as appears to it to be justified by the profits of the Company in accordance with Section 123 of the Act.

### **DEBTS MAY BE DEDUCTED**

205. The Board may retain any dividends payable on shares on which the Company has a lien and may apply the same in or towards the satisfaction of the debts, liabilities or engagements in respect of which lien exists.

### **DIVIDEND AND CALL TOGETHER**

206. Any General Meeting declaring a dividend may make a call on the members of such amount as the meeting fixes but so that the call on each members shall not exceed the dividend payable on him and so that the call may be made payable at the same time as the dividend and dividend may; if so arranged between the Company and the member, be set off against the call.

### **EFFECT OF TRANSFER**

207. Right to dividend, right shares and bonus shares shall be held in abeyance pending registration of transfer of shares in conformity with the provision of Section 126 of the Act.

### **RETENTION IN CERTAIN CASES**

208. The Board may retain the dividends payable upon shares in respect of which any person is, under Articles entitled to become a Member, which any person under that Article is entitled to transfer, until such person shall become a member in respect of such shares or shall duly transfer the same.



## **NO MEMBER TO RECEIVE INTEREST OR DIVIDEND WHILST INDEBTED TO THE COMPANY AND COMPANY'S RIGHT TO REIMBURSEMENT THERE OUT**

209. No member shall be entitled to receive payment of an interest or dividend in respect of his own share or shares whilst any money may be due or owing from him to the Company in respect of such share or shares otherwise howsoever either alone or jointly with any other person or persons and the Board may deduct from the interest or dividend payable to any shareholder all sums or money so due from him to the Company.

### **PAYMENT BY POST**

210. Any dividend payable in cash may be paid by cheque or warrant sent through the post directly to the registered address of the shareholder entitled to the payment of the dividend or in the case of joint shareholders to the registered address of that one whose name stands first on the Register of Members in respect of the joint shareholding or to such persons and to such address as the shareholders of the joint shareholders may in writing direct and every cheque or warrant so sent shall be made payable to the order of the person to whom it is sent and the Company shall not be responsible or liable for any cheque or warrant lost in transit or for any dividend lost to the member or person entitled thereto by the forged endorsement of any cheque or warrant or the fraudulent recovery thereof by any other means. The Company may, if it thinks fit, call upon the shareholders when applying for dividends or bonus to produce their share certificates at the registered office or other place where the payment of dividend is to be made.

### **DIVIDEND TO BE PAID WITHIN THIRTY DAYS**

211. The Company shall pay dividend or send the warrant in respect thereof to the shareholder entitled to the payment of the dividend within Thirty days from the date of the declaration of the dividend unless:
- (a) the dividend could not be paid by reason of the operation of any law or
  - (b) a shareholder has given directions to the Company regarding the payment of dividend and these directions cannot be complied with or
  - (c) there is dispute, regarding the right to receive the dividend or
  - (d) the dividend has been lawfully adjusted by the Company against any sum due to it from the shareholder or
  - (e) for any other reason, the failure to pay the dividend or to post the warrant within the period aforesaid was not due to any default on the part of the Company.

### **UNPAID OR UNCLAIMED DIVIDEND**

212. (1) Where a dividend has been declared by a company but has not been paid or claimed within thirty days from the date of the declaration to any shareholder entitled to the payment of the dividend, the company shall, within seven days from the date of expiry of the said period of thirty days, transfer the total amount of dividend which remains unpaid or unclaimed to a special account to be opened by the company in that behalf in any scheduled bank to be called the Unpaid Dividend Account.
- (2) The company shall, within a period of ninety days of making any transfer of an amount under sub-section (1) to the Unpaid Dividend Account, prepare a statement containing the names, their last known addresses and the unpaid dividend to be paid to each person and place it on the website of the company, if any, and also on any other website approved by the Central Government for this purpose, in such form, manner and other particulars as may be determined by central government.
- (3) If any default is made in transferring the total amount referred to in sub-section (1) or any part thereof to the Unpaid Dividend Account of the company, it shall pay, from the date of such default, interest on so much of the amount as has not been transferred to the said account, at the rate of twelve per cent per annum and the interest accruing on such amount shall endure to the benefit of the members of the company in proportion to the amount remaining unpaid to them.
- (4) Any person claiming to be entitled to any money transferred under sub-section (1) to the Unpaid Dividend Account of the company may apply to the company for payment of the money claimed.



- (5) Any money transferred to the Unpaid Dividend Account of a company in pursuance of this section which remains unpaid or unclaimed for a period of seven years from the date of such transfer shall be transferred by the company along with interest accrued, if any, thereon to the Fund established under sub-section (1) of section 125 and the company shall send a statement in the prescribed form of the details of such transfer to the authority which administers the said Fund and that authority shall issue a receipt to the company as evidence of such transfer.
- (6) All shares in respect of which unpaid or unclaimed dividend has been transferred under sub-section (5) shall also be transferred by the company in the name of Investor Education and Protection Fund along with a statement containing such details as may be determined by central government and that there shall be no forfeiture of unclaimed dividends before the claim becomes barred by law: Provided that any claimant of shares transferred above shall be entitled to claim the transfer of shares from Investor Education and Protection Fund in accordance with such procedure and on submission of such documents as may be determined by Central Government.

### **CAPITALIZATION OF RESERVES**

213. (a) Any General Meeting may, upon the recommendation of the Board resolve that any moneys, investments or other assets forming part of the undistributed profits of the Company standing to the credit of any of the profit and loss account or any capital redemption reserve fund or in hands of the Company and available for dividend or representing premium received on the issue of shares and standing to the credit of the share premium account be capitalized and distributed amongst such of the shareholders as would be entitled to receive the same if distributed by way of dividend and in the same proportions on the footing that they become entitled thereto as capital and that all or any part of such capitalized fund shall not be paid in cash but shall be applied subject to the provisions contained in clause (b) hereof on behalf of such shareholders in full or towards:
  - (1) Paying either at par or at such premium as the resolution may provide any unissued shares or debentures or debenture-stock of the Company which shall be allotted, distributed and credited as fully paid up to and amongst such members in the proportions aforesaid; or
  - (2) Paying up any amounts for the time being remaining unpaid on any shares or debentures or debenture-stock held by such members respectively; or
  - (3) Paying up partly in the way specified in sub-clause (1) and partly in that specified in sub-clause (2) and that such distribution or payment shall be accepted by such shareholders in full satisfaction of their interest in the said capitalized sum.
- (b) (1) Any moneys, investments or other assets representing premium received on the issue of shares and standing to the credit of share premium account; and
  - (2) If the Company shall have redeemed any redeemable preference shares, all or any part of any capital redemption fund arising from the redemption of such shares may, by resolution of the Company be applied only in paying up unissued shares of the Company to be issued to members of the Company as fully paid bonus shares to be issued to such members of the Company as the General Meeting may resolve upto an amount equal to the nominal amount of the shares so issued.
- (c) Any General Meeting may resolve that any surplus moneys arising from the realization of any capital assets of the Company or any investments representing the same or any other undistributed profits of the Company not subject to charge for income-tax be distributed amongst the members on the footing that they receive the same as capital.
- (d) For the purpose of giving effect to any such resolution, the Board may settle any difficulty which may arise in regard to the distribution of payment as aforesaid as it thinks expedient and in particular it may issue fractional certificates and may fix the value for distribution of any specific assets and may determine

that cash payments be made to any members on the footing of the value so fixed and may vest any such cash, share, debentures, debenture-stock, bonds or other obligation in trustees upon such trust for the persons entitled thereto as may seem expedient to the Board and generally may make such arrangement for acceptance, allotment and sale of such shares, debentures, debenture-stock, bonds or other obligations and fractional certificates or otherwise as it may think fit.

- (e) If and whenever any share becomes held by any member in fraction, the Board may subject to the provisions of the Act and these Articles and to the directions of the Company in General Meeting, if any, sell the shares which members hold in fractions for the best price reasonably obtainable and shall pay and distribute to and amongst the members entitled to such shares in due proportion the net proceeds of the sale thereof, for the purpose of giving effect to any such sale, the Board may authorize any person to transfer the shares sold to the purchaser thereof, comprised in any such transfer and he 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 of invalidity in the proceedings with reference to the sale.
- (f) Where required; a proper contract shall be delivered to the Registrar for registration in accordance with Section 39 of the Companies Act 2013 and the Board may appoint any person to sign such contract on behalf of the persons entitled to the dividend or capitalized fund and such appointment shall be effective.

### **FRACTIONAL CERTIFICATES**

214. (1) Whenever such a resolution as aforesaid shall have been passed, the Board shall;
- (a) make all appropriations and applications of the undivided profits resolved to be capitalized thereby and all allotments and issues of fully paid Shares and
  - (b) Generally do all acts and things required to give effect thereto.
- (2) The Board shall have full power:
- (a) to make such provision by the issue of fractional cash certificate or by payment in cash or otherwise as it thinks fit, in the case of Shares becoming distributable in fractions, also
  - (b) to authorize any person to enter, on behalf of all the Members entitled thereto, into an agreement with the Company providing for the allotment to them respectively, credited as fully paid up, of any further Shares to which they may be entitled upon such capitalization or (as the case may require) for the payment by the Company on their behalf by the application thereof of the respective proportions of the profits resolved to be capitalised of the amounts remaining unpaid on their existing Shares.
- (3) Any agreement made under such authority shall be effective and binding on all such Members.
- (4) that for the purpose of giving effect to any resolution, under the preceding paragraph of this Article, the Directors may give such directions as may be necessary and settle any question or difficulties that may arise in regard to any issue including distribution of new Shares and fractional certificates as they think fit.

### **DIVIDEND IN CASH**

215. No dividends shall be payable except in cash, provided that nothing in this Article shall be deemed to prohibit the capitalization of the profits or reserves of the Company for the purpose of issuing fully paid up bonus Shares or paying up any amount for the time being unpaid on any Shares held by Members of the Company.
216. The Board shall give effect to the resolution passed by the Company in pursuance of all the above Articles.

### **BOOKS OF ACCOUNTS BOOKS OF ACCOUNTS TO BE KEPT**

217. The Company shall cause to be kept proper books of account with respect to:

- (i) all sums of money received and expended by a company and matters in relation to which the receipts and expenditure take place;
- (ii) all sales and purchases of goods and services by the company;
- (iii) the assets and liabilities of the company; and
- (iii) the items of cost as may be determined by Central Government under section 148 in the case of a company which belongs to any class of companies specified under that section;

### **BOOKS WHERE TO BE KEPT AND INSPECTION**

218. (1) Every company shall prepare and keep at its registered office books of account and other relevant books and papers and financial statement for every financial year which give a true and fair view of the state of the affairs of the company, including that of its branch office or offices, if any, and explain the transactions effected both at the registered office and its branches and such books shall be kept on accrual basis and according to the double entry system of accounting.  
All or any of the books of account aforesaid and other relevant papers may be kept at such other place in India as the Board of Directors may decide and where such a decision is taken, the company shall, within seven days thereof, file with the Registrar a notice in writing giving the full address of that other place. The company may keep such books of account or other relevant papers in electronic mode in such manner as may be determined by Central Government.
- (2) Where a company has a branch office in India or outside India, it shall be deemed to have complied with the provisions of sub-clause (1), if proper books of account relating to the transactions effected at the branch office are kept at that office and proper summarized returns periodically are sent by the branch office to the company at its registered office or the other place referred to in sub-clause (1).
  - (3) The books of account of every company relating to a period of not less than eight financial years immediately preceding a financial year, or where the company had been in existence for a period less than eight years, in respect of all the preceding years together with the vouchers relevant to any entry in such books of account shall be kept in good order.
  - (4) The Company may keep such books of accounts or other relevant papers in electronic mode in such manner as may be prescribed.

### **INSPECTION BY MEMBERS**

219. The Board of Directors shall, from time to time, determine whether and to what extent and at what times and places and under what conditions or regulations accounts and books and the documents of the Company or any of them shall be open to the inspection of the members and 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 statute or authorised by the Board of Directors or by a resolution of the Company in General Meeting.

### **TRANSFER BOOKS AND REGISTER OF MEMBERS WHEN CLOSED**

220. The Board shall have power on giving not less than seven days' previous notice by advertisement in some newspaper circulating in the district in which the office of the Company is situated, to close the Transfer books, the Register of members or Register of debenture holders at such time or times and for such period or periods, not exceeding thirty days at a time and not exceeding in the aggregate forty-five days in each year.  
If the transfer books have not been closed at any time during a year, the Company shall at least once a year, close the books at the time of its Annual General Meeting. The minimum time gap between the two book closures and/or record dates would be at least 30 (thirty) days.

### **STATEMENT OF ACCOUNTS TO BE LAID IN GENERAL MEETING**

221. The Board of Directors shall from time to time, in accordance with Sections 129 and 134 of the Act, cause to be prepared and to be laid before the Company in General Meeting, such Balance Sheets, Profits & Loss Accounts and reports as are required by these Sections.

### **FINANCIAL STATEMENT**

222. Subject to the provisions of Section 129 of the Act, every Financial Statement of the Company shall be in the forms set out in Schedule II of the Act, or as near there to as circumstances admit. So long as the Company is a holding Company having a subsidiary the Company shall conform to Section 129 and other applicable provisions of the Act.

If in the opinion of the Board, any of the current assets of the Company have not a value on realization in the ordinary course of business at least equal to the amount at which they are stated, the fact that the Board is of that opinion shall be stated.

### **AUTHENTICATION OF FINANCIAL STATEMENT**

223. The Financial Statements shall be signed in accordance with the provisions of Section 134 of the said Act. The Financial Statement, shall be approved by the Board of Directors before they are submitted to the auditors for report thereon. Profit and Loss Accounts to be Annexed and Auditors' Report to be attached to the Balance Sheet. The Profit and Loss Account shall be annexed to the Balance and the Auditors' Report including the Auditor's separate, special or supplementary report, if any, shall be attached thereon.

### **BOARD'S REPORT TO BE ATTACHED TO FINANCIAL STATEMENT**

224. Every Financial Statement laid before the Company in General Meeting shall have attached to it a Report by the Board of Directors with respect to the State of the Company's affairs and such other matters as prescribed under Section 134 of the Act and the Rules made thereunder. The Report shall so far as it is material for the appreciation of the state of the Company's affairs by its members and will not in the Board's opinion be harmful to the business of the Company or of any of its subsidiaries deal with any changes which have occurred during the financial year in the nature of the Company or Company's business, or of the Company's subsidiaries or in the nature of the business in which the Company has an interest. The board shall also give the fullest information and explanation in its Report or in cases falling under the proviso to Section 129 of the Act in an addendum to that Report, on every reservation, qualification or adverse remark contained in the Auditor's Report. The Board's Report and addendum (if any) thereto shall be signed by its Chairman if he is authorized in that behalf by the Board; and where he is not so authorized shall be signed by such number of Directors as are required to sign the Financial Statements of the Company by virtue of Article 229. Every Financial Statement of the Company when audited and approved and adopted by the members in the annual general meeting shall be conclusive except as regards in matters in respect of which modifications are made thereto as may from time to time be considered necessary by the Board of Directors and or considered proper by reason of any provisions of relevant applicable statutes and approved by the shareholders at a subsequent general meeting.

### **RIGHT OF MEMBERS TO COPIES OF FINANCIAL STATEMENT AND AUDITOR'S REPORT**

225. A copy of every Financial Statement and the auditor's report and every other document required by law to be annexed or attached, as the case may be; to the balance sheet which is to be laid before the Company in General Meeting, shall be made available for inspection at the Registered Office of the Company during the working hours for a period of 21 days before the date of the meeting. A statement containing the salient features of such documents in the prescribed form or copies of the documents aforesaid as may be permitted by Section 136 of the Act and as the Company may deem fit, will be sent to every member of the Company and to every Trustees for the holders of any debentures issued by the Company, not less than 21 days before the meeting as laid down in Section 136 of the Act. Provided that it shall not be necessary to send copies of the documents aforesaid to:

- (a) to a member or holder of the debenture of the Company who is not entitled to have the notice of general meeting of the Company sent to him and whose address the Company is unaware;
- (b) to more than one of the joint holder of any shares or debentures some of whom are and some of whom are not entitled to have such notice sent to them, by those who are not so entitled.

### **A COPY OF THE FINANCIAL STATEMENT ETC. TO BE FILED WITH REGISTRAR**

226. After the Financial Statements have been laid before the Company at the annual general Meeting, a copy of the Financial Statement duly signed as provided under Section 137 of the Act together with a copy of all documents which are required to be annexed there shall be filed with the Registrar so far as the same be applicable to the Company.

### **RIGHT OF MEMBER TO COPIES OF AUDITED FINANCIAL STATEMENT**

227. (1) Without prejudice to the provisions of Section 101, a copy of the financial statements, including consolidated financial statements, if any, auditor's report and every other document required by law to be annexed or attached to the financial statements, which are to be laid before a company in its general meeting, shall be sent to every member of the company, to every trustee for the debenture-holder of any debentures issued by the company, and to all persons other than such member or trustee, being the person so entitled, not less than twenty-one days before the date of the meeting. The provisions of this clause shall be deemed to be complied with, if the copies of the documents are made available for inspection at its registered office during working hours for a period of twenty-one days before the date of the meeting and a statement containing the salient features of such documents in the prescribed form or copies of the documents, as the company may deem fit, is sent to every member of the company and to every trustee for the holders of any debentures issued by the company not less than twenty-one days before the date of the meeting unless the shareholders ask for full financial statements.
- The Central Government may prescribe the manner of circulation of financial statements of companies having such net worth and turnover as may be determined by Central Government and company shall also place its financial statements including consolidated financial statements, if any, and all other documents required to be attached thereto, on its website, which is maintained by or on behalf of the company.
- Provided also that every subsidiary or subsidiaries shall -
- (a) place separate audited accounts in respect of each of its subsidiary on its website, if any;
  - (b) provide a copy of separate audited financial statements in respect of each of its subsidiary, to any shareholder of the company who asks for it.
- (2) A company shall allow every member or trustee of the holder of any debentures issued by the company to inspect the documents stated under sub-clause (1) at its registered office during business hours.

### **ACCOUNTS TO BE AUDITED**

228. (1) Once at least in every year the accounts of the Company shall be examined by one or more Auditors who shall report to the shareholders as to whether the Balance Sheet reflects a true and fair view of the state of affairs of the Company as at that date and the Profit and Loss Account discloses a true and fair view of the profit and loss incurred by the Company during the year under review.
- (2) The appointment, remuneration, rights, powers & duties of the Company's Auditor shall be regulated in accordance with the provision of the Act.

### **APPOINTMENT OF AUDITORS**

229. (1) Auditors shall be appointed and their qualifications, rights and duties regulated in accordance with Section 139 to 143, 145 and 146 of the Act and rules made thereunder.



- (2) The Company shall, at the first annual general meeting, appoint an individual or a firm as an auditor who shall hold office from the conclusion of that meeting till the conclusion of its sixth annual general meeting and thereafter till the conclusion of every sixth meeting and the manner and procedure of selection of auditors by the members of the company at such meeting shall be according to the provisions of the Act.

Provided that the company shall place the matter relating to such appointment for ratification by members at every annual general meeting.

Provided further that before such appointment is made, the written consent of the auditor to such appointment, and a certificate from him or it that the appointment, if made, shall be in accordance with the conditions as may be determined by central government, shall be obtained from the auditor:

Provided also that the certificate shall also indicate whether the auditor satisfies the criteria provided in Section 141:

Provided also that the company shall inform the auditor concerned of his or its appointment, and also file a notice of such appointment with the Registrar within fifteen days of the meeting in which the auditor is appointed.

- (3) At any Annual General Meeting a retiring Auditor by whatsoever authority appointed shall be reappointed unless:

(a) he is not disqualified for re-appointment;

(b) he has not given the company a notice in writing of his unwillingness to be re-appointed; and

(c) a special resolution has not been passed at that meeting appointing some other auditor or providing expressly that he shall not be re-appointed.

- (4) The company shall not appoint or reappoint -

(a) an individual as auditor for more than one term of five consecutive years; and

(b) an audit firm as auditor for more than two terms of five consecutive years:

Provided that—

(i) an individual auditor who has completed his term under clause (a) shall not be eligible for re-appointment as auditor in the same company for five years from the completion of his term.

(ii) an audit firm which has completed its term under clause (b), shall not be eligible for re-appointment as auditor in the same company for five years from the completion of such term.

- (5) Where at any annual general meeting, no auditor is appointed or re-appointed, the existing auditor shall continue to be the auditor of the company.

## **POWER OF BOARD TO MODIFY FINAL ACCOUNTS**

230. Every Balance Sheet and Profit and Loss Account of the Company when audited and adopted by the Company in General Meeting shall be conclusive.

## **DOCUMENTS AND NOTICE**

### **SERVICES OF DOCUMENTS ON MEMBER BY COMPANY**

231. Save as provided in this Act or the rules made thereunder for filing of documents with the Registrar in electronic mode, a document may be served on Registrar or any member by sending it to him by post or by registered post or by speed post or by courier or by delivering at his office or address, or by such electronic or other mode as may be determined by Central Government:

Provided that a member may request for delivery of any document through a particular mode, for which he shall pay such fees as may be determined by the company in its annual general meeting.

### **SERVICE OF DOCUMENTS ON COMPANY**

232. A document may be served on a company or an officer thereof by sending it to the company or the officer at the registered office of the company by registered post or by speed post or by courier service or by leaving it at its registered office or by means of such electronic or other mode as may be determined by central government:

Provided that where securities are held with a depository, the records of the beneficial ownership may be served by such depository on the company by means of electronic or other mode.

#### **“Service of documents on the Company”**

233. 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 other mode in accordance with the Act and rules made thereunder.

#### **AUTHENTICATION OF DOCUMENTS AND PROCEEDINGS**

234. Save as otherwise expressly provided in the Act, the rules made thereunder and these Articles, a document or proceeding requiring authentication by a company; or contracts made by or on behalf of a company, may be signed by any key managerial personnel or an officer of the company duly authorized by the Board in this behalf.

### **REGISTERS AND DOCUMENTS**

#### **REGISTERS AND DOCUMENTS TO BE MAINTAINED BY THE COMPANY**

235. The Company shall keep and maintain registers, books and documents required by the Act or these Articles, including the following:
- (a) Register of investments made by the Company but not held in its own name, as required by Section 187(3) of the Act.
  - (b) Register of mortgages and charges as required by Section 85 of the Act.
  - (c) Register and index of Member and debenture holders as required by Section 88 of the Act.
  - (d) Register of contracts, with companies and firms in which Directors are interested as required by Section 189 of the Act.
  - (e) Register of Directors and key managerial personnel and their shareholding under Section 170 of the Act.
  - (f) Register of loans, guarantee, security and acquisition made by the company under Section 186 (9) of the Act.
  - (g) Copies of annual returns prepared under Section 92 of the Act together with the copies of certificates and documents required to be annexed thereto.

#### **MAINTENANCE AND INSPECTION OF DOCUMENTS IN ELECTRONIC FORM**

236. Without prejudice to any other provisions of this Act, any document, record, register, minutes, etc.,—
- (a) required to be kept by a company; or
  - (b) allowed to be inspected or copies to be given to any person by a company under this Act, may be kept or inspected or copies given, as the case may be, in electronic form in such form and manner as may be determined by the Central Government.

### **INDEMNITY**

237. 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.

### **WINDING UP**

#### **DISTRIBUTION OF ASSETS**



238. (a) If the Company shall be wound up, whether voluntarily or otherwise, the Liquidator may, with the sanction of a Special Resolution, divide amongst the contributories in specie or kind, any part of the assets of the Company and may, with the like sanction, vest any part of the assets of the Company in trustees upon such trusts for the benefit of the contributories or any of them, as the liquidator, with the like sanction, shall think fit.
- (b) If thought expedient any such division may subject to the provisions of the Act be otherwise than in accordance with the legal rights of the contributions (except where unalterably fixed by the Memorandum of Association and in particular any class may be given preferential or special rights or may be excluded altogether or in part but in case any division otherwise than in accordance with the legal rights of the contributories, shall be determined on any contributory who would be prejudicial thereby shall have a right to dissent and ancillary rights as if such determination were a Special Resolution passed pursuant to Section 319 of the Act.
- (c) In case any Shares to be divided as aforesaid involve a liability to calls or otherwise any person entitled under such division to any of the said Shares may within ten days after the passing of the Special Resolution by notice in writing direct the Liquidator to sell his proportion and pay him the net proceeds and the Liquidator shall, if practicable act accordingly.

#### **RIGHT OF SHAREHOLDERS IN CASE OF SALE**

239. A Special Resolution sanctioning a sale to any other Company duly passed pursuant to provisions of the Companies Act, 2013 may subject to the provisions of the Act in like manner as aforesaid determine that any Shares or other consideration receivable by the liquidator be distributed against the Members otherwise than in accordance with their existing rights and any such determination shall be binding upon all the Members subject to the rights of dissent and consequential rights conferred by the said sanction

#### **SECRECY CLAUSE**

240. No member or other person (not being a Director) shall be entitled to visit or inspect any property or premises or works of the Company without the permission of the Board or to require discovery of or any information respecting any detail of the Company's trading or any matter which is or may be in the nature of a trade secret, mystery of trade, secret process or any other matter which may relate to the conduct of the business of the Company and which in the opinion of the Board, it would be inexpedient in the interest of the Company to disclose Secrecy undertaking.
241. Every Director, Manager, Auditor, Treasurer, Trustee, Member of a Committee agents, officer, servant, accountant or other person employed in the business of the Company shall, when required, sign a declaration pledging himself to observe strict secrecy respecting all transactions of the Company with the customers and the state of accounts with individual and in matters relating thereto and shall by such declaration pledge himself not to reveal any of the matters which may come to his knowledge in the discharge of his duties, except when required so to do by the Board or by any meeting of the shareholders, if any or by a Court of Law the person to whom matters relate and except so far as may be necessary in order to comply with any of the provision in these present contained.

#### **KNOWLEDGE IMPLIED**

242. Each member of the Company, present and future, is to be deemed to join the Company with full knowledge of all the contents of these presents.

# **SUBSCRIBER PAGE**

## SECTION X – OTHER INFORMATION

### MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following contracts (not being contracts entered into in the ordinary course of business carried on by our Company or contracts entered into more than two (2) years before the date of filing of this Draft Prospectus) which are or may be deemed material have been entered or are to be entered into by our Company. These contracts, copies of which will be attached to the copy of the Prospectus will be delivered to the RoC for registration and also the documents for inspection referred to hereunder, may be inspected at the Registered Office of our Company from date of filing the Prospectus with RoC to Issue Closing Date on working days from 10.00 a.m. to 5.00 p.m.

#### **Material Contracts**

1. Memorandum of Understanding dated February 19, 2018 between our Company and the Lead Manager.
2. Agreement between the Bigshare Services Private Limited and our Company dated February 7, 2018 appointing them as the Registrar to the Issue.
3. Underwriting Agreement dated February 19, 2018 between our Company and Underwriter.
4. Market Making Agreement dated February 24, 2018 among our Company, Lead Manager and Market Maker.
5. Tripartite agreement among the NSDL, our Company and Registrar to the Issue dated February 20, 2018.
6. Tripartite agreement among the CDSL, our Company and Registrar to the Issue dated February 08, 2018.
7. Public Issue Account Agreement dated [●] among our Company, the Lead Manager, Banker to the Issue and Registrar to the Issue.

#### **Material Documents**

1. Certified true copy of the Memorandum and Articles of Association of our Company, as amended from time to time.
2. Certificate of Incorporation dated October 18, 1994.
3. Fresh certificate of incorporation consequent upon change of name on conversion to public limited company issued to our Company by the Registrar of Companies, MP & Chhattisgarh on December 09, 2009.
4. Copy of the resolution passed at the meeting of the Board of Directors held on January 10, 2018 authorizing the Issue.
5. Special Resolution of the Shareholders passed at the Extraordinary General Meeting dated February 05, 2018 authorizing the Issue.
6. Statement of Special Tax Benefits dated February 19, 2018, issued by our Independent Peer Reviewed Auditor, Mittal & Associates, Chartered Accountants.
7. Report of the Independent Peer Reviewed Auditor Mittal & Associates, Chartered Accountants dated February 19, 2018, on the Restated Financial Statements for the financial year ended March 31, 2013, 2014, 2015, 2016, 2017 and for the period ended September 30, 2017 of our Company.
8. Copy of Certificate from the Statutory Auditor, Agrawal & Pansari, Chartered Accountants dated February 22, 2018 regarding the source and deployment of funds as on February 22, 2018.
9. Copy of annual reports of our Company for Fiscal 2013, Fiscal 2014, Fiscal 2015, Fiscal 2016 and Fiscal 2017 of our Company.
10. Consents of Directors, Chief Financial Officer, Company Secretary and Compliance Officer, Statutory Auditor, Independent Peer Review Auditor, Legal Advisor to the Issue, Banker to our Company, the Lead Manager, Registrar to the Issue, Underwriter, Market Maker, Banker to the Issue, Lender to our Company, to act in their respective capacities.

11. Consent of Independent Peer Reviewed Auditor, Mittal & Associates, Chartered Accountants to include its name as required under Section 26(1)(a)(v) of the Companies Act, 2013 in this Draft Prospectus and as an “Expert” as defined under Section 2(38) of the Companies Act, 2013 in respect of the reports of the Auditor on the restated financial information dated February 19, 2018, and statement of special tax benefits dated January 19, 2018.
12. Copy of approval from BSE *vide* letter dated [●], to use the name of BSE in this document for listing of Equity Shares on SME Platform of BSE.
13. Due Diligence Certificate dated March 01, 2018 from the Lead Manager to BSE.
14. Due Diligence Certificate dated [●] from the Lead Manager to SEBI.

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, with reference to the shareholders subject to compliance of the provisions contained in the Companies Act and other relevant statutes.

## DECLARATION

We, the undersigned, hereby declare that, all the relevant provisions of the Companies Act, and the guidelines issued by the Government of India or the guidelines and regulations issued by the Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Draft Prospectus is contrary to the provisions of the Companies Act, the Securities Contracts (Regulation) Act, 1956 and the Securities and Exchange Board of India Act, 1992 or rules made there under or regulations or guidelines 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 all the Directors of Orissa Bengal Carrier Limited**

<b>Name and designation</b>	<b>Signature</b>
<b>Ratan Kumar Agrawal</b> <i>Managing Director</i>	Sd/-
<b>Manoj Kumar Agrawal</b> <i>Executive Director</i>	Sd/
<b>Shakuntala Devi Agrawal</b> <i>Non-Executive Director</i>	Sd/
<b>Sahil Batra</b> <i>Independent Director</i>	Sd/
<b>Raj Kumar Jain</b> <i>Independent Director</i>	Sd/

**Signed by the – Chief Financial Officer and Company Secretary & Compliance Officer of the Company**

Sd/-  
**Akshay Agrawal**  
*Chief Financial Officer*

Sd/-  
**Pooja Jain**  
*Company Secretary & Compliance Officer*

Place: Raipur, Chhattisgarh  
Date: March 1, 2018